

CHAPTER 270—H.F.No. 3302

An act relating to local government; modifying municipal and county planning and zoning provisions; providing standards for preliminary plat approval in a proposed development; modifying municipal boundary adjustment provisions; permitting certain nonconformities; establishing a municipal boundary adjustment task force; requiring a report; making certain funds available to the task force; amending Minnesota Statutes 2004, sections 204B.14, subdivision 5; 394.25, subdivision 7; 394.36, subdivision 1, by adding subdivisions; 414.01, subdivision 1a; 414.02, by adding a subdivision; 414.031, subdivision 4, by adding a subdivision; 414.0325, subdivision 1, by adding a subdivision; 414.033, subdivisions 2, 12; 414.036; 414.061, subdivision 5; 462.358, subdivision 3b; proposing coding for new law in Minnesota Statutes, chapter 414.

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

ARTICLE 1

MUNICIPAL AND COUNTY PLANNING AND ZONING PROVISIONS

Section 1. Minnesota Statutes 2004, section 204B.14, subdivision 5, is amended to read:

Subd. 5. **Precinct boundaries; description; maps.** ~~When~~If a precinct boundary has been changed; or an annexation has occurred affecting a precinct boundary, the municipal clerk shall immediately notify the county auditor and secretary of state. The municipal clerk shall file a corrected base map with the secretary of state and county auditor within 30 days after the boundary change was made or, in the case of an annexation, the later of: (1) 30 days after the approval of the annexation order; or (2) the effective date of the annexation order. Upon request, the ~~secretary of state~~ county auditor shall provide a base map and precinct finder to the municipal clerk. ~~The secretary of state shall update the precinct boundary database, prepare a corrected precinct map, and provide the corrected precinct map to the county auditor and the municipal clerk who shall make them available for public inspection.~~ The municipal clerk shall prepare a corrected precinct map and provide the corrected map to the county auditor, who shall correct the precinct finder in the statewide voter registration system and make the corrected map and precinct finder available for public inspection, and to the secretary of state, who shall update the precinct boundary database. The county auditor shall prepare and file precinct boundary maps for precincts in unorganized territories in the same manner as provided for precincts in municipalities. For every election held in the municipality the election judges shall be furnished precinct maps as provided in section 201.061, subdivision 6. If a municipality changes the boundary of an election precinct, or if an annexation affecting a precinct boundary occurs, the county auditor shall notify each school district with territory affected by the boundary change at least 30 days before the effective date of the change.

Sec. 2. Minnesota Statutes 2004, section 394.25, subdivision 7, is amended to read:

Subd. 7. **Specific controls; other subjects.** (a) Specific controls pertaining to other subjects incorporated in the comprehensive plan or establishing standards and procedures to be employed in land development including, but not limited to, subdividing of land and the approval of land plats and the

preservation and dedication of streets and land for other public purposes and the general design of physical improvement.

(b) A county must approve a preliminary plat that meets the applicable standards and criteria contained in the county's zoning and subdivision regulations unless the county adopts written findings based on a record from the public proceedings why the application shall not be approved.

~~(b)~~ (c) The controls may require that a portion of any proposed subdivision be dedicated to the public or preserved for public use as parks, recreational facilities, playgrounds, trails, wetlands, or open space. The requirement must be imposed by ordinance.

~~(c)~~ (d) If a county adopts the ordinance required by paragraph ~~(b)~~ (c), the county must adopt a capital improvement program and adopt a parks and open space plan or have a parks, trails, and open space component in its comprehensive plan subject to the terms and conditions in this paragraph and in paragraphs ~~(d)~~ (e) through ~~(p)~~ (p).

~~(d)~~ (e) The county may choose to accept a per lot cash fee as set by ordinance from the applicant for some or all of the new lots created in the subdivision.

~~(e)~~ (f) In establishing the portion to be dedicated or preserved or the per lot cash fee, the controls must consider the open space, park, recreational, or common areas and facilities that the applicant proposes to reserve for the subdivision.

~~(f)~~ (g) The county must reasonably determine that it will need to acquire that portion of land for the purposes stated in this subdivision as a result of approval of the subdivision.

~~(g)~~ (h) The fees or dedication must be fair, reasonable, and proportionate to the need created.

~~(h)~~ (i) Any cash payments received must be placed by the county in a special fund to be used only for the purposes for which the money was obtained.

~~(i)~~ (j) Any cash payments received must be used only for the acquisition and development or improvement of parks, recreational facilities, playgrounds, trails, wetlands, or open space. Cash payments must not be used for ongoing operation, maintenance, or redevelopment of parks, recreational facilities, playgrounds, trails, wetlands, or open space.

~~(j)~~ (k) The county must not deny the approval of a subdivision based on an inadequate supply of parks, open spaces, trails, or recreational areas within the county.

~~(k)~~ (l) The county must not condition the approval of any proposed subdivision or development on an agreement to waive the right to challenge the validity of a fee or dedication.

~~(l)~~ (m) The county must use at least 75 percent of the funds collected under this subdivision according to the plan required in paragraph ~~(c)~~ (d) in the township or city where the collection of funds occurs. However, the township board or city council may agree to allow the county to use these funds outside of the township or city in a manner consistent with the county parks, trails, and open space capital improvement plan or the county parks and open space component in its comprehensive plan. The remainder of the funds may be used by the county only for parks and trails connectivity and accessibility purposes. The county must annually report to cities and townships on where funds were collected and where funds were expended in the past year.

~~(m)~~ (n) Previously subdivided property from which a park dedication has been received, being resubdivided with the same number of lots, is exempt from park dedication requirements. If, as a result of resubdividing the property, the number of lots is increased, then the park dedication or per lot cash fee must apply only to the net increase of lots.

~~(m)~~ (o) A county must not require a dedication of a portion of a proposed subdivision or a payment in lieu of dedication in a town or city that has adopted a requirement to dedicate or a payment in place of dedication as a provision of the town or city's subdivision regulations under section 462.358, subdivision 2b, or chapter 366.

~~(n)~~ (p) A county may negotiate an agreement with a town or city to share the revenue generated by dedicating a portion of a proposed subdivision or a payment in place of dedication.

Sec. 3. Minnesota Statutes 2004, section 394.36, subdivision 1, is amended to read:

Subdivision 1. **Continuous or it ends.** Except as provided in subdivision 2, 3, or 4, any nonconformity, including the lawful use or occupation of land or premises existing at the time of the adoption of an official control hereunder under this chapter, may be continued, except as regulated, terminated or acquired by the board as provided in subdivisions 2 or 3, although such use or occupation does not conform to the provisions thereof, but although the use or occupation does not conform to the official control. If such the nonconformity or occupancy is discontinued for a period of more than one year, or any nonconforming building or structure is destroyed by fire or other peril to the extent of 50 percent of its market value, any subsequent use or occupancy of the land or premises shall be a conforming use or occupancy.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from August 1, 2004.

Sec. 4. Minnesota Statutes 2004, section 394.36, is amended by adding a subdivision to read:

Subd. 1b. Designated floodplains. Notwithstanding subdivision 1, a county shall regulate the repair, replacement, maintenance, improvement, or expansion of nonconforming uses and structures in floodplain areas to the extent necessary to maintain eligibility in the National Flood Insurance Program and not increase flood damage potential or increase the degree of obstruction to flood flows in the floodway.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from August 1, 2004.

Sec. 5. Minnesota Statutes 2004, section 394.36, is amended by adding a subdivision to read:

Subd. 4. Nonconformities; certain classes of property. This subdivision applies to homestead and nonhomestead residential real estate and seasonal residential real estate occupied for recreational purposes. A nonconformity, including the lawful use or occupation of land or premises existing at the time of the adoption of an official control under this chapter, may be continued, including through repair, replacement, restoration, maintenance, or improvement, but not including expansion. If the nonconformity or occupancy is discontinued for a period of more than one year, or any nonconforming building or structure is destroyed by fire or other peril to the extent of 50 percent of its market value, and no building permit has been applied for within 180 days of when the property is damaged, any subsequent use or occupancy of the land or premises must be a conforming use or occupancy. If a nonconforming building or structure is destroyed by fire or other peril to the extent of 50 percent of its market value, the board may impose reasonable conditions upon a building permit in order to mitigate any newly created impact on adjacent property.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from August 1, 2004. For nonconforming property to which this section applies that was destroyed by fire or other peril during the period from August 1, 2004, to the effective date of this section, the 180-day time limit to apply for a building permit begins on the effective date of this section.

Sec. 6. Minnesota Statutes 2004, section 462.358, subdivision 3b, is amended to read:

Subd. 3b. **Review procedures.** The regulations shall include provisions regarding the content of applications for proposed subdivisions, the preliminary and final review and approval or disapproval of applications, and the coordination of such reviews with affected political subdivisions and state agencies. Subdivisions including lands abutting upon any existing or proposed trunk highway, county road or highway, or county state-aid highway shall also be subject to review. The regulations may provide for the consolidation of the preliminary and final review and approval or disapproval of subdivisions. Preliminary or final approval may be granted or denied for parts of subdivision applications. The regulations may delegate the authority to review proposals to the planning commission, but final approval or disapproval shall be the decision of the governing body of the municipality unless otherwise provided by law or charter. A municipality must approve a preliminary plat that meets the applicable standards and criteria contained in the municipality's zoning and subdivision regulations unless the municipality adopts written findings based on a record from the public proceedings why the application shall not be approved. The regulations shall require that a public hearing shall be held on all subdivision applications prior to preliminary approval, unless otherwise provided by law or charter. The hearing shall be held following publication of notice of the time and place thereof in the official newspaper at least ten days before the day of the hearing. At the hearing, all persons interested shall be given an opportunity to make presentations. A subdivision application shall be preliminarily approved or disapproved within 120 days following delivery of an application completed in compliance with the municipal ordinance by the applicant to the municipality, unless an extension of the review period has been agreed to by the applicant. When a division or subdivision to which the regulations of the municipality do not apply is presented to the city, the clerk of the municipality shall within ten days certify that the subdivision regulations of the municipality do not apply to the particular division.

If the municipality or the responsible agency of the municipality fails to preliminarily approve or disapprove an application within the review period, the application shall be deemed preliminarily approved, and upon demand the municipality shall execute a certificate to that effect. Following preliminary approval the applicant may request final approval by the municipality, and upon such request the municipality shall certify final approval within 60 days if the applicant has complied with all conditions and requirements of applicable regulations and all conditions and requirements upon which the preliminary approval is expressly conditioned either through performance or the execution of appropriate agreements assuring performance. If the municipality fails to certify final approval as so required, and if the applicant has complied with all conditions and requirements, the application shall be deemed finally approved, and upon demand the municipality shall execute a certificate to that effect. After final approval a subdivision may be filed or recorded.

ARTICLE 2

MUNICIPAL BOUNDARY ADJUSTMENT

Section 1. MUNICIPAL BOUNDARY ADJUSTMENT ADVISORY TASK FORCE ESTABLISHED.

Subdivision 1. **Membership.** An advisory task force on municipal boundary adjustments is established to study and make recommendations on what, if any, changes should be made to the law governing municipal boundary adjustments. The task force shall develop recommendations regarding best practices annexation training for city and township officials to better communicate and jointly plan potential annexations. The task force is comprised of the following members:

(1) two members of the senate, one appointed by the majority leader and one appointed by the minority leader;

(2) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;

(3) three representatives of city interests, appointed by the League of Minnesota Cities in consultation with the Association of Metropolitan Municipalities, the Coalition of Greater Minnesota Cities, and the Minnesota Association of Small Cities;

(4) three representatives of township interests, appointed by the Minnesota Association of Townships;
and

(5) one person appointed jointly by the senate majority leader and the speaker of the house of representatives to serve as chair of the task force, selected based on knowledge and experience in municipal boundary adjustment issues and who could serve without bias towards either side of the issue of annexation.

All appointing authorities shall provide for balance of geographic areas of the state and city and town interests.

Subd. 2. **Report by January 2007.** The task force shall report its recommendations to the chairs and members of the house of representatives and senate committees with jurisdiction over municipal boundary adjustments by January 1, 2007. The task force shall also provide a copy of its recommendations to the Legislative Reference Library.

Subd. 3. **Funds available.** Any funds remaining in the committee budgets for the house local government committee or the senate state and local government operations committee as of the 2006 adjournment of the legislature will be available to pay for the administrative expenses of the task force, including per diems and expenses of members and the services of a facilitator from the management analysis division of the Department of Administration.

Sec. 2. Minnesota Statutes 2004, section 414.01, subdivision 1a, is amended to read:

Subd. 1a. **Legislative findings.** The legislature finds that:

(1) sound urban development and preservation of agricultural land and open spaces through land use planning is essential to the continued economic growth of this state;

(2) municipal government most efficiently provides governmental services in areas intensively developed for residential, commercial, industrial, and governmental purposes; and township government most efficiently provides governmental services in areas used or developed for agricultural, open space, and rural residential purposes;

(3) the public interest requires that municipalities be formed when there exists or will likely exist the necessary resources to provide for their economical and efficient operation;

(4) annexation to existing municipalities of unincorporated areas unable to supply municipal services should be facilitated; and

~~(5) the consolidation of municipalities should be encouraged.~~ long-range joint powers planning or other cooperative efforts among counties, cities, and towns should be encouraged.

Sec. 3. Minnesota Statutes 2004, section 414.02, is amended by adding a subdivision to read:

Subd. 1a. **Notice of intent to incorporate.** At least 30 days before submitting to the director the petition or resolution under this section, the township must serve the clerk of each municipality and each township that is contiguous to the township by certified mail a notice of the township's intent to incorporate.

Sec. 4. Minnesota Statutes 2004, section 414.031, is amended by adding a subdivision to read:

Subd. 1a. **Notice of intent to annex.** At least 30 days before submitting to the director a petition or resolution under this section, the municipality must serve the township clerk of the affected township by certified mail a notice of the municipality's intent to annex property within the township. The notice must clearly identify the boundaries of the area proposed to be annexed.

Sec. 5. Minnesota Statutes 2004, section 414.031, subdivision 4, is amended to read:

Subd. 4. **Relevant factors, order.** (a) In arriving at a decision, the director shall consider the following sources and factors:

(1) recordings and public documents from joint informational meetings under section 414.0333 relevant to other factors listed in this subdivision;

~~(1)~~(2) present population and number of households, past population and projected population growth of the annexing municipality and subject area and adjacent units of local government;

~~(2)~~(3) quantity of land within the subject area and adjacent units of local government; and natural terrain including recognizable physical features, general topography, major watersheds, soil conditions and such natural features as rivers, lakes and major bluffs;

~~(3)~~(4) degree of contiguity of the boundaries between the annexing municipality and the subject area;

~~(4)~~(5) present pattern of physical development, planning, and intended land uses in the subject area and the annexing municipality including residential, industrial, commercial, agricultural and institutional land uses and the impact of the proposed action on those land uses;

~~(5)~~(6) the present transportation network and potential transportation issues, including proposed highway development;

~~(6)~~(7) land use controls and planning presently being utilized in the annexing municipality and the subject area, including comprehensive plans for development in the area and plans and policies of the Metropolitan Council, and whether there are inconsistencies between proposed development and existing land use controls and the reasons therefore;

~~(7)~~(8) existing levels of governmental services being provided in the annexing municipality and the subject area, including water and sewer service, fire rating and protection, law enforcement, street improvements and maintenance, administrative services, and recreational facilities and the impact of the proposed action on the delivery of said services;

(9) the implementation of previous annexation agreements and orders;

~~(8)~~(10) existing or potential environmental problems and whether the proposed action is likely to improve or resolve these problems;

~~(9)~~(11) plans and programs by the annexing municipality for providing needed and enhanced governmental services to the subject area in a cost-effective and feasible manner within a reasonable time from the date of the annexation;

~~(10)~~(12) an analysis of the fiscal impact on the annexing municipality, the subject area, and adjacent units of local government, including net tax capacity and the present bonded indebtedness, and the local tax rates of the county, school district, and township;

~~(11)~~(13) relationship and effect of the proposed action on affected and adjacent school districts and communities;

~~(12)~~(14) adequacy of town government to deliver services to the subject area;

~~(13)~~ (15) analysis of whether necessary governmental services can best be provided through the proposed action or another type of boundary adjustment; and

~~(14)~~ (16) if only a part of a township is annexed, the ability of the remainder of the township to continue or the feasibility of it being incorporated separately or being annexed to another municipality.

(b) Based upon the factors, the director may order the annexation on finding:

(1) that the subject area is now, or is about to become, urban or suburban in character;

(2) that municipal government in the area proposed for annexation is required to protect the public health, safety, and welfare; or

(3) that the annexation would be in the best interest of the subject area.

(c) If only a part of a township is to be annexed, the director shall consider whether the remainder of the township can continue to carry on the functions of government without undue hardship.

(d) The director shall deny the annexation on finding that the increase in revenues for the annexing municipality bears no reasonable relation to the monetary value of benefits conferred upon the annexed area.

(e) The director may deny the annexation on finding:

(1) that annexation of all or a part of the property to an adjacent municipality would better serve the interests of the residents of the property; or

(2) that the remainder of the township would suffer undue hardship.

(f) The director may alter the boundaries of the area to be annexed by increasing or decreasing the area so as to include only that property which is now or is about to become urban or suburban in character or to add property of such character abutting the area proposed for annexation in order to preserve or improve the symmetry of the area, or to exclude property that may better be served by another unit of government.

(g) The director may also alter the boundaries of the proposed annexation so as to follow visible, clearly recognizable physical features.

(h) If the director determines that part of the area would be better served by another municipality or township, the director may initiate and approve annexation by conducting further hearings and issuing orders pursuant to subdivisions 3 and 4.

(i) In all cases, the director shall set forth the factors which are the basis for the decision.

Sec. 6. Minnesota Statutes 2004, section 414.0325, subdivision 1, is amended to read:

Subdivision 1. **Initiating the proceeding.** (a) One or more townships and one or more municipalities, by joint resolution, may designate an unincorporated area as in need of orderly annexation. One or more municipalities, by joint resolution with the county, may designate an unincorporated area in which there is no organized township government as in need of orderly annexation.

(b) The joint resolution will confer jurisdiction on the director over annexations in the designated area and over the various provisions in said agreement by submission of said joint resolution to the director.

(c) The resolution shall include a description of the designated area and the reasons for designation.

(d) Thereafter, an annexation of any part of the designated area may be initiated by:

(1) submitting to the director a resolution of any signatory to the joint resolution; or

(2) the director.

(e) Whenever a state agency, other than the pollution control agency, orders a municipality to extend a municipal service to an area, the order confers jurisdiction on the director to consider designation of the area for orderly annexation.

(f) If a joint resolution designates an area as in need of orderly annexation and states that no alteration of its stated boundaries is appropriate, the director may review and comment, but may not alter the boundaries.

(g) If a joint resolution designates an area as in need of orderly annexation, provides for the conditions for its annexation, and states that no consideration by the director is necessary, the director may review and comment, but shall, within 30 days, order the annexation in accordance with the terms of the resolution.

Sec. 7. Minnesota Statutes 2004, section 414.0325, is amended by adding a subdivision to read:

Subd. 1b. **Notice of intent to designate an area.** At least ten days before the municipality or township adopts an orderly annexation agreement, a notice of the intent to include property in an orderly annexation area must be published in a newspaper of general circulation in both the township and municipality. The notice must clearly identify the boundaries of the area proposed to be included in the orderly annexation agreement and the date, time, and place of the public informational meeting to be held as provided in section 414.0333. The cost of providing notice must be equally divided between the municipality and the township, unless otherwise agreed upon by the municipality and the township.

Sec. 8. Minnesota Statutes 2004, section 414.033, subdivision 2, is amended to read:

Subd. 2. **Conditions.** 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;

(3) the land abuts the municipality and the area to be annexed is ~~60~~ 120 acres or less, and the area to be annexed is not presently served by public ~~sewer~~ wastewater facilities or public ~~sewer~~ wastewater facilities are not otherwise available, and the municipality receives a petition for annexation from all the property owners of the land. Except as provided for by an orderly annexation agreement, the director must not accept a petition from a property owner for more than one annexation per year of property contiguous to the parcel previously annexed under this clause; 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.

EFFECTIVE DATE. This section is effective until July 1, 2007.

Sec. 9. Minnesota Statutes 2004, section 414.033, subdivision 12, is amended to read:

Subd. 12. **Property taxes.** When a municipality annexes land under subdivision 2, clause (2), (3), or (4), 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. If the annexation becomes effective on or before August 1 of a levy year, the municipality may levy on the annexed area beginning with that same levy year. If the annexation becomes effective after August 1 of a levy year, the town may continue to levy on the annexed area for that levy year, and the municipality may not levy on the annexed area until the following levy year. ~~In the first year following the year when the municipality could first levy on the annexed area under this subdivision, and thereafter, property taxes on the annexed land shall be paid to the municipality. In the first year following the year the municipality could first levy on the annexed area, the municipality shall~~

~~make a cash payment to the affected town or towns in an amount equal to 90 percent of the property taxes distributed to the town in regard to the annexed area in the last year the property taxes from the annexed area were payable to the town, in the second year, an amount equal to 70 percent, in the third year, an amount equal to 50 percent, in the fourth year, an amount equal to 30 percent, and in the fifth year, an amount equal to ten percent. The municipality and the affected township may agree to a different payment.~~

Sec. 10. **[414.0333] JOINT INFORMATIONAL MEETING.**

There must be a joint informational meeting of the municipal council of the annexing municipality and the town board of supervisors of the township containing the land proposed to be annexed or included in annexation proceedings under section 414.031. For an annexation under section 414.031, the joint information meeting must be held after the final mediation meeting or the final meeting held pursuant to section 414.01, subdivision 16, if any, and before the hearing on the matter is held. If no mediation meetings are held, the joint informational meeting must be held after the initiating documents have been filed and before the hearing on the matter. The time, date, and place of the public informational meeting must be determined jointly by the chair of the town board of supervisors and the mayor of the annexing municipality. The chair of the town board of supervisors and the mayor must serve as the cochairs for the informational meeting. Notice of the time, date, place, and purpose of the informational meeting must be posted by the town clerk in the township's designated place for posting notices, and by the municipal clerk in the municipality's designated place for posting notices. A joint notice shall be published in a newspaper of general circulation within both the municipality and the township. All notice required by this section must be provided at least ten days before the date for the public informational meeting. At the public informational meeting, all persons appearing must have an opportunity to be heard. The municipal council, the town board of supervisors, and any resident or affected property owner may be represented by counsel and introduce evidence including, but not limited to, expert testimony into the record of the informational meeting. The clerk of the township must record minutes of the proceedings of the informational meeting and the municipal clerk must make an audio recording of the informational meeting. The township must provide the director and the municipality with a copy of the printed minutes and the municipality must provide the director and the township with a copy of the audio recording. The record of the informational meeting for a proceeding under section 414.031 is admissible in any proceeding under this chapter and shall be taken into consideration by the director or the director's designee.

Sec. 11. Minnesota Statutes 2004, section 414.036, is amended to read:

414.036 CITY REIMBURSEMENT TO TOWN TO ANNEX TAXABLE PROPERTY.

Unless otherwise agreed to by the annexing municipality and the affected town, when an order or other approval under ~~section 414.0325~~ this chapter annexes part of a town to a municipality, the ~~orderly annexation agreement between the town and municipality may~~ order or other approval must provide a reimbursement from the municipality to the town for all or part of the taxable property annexed as part of the order. The reimbursement shall be completed in substantially equal payments over not less than two nor more than ~~six~~ eight years from the time of annexation. The municipality must reimburse the township for all special assessments assigned by the township to the annexed property, and any portion of debt incurred by the town prior to the annexation and attributable to the property to be annexed but for which no special assessments are outstanding, in substantially equal payments over a period of not less than two or no more than eight years.

Sec. 12. Minnesota Statutes 2004, section 414.061, subdivision 5, is amended to read:

Subd. 5. **Property owners may initiate.** 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 director accompanied by a resolution of the city council

of ~~at least one~~ each of the affected municipalities. The director shall conduct hearings and issue an order pursuant to section 414.09. In arriving at a decision, the director shall consider the factors in section 414.02, subdivision 3. The director shall order the proposed action on finding that it will be for the best interests of the municipalities and the property owner. In all cases, the director shall set forth the factors which are the basis for the decision.

Sec. 13. **EFFECTIVE DATE.**

Section 8 is effective until July 1, 2007.

Presented to the governor May 22, 2006

Signed by the governor May 31, 2006, 10:55 p.m.