SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 423

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DATE	D-PG	OFFICIAL STATUS
02/13/2013	215	Introduction and first reading Referred to Environment and Energy
03/06/2013	582a	Comm report: To pass as amended and re-refer to Judiciary
03/13/2013	946a	Comm report: To pass as amended and re-refer to State and Local Government
03/14/2013	1006	Comm report: To pass and re-referred to Finance

A bill for an act

relating to environment; authorizing certain expenditures from clean water fund; modifying reporting requirements; modifying Petroleum Tank Release Cleanup Act; providing for wastewater laboratory certification; providing for sanitary districts; repealing obsolete rules; appropriating money; amending Minnesota Statutes 2012, sections 114D.50, subdivision 4; 115A.1320, subdivision 1; 115B.20, subdivision 6; 115B.28, subdivision 1; 115C.02, subdivision 4; 115C.08, subdivision 4, by adding a subdivision; 115D.10; 116.48, subdivision 6; 275.066; 473.846; proposing coding for new law in Minnesota Statutes, chapter 115; proposing coding for new law as Minnesota Statutes, chapter 442A; repealing Minnesota Statutes 2012, sections 115.18, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10; 115.19; 115.20; 115.21; 115.22; 115.23; 115.24; 115.25; 115.26; 115.27; 115.28; 115.29; 115.30; 115.31; 115.32; 115.33; 115.34; 115.35; 115.36; 115.37; Minnesota Rules, parts 7021.0010, subparts 1, 2, 4, 5; 7021.0020; 7021.0030; 7021.0040; 7021.0050, subpart 5; 9210.0300; 9210.0310; 9210.0320; 9210.0330; 9210.0340; 9210.0350; 9210.0360; 9210.0370; 9210.0380; 9220.0530, subpart 6.

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

ARTICLE 1

ENVIRONMENTAL POLICY

Section 1. Minnesota Statutes 2012, section 114D.50, subdivision 4, is amended to read:

Subd. 4. **Expenditures; accountability.** (a) A project receiving funding from the clean water fund must meet or exceed the constitutional requirements to protect, enhance, and restore water quality in lakes, rivers, and streams and to protect groundwater and drinking water from degradation. Priority may be given to projects that meet more than one of these requirements. A project receiving funding from the clean water fund shall include measurable outcomes, as defined in section 3.303, subdivision 10, and a plan for measuring and evaluating the results. A project must be consistent with current science and incorporate state-of-the-art technology.

(b) Money from the clean water fund shall be expended to balance the benefits across all regions and residents of the state.

(c) A state agency or other recipient of a direct appropriation from the clean water fund must compile and submit all information for proposed and funded projects or programs, including the proposed measurable outcomes and all other items required under section 3.303, subdivision 10, to the Legislative Coordinating Commission as soon as practicable or by January 15 of the applicable fiscal year, whichever comes first. The Legislative Coordinating Commission must post submitted information on the Web site required under section 3.303, subdivision 10, as soon as it becomes available. Information classified as not public under section 13D.05, subdivision 3, paragraph (d), is not required to be placed on the Web site.

(d) Grants funded by the clean water fund must be implemented according to section 16B.98 and must account for all expenditures. Proposals must specify a process for any regranting envisioned. Priority for grant proposals must be given to proposals involving grants that will be competitively awarded.

(e) Money from the clean water fund may only be spent on projects that benefit Minnesota waters.

(f) When practicable, a direct recipient of an appropriation from the clean water fund shall prominently display on the recipient's Web site home page the legacy logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the Web site must direct the person to a Web page that includes both the contact information that a person may use to obtain additional information, as well as a link to the Legislative Coordinating Commission Web site required under section 3.303, subdivision 10.

(g) Future eligibility for money from the clean water fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law.

(h) Money from the clean water fund may be used to leverage federal funds through execution of formal project partnership agreements with federal agencies consistent with respective federal agency partnership agreement requirements.

Sec. 2. **[115.84] WASTEWATER LABORATORY CERTIFICATION.**

Subdivision 1. **Wastewater laboratory certification required.** (a) Laboratories performing wastewater or water analytical laboratory work, the results of which are reported to the agency to determine compliance with a national pollutant discharge

elimination system (NPDES) permit condition or other regulatory document, must be certified according to this section.

(b) This section does not apply to:

(1) laboratories that are private and for-profit;

(2) laboratories that perform drinking water analyses; or

(3) laboratories that perform remediation program analyses, such as Superfund or petroleum analytical work.

(c) Until adoption of rules under subdivision 2, laboratories required to be certified under this section and submitting data to the agency must register by submitting registration information required by the agency or be certified or approved by a recognized certification authority, as required by agency programs.

Subd 2. **Rules.** The agency may adopt rules to govern certification of laboratories according to this section. Notwithstanding section 16A.1283, the agency may adopt rules establishing fees.

Subd. 3. **Fees.** (a) Until the agency adopts a rule establishing fees for certification, the agency shall collect fees in amounts necessary to cover the reasonable costs of the certification program, including reviewing applications, issuing certifications, and conducting audits and compliance assistance.

(b) Fees under this section must be based on the number, type, and complexity of analytical methods that laboratories are certified to perform.

(c) Revenue from fees charged by the agency for certification shall be credited to the environmental fund.

Subd. 4. **Enforcement.** (a) The commissioner may deny, suspend, or revoke wastewater laboratory certification for, but is not limited to, any of the following reasons: fraud, failure to follow applicable requirements, failure to respond to documented deficiencies or complete corrective actions necessary to address deficiencies, failure to pay certification fees, or other violations of federal or state law.

(b) This section and the rules adopted under it may be enforced by any means provided in section 115.071.

Sec. 3. Minnesota Statutes 2012, section 115A.1320, subdivision 1, is amended to read:

Subdivision 1. **Duties of the agency.** (a) The agency shall administer sections 115A.1310 to 115A.1330.

(b) The agency shall establish procedures for:

(1) receipt and maintenance of the registration statements and certifications filed with the agency under section 115A.1312; and

(2) making the statements and certifications easily available to manufacturers, retailers, and members of the public.

(c) The agency shall annually review the value of the following variables that are part of the formula used to calculate a manufacturer's annual registration fee under section 115A.1314, subdivision 1:

(1) the proportion of sales of video display devices sold to households that manufacturers are required to recycle;

(2) the estimated per-pound price of recycling covered electronic devices sold to households;

(3) the base registration fee; and

(4) the multiplier established for the weight of covered electronic devices collected in section 115A.1314, subdivision 1, paragraph (d). If the agency determines that any of these values must be changed in order to improve the efficiency or effectiveness of the activities regulated under sections 115A.1312 to 115A.1330, the agency shall submit recommended changes and the reasons for them to the chairs of the senate and house of representatives committees with jurisdiction over solid waste policy.

(d) By January 15 each year, beginning in 2008, the agency shall calculate estimated sales of video display devices sold to households by each manufacturer during the preceding program year, based on national sales data, and forward the estimates to the department.

(e) The agency shall provide a report to the governor and the legislature on the implementation of sections 115A.1310 to 115A.1330. For each program year, the report must discuss the total weight of covered electronic devices recycled and a summary of information in the reports submitted by manufacturers and recyclers under section 115A.1316. The report must also discuss the various collection programs used by manufacturers to collect covered electronic devices; information regarding covered electronic devices that are being collected by persons other than registered manufacturers, collectors, and recyclers; and information about covered electronic devices, if any, being disposed of in landfills in this state. The report must include a description of enforcement actions under sections 115A.1310 to 115A.1330. The agency may include in its report other information received by the agency regarding the implementation of sections 115A.1312 to 115A.1330. The report must be done in conjunction with the report required under section ~~115D.10~~ 115A.121.

(f) The agency shall promote public participation in the activities regulated under sections 115A.1312 to 115A.1330 through public education and outreach efforts.

(g) The agency shall enforce sections 115A.1310 to 115A.1330 in the manner provided by sections 115.071, subdivisions 1, 3, 4, 5, and 6; and 116.072, except for those

provisions enforced by the department, as provided in subdivision 2. The agency may revoke a registration of a collector or recycler found to have violated sections 115A.1310 to 115A.1330.

(h) The agency shall facilitate communication between counties, collection and recycling centers, and manufacturers to ensure that manufacturers are aware of video display devices available for recycling.

(i) The agency shall develop a form retailers must use to report information to manufacturers under section 115A.1318 and post it on the agency's Web site.

(j) The agency shall post on its Web site the contact information provided by each manufacturer under section 115A.1318, paragraph (e).

Sec. 4. Minnesota Statutes 2012, section 115B.20, subdivision 6, is amended to read:

Subd. 6. **Report to legislature.** ~~Each year~~ By January 31 of each odd-numbered year, the commissioner of agriculture and the agency shall submit to the senate Finance Committee, the house of representatives Ways and Means Committee, the Environment and Natural Resources Committees of the senate and house of representatives, the Finance Division of the senate Committee on Environment and Natural Resources, and the house of representatives Committee on Environment and Natural Resources Finance, and the Environmental Quality Board a report detailing the activities for which money has been spent pursuant to this section during the previous fiscal year.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 5. Minnesota Statutes 2012, section 115B.28, subdivision 1, is amended to read:

Subdivision 1. **Duties.** In addition to performing duties specified in sections 115B.25 to 115B.37 or in other law, and subject to the limitations on disclosure contained in section 115B.35, the agency shall:

(1) adopt rules, including rules governing practice and procedure before the agency, the form and procedure for applications for compensation, and procedures for claims investigations;

(2) publicize the availability of compensation and application procedures on a statewide basis with special emphasis on geographical areas surrounding sites identified by the agency as having releases from a facility where a harmful substance was placed or came to be located prior to July 1, 1983;

(3) collect, analyze, and make available to the public, in consultation with the Department of Health, the Pollution Control Agency, the University of Minnesota Medical

and Public Health Schools, and the medical community, data regarding injuries relating to exposure to harmful substances; and

(4) prepare and transmit ~~by December 31 of each year to the governor and~~ the ~~legislature an annual~~ legislative report required under section 115B.20, subdivision 6, to include (i) a summary of agency activity under clause (3); (ii) data determined by the agency from actual cases, including but not limited to number of cases, actual compensation received by each claimant, types of cases, and types of injuries compensated, as they relate to types of harmful substances as well as length of exposure, but excluding identification of the claimants; (iii) all administrative costs associated with the business of the agency; and (iv) agency recommendations for legislative changes, further study, or any other recommendation aimed at improving the system of compensation.

Sec. 6. Minnesota Statutes 2012, section 115C.02, subdivision 4, is amended to read:

Subd. 4. **Corrective action.** "Corrective action" means an action taken to minimize, eliminate, or clean up a release to protect the public health and welfare or the environment. Corrective action may include, environmental covenants pursuant to chapter 114E, an affidavit required under section 116.48, subdivision 6, or similar notice of a release recorded with real property records.

Sec. 7. Minnesota Statutes 2012, section 115C.08, subdivision 4, is amended to read:

Subd. 4. **Expenditures.** (a) Money in the fund may only be spent:

(1) to administer the petroleum tank release cleanup program established in this chapter;

(2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;

(3) for costs of recovering expenses of corrective actions under section 115C.04;

(4) for training, certification, and rulemaking under sections 116.46 to 116.50;

(5) for agency administrative costs of enforcing rules governing the construction, installation, operation, and closure of aboveground and underground petroleum storage tanks;

(6) for reimbursement of the environmental response, compensation, and compliance account under subdivision 5 and section 115B.26, subdivision 4;

(7) for administrative and staff costs as set by the board to administer the petroleum tank release program established in this chapter;

(8) for corrective action performance audits under section 115C.093;

(9) for contamination cleanup grants, as provided in paragraph (c);

(10) to assess and remove abandoned underground storage tanks under section 115C.094 and, if a release is discovered, to pay for the specific consultant and contractor services costs necessary to complete the tank removal project, including, but not limited to, excavation soil sampling, groundwater sampling, soil disposal, and completion of an excavation report; and

(11) ~~for property acquisition by the agency when the agency has determined that purchasing a property where a release has occurred is the most appropriate corrective action. The~~ to acquire interests in real or personal property, including easements, environmental covenants under chapter 114E, and leases, that the agency determines are necessary for corrective actions or to ensure the protectiveness of corrective actions. A donation of an interest in real property to the agency is not effective until the agency executes a certificate of acceptance. The state is not liable under this chapter solely as a result of acquiring an interest in real property under this clause. Agency approval of an environmental covenant under chapter 114E is sufficient evidence of acceptance of an interest in real property when the agency is expressly identified as a holder in the covenant. Acquisition of ~~all properties~~ real property under this clause, except environmental covenants under chapter 114E, is subject to approval by the board.

(b) Except as provided in paragraph (c), money in the fund is appropriated to the board to make reimbursements or payments under this section.

(c) In fiscal years 2010 and 2011, $3,700,000 is annually appropriated from the fund to the commissioner of employment and economic development for contamination cleanup grants under section 116J.554. Beginning in fiscal year 2012 and each year thereafter, $6,200,000 is annually appropriated from the fund to the commissioner of employment and economic development for contamination cleanup grants under section 116J.554. Of this amount, the commissioner may spend up to $225,000 annually for administration of the contamination cleanup grant program. The appropriation does not cancel and is available until expended. The appropriation shall not be withdrawn from the fund nor the fund balance reduced until the funds are requested by the commissioner of employment and economic development. The commissioner shall schedule requests for withdrawals from the fund to minimize the necessity to impose the fee authorized by subdivision 2. Unless otherwise provided, the appropriation in this paragraph may be used for:

(1) project costs at a qualifying site if a portion of the cleanup costs are attributable to petroleum contamination or new and used tar and tar-like substances, including but not limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits in the earth or are distillates,

fractions, or residues from the processing of petroleum crude or petroleum products as defined in section 296A.01; and

(2) the costs of performing contamination investigation if there is a reasonable basis to suspect the contamination is attributable to petroleum or new and used tar and tar-like substances, including but not limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits in the earth or are distillates, fractions, or residues from the processing of petroleum crude or petroleum products as defined in section 296A.01.

Sec. 8. Minnesota Statutes 2012, section 115C.08, is amended by adding a subdivision to read:

Subd. 6. **Disposition of property acquired for corrective action.** (a) If the commissioner determines that real or personal property acquired by the agency for a corrective action is no longer needed for corrective action purposes, the commissioner may:

(1) request the commissioner of administration to dispose of the property according to sections 16B.281 to 16B.287, subject to conditions the commissioner of the Pollution Control Agency determines necessary to protect the public health and welfare and the environment or to comply with federal law;

(2) transfer the property to another state agency, a political subdivision, or a special purpose district as provided in paragraph (b); or

(3) if required by federal law, take actions and dispose of the property according to federal law.

(b) If the commissioner determines that real or personal property acquired by the agency for a corrective action must be operated, maintained, or monitored after completion of other phases of the corrective action, the commissioner may transfer ownership of the property to another state agency, a political subdivision, or a special purpose district that agrees to accept the property. A state agency, political subdivision, or special purpose district may accept and implement terms and conditions of a transfer under this paragraph. The commissioner may set terms and conditions for the transfer that the commissioner considers reasonable and necessary to ensure proper operation, maintenance, and monitoring of corrective actions; protect the public health and welfare and the environment; and comply with applicable federal and state laws and regulations. The state agency, political subdivision, or special purpose district to which the property is transferred is not liable under this chapter solely as a result of acquiring the property or acting in accordance with the terms and conditions of transfer.

(c) The proceeds of a sale or other transfer of property under this subdivision by the commissioner or by the commissioner of administration shall be deposited in the petroleum tank fund or other appropriate fund. Any share of the proceeds that the agency is required by federal law or regulation to reimburse to the federal government is appropriated from the fund to the agency for the purpose. Section 16B.287, subdivision 1, does not apply to real property that is sold by the commissioner of administration and that was acquired under subdivision 4, clause (11).

Sec. 9. Minnesota Statutes 2012, section 115D.10, is amended to read:

115D.10 TOXIC POLLUTION PREVENTION EVALUATION REPORT.

The commissioner, in cooperation with the commission, shall report to the Environment and Natural Resources Committees of the senate and house of representatives, the Finance Division of the senate Committee on Environment and Natural Resources, and the house of representatives Committee on Environment and Natural Resources Finance on progress being made in achieving the objectives of sections 115D.01 to 115D.12. The report must be ~~submitted by February 1 of each even-numbered year~~ done in conjunction with the report required under section 115A.121.

Sec. 10. Minnesota Statutes 2012, section 116.48, subdivision 6, is amended to read:

Subd. 6. **Affidavit.** (a) Before transferring ownership of property that the owner knows contains an underground or aboveground storage tank or contained an underground or aboveground storage tank that had a release for which no corrective action was taken or if required by the agency as a condition of a corrective action under chapter 115C, the owner shall record with the county recorder or registrar of titles of the county in which the property is located an affidavit containing:

(1) a legal description of the property where the tank is located;

(2) a description of the tank, of the location of the tank, and of any known release from the tank of a regulated substance to the full extent known or reasonably ascertainable;

(3) a description of any restrictions currently in force on the use of the property resulting from any release; and

(4) the name of the owner.

(b) The county recorder shall record the affidavits in a manner that will insure their disclosure in the ordinary course of a title search of the subject property. Before transferring ownership of property that the owner knows contains an underground or aboveground storage tank, the owner shall deliver to the purchaser a copy of the affidavit

and any additional information necessary to make the facts in the affidavit accurate as of the date of transfer of ownership.

(c) Failure to record an affidavit as provided in this subdivision does not affect or prevent any transfer of ownership of the property.

Sec. 11. Minnesota Statutes 2012, section 473.846, is amended to read:

473.846 ~~REPORTS~~ REPORT TO LEGISLATURE.

The agency shall submit to the senate and house of representatives committees having jurisdiction over environment and natural resources ~~separate reports~~ a report describing the activities for which money for landfill abatement has been spent under ~~sections~~ section 473.844 ~~and 473.845~~. The report ~~for section 473.844 expenditures~~ shall be included in the report required by section 115A.411, and shall include recommendations on the future management and use of the metropolitan landfill abatement account. ~~By December 31 of each year, the commissioner shall submit the report for section 473.845 on contingency action trust fund activities.~~

Sec. 12. **REPEALER.**

Minnesota Rules, parts 7021.0010, subparts 1, 2, 4, and 5; 7021.0020; 7021.0030; 7021.0040; 7021.0050, subpart 5; 9210.0300; 9210.0310; 9210.0320; 9210.0330; 9210.0340; 9210.0350; 9210.0360; 9210.0370; 9210.0380; and 9220.0530, subpart 6, are repealed.

ARTICLE 2

SANITARY DISTRICTS

Section 1. Minnesota Statutes 2012, section 275.066, is amended to read:

275.066 SPECIAL TAXING DISTRICTS; DEFINITION.

For the purposes of property taxation and property tax state aids, the term "special taxing districts" includes the following entities:

(1) watershed districts under chapter 103D;

(2) sanitary districts under sections ~~115.18 to 115.37~~ 442A.01 to 442A.29;

(3) regional sanitary sewer districts under sections 115.61 to 115.67;

(4) regional public library districts under section 134.201;

(5) park districts under chapter 398;

(6) regional railroad authorities under chapter 398A;

(7) hospital districts under sections 447.31 to 447.38;

(8) St. Cloud Metropolitan Transit Commission under sections 458A.01 to 458A.15;

(9) Duluth Transit Authority under sections 458A.21 to 458A.37;

(10) regional development commissions under sections 462.381 to 462.398;

(11) housing and redevelopment authorities under sections 469.001 to 469.047;

(12) port authorities under sections 469.048 to 469.068;

(13) economic development authorities under sections 469.090 to 469.1081;

(14) Metropolitan Council under sections 473.123 to 473.549;

(15) Metropolitan Airports Commission under sections 473.601 to 473.680;

(16) Metropolitan Mosquito Control Commission under sections 473.701 to 473.716;

(17) Morrison County Rural Development Financing Authority under Laws 1982, chapter 437, section 1;

(18) Croft Historical Park District under Laws 1984, chapter 502, article 13, section 6;

(19) East Lake County Medical Clinic District under Laws 1989, chapter 211, sections 1 to 6;

(20) Floodwood Area Ambulance District under Laws 1993, chapter 375, article 5, section 39;

(21) Middle Mississippi River Watershed Management Organization under sections 103B.211 and 103B.241;

(22) emergency medical services special taxing districts under section 144F.01;

(23) a county levying under the authority of section 103B.241, 103B.245, or 103B.251;

(24) Southern St. Louis County Special Taxing District; Chris Jensen Nursing Home under Laws 2003, First Special Session chapter 21, article 4, section 12;

(25) an airport authority created under section 360.0426; and

(26) any other political subdivision of the state of Minnesota, excluding counties, school districts, cities, and towns, that has the power to adopt and certify a property tax levy to the county auditor, as determined by the commissioner of revenue.

Sec. 2. **[442A.01] DEFINITIONS.**

Subdivision 1. **Applicability.** For the purposes of this chapter, the terms defined in this section have the meanings given.

Subd. 2. **Chief administrative law judge.** "Chief administrative law judge" means the chief administrative law judge of the Office of Administrative Hearings or the delegate of the chief administrative law judge under section 14.48.

Subd. 3. **District.** "District" means a sanitary district created under this chapter or under Minnesota Statutes 2012, sections 115.18 to 115.37.

Subd. 4. **Municipality.** "Municipality" means a city, however organized.

Subd. 5. **Property owner.** "Property owner" means the fee owner of land, or the beneficial owner of land whose interest is primarily one of possession and enjoyment. Property owner includes, but is not limited to, vendees under a contract for deed and mortgagors. Any reference to a percentage of property owners means in number.

Subd. 6. **Related governing body.** "Related governing body" means the governing body of a related governmental subdivision and, in the case of an organized town, means the town board.

Subd. 7. **Related governmental subdivision.** "Related governmental subdivision" means a municipality or organized town wherein there is a territorial unit of a district or, in the case of an unorganized area, the county.

Subd. 8. **Statutory city.** "Statutory city" means a city organized as provided by chapter 412, under the plan other than optional.

Subd. 9. **Territorial unit.** "Territorial unit" means all that part of a district situated within a single municipality, within a single organized town outside of a municipality, or, in the case of an unorganized area, within a single county.

Sec. 3. **[442A.015] APPLICABILITY.**

All new sanitary district formations proposed and all sanitary districts previously formed under Minnesota Statutes 2012, sections 115.18 to 115.37, must comply with this chapter, including annexations to, detachments from, and resolutions of sanitary districts previously formed under Minnesota Statutes 2012, sections 115.18 to 115.37.

Sec. 4. **[442A.02] SANITARY DISTRICTS; PROCEDURES AND AUTHORITY.**

Subdivision 1. **Duty of chief administrative law judge.** The chief administrative law judge shall conduct proceedings, make determinations, and issue orders for the creation of a sanitary district formed under this chapter or the annexation, detachment, or dissolution of a sanitary district previously formed under Minnesota Statutes 2012, sections 115.18 to 115.37.

Subd. 2. **Consolidation of proceedings.** The chief administrative law judge may order the consolidation of separate proceedings in the interest of economy and expedience.

Subd. 3. **Contracts, consultants.** The chief administrative law judge may contract with regional, state, county, or local planning commissions and hire expert consultants to provide specialized information and assistance.

Subd. 4. **Powers of conductor of proceedings.** Any person conducting a proceeding under this chapter may administer oaths and affirmations; receive testimony

of witnesses, and the production of papers, books, and documents; examine witnesses; and receive and report evidence. Upon the written request of a presiding administrative law judge or a party, the chief administrative law judge may issue a subpoena for the attendance of a witness or the production of books, papers, records, or other documents material to any proceeding under this chapter. The subpoena is enforceable through the district court in the district in which the subpoena is issued.

Subd. 5. **Rulemaking authority.** The chief administrative law judge may adopt rules that are reasonably necessary to carry out the duties and powers imposed upon the chief administrative law judge under this chapter. The chief administrative law judge may initially adopt rules according to section 14.386. Notwithstanding section 16A.1283, the chief administrative law judge may adopt rules establishing fees.

Subd. 6. **Schedule of filing fees.** The chief administrative law judge may prescribe by rule a schedule of filing fees for any petitions filed under this chapter.

Subd. 7. **Request for hearing transcripts; costs.** Any party may request the chief administrative law judge to cause a transcript of the hearing to be made. Any party requesting a copy of the transcript is responsible for its costs.

Subd. 8. **Compelled meetings; report.** (a) In any proceeding under this chapter, the chief administrative law judge or conductor of the proceeding may at any time in the process require representatives from any petitioner, property owner, or involved city, town, county, political subdivision, or other governmental entity to meet together to discuss resolution of issues raised by the petition or order that confers jurisdiction on the chief administrative law judge and other issues of mutual concern. The chief administrative law judge or conductor of the proceeding may determine which entities are required to participate in these discussions. The chief administrative law judge or conductor of the proceeding may require that the parties meet at least three times during a 60-day period. The parties shall designate a person to report to the chief administrative law judge or conductor of the proceeding on the results of the meetings immediately after the last meeting. The parties may be granted additional time at the discretion of the chief administrative law judge or conductor of the proceedings.

(b) Any proposed resolution or settlement of contested issues that results in a sanitary district formation, annexation, detachment, or dissolution; places conditions on any future sanitary district formation, annexation, detachment, or dissolution; or results in the withdrawal of an objection to a pending proceeding or the withdrawal of a pending proceeding must be filed with the chief administrative law judge and is subject to the applicable procedures and statutory criteria of this chapter.

Subd. 9. **Data from state agencies.** The chief administrative law judge may request boundary-related information that is otherwise classified as public data from any state department or agency to assist in carrying out the chief administrative law judge's duties under this chapter. The department or agency shall promptly furnish the requested information.

Subd. 10. **Permanent official record.** The chief administrative law judge shall provide information about sanitary district creations, annexations, detachments, and dissolutions to the Minnesota Pollution Control Agency. The Minnesota Pollution Control Agency is responsible for maintaining the official record, including all documentation related to the processes.

Subd. 11. **Shared program costs and fee revenue.** The chief administrative law judge and the Minnesota Pollution Control Agency shall agree on an amount to be transferred from the Minnesota Pollution Control Agency to the chief administrative law judge to pay for administration of this chapter, including publication and notification costs. Sanitary district fees collected by the chief administrative law judge shall be deposited in the environmental fund.

EFFECTIVE DATE. Subdivision 5 is effective the day following final enactment.

Sec. 5. **[442A.03] FILING OF MAPS IN SANITARY DISTRICT PROCEEDINGS.**

Any party initiating a sanitary district proceeding that includes platted land shall file with the chief administrative law judge maps which are necessary to support and identify the land description. The maps shall include copies of plats.

Sec. 6. **[442A.04] SANITARY DISTRICT CREATION.**

Subdivision 1. **Sanitary district creation.** (a) A sanitary district may be created under this chapter for any territory embracing an area or a group of two or more adjacent areas, whether contiguous or separate, but not situated entirely within the limits of a single municipality. The proposed sanitary district must promote the public health and welfare by providing an adequate and efficient system and means of collecting, conveying, pumping, treating, and disposing of domestic sewage and garbage and industrial wastes within the district. When the chief administrative law judge or the Minnesota Pollution Control Agency finds that there is need throughout the territory for the accomplishment of these purposes; that these purposes can be effectively accomplished on an equitable basis by a district if created; and that the creation and maintenance of a district will be administratively feasible and in furtherance of the public health, safety, and welfare, the chief administrative law judge shall make an order creating the sanitary district. A sanitary

district is administratively feasible under this section if the district has the financial and managerial resources needed to deliver adequate and efficient sanitary sewer services within the proposed district.

(b) Notwithstanding paragraph (a), no district shall be created within 25 miles of the boundary of any city of the first class without the approval of the governing body thereof and the approval of the governing body of each and every municipality in the proposed district by resolution filed with the chief administrative law judge.

(c) If the chief administrative law judge and the Minnesota Pollution Control Agency disagree on the need to create a sanitary district, they must determine whether not allowing the sanitary district formation will have a detrimental effect on the environment. If it is determined that the sanitary district formation will prevent environmental harm, the sanitary district creation or connection to an existing wastewater treatment system must occur.

Subd. 2. **Proceeding to create sanitary district.** (a) A proceeding for the creation of a district may be initiated by a petition to the chief administrative law judge containing the following:

(1) a request for creation of the proposed district;

(2) the name proposed for the district, to include the words "sanitary district";

(3) a legal description of the territory of the proposed district, including justification for inclusion or exclusion for all parcels;

(4) addresses of every property owner within the proposed district boundaries as provided by the county auditor, with certification from the county auditor; two sets of address labels for said owners; and a list of e-mail addresses for said owners, if available;

(5) a statement showing the existence in the territory of the conditions requisite for creation of a district as prescribed in subdivision 1;

(6) a statement of the territorial units represented by and the qualifications of the respective signers; and

(7) the post office address of each signer, given under the signer's signature.

A petition may consist of separate writings of like effect, each signed by one or more qualified persons, and all such writings, when filed, shall be considered together as a single petition.

(b) Petitioners must conduct and pay for a public meeting to inform citizens of the proposed creation of the district. At the meeting, information must be provided, including a description of the district's proposed structure, bylaws, territory, ordinances, budget, and charges and a description of the territory of the proposed district, including justification for inclusion or exclusion for all parcels. Notice of the meeting must be published for two successive weeks in a qualified newspaper, as defined under chapter 331A, published

within the territory of the proposed district or, if there is no qualified newspaper published within the territory, in a qualified newspaper of general circulation in the territory, and must be posted for two weeks in each territorial unit of the proposed district and on the Web site of the proposed district, if one exists. Notice of the meeting must be mailed or e-mailed at least three weeks prior to the meeting to all property tax billing addresses for all parcels included in the proposed district. The following must be submitted to the chief administrative law judge with the petition:

(1) a record of the meeting, including copies of all information provided at the meeting;

(2) a copy of the mailing list provided by the county auditor and used to notify property owners of the meeting;

(3) a copy of the e-mail list used to notify property owners of the meeting;

(4) the printer's affidavit of publication of public meeting notice;

(5) an affidavit of posting the public meeting notice with information on dates and locations of posting; and

(6) the minutes or other record of the public meeting documenting that the following topics were discussed: printer's affidavit of publication of each resolution, with a copy of the resolution from the newspaper attached; and the affidavit of resolution posting on the town or proposed district Web site.

(c) Every petition must be signed as follows:

(1) for each municipality wherein there is a territorial unit of the proposed district, by an authorized officer pursuant to a resolution of the municipal governing body;

(2) for each organized town wherein there is a territorial unit of the proposed district, by an authorized officer pursuant to a resolution of the town board;

(3) for each county wherein there is a territorial unit of the proposed district consisting of an unorganized area, by an authorized officer pursuant to a resolution of the county board or by at least 20 percent of the voters residing and owning land within the unit.

(d) Each resolution must be published in the official newspaper of the governing body adopting it and becomes effective 40 days after publication, unless within said period there shall be filed with the governing body a petition signed by qualified electors of a territorial unit of the proposed district, equal in number to five percent of the number of electors voting at the last preceding election of the governing body, requesting a referendum on the resolution, in which case the resolution may not become effective until approved by a majority of the qualified electors voting at a regular election or special election that the governing body may call. The notice of an election and the ballot to be

used must contain the text of the resolution followed by the question: "Shall the above resolution be approved?"

(e) If any signer is alleged to be a landowner in a territorial unit, a statement as to the signer's landowner status as shown by the county auditor's tax assessment records, certified by the auditor, shall be attached to or endorsed upon the petition.

(f) At any time before publication of the public notice required in subdivision 3, additional signatures may be added to the petition or amendments of the petition may be made to correct or remedy any error or defect in signature or otherwise except a material error or defect in the description of the territory of the proposed district. If the qualifications of any signer of a petition are challenged, the chief administrative law judge shall determine the challenge forthwith on the allegations of the petition, the county auditor's certificate of land ownership, and such other evidence as may be received.

Subd. 3. **Notice of intent to create sanitary district.** (a) Upon receipt of a petition and the record of the public meeting required under subdivision 2, the chief administrative law judge shall publish a notice of intent to create the proposed sanitary district in the State Register and mail or e-mail information of that publication to each property owner in the affected territory at the owner's address as given by the county auditor. The information must state the date that the notice will appear in the State Register and give the Web site location for the State Register. The notice must:

(1) describe the petition for creation of the district;

(2) describe the territory affected by the petition;

(3) allow 30 days for submission of written comments on the petition;

(4) state that a person who objects to the petition may submit a written request for hearing to the chief administrative law judge within 30 days of the publication of the notice in the State Register; and

(5) state that if a timely request for hearing is not received, the chief administrative law judge may make a decision on the petition.

(b) If 50 or more individual timely requests for hearing are received, the chief administrative law judge must hold a hearing on the petition according to the contested case provisions of chapter 14. The sanitary district proposers are responsible for paying all costs involved in publicizing and holding a hearing on the petition.

Subd. 4. **Hearing time, place.** If a hearing is required pursuant to subdivision 3, the chief administrative law judge shall designate a time and place for a hearing according to section 442A.13.

Subd. 5. **Relevant factors.** (a) In arriving at a decision, the chief administrative law judge shall consider the following factors:

(1) administrative feasibility under subdivision 1, paragraph (a);

(2) public health, safety, and welfare impacts;

(3) alternatives for managing the public health impacts;

(4) equities of the petition proposal;

(5) contours of the petition proposal; and

(6) public notification of and interaction on the petition proposal.

(b) Based on the factors in paragraph (a), the chief administrative law judge may order the sanitary district creation on finding that:

(1) the proposed district is administratively feasible;

(2) the proposed district provides a long-term, equitable solution to pollution problems affecting public health, safety, and welfare;

(3) property owners within the proposed district were provided notice of the proposed district and opportunity to comment on the petition proposal; and

(4) the petition complied with the requirements of all applicable statutes and rules pertaining to sanitary district creation.

(c) The chief administrative law judge may alter the boundaries of the proposed sanitary district by increasing or decreasing the area to be included or may exclude property that may be better served by another unit of government. The chief administrative law judge may also alter the boundaries of the proposed district so as to follow visible, clearly recognizable physical features for municipal boundaries.

(d) The chief administrative law judge may deny sanitary district creation if the area, or a part thereof, would be better served by an alternative method.

(e) In all cases, the chief administrative law judge shall set forth the factors that are the basis for the decision.

Subd. 6. **Findings; order.** After the public notice period or the public hearing, if required under subdivision 3, and based on the petition, any public comments received, and, if a hearing was held, the hearing record, the chief administrative law judge shall make findings of fact and conclusions determining whether the conditions requisite for the creation of a district exist in the territory described in the petition. If the chief administrative law judge finds that the conditions exist, the judge may make an order creating a district for the territory described in that petition under the name proposed in the petition or such other name, including the words "sanitary district," as the judge deems appropriate.

Subd. 7. **Denial of petition.** If the chief administrative law judge, after conclusion of the public notice period or holding a hearing, if required, determines that the creation of a district in the territory described in the petition is not warranted, the judge shall make an order denying the petition. The chief administrative law judge shall give notice of the

denial by mail or e-mail to each signer of the petition. No petition for the creation of a district consisting of the same territory shall be entertained within a year after the date of an order under this subdivision. Nothing in this subdivision precludes action on a petition for the creation of a district embracing part of the territory with or without other territory.

Subd. 8. **Notice of order creating sanitary district.** The chief administrative law judge shall publish a notice in the State Register of the final order creating a sanitary district, referring to the date of the order and describing the territory of the district, and shall mail or e-mail information of the publication to each property owner in the affected territory at the owner's address as given by the county auditor. The information must state the date that the notice will appear in the State Register and give the Web site location for the State Register. The notice must:

(1) describe the petition for creation of the district;

(2) describe the territory affected by the petition; and

(3) state that a certified copy of the order shall be delivered to the secretary of state for filing ten days after public notice of the order in the State Register.

Subd. 9. **Filing.** Ten days after public notice of the order in the State Register, the chief administrative law judge shall deliver a certified copy of the order to the secretary of state for filing. Thereupon, the creation of the district is deemed complete, and it shall be conclusively presumed that all requirements of law relating thereto have been complied with. The chief administrative law judge shall also transmit a certified copy of the order for filing to the county auditor of each county and the clerk or recorder of each municipality and organized town wherein any part of the territory of the district is situated and to the secretary of the district board when elected.

Sec. 7. **[442A.05] SANITARY DISTRICT ANNEXATION.**

Subdivision 1. **Annexation.** (a) A sanitary district annexation may occur under this chapter for any area adjacent to an existing district upon a petition to the chief administrative law judge stating the grounds therefor as provided in this section.

(b) The proposed annexation area must embrace an area or a group of two or more adjacent areas, whether contiguous or separate, but not situated entirely within the limits of a single municipality. The proposed annexation must promote public health and welfare by providing an adequate and efficient system and means of collecting, conveying, pumping, treating, and disposing of domestic sewage and garbage and industrial wastes within the district. When the chief administrative law judge or the Minnesota Pollution Control Agency finds that there is need throughout the territory for the accomplishment of these purposes, that these purposes can be effectively accomplished on an equitable basis

by annexation to a district, and that the creation and maintenance of such annexation will be administratively feasible and in furtherance of the public health, safety, and welfare, the chief administrative law judge shall make an order for sanitary district annexation. A sanitary district is administratively feasible under this section if the district has the financial and managerial resources needed to deliver adequate and efficient sanitary sewer services within the proposed district.

(c) Notwithstanding paragraph (b), no annexation to a district shall be approved within 25 miles of the boundary of any city of the first class without the approval of the governing body thereof and the approval of the governing body of each and every municipality in the proposed annexation area by resolution filed with the chief administrative law judge.

(d) If the chief administrative law judge and the Minnesota Pollution Control Agency disagree on the need for a sanitary district annexation, they must determine whether not allowing the sanitary district annexation will have a detrimental effect on the environment. If it is determined that the sanitary district annexation will prevent environmental harm, the sanitary district annexation or connection to an existing wastewater treatment system must occur.

Subd. 2. **Proceeding for annexation.** (a) A proceeding for sanitary district annexation may be initiated by a petition to the chief administrative law judge containing the following:

(1) a request for proposed annexation to a sanitary district;

(2) a legal description of the territory of the proposed annexation, including justification for inclusion or exclusion for all parcels;

(3) addresses of every property owner within the existing sanitary district and proposed annexation area boundaries as provided by the county auditor, with certification from the county auditor; two sets of address labels for said owners; and a list of e-mail addresses for said owners, if available;

(4) a statement showing the existence in such territory of the conditions requisite for annexation to a district as prescribed in subdivision 1;

(5) a statement of the territorial units represented by and qualifications of the respective signers; and

(6) the post office address of each signer, given under the signer's signature.

A petition may consist of separate writings of like effect, each signed by one or more qualified persons, and all such writings, when filed, shall be considered together as a single petition.

(b) Petitioners must conduct and pay for a public meeting to inform citizens of the proposed annexation to a sanitary district. At the meeting, information must be provided, including a description of the existing sanitary district's structure, bylaws, territory, ordinances, budget, and charges; a description of the existing sanitary district's territory; and a description of the territory of the proposed annexation area, including justification for inclusion or exclusion for all parcels for the annexation area. Notice of the meeting must be published for two successive weeks in a qualified newspaper, as defined under chapter 331A, published within the territories of the existing sanitary district and proposed annexation area or, if there is no qualified newspaper published within those territories, in a qualified newspaper of general circulation in the territories, and must be posted for two weeks in each territorial unit of the existing sanitary district and proposed annexation area and on the Web site of the existing sanitary district, if one exists. Notice of the meeting must be mailed or e-mailed at least three weeks prior to the meeting to all property tax billing addresses for all parcels included in the existing sanitary district and proposed annexation area. The following must be submitted to the chief administrative law judge with the petition:

(1) a record of the meeting, including copies of all information provided at the meeting;

(2) a copy of the mailing list provided by the county auditor and used to notify property owners of the meeting;

(3) a copy of the e-mail list used to notify property owners of the meeting;

(4) the printer's affidavit of publication of the public meeting notice;

(5) an affidavit of posting the public meeting notice with information on dates and locations of posting; and

(6) the minutes or other record of the public meeting documenting that the following topics were discussed: printer's affidavit of publication of each resolution, with copy of resolution from newspaper attached; and affidavit of resolution posting on town or existing sanitary district Web site.

(c) Every petition must be signed as follows:

(1) by an authorized officer of the existing sanitary district pursuant to a resolution of the board;

(2) for each municipality wherein there is a territorial unit of the proposed annexation area, by an authorized officer pursuant to a resolution of the municipal governing body;

(3) for each organized town wherein there is a territorial unit of the proposed annexation area, by an authorized officer pursuant to a resolution of the town board; and

(4) for each county wherein there is a territorial unit of the proposed annexation area consisting of an unorganized area, by an authorized officer pursuant to a resolution of the county board or by at least 20 percent of the voters residing and owning land within the unit.

(d) Each resolution must be published in the official newspaper of the governing body adopting it and becomes effective 40 days after publication, unless within said period there shall be filed with the governing body a petition signed by qualified electors of a territorial unit of the proposed annexation area, equal in number to five percent of the number of electors voting at the last preceding election of the governing body, requesting a referendum on the resolution, in which case the resolution may not become effective until approved by a majority of the qualified electors voting at a regular election or special election that the governing body may call. The notice of an election and the ballot to be used must contain the text of the resolution followed by the question: "Shall the above resolution be approved?"

(e) If any signer is alleged to be a landowner in a territorial unit, a statement as to the signer's landowner status as shown by the county auditor's tax assessment records, certified by the auditor, shall be attached to or endorsed upon the petition.

(f) At any time before publication of the public notice required in subdivision 4, additional signatures may be added to the petition or amendments of the petition may be made to correct or remedy any error or defect in signature or otherwise except a material error or defect in the description of the territory of the proposed annexation area. If the qualifications of any signer of a petition are challenged, the chief administrative law judge shall determine the challenge forthwith on the allegations of the petition, the county auditor's certificate of land ownership, and such other evidence as may be received.

Subd. 3. **Joint petition.** Different areas may be annexed to a district in a single proceeding upon a joint petition therefor and upon compliance with the provisions of subdivisions 1 and 2 with respect to the area affected so far as applicable.

Subd. 4. **Notice of intent for sanitary district annexation.** (a) Upon receipt of a petition and the record of public meeting required under subdivision 2, the chief administrative law judge shall publish a notice of intent for sanitary district annexation in the State Register and mail or e-mail information of the publication to each property owner in the affected territory at the owner's address as given by the county auditor. The information must state the date that the notice will appear in the State Register and give the Web site location for the State Register. The notice must:

(1) describe the petition for sanitary district annexation;

(2) describe the territory affected by the petition;

(3) allow 30 days for submission of written comments on the petition;

(4) state that a person who objects to the petition may submit a written request for hearing to the chief administrative law judge within 30 days of the publication of the notice in the State Register; and

(5) state that if a timely request for hearing is not received, the chief administrative law judge may make a decision on the petition.

(b) If 50 or more individual timely requests for hearing are received, the chief administrative law judge must hold a hearing on the petition according to the contested case provisions of chapter 14. The sanitary district or annexation area proposers are responsible for paying all costs involved in publicizing and holding a hearing on the petition.

Subd. 5. **Hearing time, place.** If a hearing is required under subdivision 4, the chief administrative law judge shall designate a time and place for a hearing according to section 442A.13.

Subd. 6. **Relevant factors.** (a) In arriving at a decision, the chief administrative law judge shall consider the following factors:

(1) administrative feasibility under subdivision 1, paragraph (b);

(2) public health, safety, and welfare impacts;

(3) alternatives for managing the public health impacts;

(4) equities of the petition proposal;

(5) contours of the petition proposal; and

(6) public notification of and interaction on the petition proposal.

(b) Based upon these factors, the chief administrative law judge may order the annexation to the sanitary district on finding that:

(1) the sanitary district is knowledgeable and experienced in delivering sanitary sewer services to ratepayers and has provided quality service in a fair and cost-effective manner;

(2) the proposed annexation provides a long-term, equitable solution to pollution problems affecting public health, safety, and welfare;

(3) property owners within the existing sanitary district and proposed annexation area were provided notice of the proposed district and opportunity to comment on the petition proposal; and

(4) the petition complied with the requirements of all applicable statutes and rules pertaining to sanitary district annexation.

(c) The chief administrative law judge may alter the boundaries of the proposed annexation area by increasing or decreasing the area to be included or may exclude property that may be better served by another unit of government. The chief administrative law judge may also alter the boundaries of the proposed annexation area so as to follow visible, clearly recognizable physical features for municipal boundaries.

(d) The chief administrative law judge may deny sanitary district annexation if the area, or a part thereof, would be better served by an alternative method.

(e) In all cases, the chief administrative law judge shall set forth the factors that are the basis for the decision.

Subd. 7. **Findings; order.** (a) After the public notice period or the public hearing, if required under subdivision 4, and based on the petition, any public comments received, and, if a hearing was held, the hearing record, the chief administrative law judge shall make findings of fact and conclusions determining whether the conditions requisite for the sanitary district annexation exist in the territory described in the petition. If the chief administrative law judge finds that conditions exist, the judge may make an order for sanitary district annexation for the territory described in the petition.

(b) All taxable property within the annexed area shall be subject to taxation for any existing bonded indebtedness or other indebtedness of the district for the cost of acquisition, construction, or improvement of any disposal system or other works or facilities beneficial to the annexed area to such extent as the chief administrative law judge may determine to be just and equitable, to be specified in the order for annexation. The proper officers shall levy further taxes on such property accordingly.

Subd. 8. **Denial of petition.** If the chief administrative law judge, after conclusion of the public notice period or holding a hearing, if required, determines that the sanitary district annexation in the territory described in the petition is not warranted, the judge shall make an order denying the petition. The chief administrative law judge shall give notice of the denial by mail or e-mail to each signer of the petition. No petition for a sanitary district annexation consisting of the same territory shall be entertained within a year after the date of an order under this subdivision. Nothing in this subdivision precludes action on a petition for a sanitary district annexation embracing part of the territory with or without other territory.

Subd. 9. **Notice of order for sanitary district annexation.** The chief administrative law judge shall publish in the State Register a notice of the final order for sanitary district annexation, referring to the date of the order and describing the territory of the annexation area, and shall mail or e-mail information of the publication to each property owner in the affected territory at the owner's address as given by the county auditor. The information must state the date that the notice will appear in the State Register and give the Web site location for the State Register. The notice must:

(1) describe the petition for annexation to the district;

(2) describe the territory affected by the petition; and

(3) state that a certified copy of the order shall be delivered to the secretary of state for filing ten days after public notice of the order in the State Register.

Subd. 10. **Filing.** Ten days after public notice of the order in the State Register, the chief administrative law judge shall deliver a certified copy of the order to the secretary of state for filing. Thereupon, the sanitary district annexation is deemed complete, and it shall be conclusively presumed that all requirements of law relating thereto have been complied with. The chief administrative law judge shall also transmit a certified copy of the order for filing to the county auditor of each county and the clerk or recorder of each municipality and organized town wherein any part of the territory of the district, including the newly annexed area, is situated and to the secretary of the district board.

Sec. 8. **[442A.06] SANITARY DISTRICT DETACHMENT.**

Subdivision 1. **Detachment.** (a) A sanitary district detachment may occur under this chapter for any area within an existing district upon a petition to the chief administrative law judge stating the grounds therefor as provided in this section.

(b) The proposed detachment must not have any negative environmental impact on the proposed detachment area.

(c) If the chief administrative law judge and the Minnesota Pollution Control Agency disagree on the need for a sanitary district detachment, they must determine whether not allowing the sanitary district detachment will have a detrimental effect on the environment. If it is determined that the sanitary district detachment will cause environmental harm, the sanitary district detachment is not allowed unless the detached area is immediately connected to an existing wastewater treatment system.

Subd. 2. **Proceeding for detachment.** (a) A proceeding for sanitary district detachment may be initiated by a petition to the chief administrative law judge containing the following:

(1) a request for proposed detachment from a sanitary district;

(2) a statement that the requisite conditions for inclusion in a district no longer exist in the proposed detachment area;

(3) a legal description of the territory of the proposed detachment, including justification for inclusion or exclusion for all parcels;

(4) addresses of every property owner within the sanitary district and proposed detachment area boundaries as provided by the county auditor, with certification from the county auditor; two sets of address labels for said owners; and a list of e-mail addresses for said owners, if available;

(5) a statement of the territorial units represented by and qualifications of the respective signers; and

(6) the post office address of each signer, given under the signer's signature.

A petition may consist of separate writings of like effect, each signed by one or more qualified persons, and all such writings, when filed, shall be considered together as a single petition.

(b) Petitioners must conduct and pay for a public meeting to inform citizens of the proposed detachment from a sanitary district. At the meeting, information must be provided, including a description of the existing district's territory and a description of the territory of the proposed detachment area, including justification for inclusion or exclusion for all parcels for the detachment area. Notice of the meeting must be published for two successive weeks in a qualified newspaper, as defined under chapter 331A, published within the territories of the existing sanitary district and proposed detachment area or, if there is no qualified newspaper published within those territories, in a qualified newspaper of general circulation in the territories, and must be posted for two weeks in each territorial unit of the existing sanitary district and proposed detachment area and on the Web site of the existing sanitary district, if one exists. Notice of the meeting must be mailed or e-mailed at least three weeks prior to the meeting to all property tax billing addresses for all parcels included in the sanitary district. The following must be submitted to the chief administrative law judge with the petition:

(1) a record of the meeting, including copies of all information provided at the meeting;

(2) a copy of the mailing list provided by the county auditor and used to notify property owners of the meeting;

(3) a copy of the e-mail list used to notify property owners of the meeting;

(4) the printer's affidavit of publication of public meeting notice;

(5) an affidavit of posting the public meeting notice with information on dates and locations of posting; and

(6) minutes or other record of the public meeting documenting that the following topics were discussed: printer's affidavit of publication of each resolution, with copy of resolution from newspaper attached; and affidavit of resolution posting on town or existing sanitary district Web site.

(c) Every petition must be signed as follows:

(1) by an authorized officer of the existing sanitary district pursuant to a resolution of the board;

(2) for each municipality wherein there is a territorial unit of the proposed detachment area, by an authorized officer pursuant to a resolution of the municipal governing body;

(3) for each organized town wherein there is a territorial unit of the proposed detachment area, by an authorized officer pursuant to a resolution of the town board; and

(4) for each county wherein there is a territorial unit of the proposed detachment area consisting of an unorganized area, by an authorized officer pursuant to a resolution of the county board or by at least 20 percent of the voters residing and owning land within the unit.

(d) Each resolution must be published in the official newspaper of the governing body adopting it and becomes effective 40 days after publication, unless within said period there shall be filed with the governing body a petition signed by qualified electors of a territorial unit of the proposed detachment area, equal in number to five percent of the number of electors voting at the last preceding election of the governing body, requesting a referendum on the resolution, in which case the resolution may not become effective until approved by a majority of the qualified electors voting at a regular election or special election that the governing body may call. The notice of an election and the ballot to be used must contain the text of the resolution followed by the question: "Shall the above resolution be approved?"

(e) If any signer is alleged to be a landowner in a territorial unit, a statement as to the signer's landowner status as shown by the county auditor's tax assessment records, certified by the auditor, shall be attached to or endorsed upon the petition.

(f) At any time before publication of the public notice required in subdivision 4, additional signatures may be added to the petition or amendments of the petition may be made to correct or remedy any error or defect in signature or otherwise except a material error or defect in the description of the territory of the proposed detachment area. If the qualifications of any signer of a petition are challenged, the chief administrative law judge shall determine the challenge forthwith on the allegations of the petition, the county auditor's certificate of land ownership, and such other evidence as may be received.

Subd. 3. **Joint petition.** Different areas may be detached from a district in a single proceeding upon a joint petition therefor and upon compliance with the provisions of subdivisions 1 and 2 with respect to the area affected so far as applicable.

Subd. 4. **Notice of intent for sanitary district detachment.** (a) Upon receipt of a petition and record of public meeting required under subdivision 2, the chief administrative law judge shall publish a notice of intent for sanitary district detachment in the State Register and mail or e-mail information of the publication to each property owner in the affected territory at the owner's address as given by the county auditor. The

information must state the date that the notice will appear in the State Register and give the Web site location for the State Register. The notice must:

(1) describe the petition for sanitary district detachment;

(2) describe the territory affected by the petition;

(3) allow 30 days for submission of written comments on the petition;

(4) state that a person who objects to the petition may submit a written request for hearing to the chief administrative law judge within 30 days of the publication of the notice in the State Register; and

(5) state that if a timely request for hearing is not received, the chief administrative law judge may make a decision on the petition.

(b) If 50 or more individual timely requests for hearing are received, the chief administrative law judge must hold a hearing on the petition according to the contested case provisions of chapter 14. The sanitary district or detachment area proposers are responsible for paying all costs involved in publicizing and holding a hearing on the petition.

Subd. 5. **Hearing time, place.** If a hearing is required under subdivision 4, the chief administrative law judge shall designate a time and place for a hearing according to section 442A.13.

Subd. 6. **Relevant factors.** (a) In arriving at a decision, the chief administrative law judge shall consider the following factors:

(1) public health, safety, and welfare impacts for the proposed detachment area;

(2) alternatives for managing the public health impacts for the proposed detachment area;

(3) equities of the petition proposal;

(4) contours of the petition proposal; and

(5) public notification of and interaction on the petition proposal.

(b) Based upon these factors, the chief administrative law judge may order the detachment from the sanitary district on finding that:

(1) the proposed detachment area has adequate alternatives for managing public health impacts due to the detachment;

(2) the proposed detachment area is not necessary for the district to provide a long-term, equitable solution to pollution problems affecting public health, safety, and welfare;

(3) property owners within the existing sanitary district and proposed detachment area were provided notice of the proposed detachment and opportunity to comment on the petition proposal; and

(4) the petition complied with the requirements of all applicable statutes and rules pertaining to sanitary district detachment.

(c) The chief administrative law judge may alter the boundaries of the proposed detachment area by increasing or decreasing the area to be included or may exclude property that may be better served by another unit of government. The chief administrative law judge may also alter the boundaries of the proposed detachment area so as to follow visible, clearly recognizable physical features for municipal boundaries.

(d) The chief administrative law judge may deny sanitary district detachment if the area, or a part thereof, would be better served by an alternative method.

(e) In all cases, the chief administrative law judge shall set forth the factors that are the basis for the decision.

Subd. 7. **Findings; order.** (a) After the public notice period or the public hearing, if required under subdivision 4, and based on the petition, any public comments received, and, if a hearing was held, the hearing record, the chief administrative law judge shall make findings of fact and conclusions determining whether the conditions requisite for the sanitary district detachment exist in the territory described in the petition. If the chief administrative law judge finds that conditions exist, the judge may make an order for sanitary district detachment for the territory described in the petition.

(b) All taxable property within the detached area shall remain subject to taxation for any existing bonded indebtedness of the district to such extent as it would have been subject thereto if not detached and shall also remain subject to taxation for any other existing indebtedness of the district incurred for any purpose beneficial to such area to such extent as the chief administrative law judge may determine to be just and equitable, to be specified in the order for detachment. The proper officers shall levy further taxes on such property accordingly.

Subd. 8. **Denial of petition.** If the chief administrative law judge, after conclusion of the public notice period or holding a hearing, if required, determines that the sanitary district detachment in the territory described in the petition is not warranted, the judge shall make an order denying the petition. The chief administrative law judge shall give notice of the denial by mail or e-mail to each signer of the petition. No petition for a detachment from a district consisting of the same territory shall be entertained within a year after the date of an order under this subdivision. Nothing in this subdivision precludes action on a petition for a detachment from a district embracing part of the territory with or without other territory.

Subd. 9. **Notice of order for sanitary district detachment.** The chief administrative law judge shall publish in the State Register a notice of the final order

for sanitary district detachment, referring to the date of the order and describing the territory of the detached area and shall mail or e-mail information of the publication to each property owner in the affected territory at the owner's address as given by the county auditor. The information must state the date that the notice will appear in the State Register and give the Web site location for the State Register. The notice must:

(1) describe the petition for detachment from the district;

(2) describe the territory affected by the petition; and

(3) state that a certified copy of the order shall be delivered to the secretary of state for filing ten days after public notice of the order in the State Register.

Subd. 10. **Filing.** Ten days after public notice of the order in the State Register, the chief administrative law judge shall deliver a certified copy of the order to the secretary of state for filing. Thereupon, the sanitary district detachment is deemed complete, and it shall be conclusively presumed that all requirements of law relating thereto have been complied with. The chief administrative law judge shall also transmit a certified copy of the order for filing to the county auditor of each county and the clerk or recorder of each municipality and organized town wherein any part of the territory of the district, including the newly detached area, is situated and to the secretary of the district board.

Sec. 9. **[442A.07] SANITARY DISTRICT DISSOLUTION.**

Subdivision 1. **Dissolution.** (a) An existing sanitary district may be dissolved under this chapter upon a petition to the chief administrative law judge stating the grounds therefor as provided in this section.

(b) The proposed dissolution must not have any negative environmental impact on the existing sanitary district area.

(c) If the chief administrative law judge and the Minnesota Pollution Control Agency disagree on the need to dissolve a sanitary district, they must determine whether not dissolving the sanitary district will have a detrimental effect on the environment. If it is determined that the sanitary district dissolution will cause environmental harm, the sanitary district dissolution is not allowed unless the existing sanitary district area is immediately connected to an existing wastewater treatment system.

Subd. 2. **Proceeding for dissolution.** (a) A proceeding for sanitary district dissolution may be initiated by a petition to the chief administrative law judge containing the following:

(1) a request for proposed sanitary district dissolution;

(2) a statement that the requisite conditions for a sanitary district no longer exist in the district area;

(3) a proposal for distribution of the remaining funds of the district, if any, among the related governmental subdivisions;

(4) a legal description of the territory of the proposed dissolution;

(5) addresses of every property owner within the sanitary district boundaries as provided by the county auditor, with certification from the county auditor; two sets of address labels for said owners; and a list of e-mail addresses for said owners, if available;

(6) a statement of the territorial units represented by and the qualifications of the respective signers; and

(7) the post office address of each signer, given under the signer's signature.

A petition may consist of separate writings of like effect, each signed by one or more qualified persons, and all such writings, when filed, shall be considered together as a single petition.

(b) Petitioners must conduct and pay for a public meeting to inform citizens of the proposed dissolution of a sanitary district. At the meeting, information must be provided, including a description of the existing district's territory. Notice of the meeting must be published for two successive weeks in a qualified newspaper, as defined under chapter 331A, published within the territory of the sanitary district or, if there is no qualified newspaper published within that territory, in a qualified newspaper of general circulation in the territory and must be posted for two weeks in each territorial unit of the sanitary district and on the Web site of the existing sanitary district, if one exists. Notice of the meeting must be mailed or e-mailed at least three weeks prior to the meeting to all property tax billing addresses for all parcels included in the sanitary district. The following must be submitted to the chief administrative law judge with the petition:

(1) a record of the meeting, including copies of all information provided at the meeting;

(2) a copy of the mailing list provided by the county auditor and used to notify property owners of the meeting;

(3) a copy of the e-mail list used to notify property owners of the meeting;

(4) the printer's affidavit of publication of public meeting notice;

(5) an affidavit of posting the public meeting notice with information on dates and locations of posting; and

(6) minutes or other record of the public meeting documenting that the following topics were discussed: printer's affidavit of publication of each resolution, with copy of resolution from newspaper attached; and affidavit of resolution posting on town or existing sanitary district Web site.

(c) Every petition must be signed as follows:

(1) by an authorized officer of the existing sanitary district pursuant to a resolution of the board;

(2) for each municipality wherein there is a territorial unit of the existing sanitary district, by an authorized officer pursuant to a resolution of the municipal governing body;

(3) for each organized town wherein there is a territorial unit of the existing sanitary district, by an authorized officer pursuant to a resolution of the town board; and

(4) for each county wherein there is a territorial unit of the existing sanitary district consisting of an unorganized area, by an authorized officer pursuant to a resolution of the county board or by at least 20 percent of the voters residing and owning land within the unit.

(d) Each resolution must be published in the official newspaper of the governing body adopting it and becomes effective 40 days after publication, unless within said period there shall be filed with the governing body a petition signed by qualified electors of a territorial unit of the district, equal in number to five percent of the number of electors voting at the last preceding election of the governing body, requesting a referendum on the resolution, in which case the resolution may not become effective until approved by a majority of the qualified electors voting at a regular election or special election that the governing body may call. The notice of an election and the ballot to be used must contain the text of the resolution followed by the question: "Shall the above resolution be approved?"

(e) If any signer is alleged to be a landowner in a territorial unit, a statement as to the signer's landowner status as shown by the county auditor's tax assessment records, certified by the auditor, shall be attached to or endorsed upon the petition.

(f) At any time before publication of the public notice required in subdivision 3, additional signatures may be added to the petition or amendments of the petition may be made to correct or remedy any error or defect in signature or otherwise except a material error or defect in the description of the territory of the proposed dissolution area. If the qualifications of any signer of a petition are challenged, the chief administrative law judge shall determine the challenge forthwith on the allegations of the petition, the county auditor's certificate of land ownership, and such other evidence as may be received.

Subd. 3. **Notice of intent for sanitary district dissolution.** (a) Upon receipt of a petition and record of the public meeting required under subdivision 2, the chief administrative law judge shall publish a notice of intent of sanitary district dissolution in the State Register and mail or e-mail information of the publication to each property owner in the affected territory at the owner's address as given by the county auditor. The information must state the date that the notice will appear in the State Register and give the Web site location for the State Register. The notice must:

(1) describe the petition for sanitary district dissolution;

(2) describe the territory affected by the petition;

(3) allow 30 days for submission of written comments on the petition;

(4) state that a person who objects to the petition may submit a written request for hearing to the chief administrative law judge within 30 days of the publication of the notice in the State Register; and

(5) state that if a timely request for hearing is not received, the chief administrative law judge may make a decision on the petition.

(b) If 50 or more individual timely requests for hearing are received, the chief administrative law judge must hold a hearing on the petition according to the contested case provisions of chapter 14. The sanitary district dissolution proposers are responsible for paying all costs involved in publicizing and holding a hearing on the petition.

Subd. 4. **Hearing time, place.** If a hearing is required under subdivision 3, the chief administrative law judge shall designate a time and place for a hearing according to section 442A.13.

Subd. 5. **Relevant factors.** (a) In arriving at a decision, the chief administrative law judge shall consider the following factors:

(1) public health, safety, and welfare impacts for the proposed dissolution;

(2) alternatives for managing the public health impacts for the proposed dissolution;

(3) equities of the petition proposal;

(4) contours of the petition proposal; and

(5) public notification of and interaction on the petition proposal.

(b) Based upon these factors, the chief administrative law judge may order the dissolution of the sanitary district on finding that:

(1) the proposed dissolution area has adequate alternatives for managing public health impacts due to the dissolution;

(2) the sanitary district is not necessary to provide a long-term, equitable solution to pollution problems affecting public health, safety, and welfare;

(3) property owners within the sanitary district were provided notice of the proposed dissolution and opportunity to comment on the petition proposal; and

(4) the petition complied with the requirements of all applicable statutes and rules pertaining to sanitary district dissolution.

(c) The chief administrative law judge may alter the boundaries of the proposed dissolution area by increasing or decreasing the area to be included or may exclude property that may be better served by another unit of government. The chief administrative law judge may also alter the boundaries of the proposed dissolution area so as to follow visible, clearly recognizable physical features for municipal boundaries.

(d) The chief administrative law judge may deny sanitary district dissolution if the area, or a part thereof, would be better served by an alternative method.

(e) In all cases, the chief administrative law judge shall set forth the factors that are the basis for the decision.

Subd. 6. **Findings; order.** (a) After the public notice period or the public hearing, if required under subdivision 3, and based on the petition, any public comments received, and, if a hearing was held, the hearing record, the chief administrative law judge shall make findings of fact and conclusions determining whether the conditions requisite for the sanitary district dissolution exist in the territory described in the petition. If the chief administrative law judge finds that conditions exist, the judge may make an order for sanitary district dissolution for the territory described in the petition.

(b) If the chief administrative law judge determines that the conditions requisite for the creation of the district no longer exist therein, that all indebtedness of the district has been paid, and that all property of the district except funds has been disposed of, the judge may make an order dissolving the district and directing the distribution of its remaining funds, if any, among the related governmental subdivisions on such basis as the chief administrative law judge determines to be just and equitable, to be specified in the order.

Subd. 7. **Denial of petition.** If the chief administrative law judge, after conclusion of the public notice period or holding a hearing, if required, determines that the sanitary district dissolution in the territory described in the petition is not warranted, the judge shall make an order denying the petition. The chief administrative law judge shall give notice of the denial by mail or e-mail to each signer of the petition. No petition for the dissolution of a district consisting of the same territory shall be entertained within a year after the date of an order under this subdivision.

Subd. 8. **Notice of order for sanitary district dissolution.** The chief administrative law judge shall publish in the State Register a notice of the final order for sanitary district dissolution, referring to the date of the order and describing the territory of the dissolved district and shall mail or e-mail information of the publication to each property owner in the affected territory at the owner's address as given by the county auditor. The information must state the date that the notice will appear in the State Register and give the Web site location of the State Register. The notice must:

(1) describe the petition for dissolution of the district;

(2) describe the territory affected by the petition; and

(3) state that a certified copy of the order shall be delivered to the secretary of state for filing ten days after public notice of the order in the State Register.

Subd. 9. **Filing.** (a) Ten days after public notice of the order in the State Register, the chief administrative law judge shall deliver a certified copy of the order to the secretary of state for filing. Thereupon, the sanitary district dissolution is deemed complete, and it shall be conclusively presumed that all requirements of law relating thereto have been complied with. The chief administrative law judge shall also transmit a certified copy of the order for filing to the county auditor of each county and the clerk or recorder of each municipality and organized town wherein any part of the territory of the dissolved district is situated and to the secretary of the district board.

(b) The chief administrative law judge shall also transmit a certified copy of the order to the treasurer of the district, who must thereupon distribute the remaining funds of the district as directed by the order and who is responsible for the funds until so distributed.

Sec. 10. **[442A.08] JOINT PUBLIC INFORMATIONAL MEETING.**

There must be a joint public informational meeting of the local governments of any proposed sanitary district creation, annexation, detachment, or dissolution. The joint public informational meeting must be held after the final mediation meeting or the final meeting held according to section 442A.02, subdivision 8, if any, and before the hearing on the matter is held. If no mediation meetings are held, the joint public 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 local governments in the proposed creation, annexation, detachment, or dissolution areas and by the sanitary district, if one exists. The chair of the sanitary district, if one exists, and the responsible official for one of the local governments represented at the meeting must serve as the co-chairs for the informational meeting. Notice of the time, date, place, and purpose of the informational meeting must be posted by the sanitary district, if one exists, and local governments in designated places for posting notices. The sanitary district, if one exists, and represented local governments must also publish, at their own expense, notice in their respective official newspapers. If the same official newspaper is used by multiple local government representatives or the sanitary district, a joint notice may be published and the costs evenly divided. 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, but the co-chairs may, by mutual agreement, establish the amount of time allowed for each speaker. The sanitary district board, the local government representatives, and any resident or affected property owner may be represented by counsel and may place into the record of the informational meeting documents, expert opinions, or other materials supporting their

positions on issues raised by the proposed proceeding. The secretary of the sanitary district, if one exists, or a person appointed by the chair must record minutes of the proceedings of the informational meeting and must make an audio recording of the informational meeting. The sanitary district, if one exists, or a person appointed by the chair must provide the chief administrative law judge and the represented local governments with a copy of the printed minutes and must provide the chief administrative law judge and the represented local governments with a copy of the audio recording. The record of the informational meeting for a proceeding under section 442A.04, 442A.05, 442A.06, or 442A.07 is admissible in any proceeding under this chapter and shall be taken into consideration by the chief administrative law judge or the chief administrative law judge's designee.

Sec. 11. **[442A.09] ANNEXATION BY ORDER OF POLLUTION CONTROL AGENCY.**

Subdivision 1. **Annexation by ordinance alternative.** If a determination or order by the Minnesota Pollution Control Agency under section 115.49 or other similar statute is made that cooperation by contract is necessary and feasible between a sanitary district and an unincorporated area located outside the existing corporate limits of the sanitary district, the sanitary district required to provide or extend through a contract a governmental service to an unincorporated area, during the statutory 90-day period provided in section 115.49 to formulate a contract, may in the alternative to formulating a service contract to provide or extend the service, declare the unincorporated area described in the Minnesota Pollution Control Agency's determination letter or order annexed to the sanitary district by adopting an ordinance and submitting it to the chief administrative law judge.

Subd. 2. **Chief administrative law judge's role.** The chief administrative law judge may review and comment on the ordinance but shall approve the ordinance within 30 days of receipt. The ordinance is final and the annexation is effective on the date the chief administrative law judge approves the ordinance.

Sec. 12. **[442A.10] PETITIONERS TO PAY EXPENSES.**

Expenses of the preparation and submission of petitions in the proceedings under sections 442A.04 to 442A.09 shall be paid by the petitioners. Notwithstanding section 16A.1283, the Office of Administrative Hearings may adopt rules according to section 14.386 to establish fees necessary to support the preparation and submission of petitions in proceedings under sections 442A.04 to 442A.09. The fees collected by the Office of Administrative Hearings shall be deposited in the environmental fund.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 13. **[442A.11] TIME LIMITS FOR ORDERS; APPEALS.**

Subdivision 1. **Orders; time limit.** All orders in proceedings under this chapter shall be issued within one year from the date 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. 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.

Subd. 2. **Grounds for appeal.** (a) Any person aggrieved by an order issued under this chapter may appeal to the district court upon the following grounds:

(1) the order was issued without jurisdiction to act;

(2) the order exceeded the jurisdiction of the presiding administrative law judge;

(3) the order was arbitrary, fraudulent, capricious, or oppressive or in unreasonable disregard of the best interests of the territory affected; or

(4) the order was based upon an erroneous theory of law.

(b) The appeal must be taken in the district court in the county in which the majority of the area affected is located. The appeal does not stay the effect of the order. All notices and other documents must be served on both the chief administrative law judge and the attorney general's assistant assigned to the chief administrative law judge for purposes of this chapter.

(c) If the court determines that the action involved is unlawful or unreasonable or is not warranted by the evidence in case an issue of fact is involved, the court may vacate or suspend the action involved, in whole or in part, as the case requires. The matter shall then be remanded for further action in conformity with the decision of the court.

(d) To render a review of an order effectual, the aggrieved person shall file with the court administrator of the district court of the county in which the majority of the area is located, within 30 days of the order, an application for review together with the grounds upon which the review is sought.

(e) An appeal lies from the district court as in other civil cases.

Sec. 14. **[442A.12] CHIEF ADMINISTRATIVE LAW JUDGE MAY APPEAL FROM DISTRICT COURT.**

An appeal may be taken under the Rules of Civil Appellate Procedure by the chief administrative law judge from a final order or judgment made or rendered by the district court when the chief administrative law judge determines that the final order or judgment adversely affects the public interest.

Sec. 15. **[442A.13] UNIFORM PROCEDURES.**

Subdivision 1. **Hearings.** (a) Proceedings initiated by the submission of an initiating document or by the chief administrative law judge shall come on for hearing within 30 to 60 days from receipt of the document by the chief administrative law judge or from the date of the chief administrative law judge's action and the person conducting the hearing must submit an order no later than one year from the date of the first hearing.

(b) 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.

(c) The chief administrative law judge shall mail notice of the hearing to the following parties: the sanitary district; any 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 that has jurisdiction over the affected area.

(d) The chief administrative law judge shall see that notice of the hearing is published for two successive weeks in a legal newspaper of general circulation in the affected area.

(e) When the chief administrative law judge exercises authority to change the boundaries of the affected area so as to increase the quantity of land, the hearing shall be recessed and reconvened upon two weeks' published notice in a legal newspaper of general circulation in the affected area.

Subd. 2. **Transmittal of order.** The chief administrative law judge shall see that copies of the order are mailed to all parties entitled to mailed notice of hearing under subdivision 1, individual property owners if initiated in that manner, and any other party of record.

Sec. 16. **[442A.14] DISTRICT BOARD OF MANAGERS.**

Subdivision 1. **Composition.** The governing body of each district shall be a board of managers of five members, who shall be voters residing in the district and who may but need not be officers, members of governing bodies, or employees of the related governmental subdivisions, except that when there are more than five territorial units in a district, there must be one board member for each unit.

Subd. 2. **Terms.** The terms of the first board members elected after creation of a district shall be so arranged and determined by the electing body as to expire on the first business day in January as follows:

(1) the terms of two members in the second calendar year after the year in which they were elected;

(2) the terms of two other members in the third calendar year after the year in which they were elected; and

(3) the term of the remaining member in the fourth calendar year after the year in which the member was elected. In case a board has more than five members, the additional members shall be assigned to the groups under clauses (1) to (3) to equalize the groups as far as practicable. Thereafter, board members shall be elected successively for regular terms beginning upon expiration of the preceding terms and expiring on the first business day in January of the third calendar year thereafter. Each board member serves until a successor is elected and has qualified.

Subd. 3. **Election of board.** In a district having only one territorial unit, all the members of the board shall be elected by the related governing body. In a district having more than one territorial unit, the members of the board shall be elected by the members of the related governing bodies in joint session except as otherwise provided. The electing bodies concerned shall meet and elect the first board members of a new district as soon as practicable after creation of the district and shall meet and elect board members for succeeding regular terms as soon as practicable after November 1 next preceding the beginning of the terms to be filled, respectively.

Subd. 4. **Central related governing body.** Upon the creation of a district having more than one territorial unit, the chief administrative law judge, on the basis of convenience for joint meeting purposes, shall designate one of the related governing bodies as the central related governing body in the order creating the district or in a subsequent special order, of which the chief administrative law judge shall notify the clerks or recorders of all the related governing bodies. Upon receipt of the notification, the clerk or recorder of the central related governing body shall immediately transmit the notification to the presiding officer of the body. The officer shall thereupon call a joint meeting of the members of all the related governing bodies to elect board members, to be held at such time as the officer shall fix at the regular meeting place of the officer's governing body or at such other place in the district as the officer shall determine. The clerk or recorder of the body must give at least ten days' notice of the meeting by mail to the clerks or recorders of all the other related governing bodies, who shall immediately transmit the notice to all the members of the related governing bodies, respectively. Subsequent joint meetings to elect board members for regular terms must be called and held in like manner. The presiding officer and the clerk or recorder of the central related governing body shall act respectively as chair and secretary of the joint electing body at any meeting thereof, but in case of the absence or disability of either of them, the body

may elect a temporary substitute. A majority of the members of each related governing body is required for a quorum at any meeting of the joint electing body.

Subd. 5. **Nominations.** Nominations for board members may be made by petitions, each signed by ten or more voters residing and owning land in the district, filed with the clerk, recorder, or secretary of the electing body before the election meeting. No person shall sign more than one petition. The electing body shall give due consideration to all nominations but is not limited thereto.

Subd. 6. **Election; single governing body.** In the case of an electing body consisting of a single related governing body, a majority vote of all members is required for an election. In the case of a joint electing body, a majority vote of members present is required for an election. In case of lack of a quorum or failure to elect, a meeting of an electing body may be adjourned to a stated time and place without further notice.

Subd. 7. **Election; multiple governing bodies.** In any district having more than one territorial unit, the related governing bodies, instead of meeting in joint session, may elect a board member by resolutions adopted by all of them separately, concurring in the election of the same person. A majority vote of all members of each related governing body is required for the adoption of any such resolution. The clerks or recorders of the other related governing bodies shall transmit certified copies of the resolutions to the clerk or recorder of the central related governing body. Upon receipt of concurring resolutions from all the related governing bodies, the presiding officer and clerk or recorder of the central related governing body shall certify the results and furnish certificates of election as provided for a joint meeting.

Subd. 8. **Vacancies.** Any vacancy in the membership of a board must be filled for the unexpired term in like manner as provided for the regular election of board members.

Subd. 9. **Certification of election; temporary chair.** The presiding and recording officers of the electing body shall certify the results of each election to the county auditor of each county wherein any part of the district is situated and to the clerk or recorder of each related governing body and shall make and transmit to each board member elected a certificate of the board member's election. Upon electing the first board members of a district, the presiding officer of the electing body shall designate a member to serve as temporary chair for purposes of initial organization of the board, and the recording officer of the body shall include written notice thereof to all the board members with their certificates of election.

Sec. 17. **[442A.15] BOARD ORGANIZATION AND PROCEDURES.**

Subdivision 1. **Initial, annual meetings.** As soon as practicable after the election of the first board members of a district, the board shall meet at the call of the temporary chair to elect officers and take other appropriate action for organization and administration of the district. Each board shall hold a regular annual meeting at the call of the chair or otherwise as the board prescribes on or as soon as practicable after the first business day in January of each year and such other regular and special meetings as the board prescribes.

Subd. 2. **Officers.** The officers of each district shall be a chair and a vice-chair, who shall be members of the board, and a secretary and a treasurer, who may but need not be members of the board. The board of a new district at its initial meeting or as soon thereafter as practicable shall elect the officers to serve until the first business day in January next following. Thereafter, the board shall elect the officers at each regular annual meeting for terms expiring on the first business day in January next following. Each officer serves until a successor is elected and has qualified.

Subd. 3. **Meeting place; offices.** The board at its initial meeting or as soon thereafter as practicable shall provide for suitable places for board meetings and for offices of the district officers and may change the same thereafter as the board deems advisable. The meeting place and offices may be the same as those of any related governing body, with the approval of the body. The secretary of the board shall notify the secretary of state, the county auditor of each county wherein any part of the district is situated, and the clerk or recorder of each related governing body of the locations and post office addresses of the meeting place and offices and any changes therein.

Subd. 4. **Budget.** At any time before the proceeds of the first tax levy in a district become available, the district board may prepare a budget comprising an estimate of the expenses of organizing and administering the district until the proceeds are available, with a proposal for apportionment of the estimated amount among the related governmental subdivisions, and may request the governing bodies thereof to advance funds according to the proposal. The governing bodies may authorize advancement of the requested amounts, or such part thereof as they respectively deem proper, from any funds available in their respective treasuries. The board shall include in its first tax levy after receipt of any such advancements a sufficient sum to cover the same and shall cause the same to be repaid, without interest, from the proceeds of taxes as soon as received.

Sec. 18. **[442A.16] DISTRICT STATUS AND POWERS.**

Subdivision 1. **Status.** Every district shall be a public corporation and a governmental subdivision of the state and shall be deemed to be a municipality or municipal corporation for the purpose of obtaining federal or state grants or loans or otherwise complying with

any provision of federal or state law or for any other purpose relating to the powers and purposes of the district for which such status is now or hereafter required by law.

Subd. 2. **Powers and purpose.** Every district shall have the powers and purposes prescribed by this chapter and such others as may now or hereafter be prescribed by law. No express grant of power or enumeration of powers herein shall be deemed to limit the generality or scope of any grant of power.

Subd. 3. **Scope of powers and duties.** Except as otherwise provided, a power or duty vested in or imposed upon a district or any of its officers, agents, or employees shall not be deemed exclusive and shall not supersede or abridge any power or duty vested in or imposed upon any other agency of the state or any governmental subdivision thereof, but shall be supplementary thereto.

Subd. 4. **Exercise of power.** All the powers of a district shall be exercised by its board of managers except so far as approval of any action by popular vote or by any other authority may be expressly required by law.

Subd. 5. **Lawsuits; contracts.** A district may sue and be sued and may enter into any contract necessary or proper for the exercise of its powers or the accomplishment of its purposes.

Subd. 6. **Property acquisition.** A district may acquire by purchase, gift, or condemnation or may lease or rent any real or personal property within or without the district that may be necessary for the exercise of district powers or the accomplishment of district purposes, may hold the property for such purposes, and may lease, rent out, sell, or otherwise dispose of any property not needed for such purposes.

Subd. 7. **Acceptance of money or property.** A district may accept gifts, grants, or loans of money or other property from the United States, the state, or any person, corporation, or other entity for district purposes; may enter into any agreement required in connection therewith; and may hold, use, and dispose of the money or property according to the terms of the gift, grant, loan, or agreement relating thereto.

Sec. 19. **[442A.17] SPECIFIC PURPOSES AND POWERS.**

Subdivision 1. **Pollution prevention.** A district may construct, install, improve, maintain, and operate any system, works, or facilities within or without the district required to control and prevent pollution of any waters of the state within its territory.

Subd. 2. **Sewage disposal.** A district may construct, install, improve, maintain, and operate any system, works, or facilities within or without the district required to provide for, regulate, and control the disposal of sewage, industrial waste, and other waste originating within its territory. The district may require any person upon whose premises

there is any source of sewage, industrial waste, or other waste within the district to connect the premises with the disposal system, works, or facilities of the district whenever reasonable opportunity therefor is provided.

Subd. 3. **Garbage, refuse disposal.** A district may construct, install, improve, maintain, and operate any system, works, or facilities within or without the district required to provide for, regulate, and control the disposal of garbage or refuse originating within the district. The district may require any person upon whose premises any garbage or refuse is produced or accumulated to dispose of the garbage or refuse through the system, works, or facilities of the district whenever reasonable opportunity therefor is provided.

Subd. 4. **Water supply.** A district may procure supplies of water necessary for any purpose under subdivisions 1 to 3 and may construct, install, improve, maintain, and operate any system, works, or facilities required therefor within or without the district.

Subd. 5. **Roads.** (a) To maintain the integrity of and facilitate access to district systems, works, or facilities, the district may maintain and repair a road by agreement with the entity that was responsible for the performance of maintenance and repair immediately prior to the agreement. Maintenance and repair includes but is not limited to providing lighting, snow removal, and grass mowing.

(b) A district shall establish a taxing subdistrict of benefited property and shall levy special taxes, pursuant to section 442A.24, subdivision 2, for the purposes of paying the cost of improvement or maintenance of a road under paragraph (a).

(c) For purposes of this subdivision, a district shall not be construed as a road authority under chapter 160.

(d) The district and its officers and employees are exempt from liability for any tort claim for injury to person or property arising from travel on a road maintained by the district and related to the road's maintenance or condition.

Sec. 20. **[442A.18] DISTRICT PROJECTS AND FACILITIES.**

Subdivision 1. **Public property.** For the purpose of constructing, improving, maintaining, or operating any system, works, or facilities designed or used for any purpose under section 442A.17, a district, its officers, agents, employees, and contractors may enter, occupy, excavate, and otherwise operate in, upon, under, through, or along any public highway, including a state trunk highway, or any street, park, or other public grounds so far as necessary for such work, with the approval of the governing body or other authority in charge of the public property affected and on such terms as may be agreed upon with the governing body or authority respecting interference with public use, restoration of previous conditions, compensation for damages, and other pertinent matters. If an agreement cannot

be reached after reasonable opportunity therefor, the district may acquire the necessary rights, easements, or other interests in the public property by condemnation, subject to all applicable provisions of law as in case of taking private property, upon condition that the court shall determine that there is paramount public necessity for the acquisition.

Subd. 2. **Use of other systems.** A district may, upon such terms as may be agreed upon with the respective governing bodies or authorities concerned, provide for connecting with or using; lease; or acquire and take over any system, works, or facilities for any purpose under section 442A.17 belonging to any other governmental subdivision or other public agency.

Subd. 3. **Use by other governmental bodies.** A district may, upon such terms as may be agreed upon with the respective governing bodies or authorities concerned, authorize the use by any other governmental subdivision or other public agency of any system, works, or facilities of the district constructed for any purpose under section 442A.17 so far as the capacity thereof is sufficient beyond the needs of the district. A district may extend any such system, works, or facilities and permit the use thereof by persons outside the district, so far as the capacity thereof is sufficient beyond the needs of the district, upon such terms as the board may prescribe.

Subd. 4. **Joint projects.** A district may be a party to a joint cooperative project, undertaking, or enterprise with one or more other governmental subdivisions or other public agencies for any purpose under section 442A.17 upon such terms as may be agreed upon between the governing bodies or authorities concerned. Without limiting the effect of the foregoing provision or any other provision of this chapter, a district, with respect to any of said purposes, may act under and be subject to section 471.59, or any other appropriate law providing for joint or cooperative action between governmental subdivisions or other public agencies.

Sec. 21. **[442A.19] CONTROL OF SANITARY FACILITIES.**

A district may regulate and control the construction, maintenance, and use of privies, cesspools, septic tanks, toilets, and other facilities and devices for the reception or disposal of human or animal excreta or other domestic wastes within its territory so far as necessary to prevent nuisances or pollution or to protect the public health, safety, and welfare and may prohibit the use of any such facilities or devices not connected with a district disposal system, works, or facilities whenever reasonable opportunity for such connection is provided; provided, that the authority of a district under this section does not extend or apply to the construction, maintenance, operation, or use by any person other than the

district of any disposal system or part thereof within the district under and in accordance with a valid and existing permit issued by the Minnesota Pollution Control Agency.

Sec. 22. **[442A.20] DISTRICT PROGRAMS, SURVEYS, AND STUDIES.**

A district may develop general programs and particular projects within the scope of its powers and purposes and may make all surveys, studies, and investigations necessary for the programs and projects.

Sec. 23. **[442A.21] GENERAL AND STATUTORY CITY POWERS.**

A district may do and perform all other acts and things necessary or proper for the effectuation of its powers and the accomplishment of its purposes. Without limiting the effect of the foregoing provision or any other provision of this chapter, a district, with respect to each and all of said powers and purposes, shall have like powers as are vested in statutory cities with respect to any similar purposes. The exercise of such powers by a district and all matters pertaining thereto are governed by the law relating to the exercise of similar powers by statutory cities and matters pertaining thereto, so far as applicable, with like force and effect, except as otherwise provided.

Sec. 24. **[442A.22] ADVISORY COMMITTEE.**

A district board of managers may appoint an advisory committee with membership and duties as the board prescribes.

Sec. 25. **[442A.23] BOARD POWERS.**

Subdivision 1. **Generally.** The board of managers of every district shall have charge and control of all the funds, property, and affairs of the district. With respect thereto, the board has the same powers and duties as are provided by law for a statutory city council with respect to similar statutory city matters, except as otherwise provided. Except as otherwise provided, the chair, vice-chair, secretary, and treasurer of the district have the same powers and duties, respectively, as the mayor, acting mayor, clerk, and treasurer of a statutory city. Except as otherwise provided, the exercise of the powers and the performance of the duties of the board and officers of the district and all other activities, transactions, and procedures of the district or any of its officers, agents, or employees, respectively, are governed by the law relating to similar matters in a statutory city, so far as applicable, with like force and effect.

Subd. 2. **Regulation of district.** The board may enact ordinances, prescribe regulations, adopt resolutions, and take other appropriate action relating to any matter

within the powers and purposes of the district and may do and perform all other acts and things necessary or proper for the effectuation of said powers and the accomplishment of said purposes. The board may provide that violation of a district ordinance is a penal offense and may prescribe penalties for violations, not exceeding those prescribed by law for violation of statutory city ordinances.

Subd. 3. **Arrest; prosecution.** (a) Violations of district ordinances may be prosecuted before any court having jurisdiction of misdemeanors. Any peace officer may make arrests for violations committed anywhere within the district in the same manner as for violations of city ordinances or for statutory misdemeanors.

(b) All fines collected shall be deposited in the treasury of the district.

Sec. 26. **[442A.24] TAX LEVIES, ASSESSMENTS, AND SERVICE CHARGES.**

Subdivision 1. **Tax levies.** The board may levy taxes for any district purpose on all property taxable within the district.

Subd. 2. **Particular area.** In the case where a particular area within the district, but not the entire district, is benefited by a system, works, or facilities of the district, the board, after holding a public hearing as provided by law for levying assessments on benefited property, shall by ordinance establish such area as a taxing subdistrict, to be designated by number, and shall levy special taxes on all the taxable property therein, to be accounted for separately and used only for the purpose of paying the cost of construction, improvement, acquisition, maintenance, or operation of such system, works, or facilities, or paying the principal and interest on bonds issued to provide funds therefor and expenses incident thereto. The hearing may be held jointly with a hearing for the purpose of levying assessments on benefited property within the proposed taxing subdistrict.

Subd. 3. **Benefited property.** The board shall levy assessments on benefited property to provide funds for payment of the cost of construction, improvement, or acquisition of any system, works, or facilities designed or used for any district purpose or for payment of the principal of and interest on any bonds issued therefor and expenses incident thereto.

Subd. 4. **Service charges.** The board shall prescribe service, use, or rental charges for persons or premises connecting with or making use of any system, works, or facilities of the district; prescribe the method of payment and collection of the charges; and provide for the collection thereof for the district by any related governmental subdivision or other public agency on such terms as may be agreed upon with the governing body or other authority thereof.

Sec. 27. **[442A.25] BORROWING POWERS; BONDS.**

Subdivision 1. **Borrowing power.** The board may authorize the borrowing of money for any district purpose and provide for the repayment thereof, subject to chapter 475. The taxes initially levied by any district according to section 475.61 for the payment of district bonds, upon property within each municipality included in the district, shall be included in computing the levy of the municipality.

Subd. 2. **Bond issuance.** The board may authorize the issuance of bonds or obligations of the district to provide funds for the construction, improvement, or acquisition of any system, works, or facilities for any district purpose or for refunding any prior bonds or obligations issued for any such purpose and may pledge the full faith and credit of the district; the proceeds of tax levies or assessments; service, use, or rental charges; or any combination thereof to the payment of such bonds or obligations and interest thereon or expenses incident thereto. An election or vote of the people of the district is required to authorize the issuance of any bonds or obligations. Except as otherwise provided in this chapter, the forms and procedures for issuing and selling bonds and provisions for payment thereof must comply with chapter 475.

Sec. 28. **[442A.26] FUNDS; DISTRICT TREASURY.**

The proceeds of all tax levies, assessments, service, use, or rental charges, and other income of the district must be deposited in the district treasury and must be held and disposed of as the board may direct for district purposes, subject to any pledges or dedications made by the board for the use of particular funds for the payment of bonds, interest thereon, or expenses incident thereto or for other specific purposes.

Sec. 29. **[442A.27] EFFECT OF DISTRICT ORDINANCES AND FACILITIES.**

In any case where an ordinance is enacted or a regulation adopted by a district board relating to the same subject matter and applicable in the same area as an existing ordinance or regulation of a related governmental subdivision for the district, the district ordinance or regulation, to the extent of its application, supersedes the ordinance or regulation of the related governmental subdivision. In any case where an area within a district is served for any district purpose by a system, works, or facilities of the district, no system, works, or facilities shall be constructed, maintained, or operated for the same purpose in the same area by any related governmental subdivision or other public agency except as approved by the district board.

Sec. 30. **[442A.28] APPLICATION.**

This chapter does not abridge or supersede any authority of the Minnesota Pollution Control Agency or the commissioner of health, but is subject and supplementary thereto. Districts and members of district boards are subject to the authority of the Minnesota Pollution Control Agency and have no power or authority to abate or control pollution that is permitted by and in accord with any classification of waters, standards of water quality, or permit established, fixed, or issued by the Minnesota Pollution Control Agency.

Sec. 31. **[442A.29] CHIEF ADMINISTRATIVE LAW JUDGE'S POWERS.**

Subdivision 1. **Alternative dispute resolution.** (a) Notwithstanding sections 442A.01 to 442A.28, before assigning a matter to an administrative law judge for hearing, the chief administrative law judge, upon consultation with affected parties and considering the procedures and principles established in sections 442A.01 to 442A.28, may require that disputes over proposed sanitary district creations, attachments, detachments, or dissolutions be addressed in whole or in part by means of alternative dispute resolution processes in place of, or in connection with, hearings that would otherwise be required under sections 442A.01 to 442A.28, including those provided in chapter 14.

(b) In all proceedings, the chief administrative law judge has the authority and responsibility to conduct hearings and issue final orders related to the hearings under sections 442A.01 to 442A.28.

Subd. 2. **Cost of proceedings.** (a) The parties to any matter directed to alternative dispute resolution under subdivision 1 must pay the costs of the alternative dispute resolution process or hearing in the proportions that the parties agree to.

(b) Notwithstanding section 14.53 or other law, the Office of Administrative Hearings is not liable for the costs.

(c) If the parties do not agree to a division of the costs before the commencement of mediation, arbitration, or hearing, the costs must be allocated on an equitable basis by the mediator, arbitrator, or chief administrative law judge.

(d) The chief administrative law judge may contract with the parties to a matter for the purpose of providing administrative law judges and reporters for an administrative proceeding or alternative dispute resolution.

(e) The chief administrative law judge shall assess the cost of services rendered by the Office of Administrative Hearings as provided by section 14.53.

Subd. 3. **Parties.** In this section, "party" means:

(1) a property owner, group of property owners, sanitary district, municipality, or township that files an initiating document or timely objection under this chapter;

(2) the sanitary district, municipality, or township within which the subject area is located;

(3) a municipality abutting the subject area; and

(4) any other person, group of persons, or governmental agency residing in, owning property in, or exercising jurisdiction over the subject area that submits a timely request and is determined by the presiding administrative law judge to have a direct legal interest that will be affected by the outcome of the proceeding.

Subd. 4. **Effectuation of agreements.** Matters resolved or agreed to by the parties as a result of an alternative dispute resolution process, or otherwise, may be incorporated into one or more stipulations for purposes of further proceedings according to the applicable procedures and statutory criteria of this chapter.

Subd. 5. **Limitations on authority.** Nothing in this section shall be construed to permit a sanitary district, municipality, town, or other political subdivision to take, or agree to take, an action that is not otherwise authorized by this chapter.

Sec. 32. **REPEALER.**

Minnesota Statutes 2012, sections 115.18, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, and 10; 115.19; 115.20; 115.21; 115.22; 115.23; 115.24; 115.25; 115.26; 115.27; 115.28; 115.29; 115.30; 115.31; 115.32; 115.33; 115.34; 115.35; 115.36; and 115.37, are repealed.

Sec. 33. **EFFECTIVE DATE.**

Unless otherwise provided in this article, sections 1 to 32 are effective August 1, 2013.

APPENDIX
Article locations in S0423-2

115.18 SANITARY DISTRICTS; DEFINITIONS.

Subdivision 1. **Applicability.** As used in sections 115.18 to 115.37, the terms defined in this section have the meanings given them except as otherwise provided or indicated by the context.

Subd. 3. **Additional terms.** The terms defined in section 115.01, as now in force or hereafter amended, have the meanings given them therein.

Subd. 4. **Agency.** "Agency" means the Minnesota Pollution Control Agency.

Subd. 5. **Board.** "Board" means the board of managers of a sanitary district.

Subd. 6. **District.** "District" means a sanitary district created under the provisions of sections 115.18 to 115.37.

Subd. 7. **Municipality.** "Municipality" means a city, however organized.

Subd. 8. **Related governmental subdivision or body.** "Related governmental subdivision" means a municipality or organized town wherein there is a territorial unit of a district, or, in the case of an unorganized area, the county. "Related governing body" means the governing body of a related governmental subdivision, and, in the case of an organized town, means the town board.

Subd. 9. **Statutory city.** "Statutory city" means a city organized as provided by chapter 412, under the plan other than optional.

Subd. 10. **Territorial unit.** "Territorial unit" means all that part of the territory of a district situated within a single municipality, a single organized town outside of any municipality, or, in the case of an unorganized area, within a single county.

115.19 CREATION; PURPOSE; EXCEPTIONS.

A sanitary district may be created under the provisions of sections 115.18 to 115.37 for any territory embracing an area or a group of two or more adjacent areas, whether contiguous or separate, but not situated entirely within the limits of a single municipality, for the purpose of promoting the public health and welfare by providing an adequate and efficient system and means of collecting, conveying, pumping, treating and disposing of domestic sewage and garbage and industrial wastes within the district, in any case where the agency finds that there is need throughout the territory for the accomplishment of these purposes, that these purposes can be effectively accomplished on an equitable basis by a district if created, and that the creation and maintenance of such a district will be administratively feasible and in furtherance of the public health, safety, and welfare; but subject to the following exceptions:

No district shall be created within 25 miles of the boundary of any city of the first class without the approval of the governing body thereof and the approval of the governing body of each and every municipality in the proposed district by resolution filed with the agency.

115.20 PROCEEDING TO CREATE DISTRICT.

Subdivision 1. **Petition required.** (a) A proceeding for the creation of a district may be initiated by a petition to the agency, filed with its secretary, containing the following:

(1) a request for creation of the proposed district;

(2) the name proposed for the district, to include the words "sanitary district";

(3) a description of the territory of the proposed district;

(4) a statement showing the existence in such territory of the conditions requisite for creation of a district as prescribed in section 115.19;

(5) a statement of the territorial units represented by and the qualifications of the respective signers;

(6) the post office address of each signer, given under the signer's signature. A petition may consist of separate writings of like effect, each signed by one or more qualified persons, and all such writings, when filed, shall be considered together as a single petition.

(b) A public meeting must be held to inform citizens of the proposed creation of the district. At the meeting, information must be provided, including a description of the district's proposed structure, bylaws, territory, ordinances, budget, and charges. Notice of the meeting must be published for two successive weeks in a qualified newspaper published within the territory of the proposed district or, if there is no qualified newspaper published within the territory, in a qualified newspaper of general circulation in the territory, and by posting for two weeks in each territorial unit of the proposed district. A record of the meeting must be submitted to the agency with the petition.

Subd. 2. **Signatures; publication.** Every petition shall be signed as follows:

(1) for each municipality wherein there is a territorial unit of the proposed district, by an authorized officer or officers pursuant to a resolution of the municipal governing body;

(2) for each organized town wherein there is a territorial unit of the proposed district, by an authorized officer or officers pursuant to a resolution of the town board;

(3) for each county wherein there is a territorial unit of the proposed district consisting of an unorganized area, by an authorized officer or officers pursuant to a resolution of the county board, or by at least 20 percent of the voters residing and owning land within the unit.

Each resolution shall be published in the official newspaper of the governing body adopting it and shall become effective 40 days after publication, unless within said period there shall be filed with the governing body a petition signed by qualified electors of a territorial unit of the proposed district, equal in number to five percent of the number of such electors voting at the last preceding election of the governing body, requesting a referendum on the resolution, in which case the resolution may not become effective until approved by a majority of the qualified electors voting at a regular election or special election which the governing body may call. The notice of any election and the ballot to be used shall contain the text of the resolution followed by the question: "Shall the above resolution be approved?"

If any signer is alleged to be a landowner in a territorial unit, a statement as to the signer's landowner status as shown by the county auditor's tax assessment records, certified by the auditor, shall be attached to or endorsed upon the petition.

Subd. 3. **Changes; errors.** At any time before publication of the public notice required in subdivision 4, or before the public hearing, if required under subdivision 4, additional signatures may be added to the petition or amendments of the petition may be made to correct or remedy any error or defect in signature or otherwise except a material error or defect in the description of the territory of the proposed district. No proceeding shall be invalidated on account of any error or defect in the petition unless questioned by an interested party before the reception of evidence begins at the hearing except a material error or defect in the description of the territory of the proposed district. If the qualifications of any signer of a petition are challenged, the agency or its agent shall determine the challenge forthwith on the allegations of the petition, the county auditor's certificate of land ownership, and such other evidence as may be received.

Subd. 4. **State Register; hearing.** (a) Upon receipt of a petition and the record of the public meeting required under subdivision 1, the agency shall publish a notice in the State Register and mail a copy to each property owner in the affected territory at the owner's address as given by the county auditor. The mailed copy must state the date that the notice will appear in the State Register. Copies need not be sent by registered mail. The notice must:

(1) describe the petition for creation of the district;

(2) describe the territory affected by the petition;

(3) allow 30 days for submission of written comments on the petition;

(4) state that a person who objects to the petition may submit a written request for hearing to the agency within 30 days of the publication of the notice in the State Register; and

(5) state that if a timely request for hearing is not received, the agency may make a decision on the petition at a future meeting of the agency.

(b) If 25 or more timely requests for hearing are received, the agency must hold a hearing on the petition in accordance with the contested case provisions of chapter 14.

Subd. 5. **Findings; order.** After the public notice period or the public hearing, if required under subdivision 4, and based on the petition, any public comments received, and, if a hearing was held, the hearing record, the agency shall make findings of fact and conclusions determining whether or not the conditions requisite for the creation of a district exist in the territory described in the petition. If the agency finds that conditions exist, it may make an order creating a district for the territory described in the petition under the name proposed in the petition or such other name, including the words "sanitary district," as the agency deems appropriate.

Subd. 6. **Denial of petition.** If the agency, after the conclusion of the public notice period or the holding of a hearing, if required, determines that the creation of a district in the territory described in the petition is not warranted, it shall make an order denying the petition. The secretary of the agency shall give notice of such denial by mail to each signer of the petition. No petition for the creation of a district consisting of the same territory shall be entertained within a year after the date of an order, but this shall not preclude action on a petition for the creation of a district embracing part of the territory with or without other territory.

Subd. 7. **Notice of orders.** Notice of the making of every order of the agency creating a sanitary district, referring to the date of the order and describing the territory of the district, shall be given by the secretary in like manner as for notice of the hearing on the petition for creation of the district.

Subd. 8. **Appeal.** An appeal may be taken from an order of the agency creating or dissolving a district, annexing territory to or detaching territory from a district, or denying a petition for any such action, as now or hereafter provided for appeals from other orders of the agency except that

the giving of notice of the order as provided in subdivision 7 shall be deemed notice thereof to all interested parties, and the time for appeal by any party shall be limited to 30 days after completion of the mailing of copies of the order or after expiration of the prescribed period of posting or publication, whichever is latest. The validity of the creation of a district shall not be otherwise questioned.

Subd. 9. **Filing.** Upon expiration of the time for appeal from an order of the agency creating a district, or, in case of an appeal, upon the taking effect of a final judgment of a court of competent jurisdiction sustaining the order, the secretary of the agency shall deliver a certified copy of the order to the secretary of state for filing. Thereupon the creation of the district shall be deemed complete, and it shall be conclusively presumed that all requirements of law relating thereto have been complied with. The secretary of the agency shall also transmit a certified copy of the order for filing to the county auditor of each county and the clerk or recorder of each municipality and organized town wherein any part of the territory of the district is situated and to the secretary of the district board when elected.

115.21 ANNEXATION, DETACHMENT, AND DISSOLUTION.

Subdivision 1. **Annexation.** An area adjacent to an existing district may be annexed thereto upon a petition to the agency stating the grounds therefor as hereinafter provided, signed by an authorized officer or officers of the district pursuant to a resolution of the board, also signed with respect to the area proposed for annexation in like manner as provided for a petition for creation of a district. Except as otherwise provided, a proceeding for annexation shall be governed by the provisions now or hereafter in force relating to proceedings for the creation of districts, so far as applicable. For the purpose of giving the required notices the territory involved shall comprise the area proposed for annexation together with the entire territory of the district. If the agency determines that the requisite conditions exist in the area proposed for annexation together with the territory of the district, it may make an order for annexation accordingly. All taxable property within the annexed area shall be subject to taxation for any existing bonded indebtedness or other indebtedness of the district for the cost of acquisition, construction, or improvement of any disposal system or other works or facilities beneficial to the annexed area to such extent as the agency may determine to be just and equitable, to be specified in the order for annexation. The proper officers shall levy further taxes on such property accordingly.

Subd. 2. **Detachment.** An area within a district may be detached therefrom upon a petition to the agency stating the grounds therefor as hereinafter provided, signed by an authorized officer or officers of the district pursuant to a resolution of the board, also signed with respect to the area proposed for detachment in like manner as provided for a petition for creation of a district. Except as otherwise provided, a proceeding for detachment shall be governed by the provisions now or hereafter in force relating to proceedings for the creation of districts, so far as applicable. For the purpose of giving the required notices the territory involved shall comprise the entire territory of the district. If the agency determines that the requisite conditions for inclusion in a district no longer exist in the area proposed for detachment, it may make an order for detachment accordingly. All taxable property within the detached area shall remain subject to taxation for any existing bonded indebtedness of the district to such extent as it would have been subject thereto if not detached, and shall also remain subject to taxation for any other existing indebtedness of the district incurred for any purpose beneficial to such area to such extent as the agency may determine to be just and equitable, to be specified in the order for detachment. The proper officers shall levy further taxes on such property accordingly.

Subd. 3. **Joint petition.** Different areas may be annexed to and detached from a district in a single proceeding upon a joint petition therefor and upon compliance with the provisions of subdivisions 1 and 2 with respect to the area affected so far as applicable.

Subd. 4. **Dissolution.** A district may be dissolved upon a petition to the agency stating the grounds for dissolution as hereinafter provided, signed by an authorized officer or officers of the district pursuant to a resolution of the board, and containing a proposal for distribution of the remaining funds of the district, if any, among the related governmental subdivisions. Except as otherwise provided, a proceeding for dissolution shall be governed by the provisions now or hereafter in force relating to proceedings for the creation of districts, so far as applicable. If the commission determines that the conditions requisite for the creation of the district no longer exist therein, that all indebtedness of the district has been paid, and that all property of the district except funds has been disposed of, it may make an order dissolving the district and directing the distribution of its remaining funds, if any, among the related governmental subdivisions on such basis as the agency determines to be just and equitable, to be specified in the order. Certified copies of the order for dissolution shall be transmitted and filed as provided for an order creating a

district. The secretary of the agency shall also transmit a certified copy of the order to the treasurer of the district, who shall thereupon distribute the remaining funds of the district as directed by the order, and shall be responsible for such funds until so distributed.

115.22 PETITIONERS TO PAY EXPENSES.

Expenses of the preparation and submission of petitions in proceedings under sections 115.19 to 115.21 shall be paid by the petitioners. Expenses of hearings therein shall be paid out of any available funds appropriated for the agency.

115.23 BOARD OF MANAGERS OF DISTRICT.

Subdivision 1. **Composition.** The governing body of each district shall be a board of managers of five members, who shall be voters residing in the district, and who may but need not be officers, members of governing bodies, or employees of the related governmental subdivisions, except that where there are more than five territorial units in a district there shall be one board member for each unit.

Subd. 2. **Terms.** The terms of the first board members elected after creation of a district shall be so arranged and determined by the electing body as to expire on the first business day in January as follows:

(1) the terms of two members in the second calendar year after the year in which they were elected;

(2) the terms of two other members in the third calendar year after the year in which they were elected;

(3) the term of the remaining member in the fourth calendar year after the year in which the member was elected. In case a board has more than five members the additional members shall be assigned to the groups hereinbefore provided for so as to equalize such groups as far as practicable. Thereafter board members shall be elected successively for regular terms beginning on expiration of the preceding terms and expiring on the first business day in January of the third calendar year thereafter. Each board member shall serve until a successor is elected and has qualified.

Subd. 3. **Election of board.** In a district having only one territorial unit all the members of the board shall be elected by the related governing body. In a district having more than one territorial unit the members of the board shall be elected by the members of the related governing bodies in joint session except as otherwise provided. The electing bodies concerned shall meet and elect the first board members of a new district as soon as practicable after creation of the district, and shall meet and elect board members for succeeding regular terms as soon as practicable after November 1 next preceding the beginning of the terms to be filled, respectively.

Subd. 4. **Central related governing body.** Upon the creation of a district having more than one territorial unit, the agency, on the basis of convenience for joint meeting purposes, shall designate one of the related governing bodies as the central related governing body in the order creating the district or in a subsequent special order, of which the secretary of the agency shall notify the clerks or recorders of all the related governing bodies. Upon receipt of such notification, the clerk or recorder of the central related governing body shall immediately transmit the same to the presiding officer of such body. Such officer shall thereupon call a joint meeting of the members of all the related governing bodies to elect board members, to be held at such time as the officer shall fix at the regular meeting place of the officer's governing body or at such other place in the district as the officer shall determine. At least ten days' notice of the meeting shall be given by mail by the clerk or recorder of such body to the clerks or recorders of all the other related governing bodies, who shall immediately transmit such notice to all the members of such bodies, respectively. Subsequent joint meetings to elect board members for regular terms shall be called and held in like manner. The presiding officer and the clerk or recorder of the central related governing body shall act respectively as chair and secretary of the joint electing body at any meeting thereof, but in case of the absence or disability of either of them such body may elect a temporary substitute. A majority of the members of each related governing body shall be required for a quorum at any meeting of the joint electing body.

Subd. 5. **Nominations.** Nominations for board members may be made by petitions, each signed by ten or more voters residing and owning land in the district, filed with the clerk, recorder, or secretary of the electing body before the election meeting. No person shall sign more than one petition. The electing body shall give due consideration to all such nominations but shall not be limited thereto.

Subd. 6. **Election; single governing body.** In the case of an electing body consisting of a single related governing body, a majority vote of all the members shall be required for an election.

In the case of a joint electing body, a majority vote of the members present shall be required for an election. In case of lack of a quorum or failure to elect, a meeting of an electing body may be adjourned to a stated time and place without further notice.

Subd. 7. **Election; multiple governing bodies.** In any district having more than one territorial unit, the related governing bodies, instead of meeting in joint session, may elect a board member by resolutions adopted by all of them separately, concurring in the election of the same person. A majority vote of all the members of each related governing body shall be required for the adoption of any such resolution. The clerks or recorders of the other related governing bodies shall transmit certified copies of such resolutions to the clerk or recorder of the central related governing body. Upon receipt of concurring resolutions from all the related governing bodies, the presiding officer and clerk or recorder of the central related governing body shall certify the results and furnish certificates of election as provided for a joint meeting.

Subd. 8. **Vacancies.** Any vacancy in the membership of a board shall be filled for the unexpired term in like manner as provided for the regular election of board members.

Subd. 9. **Certification of election; temporary chair.** The presiding and recording officers of the electing body shall certify the results of each election to the secretary of the agency, to the county auditor of each county wherein any part of the district is situated, and to the clerk or recorder of each related governing body, and shall make and transmit to each board member elected a certificate of the board member's election. Upon electing the first board members of a district, the presiding officer of the electing body shall designate one of them to serve as temporary chair for the purposes of initial organization of the board, and the recording officer of the body shall include written notice thereof to all the board members with their certificates of election.

115.24 ORGANIZATION AND PROCEDURE OF BOARD.

Subdivision 1. **Initial, annual meetings.** As soon as practicable after the election of the first board members of a district they shall meet at the call of the temporary chair to elect officers and take other appropriate action for organization and administration of the district. Each board shall hold a regular annual meeting at the call of the chair or otherwise as it shall prescribe on or as soon as practicable after the first business day in January of each year, and such other regular and special meetings as it shall prescribe.

Subd. 2. **Officers.** The officers of each district shall be a chair and a vice-chair, who shall be members of the board, and a secretary and a treasurer, who may but need not be members of the board. The board of a new district at its initial meeting or as soon thereafter as practicable shall elect the officers to serve until the first business day in January next following. Thereafter the board shall elect the officers at each regular annual meeting for terms expiring on the first business day in January next following. Each officer shall serve until a successor is elected and has qualified.

Subd. 3. **Meeting place; offices.** The board at its initial meeting or as soon thereafter as practicable shall provide for suitable places for board meetings and for offices of the district officers, and may change the same thereafter as it deems advisable. Such meeting place and offices may be the same as those of any related governing body, with the approval of such body. The secretary of the board shall notify the secretary of state, the secretary of the agency, the county auditor of each county wherein any part of the district is situated, and the clerk or recorder of each related governing body of the locations and post office addresses of such meeting place and offices and any changes therein.

Subd. 4. **Budget.** At any time before the proceeds of the first tax levy in a district become available, the district board may prepare a budget comprising an estimate of the expenses of organizing and administering the district until such proceeds are available, with a proposal for apportionment of the estimated amount among the related governmental subdivisions, and may request the governing bodies thereof to advance funds in accordance with the proposal. Such governing bodies may authorize advancement of the requested amounts, or such part thereof as they respectively deem proper, from any funds available in their respective treasuries. The board shall include in its first tax levy after receipt of any such advancements a sufficient sum to cover the same and shall cause the same to be repaid, without interest, from the proceeds of taxes as soon as received.

115.25 STATUS AND POWERS OF DISTRICT.

Subdivision 1. **Status.** Every district shall be a public corporation and a governmental subdivision of the state, and shall be deemed to be a municipality or municipal corporation for the purpose of obtaining federal or state grants or loans or otherwise complying with any provision of

federal or state law or for any other purpose relating to the powers and purposes of the district for which such status is now or hereafter required by law.

Subd. 2. **Powers and purpose.** Every district shall have the powers and purposes prescribed by sections 115.18 to 115.37 and such others as may now or hereafter be prescribed by law. No express grant of power or enumeration of powers herein shall be deemed to limit the generality or scope of any grant of power.

Subd. 3. **Scope of powers and duties.** Except as otherwise provided, a power or duty vested in or imposed upon a district or any of its officers, agents, or employees shall not be deemed exclusive and shall not supersede or abridge any power or duty vested in or imposed upon any other agency of the state or any governmental subdivision thereof, but shall be supplementary thereto.

Subd. 4. **Exercise of power.** All the powers of a district shall be exercised by its board of managers except so far as approval of any action by popular vote or by any other authority may be expressly required by law.

Subd. 5. **Lawsuits; contracts.** A district may sue and be sued and may enter into any contract necessary or proper for the exercise of its powers or the accomplishment of its purposes.

Subd. 6. **Property acquisition.** A district may acquire by purchase, gift, or condemnation or may lease or rent any real or personal property within or without the district which may be necessary for the exercise of its powers or the accomplishment of its purposes, may hold such property for such purposes, and may lease or rent out or sell or otherwise dispose of any such property so far as not needed for such purposes.

Subd. 7. **Acceptance of money or property.** A district may accept gifts, grants, or loans of money or other property from the United States, the state, or any person, corporation, or other entity for district purposes, may enter into any agreement required in connection therewith, and may hold, use, and dispose of such money or property in accordance with the terms of the gift, grant, loan, or agreement relating thereto.

115.26 SPECIFIC PURPOSES AND POWERS.

Subdivision 1. **Pollution prevention.** A district may construct, install, improve, maintain, and operate any system, works, or facilities within or without the district required to control and prevent pollution of any waters of the state within its territory.

Subd. 2. **Sewage disposal.** A district may construct, install, improve, maintain, and operate any system, works, or facilities within or without the district required to provide for, regulate, and control the disposal of sewage, industrial waste and other waste originating within its territory. The district may require any person upon whose premises there is any source of sewage, industrial waste, or other waste within the district to connect the same with the disposal system, works, or facilities of the district whenever reasonable opportunity therefor is provided.

Subd. 3. **Garbage, refuse disposal.** A district may construct, install, improve, maintain, and operate any system, works, or facilities within or without the district required to provide for, regulate, and control the disposal of garbage or refuse originating within the district, and may require any person upon whose premises any garbage or refuse is produced or accumulated to dispose thereof through the system, works, or facilities of the district whenever reasonable opportunity therefor is provided.

Subd. 4. **Water supply.** A district may procure supplies of water so far as necessary for any purpose under subdivisions 1, 2, and 3, and may construct, install, improve, maintain, and operate any system, works, or facilities required therefor within or without the district.

Subd. 5. **Roads.** (a) In order to maintain the integrity of and facilitate access to district systems, works, or facilities, the district may maintain and repair a road by agreement with the entity that was responsible for the performance of maintenance and repair immediately prior to the agreement. Maintenance and repair includes, but is not limited to, providing lighting, snow removal, and grass mowing.

(b) A district shall establish a taxing subdistrict of benefited property and shall levy special taxes, pursuant to section 115.33, subdivision 2, for the purposes of paying the cost of improvement or maintenance of a road under paragraph (a).

(c) For purposes of this subdivision, a district shall not be construed as a road authority under chapter 160.

(d) The district and its officers and employees are exempt from liability for any tort claim for injury to person or property arising from travel on a road maintained by the district and related to its maintenance or condition.

115.27 DISTRICT PROJECTS AND FACILITIES.

Subdivision 1. **Public property.** For the purpose of constructing, improving, maintaining, or operating any system, works, or facilities designed or used for any purpose under section 115.26, a district, its officers, agents, employees, and contractors may enter, occupy, excavate, and otherwise operate it, upon, under, through, or along any public highway, including a state trunk highway, or any street, park, or other public grounds so far as necessary for such work, with the approval of the governing body or other authority in charge of the public property affected and on such terms as may be agreed upon with such governing body or authority respecting interference with public use, restoration of previous conditions, compensation for damages, and other pertinent matters. If such an agreement cannot be reached after reasonable opportunity therefor, the district may acquire the necessary rights, easements, or other interests in such public property by condemnation, subject to all applicable provisions of law as in case of taking private property, upon condition that the court shall determine that there is paramount public necessity for such acquisition.

Subd. 2. **Use of other systems.** A district may, upon such terms as may be agreed upon with the respective governing bodies or authorities concerned, provide for connecting with or using or may lease or acquire and take over any system, works, or facilities for any purpose under section 115.26 belonging to any other governmental subdivision or other public agency.

Subd. 3. **Use by other governmental bodies.** A district may, upon such terms as may be agreed upon with the respective governing bodies or authorities concerned, authorize the use by any other governmental subdivision or other public agency of any system, works, or facilities of the district constructed for any purpose under section 115.26 so far as the capacity thereof is sufficient beyond the needs of the district. A district may extend any such system, works, or facilities and permit the use thereof by persons outside the district, so far as the capacity thereof is sufficient beyond the needs of the district, upon such terms as the board may prescribe.

Subd. 4. **Joint projects.** A district may be a party to a joint cooperative project, undertaking, or enterprise with any one or more other governmental subdivisions or other public agencies for any purpose under section 115.26 upon such terms as may be agreed upon between the governing bodies or authorities concerned. Without limiting the effect of the foregoing provision or any other provisions of sections 115.18 to 115.37, a district, with respect to any of said purposes, may act under and be subject to the provisions of section 471.59, as now in force or hereafter amended, or any other appropriate law now in force or hereafter enacted providing for joint or cooperative action between governmental subdivisions or other public agencies.

115.28 CONTROL OF SANITARY FACILITIES.

A district may regulate and control the construction, maintenance, and use of privies, cesspools, septic tanks, toilets, and other facilities and devices for the reception or disposal of human or animal excreta or other domestic wastes within its territory so far as necessary to prevent nuisances or pollution or to protect the public health, safety, and welfare, and may prohibit the use of any such facilities or devices not connected with a district disposal system, works, or facilities whenever reasonable opportunity for such connection is provided; provided, that the authority of a district under this section shall not extend or apply to the construction, maintenance, operation, or use by any person other than the district of any disposal system or part thereof within the district under and in accordance with a valid and existing permit heretofore or hereafter issued by the agency.

115.29 DISTRICT PROGRAMS, SURVEYS, AND STUDIES.

A district may develop general programs and particular projects within the scope of its powers and purposes, and may make all surveys, studies, and investigations necessary therefor.

115.30 GENERAL AND STATUTORY CITY POWERS.

A district may do and perform all other acts and things necessary or proper for the effectuation of its powers and the accomplishment of its purposes. Without limiting the effect of the foregoing provision or any other provision of sections 115.18 to 115.37, a district, with respect to each and all of said powers and purposes, shall have like powers as are vested in statutory cities with respect to any similar purposes, and the exercise of such powers by a district and all

matters pertaining thereto shall be governed by the provisions of law relating to the exercise of similar powers by statutory cities and matters pertaining thereto, so far as applicable, with like force and effect, except as otherwise provided.

115.31 ADVISORY COMMITTEE.

The board may appoint an advisory committee with such membership and duties as it may prescribe.

115.32 POWERS OF BOARD.

Subdivision 1. **Generally.** The board of managers of every district shall have charge and control of all the funds, property, and affairs of the district. With respect thereto, the board shall have like powers and duties as are provided by law for a statutory city council with respect to similar statutory city matters, except as otherwise provided. Except as otherwise provided, the chair, vice-chair, secretary, and treasurer of the district shall have like powers and duties, respectively, as the mayor, acting mayor, clerk, and treasurer of a statutory city. Except as otherwise provided the exercise of the powers and the performance of the duties of the board and officers of the district and all other activities, transactions, and procedures of the district or any of its officers, agents, or employees, respectively, shall be governed by the provisions of law relating to similar matters in a statutory city, so far as applicable, with like force and effect.

Subd. 2. **Regulation of district.** The board may enact ordinances, prescribe regulations, adopt resolutions, and take other appropriate action relating to any matter within the powers and purposes of the district, and may do and perform all other acts and things necessary or proper for the effectuation of said powers and the accomplishment of said purposes. The board may provide that violation of any ordinance shall be a penal offense and may prescribe penalties therefor, not exceeding those prescribed by law for violation of statutory city ordinances.

Subd. 3. **Arrest; prosecution.** Violations of district ordinances may be prosecuted before any court having jurisdiction of misdemeanors. Any peace officer may make arrests for violations committed anywhere within the district in the same manner as for violations of city ordinances or for statutory misdemeanors.

All fines collected shall be deposited in the treasury of the district.

115.33 TAX LEVIES, ASSESSMENTS, AND SERVICE CHARGES.

Subdivision 1. **Tax levies.** The board may levy taxes for any district purpose on all property taxable within the district, and for a period of five years from June 5, 1971, the same shall not be subject to any limitation and shall be excluded in computing amounts subject to any limitation on tax levies.

Subd. 2. **Particular area.** In the case where a particular area within the district, but not the entire district, is benefited by a system, works, or facilities of the district, the board, after holding a public hearing as provided by law for levying assessments on benefited property, shall by ordinance establish such area as a taxing subdistrict, to be designated by number, and shall levy special taxes on all the taxable property therein, to be accounted for separately and used only for the purpose of paying the cost of construction, improvement, acquisition, maintenance, or operation of such system, works, or facilities, or paying the principal and interest on bonds issued to provide funds therefor and expense incident thereto. Such hearing may be held jointly with a hearing for the purpose of levying assessments on benefited property within the proposed taxing subdistrict.

Subd. 3. **Benefited property.** The board shall levy assessments on benefited property to provide funds for payment of the cost of construction, improvement, or acquisition of any system, works, or facilities designed or used for any district purpose, or for payment of the principal of and interest on any bonds issued therefor and expenses incident thereto.

Subd. 4. **Service charges.** The board shall prescribe service, use, or rental charges for persons or premises connecting with or making use of any system, works, or facilities of the district, prescribe the method of payment and collection of such charges, and provide for the collection thereof for the district by any related governmental subdivision or other public agency on such terms as may be agreed upon with the governing body or other authority thereof.

115.34 BORROWING POWERS; BONDS.

Subdivision 1. **Borrowing power.** The board may authorize the borrowing of money for any district purpose and provide for the repayment thereof, subject to chapter 475. The taxes

initially levied by any district in accordance with section 475.61 for the payment of its bonds, upon property within each municipality included in the district, shall be included in computing the levy of such municipality.

Subd. 2. **Bond issuance.** The board may authorize the issuance of bonds or obligations of the district to provide funds for the construction, improvement, or acquisition of any system, works, or facilities for any district purpose, or for refunding any prior bonds or obligations issued for any such purpose, and may pledge the full faith and credit of the district or the proceeds of tax levies or assessments or service, use, or rental charges, or any combination thereof, to the payment of such bonds or obligations and interest thereon or expenses incident thereto. An election or vote of the people of the district shall be required to authorize the issuance of any such bonds or obligations. Except as otherwise provided in sections 115.18 to 115.37, the forms and procedures for issuing and selling bonds and provisions for payment thereof shall comply with the provisions of chapter 475, as now in force or hereafter amended.

115.35 FUNDS; DISTRICT TREASURY.

The proceeds of all tax levies, assessments, service, use, or rental charges, and other income of the district shall be deposited in the district treasury and shall be held and disposed of as the board may direct for district purposes, subject to any pledges or dedications made by the board for the use of particular funds for the payment of bonds or interest thereon or expenses incident thereto or for other specific purposes.

115.36 EFFECT OF DISTRICT ORDINANCES AND FACILITIES.

In any case where an ordinance is enacted or a regulation adopted by a district board relating to the same subject matter and applicable in the same area as an existing ordinance or regulation of a related governmental subdivision for the district, the district ordinance or regulation, to the extent of its application, shall supersede the ordinance or regulation of the related governmental subdivision. In any case where an area within a district is served for any district purpose by a system, works, or facilities of the district, no system, works, or facilities shall be constructed, maintained, or operated for the same purpose in the same area by any related governmental subdivision or other public agency except as approved by the district board.

115.37 APPLICATION.

The provisions of sections 115.18 to 115.37 shall not abridge or supersede any provision of sections 115.01 to 115.09, or any authority of the Minnesota Pollution Control Agency or the state commissioner of health, but shall be subject and supplementary thereto. Districts and members of district boards shall be subject to the authority of the agency and shall have no power or authority to abate or control pollution which is permitted by and in accord with any classification of waters, standards of water quality, or permit established, fixed, or issued by the agency.

7021.0010 DEFINITIONS.

Subpart 1. **Scope.** The definitions in part 7005.0100 apply to the terms used in parts 7021.0010 to 7021.0050 unless the terms are defined in this part.

7021.0010 DEFINITIONS.

Subp. 2. **Electric utility.** "Electric utility" means persons, corporations, or other legal entities, their lessees, trustees, and receivers operating, maintaining, or controlling in Minnesota facilities used for the generation of electricity.

7021.0010 DEFINITIONS.

Subp. 4. **Reasonably available control technology (RACT).** "Reasonably available control technology (RACT)" means the lowest emission limit that a particular source is capable of meeting by the application of control technology that is reasonably available considering technological and economic feasibility.

7021.0010 DEFINITIONS.

Subp. 5. **Sensitive areas.** "Sensitive areas" means the areas listed by the agency pursuant to Minnesota Statutes, section 116.44 because the agency has determined these areas contain natural resources sensitive to the impacts of acid deposition.

7021.0020 APPLICABILITY.

The acid deposition standard established in part 7021.0030 applies only in sensitive areas.

7021.0030 ACID DEPOSITION STANDARD.

The acid deposition standard is an annual average of 11 kilograms of wet sulfate deposition per hectare.

7021.0040 MEASUREMENT METHODOLOGY FOR SULFATE.

Subpart 1. **Incorporation by reference.** Quality Assurance Handbook for Air Pollution Measurement Systems (EPA-600/4-82-042 a & b), as amended, is incorporated by reference. This publication is available from the United States Environmental Protection Agency, Office of Research and Development, 26 West St. Clair, Cincinnati, Ohio 45268 and can be found at the offices of the agency, 1935 West County Road B-2, Roseville, Minnesota 55113, the Government Documents Section, Room 409, Wilson Library, University of Minnesota, 309 19th Avenue South, Minneapolis, Minnesota 55454, and the State of Minnesota Law Library, 25 Rev. Dr. Martin Luther King Jr. Blvd., St. Paul, Minnesota 55155. This document is not subject to frequent change.

Subp. 2. **Measurement procedure.** For sulfate, measurements made to determine compliance with the standard contained in part 7021.0030 shall be performed in accordance with the Quality Assurance Handbook for Air Pollution Measurement Systems: Volume V, Manual for Precipitation Measurement Systems (EPA-600/4-82-042 a & b). A person seeking to make measurements to determine compliance with the acid deposition standard shall develop and submit to the commissioner for approval a quality assurance plan containing equipment specifications and procedures for operation, maintenance, and internal quality control of the measurement system.

7021.0050 ACID DEPOSITION CONTROL REQUIREMENTS IN MINNESOTA.

Subp. 5. **Requirement for application of reasonably available control technology.** On and after January 1, 1990, the owner or operator of any electric generating facility that contains indirect heating equipment with a rated heat input of greater than 5,000 million BTU per hour shall reduce sulfur dioxide emissions at the facility to a level consistent with RACT.

9210.0300 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 9210.0300 to 9210.0380, the following terms have the meanings given them, unless the context requires otherwise.

Subp. 2. **Agency.** "Agency" means the Minnesota Pollution Control Agency.

Subp. 3. **Commissioner.** "Commissioner" means the commissioner of the Minnesota Pollution Control Agency.

Subp. 4. **Cities.** "Cities" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 4.

Subp. 5. **Comprehensive solid waste management plan.** "Comprehensive solid waste management plan" means a written plan prepared under Minnesota Statutes, section 115A.46.

Subp. 6. **Disposal.** "Disposal" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 9.

Subp. 7. **Final design and engineering/architectural plans.** "Final design and engineering/architectural plans" means those engineering drawings and specifications used to secure bids for construction or equipment.

Subp. 8. **Institutional arrangements.** "Institutional arrangements" means methods of financing, marketing, procurement, securing the waste supply, or joint efforts by more than one local government unit.

Subp. 9. **Mixed municipal solid waste.** "Mixed municipal solid waste" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 21.

Subp. 10. **On-site utilities.** "On-site utilities" means gas, electrical, water, and sewer facilities within the geographic boundaries of the waste processing facility.

Subp. 11. **Preliminary design and engineering/architectural plans.** "Preliminary design and engineering/architectural plans" means conceptual plans adequate to obtain preconstruction permits and to meet the needs of an environmental assessment.

Subp. 12. **Processing.** "Processing" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 25.

Subp. 13. **Project.** "Project" means a processing facility, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the processing facility.

Subp. 14. **Recipient.** "Recipient" means an applicant who has received a grant or loan under the solid waste processing facilities demonstration program.

Subp. 15. **Recyclable materials.** "Recyclable materials" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 25a.

Subp. 16. **Recycling.** "Recycling" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 25b.

Subp. 17. **Resource recovery.** "Resource recovery" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 27.

Subp. 18. **Resource recovery facility.** "Resource recovery facility" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 28.

Subp. 19. **Solid waste.** "Solid waste" has the meaning given it in Minnesota Statutes, section 116.06, subdivision 22.

Subp. 20. **Solid waste disposal facilities and equipment.** "Solid waste disposal facilities and equipment" means structures, machinery, or devices at a disposal site necessary for efficient land disposal of solid wastes, including machinery or devices designed to move earth during burial of wastes or to increase the density of wastes buried or to be buried, and facilities in which solid waste is temporarily stored and concentrated prior to transport to a disposal site.

Subp. 21. **Solid waste management district.** "Solid waste management district" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 32.

Subp. 22. **Special waste stream.** "Special waste stream" means materials that are normally found in the solid waste stream in sufficient quantity to be recovered for subsequent use, if separated from the solid waste stream and processed separately. Examples of special waste streams include waste tires, wood wastes, and agricultural wastes.

Subp. 23. **Transfer station.** "Transfer station" has the meaning given it in Minnesota Statutes, section 115A.03, subdivision 33.

Subp. 24. **Waste processing equipment.** "Waste processing equipment" means machinery or devices acquired and used as an integral component of a waste processing facility.

Subp. 25. **Waste processing facility.** "Waste processing facility" means structures and equipment singly or in combination, designed, constructed, and used to separate, modify, convert, heat, prepare, or otherwise process solid waste so that materials, substances, or energy contained within the waste may be recovered for subsequent use.

9210.0310 SOLID WASTE PROCESSING FACILITIES DEMONSTRATION PROGRAM.

Parts 9210.0300 to 9210.0380 implement the solid waste processing facilities demonstration program created and described in Minnesota Statutes, sections 115A.49 to 115A.54, by establishing the substantive criteria and procedural conditions under which the agency may award grants and loans for capital costs of waste processing facilities.

9210.0320 ELIGIBILITY CRITERIA.

Subpart 1. **Eligible applicants.** Eligible applicants are limited to cities, counties, and solid waste management districts established pursuant to Minnesota Statutes, sections 115A.62 to 115A.72.

Subp. 2. **Eligible projects.** Only projects that demonstrate feasible and prudent alternatives to disposal are eligible for loans and grants. Three types of projects are eligible for loans and grants: materials recovery; chemical, physical, or biological modifications; and special waste streams. Eligible projects are limited to those in which the land, buildings, and equipment are publicly owned.

Subp. 3. **Eligible costs.** Except as provided in part 9210.0200, eligible costs under parts 9210.0300 to 9210.0380 shall be limited to the costs of land, waste processing equipment, structures necessary to house the waste processing equipment, appropriate and necessary on-site utilities, landscaping; on-site roads and parking; trailers, containers, and rolloff boxes necessary to transport products to market, or to transport residue from the processing facility to a solid waste land disposal facility, and final design and engineering/architectural plans.

Subp. 4. **Ineligible costs.** Except as provided in part 9210.0200, ineligible costs include any costs related to solid waste disposal facilities and equipment, structures for housing and maintenance of rolling stock, or any costs related to resource recovery studies, feasibility analyses, or preliminary design and engineering/architectural plans.

9210.0330 INFORMATION REQUIRED ON APPLICATION.

Applications for grants, loans, or grants and loans for waste processing facilities shall include the following information as required in the application forms supplied by the agency:

A. the name of each applicant making the application;

B. the name of each political subdivision affected by the project, located in the area studied in the project, or located in the area in which the project is intended to be implemented;

C. the name, qualifications, and address of the project manager;

D. the name and qualifications of the facility operator, if available;

E. the total capital cost of the project;

F. the total grant- or loan-eligible cost of the project;

G. the amount of grant, loan, or grant and loan funding requested;

H. the amount and sources of all other funding contributions, including the amount of funds to be contributed by the applicant;

I. the type of assistance applied for (grant, loan, or grant and loan together); and

J. the type of waste processing facility for which assistance is being requested: materials recovery; chemical, physical, or biological modification; or special waste stream.

9210.0340 SUPPORTING DOCUMENTATION REQUIRED TO BE SUBMITTED WITH APPLICATION.

Applications for grants or loans for waste processing facilities shall include the following supporting documentation:

A. a conceptual and technical feasibility report that includes at least the following: a detailed description of the proposed waste processing facility; a description of the institutional arrangements necessary for project implementation and operation; a description of the method of facility procurement; and an analysis of the waste stream for the facility;

B. a financial plan that contains:

(1) initial capital development costs and the method of financing those costs;

(2) annual operating and maintenance costs;

(3) projections of total facility costs and revenues over 20 years or for the term of the longest debt obligation, whichever is longer; and

(4) total capital costs per ton of installed daily capacity;

C. a comprehensive solid waste management plan;

D. preliminary design and engineering/architectural plans and equipment specifications of the proposed waste processing facility;

E. documentation that waste supplies will be committed to the project and that the applicant has the mechanism to commit the wastes;

F. a market analysis of recovered materials/energy, including documentation of market commitments such as letters of intent or contracts;

G. a report on the status of required permits from permitting agencies;

H. a report on time frames of project development;

I. resolutions that comply with Minnesota Statutes, section 115A.54, subdivision 3; and

J. if the applicant requests priority under Minnesota Statutes, section 115A.49, documentation:

(1) that the natural geologic and soil conditions are especially unsuitable for land disposal of solid waste;

(2) that the available capacity of existing solid waste disposal facilities is less than five years; or

(3) that the proposed project would serve more than one local government unit.

9210.0350 GRANT AND LOAN APPLICATION PROCEDURES.

Subpart 1. **Applications.** An application may be submitted to the agency when the applicant has met the information and documentation requirements in parts 9210.0330and 9210.0340. The applicant is encouraged to contact the commissioner and request a preapplication review of the proposed project.

Subp. 2. **Review of applications.** Upon receipt of an application, the commissioner or a designee shall conduct an initial review of the application under part 9210.0360. The agency shall evaluate projects and award grants and loans.

Subp. 3. **Applications accepted.** The agency shall accept applications for funds under the solid waste processing facilities demonstration program until all funds for the program are awarded or until three months before the expiration of the agency pursuant to law, whichever occurs first.

Subp. 4. **Legislative priorities.** The agency shall give priority to projects located in cities, counties, or districts in which:

A. the natural geologic and soil conditions are especially unsuitable for land disposal of solid waste;

B. the capacity of existing solid waste disposal facilities is less than five years; or

C. the project serves more than one local government unit.

9210.0360 REVIEW AND EVALUATION OF APPLICATIONS.

Subpart 1. **Determination of eligibility and completeness.** Upon receipt of an application, the commissioner or a designee shall determine the eligibility of the applicant, the eligibility of the costs specified in the application, the eligibility of the project specified in the application, and the completeness of the application.

Subp. 2. **Notice of determination of eligibility and completeness.** Within 14 days after receiving the application, the commissioner shall notify the applicant of the commissioner's determinations of eligibility and completeness. If the commissioner determines that the applicant or the project is ineligible, the commissioner shall reject the application, return it to the applicant, and notify the applicant of the reasons for the rejection. If the commissioner determines that any part of the project costs is ineligible or that the application is incomplete, the commissioner shall notify the applicant of the ineligible portion of the costs or of the deficiency. The applicant has 14 days after receiving the notice to correct inadequacies identified by the commissioner. If the inadequacies are corrected within the time allowed, the application will be further considered.

Subp. 3. **Evaluation of applications.** If the applicant, the costs, and the project are determined to be eligible and the application is complete, the agency shall evaluate the application to determine whether the documentation demonstrates:

A. that the project is conceptually and technically feasible;

B. that affected political subdivisions are committed to implementing the project, providing necessary local financing, and accepting and exercising the government powers necessary for project implementation and operation;

C. that operating revenues from the project, considering the availability and security of sources of solid waste and of markets for recovered resources together with any proposed federal, state, or local financial assistance, will be sufficient to pay all costs over the projected life of the project; and

D. that the applicant has evaluated the feasible and prudent alternatives to disposal and has compared and evaluated the costs of the alternatives, including capital and operating costs, the effects of the alternatives on the cost to generators, and the effects of the alternatives on the solid waste management and recycling industry within the project's service area.

Subp. 4. **Consultation with other agencies.** In its evaluation of the application, the agency shall consider any recommendations provided by the State Planning Agency and the appropriate regional development commission or the Metropolitan Council.

Subp. 5. **Agency determination.** If the agency determines that the application satisfies the requirements of subpart 3, the agency shall determine the amount of the grant, loan, or grant and loan award and the applicant shall be notified of the grant, loan, or grant and loan awarded. If the agency determines that the application fails to satisfy the requirements of subpart 3, the agency shall reject the application and the commissioner shall return the application to the applicant, together with a statement of the reasons for rejection.

9210.0370 AWARD OF GRANTS AND LOANS.

Subpart 1. **Maximum awards.** The maximum loan award shall be 50 percent of the eligible costs specified in the application or $400,000, whichever is less. Except as provided in part 9210.0200, the maximum grant award shall be 50 percent of the eligible costs specified in the application or $400,000, whichever is less. Except as provided in part 9210.0200, the maximum combined grant and loan award is $400,000.

Subp. 2. **Limitations.** The amount of the agency's grant, loan, or grant and loan award shall be limited to an amount needed to complete the project considering all sources of funding presently available to the applicant.

Grants and loans shall not be awarded to cover any cost associated with tasks performed before the award of a grant, loan, or grant and loan or after the expiration of the grant, loan, or grant and loan agreement.

Subp. 3. **Limitations on disbursal of funds.** No funds shall be disbursed until the agency has determined the total estimated capital cost of the project and ascertained that financing of the cost is assured by funds provided by the state, by an agency of the federal government within the amount of funds then appropriated to that agency and allocated by it to projects within the state, by any person, or by the appropriation of proceeds of bonds or other funds of the recipient to a fund for the construction of the project.

9210.0380 GRANT, LOAN, OR GRANT AND LOAN AGREEMENT.

Subpart 1. **Requirements.** A grant, loan, or grant and loan agreement shall:

A. include as attachments the resolutions required under Minnesota Statutes, section 115A.54, subdivision 3;

B. incorporate by reference the final application submitted to the agency in accordance with part 9210.0350;

C. establish the term of the grant, loan, or grant and loan. Grants awarded under parts 9210.0300 to 9210.0380 shall have a maximum term of two years. Loans awarded under parts 9210.0300 to 9210.0380 shall have a loan life determined by considering facility type, expected life of equipment, capital cost of the project, and loan amount;

D. in the case of a loan agreement, include schedules for the repayment of principal and interest;

E. allow the recipient to enter into contracts to complete the work specified in the agreement subject to any agency approval that may be required in the agreement;

F. provide that any cost overruns incurred in the development of the proposed facility shall be the sole responsibility of the recipients;

G. provide that the agency will not accept amendments requesting that additional funds be awarded to the recipient except as provided in part 9210.0200;

H. require that the recipient provide periodic reports to the agency on the developmental and operational history of the project so that knowledge and experience gained from the project may be made available to other communities in the state;

I. provide that if the recipient sells the facility to a private enterprise, all outstanding loan obligations to the agency shall become due and payable upon sale to the private enterprise;

J. require total repayment of the grant if the facility is sold to a private enterprise within three years of the effective date of the grant agreement. Beginning on the third anniversary of the grant, the amount of the grant that must be repaid shall be reduced ten percent each year. The sales agreement between the recipient and the private enterprise shall transfer the responsibilities outlined in item H to the private enterprise; and

K. require that the facility may only be sold to a private enterprise in accordance with the constitution of the state of Minnesota and any applicable Minnesota statutes and rules.

Subp. 2. **Rescission of grants and loans.** If projects are not completed and operational in accordance with the terms and conditions of the respective agreements, including time schedules, the grants and loans for those projects shall be rescinded, and the entire amount of grants and loans shall be repaid unless the agency determines that variances from the respective agreements are justified and that the original objectives of the project will be accomplished.

Subp. 3. **Disbursement.** The agency shall disburse grants in accordance with the payment schedule in the grant, loan, or grant and loan agreement.

Subp. 4. **Interest payments.** Interest payments on the loan shall be due annually and shall begin to accrue from the date the loan agreement is signed. The first repayment of the principal amount of the loan shall be due one year after the facility becomes operational or two years after the date the loan agreement is executed, whichever is earlier. The agency shall consider the facility operational at the point where the facility meets all vendor guaranteed operating specifications. Subsequent repayments of principal and interest shall be due annually on the anniversary date of the first repayment.

9220.0530 WASTE TIRE TRANSPORTATION.

Subp. 6. **Submittal of operating record.** Transporters shall submit to the commissioner an operating record that identifies the transporter by name and identification number, and that summarizes the information accumulated under subpart 5 for the three months preceding the month the record is to be submitted. This record must be submitted April 10, July 10, October 10, and January 10 of each year.