

CHAPTER 429

LOCAL IMPROVEMENTS, SPECIAL ASSESSMENTS

429.011	Definitions.	429.061	Assessment procedure.
429.021	Local improvements, council powers.	429.071	Supplemental assessments; reassessment.
429.031	Preliminary plans, hearings.	429.081	Appeal to district court.
429.035	Improvements, petition.	429.091	Financing.
429.036	Appeal from determination of legality of petition.	429.101	Service charges, a special assessment against benefited property.
429.041	Council procedure.	429.111	Charter provisions, effect.
429.051	Apportionment of cost.		

429.01 [Repealed, 1953 c 398 s 13 subd 1]

429.011 DEFINITIONS.

Subdivision 1. For the purpose of this chapter the terms defined in this section shall have the meanings ascribed to them.

Subd. 2. "Municipality" means any city of the second, third, or fourth class however organized, or any statutory city or any town as defined in section 368.01.

Subd. 2a. "Municipality" also includes a county in the case of construction, reconstruction or improvement of a county state-aid highway or county highway as defined in section 160.02 including curbs and gutters and storm sewers and includes a county exercising its powers and duties under section 444.075, subdivision 1.

Subd. 2b. "Municipality" also includes any town not having the powers granted herein pursuant to any other law in the case of construction, reconstruction or improvement of a town road including curbs and gutters and storm sewers and in the case of those improvements designated in section 429.021, subdivision 1, clauses (1), (2), (4), (5), (6), (7), (8), and (10).

Subd. 3. "Council" means the body of the city having general legislative powers, the town board of the town, or the county board of a county.

Subd. 4. "Clerk" means the chief clerical officer of the municipality.

Subd. 5. "Improvement" means any type of improvement made under authority granted by section 429.021, and in the case of a county is limited to the construction, reconstruction, or improvement of a county state-aid highway or county highway including curbs and gutters and storm sewers.

Subd. 6. "Newspaper" means the official newspaper of the municipality, or if there is no official newspaper, a legal newspaper of general circulation in the municipality.

Subd. 7. "Street" means any street, alley, or other public way, or any part thereof.

Subd. 8. "Utilities commission" means the municipal board or commission, other than the council, which exercises any authority or control over the operation of any municipally owned public utility.

Subd. 9. "Pedestrian skyway system" means any system of providing for pedestrian traffic circulation, mechanical or otherwise, elevated above ground, within and without the public right of way, and through or above private property and buildings, and includes overpasses, bridges, passageways, walkways, concourses, hallways, corridors, arcades, courts, plazas, elevators, escalators, heated canopies, and accesses and all fixtures, furniture, equipment, facilities, services, and appurtenances which in the judgment of the council will enhance the movement, safety, security, convenience and enjoyment of pedestrians and benefit the city and adjoining properties.

Subd. 10. "Underground pedestrian concourse" means any system of providing for pedestrian traffic circulation, mechanical or otherwise, below ground, within and without the public right of way, and through or below private property, and includes

tunnels, passageways, walkways, concourses, hallways, corridors, arcades, plazas, elevators, escalators, heated canopies, and accesses and all fixtures, furniture, equipment, facilities, and appurtenances which in the judgment of the council will enhance the movement, safety, security, convenience and enjoyment of pedestrians and benefit the city and adjoining properties.

Subd. 11. "Special lighting system" means lights or light displays of any type located within or without the public right of way.

Subd. 12. "Acquire" includes, but is not limited to, the obtaining by purchase, condemnation, or leasing rights or interests in the areas above or below the surface of the ground of real property or structures or improvements thereon.

Subd. 13. "Public mall, plaza, or courtyard" means any wholly or partly opened or enclosed public area adjacent to or attached to a wall, fence, commercial structure, hotel, or any other building and designed as a place for passive recreation, public entertainment, exhibition and education, or a pedestrian walk.

Subd. 14. "Fire protection system" means pipes, standpipes, sprinklers, control systems and other devices and equipment installed in or outside a building for the primary purpose of eliminating or reducing the spread of fire in the building or providing for safe evacuation of the building, whether the devices and equipment are publicly or privately owned.

Subd. 15. "Highway sound barriers" means sound abatement walls erected along highways to reduce noise levels attributable to vehicular traffic.

History: 1953 c 398 s 1; 1961 c 338 s 1; 1969 c 741 s 1-3; 1971 c 617 s 1-4; 1973 c 123 art 5 s 7; 1973 c 636 s 1; 1973 c 702 s 22; 1974 c 233 s 1; 1976 c 147 s 1; 1978 c 634 s 1,2; 1979 c 330 s 1; 1983 c 9 s 1; 1984 c 478 s 1; 1984 c 591 s 1; 1986 c 315 s 1; 1987 c 138 s 1; 1988 c 564 s 1

429.02 [Repealed, 1953 c 398 s 13 subd 1]

429.021 LOCAL IMPROVEMENTS, COUNCIL POWERS.

Subdivision 1. Improvements authorized. The council of a municipality shall have power to make the following improvements:

(1) To acquire, open, and widen any street, and to improve the same by constructing, reconstructing, and maintaining sidewalks, pavement, gutters, curbs, and vehicle parking strips of any material, or by grading, graveling, oiling, or otherwise improving the same, including the beautification thereof and including storm sewers or other street drainage and connections from sewer, water, or similar mains to curb lines.

(2) To acquire, develop, construct, reconstruct, extend, and maintain storm and sanitary sewers and systems, including outlets, holding areas and ponds, treatment plants, pumps, lift stations, service connections, and other appurtenances of a sewer system, within and without the corporate limits.

(3) To construct, reconstruct, extend, and maintain steam heating mains.

(4) To install, replace, extend, and maintain street lights and street lighting systems and special lighting systems.

(5) To acquire, improve, construct, reconstruct, extend, and maintain water works systems, including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks, treatment plants, and other appurtenances of a water works system, within and without the corporate limits.

(6) To acquire, improve and equip parks, open space areas, playgrounds, and recreational facilities within or without the corporate limits.

(7) To plant trees on streets and provide for their trimming, care, and removal.

(8) To abate nuisances and to drain swamps, marshes, and ponds on public or private property and to fill the same.

(9) To construct, reconstruct, extend, and maintain dikes and other flood control works.

(10) To construct, reconstruct, extend, and maintain retaining walls and area walls.

(11) To acquire, construct, reconstruct, improve, alter, extend, operate, maintain, and promote a pedestrian skyway system. Such improvement may be made upon a petition pursuant to section 429.031, subdivision 3.

(12) To acquire, construct, reconstruct, extend, operate, maintain, and promote underground pedestrian concourses.

(13) To acquire, construct, improve, alter, extend, operate, maintain, and promote public malls, plazas or courtyards.

(14) To construct, reconstruct, extend, and maintain district heating systems.

(15) To construct, reconstruct, alter, extend, operate, maintain, and promote fire protection systems in existing buildings, but only upon a petition pursuant to section 429.031, subdivision 3.

(16) To acquire, construct, reconstruct, improve, alter, extend, and maintain highway sound barriers.

Subd. 2. Combining improvements. An improvement on two or more streets or two or more types of improvement in or on the same street or streets or different streets may be included in one proceeding and conducted as one improvement.

Subd. 3. Relation to charter and other laws. When any portion of the cost of an improvement is defrayed by special assessments, the procedure prescribed in this chapter shall be followed unless the council determines to proceed under charter provisions; but this chapter does not prescribe the procedure to be followed by a municipality in making improvements financed without the use of special assessments.

If the council determines to proceed under charter provisions for special assessments, such provisions shall be deemed to include a requirement that notices of proposed assessments inform property owners of the procedures they must follow under the charter in order to appeal the assessments to district court. The notices shall also inform property owners of the provisions of sections 435.193 to 435.195 and the existence of any deferment procedure established pursuant thereto in the municipality.

Charter provisions shall also be deemed to require that when the council determines to make any improvement, it shall let the contract for all or part of the work, or order all or part of the work done by day labor or otherwise as may be authorized by the charter, no later than one year after the adoption of the resolution ordering such improvement, unless a different time limit is specifically stated in the resolution ordering the improvement.

History: 1953 c 398 s 2; 1965 c 877 s 1; 1971 c 617 s 5; 1973 c 201 s 1; 1974 c 233 s 2; 1974 c 314 s 1; 1976 c 195 s 1; 1978 c 518 s 1; 1979 c 330 s 2; 1981 c 334 s 5; 1984 c 548 s 4; 1984 c 582 s 3; 1984 c 591 s 2; 1984 c 633 s 2; 1987 c 138 s 2

429.03 [Repealed, 1953 c 398 s 13 subd 1]

429.031 PRELIMINARY PLANS, HEARINGS.

Subdivision 1. Preparation of plans, notice of hearing. Before the municipality awards a contract for an improvement or orders it made by day labor, or before the municipality shall have the power to assess any portion of the cost of an improvement to be made under a cooperative agreement with the state or another political subdivision for sharing the cost of making such improvement, the council shall hold a public hearing on the proposed improvement following two publications in the newspaper of a notice stating the time and place of the hearing, the general nature of the improvement, the estimated cost, and the area proposed to be assessed. The two publications shall be a week apart and the hearing shall be at least three days after the last publication. Not less than 10 days before the hearing, notice thereof shall also be mailed to the owner of each parcel within the area proposed to be assessed, but failure to give mailed notice or any defects in the notice shall not invalidate the proceedings. For the purpose of giving mailed notice, owners shall be those shown to be such on the

records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer; but other appropriate records may be used for this purpose. However, as to properties which are tax exempt or subject to taxation on a gross earnings basis and are not listed on the records of the county auditor or the county treasurer, the owners thereof shall be ascertained by any practicable means and mailed notice shall be given them as herein provided. Prior to the adoption of such resolution, the council shall secure from the city engineer or some competent person of its selection a report advising it in a preliminary way as to whether the proposed improvement is feasible and as to whether it should best be made as proposed or in connection with some other improvement and the estimated cost of the improvement as recommended; but no error or omission in such report shall invalidate the proceeding unless it materially prejudices the interests of an owner. The council may also take such other steps prior to the hearing, including, among other things, the preparation of plans and specifications and the advertisement for bids thereon, as will in its judgment provide helpful information in determining the desirability and feasibility of the improvement. The hearing may be adjourned from time to time and a resolution ordering the improvement may be adopted at any time within six months after the date of the hearing by vote of a majority of all members of the council when the improvement has been petitioned for by the owners of not less than 35 percent in frontage of the real property abutting on the streets named in the petition as the location of the improvement. When there has been no such petition, the resolution may be adopted only by vote of four-fifths of all members of the council; provided that if the mayor of the municipality is a member of the council but has no vote or votes only in case of a tie, the mayor shall not be deemed to be a member for the purpose of determining such four-fifths majority vote. The resolution ordering the improvement may reduce, but not increase the extent of the improvement as stated in the notice of hearing.

Subd. 2. Approval by park board or utilities commission. A resolution ordering a park improvement may be adopted only by a four-fifths vote of the council and shall also be approved by the park board, if there is one; provided, that if the mayor of the municipality is a member of the council but has no vote or votes only in case of a tie, the mayor shall not be deemed to be a member for the purpose of determining such four-fifths majority vote. A resolution ordering an improvement of the water, sewer, steam heating, street lighting or other facility over which a utilities commission has jurisdiction shall also be approved by the utilities commission.

Subd. 3. Petition by all owners. Whenever all owners of real property abutting upon any street named as the location of any improvement shall petition the council to construct the improvement and to assess the entire cost against their property, the council may, without a public hearing, adopt a resolution determining such fact and ordering the improvement. The validity of the resolution shall not be questioned by any taxpayer or property owner or the municipality unless an action for that purpose is commenced within 30 days after adoption of the resolution as provided in section 429.036. Nothing herein prevents any property owner from questioning the amount or validity of the special assessment against the owner's property pursuant to section 429.081. In the case of a petition for the installation of a fire protection or a pedestrian skyway system, the petition must contain or be accompanied by an undertaking satisfactory to the city by the petitioner that the petitioner will grant the municipality the necessary property interest in the building to permit the city to enter upon the property and the building to construct, maintain, and operate the fire protection or pedestrian skyway system. In the case of a petition for the installation of a fire protection or pedestrian skyway system which will be privately owned, the petition shall also contain the plans and specifications for the improvement, the estimated cost of the improvement and a statement indicating whether the city or the owner will contract for the construction of the improvement. If the owner is contracting for the construction of the improvement, the city shall not approve the petition until it has reviewed and approved the plans, specifications, and cost estimates contained in the petition. The construction cost financed under section 429.091 shall not exceed the

amount of the cost estimate contained in the petition. In the case of a petition for the installation of a fire protection or a pedestrian skyway system, the petitioner may request abandonment of the improvement at any time after it has been ordered pursuant to subdivision 1 and before contracts have been awarded for the construction of the improvement under section 429.041, subdivision 2. If such a request is received, the city council shall abandon the proceedings but in such case the petitioner shall reimburse the city for any and all expenses incurred by the city in connection with the improvement.

History: 1953 c 398 s 3; 1955 c 811 s 1; 1957 c 430 s 1; 1961 c 525 s 1,2; 1963 c 771 s 1; 1965 c 877 s 2; 1967 c 57 s 1,2; 1973 c 123 art 5 s 7; 1984 c 548 s 5; 1984 c 582 s 4; 1984 c 591 s 3; 1984 c 633 s 3; 1986 c 444

429.035 IMPROVEMENTS, PETITION.

When any petition for the making of any improvement in any statutory city, town, or city of the second, third, or fourth class, however organized, for the cost of which special assessments may be, in whole or in part, levied therefor, is presented to the governing body of the municipality, this body shall, by resolution, determine whether or not the petition has been signed by the required percentage of owners of property affected thereby.

History: (1918-33) 1927 c 311 s 1; 1953 c 398 s 12; 1961 c 338 s 2; 1973 c 123 art 5 s 7

429.036 APPEAL FROM DETERMINATION OF LEGALITY OF PETITION.

Any person, being aggrieved by this determination, may appeal to the district court of the county in which the property is located by serving upon the clerk of the municipality, within 30 days after the adoption and publication of the resolution, a notice of appeal briefly stating the grounds of appeal and giving a bond in the penal sum of \$250, in which the municipality shall be named as obligee, to be approved by the clerk of the municipality, conditioned that the appellant will duly prosecute the appeal, pay all costs and disbursements which may be adjudged against the appellant, and abide by the order of the court. The clerk shall furnish the appellant a certified copy of the petition, or any part thereof, on being paid by appellant of the proper charges therefor. The appeal shall be placed upon the calendar of the next general term commencing more than 30 days after the date of serving the notice and filing the bond and shall be tried as are other appeals in such cases. Unless reversed upon the appeal, the determination of the governing body as to the sufficiency of the petition shall be final and conclusive.

History: (1918-34) 1927 c 311 s 2; 1986 c 444

429.04 [Repealed, 1953 c 398 s 13]

429.041 COUNCIL PROCEDURE.

Subdivision 1. Plans and specifications, advertisement for bids. When the council determines to make any improvement, it shall let the contract for all or part of the work, or order all or part of the work done by day labor or otherwise as authorized by subdivision 2, no later than one year after the adoption of the resolution ordering such improvement, unless a different time limit is specifically stated in the resolution ordering the improvement. The council shall cause plans and specifications of the improvement to be made, or if previously made, to be modified, if necessary, and to be approved and filed with the clerk, and if the estimated cost exceeds \$5,000, shall advertise for bids for the improvement in the newspaper and such other papers and for such length of time as it may deem advisable. If the estimated cost exceeds \$100,000, publication shall be made no less than three weeks before the last day for submission of bids once in the newspaper and at least once in either a newspaper published in a city of the first class or a trade paper. To be eligible as such a trade paper, a publication shall have all the qualifications of a legal newspaper except that instead of the require-

ment that it shall contain general and local news, such trade paper shall contain building and construction news of interest to contractors in this state, among whom it shall have a general circulation. The advertisement shall specify the work to be done, shall state the time when the bids will be publicly opened for consideration by the council, which shall be not less than ten days after the first publication of the advertisement when the estimated cost is less than \$100,000 and not less than three weeks after such publication in other cases, and shall state that no bids will be considered unless sealed and filed with the clerk and accompanied by a cash deposit, cashier's check, bid bond, or certified check payable to the clerk, for such percentage of the amount of the bid as the council may specify. In providing for the advertisement for bids the council may direct that the bids shall be opened publicly by two or more designated officers or agents of the municipality and tabulated in advance of the meeting at which they are to be considered by the council. Nothing herein shall prevent the council from advertising separately for various portions of the work involved in an improvement, or from itself, supplying by such means as may be otherwise authorized by law, all or any part of the materials, supplies, or equipment to be used in the improvement or from combining two or more improvements in a single set of plans and specifications or a single contract.

Subd. 2. Contracts; day labor. In contracting for an improvement, the council shall require the execution of one or more written contracts and bonds, conditioned as required by law. The council shall award the contract to the lowest responsible bidder or it may reject all bids. If any bidder to whom a contract is awarded fails to enter promptly into a written contract and to furnish the required bond, the defaulting bidder shall forfeit to the municipality the amount of the defaulter's cash deposit, cashier's check, bid bond, or certified check, and the council may thereupon award the contract to the next lowest responsible bidder. When it appears to the council that the cost of the entire work projected will be less than \$5,000, or whenever no bid is submitted after proper advertisement or the only bids submitted are higher than the engineer's estimate, the council may advertise for new bids or, without advertising for bids, directly purchase the materials for the work and do it by the employment of day labor or in any other manner the council considers proper. The council may have the work supervised by the city engineer or other qualified person but shall have the work supervised by a registered engineer if done by day labor and it appears to the council that the entire cost of all work and materials for the improvement will be more than \$2,000. In case of improper construction or unreasonable delay in the prosecution of the work by the contractor, the council may order and cause the suspension of the work at any time and relet the contract, or order a reconstruction of any portion of the work improperly done, and where the cost of completion or reconstruction necessary will be less than \$10,000, the council may do it by the employment of day labor.

Subd. 3. Day labor; detailed report. When the council has performed construction work by day labor, it shall cause a detailed report to be filed with the clerk and certified by the registered engineer or other person in charge, if there is no registered engineer. The report shall show:

- (a) the complete cost of the construction;
- (b) final quantities of the various units of work done;
- (c) materials furnished for the project and the cost of each item thereof;
- (d) cost of labor, cost of equipment hired, and supervisory costs.

The report shall have attached a certificate by the registered engineer or other person in charge that the work was done according to the plans and specifications, or, if there were any deviations from them, an itemized statement of those deviations.

Subd. 4. Alternate procedure on street improvements. As to any improvement or improvements consisting of grading, graveling, or bituminous surfacing of streets and alleys, the council may proceed in the manner provided in this chapter, except that it may

- (1) order the work done by day labor, regardless of the estimated cost of such improvement or improvements, and

(2) use municipal equipment or hire equipment and purchase materials for all such improvements to be done by day labor in any 12-month period by advertising once therefor, such advertisement to call for bids for the furnishing of equipment, if the municipality does not use its own equipment, and for materials at unit prices based on the quantities which the council estimates will be required.

(3) contract at one time on a unit price basis for part or all of the street improvements to be constructed by the municipality during the current year, including improvements which may thereafter be ordered constructed.

Subd. 5. Cooperation with state or local government. When an improvement is made under a cooperative agreement with the state or another political subdivision by the terms of which the state or other subdivision is to construct or contract to construct the improvement, it shall not be necessary to comply with subdivisions 1 and 2.

Subd. 6. Percentage payment on engineer's estimate. In case the contractor properly performs the work, the council shall, from month to month before completion of the work, pay the contractor not to exceed 95 percent of the amount already earned under the contract, upon the estimate of the engineer or other competent person selected by the council, and the contract shall so provide, and shall further agree that when the work is 95 percent or more completed upon the recommendation of the engineer such portions of the retained price shall be released as the governing body of the municipality determines are not required to be retained to protect the municipality's interest in satisfactory completion of the contract. Failure to pay any amount due and payable under the terms of the contract within 30 days of a monthly estimate or 90 days after the final estimate of the amount earned shall obligate the municipality to pay to the contractor simple interest on the past due amount at an annual rate equal to the monthly index of long term United States bond yields for the month prior to the month in which this obligation is incurred plus an additional one percent per annum. Interest shall not be imposed with respect to any amount which a municipality may legally withhold as a result of breach of contract or other contractual claim or if the delay is caused by the contractor.

Subd. 7. Modification of contracts. After work has been commenced on an improvement undertaken pursuant to a contract awarded on a unit price basis the council may, without advertising for bids, authorize changes in the contract so as to include additional units of work at the same unit price if the cost of the additional work does not exceed 25 percent of the original contract price. Original contract price means that figure determined by multiplying the estimated number of units required by the unit price.

History: 1953 c 398 s 4; 1957 c 430 s 2,3; 1961 c 525 s 3,4; 1973 c 123 art 5 s 7; 1976 c 156 s 1; 1977 c 278 s 1; 1978 c 518 s 2; 1980 c 464 s 8; 1985 c 174 s 3; 1986 c 444

NOTE: See section 471.345.

429.05 [Repealed, 1953 c 398 s 13 subd 1]

429.051 APPORTIONMENT OF COST.

The cost of any improvement, or any part thereof, may be assessed upon property benefited by the improvement, based upon the benefits received, whether or not the property abuts on the improvement and whether or not any part of the cost of the improvement is paid from the county state-aid highway fund, the municipal state-aid street fund, or the trunk highway fund. The area assessed may be less than but may not exceed the area proposed to be assessed as stated in the notice of hearing on the improvement, except as provided below. The municipality may pay such portion of the cost of the improvement as the council may determine from general ad valorem tax levies or from other revenues or funds of the municipality available for the purpose. The municipality may subsequently reimburse itself for all or any of the portion of the cost of a water, storm sewer, or sanitary sewer improvement so paid by levying additional assessments upon any properties abutting on but not previously assessed for the improvement, on notice and hearing as provided for the assessments initially made.

To the extent that such an improvement benefits nonabutting properties which may be served by the improvement when one or more later extensions or improvements are made but which are not initially assessed therefor, the municipality may also reimburse itself by adding all or any of the portion of the cost so paid to the assessments levied for any of such later extensions or improvements, provided that notice that such additional amount will be assessed is included in the notice of hearing on the making of such extensions or improvements. The additional assessments herein authorized may be made whether or not the properties assessed were included in the area described in the notice of hearing on the making of the original improvement.

In any city of the fourth class electing to proceed under a home rule charter as provided in this chapter, which charter provides for a board of water commissioners and authorizes such board to assess a water frontage tax to defray the cost of construction of water mains, such board may assess the tax based upon the benefits received and without regard to any charter limitation on the amount that may be assessed for each lineal foot of property abutting on the water main. The water frontage tax shall be imposed according to the procedure and, except as herein provided, subject to the limitations of the charter of the city.

History: 1953 c 398 s 5; 1955 c 842 s 1; 1957 c 40 s 1; 1959 c 490 s 1; 1961 c 286 s 1

429.06 [Repealed, 1953 c 398 s 13 subd 1]

429.061 ASSESSMENT PROCEDURE.

Subdivision 1. Calculation, notice. At any time after the expense incurred or to be incurred in making an improvement shall be calculated under the direction of the council, the council shall determine by resolution the amount of the total expense the municipality will pay, other than the amount, if any, which it will pay as a property owner, and the amount to be assessed. If a county proposes to assess within the boundaries of a city for a county state-aid highway or county highway, including curbs, gutters, and storm sewers, the resolution must include the portion of the cost proposed to be assessed within the city. The county shall forward the resolution to the city and it may not proceed with the assessment procedure nor may the county allocate any cost under this section for property within the city unless the city council adopts the resolution approving the assessment. Thereupon the clerk, with the assistance of the engineer or other qualified person selected by the council, shall calculate the proper amount to be specially assessed for the improvement against every assessable lot, piece or parcel of land, without regard to cash valuation, in accordance with the provisions of section 429.051. The proposed assessment roll shall be filed with the clerk and be open to public inspection. The clerk shall thereupon, under the council's direction, publish notice that the council will meet to consider the proposed assessment. Such notice shall be published in the newspaper at least once and shall be mailed to the owner of each parcel described in the assessment roll. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be such on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer; but other appropriate records may be used for this purpose. Such publication and mailing shall be no less than two weeks prior to such meeting of the council. Except as to the owners of tax exempt property or property taxes on a gross earnings basis, every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived such mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for such purpose. Such notice shall state the date, time, and place of such meeting, the general nature of the improvement, the area proposed to be assessed, the total amount of the proposed assessment, that the proposed assessment roll is on the file with the clerk, and that written or oral objections thereto by any property owner will be considered. The notice must also state that no appeal may be taken as to the amount

of any assessment adopted pursuant to subdivision 2, unless a written objection signed by the affected property owner is filed with the municipal clerk prior to the assessment hearing or presented to the presiding officer at the hearing. The notice shall also state that an owner may appeal an assessment to district court pursuant to section 429.081 by serving notice of the appeal upon the mayor or clerk of the municipality within 30 days after the adoption of the assessment and filing such notice with the district court within ten days after service upon the mayor or clerk. The notice shall also inform property owners of the provisions of sections 435.193 to 435.195 and the existence of any deferment procedure established pursuant thereto in the municipality. In addition, the notice mailed to the owner must include the following information:

(1) the amount to be specially assessed against that particular lot, piece, or parcel of land;

(2) the right of the property owner to prepay the entire assessment and the person to whom prepayment must be made;

(3) whether partial prepayment of the assessment has been authorized by ordinance;

(4) the time within which prepayment may be made without the assessment of interest; and

(5) the rate of interest to be accrued if the assessment is not prepaid within the required time period.

Subd. 2. Adoption; interest. At such meeting or at any adjournment thereof the council shall hear and pass upon all objections to the proposed assessment, whether presented orally or in writing. The council may amend the proposed assessment as to any parcel and by resolution adopt the same as the special assessment against the lands named in the assessment roll. Notice of any adjournment of the hearing shall be adequate if the minutes of the meeting so adjourned show the time and place when and where the hearing is to be continued.

The council may consider any objection to the amount of a proposed assessment as to a specific parcel of land at an adjourned hearing upon further notice to the affected property owner as it deems advisable. At the adjourned hearing the council or a committee of it may hear further written or oral testimony on behalf of the objecting property owner and may consider further written or oral testimony from appropriate city officials and other witnesses as to the amount of the assessment. The council or committee shall prepare a record of the proceedings at the adjourned hearing and written findings as to the amount of the assessment. The amount of the assessment as finally determined by the council shall become a part of the adopted assessment roll. No appeal may be taken as to the amount of any assessment adopted under this section unless written objection signed by the affected property owner is filed with the municipal clerk prior to the assessment hearing or presented to the presiding officer at the hearing. All objections to the assessments not received at the assessment hearing in the manner prescribed by this subdivision are waived, unless the failure to object at the assessment hearing is due to a reasonable cause.

If the adopted assessment differs from the proposed assessment as to any particular lot, piece, or parcel of land, the clerk must mail to the owner a notice stating the amount of the adopted assessment. Owners must also be notified by mail of any changes adopted by the council in interest rates or prepayment requirements from those contained in the notice of the proposed assessment.

The assessment, with accruing interest, shall be a lien upon all private and public property included therein, from the date of the resolution adopting the assessment, concurrent with general taxes; but the lien shall not be enforceable against public property as long as it is publicly owned, and during such period the assessment shall be recoverable from the owner of such property only in the manner and to the extent provided in section 435.19. Unless otherwise provided in the resolution, all assessments shall be payable in equal annual installments extending over such period, not exceeding 30 years, as the resolution determines, payable on the first Monday in

January in each year, but the number of installments need not be uniform for all assessments included in a single assessment roll if a uniform criterion for determining the number of installments is provided by the resolution. Assessments on property located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, may be payable in variable annual installments if the resolution provides for a variable payment. The first installment of each assessment shall be included in the first tax rolls completed after its adoption and shall be payable in the same year as the taxes contained therein; except that the payment of the first installment of any assessment levied upon unimproved property may be deferred until a designated future year, or until the platting of the property or the construction of improvements thereon, upon such terms and conditions and based upon such standards and criteria as may be provided by resolution of the council. If special assessments against the property have been deferred pursuant to this subdivision, the governmental unit shall file with the county recorder in the county in which the property is located a certificate containing the legal description of the affected property and of the amount deferred. In any event, every assessment the payment of which is so deferred, when it becomes payable, shall be divided into a number of installments such that the last installment thereof will be payable not more than 30 years after the levy of the assessment. All assessments shall bear interest at such rate as the resolution determines. To the first installment of each assessment shall be added interest on the entire assessment from a date specified in the resolution levying the assessment, not earlier than the date of the resolution, until December 31 of the year in which the first installment is payable, and to each subsequent installment shall be added interest for one year on all unpaid installments; or alternatively, any assessment may be made payable in equal annual installments including principal and interest, each in the amount annually required to pay the principal over such period with interest at such rate as the resolution determines, not exceeding the maximum period and rate specified above. In the latter event no prepayment shall be accepted under subdivision 3 without payment of all installments due to and including December 31 of the year of prepayment, together with the original principal amount reduced only by the amounts of principal included in such installments, computed on an annual amortization basis. When payment of an assessment is deferred, as authorized in this subdivision, interest thereon for the period of deferment may be made payable annually at the same times as the principal installments of the assessment would have been payable if not deferred; or interest for this period may be added to the principal amount of the assessment when it becomes payable; or, if so provided in the resolution levying the assessment, interest thereon to December 31 of the year before the first installment is payable may be forgiven.

Subd. 3. Transmitted to auditor, prepayment. After the adoption of the assessment, the clerk shall transmit a certified duplicate of the assessment roll with each installment, including interest, set forth separately to the county auditor of the county to be extended on the proper tax lists of the county; but in lieu of such certification, the council may in its discretion direct the clerk to file all assessment rolls in the clerk's office and to certify annually to the county auditor, on or before October 10 in each year, the total amount of installments of and interest on assessments on each parcel of land in the municipality which are to become due in the following year. If any installment and interest has not been so certified prior to the year when it is due, the clerk shall forthwith certify the same to the county auditor for collection in the then succeeding year; and if the municipality has issued improvement warrants to finance the improvement, it shall pay out of its general funds into the fund of the improvement interest on the then unpaid balance of the assessment for the year or years during which the collection of such installment is postponed. All assessments and interest thereon shall be collected and paid over in the same manner as other municipal taxes. The owner of any property so assessed may, at any time prior to certification of the assessment or the first installment thereof to the county auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment, to the municipal treasurer, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption thereof; and, except as hereinafter provided, the

owner may at any time prior to November 15 of any year, prepay to the treasurer of the municipality having levied said assessments, the whole assessment remaining due with interest accrued to December 31 of the year in which said prepayment is made. If the assessment roll is retained by the municipal clerk, the installment and interest in process of collection on the current tax list shall be paid to the county treasurer and the remaining principal balance of the assessment, if paid, shall be paid to the municipal treasurer. The council may by ordinance authorize the partial prepayment of assessments, in such manner as the ordinance may provide, prior to certification of the assessment or the first installment thereof to the county auditor.

Subd. 4. Collection, tax exempt property. On the confirmation of any assessments the clerk shall mail to the county auditor a notice specifying the amount payable by any county, to the clerk or recorder of any other political subdivision a notice specifying the amount payable by the political subdivision and to the owner of any right-of-way, at its principal office in the state, a notice specifying the amount payable on account of any right-of-way. The amount payable on account of any right-of-way or public property shall be payable to the municipality's treasurer and shall be payable in like installments and with like interest and penalties as provided for in reference to the installments payable on account of assessable real property, except that interest accruing shall not begin to run until the notice provided in this subdivision has been properly given and 30 days thereafter have elapsed. The governing body of any such political subdivision shall provide for the payment of these amounts and shall take appropriate action to that end. If the assessment is not paid in a single installment, the municipal treasurer shall annually mail to the owner of any right-of-way and, as long as the property is publicly owned, to the owner of any public property a notice stating that an installment is due and should be paid to the municipal treasurer of the municipality which levied the special assessment. The municipality may collect the amount due on account of the right-of-way of any railroad or privately owned public utility by distress and sale of personal property in the manner provided by law in case of taxes levied upon personal property or by suit brought to enforce the collection of this indebtedness unless a different method of collecting such amounts is provided for by any contract between the owner of any right-of-way and the municipality.

History: 1953 c 398 s 6; 1955 c 811 s 2; 1957 c 510 s 2; 1957 c 699 s 1; 1961 c 77 s 1; 1961 c 525 s 5-7; 1963 c 771 s 2-4; 1965 c 877 s 3; 1969 c 1045 s 1; 1969 c 1095 s 1; 1974 c 314 s 2; 1976 c 195 s 2; 1976 c 324 s 18; 1980 c 509 s 164; 1980 c 560 s 5; 1980 c 607 art 11 s 1,2; 1984 c 478 s 2; 1984 c 543 s 50; 1Sp1985 c 16 art 1 s 3; 1986 c 315 s 2; 1986 c 444; 1986 c 473 s 10,11; 1987 c 344 s 3; 1987 c 386 art 6 s 2

NOTE: See also section 435.19.

429.07 [Repealed, 1953 c 398 s 13]

429.071 SUPPLEMENTAL ASSESSMENTS; REASSESSMENT.

Subdivision 1. Supplemental assessments. The council may make supplemental assessments to correct omissions, errors, or mistakes in the assessment relating to the total cost of the improvement or any other particular. A supplemental assessment shall be preceded by personal or mailed notice to the owner of each parcel included in the supplemental assessment and a hearing as provided for the original assessment.

Subd. 2. Reassessment. When an assessment is, for any reason whatever, set aside by a court of competent jurisdiction as to any parcel or parcels of land, or in event the council finds that the assessment or any part thereof is excessive or determines on advice of the municipal attorney that the assessment or proposed assessment or any part thereof is or may be invalid for any reason, the council may, upon notice and hearing as provided for the original assessment, make a reassessment or a new assessment as to such parcel or parcels.

Subd. 3. Reapportionment upon land division. When a tract of land against which a special assessment has been levied is thereafter divided or subdivided by plat or otherwise, the council may, on application of the owner of any part of the tract or on its own motion equitably apportion among the various lots or parcels in the tract all

MINNESOTA STATUTES 1988

8463

LOCAL IMPROVEMENTS, SPECIAL ASSESSMENTS 429.091

the installments of the assessment against the tract remaining unpaid and not then due if it determines that such apportionment will not materially impair collection of the unpaid balance of the original assessment against the tract. The council may, and if the special assessment has been pledged to the payment of improvement warrants shall, require the owner or owners, as a condition of such apportionment, to furnish a satisfactory surety bond fully protecting the municipality against any loss resulting from failure to pay any part of the reapportionment assessment when due. Notice of such apportionment and of the right to appeal shall be mailed to or personally served upon all owners of any part of the tract. Within 30 days after the mailing or service of the notice of such apportionment any such owner may appeal as provided in section 429.081.

Subd. 4. Reassessment, tax forfeited land. When a parcel of tax forfeited land is returned to private ownership and the parcel is benefited by an improvement for which special assessments were canceled because of the forfeiture, the municipality that made the improvement may, upon notice and hearing as provided for the original assessment, make a reassessment or a new assessment as to the parcel in an amount equal to the amount remaining unpaid on the original assessment.

History: 1953 c 398 s 7; 1957 c 366 s 1; 1961 c 525 s 8; 1965 c 877 s 4; 1976 c 259 s 1

429.08 [Repealed, 1953 c 398 s 13 subd 1]

429.081 APPEAL TO DISTRICT COURT.

Within 30 days after the adoption of the assessment, any person aggrieved, who is not precluded by failure to object prior to or at the assessment hearing, or whose failure to so object is due to a reasonable cause, may appeal to the district court by serving a notice upon the mayor or clerk of the municipality. The notice shall be filed with the court administrator of the district court within ten days after its service. The municipal clerk shall furnish appellant a certified copy of objections filed in the assessment proceedings, the assessment roll or part complained of, and all papers necessary to present the appeal. The appeal shall be placed upon the calendar of the next general term commencing more than five days after the date of serving the notice and shall be tried as other appeals in such cases. The court shall either affirm the assessment or set it aside and order a reassessment as provided in section 429.071, subdivision 2. If appellant does not prevail upon the appeal, the costs incurred shall be taxed by the court and judgment entered therefor. All objections to the assessment shall be deemed waived unless presented on such appeal. This section provides the exclusive method of appeal from a special assessment levied pursuant to this chapter.

History: 1953 c 398 s 8; 1961 c 525 s 9; 1978 c 749 s 2; 1980 c 607 art 11 s 3; 1Sp1986 c 3 art 1 s 82

429.09 [Repealed, 1953 c 398 s 13]

429.091 FINANCING.

Subdivision 1. Authority. At any time after one or more improvements are ordered as contemplated in section 429.031, the council may issue obligations in such amount as it deems necessary to defray in whole or in part the expense incurred and estimated to be incurred in making the improvement or improvements, including every item of cost of the kinds authorized in section 475.65. In the event of any omission, error, or mistake in any of the proceedings required precedent to the ordering of any improvement, the validity of the obligations shall not be affected thereby. The council shall cause all further actions and proceedings to be taken with due diligence that are required for the construction of each improvement financed wholly or partly from the proceeds of obligations issued hereunder, and for the final and valid levy of special assessments and the appropriation of any other funds needed to pay the obligations and interest thereon when due.

Subd. 2. Types of obligations permitted. The council may by resolution adopted prior to the sale of obligations pledge the full faith, credit, and taxing power of the municipality for the payment of the principal and interest. Such obligations shall be called improvement bonds and the council shall pay the principal and interest out of any fund of the municipality when the amount credited to the specified fund is insufficient for the purpose and shall each year levy a sufficient amount to take care of accumulated or anticipated deficiencies, which levy shall not be subject to any statutory or charter tax limitation. Obligations for the payment of which the full faith and credit of the municipality is not pledged shall be called improvement warrants or, in the case of bonds for fire protection, revenue bonds and shall contain a promise to pay solely out of the proper special fund or funds pledged to their payment. It shall be the duty of the municipal treasurer to pay maturing principal and interest on warrants or revenue bonds out of funds on hand in the proper funds and not otherwise.

Subd. 3. Method of issuance. All obligations shall be issued in accordance with the provisions of chapter 475, except as provided in this subdivision.

An election shall be required for bonds if less than 20 percent of the cost of the improvement to the municipality is to be assessed against benefited property.

If the full faith, credit, and taxing power of the municipality is not pledged and the bonds are issued to finance a fire protection system, a public sale shall not be required and the obligations may

- (a) mature at any time or times within 30 years from date of issue,
- (b) mature in the amount or amounts,
- (c) be sold at a price equal to the percentage of their par value, plus accrued interest, and
- (d) bear interest at the rate or rates,

as agreed by the purchaser and the municipality, notwithstanding any limitation of interest rate or cost or of the amounts of annual maturities contained in any other law.

The maturities shall be such as in the opinion of the council are warranted by the anticipated collections of assessments and ad valorem levies for the municipality's share of the cost; except that the council may in its discretion issue and sell temporary improvement bonds maturing and subject to further conditions as set forth in subdivision 5. All obligations shall state upon their face the purpose of the issue and the fund from which they are payable. The amount of any obligations issued hereunder shall not be included in determining the net indebtedness of any municipality under the provisions of any law limiting such indebtedness.

Subd. 4. Funds. The proceeds from the sale of each issue of obligations and from collections of special assessments levied and other moneys appropriated for each improvement to be financed wholly or partly from such proceeds shall be credited to a separate construction fund which shall be used solely to defray expenses of such improvements and payment of principal and interest due upon the obligations prior to completion and payment of all costs of the improvements so financed. Any balance of the proceeds of bonds remaining therein may be used to pay the cost, in whole or in part, of any other improvement instituted pursuant to this chapter. A separate account shall be maintained in the construction fund to record expenditures for each improvement, and when the total cost thereof has been paid all subsequent collections of special assessments levied for the improvement shall be credited and paid into the debt service fund for the obligations issued to finance the improvement, as provided in section 475.61. Any taxes levied for improvements financed by an issue of obligations shall be credited directly to the debt service fund.

Subd. 5. Temporary improvement bonds. In anticipation of the issuance of improvement bonds, the council may by resolution issue and sell temporary improvement bonds maturing within not more than three years from their date of issue to pay any part or all of the cost of one or more improvements. To the extent that the principal of and interest on the temporary improvement bonds cannot be paid when due from receipts of special assessments, taxes, or other funds appropriated for the purpose, they

shall be paid from the proceeds of improvement bonds or additional temporary improvement bonds which the council shall offer for sale in advance of their maturity but the indebtedness funded by an issue of temporary improvement bonds shall not be extended by the issue of additional temporary improvement bonds for more than six years from the date of the first issue. The holders of any temporary improvement bonds shall have and may enforce, by mandamus or other appropriate proceedings, all rights respecting the levy and collection of sufficient special assessments and taxes to pay the cost of the improvements financed by them which are granted by law to holders of improvement bonds, except the right to require the levies to be collected prior to the maturity of the temporary improvement bonds. If any temporary improvement bonds are not paid in full at maturity, the holders may require the issuance in exchange for them, at par, of new temporary improvement bonds maturing within one year from their date of issue (but not subject to any other maturity limitation), and bearing interest at the maximum rate permitted by law.

Subd. 6. Investment of other municipal funds. Funds of a municipality may be invested in its temporary improvement bonds in accordance with the provisions of section 471.56, and may be purchased upon their initial issue, but shall be purchased only from funds which the council determines will not be required for other purposes before the maturity date, and shall be resold before maturity only in case of emergency. If purchased from a debt service fund securing other bonds, the holders of those bonds may enforce the municipality's obligations on the temporary improvement bonds in the same manner as if they held the temporary improvement bonds.

Subd. 7. General obligation temporary improvement bonds. The council may by resolution adopted prior to the sale of any temporary improvement bonds pledge the full faith, credit, and taxing power of the municipality for the payment of the principal and interest, in addition to all provisions made for their security in subdivision 5. In this event the bonds shall be designated as general obligation temporary improvement bonds, and the council shall levy taxes for their payment in accordance with section 475.61. Proceeds of improvement bonds or temporary improvement bonds not yet sold may be treated as pledged revenues, in reduction of the tax otherwise required by section 475.61 to be levied prior to delivery of the obligations.

Subd. 7a. Revolving fund bonds. The council may by resolution establish a revolving fund for the payment of the costs of any improvement or any waterworks systems, sewer systems, or storm sewer systems described in section 444.075 and for the payment of any obligations issued to pay the costs thereof or to refund obligations issued for those purposes. The council may create within the revolving fund a separate construction account into which the municipality may deposit the proceeds of any obligations payable from the fund, the proceeds of any special assessments collected with respect to any improvement, any net revenues of a waterworks, sewer system, or storm sewer system described in section 444.075 or any other available funds of the municipality appropriated to it. Amounts on deposit in the construction account may be used to pay the costs of any improvement or any waterworks, sewer system, or storm sewer system described in section 444.075. No funds may be expended for an improvement unless at least 20 percent of the costs of each such improvement is to be assessed against benefited property. No funds may be expended for a waterworks, sewer system, or storm sewer system, other than a sewer system described in section 115.46, unless the council estimates that the costs will be recovered from the net revenues of the system or any combined waterworks, sewer systems, or storm sewer systems operated by the municipality. The council may also create a separate debt service account within the revolving fund for the payment of principal of and interest on any obligations payable therefrom. Notwithstanding subdivision 4, the council is not required to pledge any particular assessments or other revenues to the payment of the obligations. Collections of special assessments or net revenues may be deposited in either the construction account or the debt service account as the council or an officer designated by the council may determine, having due regard for anticipated collections of special assessments and net revenues from improvements or waterworks, sewer systems, or storm sewer systems financed in whole or in part from the construction account, and

taxes levied for the payment of the obligations. The council may issue obligations that are payable primarily from the debt service account for the purpose of providing funds to defray in whole or in part any expenses incurred or estimated to be incurred in making the improvement or improvements or in constructing the waterworks, sewer system, or storm sewer system, including every item of cost of the kinds authorized by section 475.65, or to refund obligations previously issued under this section or section 115.46 or 444.075. The obligations may be general obligations to which the full faith and credit of the municipality are pledged. If the special assessments to be levied and net revenues estimated to be available for their payment are estimated to be at least 20 percent of the principal amount of the obligations, the obligations may be issued without an election and shall not be included in determining the net indebtedness of the municipality under the provisions of any law limiting net indebtedness.

Subd. 8. Federal volume limitation act. Sections 474A.01 to 474A.21 apply to any issuance of obligations under this section which are subject to limitation under a federal volume limitation act as defined in section 474A.02, subdivision 9, or existing federal tax law as defined in section 474A.02, subdivision 8.

History: 1953 c 398 s 9; 1955 c 811 s 3-5; 1957 c 385 s 1; 1965 c 877 s 5; 1976 c 324 s 19-21; 1981 c 171 s 1-4; 1984 c 548 s 6; 1984 c 582 s 5,6,23; 1984 c 591 s 4,5; 1984 c 633 s 4; 1Sp1985 c 14 art 8 s 63; 1986 c 465 art 1 s 3; 1987 c 344 s 4,5 .

429.10 [Repealed, 1953 c 398 s 13]

429.101 SERVICE CHARGES, A SPECIAL ASSESSMENT AGAINST BENEFITED PROPERTY.

Subdivision 1. Ordinances. In addition to any other method authorized by law or charter, the governing body of any municipality may provide for the collection of unpaid special charges for all or any part of the cost of

- (a) snow, ice, or rubbish removal from sidewalks,
- (b) weed elimination from streets or private property,
- (c) removal or elimination of public health or safety hazards from private property, excluding any structure included under the provisions of sections 463.15 to 463.26,
- (d) installation or repair of water service lines, street sprinkling or other dust treatment of streets,
- (e) the trimming and care of trees and the removal of unsound trees from any street,
- (f) the treatment and removal of insect infested or diseased trees on private property, the repair of sidewalks and alleys,
- (g) the operation of a street lighting system, or
- (h) the operation and maintenance of a fire protection or a pedestrian skyway system,

as a special assessment against the property benefited. The council may by ordinance adopt regulations consistent with this section to make this authority effective, including, at the option of the council, provisions for placing primary responsibility upon the property owner or occupant to do the work personally (except in the case of street sprinkling or other dust treatment, alley repair, tree trimming, care, and removal or the operation of a street lighting system) upon notice before the work is undertaken, and for collection from the property owner or other person served of the charges when due before unpaid charges are made a special assessment.

Subd. 2. Procedure for assessment. Any special assessment levied under subdivision 1 shall be payable in a single installment, or by up to ten equal annual installments as the council may provide. With this exception, sections 429.061, 429.071, and 429.081 shall apply to assessments made under this section.

Subd. 3. Issuance of obligations. After a contract for any of the work enumerated in subdivision 1 has been let, or the work commenced, the council may issue obligations

MINNESOTA STATUTES 1988

8467

LOCAL IMPROVEMENTS, SPECIAL ASSESSMENTS 429.111

to defray the expense of any such work financed in whole or in part by special charges and assessments imposed upon benefited property under this section. Section 429.091 shall apply to such obligations with the following modifications:

(1) Such obligations shall be payable not more than two years from the date of issuance;

(2) The amount of such obligations issued at one time in a municipality shall not exceed the cost of such work during the ensuing six months as estimated by the council;

(3) A separate improvement fund shall be set up for each of the enumerated services referred to in subdivision 1 and financed under this section. Proceeds of special charges as well as special assessments and taxes shall be credited to such improvement fund.

History: 1953 c 398 s 10; 1955 c 811 s 6; 1963 c 771 s 5; 1965 c 323 s 2; 1973 c 337 s 1; 1974 c 340 s 1,2; 1984 c 548 s 7; 1984 c 582 s 7; 1984 c 591 s 6; 1984 c 633 s 5; 1986 c 444

429.11 [Repealed, 1953 c 398 s 13]

429.111 CHARTER PROVISIONS, EFFECT.

Any city operating under a home rule charter may proceed either under this chapter or under its charter in making an improvement unless a home rule charter or amendment adopted after April 17, 1953, provides for making such improvement under this chapter or under the charter exclusively.

History: 1953 c 398 s 11; 1955 c 811 s 7; 1976 c 44 s 39

429.12-429.18 [Repealed, 1953 c 398 s 13]

429.185 [Repealed, 1949 c 314 s 3]

429.19 [Renumbered 429.035]

429.20 [Renumbered 429.036]

429.21-429.29 [Repealed, 1953 c 398 s 13]

429.30 [Renumbered 435.36, subdivision 1]

429.31 [Renumbered 435.36, subd 2]