

458D.09 ALLOCATION OF COSTS.

Subdivision 1. **Definition of current costs.** The estimated cost of administration, operation, maintenance and debt service of the district disposal system and the estimated costs of acquisition and betterment of the system which the board shall incur in the budget year other than cost of acquisition and betterment which are payable out of state or federal grants and bond proceeds and all other previously unrecovered costs incurred by the board pursuant to sections 458D.01 to 458D.24 to be allocated in such year are referred to as current costs and shall be recovered by the board from the local government units as hereinafter provided in the budget for such year.

Subd. 2. **Allocation method.** All current costs shall be allocated to local government units in the district on such equitable basis as the board may from time to time determine by resolution to be in the best interests of the district. In determining what is an equitable basis and in the best interests of the district, the board shall take into account the quantity, pollution qualities and difficulty of treatment of sewage discharged directly or indirectly into the district disposal system and any substantial or demonstrable error in any previous allocation of costs, and may take into account all or any combination of the following: the extent to which the facilities are not used to total capacity, any substantial benefit to the district as a whole, the assessed value of all taxable property within each local government unit in the district, the area primarily served by all or part of the district disposal system, the population of each local government unit in the district, the extent to which the territory of a local government unit has been connected to the district disposal system, distinctions between operating and capital costs, and any other factors which the board deems to be fair and reasonable for purposes of allocating costs.

Subd. 3. **Deferment of payments.** The board may by resolution provide for the deferment of payment of all or part of current costs, except the costs of administration, operation and maintenance, which are allocated by the board to a local government unit in any budget year repayable at such time or times as the board shall specify in the resolution with interest at the approximate average annual rate borne by bonds issued by the board and outstanding at the time of the deferment as determined by the board or if no bonds are outstanding at such rate as may be determined by the board but not to exceed the maximum rate of interest which may be paid on bonds issued by the board at the time of deferment. Payment of current costs may be deferred only when the board determines that the amount of such payments or some portion thereof will be disproportionate to the available economic resources of the unit at the time. Such deferred payments shall to the extent necessary be reallocated to and paid by those remaining local government units with respect to which no payments have been deferred, in the same proportion as the current costs allocated to such remaining local government units bear to the current costs allocated to all such remaining local government units. When such deferred payments are repaid, they shall be applied in reduction of the total amount of current costs thereafter allocated to each of the local government units to which such deferred payments were reallocated in the year of deferment in the same proportion as such deferred payments were reallocated.

History: 1971 c 478 s 9; 1982 c 514 s 3