CHAPTER 442A

SANITARY DISTRICTS

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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 Court 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. **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.

History: *2013 c 114 art 5 s 2; 2025 c 39 art 2 s 68*

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 dissolutions of sanitary districts previously formed under Minnesota Statutes 2012, sections 115.18 to 115.37.

History: *2013 c 114 art 5 s 3*

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. **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. 10. **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.

History: *2013 c 114 art 5 s 4*

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.

History: *2013 c 114 art 5 s 5*

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;

(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 email 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. Notice of the meeting must be published for two successive weeks in a qualified newspaper, as defined under chapter 331A, must be 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 website of the proposed district, if one exists. Notice of the meeting must be mailed or emailed 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 email 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 the topics that 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 website.

(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; and

(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 a newspaper of general circulation within the territory of the proposed district, and mail or email information of that publication to each property owner in the affected territory at the owner's address as given by the county auditor. 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; 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 email to each signer of the petition. No petition for the creation of a district consisting of the same territory shall be entertained within one 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 of the final order creating a sanitary district in a newspaper of general circulation within the territory of the proposed district, and shall mail or email a notice of the final order creating a sanitary district to each property owner in the affected territory at the owner's address as given by the county auditor. 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 publication of the order.

Subd. 9. **Filing.** Ten days after publication of the order, 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.

History: *2013 c 114 art 5 s 6; 2016 c 95 s 1-4*

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. An annexation 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 annexation.

(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;

(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 email 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. Notice of the meeting must be published for two successive weeks in a qualified newspaper, as defined under chapter 331A, must be 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 website of the existing sanitary district, if one exists. Notice of the meeting must be mailed or emailed 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 email 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 the topics 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 existing sanitary district website.

(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 a newspaper of general circulation within the territories of the existing sanitary district and proposed annexation area, and mail or email information of the publication to each property owner in the affected territory at the owner's address as given by the county auditor. 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; 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 email 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 a newspaper of general circulation within the territory of the proposed district, 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 email a notice of final order for sanitary district annexation to each property owner in the affected territory at the owner's address as given by the county auditor. 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 publication of the notice of the order.

Subd. 10. **Filing.** Ten days after mailing notice of the order, 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.

History: *2013 c 114 art 5 s 7; 2016 c 95 s 5-8*

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;

(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 email 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. Notice of the meeting must be published for two successive weeks in a qualified newspaper, as defined under chapter 331A, must be 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 website of the existing sanitary district, if one exists. Notice of the meeting must be mailed or emailed 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 email 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 the topics 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 existing sanitary district website.

(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 a newspaper of general circulation within the territories of the existing sanitary district and proposed detachment area, and mail or email information of the publication to

each property owner in the affected territory at the owner's address as given by the county auditor. 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; 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 email 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 a newspaper of general circulation within the territory of the proposed district 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 email a notice of the final order for sanitary district detachment to each property owner in the affected territory at the owner's address as given by the county auditor. 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 publication of notice of the order.

Subd. 10. **Filing.** Ten days after publication of notice of the order, 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.

History: *2013 c 114 art 5 s 8; 2016 c 95 s 9-12*

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 email 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, must be 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 website of the existing sanitary district, if one exists. Notice of the meeting must be mailed or emailed 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 email 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 the topics 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 existing sanitary district website.

(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 a newspaper of general circulation within the territory of the proposed dissolution area, and mail or email information of the publication to each property owner in the affected territory at the owner's address as given by the county auditor. 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; 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 email 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 a newspaper of general circulation within the territory of the proposed district 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 email a notice of the final order for sanitary district dissolution to each property owner in the affected territory at the owner's address as given by the county auditor. 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 publication of notice of the order.

Subd. 9. **Filing.** (a) Ten days after publication of notice of the order, 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.

History: *2013 c 114 art 5 s 9; 2016 c 95 s 13-16*

442A.08 JOINT PUBLIC INFORMATIONAL MEETING.

In all cases that proceed to a contested case hearing, 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.

History: *2013 c 114 art 5 s 10; 2016 c 95 s 17*

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.

History: *2013 c 114 art 5 s 11*

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 Court 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 Court of Administrative Hearings shall be deposited in the environmental fund.

History: *2013 c 114 art 5 s 12; 2025 c 39 art 2 s 68*

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.

History: *2013 c 114 art 5 s 13*

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.

History: *2013 c 114 art 5 s 14*

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 be scheduled 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.

History: *2013 c 114 art 5 s 15; 2016 c 95 s 18*

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.

History: *2013 c 114 art 5 s 16*

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.

History: *2013 c 114 art 5 s 17*

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.

History: *2013 c 114 art 5 s 18*

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.

History: *2013 c 114 art 5 s 19*

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.

History: *2013 c 114 art 5 s 20*

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.

History: *2013 c 114 art 5 s 21*

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.

History: *2013 c 114 art 5 s 22*

442A.21 GENERAL AND MUNICIPALITY 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 municipalities 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 municipalities and matters pertaining thereto, so far as applicable, with like force and effect, except as otherwise provided.

History: *2013 c 114 art 5 s 23*

442A.22 ADVISORY COMMITTEE.

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

History: *2013 c 114 art 5 s 24*

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 municipality with respect to similar municipal 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 municipality.

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 municipality, 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 municipal 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.

History: *2013 c 114 art 5 s 25*

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.

History: *2013 c 114 art 5 s 26*

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.

History: *2013 c 114 art 5 s 27*

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.

History: *2013 c 114 art 5 s 28*

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.

History: *2013 c 114 art 5 s 29*

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.

History: *2013 c 114 art 5 s 30*

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 Court 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 Court 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.

History: *2013 c 114 art 5 s 31; 2025 c 39 art 2 s 68*