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MANDATES AFFECTING MINNESOTA CITIES

The following list represents a compilation of some of the state and federal laws that directly impact city government operations in Minnesota. The list does not represent every law that impacts city operations nor does the list necessarily reflect the annual legislative agenda of the League of Minnesota Cities. (Updated 1/29/09)

PERSONNEL/EMPLOYEE RELATIONS

Aggregate value of benefits (M.S. 471.6161, subd. 5)—Cities are prohibited from reducing the aggregate value of benefits in a group insurance contract without the agreement of the union. Court and arbitration decisions have interpreted this to mean that cities cannot change a provider network or increase a co-pay—even when required by the insurance carrier -- without negotiating this with the union.

Pay equity, implementation and reporting (M.S. 471.991-99)—Personnel costs have been increased by the state requirement that cities and other local governments conduct job evaluation studies, report on implementation, and meet equitable compensation standards as defined in state rules.

Workers' Compensation (M.S. 176)—Cities are responsible for enforcing state requirements for workers' compensation for local contractors and licensees.

Public pensions - Basic and Coordinated plans (M.S. 353.27)—Cities are required to participate in the state Public Employee Retirement Association (PERA), that requires city employer contribution rates of 11.78 percent for Basic plan members and 5.53 percent (6.75 for 2009) for Coordinated plan members.

Public pensions-Police and Fire plan (M.S. 353.65)—Cities are required to participate in the state PERA Police and Fire Plan that requires a city employer contribution rate of 9.3 percent (14.1 for 2009).

Continuation of health and life insurance coverage following termination (M.S. 62A.17, M.S. 471.61 subd. 2b and M.S. 61A.092)—Cities must comply with a state requirement to offer continued health and life insurance coverage to former employees following voluntary or involuntary termination.

Continued health insurance for injured public safety officers (M.S. 299A.465)—Cities must provide continued health insurance benefits for police officers and firefighters injured in the line of duty. Prior to 2003, the law required the Department of Public Safety to reimburse cities for the full cost of administering this benefit. Since 2003, the reimbursement to cities has been on a pro-rata basis.

Prevailing wages paid on public contracts (M.S. 177.41 and A.G. Op.415cl)—The state's Davis-Bacon requirements (prevailing wage requirements), as interpreted by the Attorney General, can increase the costs of city contracts.

Veterans preference (M.S. 197.447, 455, 46, 48, 481 and 192.26)—Cities are required to give preferential treatment to veterans for hiring, protection from discharge, fully paid leave while challenging any discharge or disciplinary action, and full salary for up to three weeks for all city employees serving in the military reserves or on active duty.

Mandatory Binding Arbitration (M.S. 179A.16, .18)—Employee classes such as peace officers and firefighters are not allowed to strike. Rather, cities are mandated to comply with the compensation and benefit determinations of an appointed arbitrator, even if the elected representatives of the city's residents determine that a strike would be preferable.

PERA membership and service credit (M.S. 353.01 subd 2a)—Employees who earn more than \$425 per month are eligible to participate in PERA. This threshold has not been adjusted since 1988, which results in more part-time workers being included in the retirement system.

PUBLIC SAFETY

Peace officer standards and training (POST) (M.S.626.84-863)—Cities are required to assure that their public safety personnel complete mandated pre-service and continuing in-service training to maintain licensed law enforcement officer status.

Temporary detention facilities/detoxification centers (M.S. 241.021)—City facilities for temporary holding of persons who have been arrested must meet state standards for the building and its maintenance.

Confined space entry (OSHA)—State and federal standards are imposed for situations where a confined space (such as a manhole) is entered. For example, there is a requirement that a minimum of two employees are present whenever a confined space is entered.

Animal control (M.S.346, 347)—State regulations set standards for facilities used for animal control, procedures for apprehending animals, and minimum holding periods.

"First responder" and firefighting by city employees on state highways—State reimbursement for these public safety services does not adequately cover the costs of performing these services.

800 megahertz radio system (M.S. 473.891-905)—Regional public safety radio communications system for which metro-area cities must implement plans.

Ambulance staffing and equipment requirements (M.S. 144E.101)—Governed by the Emergency Medical Services Board - most recently changed in 2008.

Suspense file reduction (M.S. 299C.10-11)—Requires peace officers and community corrections agencies to immediately collect identifying information relating to persons arrested or appearing in court on certain charges. Information includes fingerprints and known aliases. Identification data must be furnished to the Bureau of Criminal Apprehension.

Peace officers post traumatic stress syndrome benefit (M.S. 299A.411)—Cities are required to pay for unreimbursed loss of wages during the time of the post-traumatic disability, not to exceed one year and for the unreimbursed expenses for medical treatment, including psychiatric or psychological counseling to relieve the effects of the post-traumatic stress syndrome, not to exceed one year.

Fine Distribution (M.S. 357.021, subd. 6)—Minnesota statutes define the distribution of fine revenue for enforcement of state laws. Although local enforcement costs have increased in recent years, the distribution to cities has not been modified. In addition, recent state-imposed traffic citation surcharges have increased the challenges of citations which increases local prosecution costs.

Notification of 3.2 percent liquor licensees (M.S. 340A.403)—Cities are required to notify the commissioner of public safety within 10 days of issuing a 3.2 malt liquor license.

Must use certain colors for police uniforms and police vehicles (M.S. 626.88, 169.98)—State law sets the colors allowed for police officer uniforms. Uniforms must be predominantly blue, brown, or green. Police department motor vehicles used in patrol must be predominantly blue, brown, green, black, or white. The vehicle must display in letters at least two-and-a-half inches tall the governmental unit's identity on both front-door panels and on the rear of the vehicle. Each vehicle must have its own identifying number on the rear of the vehicle.

Use of part-time police officers restricted (M.S. 626.8468)—State law limits the use of part-time police officers. A law enforcement agency that employed a licensed part-time peace officer that was in the process of training an individual to become a licensed part-time police officer on Feb. 1, 1999, may continue to do so. No city may employ more part-time police officers than it employed in calendar year 1996, 1997, or 1998.

Profits from sale of firearms must be shared with county and state (M.S. 609.5313)—Law enforcement agencies can sell firearms, ammunition, and accessories to federally licensed firearms dealers or use them for law enforcement purposes. The proceeds are distributed 70 percent to the law enforcement agency, 20 percent to the county attorney, and 10 percent to the state.

Cities must train and equip firefighters (29 CFR 1910, M.S. 299W.01 & 299W.02)—While there is no state licensing or certification requirement for firefighters, federal and state Occupational Safety and Health Administration (OSHA) rules contain minimum training and equipment requirements. OSHA requires that employees be appropriately trained to manage the hazards they may encounter on the job.

Dangerous dog enforcement (M.S. 347.50 to 347.56)—Animal control authorities or law enforcement agencies must now enforce dangerous dog laws whether or not there is a local ordinance on the issue.

Prosecution for ordinance violations (M.S.412.861)—Cities are responsible for prosecuting all ordinance violations. The suit is brought in the name of the city upon complaint and warrant as in other criminal cases.

Hazardous buildings (M.S. 463)—To enforce the city’s order to repair or raze a hazardous building, the city must initiate and proceed with a civil court action.

BUILDING CODES

Uniform building code (UBC) (M.S.13)—Cities are required to adopt and enforce a state uniform building code which regulates heating, ventilation, energy conservation, electric, fire standards, and plumbing. Handicap accessibility is one of the requirements which must be assured for public buildings. Cities no longer receive excess building code fees to help train local officials.

Minor residential improvements M.S. 16B.63)—Limits permit fees to \$15 or five percent, whichever is greater, for improvement, installation or replacement of a residential fixture or appliance that does not modify electric or gas service, has a labor cost of \$500 or less, and is done by the homeowner or a licensed contractor.

Building code administration (M.S. 16B.65)—Municipalities are given specific direction on how to designate a certified building official who is responsible for code administration in the city.

Bleacher Safety (M.S. 326B.112 and rules)—Establishes safety requirements that apply to all bleachers over 30 inches above grade or the floor below. Municipalities are required to provide the commissioner of administration with a signed certification of compliance prepared by a qualified and certified building official or state licensed design professional that certifies the bleachers have been inspected, are in compliance with the safety requirements, and are structurally sound.

Pool Safety (M.S. 144.1222)—Requires cities to inspect and maintain municipal pools to new safety standards that include the installation of secure drain covers and the installation of outlets or drains that are unblockable. The outlet/drain requirements are effective for pools under four feet on January 1, 2009 and for deeper pools on January 1, 2011.

Development & Permit Fees Report (M.S. 326B.145)—Cities are required to report in detail all fees collected related to building and development in their communities if the cumulative fees collected exceeded \$5,000 in the reporting year. In addition, the report requires a comprehensive identification of all costs and expenses related to providing services related to those activities.

DATA PRACTICES/OPEN MEETING LAW

Minnesota Government Data Practices Act (M.S.13)—Nearly all government data is to be considered to be “public” under the Minnesota Government Data Practices statutes and public access to, and reproduction of this information is required. The costs and fees charged by local units of government for this data are minimal and limited.

Open Meeting Law (M.S. 471.705)—Cities are generally required to open all of their meetings to the public. State law includes specific requirements for meeting notices, agendas, and minutes. Unlike violations of the law by the Legislature, city officials may be sued for alleged violations.

Job reference liability (Chapter 137, 2004 Session Laws)—Regulates city disclosure of employment information regarding current and former employees, requiring that disclosure procedures and policies be implemented to assure that information provided is complete and accurate; that disclosure of information regarding acts of violence, etc. are to be provided only in writing; that the city obtain authorization from current or former employee to the release of such information prior to disclosing public personnel data, evaluations conducted prior to separation and employee responses, employee’s personnel record and reasons (in writing) for employment separation; and provide current and former employees by mail a copy of employment information disclosed and to whom it was disclosed.

Compliance with new data practice government data classifications (Chapter 290, 2004 Session Laws)—Information such as payroll time sheets or other data that would reveal city of residence of current and former employees, volunteers and independent contractors; data regarding employees of secure treatment facilities and their immediate family members that would reveal where they have received training or attended educational courses if such data would reveal work assignments, home address or phone number, location during non-work hours, or location of immediate family members; nonpublic classification status for preliminary and final market value appraisals of property owned by the city until a purchase agreement has been finalized or appraisals are exchanged; release to domestic abuse victim and victim’s attorney of written police report and arrest data related to domestic abuse prosecution; implementation of procedures for closing, tape recording and maintaining recordings of meetings to receive security briefings.

ELECTIONS

Administrative remedy for violations of fair campaign practices (Chapter 277, 2004 Session Laws)—Cities are subject to payment of costs for the Office of Administrative Hearings to consider such complaints regarding any ballot question or elective office.

Compliance with federal Help America Vote Act (HAVA) (Chapter 293, 2004 Session Laws)—

Cities are required to comply with HAVA voter registration absentee voting, military and overseas voter record reporting procedures as well as with assisted voting equipment requirements. Cities that administer absentee voting are to be open extended hours the day before election.

Conducting elections (M.S. 205)—State requirements determine when and how cities conduct

elections. These laws apply to: primary, regular and special elections; elections for county, state, federal, city and some school races; the timing of the election; publication and posting of the election; the hours that polls must remain open; state-certified voting equipment; time lines for testing of voting equipment; preparation of ballots; absentee ballot procedures; and same-day voter registration.

Election judges (M.S. 204B)—Head election judge must be present in the polling place all day.

Other judges may serve shifts. Head election judges must also obtain additional training (extra 2 hours--for which the head judge must be paid, plus any additional transportation costs for attending the training). State law requirements determine how many election judges are required, election judge duties, and what election judges must be paid.

Absentee ballots for overseas voters (M.S. 203B.16-17)—Overseas voters (military or civilian)

may submit absentee ballot applications by fax or email (if Secretary of State determines that security concerns have been adequately addressed) as well as in writing - meaning the local election administrator must set up a process for receiving and processing fax and email absentee applications and mailing out ballots, return envelopes, etc. to additional voters living outside the U.S.

Absentee ballots for subsequent elections (M.S. 203B.16-17)—In future elections (beginning in

2001) local election administrators must automatically arrange to mail out absentee ballots for any general or special election for the remainder of the calendar year to overseas voters who previously in 2001 applied for an absentee ballot for the primary that year.

Recounts (M.S. 204C.35)—Changes to when automatic recounts must be recounted for federal,

state and judicial elections means that beginning in 2001, if, in a primary, the difference in votes cast is less than one-half of one percent of the total number of votes counted for that nomination - or if the difference is 10 votes or less and the total of votes cast is 400 or less, the canvassing board (city council in most cases) must conduct a recount if the difference would determine the outcome. In a general election, if the difference is less than one-half of one percent or ten votes or less and the total number of votes cast is 400 or less, the canvassing board must also conduct a recount.

Use of public facilities for elections (M.S. 202A.19, subd. 4, 202A.192, 204B.16, subd. 6)—City

councils must make their public facilities available for holding holding precinct caucuses and legislative district or county conventions. These facilities (including parking) must be available for city, county, state, and federal elections as well. A local government may charge no more than the lowest amount it charges any other group.

Election equipment and supplies (M.S. 204B.18, 204B.27-.29; 204C.26, 204B.32, subd. 1 (c))—The city should supply, at city expense, necessary election equipment and supplies. Each precinct should receive all necessary supplies.

Ballot Question Titles (Minn. R. 8250.0390)—The city attorney must review the title of a ballot question to determine whether it accurately describes the question asked; the title cannot be used on the ballot until approved by the city attorney.

Ballot question petitions (Minn. R. 8205.1040, 8205.1050)—The city clerk must accept petitions for ballot questions. The clerk must provide the person filing the petition with a receipt for the petition. The clerk must also inspect the form of the petition to determine if it complies with all form and filing requirements, including determining whether the petition has been signed by the required number of signatories and whether the signatories meet the applicable eligibility requirements. The clerk must complete the verification of a petition as soon as practicable but no later than ten working days after the day on which the petition was filed.

EMERGENCY MANAGEMENT

Compliance with emergency medical service training requirements (Chapter 144, 2004 Session Laws)—Cities must comply with eligibility requirements for first responder trainers and to provide a physician at training and to conform to other provisions related to modifications to salary limits for ambulance service personnel; repeal on restrictions on maximum period of service for receipt of credit awards; and other measures related to local ambulance service.

Federal NIMS & MNIMS compliant (44CFR Part 201, MN Stat 115E.01-115E.11)—Cities must certify that they are compliant with NIMS by adopting a resolution formally recognizing NIMS principles and policies. Cities must train members of their emergency management system (including staff and elected officials) using NIMS standards.

Must Adopt Emergency Management plan (MN Stat 12.25)—State law requires each city to establish a local organization to perform emergency management functions.

ENVIRONMENT

Wastewater treatment standards (PCA-MN Rules Chapters 7050/7052)—State requirements exceed those set by the federal government for many standards affecting wastewater treatment. Extensive and complicated reporting requirements are mandated by the pollution control agency.

Wetlands (MN Rules Chapter 8470)—The Wetland Conservation Act must be administered by a city, county, or other local government unit including wetlands replacement, environmental review requirements, mitigation and enforcement.

Solid Waste Management (M.S. 115A, MN Rules Chapters 7035/7048)—State law specifies the existence and parameters of local recycling programs, waste collection practices, etc.

Drinking water standards (MN Rules Chapter 4720; 40CFR 141/142)—State and federal regulation of drinking water requires frequent testing and reporting to assure adherence to standards.

Surface water management organizations or plan (M.S.103)—Cities are required to participate in the development and costs of a comprehensive water management plan.

Waste disposal facilities (PCA-MN Rules Chapters 7001/7048)—State and federal regulation mandates most aspects of waste to energy facilities and sanitary landfills.

Hazardous substance transportation (M.S.221 and federal SARA)—State and federal regulations govern the transportation of hazardous substances. Cities are required to select routes for transport, and police those routes, even though they are frequently not city streets.

Minnesota Clean Indoor Air Act (M.S.144.411-17)—Cities are required to comply with and enforce the act within their public buildings.

NPDES Phase II permitting (Federal Clean Water Act; MN Rules Chapter 7050)—public education, management, mitigation and enforcement of federal clean water requirements.

Wastewater Permit Requirements (Laws 2002, chapter 220, article 8, section 15 and chapter 374, article 6, section 15)—Increase in fees to comply with permit requirements.

LAND USE/PLANNING/ZONING

Land use planning (M.S. 473H)—Cities in the seven-county metro area are required by the state to have a comprehensive land use plan.

State zoning standards (M.S. 463.365)—Local zoning decisions for manufactured homes, group homes, earth-sheltered homes, etc., are limited by the state.

Flood plain management (M.S. 104.04)—The commissioner of natural resources is authorized to require and approve local government reporting on flood plain management ordinances. Costs associated with imposing local ordinances are usually borne by the local government.

Flood insurance (M.S. 104.08)—The state requires that all local governments subject to recurrent flooding participate in the national flood insurance program.

Shoreland regulations (M.S. 105.485)—The commissioner of natural resources is authorized to require and approve local government reporting on shoreland management ordinances, and monitor ongoing land use in the vicinity of the shoreland.

Must plan for growth in accordance with the President Theodore Roosevelt Memorial Bill to Preserve Agricultural, Forest, Wildlife, and Open Space Land Act (M.S. 462.357, 462.355, 103G.005)—Requires cities to consider certain open space goals promoted by the Act when adopting a comprehensive plan or amending any official control.

Feedlot zoning (M.S. 462.351 subd 1g)—When adopting land use controls related to feedlots cities must prepare a report on the economic effects from specific provisions in the feedlot ordinance. Upon completion, the report must be submitted to the commissioners of employment and economic development and agriculture along with the proposed ordinance.

Cities must provide a Board of Zoning Adjustment and Appeals to reconsider zoning decisions they have already made (M.S. 462.354 subd 2, 442.351 subd 6)—When a city has a zoning ordinance, it must, by ordinance, create a Board of Appeals and Adjustments. The board hears appeals where an error is alleged in the administration of the zoning ordinance, and hears requests for variances from the literal provisions of the ordinance. Variances can only be granted by the Board of Appeals and Adjustments

Cities must conduct studies when imposing moratoria (M.S. 462.255 subd 4)—A city council may adopt an interim ordinance (or moratorium) only if a study is being conducted or has been authorized.

Cities face restriction in the collection of park and open space dedication fees from developers (M.S. 462.358 Subd 2b)—The cash fee must now be based on fair market value of the unplatted land for which park fees have not already been paid. In order to collect these fees, cities must also adopt a capital improvement budget, have a parks and open space plan or a parks and open space component in its comprehensive plan, place the cash payments in a special fund to be used only for the purposes for which the money was obtained, use the cash payments only for the acquisition and development or improvement of parks, recreational facilities, playgrounds, trails, wetlands, or open space based on the approved park systems plan. Cash payments must not be used for ongoing operation or maintenance of parks, recreational facilities, playgrounds, trails, wetlands, or open space.

Eminent domain law requires cities to offer to sell unneeded property acquired by eminent domains to original owners at original purchase price (M.S. 117.226)—If a city determines that property acquired through eminent domain is no longer needed for a public purpose, the city must offer to sell the property back to the person it was acquired from at the original price or the current fair market value, whichever is lowest.

Cities must pay some relocation costs if eminent domain is used (42 USCA 4601-4655, M.S. 117.52 Subd 1a)—Both state and federal law protect property owners and tenants who are required to move because of eminent domain proceedings; cities, or condemning authorities, must pay relocation costs for the people who must move. In some limited circumstances, owner-occupants may waive relocation benefits. If a person must relocate but does not accept the city's relocation offer, the state law now requires that a city must seek resolution using state contested case procedures and an administrative law judge.

Cities in contested eminent domain proceedings may need to pay landowners costs and attorney's fees (M.S. 117.031)—If a person challenges a city's condemnation proceeding or amount

in court, and prevails, the court may – and in some situations must – pay the person’s court costs and attorney’s fees.

Cities must pay for landowners appraisals in eminent domain proceedings (M.S. 117.036 Subd 2(b))—A land owner may obtain an appraisal by a qualified appraiser of the property proposed to be acquired. The owner is entitled to reimbursement for the reasonable costs of the appraisal from the acquiring authority up to a maximum of \$1,500 for single family and two-family residential property and minimum damage acquisitions and \$5,000 for other types of property, provided that the owner submits to the acquiring authority the information necessary for reimbursement including a copy of the owner's appraisal, at least five days before a condemnation commissioners' hearing.

Reporting all construction and development related fees. (M.S. 16B.685)—Cities must report annually to the Department of Administration all construction and development-related fees collected, information on the number and valuation of the units for which fees were paid, the amount of permit fees, plan review fees, administrative fees, engineering fees, infrastructure fees, other related fees, and the expenses associated with the municipal activities for which the fees were collected. Although this requirement applies primarily to building permit fees, it also includes certain land use fees. Cities that collect \$5,000 or less in fees are exempt from this filing requirement.

Hearing for land use and zoning decisions. (M.S. 462.357, 462.3595, 462.3597)—Prior to adopting or amending a zoning ordinance, issuing a conditional use permit, or granting an interim use permit, the planning agency or city council must hold a public hearing. Notice of the hearing must be published in the newspaper. In some cases, notice must be mailed to property owners within 350 feet of the subject property.

Hearing for subdivision applications (M.S. 462.358)—Prior to preliminary approval of a subdivision application, there must be a public hearing. Notice of the hearing must be published.

PUBLICATION

Notice of election filing dates (M.S. 205.13)—At least two weeks before the first day to file affidavits of candidacy, the municipal clerk is required to publish a notice stating the first and last dates on which affidavits of candidacy may be filed in the clerk's office and the closing time for filing on the last day for filing. The clerk shall post a similar notice at least ten days before the first day to file affidavits of candidacy.

Sample ballot publication (M.S. 205.16)—For every municipal election, the municipal clerk is required at least one week before the election to publish a sample ballot in the official newspaper of the municipality, except that the governing body of a fourth class city or a town not located within a metropolitan county as defined in section 473.121 may dispense with publication.

Notice of Proposed Taxes (M.S. 275.065 Subd. 5a.)—A city that has a population of more than 2,500 is required to advertise in a newspaper a notice of its intent to adopt a budget and

property tax levy at a public hearing, if a public hearing is required. The notice must be published not less than two business days nor more than six business days before the hearing. The advertisement must be at least one-eighth page in size of a standard-size or a tabloid-size newspaper. The advertisement must not be placed in the part of the newspaper where legal notices and classified advertisements appear. The advertisement must be published in an official newspaper of general circulation in the taxing authority. The newspaper selected must be one of general interest and readership in the community, and not one of limited subject matter. The advertisement must appear in a newspaper that is published at least once per week. In addition to other requirements, a city having a population of more than 2,500 must show in the public advertisement the current local tax rate, the proposed local tax rate if no property tax levy increase is adopted, and the proposed rate if the proposed levy is adopted.

Charter Election Publication Requirement (M.S. 410.10)—The notice of a charter election is required to contain the complete charter and shall be published once a week for two successive weeks in the official newspaper of the city, or if there be none, in a legal newspaper of general circulation in the city. For cities of the first class, the publication shall be made in a newspaper having an aggregate regular paid circulation of at least 25,000 copies. The governing body may in addition thereto publish the notice in any other legal newspaper published in the city.

Charter Amendments By Ordinance (M.S. 410.12)—Within one month of receiving a recommendation to amend the charter by ordinance, the city must publish notice of a public hearing on the proposal and the notice must contain the text of the proposed amendment. The city council must hold the public hearing on the proposed charter amendment at least two weeks but not more than one month after the notice is published.

Council proceedings (M.S. 412.191, subd 3)—The council, after every regular or special meeting, shall publish the official council proceedings or a summary conforming to section 331A.01, subdivision 10. As an alternative to publication, the city may mail, at city expense, a copy of the proceedings to any resident upon request. The publication shall occur within 30 days of the meeting to which the proceedings relate. Cities with a population of less than 1,000 according to the latest federal census are not required to comply with this section, but may do so at their discretion.

Ordinances (M.S. 412.191, subd 4)—Every ordinance must be published once in the official newspaper. In the case of lengthy ordinances, or ordinances which include charts or maps, if the city council determines that publication of the title and a summary of an ordinance would clearly inform the public of the intent and effect of the ordinance, the council may by a four-fifths vote of its members direct that only the title of the ordinance and a summary be published, conforming to section 331A.01, subdivision 10, with notice that a printed copy of the ordinance is available for inspection by any person during regular office hours at the office of the city clerk and any other location which the council designates. A copy of the entire text of the ordinance shall be posted in the community library, if there is one, or if not, in any other public location which the council designates. Prior to the publication of the title and summary the council shall approve the text of the summary and

determine that it clearly informs the public of the intent and effect of the ordinance. The publishing of the title and summary shall be deemed to fulfill all legal publication requirements as completely as if the entire ordinance had been published. The text of the summary shall be published in a body type no smaller than brevier or eight-point type. Proof of the publication shall be attached to and filed with the ordinance.

Municipal Contracts (M.S. 412.311)—Whenever the amount of a contract for the purchase of merchandise, materials or equipment or for any kind of construction work undertaken by the city is estimated to exceed the amount specified by section 471.345, subdivision 3, the contract shall be let to the lowest responsible bidder, after notice has been published once in the official newspaper at least ten days in advance of the last day for the submission of bids. If the amount of the contract exceeds \$1,000, it shall be entered into only after compliance with the uniform municipal contracting law (MS 471.345).

Utility Annual Financial Statements (M.S. 412.381)—An annual financial report is required to be made and a copy filed with the clerk at the close of the calendar year and shall be included as part of the annual financial report or statement of the clerk in conformity with section 471.697 or 471.698. The cost of publication of any other official statement required by law to be published shall be paid from public utility funds.

Vacation of streets (M.S. 412.851)—No vacation is permitted unless it appears in the interest of the public to do so after a hearing preceded by two weeks' published and posted notice. The council shall cause written notice of the hearing to be mailed to each property owner affected by the proposed vacation at least ten days before the hearing. The notice must contain, at minimum, a copy of the petition or proposed resolution as well as the time, place, and date of the hearing.

Announcement of hearing on annexation (M.S. 414.0333)—Both the city and town shall publish, at their own expense, notice in their respective official newspapers. If the city and town use the same official newspaper, 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.

Local Improvements (M.S. 429.041)—If the estimated cost of a local improvement project exceeds \$100,000, publication is required to be made no less than three weeks before the last day for submission of bids once in the newspaper and at least once in either a newspaper published in a city of the first class or a trade paper. To be eligible as such a trade paper, a publication shall have all the qualifications of a legal newspaper except that instead of the requirement that it shall contain general and local news, such trade paper shall contain building and construction news of interest to contractors in this state, among whom it shall have a general circulation. The advertisement shall specify the work to be done, shall state the time when the bids will be publicly opened for consideration by the council, which shall be not less than ten days after the first publication of the advertisement when the estimated cost is less than \$100,000 and not less than three weeks after such publication in other cases, and shall state that no bids will be considered unless sealed and filed with the clerk and accompanied by a cash deposit, cashier's check, bid bond, or

certified check payable to the clerk, for such percentage of the amount of the bid as the council may specify.

Hearing on proposed special assessment (M.S. 429.09)—Cities must publish notice that the council will meet to consider the proposed assessment. Such notice shall be published in the newspaper at least once and shall be mailed to the owner of each parcel described in the assessment roll. Such publication and mailing shall be no less than two weeks prior to such meeting of the council.

Cooperation and Combination Plan (M.S. 465.82)—In the official newspaper of each local government unit proposing to take part in a combination, the governing body shall publish at least a summary of the adopted consolidation or combination plan, each significant modification and resolution of items, and, if appropriate, the results of each council review and comment.

Contracts to be Let (M.S. 469.015)—Before receiving bids the authority is required to publish once a week for two consecutive weeks in an official newspaper of general circulation in the community a notice that bids will be received for that construction work, or that purchase of equipment, supplies, or materials. The notice shall state the nature of the work and the terms and conditions upon which the contract is to be let, naming a time and place where bids will be received, opened and read publicly, which time shall be not less than seven days after the date of the last publication.

Tax Levy Increases for Port Authorities (M.S. 469.053)—A city is required to publish the resolution for a port authority tax increase together with a notice of public hearing on the resolution for two successive weeks in its official newspaper or, if none exists, in a newspaper of general circulation in the city. The hearing must be held two to four weeks after the first publication.

Creation of an industrial development district (M.S. 469.058)—A port authority may create and define the boundaries of industrial development districts in their port districts after holding a public hearing on the matter. At least ten days before the hearing, the authority shall publish notice of the hearing in a daily newspaper of general circulation in the port district.

Sale of property by a port authority (M.S. 469.065)—At least ten, but not more than 20, days before the hearing the authority is required to publish notice of the hearing on the proposed sale in a newspaper. The newspaper must be published and of general circulation in the port authority's county and port district. The notice must describe the property to be sold and state the time and place of the hearing. The notice must also state that the public may see the terms and conditions of the sale at the authority's office and that at the hearing the authority will meet to decide if the sale is advisable.

Port Authority contracts for construction, equipment and supplies (M.S. 468.068)—Before receiving bids for all construction work or equipment, materials and supplies greater than \$1,000, the authority is required to publish, once a week for two consecutive weeks in the official newspaper of the port's city, a notice that bids will be received for the construction

work, or purchase of equipment, supplies, or materials. The notice is required to state the nature of the work, and the terms and conditions upon which the contract is to be let and name a time and place where the bids will be received, opened, and read publicly, which time shall be not less than seven days after the date of the last publication.

Creation of economic development districts (M.S. 469.101)—At least ten days before the hearing on the creation of an economic development district, the authority is required to publish notice of the hearing in a daily newspaper of general circulation in the city.

Economic Development Authority Sale of Property (M.S. 469.105)—At least ten, but not more than 20, days before the hearing the authority is required to publish notice of the hearing on the proposed sale in a newspaper. The newspaper must be published and have general circulation in the authority's county and city. The notice must describe the property to be sold and state the time and place of the hearing. The notice must also state that the public may see the terms and conditions of the sale at the authority's office and that at the hearing the authority will meet to decide if the sale is advisable.

Economic Development Authority Tax Levies (M.S. 469.107)—A city is required to publish the resolution on an EDA levy together with a notice of public hearing on the resolution for two successive weeks in its official newspaper or if none exists in a newspaper of general circulation in the city. The hearing must be held two to four weeks after the first publication.

Tax Classification of Employment Property in an enterprise zone (M.S. 469.170)—The municipal clerk or auditor is required to publish a notice in the official newspaper of the time and place of a hearing to be held by the governing body on an application to classify property as employment property in an enterprise zone, to be held not less than 30 days after the notice is published. The notice shall state that the applicant, the assessor, representatives of the affected taxing authorities, and any taxpayer of the municipality may be heard or may present their views in writing at or before the hearing.

TIF district annual disclosure (M.S. 469.175, subd. 5)—An annual statement showing for each TIF district the information required to be reported under M.S. 469.175, subdivision 6, paragraph (c), clauses (1), (2), (3), (11), (12), (18), and (19); the amounts of tax increment received and expended in the reporting period; and any additional information the authority deems necessary is required to be published in a newspaper of general circulation in the municipality that approved the tax increment financing plan. The annual statement is required to inform readers that additional information regarding each district may be obtained from the authority, and must explain how the additional information may be requested. The authority must publish the annual statement for a year no later than August 15 of the next year. The authority must identify the newspaper of general circulation in the municipality to which the annual statement has been or will be submitted for publication and provide a copy of the annual statement to the county board, the county auditor, the state auditor, and, if the authority is other than the municipality, the governing body of the municipality on or before August 1 of the year in which the statement must be published.

Infrastructure replacement reserve fund levy (M.S. 471.572)—Before a tax is levied under this section, the city is required to publish in the official newspaper of the city an initial resolution authorizing the tax levy.

Financial Reports for cities over 2,500 population (M.S. 471.697)—Cities are required to publish the financial report or a summary of the report, in a form as prescribed by the state auditor, in a qualified newspaper of general circulation in the city or, if there is none, post copies in three of the most public places in the city, no later than 30 days after the report is due in the office of the state auditor. The report is required to contain financial statements and disclosures which present the city's financial position and the results of city operations in conformity with generally accepted accounting principles. The report shall include such information and be in such form as may be prescribed by the state auditor

Financial Reports for cities under 2,500 population (M.S. 471.698)—Cities are required to publish the financial statement, or a summary of the statement in a form as prescribed by the state auditor, within 90 days after the close of the fiscal year in a qualified newspaper of general circulation in the city or if there is no qualified newspaper of general circulation in the city, the clerk shall, at the direction of the city council, post copies in three of the most public places in the city.

Summary Budget Statement (M.S. 471.6965)—Annually, upon adoption of the city budget, the city council is required to publish a summary budget statement in either the official newspaper of the city, or if there is none, in a qualified newspaper of general circulation in the city or in a city newsletter or other city mailing sent to all households in the city.

Municipal liquor store balance sheet (M.S. 471.6985)—Any city operating a municipal liquor store is required to publish a balance sheet using generally accepted accounting procedures and a statement of operations of the liquor store within 90 days after the close of the fiscal year in the official newspaper of the city.

Capital improvement bonds (M.S. 475.521)—Before the issuance of capital improvement bonds, the municipality is required to publish a notice of its intention to issue the bonds and the date and time of the hearing to obtain public comment on the matter. The notice must be published in the official newspaper of the municipality or in a newspaper of general circulation in the municipality. Additionally, the notice may be posted on the official Web site, if any, of the municipality. The notice must be published at least 14 but not more than 28 days before the date of the hearing.

Alternative dissemination of bids and requests (M.S. 331A.03)—In addition to or as an alternative to the statutory requirements for newspaper publication, a political subdivision may disseminate solicitations of bids, requests for information, and requests for proposals by a means authorized in paragraph (b), if the political subdivision simultaneously publishes, either as part of the minutes of a regular meeting of the governing body or in a separate notice published in the official newspaper, a description of all solicitations or requests so disseminated, along with the means by which the dissemination occurred.

(b) A political subdivision may use its Web site or recognized industry trade journals as an alternative means of dissemination. Dissemination by alternative means must be in substantially the same format and for the same period of time as a publication required by this chapter.

(c) For the first six months after a political subdivision designates an alternative means of dissemination, it must continue to publish solicitation of bids, requests for information, and requests for proposals in the official newspaper in addition to the alternative method. The publication in the official newspaper must indicate where to find the designated alternative method. After the expiration of the six-month period, an alternative means of dissemination satisfies the publication requirements of law for solicitation of bids, requests for information, and requests for proposals.

TRANSPORTATION

Municipal state aid roads (M.S.162.09 and MnDOT rules)—Cities must comply with standards in order to receive reimbursement for funding for construction and maintenance of certain roads. These standards often result in "overbuilding" city streets. Many items, such as full signals, landscaping, pre-engineering, and certain legal costs are not eligible for compensation.

Computer requirements (Dept. of Transportation)—The MnDOT Office of State Aid requires that cities receiving municipal state aid must purchase, and may only use, MnDOT specified network computer hardware and software.

Biodiesel fuel mandate (M.S. 239.77)—Requires that fuel sold in the state after June 30, 2005, for use in internal combustion engines, contain a minimum of two percent of biodiesel fuel by volume. The percentage is increased on May 1, 2009 to five percent. This requirement could increase fuel costs or increase maintenance costs for affected vehicles.

Railroad Quiet zones (M.S. 219.166)—Authorizes cities and others to establish "quiet zones" in which the sounding of railroad horns, whistles and other audible warnings is regulated or prohibited. Requires quiet zone ordinances and regulations to conform to federal law and regulation. Federal Railroad Administration localities are allowed to regulate train whistles only if they establish quiet zones where all rail highway grade crossings have protective measures, including crossing gates that "fully compensate for the absence of the audible warning provided by the locomotive horn."

Cities may be required to create cartways for landlocked property owners (M.S. 435.37)—Cities must establish a road in certain situations. A property owner who has limited access to their land may petition the city council to connect the land to a public road.

GENERAL GOVERNMENT/RECORD KEEPING

Minncor (M.S.16B.181)—If annual performance goals to maximize inmate work program participation are not met, state law requires all political subdivisions that are supported in whole or in part with funds from the state treasury to purchase only from MINNCOR when purchasing the products MINNCOR produces.

Non-visual technology—A 1998 law mandates the state and all political subdivisions to require **all** technology hardware and software purchases and upgrades to satisfy non-visual technology standards that exceed the Americans with Disabilities Act (ADA) requirements. This mandate requires the purchase of technology that is either not yet available or is cost prohibitive.

Street lighting (M.S. 216C.19)—State law requires all new and replacement lighting for street and parking lot lighting to meet energy efficiency standards adopted by the Department of Transportation. Lamps with initial efficiencies of at least 70 lumens per watts, such as high-pressure sodium or metal halide lamps, are required; mercury vapor lamps may not be used.

State record retention schedule (Dept. of Administration)—State regulations determine what records cities must keep and for what length of time. Requirements include storage time ranging from three years to infinity.

60-Day Approval Requirement (M.S. 15.99)—Cities are required to complete their decision on written applications for permits and zoning changes or variances within 60 days.

Competitive bidding (M.S. 471.345 and M.S. 429.041)—The uniform municipal contracting law contains extensive regulation of the requirements for the advertising of and bidding on municipal contracts.

Examination of bonded public employees (M.S. 574.23)—An examination process is required whenever there is a change in the personnel for city clerks and treasurers.

Summary budget statement publication (M.S. 471.6965)—Annual publication of the city's summary budget must include information relating to anticipated revenues and expenditures in a design so that a comparison may be made between the current and budget years. This must be published in the official newspaper of the city.

Home rule city charters (M.S. 410) - State regulations are provided for the framing, adoption, and amendments to the charter, and the operation of the charter commission.

Municipal liquor store financial statements (M.S. 471.6985)—Cities that operate municipal liquor stores must publish a balance sheet with a statement of liquor store operations within 90 days after the end of the fiscal year.

Fee limits for many liquor licenses (M.S. 340A.408, 340A.504, 340A.414)—The maximum fee for many liquor licenses is limited by statute, these may not reflect actual city costs in administering the license.

Annual Tax Increment District Reporting Requirements (M.S. 469.175)—Comprehensive and detailed annual reports of each TIF district are required and they must be provided by cities to County Board(s), County Auditor(s), School Board(s), and the State Auditor.

Business Subsidy Reporting—(M.S. 116J.993-995)—Local governments providing business subsidies or financial assistance are required to submit information to the DEED for two years after the benefit date, or until the goals are met, whichever is later.

Securing vacant buildings (M.S. 463.251)—Notice must be sent to the owner or owner's agent, the property taxpayer of record, holders of mortgage or sheriffs' certificates, and the neighborhood association in the metro area.

Development fees (M.S. 462.353)—Requires fees imposed under M.S. 462 must be fair, reasonable and proportionate to the actual cost of the service for which the fee is imposed. This requirement has added a level of complexity to the calculation of local development fees. The law also requires cities to establish procedures to account for the use of the fees.

Cities face penalties related to developer financial securities held by the city (M.S. 462.358 Subd 2a)—Cities have 30 days to release any financial securities after the applicant notifies the city, by certified letter, that all the city's requirements for approval are met; if a city fails to release and return letters of credit, the applicant receives any interest accrued.

Cities must bill developers for application review services at an established billing rate (M.S. 462.358 Subd 2a)—Services provided by municipal staff or contract professionals must be billed at an established rate, which may not account for unique circumstances related to individual projects and may discourage contract professionals from offering cities discounted rates for uniquely city services.

Cities utilities must follow the cold weather rule (M.S. 216B.097)—The municipal rule states that no utility shall disconnect and must reconnect utility service to a residential unit during cold weather months (Oct. 15 through April 15), if that disconnection would in any way affect the primary heat source of the unit and the consumer complies with the provisions of the rule. "Disconnection" includes a service or load limiter or any device that limits or interrupts electric service in any way. The rule also requires various notices and hearings.

Cities must pay interest on utility deposits (M.S. 325E.02)—State law requires that any privately or publicly owned water, gas, telephone, cable television, electric light, heat, or power company pay interest on deposits of more than \$20. The rate of interest must be set annually and be equal to the weekly average yield of one-year United States Treasury securities adjusted for constant maturity for the last full week in November. The interest rate must be rounded to the nearest tenth of one percent. By December 15 of each year, the commissioner of commerce shall announce the rate of interest that must be paid on all deposits held during all or part of the subsequent year.

Cities must turn over unclaimed utility deposits to state (M.S. 354.34)—Utility deposits left unclaimed for more than one year after service is terminated are considered abandoned. State law requires abandoned utility deposits be paid over to the state each year.

Governmental Accounting Standards Board (GASB) (GASB Statement No. 34)—Established new financial reporting standards for state and local governments throughout the United States. All cities in Minnesota must now comply with extensive GASB 34 standards for financial reporting including but not limited to reporting costs of terminations, intangible assets, and depreciation schedules for all city assets, other post employment benefits and implicit subsidies.

Federal audits (31 U.S.C.A. § 7502 (a) (1) et seq. 31 U.S.C.A. § 7503)—The Federal Single Audit Act, requires that all local units of government receiving \$300,000 or more per year in federal funds obtain either a single audit or a program-specific audit. The federal audits must be conducted annually unless the city is authorized by statute to undergo less frequent audits; in this case, the audit may be done biennially. The biennial audit must cover both years within the biennium.

State mandated audits (M.S. 471.697)—Cities with populations over 2,500 must conduct an annual audit. Cities may use their audit to report to the agencies that gave the federal aid, rather than conducting separate audits for each agency.

State summary budget publication (M.S. 471.6965)—Annually, upon adoption of the city budget, the city council must publish a summary budget statement. The statement must be published either in the official newspaper of the city, or if there is none, in a qualified newspaper of general circulation in the city; or in a city newsletter or other city mailing sent to all households in the city.

Summary budget reports (M.S. 6.745)—Cities must send summary budget information to the state auditor, using forms prescribed by the state auditor. This summary budget data must be provided to the state auditor no later than Jan. 31.

State required financial activity reports (M.S. 6.74)—In addition to all of the above, cities are required to report their financial activities each year to the Office of State Auditor.

TAXES/REVENUE RESTRICTIONS

Property tax personnel training (M.S. 273.0755)—Requires that every person licensed by the state board of assessors at the Accredited MN Assessor level or higher shall successfully complete a week-long MN laws course sponsored by the Department of Revenue at least once every four years.

Training for local boards of review (M.S. 274.014)—Requires that at least one member of the local boards of review must attend an appeals and equalization course developed or approved by the commissioner of revenue starting January 1, 2006.

Valuation and classification notice (M.S. 273.121)—Requires notices for all properties on the tax rolls, not just for those that were reassessed or reclassified that year, requiring the notices to show the market value and classification of the property for both the current and previous year's assessment and authorizing the commissioner to specify the form of the notice for all counties.

Department of Revenue cost of collecting local sales taxes (M.S. 297A.99)—Requires the Commissioner of Revenue deduct from the payments of local sales tax collections to local jurisdictions, the cost of constructing and maintaining a zip code or geo-code data base as required by the streamlined sales and use tax agreement for administration of local sales taxes. This requirement only impacts those cities that currently impose a local sales tax.

Levy limits (M.S. 275.70-.73)—Cities with populations of 2,500 or more are restricted under state law from increasing property taxes beyond a state-imposed level. This restriction is in effect for taxes payable years 2009, 2010 and 2011.

Tax exempt property (State Constitution and M.S. 272.02)—Many properties in cities are defined by state statute as exempt from property taxes imposed by the city. The use and nature of these properties frequently increase city costs (police and fire protection, road maintenance, street lighting, etc.). Examples include: state institutions, such as universities, hospitals, corrections facilities, and other state-owned properties.

Limitations on local special assessments (M.S. 429)—Statutory restrictions are imposed on the uses, notices, hearings, bidding, contracts, apportionment of cost, assessment procedures, and collection of special assessments.

Local improvement requirements (M.S. 429.031)—Feasibility reports must contain information showing the need and cost effectiveness of the project.

Limitations on maximum penalties and fine (M.S. 609.033-0391)—Statutory restrictions are placed on allowable penalties and fines for ordinance violations, and petty and gross misdemeanors.

Truth-in-taxation (M.S. 275.065)—State law requires cities to provide pre-notification of property tax changes, newspaper advertisements, multiple special hearings, and compliance with state rules. Cities must certify a proposed levy amount by September 15 and, with few exceptions, are not allowed to increase this amount. Cities must also pay a proportional share of the counties' costs of preparing and mailing parcel specific notices.

Truth in Taxation Published Notice and Public Hearings (M. S. 275.065, subd. 6)—The Truth in Taxation requires published notice of and up to three hearings: an initial hearing, a continuation hearing, and a subsequent hearing. The initial hearing, and the continuation hearing if necessary, is held to discuss the city's proposed budget and proposed property tax levy for the following year. The subsequent hearing is held to adopt the city's final property tax levy.

MISCELLANEOUS

State sales and MVET on city purchases (M.S. 297A)—Cities are required to raise, through property taxes or fees, adequate revenue to pay the 6.5 percent sales tax on most city purchases of goods and services. In addition, they must pay the motor vehicle excise tax (MVST) on vehicles such as road maintenance vehicles, plows, dump trucks, etc.

Maintenance of Effort-Grandfathered contributions to regional libraries (M.S. 134.34)—The state requires that once a city participates in funding a regional library, the minimum contribution made may not be reduced.

Ordinance copies to law libraries (M.S. 415.021)—Cities are required to furnish copies of any ordinances they adopt to the local county law libraries and do not receive reimbursement for reasonable copying charges unless they make a request to the library.

TIF grant fund cancellation—Cancels the appropriations to the TIF grant fund (\$91 million in FY 2002 and \$38 million in FY 2003 and thereafter) and repeals the entire grant program enacted in 2001 for grants payable in 2003 and thereafter. At least part of the rationale for the TIF grant fund was that the impacts on existing districts resulted from the state's changes to the property tax system. Where a city has outstanding bonds or other obligations, it will now have to look for internal solutions to address the impacts from prior state actions. (Laws 2002, chapter 220, article 13, section 8)