



Minnesota House of Representatives

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KEY: ~~stricken~~ = old language to be removed
underscored = new language to be added

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H.F. No. 496, as introduced 84th Legislative Session (2005-2006) Posted on Jan 27, 2005

1.1 A bill for an act
 1.2 relating to waters; modifying provisions relating to
 1.3 lake improvement districts; amending Minnesota
 1.4 Statutes 2004, sections 103B.505, subdivision 6, by
 1.5 adding a subdivision; 103B.511, subdivisions 1, 2;
 1.6 103B.535; 103B.551, subdivision 1, by adding a
 1.7 subdivision; 103B.555, subdivision 3; 103B.571,
 1.8 subdivisions 2, 3, by adding a subdivision.
 1.9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
 1.10 Section 1. Minnesota Statutes 2004, section 103B.505,
 1.11 subdivision 6, is amended to read:
 1.12 Subd. 6. [PROPERTY OWNER.] "Property owner" means a
 1.13 natural person who is:
 1.14 (1) the owner or fractional owner of real property within
 1.15 the district; or ~~the buyer under contract for deed of property~~
 1.16 ~~in the district~~
 1.17 (2) the designated single trustee of a property owned in
 1.18 trust.
 1.19 The definition does not apply to a natural person who
 1.20 represents government or corporate ownership of real property.
 1.21 Sec. 2. Minnesota Statutes 2004, section 103B.505, is
 1.22 amended by adding a subdivision to read:
 1.23 Subd. 7. [VOTING MEMBER.] "Voting member" means a property
 1.24 owner defined in subdivision 6 or a permanent resident of the
 1.25 district who is of the age of majority as defined in section
 1.26 645.451, subdivision 5.
 1.27 Sec. 3. Minnesota Statutes 2004, section 103B.511,
 2.1 subdivision 1, is amended to read:
 2.2 Subdivision 1. [PURPOSE.] (a) To preserve and protect the
 2.3 lakes of the state and to increase and enhance the use and
 2.4 enjoyment of the lakes it is in the public interest that a
 2.5 statewide lake improvement program is established to: allow
 2.6 property owners and permanent residents to preserve the natural
 2.7 character of lakes and their shoreland environment where
 2.8 feasible and practical; improve the quality of water in lakes;
 2.9 provide for reasonable assurance of water quantity in lakes,
 2.10 where feasible and practicable; and to assure protection of the
 2.11 lakes from the detrimental effects of human activities and
 2.12 certain natural processes. The commissioner shall coordinate
 2.13 and supervise a local-state program for the establishment of
 2.14 lake improvement districts by counties for lakes located within

2.15 their boundaries, based on state guidelines and rules and
 2.16 compatible with all state, regional, and local plans where the
 2.17 plans exist.

2.18 (b) In administration of this program, the commissioner of
 2.19 natural resources shall consult with and obtain advice from
 2.20 other state agencies on the aspects of the program over which
 2.21 the agencies have specific legislative authority, including the
 2.22 Department of Health and the Pollution Control Agency.

2.23 Sec. 4. Minnesota Statutes 2004, section 103B.511,
 2.24 subdivision 2, is amended to read:

2.25 Subd. 2. [RULES.] (a) The commissioner shall adopt
 2.26 permanent rules to provide guidelines, criteria, and standards
 2.27 for the establishment of lake improvement districts by
 2.28 counties. The rules must be published annually and distributed
 2.29 to each district and each board with a lake improvement district
 2.30 within its jurisdiction. The rules must be available to the
 2.31 public upon request.

2.32 (b) The commissioner is responsible for collecting,
 2.33 recording, publishing, and making available to any citizen
 2.34 requesting them the following records of each district:

2.35 (1) its annual budget;

2.36 (2) its election totals;

3.1 (3) a list of all district projects whose annual budget or
 3.2 expenditure is \$5,000 or more;

3.3 (4) its certified tax levy amount; and

3.4 (5) its tax rate or the assessed amount per parcel of
 3.5 property.

3.6 (c) The commissioner must publish the information in
 3.7 paragraph (b) and make it available within 45 days of receipt.
 3.8 The commissioner is responsible for annually publishing a list
 3.9 of all the districts, the counties where they are located, and
 3.10 the contact information for the districts.

3.11 (d) The board must provide the commissioner with the
 3.12 information in paragraph (b) within 45 days of receiving the
 3.13 information from a district. The board must certify each
 3.14 district's annual budget and disallow budget items that do not
 3.15 comply with state law or county orders governing districts. The
 3.16 board is responsible for certifying the results of the annual
 3.17 meeting elections or delegating this responsibility to the
 3.18 county auditor.

3.19 (e) The district must provide the board with the records
 3.20 shown in paragraph (b) within 15 days of each instance of the
 3.21 record's occurrence.

3.22 Sec. 5. Minnesota Statutes 2004, section 103B.535, is
 3.23 amended to read:

3.24 103B.535 [ORDER ESTABLISHING DISTRICT.]

3.25 An order establishing a district must state the:

3.26 (1) name of the district, which must be unique among all
 3.27 other districts in the state;

3.28 (2) boundaries of the district, which are encouraged to be
 3.29 as consistent as practical with natural hydrologic boundaries;

3.30 (3) water and related land resources management programs
 3.31 and services to be undertaken;

3.32 (4) manner of financing programs and services; and

3.33 (5) number, qualifications, terms of office, and method of
 3.34 election, removal, and filling of vacancies of the board of
 3.35 directors, including a method for property owners not present at
 3.36 the annual meeting to participate in the election of the
 4.1 district board.

4.2 Sec. 6. Minnesota Statutes 2004, section 103B.551,

4.3 subdivision 1, is amended to read:

4.4 Subdivision 1. [MEMBERSHIP.] After a lake improvement
4.5 district is established, the county board, joint county
4.6 authority, or commissioner that established the district shall
4.7 appoint persons who are voting members to serve as an initial
4.8 board of directors for the district. Subsequent board members
4.9 must be elected by ~~persons~~ voting members owning property in the
4.10 district at the annual meeting of the district. The number,
4.11 qualifications, terms of office, and method of election,
4.12 removal, and filling of vacancies of directors shall be as
4.13 provided in the order creating the board of directors. The
4.14 initial and all subsequent boards of directors must include
4.15 persons owning property within the district, and a majority of
4.16 the directors must be residents of the district.

4.17 Sec. 7. Minnesota Statutes 2004, section 103B.551, is
4.18 amended by adding a subdivision to read:

4.19 Subd. 4. [POWERS SPECIFICALLY NOT ALLOWED.] A district may
4.20 not, under any circumstance:

4.21 (1) participate in, subsidize, or publish a district
4.22 newspaper or newsletter;

4.23 (2) participate in, subsidize, or conduct mosquito
4.24 abatement, unless specifically authorized by board order, in
4.25 which case the cost must not constitute more than ten percent of
4.26 the annual budget of the district; and

4.27 (3) regulate water surface use as provided in sections
4.28 86B.205, 103G.605, and 103G.621.

4.29 Sec. 8. Minnesota Statutes 2004, section 103B.555,
4.30 subdivision 3, is amended to read:

4.31 Subd. 3. [BUDGETING FOR OPERATIONS.] The county board or
4.32 county boards forming the joint county authority shall include
4.33 appropriate provisions in their budget for the operation of a
4.34 lake improvement district. Notwithstanding assessments or
4.35 obligations under chapter 429, or service charges, the tax rate
4.36 or parcel assessment for purposes of operation of the district
5.1 may not exceed two percent of tax capacity.

5.2 Sec. 9. Minnesota Statutes 2004, section 103B.571,
5.3 subdivision 2, is amended to read:

5.4 Subd. 2. [NOTICE.] The annual meeting shall be preceded by
5.5 two weeks' published notice and written notice mailed at least
5.6 ten days in advance of the meeting to the county board or joint
5.7 county authority, town boards and statutory and home rule
5.8 charter cities wholly or partially within the district, the
5.9 Pollution Control Agency, commissioner of natural resources, and
5.10 if there is a proposed project by the district having a cost in
5.11 excess of \$5,000, all property owners within the assessment
5.12 area. The list of all voting members and their mailing
5.13 addresses shall be provided by the county auditor in which the
5.14 property owner owns property or resident resides. The county
5.15 auditor shall provide this list within 20 days of being
5.16 requested to do so by the district or district board of
5.17 directors.

5.18 Sec. 10. Minnesota Statutes 2004, section 103B.571,
5.19 subdivision 3, is amended to read:

5.20 Subd. 3. [AGENDA.] (a) At the annual meeting the
5.21 district ~~property owners~~ voting members present shall:

5.22 (1) elect one or more directors to fill any midterm
5.23 vacancies in the board of directors;

5.24 (2) approve a budget for the fiscal year;

5.25 (3) approve or disapprove proposed projects by the district
5.26 having a cost to the district in excess of \$5,000; and

5.27 (4) take up and consider other business that comes before
5.28 them.

5.29 (b) At the annual meeting all ~~district property owners~~
5.30 voting members, including absent members as provided in the
5.31 order establishing the district, shall elect one or more
5.32 directors for board positions with expiring terms.

5.33 Sec. 11. Minnesota Statutes 2004, section 103B.571, is
5.34 amended by adding a subdivision to read:

5.35 Subd. 5. [ADDITIONAL REPORTS.] The district board is
5.36 responsible for submitting information required in this chapter
6.1 to the commissioner, county board, or other authorities.

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