

## LAKE IMPROVEMENT DISTRICTS

### 103B.501 LAKE IMPROVEMENT DISTRICTS.

Sections 103B.501 to 103B.581 may be cited as the "Lake Improvement District Law."

History: 1990 c 391 art 2 s 30

### 103B.505 DEFINITIONS.

Subdivision 1. Applicability. The definitions in this section apply to sections 103B.505 to 103B.581.

Subd. 2. Board. "Board" means county board.

Subd. 3. Commissioner. "Commissioner" means the commissioner of natural resources.

Subd. 4. District. "District" means a lake improvement district.

Subd. 5. Joint county authority. "Joint county authority" means a joint county authority formed by county boards under section 103B.525.

Subd. 6. Property owner. "Property owner" means the owner of real property within the district or the buyer under contract for deed of property in the district.

History: 1990 c 391 art 2 s 31

### 103B.511 ADMINISTRATION BY COMMISSIONER.

Subdivision 1. Purpose. (a) To preserve and protect the lakes of the state and to increase and enhance the use and enjoyment of the lakes it is in the public interest that a statewide lake improvement program is established to: preserve the natural character of lakes and their shoreland environment where feasible and practical; improve the quality of water in lakes; provide for reasonable assurance of water quantity in lakes, where feasible and practicable; and to assure protection of the lakes from the detrimental effects of human activities and certain natural processes. The commissioner shall coordinate and supervise a local-state program for the establishment of lake improvement districts by counties for lakes located within their boundaries, based on state guidelines and rules and compatible with all state, regional, and local plans where the plans exist.

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

Subd. 2. Rules. The commissioner shall adopt permanent rules to provide guidelines, criteria, and standards for the establishment of lake improvement districts by counties.

History: 1990 c 391 art 2 s 32; 1995 c 233 art 2 s 56

### 103B.515 INITIATION AND ESTABLISHMENT BY COUNTY BOARD.

Subdivision 1. Resolution of intent. The county board may initiate the establishment of a lake improvement district in a portion of the county under this section. The board must adopt a resolution declaring the intent of the board to establish a lake improvement district. The resolution must:

(1) specify the boundaries of the district, which shall be encouraged to be as consistent as practical with natural hydrologic boundaries;

(2) prescribe the water and related land resource management programs to be undertaken in the district;

(3) state how the programs will be financed;

(4) designate the county officer or agency that will be responsible for supervising the programs; and

(5) set a date for a hearing on the resolution.

Subd. 2. Notice to town board. The county board shall, at least 30 days before making an order establishing a lake improvement district, send the town board of a town wholly or partially within the boundaries of the proposed district a copy of the resolution and encourage the town board to respond to the proposed creation of the district.

Subd. 3. Hearing. The county board must hold a public hearing on whether a lake improvement district should be established. Before the date set for the hearing, any interested person may file objections to the formation of the district with the county auditor. At the hearing, any interested person may offer objections, criticisms, or suggestions about the necessity of the proposed district and how the person's property will be benefited or affected by the establishment of the district.

Subd. 4. Establishment. (a) The county board may establish a lake improvement district, by order, after making findings, if the board determines that the:

(1) proposed district is necessary or that the public welfare will be promoted by the establishment of the district;

(2) property to be included in the district will be benefited by establishing the district; and

(3) formation of the district will not cause or contribute to long-range environmental pollution.

(b) The order establishing the district must state the board's findings and specify or prescribe the items contained in subdivision 1, clauses (1) to (4).

History: 1990 c 391 art 2 s 33

#### 103B.521 INITIATION BY PETITION AND ESTABLISHMENT BY COUNTY BOARD.

Subdivision 1. Petition. (a) A lake improvement district may be initiated by a petition to the county board. The petition must state:

(1) the name of the proposed lake improvement district;

(2) the necessity of the proposed district to promote public health or public welfare;

(3) the benefits to property from the establishment of the lake improvement district;

(4) the boundaries of the proposed district which shall be encouraged to be as consistent as possible with natural hydrologic boundaries;

(5) a map of the proposed district;

(6) the number, from five to nine, of directors proposed for the district; and

(7) a request for establishing the district as proposed.

(b) A petition must be signed by a majority of the property owners within the proposed lake improvement district described in the petition. Governmental subdivisions, other than the state or federal governments, owning lands within the proposed district are eligible to sign the petition.

(c) The petition must be filed with the county auditor and addressed to the board, requesting the board to establish a lake improvement district to develop and provide a program of water and related land resources management.

(d) The county board shall, at least 30 days before it acts on a petition, send the town board of a town wholly or partially within the boundaries of a proposed district a copy of the petition submitted under this subdivision and encourage the town board to respond to the proposed creation of the district.

Subd. 2.Hearing.After receiving the petition, the county auditor must verify the signatures and notify the county board. Within 30 days after being notified of the petition, the county board must hold a public hearing on whether the requested lake improvement district should be established.

Subd. 3.Establishment.Within 30 days after holding the public hearing, the county board shall, by order, establish or deny the establishment of the petitioned lake improvement district. An order establishing a district must conform to section 103B.535 and may modify the petition relating to the district's boundaries, functions, financing, or organization.

History: 1990 c 391 art 2 s 34; 2003 c 91 s 1

#### 103B.525 ESTABLISHMENT OF DISTRICT IN MORE THAN ONE COUNTY.

Where the natural hydrologic boundaries of a proposed district extend into more than one county, the county boards of the counties affected may form a joint county authority and establish and maintain a lake improvement district jointly or cooperatively as provided in section 471.59. The district may be initiated by the joint county authority in the same manner as by a county board under section 103B.515 by petition to the affected county boards.

History: 1990 c 391 art 2 s 35

#### 103B.531 CREATION BY COMMISSIONER OF NATURAL RESOURCES.

Subdivision 1.Petition to commissioner.If the county board of one or more of the counties affected has disapproved a petition for creation of a lake improvement district for an area, a petition for creation of a lake improvement district containing information required by section 103B.521, subdivision 1, may be submitted to the commissioner of natural resources.

Subd. 2. Determination to hold hearing. Upon receipt of the petition by the commissioner and verification of the signatures on the petition by the county, the commissioner may, within 30 days following verification, hold a public hearing at the expense of the county board on the question of whether the requested lake improvement district shall be established. The commissioner, in determining whether to hold a public hearing, shall examine all facts relating to the petition, including the reasons why the petition was disapproved by the county.

Subd. 3. Approval or denial of petition. (a) If a hearing is not to be held, within 30 days following the receipt of verification by the county, or within 30 days following the holding of a hearing, the commissioner shall, by order, approve or disapprove the establishment of the requested lake improvement district.

(b) If the commissioner determines that the establishment of the lake improvement district as requested in the petition would be for the public welfare and public interest, and that the purposes of section 103B.511, subdivision 1, would be served by the establishment of a lake improvement district, the commissioner shall by order approve the establishment of the lake improvement district. If the commissioner does not approve the establishment of the district, the commissioner shall by order disapprove the establishment.

(c) An order approving creation may contain modifications of the area's boundaries, functions, financing, or organization from what was stated in the petition.

History: 1990 c 391 art 2 s 36

#### 103B.535 ORDER ESTABLISHING DISTRICT.

An order establishing a district must state the:

- (1) name of the district;
- (2) boundaries of the district, which are encouraged to be as consistent as practical with natural hydrologic boundaries;
- (3) water and related land resources management programs and services to be undertaken;
- (4) manner of financing programs and services; and
- (5) number, qualifications, terms of office, and method of election, removal, and filling of vacancies of the board of directors, including a method for property owners not present at the annual meeting to participate in the election of the district board.

History: 1990 c 391 art 2 s 37; 2000 c 396 s 1

#### 103B.541 PUBLICATION AND EFFECTIVE DATE.

Subdivision 1. Publication of establishment order. If a lake improvement district is established, the county board, or joint county authority issuing the order establishing the district, shall publish the order once in the official newspapers of counties where the district is located and file the order with the secretary of state, the Pollution Control Agency, and the commissioner of natural resources.

Subd. 2. Effective date. Establishment of the lake improvement district is effective 30 days after publication or at a later date, if specified in the establishment order.

History: 1990 c 391 art 2 s 38

#### 103B.545 REFERENDUM ON ESTABLISHMENT.

Subdivision 1. Petition. Twenty-six percent of the property owners within the lake improvement district proposed by the board or a joint county authority on its own initiative under section 103B.515, by petition under section 103B.521, or by the commissioner under section 103B.531, may petition for a referendum on establishing the district before the effective date of its establishment. After receiving the petition, the county board, joint county authority, or commissioner that proposed establishing the district must issue an order staying the establishment until a referendum vote is taken of all qualified voters and property owners within the proposed lake improvement district.

Subd. 2. Election. The county board or joint county authority shall conduct a special election in July or August after receiving the referendum petition. The special election must be held within the proposed lake improvement district. The county auditor shall administer the special election.

Subd. 3. Question submitted to voters. The question to be submitted and voted upon by the qualified voters and property owners within the proposed lake improvement district must be stated substantially as follows:

"Should a lake improvement district be established to provide (description of intended water and related land resources improvements) and financed by (description of revenue sources)?"

Subd. 4. Certification of vote and establishment. The county auditor must certify the vote on the question submitted. If a majority of those voting on the question favor establishing the proposed lake improvement district, the stay on establishing the district is lifted. If a majority of those voting on the question do not favor establishing the proposed lake improvement district, the establishment is denied.

History: 1990 c 391 art 2 s 39; 2000 c 396 s 2

#### 103B.551 BOARD OF DIRECTORS.

Subdivision 1. Membership. After a lake improvement district is established, the county board, joint county authority, or commissioner that established the district shall appoint persons to serve as an initial board of directors for the district. Subsequent board members must be elected by persons owning property in the district at the annual meeting of the district. The number, qualifications, terms of office, and method of election, removal, and filling of vacancies of directors shall be as provided in the order creating the board of directors. The initial and all subsequent boards of directors must include persons owning property within the district, and a majority of the directors must be residents of the district.

Subd. 2. Compensation. The directors shall serve with compensation as determined by the property owners at the annual meeting and may be reimbursed for their actual expenses necessarily incurred in the performance of their duties in the manner provided for county employees.

Subd. 3. Powers. County boards, joint county authorities, statutory and home rule cities, and towns may, by order, delegate the powers in this section to the board of directors of a district to be exercised within the district. Programs and services undertaken must be consistent with the statewide water and related

land resources plan prepared by the commissioner of natural resources and with regional water and related land resources plans. A body of water may not be improved by using authority granted under this section unless the public has access to some portion of the shoreline. County boards, joint county authorities, statutory and home rule cities, and towns may delegate their authority to a district board of directors to:

- (1) acquire by gift or purchase an existing dam or control works that affects the level of waters in the district;
- (2) construct and operate water control structures that are approved by the commissioner of natural resources under section 103G.245;
- (3) undertake projects to change the course current or cross section of public waters that are approved by the commissioner of natural resources under section 103G.245;
- (4) acquire property, equipment, or other facilities, by gift or purchase to improve navigation;
- (5) contract with a board of managers of a watershed district within the lake improvement district or the board of supervisors of a soil and water conservation district within the district for improvements under chapters 103C and 103D;
- (6) undertake research to determine the condition and development of the body of water and the water entering it and to transmit the results of the studies to the Pollution Control Agency and other interested authorities;
- (7) develop and implement a comprehensive plan to eliminate water pollution;
- (8) conduct a program of water improvement and conservation;
- (9) construct a water, sewer, or water and sewer system in the manner provided by section 444.075 or other applicable laws;
- (10) receive financial assistance from and participate in projects or enter into contracts with federal and state agencies for the study and treatment of pollution problems and related demonstration programs;
- (11) make cooperative agreements with the United States or state government or other counties or cities to effectuate water and related land resource programs;
- (12) maintain public beaches, public docks, and other public facilities for access to the body of water;
- (13) provide and finance a government service of the county or statutory or home rule city that is not provided throughout the county or, if the government service is provided, the service is at an increased level within the district; and
- (14) regulate water surface use as provided in sections 86B.205, 103G.605, and 103G.621.

History: 1990 c 391 art 2 s 40; 1996 c 385 art 2 s 7; 2000 c 396 s 3

#### 103B.555 FINANCING.

Subdivision 1. Revenue. The county board or joint county authority may undertake projects of improvement consistent with purposes of the district. To finance projects and services of the district, the county board or joint county authority may, only after seeking other sources of funding:

- (1) assess the costs of the projects upon benefited property within the district in the manner provided under chapter 429;
- (2) impose service charges on the users of lake improvement district services within the district;
- (3) issue obligations as provided in section 429.091;
- (4) levy an ad valorem tax solely on property within the lake improvement district, to be appropriated and expended solely on projects of special benefit to the district; or
- (5) impose or issue any combination of service charges, special assessments, obligations, and taxes.

Subd. 2. Tax additional to other levies. A tax under subdivision 1 may be in addition to amounts levied on all taxable property in the county for the same or similar purposes.

Subd. 3. Budgeting for operations. The county board or county boards forming the joint county authority shall include appropriate provisions in their budget for the operation of a lake improvement district.

Subd. 4. District obligations. The district, with approval of the county board or joint county authority, expressed in a resolution identifying each specific improvement to which the approval applies, may exercise the powers of a city under chapter 429 and section 444.075, including, but not limited to:

- (1) the levy of special assessments;
- (2) the imposition of rates and charges; and
- (3) the issuance of bonds

to finance improvements that the district may undertake.

History: 1990 c 391 art 2 s 41; 2000 c 396 s 4; 2001 c 214 s 1

#### 103B.561 VOTING BY JOINT COUNTY BOARDS.

If a lake improvement district has been established by order of the commissioner of natural resources under section 103B.531, voting by county boards on joint actions of the lake improvement district shall be based on proportional representation for each county according to the proportion of the population of the lake improvement district residing within each county and not on the basis of one vote per county or one vote per county board member unless each county or each board member represents substantially the same number of persons residing within the lake improvement district.

History: 1990 c 391 art 2 s 42

#### 103B.565 ENFORCEMENT OF ORDINANCES.

If a lake improvement district has been established by joint county action under section 103B.525 or order of the commissioner of natural resources under section 103B.531, ordinances and regulations adopted by joint action of the affected county boards may be enforced in any part of the lake improvement district by personnel of any of the affected counties.

History: 1990 c 391 art 2 s 43

#### 103B.571 ANNUAL MEETING OF DISTRICT.

Subdivision 1. Time. A district must have an annual meeting. The first annual meeting shall be scheduled during the month of July or August and be held annually in that period unless changed by vote of the previous annual meeting.

Subd. 2. Notice. The annual meeting shall be preceded by two weeks' published notice and written notice mailed at least ten days in advance of the meeting to the county board or joint county authority, town boards and statutory and home rule charter cities wholly or partially within the district, the Pollution Control Agency, commissioner of natural resources, and if there is a proposed project by the district having a cost in excess of \$5,000, all property owners within the assessment area.

Subd. 3. Agenda. (a) At the annual meeting the district property owners present shall:

- (1) elect one or more directors to fill any midterm vacancies in the board of directors;
- (2) approve a budget for the fiscal year;
- (3) approve or disapprove proposed projects by the district having a cost to the district in excess of \$5,000; and
- (4) take up and consider other business that comes before them.

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

Subd. 4. Annual report. Each year the board of directors shall prepare and file a report of the financial conditions of the district, the status of all projects in the district, the business transacted by the district, other matters affecting the interests of the district, and a discussion of the directors' intentions for the succeeding years. Copies of the report shall be transmitted to the county board or joint county authority, town boards and city councils of statutory and home rule charter cities wholly or partially within the district, the commissioner of natural resources, and the Pollution Control Agency by four months after the annual meeting.

History: 1990 c 391 art 2 s 44; 2000 c 396 s 5

#### 103B.575 EXPANSION OF BOUNDARIES OF A LAKE IMPROVEMENT DISTRICT.

The boundary of a district may be enlarged by complying with the procedures to establish a district under sections 103B.511 to 103B.541.

History: 1990 c 391 art 2 s 45

#### 103B.581 TERMINATION.

Subdivision 1. Petition. Termination of a district may be initiated by petition requesting the termination of the district. The petition must be signed by a majority of the property owners in a district within 30 days after receiving a petition. The county board or joint county authority must set a time and place for a hearing on terminating the district.

Subd. 2. Findings and order. If the board or joint county authority determines that the existence of the district is no longer in the public welfare or public interest and it is not needed to accomplish the purpose of the Lake Improvement District Law, the board or joint county authority shall make the findings and terminate the district by order. On filing a certified copy of the findings and order with the secretary of state, Pollution Control Agency, and commissioner of natural resources the district is terminated and ceases to be a political subdivision of the state.

Subd. 3. Termination of financing. If a district is terminated under subdivision 2, additional water and related land resource management programs may not be undertaken with money raised by a special tax within the district, and additional special water and related land resource management taxes may not be levied within the district. If money raised by past special tax levies within the district has been exhausted, further operation and maintenance of existing programs may be financed by appropriations from the general revenue fund of an affected county.

History: 1990 c 391 art 2 s 46; 1999 c 86 art 1 s 18; 2003 c 91 s 2