

THE REGIONAL DEVELOPMENT ACT

462.381 Title.

Sections 462.381 to 462.398 may be cited as the "Regional Development Act."

462.382 Application.

The provisions of sections 462.381 to 462.398 have no application to the metropolitan council created by or the region defined by Laws 1967, chapter 896.

462.383 Purpose: government cooperation and coordination.

Subdivision 1. **Legislative findings.** The legislature finds that problems of growth and development in urban and rural regions of the state so transcend the boundary lines of local government units that no single unit can plan for their solution without affecting other units in the region; that coordination of multijurisdictional activities is essential to the development and implementation of effective policies and programs; that intergovernmental cooperation is an effective means of pooling the resources of local government to approach common problems; and that the assistance of the state is needed to make the most effective use of local, state, federal, and private programs in serving the citizens of such urban and rural regions.

Subd. 2. **By creating regional commission.** It is the purpose of sections 462.381 to 462.398 to authorize the establishment of regional development commissions to work with and on behalf of local units of government to develop plans or implement programs to address economic, social, physical, and governmental concerns of each region of the state. The commissions may assist with, develop, or implement plans or programs for individual local units of government.

462.384 Definitions.

Subdivision 1. **Application.** For the purposes of sections 462.381 to 462.398 the terms defined in this section have the meanings given them.

Subd. 2. **Governmental unit.** "Governmental unit" means a county, city, town, school district, or other political subdivision of the state.

Subd. 3. **Municipality.** "Municipality" means a city.

Subd. 4. **Commission.** "Commission" means a regional development commission created under sections 462.381 to 462.398.

Subd. 5. **Development region, region.** "Development region" or "region" means a geographic region composed of a grouping of counties as established by sections 462.381 to 462.398.

Subd. 6. **Subregion, subdistrict.** "Subregion" or "subdistrict" means any combination of governmental units formed under sections ~~462.371~~ to ~~462.375, 471.59~~ or under any other statute combining or enabling the combination of governmental units for special purposes.

462.385 Designation of regions.

Subdivision 1. **By governor's order; hearings.** Development regions for the state shall consist of the following counties:

Region 1: Kittson, Roseau, Marshall, Pennington, Red Lake, Polk, and Norman.

Region 2: Lake of the Woods, Beltrami, Mahnomen, Clearwater, and Hubbard.

Region 3: Koochiching, Itasca, St. Louis, Lake, Cook, Aitkin, and Carlton.

Region 4: Clay, Becker, Wilkin, Otter Tail, Grant, Douglas, Traverse, Stevens, and Pope.

Region 5: Cass, Wadena, Crow Wing, Todd, and Morrison.

Region 6E: Kandiyohi, Meeker, Renville, and McLeod.

Region 6W: Big Stone, Swift, Chippewa, Lac qui Parle, and Yellow Medicine.

Region 7E: Mille Lacs, Kanabec, Pine, Isanti, and Chisago.

Region 7W: Stearns, Benton, Sherburne, and Wright.

Region 8: Lincoln, Lyon, Redwood, Pipestone, Murray, Cottonwood, Rock, Nobles, and Jackson.

Region 9: Sibley, Nicollet, LeSueur, Brown, Blue Earth, Waseca, Watonwan, Martin, and Faribault.

Region 10: Rice, Goodhue, Wabasha, Steele, Dodge, Olmsted, Winona, Freeborn, Mower, Fillmore, and Houston.

Region 11: Anoka, Hennepin, Ramsey, Washington, Carver, Scott, and Dakota.

Subd. 3. **Ongoing boundary studies; changes.** Modification of regional boundaries may be initiated by a county requesting assignment to a region other than that within which it is designated. If a request for reassignment is unacceptable to the commission whose boundaries would be modified, the county requesting reassignment shall remain in the originally designated region until the legislature determines the final assignment.

462.386 Multicounty planning and development; conformance with regions.

Subdivision 1. **Exception, working agreements.** All coordination, planning, and development regions assisted or created by the state of Minnesota or pursuant to federal legislation shall conform to the regions except where, after review and approval by the governor or designee, nonconformance is clearly justified. The governor or designee shall develop working agreements with state and federal departments and agencies to insure conformance with this subdivision.

462.387 Regional development commissions; establishment.

Subdivision 1. **Petition.** Any combination of counties or municipalities representing a majority of the population of the region for which a commission is proposed may petition the governor or designee by formal resolution setting forth its desire to establish, and the need for, the establishment of a regional development commission. For purposes of this section the population of a county does not include the population of a municipality within the county.

Subd. 1a. **Operating commission.** Regional development commissions shall be those organizations operating pursuant to sections 462.381 to 462.398 which were formed by formal resolution of local units of government and those which may petition by formal resolution to establish a regional development commission.

Subd. 3. **Establishment.** Upon receipt of a petition as provided in subdivision 1 a regional development commission shall be established by the governor or designee and all local government units within the region for which the commission is proposed shall be notified. The notification shall be made within 60 days of the governor's receipt of a petition under subdivision 1.

Subd. 4. **Selection of membership.** The governor or designee shall call together each of the membership classifications except citizen groups, defined in section 462.388, within 60 days of the establishment of a regional development commission for the purpose of selecting the commission membership.

Subd. 5. **Name of commission.** The name of the organization shall be determined by formal resolution of the commission.

462.388 Commission membership.

Subdivision 1. **Representation of various members.** A commission shall consist of the following members:

- (1) one member from each county board of every county in the development region;
- (2) one additional county board member from each county of over 100,000 population;
- (3) the town clerk, town treasurer, or one member of a town board of supervisors from each county containing organized towns;

(4) one additional member selected by the county board of any county containing no townships;

(5) one mayor or council member from a municipality of under 10,000 population from each county, selected by the mayors of all such municipalities in the county;

(6) one mayor or council member from each municipality of over 10,000 in each county;

(7) two school board members elected by a majority of the chairs of school boards in the development region;

(8) one member from each council of governments;

(9) one member appointed by each native American tribal council located in each region; and

(10) citizens representing public interests within the region including members of minority groups to be selected after adoption of the bylaws of the commission.

Subd. 2. Terms, selection method. The terms of office and method of selection of members shall be provided in the bylaws of the commission. The commission shall adopt rules setting forth its procedures.

Subd. 5. Per diem; board members. Members of the regional commission may receive a per diem of not over \$50, the amount to be determined by the commission, and shall be reimbursed for their reasonable expenses as determined by the commission. The commission may provide for the election of a board of directors and provide, at its discretion, for a per diem of not over \$50 a day for meetings of the board and expenses. A member of the board of directors who is a member of the commission shall receive only the per diem payable to board members when meetings of the board of directors and the commission are held on the same day.

462.389 Development commission chair; officers and staff.

Subdivision 1. Chair. The chair of the commission shall have been a resident of the region for at least one year and shall be a person experienced in the field of government affairs. The chair shall preside at the meetings of the commission and board of directors and be responsible for carrying out all policy decisions of the commission. The chair's expense allowances shall be fixed by the commission. The term of the first chair shall be one year, and the chair shall serve until a successor is selected and qualifies. At the expiration of the term of the first chair, the chair shall be elected from the membership of the commission according to procedures established in its bylaws.

Subd. 2. Officers. Except as provided in subdivision 1, the commission shall elect such officers as it deems necessary for the conduct of its affairs. Times and places of regular and special meetings shall be fixed by the commission and may be provided in the commission bylaws. In the performance of its duties the commission may adopt bylaws, rules governing its operation, establish committees, divisions, departments, and bureaus, and staff the same as

necessary to carry out its duties and when specifically authorized by law make appointments to other governmental agencies and districts. All officers and employees shall serve at the pleasure of the commission and in accordance with this section.

Subd. 3. **Executive director.** The commission may appoint an executive director to serve as the chief administrative officer. The director may be chosen from among the citizens of the nation at large, and shall be selected on the basis of training and experience in the field of government affairs.

Subd. 4. **Employees.** The commission may adopt a personnel system for its officers and employees including terms and conditions for the employment, the fixing of compensation, their classification, benefits, and the filing of performance and fidelity bonds, and such policies of insurance as it may deem advisable, the premiums for which, however, shall be paid for by the commission. Officers and employees are public employees within the meaning of chapter 353. The commission shall make the employer's contributions to pension funds of its employees.

Subd. 6. **Consultants.** The commission may contract for the services of consultants who perform engineering, legal, or other services of a professional nature for peak workloads, continuing advice on program direction, and for specialized and technical services. Such contracts shall not be subject to the requirements of any law relating to public bidding.

462.39 Powers and duties.

Subdivision 1. **General powers.** The commission shall have and exercise all powers which may be necessary or convenient to enable it to perform and carry out the duties and responsibilities of sections 462.381 to 462.398 or which may hereafter be imposed upon it by law. Such powers include the specific powers enumerated in this section. The commission is an instrumentality of the state for purposes of section 297A.25, subdivision 11.

Subd. 2. **Regional programs.** The commission is authorized to receive public and private funds for purposes including, but not limited to program administration, multicounty planning, coordination, and development.

Subd. 3. **Planning.** The commission may prepare and submit for adoption, after appropriate study and such public hearings as may be necessary, comprehensive plans for local units of government, individually or collectively, within the region. Plans may consist of policy statements, goals, standards, programs, and maps prescribing guides for orderly development within the jurisdiction subject to the plan. The plans shall recognize and incorporate planning principles which encompass physical, social, or economic needs of the region. In preparing development plans the commission shall use to the maximum extent feasible the resources studies and data available from other planning agencies within the region, including counties, municipalities, special districts, and subregional planning agencies, and it shall utilize the resources of state agencies to the same purpose.

Subd. 4. **Comprehensive planning.** The creation of a regional development commission does not affect the right of counties or municipalities to conduct subregional or district planning under sections 462.371 to 462.375 or 471.59. It is the purpose of sections

462.381 to 462.398 to encourage local and subdistrict planning capability and the regional commission shall as far as practical use the data, resources, and input of the local planning agencies.

462.391 Specific powers and duties.

Subd. 1. Review of local plans. The commission may review and provide comments and recommendations on local plans or development proposals which in the judgment of the commission have a substantial effect on regional development. Local units of government may request that a regional commission review, comment, and provide advisory recommendations on local plans or development proposals.

Subd. 2. Staff services. To avoid duplication of staff for various regional bodies assisted by federal or state government, the commission may provide basic administrative, research, and planning services for all regional planning and development bodies. The commissions may contract to obtain or perform services with state agencies, for-profit or nonprofit entities, subdistricts organized as the result of federal or state programs, councils of governments organized under section 471.59, or any other law, and with local governments.

Subd. 3. Data and information. The commission may be designated as a regional data center providing data collection, storage, analysis, and dissemination to be used by it and other governmental and private users, and may accept gifts or grants to provide this service.

Subd. 5. Research. Where studies have not been otherwise authorized by law the commission may study the feasibility of programs including, but not limited to, water, land use, economic development, housing, demographics, cultural issues, governmental issues, human services, natural resources, communication, technology, transportation, and other subjects of concern to the citizens of the region, may institute demonstration projects in connection therewith, and may enter into contracts or accept gifts or grants for such purposes as otherwise authorized in sections 462.381 to 462.398.

Subd. 10. Service to local government. The commission may contract with local units of government to provide them with services and technical assistance in the conduct of local planning and development activities.

Subd. 11. Program operation. Upon approval of the appropriate authority from local, state, and federal government units, commissions may be regarded as general purpose units of government to receive funds and operate programs on a regional or subregional basis to provide economies of scale or to enhance program efficiency.

Subd. 12. Property ownership. A commission may buy, lease, acquire, own, hold, improve, and use real or personal property or an interest in property, wherever located in the state for purposes of housing the administrative office of the regional commission.

Subd. 13. **Property disposition.** A commission may sell, convey, mortgage, create a security interest in, lease, exchange, transfer, or dispose of all or part of its real or personal property or an interest in property, wherever located in the state.

462.3911 Prairieland Expo.

The southwest regional development commission is authorized to establish, construct, and operate a facility to display, preserve, and interpret historical information and to enhance the tourism potential of the region. The commission may enter into a lease or management contract with another entity for operation of the facility.

462.393 Annual report to units, public, governor, legislature.

Subdivision 1. **Contents.** On or before September 1 of each year, the commission shall prepare a report for the governmental units, the public within the region, the legislature and the governor. The report shall include:

- (1) A statement of the commission's receipts and expenditures by category since the preceding report;
- (2) A detailed budget for the year in which the report is filed and a tentative budget for the following year including an outline of its program for such period;
- (3) A description of any plan adopted in whole or in part for the region;
- (4) Summaries of any studies and the recommendations resulting therefrom made for the region;
- (5) A summary of significant accomplishments;
- (6) A listing of plans of local governmental units submitted to the region, and actions taken in relationship thereto;
- (7) Recommendations of the commission regarding federal and state programs, cooperation, funding, and legislative needs; and
- (8) A summary of any audit report made during the previous year relative to the commission.

Subd. 2. **Assessment every five years.** In 2001 and every five years thereafter the commission shall review its activities and issue a report assessing its performance in fulfilling the purposes of the Regional Development Act. The report shall address whether the existence of the commission is in the public welfare and interest.

462.394 Citizen participation and advisory committees.

The commission may appoint advisory committees of interested and affected citizens to assist in the review of plans, programs, and other matters referred for review by the commission. Whenever a special advisory committee is required by any federal or state regional program the commission shall, as far as practical, appoint such committees as advisory groups to the commission. Members of the advisory committees shall serve without compensation but shall be reimbursed for their reasonable expenses as determined by the commission.

462.395 Duties of state agencies.

All state departments and agencies shall cooperate with regional development commissions established under sections 462.381 to 462.398 and shall make available to them studies, reports, data, and other informational and technical assistance within financial and personnel limitations. The commissioner shall coordinate the state's assistance programs to regional planning and development commissions.

462.396 Grants; levies; budget; accounts; audits; bids; deposits.

Subdivision 1. **Grantmaking, tax levy.** The governor and the legislature shall determine the amount of state assistance and designate an agency to make grants to any commission created under sections 462.381 to 462.398 from appropriations made available for those purposes. Any regional commission may levy a tax on all taxable property in the region to provide money for the purposes of sections 462.381 to 462.398.

Subd. 2. **Budget; hearing; levy limits.** On or before August 20 each year, the commission shall submit its proposed budget for the ensuing calendar year showing anticipated receipts, disbursements and ad valorem tax levy with a written notice of the time and place of the public hearing on the proposed budget to each county auditor and municipal clerk within the region and those town clerks who in advance have requested a copy of the budget and notice of public hearing. On or before September 15 each year, the commission shall adopt, after a public hearing held not later than September 15, a budget covering its anticipated receipts and disbursements for the ensuing year and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget. After adoption of the budget and no later than September 15, the secretary of the commission shall certify to the auditor of each county within the region the county share of the tax, which shall be an amount bearing the same proportion to the total levy agreed on by the commission as the net tax capacity of the county bears to the net tax capacity of the region. (1) For taxes levied in 1998, the maximum amounts of levies made for the purposes of sections 462.381 to 462.398 are the following amounts: for Region 1, \$180,337; for Region 2, \$180,000; for Region 3, \$353,110; for Region 5, \$195,865; for Region 6E, \$197,177; for Region 6W, \$180,000; for Region 7E, \$180,000; for Region 8, \$206,107; for Region 9, \$343,572. (2) For taxes levied in 1999 and thereafter, the maximum amount that may be levied by each commission shall be the amount authorized in clause (1), or 103 percent of the amount levied in the previous year, whichever is greater. The auditor of each county in the region shall add the amount of any levy made by the commission within the limits imposed by this subdivision to other tax levies of the county for collection by the county treasurer with other

taxes. When collected the county treasurer shall make settlement of the taxes with the commission in the same manner as other taxes are distributed to political subdivisions.

Subd. 3. **Gifts, grants, loans.** The commission is a special purpose unit of government which may accept gifts, apply for and use grants or loans of money or other property from the United States, the state, or any person, local or governmental body for any commission purpose and may enter into agreements required in connection therewith and may hold, use, and dispose of such moneys or property in accordance with the terms of the gift, grant, loan, agreement, or contract relating thereto.

For purposes of receipt of state or federal funds for community and economic development, regional commissions shall be considered general purpose units of government.

Subd. 4. **Accounting; checks; annual audit.** The commission shall keep an accurate account of its receipts and disbursement. Disbursements of funds of the commission shall be made by check signed by the chair or vice-chair or secretary of the commission and countersigned by the executive director or an authorized deputy thereof after such auditing and approval of the expenditure as may be provided by rules of the commission. The state auditor may audit the books and accounts of the commission once each year, or as often as funds and personnel of the state auditor permit. The commission shall pay to the state the total cost and expenses of such examination, including the salaries paid to the auditors while actually engaged in making such examination. The general fund shall be credited with all collections made for any such examination. In lieu of an annual audit by the state auditor, the commission shall contract with a certified public accountant for the annual audit of the books and accounts of the commission. If a certified public accountant performs the audit, the commission shall send a copy of the audit to the state auditor.

Subd. 5. **Bid law.** Every contract of the commission for the purchase of merchandise, materials, or supplies shall be let in accordance with the provisions of section 471.345.

Subd. 6. **Depositories.** The commission shall from time to time designate one or more national or state banks, or trust companies authorized to do a banking business, as official depositories for money of the commission, and thereupon shall require the treasurer to deposit all or part of such money in such bank or banks. Such designation shall be in writing and set forth all the terms and conditions upon which the deposits are made, and shall be signed by the chair and secretary, and made a part of the minutes of the commission. Any bank or trust company so designated shall qualify as a depository by furnishing a corporate surety bond or collateral as required by chapter 118, and shall thereafter, as long as money of the commission is on deposit therein, maintain such bond or collateral and shall be required to secure any deposit, insofar as it is insured under federal law, as provided in section 118A.03.

462.397 Borrowing money; certificates of indebtedness.

Subdivision 1. **Tax anticipation.** At any time after a tax has been levied by the commission and certified to the county auditors to be spread on the next tax roll for collection,

the commission may borrow money and in evidence thereof issue and sell its certificates of indebtedness in anticipation of the collection of such levy.

Subd. 2. Up to 50 percent. The aggregate principal amount of such certificates then remaining outstanding, issued in anticipation of any levies whatsoever, plus the then unpaid accrued interest and interest to accrue to maturity on all such certificates, shall not exceed 50 percent of all taxes certified to the county auditors to be spread and collected which are not delinquent, less the amount thereof received by the commission before the latest certificates were issued.

Subd. 3. Up to 1-1/2 year maturity. All certificates shall mature not later than April 1 following the close of the year of collection of the taxes in anticipation of which they were issued, and may be made subject to redemption before maturity.

Subd. 4. Formalities in resolution. The commission shall, by the resolution authorizing each issue of certificates, fix the amount, date, maturity or maturities, prepayment provisions, form, denominations, interest rate or rates, and other details of the certificates, and also pledge the full faith and credit of the commission for the payment thereof. In and by such resolution, the commission shall also irrevocably appropriate to a special fund such amount, stated in dollars, of the levy anticipated as will be required to pay the principal of and interest on the certificates when due.

Subd. 5. Levy for delinquencies. If, due to delinquencies in collection thereof, the levy is not received at the times and in the amounts sufficient to meet principal of and interest on certificates payable therefrom, the commission may levy and cause to be extended, assessed and collected upon all taxable property within the region, such ad valorem taxes as may be required to pay such principal and interest and to restore to other funds advances made for that purpose.

Subd. 6. Negotiation; sale. All such certificates may be negotiated and sold in such manner as may be determined by the commission.

462.398 Termination of commission.

Subdivision 1. Petition; population. Any combination of counties or municipalities representing a majority of the population of the region for which a commission exists may petition the governor by formal resolution stating that the existence of the commission is no longer in the public welfare and interest and is not needed to accomplish the purposes of the Regional Development Act. For purposes of this section the population of a county does not include the population of a municipality within the county. Any formal resolution adopted by the governing body of a county or municipality for the termination of a commission shall be effective for a period of one year for the purpose of determining the requisite population of the region needed to petition the governor.

Subd. 2. Hearings; recommendation, termination date. Within 35 days of the filing of the petition, the governor or designee shall fix a time and place within the region for a hearing. The director shall give notice of the hearing by publication once each week for two successive

weeks before the date of the hearing in a legal newspaper in each of the counties which the commission represents. The hearing shall be conducted by members of the commission. If the commission determines that the existence of the commission is no longer in the public welfare and interest and that it is not needed to accomplish the purposes of the Regional Development Act, the commission shall recommend to the governor or designee that the governor or designee terminate the commission. Within 60 days after receipt of the recommendation, the governor or designee shall terminate the commission by giving notice of the termination to all government units within the region for which the commission was established. Unless otherwise provided by this subdivision, the hearing shall be in accordance with sections 14.001 to 14.69.

Subd. 3. **30 months between petitions.** The governor or designee shall not accept a petition for termination more than once in 30 months for each regional development commission.