LEAGUE of MINNESOTA CITIES

HANDBOOK FOR MINNESOTA CITIES

Chapter 1
Local Government in Minnesota

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145 University Ave. West
Saint Paul, MN 55103-2044
www.lmc.org
(651) 281-1200 or (800) 925-1122
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LEAGUE of MINNESOTA CITIES

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Chapter 1
Local Government in Minnesota

Learn about the different kinds of local government, including cities, towns, counties, and special districts such as lake improvement, special service, soil and water conservation, watershed, school, regional development commissions, and the Metropolitan Council. Understand the relationship of local governments to the state and federal governments.

RELEVANT LINKS:

I. General nature of local government

Over the years, local governments in Minnesota have become increasingly complex, changing from simple service centers for a largely agricultural society to extended urban areas that serve as hubs for industry, commerce, and recreation. As transportation and communication systems have progressed, interaction among all levels of government, including local, state, and federal, has become necessary in order to provide a growing network of services.

A. Local government in the federal system

With the exception of the District of Columbia, the federal government does not create local governments or establish their organization. State governments alone control the existence and powers of local governments within their boundaries.

U.S. Const. art. I–IV. U.S. Const. amend. XIV, § 1.

The division of powers described by the U.S. Constitution is between the states and the federal government. The U.S. Constitution authorizes the federal government alone to act in matters of war, interstate commerce, coinage, and bankruptcy. The U.S. Constitution also applies directly to states and places restrictions on state governments. The U.S. Constitution does not mention local governments. As creations of the individual states, however, local governments are subject to the same restrictions that the U.S. Constitution places on states. For example, like a state, a local government cannot take action to deprive an individual of life, liberty, or property without due process of law.

Similarly, some federal laws, such as the Occupational Safety and Health Act, the Fair Labor Standards Act, and others, apply directly to local governments. (These laws, and their application to local governments, are discussed in other chapters of the Handbook.)

The federal government also maintains an indirect, administrative relationship with local governments to stimulate and regulate certain programs carried out by cities.

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RELEVANT LINKS:

Because of its superior financial resources, the federal government impacts cities through the use of loans and grants.

In some areas, such as housing and redevelopment, federal aid goes directly to cities. In other areas, such as roads, wastewater treatment, and other infrastructure, state agencies administer or distribute federal aid to cities.

B. Local government in Minnesota

Minn. Const. art. XII, § 3.

The Minnesota Constitution authorizes the Minnesota Legislature to provide for the "creation, organization, administration, consolidation, division, and dissolution of local government units and their functions, for the change of boundaries thereof, [and] for their elective and appointive officers."

The term "local government" applies to cities, counties, towns (townships), and special-purpose districts, such as school districts, soil-and-water-conservation districts, hospital districts, regional-development commissions, and the Metropolitan Council. All of these local government units have essentially the same relationship to the state because they are established by state law and are subject to state control.

Minn. Const. art. XII, § 4.
Minn. Stat. § 410.04.
See Handbook, *The Home Rule Charter City*.
Minn. Stat. § 410.16.
State v. City of Crookston, 252 Minn. 526, 91 N.W.2d 81 (Minn. 1958).

In Minnesota, local governments are subject to the absolute sovereignty of the state Legislature with one limited exception. This exception is in the constitutional home rule provision, which authorizes the enactment of laws that enable any city to establish a charter outlining its form of organization and its powers. Even in this case, however, charter provisions must be in harmony with the Minnesota Constitution and with state statutes that apply to home rule charter cities. State law can, in certain circumstances, override a charter.

II. City government

Minn. Stat. § 414.01, subd. 1a(2).

Under Minnesota law, Minnesota cities are public corporations. The Legislature has described cities as the type of government that "most efficiently provides governmental services in areas intensively developed for residential, commercial, industrial, and governmental purposes."

Minnesota cities are diverse and provide a wide range of services to their citizens. The 857 cities in Minnesota form a powerful, grassroots governmental system that maintains a close relationship with its constituents.

RELEVANT LINKS:

Minnesota Go, Urban and Rural Population Trend Analysis. Metropolitan Counties and CTUs - Census 2020, Minn. Geospatial Commons.

More than eighty percent of the people in Minnesota live in cities, even though developed land makes up less than six percent of the state's land cover.

Since cities are where most people live, the basic goal of city government is to provide services. Elected city officials and city staff form an important pool of governmental experience. In many parts of the state, cities are the main government units.

A. Classes of cities by population

Minn. Stat. § 410.01.

For certain legislative purposes, state law divides the 857 cities in Minnesota into four classes based on population established by the national census figures.

Minnesota Legislative Reference Library, Classification of Cities.

First Class cities are those with more than 100,000 inhabitants. Once a city becomes a First Class city, it will not lose that status unless its population decreases by 25 percent from the census figure that last qualified it as a First Class city. The cities of Minneapolis, St. Paul, Duluth, and Rochester are First Class cities.

Second Class cities have populations of more than 20,000, but not more than 100,000. Currently, 55 cities meet this definition.

Third Class cities have populations of more than 10,000, but not more than 20,000. There are 41 cities that meet this definition.

Fourth Class cities have no more than 10,000 residents. There are 757 cities that meet this definition.

Changes in classification, if any, take effect when the secretary of state receives certified copies of the national census.

B. Types of cities by government structure

See Handbook, *The Statutory City*. See Handbook, *The Home Rule Charter City*. See LMC MemberLearn course, *Structure and Function of Cities*.

Minnesota has two basic types of cities: statutory cities and home rule charter cities. The League's Handbook Chapters 3 and 4 discuss these two types of cities in detail, but here is some basic information that describes their differences:

1. Statutory cities

Minn. Stat. ch. 412.

Most cities in Minnesota are incorporated as statutory cities. There are 750 statutory cities. They operate under Chapter 412 of the Minnesota Statutes, commonly known as the statutory city code ("city code"), and under several other statutes that apply to all cities.

RELEVANT LINKS:

The Legislature may, at its discretion, change any part of the city code. Although all statutory cities possess the same basic powers, the city code permits them to select one of several forms of organization.

2. Home rule charter cities

Minn. Stat. ch. 410.

Currently, 107 cities have adopted home rule charters. State law allows any city to adopt a charter which, in effect, is a local constitution approved by the local voters. Cities have a wide range of discretion in adopting charters; charters may provide for any form of city government subject only to state laws that uniformly apply to all cities.

3. How statutory cities and home rule charter cities differ

The major difference between home rule charter cities and statutory cities is the type of enabling legislation under which they have incorporated.

- Statutory cities derive many of their powers from Chapter 412 of the Minnesota Statutes.
- Home rule charter cities obtain their powers from a home rule charter, although many state statutes grant or limit the powers of home rule charter cities.

Statutory cities and home rule charter cities differ in terms of organization and powers but do not differ based on population, area, geographical location, or other physical features. Another distinction between statutory cities and home rule charter cities is the degree of citizen control over city government powers.

- State law grants all statutory city powers. In the absence of express or implied statutory authorization, statutory cities do not have power to undertake any decision or action.
- Home rule charter cities can exercise any powers outlined by their locally adopted charters if those powers do not conflict with state laws. Voters in such cities have more control over their city government powers.

If a statutory city encounters a problem that cannot be solved under the city code, it can ask the Legislature to enact a special law or it can become a home rule charter city with a voter-approved charter.

RELEVANT LINKS:

4. How to change from a statutory city to a home rule charter city

Minn. Stat. §§ 410.05-410.30.

Changing from a statutory city to a home rule charter city involves appointment of a charter commission by the district court of the judicial district in which the city is located. The charter commission appointment can be done in one of three ways: 1) by the district court if it deems it for the best interest of the city to do so; 2) upon presentation of a petition requesting such action, signed by at least 10 percent of the number of voters of the city; or 3) upon resolution of the governing body of the city requesting such action.

The charter commission determines whether a charter is necessary. If the commission determines a charter is necessary, it then drafts a proposed charter. A charter generally deals with the organization and operation of city government.

The draft of the proposed charter is delivered to the city council and must be submitted to the voters within six months. If 51 percent of the votes cast on the proposed charter support it, the charter is adopted and takes effect 30 days after the election. The charter commission may propose amendments to the charter, which must also be adopted by the voters. Proposed amendments can also be proposed by petition of the voters in the city. The charter can be abandoned in the same way it is amended.

C. Forms of city administrative organization

Cities in Minnesota have used four forms of administrative organization or "plans": weak mayor-council, strong mayor-council, council-manager, and commission.

1. Weak mayor-council plan

The weak mayor-council plan is by far the most common plan in Minnesota. Besides being the form for Standard Plan, Plan A, and Plan B statutory cities, it is also the favorite of most home rule charter cities.

See Section II-C-3, *Council-manager plan,* below.

Under the weak mayor-council plan, administrative as well as legislative authority is the ultimate responsibility of the council unless the council has created an independent board, such as a utilities commission, to handle one or more specific functions.

In Plan B statutory cities, however, administrative power is generally the responsibility of the city manager.

RELEVANT LINKS:

The mayor's powers in a city with a weak mayor-council plan are no greater than those of any other member of the council, with the exception of the mayor's role as presiding officer at council meetings and several other minor duties. No individual council member holds specific administrative powers.

See Handbook, *City Administrative Staff*.

Many statutory Standard Plan and Plan A cities create a city administrator position by resolution or ordinance and specify the responsibilities of the position. City administrators are appointed because of their professional qualifications; this is not a political appointment. Many cities have also created combined city clerk-administrator positions.

2. Strong mayor-council plan

The strong mayor-council plan is rare in Minnesota; only four cities use this form of administration: Minneapolis, St. Paul, Duluth, and St. Cloud. Only home rule charter cities may have this form of organization. Under the strong mayor-council plan, the mayor is generally responsible for the operation of all administrative agencies and departments within the city.

If the plan is the conventional strong mayor-council plan, the mayor:

- Can appoint and remove department heads and other subordinate staff subject to civil-service provisions where applicable.
- Is not a councilmember, but can veto council legislation subject to the right of the council to override the veto by an extraordinary majority.
- Prepares and administers a budget that the council approves.

The chief functions of the council are to:

- Legislate and set policies.
- Pass budgets and bond issues.
- Review mayoral and administrative actions.

All of these features can vary under city charter provisions.

3. Council-manager plan

Minn. Stat. § 412.541, subd. 2.

Some home rule charter cities and the 19 statutory cities operating under Optional Plan B of the statutory city code have a council-manager form of government. Only statutory cities with populations of more than 1,000 may adopt Optional Plan B. Under this form of administrative organization, the council has policy-making and legislative authority, but administration of the government is the manager's responsibility.

RELEVANT LINKS:

The manager is directly responsible to the council. The manager has indefinite tenure and is subject to removal by the council after a hearing. The manager appoints department heads, usually without council approval. Here again, a home rule charter can change the conventional plan. City managers are appointed because of their professional qualifications; the position is not a political appointment.

4. Commission

The commission form of administrative organization is no longer used in Minnesota. In recent years, only one home rule charter city in the state used a commission structure. No statutory cities have ever used this structure, and the option for statutory cities to adopt this form of government is no longer available.

Under this form of organization, each of the elected councilmembers is responsible for a particular administrative department so that, in addition to legislative duties, the councilmember also has duties as a department head. Many cities, particularly those without an administrator, employ an informal commission structure, assigning one or two councilmembers to devote particular attention to specific city services such as public safety or public works.

The mayor, with minor exceptions, has the same powers and duties as councilmembers. The council, as a whole, is responsible for administrative coordination and for the formation of legislative policy. A home rule charter can alter this plan.

See Handbook, *The Statutory City*.
See Handbook, *The Home Rule Charter City*.

Details on the powers and duties of statutory cities are available in Chapter 3. Home rule charter cities are covered in Chapter 4. In order to change from one form of government structure to another, an affirmative vote of the city's voters is required.

III. Town (township) government

Minn. Stat. § 414.01, subd. 1a(2).
For specific information on town government, contact the Minnesota Association of Townships, P.O. Box 267, St. Michael, MN 55376; (800) 228-0296 or see the *Township Manual*.

People often use the term "town" to describe a small city, but this is not correct because a town is a separate form of local government. The Legislature describes township government as the form of local government that most efficiently provides governmental services in areas used or developed for agricultural, open space, and rural-residential purposes.

In the strictest sense, a town is the government or political organization, while a township refers to the geographical congressional territory without connection to the government organization.

RELEVANT LINKS:

For the most part, Minnesota laws, particularly state statutes, use the terms "town" and "township" interchangeably, as will the Handbook.

Town boards govern most of the land outside cities. In some counties, there is unorganized territory; that is, areas outside city borders that have no town government. In those cases, the county board performs some of the functions of a town board.

Minn. Stat. ch. 365.
Minn. Stat. ch. 366.
Minn. Stat. ch. 367.
Minn. Stat. ch. 368.

The boards that govern towns are composed of three or five members called supervisors. State laws allow a variety of optional plans of town government. These laws also deal with appointment of the clerk and treasurer, combination of these two offices, and the appointment of a town administrator. Historically, most towns have had limited governmental powers and, as a result, were unable to provide a wide range of services to their citizens.

Minn. Stat. § 368.01.

To accommodate growing towns in need of more services, the Legislature created a class of towns called "urban towns" with additional power to provide general governmental services. There are three different ways to be considered an urban town under state law.

First, a town qualifies as an urban town if it has platted portions where a population of 1,200 or more people live. Second, a town qualifies as an urban town if it has a platted area within 20 miles of the city hall of a city of the first class with a population over 200,000. Third, a town with a population of 1,000 or more will qualify as an urban town upon the affirmative vote of its electors at the annual town meeting. The Legislature has also created several urban towns through special laws that define their powers.

Among the few powers that urban towns may not exercise are the following: annexing abutting land; owning or operating gas, heat, light or power systems; establishing a municipal liquor or municipal cannabis operation; and, establishing a civil-service system.

For most purposes, the material in the Handbook can apply to urban towns as well as to statutory cities.

IV. County government

For more information about county government contact the Association of Minnesota Counties, 125 Charles Avenue, St. Paul, MN 55103; (651) 224-3344.
Minn. Stat. ch. 373.

Counties are administrative arms of the state and were created primarily to carry out certain mandates, such as providing welfare services and a corrections system.

RELEVANT LINKS:

Minn. Stat. § 375.01.
Minn. Stat. § 375.025.
Minn. Stat. § 375.056.

The governing bodies of counties are five or seven-member boards. Voters from districts dividing the county elect these board members or commissioners. All citizens, regardless of whether they live in a city, town, or unorganized territory, are represented by a county commissioner.

Minn. Stat. § 382.01.
Minn. Stat. ch. 384.
Minn. Stat. ch. 385.
Minn. Stat. ch. 387.
Minn. Stat. ch. 388.
Minn. Stat. ch. 386.

In most counties, voters also elect an at-large county auditor, treasurer, sheriff, attorney, and recorder.

Minn. Stat. ch. 375A.

Some optional forms of county government are available.

Minn. Stat. ch. 373.

Counties do not have broad powers like cities and must have clear statutory authority to provide a service or regulate an activity. County boards have authority to provide a variety of services but lack the power to provide most municipal types of services.

Because counties levy taxes against all property within the county (including cities), cities should demand that county services within their borders are consistent with the level of services outside their borders.

For example, in most counties, the county sheriff provides a high level of police protection outside cities, while cities usually support a police department that is reliant on their taxpayers' dollars. When a city wishes to contract with a county for police protection, the calculation of the cost of this service should reflect the fact that the city taxpayers already pay for part of the county budget relating to the sheriff's department.

Many counties also provide and administer land-use controls in areas outside cities. Cities could legitimately request planning assistance from the county planning department at a reduced or no-cost level since city taxpayers also pay part of this county budget item.

As a final example, all county attorneys prosecute felony violations that occur anywhere within the county. However, most only prosecute misdemeanor violations that occur outside cities even though their budget comes from all taxpayers within the county.

City officials should pay attention to the way the county board spends the money the county collects from property taxes levied within cities to ensure city residents receive a proper share of county services.

V. Special districts

Special-purpose districts are those units of local government created or authorized by state law to perform specific duties or provide specific services in limited situations.

RELEVANT LINKS:

Nationwide, the number of special-purpose government units is increasing. In Minnesota, however, the trend has been to avoid creating new local government units and to assign the solution of new problems to the already existing general-purpose local governments - cities, counties, and towns.

A. Special-service districts

Minn. Stat. §§ 428A.01-428A.101.

"City Special Service Districts," House Information Brief, Oct. 2014.

Any city can create a special-service district under the general law, but most special-service districts are created under special laws that apply to a specific city. In either case, the basic concept is the same. Only property that is classified and used for commercial, industrial, or public-utility purposes can be included in a special-service district.

A special-service district is a defined area within a city where special services are provided, and the costs of the special services are paid for from revenues collected from service charges imposed within that area.

Under the general law, a special-service district is created by ordinance. The city either defines the special services to be provided by ordinance, or, in a special law permitting the establishment of a district.

Special services generally do not include services that are ordinarily provided throughout the city from general-fund revenues, unless an increased level of services is provided in the special-service district. The special-service charges are levied against the net-tax capacity of the benefited property in the district and are collected in the same manner as property taxes.

Often special-service districts in cities are centered in downtown districts or concentrated retail areas. For example, some cities have set up special-service districts to fund on- and off- street parking or to pay for landscaping, special streetlights, and snowplowing.

B. Lake-improvement districts

Minn. Stat. §§ 103B.501-103B.581.
Minn. Stat. § 459.20.

Lake Improvement Districts, DNR.

County boards may create lake-improvement districts for lakes within their boundaries, or a combination of cities and towns may create a district for a lake located within their joint boundaries. The governing body of the county, city, town, or a combination of them, may be the governing body of the lake-improvement district or a governing body may be appointed.

Lake-improvement districts have a variety of powers and may undertake various projects to improve the lake and its adjacent shoreline. All the powers of a lake-improvement district are first granted by the state to the general-purpose government unit, which then delegates any or all of the powers to the lake-improvement district.

RELEVANT LINKS:

C. Soil-and-water-conservation districts

Minn. Stat. ch. 103C.

Minnesota Association of Soil and Water Conservation Districts.

The Legislature has established soil-and-water-conservation districts that geographically cover every part of the state. The boundaries of such districts are generally consistent with county boundaries. These districts include not only the unincorporated area of a county, but also the cities within a county.

Cities may receive valuable information from these districts, including soil information, maps of prime agricultural land, and maps of wetlands. Cities and counties may cooperate with these districts for special improvements such as drainage and flood control.

The governing bodies of soil-and-water-conservation districts are made up of five supervisors. Districts within the county nominate people to serve on the board of supervisors, and voters within the county elect them at large.

D. Watershed districts

Minn. Stat. ch. 103D.

BWSR Watershed Districts.

A watershed district is created through petition. Its governing body is a board of managers. Watershed districts have considerable land and water-use regulation authority. They may make improvements within their boundaries. When land and water-use regulations of the watershed district are not consistent with city development plans, city officials should work closely with watershed-district managers to resolve these conflicts.

E. School districts

Minn. Stat. ch. 123A.
Minn. Stat. § 471.59.

Every area of the state has a school district organized to provide public education. Cities cooperate with these districts in the areas of elections, continuing adult education, and recreation programs.

F. Regional-development commissions and the Metropolitan Council

Minn. Stat. §§ 462.381-462.398.
Minn. Stat. chs. 473-473H.

Regional Development Organizations, MNDOT.

Minnesota Association of Development Organizations.

Regional-development commissions and the Metropolitan Council contain several counties within their boundaries. They provide technical assistance for cities. In the metropolitan area, certain regulations of the Metropolitan Council govern city land-use activities and other matters. The Metropolitan Council also has operating authority in the areas of wastewater collection and treatment, transit services, and other areas where a regional approach is necessary.

RELEVANT LINKS:

Cases

State v. City of Crookston, 252 Minn. 526, 91 N.W.2d 81 (Minn. 1958) 3

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RELEVANT LINKS:

Constitutional Provisions

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Reference

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Minnesota Association of Development Organizations 12
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