

What are special assessments?

Special assessments are a way for cities to charge certain properties for the cost of making a local improvement, or to collect certain charges that will benefit those properties. The authority to levy special assessments is granted under Minnesota Statute, Chapter 429.

What improvements can be paid for with special assessments?

Special assessments can be used to finance many different types of local improvements, including the following:

- Street and sidewalk improvements
- Storm and sanitary sewer systems
- Steam heating mains
- Street lights
- Water works systems
- Parks, open space, playgrounds, and recreational facilities
- Planting, maintenance, and trimming of street trees
- Nuisance abatement
- Dikes and flood control works
- Retaining walls and area walls
- Pedestrian skyway systems
- Underground pedestrian concourses
- Public malls, plazas, and courtyards
- District heating systems
- Some fire protection systems
- Highway sound barriers

Can special assessments be used to collect service charges?

Cities may use special assessments to recover the cost of the following service charges if the city has adopted an ordinance to provide for it.

- Snow, ice, and rubbish removal from sidewalks
- Weed elimination from streets and private property
- Elimination of public health hazards from private property
- Street lighting, sprinkling, and dust treatment
- Repair of sidewalks and alleys
- Trimming and care of trees and removal of unsound trees
- Garbage collection (fourth class cities only)
- Unpaid sewer and water bills

What is the procedure for ordering a special assessment improvement?

The following is a summary of the procedure for ordering a special assessments improvement:

Initiation of the order for the improvement. The order for the improvement may be initiated by the City Council *or* by a petition from affected property owners.

Preparation of a feasibility report on the improvement. The city engineer (or other qualified person) must prepare a report on the proposed improvement. The report must include the estimated cost of the proposed improvement, and whether it is necessary, cost-effective, and feasible.

Notice of the public hearing on the improvement. A public hearing must be held on the proposed improvement. The city must publish a notice of the public hearing to consider the proposed improvement. It must be published twice with the notices appearing at least one week apart. At least three days must elapse between the last publication and the date of the hearing. The city must also mail a notice to each property owner in the proposed assessment area at least 10 days prior to the hearing.

Public hearing on the improvement. At the public hearing, interested persons will have an opportunity to voice their concerns, whether or not they are in the proposed assessment area. When a petition is signed by 100 percent of the landowners requesting the improvement, the City Council may order the improvement without a hearing.

Ordering the improvement and the preparation of the plans. If the City Council began proceedings because of a petition signed by the owners of property that comprise at least 35 percent of the property frontage abutting the improvement, the City Council can pass a resolution to order the improvement with a majority vote. However, if the City Council initiated the proceedings, a four-fifths majority vote of the City Council is needed to pass the resolution. After the resolution is passed, the city engineer will prepare the necessary plans and specifications. The City Council will decide how the improvement will be done and, if necessary, issue a call for bids.

What is the procedure for levying special assessments?

The following is a summary of the procedure for levying special assessments:

Preparation of the Proposed Assessment Roll. The city clerk and the engineer (or other qualified person) must calculate the proper amount to be specially assessed against each property that will benefit from the improvement. The proposed assessment roll must be available for public inspection in the city clerk's office.

Notice of the public hearing on the proposed assessment. The city must publish notice of the hearing in the city newspaper. The publication must occur at least once, not less than two weeks prior to the hearing. The notice must include the following information:

- Place, time, and date of the hearing
- Overall project description
- Total cost of the improvement
- Area to be assessed
- Description of appeals procedure
- Any deferment options

The city must also mail notice of the hearing to each property owner at least two weeks prior to the hearing date. The mailed notice must contain the following:

- Amount of the assessment for the individual parcel
- Prepayment information
- Interest rate on the assessments
- That the adoption of the proposed assessment may be made by the Council at the hearing

Public hearing on the proposed assessment. The purpose of this hearing is to give affected property owners an opportunity to express their concerns on the actual special assessment levy.

Approval and certification of the assessment roll. After the public hearing, if an assessment is adopted, the City Council must approve the assessment roll in its final form so the clerk can certify it to the County Auditor. If the adopted assessment amount, interest rate, or prepayment requirements differ from those contained in the notice, the clerk must mail the property owner notice of the changes.

Issuance of obligations to finance the improvement. Most cities use one of three types of bonds to finance special assessments: improvement bonds, improvement warrants, or temporary improvement bonds. See the *1996 Local Improvement Guide* (LMC 515A1 A.3) and *Municipal Borrowing for Capital Needs* (LMC 215D 1.9) for further discussion of these types of obligations.

Levying and collecting assessments The clerk must certify the assessments to the county auditor. This may be done either by certifying the entire assessment roll all at once, or by certifying each yearly amount annually.

Can I prepay a levied special assessment?

In order to keep special assessment levies from being added to your tax statement, *new* special assessment levies must be paid by the close of city business on November 29. If November 29 falls on a weekend, the prepay date is the last workday *before* November 29. *Existing* special assessment levies must be paid by the close of city business on November 14. If November 14 falls on a weekend, the prepay date is the last workday *before* November 14. All prepayments of special assessments should be paid to the City of Bloomington, Assessor's Office.

Where can I get further information?

Engineering and Assessing personnel are available to help answer your questions Monday through Friday, from 8:00 am. to 4:30 pm. Our phone numbers are:

Engineering

(952) 563-4862

FAX: (952) 563-4868

[TTY (952) 563-8740 Teletyper]

Assessing

(952) 563-4744

FAX: (952) 563-4741

[TTY (952) 563-8740 Teletyper]

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