

Sec. 3. CONVEYANCE OF RIGHT-OF-WAY.

The commissioner of natural resources, in the name of the state, may convey to adjoining property owners by quitclaim deed, at not less than the appraised value, the following described real property, which is part of the Heartland Trail identified in Minnesota Statutes, section 85.015, subdivision 12, when the state's title has been clarified either through litigation or land exchange:

A strip of land 100 feet in width extending over and across Government Lots Four (4) and Five (5), the Northeast Quarter of the Southwest Quarter (NE 1/4 SW 1/4) and the Southeast Quarter of the Northwest Quarter (SE 1/4 NW 1/4) of Section Nine (9); Government Lots One (1), Two (2), Three (3), Four (4) and Five (5) and the Southwest Quarter of the Southwest Quarter (SW 1/4 SW 1/4) of Section Sixteen (16); Government Lots One (1) and Two (2) and the Southwest Quarter of the Northeast Quarter (SW 1/4 NE 1/4) of Section Twenty (20); Government Lot One (1), of Section Twenty-one (21); said strip of land being 50 feet in width on each side of the center line of the main track, now removed, of the former Saint Paul, Minneapolis and Manitoba Railway Company, now Burlington Northern Incorporated, as originally located and established over and across said Sections Nine (9), Sixteen (16), Twenty (20) and Twenty-one (21), Township One Hundred Forty-three (143) North, Range Thirty-one (31) West, and any other lands which are not needed for trail purposes.

The deed conveyances shall be in a form approved by the attorney general.

Sec. 2. REPEALER.

Laws 1984, chapter 502, article 13, section 15, is repealed, and notwithstanding Minnesota Statutes, section 645.35, is void from the time of its enactment.

Sec. 3. EFFECTIVE DATE.

This act is effective the day following final enactment.

Approved May 21, 1985

CHAPTER 172 — S.F.No. 45

An act relating to drainage; recodifying the drainage law; amending Minnesota Statutes 1984, sections 40.072, subdivisions 3, 4, 5, 6, and 9; 40.073; 88.43, subdivision 2; 97.484; 97.50, subdivision 1; 105.42, subdivision 1; 105.471; 105.74; 105.81; 111.09, subdivision 2; 111.11; 111.13; 111.30; 111.31; 111.36; 111.78; 112.431, subdivision 2; 112.48, subdivision 1; 112.50; 112.501, subdivision 1; 112.541; 112.59; 112.60, subdivisions 1, 2, and 3; 112.64, subdivisions 2 and 3; 112.65, subdivision 1; 161.28, subdivision 1; 163.17; 357.021, subdivision 2; 375.471; 471.345, subdivision 3; 473.877, subdivision 1; and 473.878, subdivision 4; proposing coding for new law as Minnesota Statutes, chapter 106A; repealing Minnesota Statutes 1984, chapter 106 and section 109.38.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
DRAINAGE

Section 1. **[106A.005] DEFINITIONS.**

Subdivision 1. APPLICABILITY. The definitions in this section apply to this chapter.

Subd. 2. AFFECTED. "Affected" means benefited or damaged by a drainage system.

Subd. 3. AUDITOR. "Auditor" means the auditor of the county where the petition for a drainage system was properly filed.

Subd. 4. BOARD. "Board" means the board of commissioners of the county where the drainage system is located.

Subd. 5. COMMISSIONER. "Commissioner" means the commissioner of natural resources.

Subd. 6. DIRECTOR. "Director" means the director of the division of waters in the department of natural resources.

Subd. 7. DISMISSAL OF PROCEEDINGS. "Dismissal of proceedings" means that the petition and proceedings related to the petition are dismissed.

Subd. 8. DITCH. "Ditch" means an open channel to conduct the flow of water.

Subd. 9. DRAINAGE AUTHORITY. "Drainage authority" means the board or joint county drainage authority having jurisdiction over a drainage system.

Subd. 10. DRAINAGE LIEN. "Drainage lien" means a recorded lien against property for drainage proceedings and construction costs and interest on the lien as provided under this chapter.

Subd. 11. DRAINAGE SYSTEM. "Drainage system" means a ditch and tile system to drain property, including laterals, improvements, and improvements of outlets, that is proposed to, established by, or constructed by a drainage authority. "Drainage system" includes the improvement of a natural waterway used in the construction of a drainage system, and any part of a flood control plan proposed by the United States or its agencies in the drainage system.

Subd. 12. ENGINEER. "Engineer" means the county highway engineer of a county where affected property is located or a professional engineer registered under state law.

Subd. 13. ESTABLISHED. "Established" means the drainage authority has made the final order to construct the drainage system.

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Subd. 14. LATERAL. "Lateral" means any drainage construction by branch or extension, or a system of branches and extensions, that connects property with an established drainage system.

Subd. 15. MUNICIPALITY. "Municipality" means a statutory or home rule charter city or a town having urban powers under section 368.01, subdivision 1 or 1a.

Subd. 16. NOTICE BY MAIL. "Notice by mail" means a notice mailed and addressed to each person entitled to receive the notice, if the address is known to the auditor or can be determined by the county treasurer of the county where the affected property is located.

Subd. 17. PERSON. "Person" means an individual, firm, partnership, association, or private corporation.

Subd. 18. POLITICAL SUBDIVISIONS. "Political subdivisions" means statutory and home rule charter cities, counties, towns, school districts, and other political subdivisions.

Subd. 19. PROCEEDING. "Proceeding" means a procedure under this chapter for or related to drainage that begins with filing a petition and ends by dismissal or establishment of a drainage system.

Subd. 20. PROPERTY. "Property" means real property.

Subd. 21. PUBLICATION. "Publication" means a notice published at least once a week for three successive weeks in a legal newspaper in general circulation in each county affected by the notice.

Subd. 22. PUBLIC HEALTH. "Public health" includes an act or thing that tends to improve the general sanitary condition of the community by drainage, relieving low wetland or stagnant and unhealthful conditions, or preventing the overflow of any property that produces or tends to produce unhealthful conditions.

Subd. 23. PUBLIC WATERS. "Public waters" has the meaning given in section 105.37, subdivision 14.

Subd. 24. PUBLIC WELFARE OR PUBLIC BENEFIT. "Public welfare" or "public benefit" includes an act or thing that tends to improve or benefit the general public, either as a whole or as to any particular community or part, including works contemplated by this chapter, that drain or protect roads from overflow, protect property from overflow, or reclaim and render property suitable for cultivation that is normally wet and needing drainage or subject to overflow.

Subd. 25. RESIDENT OWNER. "Resident owner" means an owner of property or buyer under a contract for deed who resides in the state.

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Subd. 26. ROAD. "Road" means any road used by the public for transportation purposes.

GENERAL DRAINAGE PROVISIONS

Sec. 2. [106A.011] DRAINAGE AUTHORITY POWERS.

Subdivision 1. GENERALLY. The drainage authority may make orders to:

- (1) construct and maintain drainage systems;
- (2) deepen, widen, straighten, or change the channel or bed of a natural waterway that is part of the drainage system or is located at the outlet of a drainage system;
- (3) extend a drainage system into or through a municipality for a suitable outlet; and
- (4) construct necessary dikes, dams, and control structures and power appliances, pumps, and pumping machinery as provided by law.

Subd. 2. DRAINAGE OF WATERBASINS AND WATERCOURSES. A drainage authority may not drain a water body or begin work or activity regulated by section 105.42 in a watercourse until the commissioner determines that the water body or watercourse is not public waters. If a water body or watercourse is determined to be public waters, the drainage proceedings are subject to section 105.391, subdivision 3, relating to replacing public waters and the water bank program.

Subd. 3. PERMISSION OF COMMISSIONER FOR WORK IN PUBLIC WATERS; APPLICATION. (a) The drainage authority must receive permission from the commissioner to:

- (1) remove, construct, or alter a dam affecting public waters;
 - (2) establish, raise, or lower the level of public waters; or
 - (3) drain any portion of a public water.
- (b) The petitioners for a proposed drainage system or the drainage authority may apply to the commissioner for permission to do work in public waters or for the determination of public waters status of a water body or watercourse.

Subd. 4. FLOOD CONTROL. The drainage authority may construct necessary dams, structures, and improvements and maintain them to impound and release flood water to prevent damage. The dams, structures, and improvements may be constructed with or without a drainage system. For a water body or watercourse that is not public waters the drainage authority may:

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(1) lower, or establish the height of water in the water body or watercourse to control flood waters;

(2) build structures and improvements to maintain a water body or watercourse for flood control or other public purposes; and

(3) construct dikes or dams in a water body to maintain water at the height designated by the drainage authority and to drain part of the water body.

Sec. 3. [106A.015] CONSIDERATIONS BEFORE DRAINAGE WORK IS DONE.

Subdivision 1. ENVIRONMENTAL AND LAND USE CRITERIA. Before establishing a drainage system the drainage authority must consider:

(1) private and public benefits and costs of the proposed drainage system;

(2) the present and anticipated agricultural land acreage availability and use in the drainage system;

(3) the present and anticipated land use within the drainage system;

(4) flooding characteristics of property in the drainage system;

(5) the waters to be drained and alternative measures to conserve, allocate, and develop the waters;

(6) the effect on water quality of constructing the proposed drainage system;

(7) fish and wildlife resources affected by the proposed drainage system;

(8) shallow groundwater availability, distribution, and use in the drainage system; and

(9) the overall environmental impact of all the above criteria.

Subd. 2. DETERMINING PUBLIC UTILITY, BENEFIT, OR WELFARE. In any proceeding to establish a drainage system, or in the construction of or other work affecting a public drainage system under any law, the drainage authority or other authority having jurisdiction of the proceeding must give proper consideration to conservation of soil, water, forests, wild animals, and related natural resources, and to other public interests affected, together with other material matters as provided by law in determining whether the project will be of public utility, benefit, or welfare.

Sec. 4. [106A.021] DITCHES MUST BE PLANTED WITH PERMANENT GRASS.

Subdivision 1. SPOIL BANKS MUST BE SPREAD AND GRASS PLANTED. In any proceeding to establish, construct, improve, or do any work affecting a public drainage system under any law that appoints viewers to assess

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benefits and damages, the authority having jurisdiction of the proceeding shall order spoil banks to be spread consistent with the plan and function of the drainage system. The authority shall order that permanent grass, other than a noxious weed, be planted on the banks and on a strip 16-1/2 feet in width or to the crown of the leveled spoil bank, whichever is the greater, on each side of the top edge of the channel of the ditch. The acreage and additional property required for the planting must be acquired by the authority having jurisdiction.

Subd. 2. RESEEDING AND HARVESTING GRASS. The authority having jurisdiction over the repair and maintenance of the drainage system shall supervise all necessary reseeded. The permanent grass must be maintained in the same manner as other drainage system repairs. Harvest of the grass from the grass strip in a manner not harmful to the grass or the drainage system is the privilege of the fee owner or assigns. The county drainage inspector shall establish regulations for the fee owner and assigns to harvest the grass.

Subd. 3. AGRICULTURAL PRACTICES PROHIBITED. Agri-cultural practices, other than those required for the maintenance of a permanent growth of grass, are not permitted on any portion of the property acquired for planting.

Sec. 5. [106A.025] PROCEDURE FOR DRAINAGE PROJECT THAT AFFECTS STATE LAND OR WATER AREA USED FOR CONSERVATION.

Subdivision 1. AREAS SUBJECT TO THIS SECTION. If a land or water area owned by the state and held or used to protect or propagate wild animals, provide hunting or fishing for the public, or for any other purpose relating to the conservation, development, or use of soil, water, forests, wild animals, or related natural resources will be affected by any public project or proceeding for drainage under any law, all procedures relating to the project or proceeding are subject to this section, if applicable.

Subd. 2. CONDITIONS TO TAKE OR DAMAGE STATE LAND AND WATER AREAS. (a) Any part of the state land or water area may be taken or damaged for a public project after payment of just compensation as provided by law and under the provisions of this subdivision.

(b) The authority having jurisdiction of the drainage project or proceeding shall first find and determine that there is public necessity for the taking or damage that is greater than the public interest in the purposes for which the affected land and water areas are held or used by the state.

(c) In determining the compensation to be paid for the taking or damage, the authority must give proper consideration to the value of the land and water area for the purposes it is held or used by the state and other material elements of value.

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(d) Public waters may not be taken, damaged, or impaired except as otherwise expressly authorized by law, and a provision of any other law for the protection or conservation of public waters may not be abridged or superseded by this subdivision.

Subd. 3. CONSIDERATIONS IN DETERMINING BENEFITS. In determining benefits to the state land or water area in any proceeding to levy assessments or offset benefits against damages, proper consideration must be given to the value of the area for the purpose it is held or used by the state, with other material elements of value.

Subd. 4. AMOUNTS PAID TO STATE. Any amounts paid to the state for taking or damaging the state land or water area in a proceeding must be credited to the proper account for acquisition, development, or maintenance of the areas, and the amount is appropriated to the commissioner for those purposes to remain available until expended.

Subd. 5. MONEY TO PAY ASSESSMENTS. Assessments for benefits made against the state land or water area in a proceeding must be paid out of money appropriated and available to pay assessments as provided by law.

Sec. 6. [106A.031] CONNECTION WITH DRAINS IN ADJOINING STATES.

Subdivision 1. PROCEDURE. If it is necessary to construct a drainage system at or near the boundary between this state and another state or country and the work cannot be done in a proper manner without extending the drainage system into the adjoining state or country, the drainage authority may join with the board or tribunal of the adjoining state or country having jurisdiction to plan and construct public drainage systems. The drainage authority in this state may enter into contracts or arrangements with the board or tribunal of the adjoining state or country to construct the drainage system. The proceeding and construction related to property in this state and, as applicable, the drainage authority in relation to the joint drainage work, are governed by this chapter.

Subd. 2. PAYMENT OF COSTS. The adjoining county or district in another state or country must pay its proper share of the necessary costs of the construction of any drainage work including damages. If the benefits to property in the adjoining state or country are not sufficient to pay all the costs of construction of the drainage system in that state or country, including damages, the drainage authority may authorize or direct the affected counties to contribute sufficient funds to complete the construction of the drainage system in the adjoining state or country, if the construction will be of sufficient benefit to the affected property in this state to warrant the contribution.

Sec. 7. [106A.035] DEFECTIVE NOTICE.

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If notice is required under this chapter and proper notice has been given to some parties but the notice is defective or not given to other parties, the drainage authority has jurisdiction of all parties that received proper notice. The proceedings may be continued by order of the drainage authority for the time necessary to publish, post, or mail a new notice. The new notice needs only be given to those not properly notified by the first notice.

Sec. 8. [106A.041] PERSONAL SERVICE IN LIEU OF OTHER METHODS OF NOTICE.

If notice is to be given under this chapter, personal service at least ten days before the date of hearing may be given in lieu of the manner provided. The notice must be served in the manner provided for the service of summons in a civil action in district court.

Sec. 9. [106A.045] FAILURE OF DRAINAGE AUTHORITY TO ATTEND HEARINGS.

If an order has been made and notice for a hearing given under this chapter, and the drainage authority does not appear at the time and place specified for any reason, the auditor shall continue the hearing to a date set by the auditor. The auditor shall notify the drainage authority of the continuance and the date of hearing. The jurisdiction is continued until the date set by the auditor.

Sec. 10. [106A.051] DEFECTIVE PROCEEDINGS.

(a) A party may not take advantage of an error in a drainage proceeding or an informality, error, or defect appearing in the record of the proceeding or construction, unless the party complaining is directly affected. The modification of the benefits or damages to any property, or the enjoining of collection of any assessment, does not affect any other property or the collection of any assessment on other property.

(b) If a drainage system has been established and a contract awarded in good faith, without collusion, and at a reasonable price:

(1) a defect or lack of notice in awarding, making, or executing the contract does not affect the enforcement of an assessment; and

(2) if the contract is performed in good faith in whole or in part, a defect does not invalidate the contract.

Sec. 11. [106A.055] REIMBURSEMENT OF COST OF FORMER SURVEYS WHEN USED LATER.

If after a proceeding has begun a survey has been made and a proceeding to establish a drainage system has been dismissed or the drainage system has not been established, and all or a part of the former survey is used by the engineer for a drainage proceeding in the same area, the amount saved in the subsequent

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proceedings must be paid to the proper parties according to this section. If the parties who paid the expense of the former survey make a petition, the drainage authority shall:

- (1) determine the amount of benefit that was derived by the subsequent proceedings from the former survey;
- (2) order the amount of the benefit to be paid to the proper parties; and
- (3) charge the amount paid as a cost of the subsequent drainage proceeding.

Sec. 12. [106A.061] RIGHT OF ENTRY.

In proceedings under this chapter, the engineer, the engineer's assistants, the viewers, and the viewers' assistants may enter any property to make a survey, locate a drain, examine the property, or estimate the benefits and damages.

Sec. 13. [106A.065] DRAINAGE INSPECTORS.

In counties where constructed drainage systems have an aggregate cost of more than \$50,000, the board shall appoint a competent person as county drainage inspector. The inspector may be the county highway engineer. The inspector shall examine the drainage systems designated by the board. The board shall specify the appointment period and compensation.

Sec. 14. [106A.071] COUNTY ATTORNEY.

The county attorney shall represent the county in all drainage proceedings and related matters without special compensation. A county attorney, the county attorney's assistant, or any attorney associated with the county attorney in business, may not otherwise appear in any drainage proceeding for any interested person.

Sec. 15. [106A.075] OBSTRUCTION OF DRAINAGE SYSTEM.

Subdivision 1. NOTIFICATION TO RESPONSIBLE PARTY. If the board determines that a drainage system has been obstructed, including by the installation of bridges or culverts of insufficient hydraulic capacity, the board shall notify the person or public authority responsible for the obstruction as soon as possible and direct the responsible party to remove the obstruction or show the board why the obstruction should not be removed. The board must set a time and location in the notice for the responsible person to appear before the board.

Subd. 2. OBSTRUCTION ON PRIVATE PROPERTY. If the obstruction is on private property, the owner is responsible for the obstruction unless the owner proves otherwise. The owner must be notified by certified mail at least ten days before the hearing.

Subd. 3. OBSTRUCTION HEARING. The board shall hear all interested parties and if the board determines that the drainage system has been

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obstructed by a person or public authority, the board shall order the obstruction removed by the responsible party within a reasonable time set in the order. If the obstruction is not removed by the prescribed time, the board shall have the obstruction removed and the auditor shall make a statement of the removal cost. The statement must be filed in the county recorder's office as a lien on the property where the obstruction is located or against the responsible party. The lien must be enforced and collected as liens for drainage repairs under this chapter, except that a lien may not be filed against private property if the board determines that the owner of the property is not responsible for the obstruction. The lien may be enforced against the responsible party by civil action.

Sec. 16. [106A.081] CRIMES RELATED TO DRAINAGE SYSTEMS; PENALTIES.

Subdivision 1. UNAUTHORIZED DRAIN OUTLETING INTO DRAINAGE SYSTEM. A person may not cause or construct a drain that outlets into a lawfully constructed drainage system except as provided in this chapter.

Subd. 2. OBSTRUCTION OR DAMAGE OF A DRAINAGE SYSTEM. A person may not wilfully obstruct or damage a drainage system.

Subd. 3. ALTERING ENGINEER'S MARKING OR STAKES. A person may not wilfully change the location or alter markings of stakes set by the engineer in a drainage system.

Subd. 4. PENALTY. Violation of this section is a misdemeanor.

Sec. 17. [106A.085] ENFORCEMENT.

Subdivision 1. WARRANTS AND ARRESTS. The commissioner, director of the fish and game division, game refuge patrolmen, and conservation officers may execute and serve warrants, and arrest persons detected in actual violation of sections 1 to 92 as provided in section 97.50, subdivision 1.

Subd. 2. PROSECUTION. The county attorney shall prosecute all criminal actions arising under this chapter.

Sec. 18. [106A.091] APPEALS.

Subdivision 1. GROUNDS FOR APPEAL. A party may appeal to the district court from a recorded order of a drainage authority made in a drainage proceeding that determines:

- (1) the amount of benefits;
- (2) the amount of damages;
- (3) fees or expenses allowed; or
- (4) whether the environmental and land use requirements and criteria of section 3, subdivision 1, are met.

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Subd. 2. PROCEDURE FOR APPEALS RELATED TO BENEFITS AND DAMAGES. (a) A person who appeals the amount of benefits or damages may include benefits and damages affecting property not owned by the appellant. Notice of the appeal must be served to the auditor and to the owner or occupant of property included in the appeal or to the attorney representing the property owner in the proceedings.

(b) The appellant must file a notice of appeal with the auditor within 30 days after the order to be appealed is filed. The notice must state the particular benefits or damages appealed and the basis for the appeal. Within 30 days after the notice is filed, the auditor must file the original notice with the clerk of the district court.

Subd. 3. PROCEDURE FOR APPEAL RELATED TO ALLOWANCE OF FEES OR EXPENSES. An appeal related to the allowance of fees or expenses may be to the district court of any county where the affected property is located. The appeal must be made within 30 days after the order allowing or disallowing the claim and is governed as applicable by the provisions of subdivision 4.

Subd. 4. APPEAL TRIAL. (a) The issues in the appeal are entitled to a trial by a jury at the next term of the district court after the appeal is filed that is held within the county where the drainage proceeding was pending.

(b) If the appellant requests it, the trial must be held at the next term of the district court of the county where the affected property is located. The clerk of the district court where the appeal is first filed shall make, certify, and file with the clerk of the district court of the county where the trial is transferred, a transcript of the papers and documents on file in the clerk's office in the proceedings related to the matters of the appeal. After the final determination of the appeal, the clerk of the district court that tried the appeal shall certify and return the verdict to the district court of the county where the drainage proceedings were filed.

(c) The appeal shall take precedence over all other civil court matters. If there is more than one appeal to be tried in one county, the court may, on its own motion or the motion of an interested party, consolidate two or more appeals and try them together, but the rights of the appellants must be determined separately. If the appellant does not prevail, the cost of the trial must be paid by the appellant.

(d) The clerk of the district court where the appeal is filed shall file a certified copy of the final determination of the appeal with the auditor of the affected counties.

Subd. 5. EFFECT OF DETERMINATION. For all appeals, the amount awarded by the jury as a determination of the issue appealed shall replace the amount that was appealed.

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Sec. 19. [106A.095] APPEAL FROM ORDERS DISMISSING OR ESTABLISHING DRAINAGE SYSTEMS.

Subdivision 1. NOTICE OF APPEAL. A party may appeal an order made by the board that dismisses drainage proceedings or establishes or refuses to establish a drainage system to the district court of the county where the drainage proceedings are pending. The appellant must serve notice of the appeal to the auditor within 30 days after the order is filed. After notice of the appeal is served, the appeal may be brought to trial by the appellant or the drainage authority after notifying the other party at least ten days before the trial date.

Subd. 2. TRIAL. The appeal must be tried by the court without a jury. The court shall examine the entire drainage proceeding and related matters and receive evidence to determine whether the findings made by the board can be sustained. At the trial the findings made by the board are prima facie evidence of the matters stated in the findings, and the board's order is prima facie reasonable. If the court finds that the order appealed is lawful and reasonable, it shall be affirmed. If the court finds that the order appealed is arbitrary, unlawful, or not supported by the evidence, it shall make an order, justified by the court record, to take the place of the appealed order, or remand the order to the board for further proceedings. After the appeal has been determined by the court, the board shall proceed in conformity with the court order.

Subd. 3. DETERMINATION OF BENEFITS AND DAMAGES AFTER COURT ORDER. If the order establishing a drainage system is appealed, the trial of appeals related to benefits or damages in the drainage proceeding must be stayed until the establishment appeal is determined. If the order establishing the drainage system is affirmed, appeals related to benefits and damages must then be tried.

Subd. 4. PROCEDURE IF APPEAL ORDER ESTABLISHES DRAINAGE SYSTEM. If an order refusing to establish a drainage system is appealed, and the court, by order, establishes the drainage system, the auditor shall give notice by publication of the filed order. The notice is sufficient if it refers to the drainage system by number or other descriptive designation, states the meaning of the order, and states the date the court order was filed. A person may appeal the establishment order to the district court as provided in this section.

Subd. 5. APPEAL OF APPELLATE ORDER. A party aggrieved by a final order or judgment rendered on appeal to the district court may appeal as in other civil cases. The appeal must be made and perfected within 30 days after the filing of the order or entry of judgment.

Sec. 20. [106A.101] DRAINAGE PROCEEDING AND CONSTRUCTION RECORDS.

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Subdivision 1. DOCUMENTS ARE PUBLIC RECORDS. All maps, plats, charts, drawings, plans, specifications, and other documents that have been filed, received in evidence, or used in connection with a drainage proceeding or construction are subject to the provisions on public records in section 15.17.

Subd. 2. RECORD REQUIREMENTS. All maps, plats, profiles, plans, and specifications prepared and used in relation to a proceeding must:

- (1) be uniform;
- (2) have each sheet bound and marked to identify the proceeding by the drainage system number;
- (3) show the name of the person preparing the sheet;
- (4) show the date the sheet was prepared; and
- (5) conform to rules and standards prescribed by the director of the division of waters.

Subd. 3. INDEX OF PROCEEDINGS AND RECORDS. The auditor shall keep all orders, exhibits, maps, charts, profiles, plats, plans, specifications, and records of the proceedings. These records may not be removed except when the board makes a written order to remove them. The auditor shall keep an accurate index of the proceedings and related documents in a bound book.

Subd. 4. ENGINEER'S DOCUMENTS. All original plats, profiles, records, and field books made by the engineer during the proceedings or the construction of a drainage system are public records and the property of the drainage authority. These public records must be filed with the auditor under the direction of the drainage authority when construction is completed or when the engineer stops acting for the drainage system, whichever is earlier.

Subd. 5. FILING AND STORAGE FACILITIES. County boards shall provide the auditor with necessary filing and storage facilities to protect the files and records of all proceedings. The county boards may provide for the copying and filing of the documents and records of proceedings by photographic devices as provided for public records under section 15.17. In the event of loss of the originals, the photographic copies are originals after authentication by the auditor.

Subd. 6. RECORDS ARE PRIMA FACIE EVIDENCE. The record of proceedings under this chapter and of orders made by the drainage authority or the district court in the proceedings, or a certified copy of a record or order, is prima facie evidence of the facts stated in the record or order and of the regularity of all proceedings prior to the making of the order.

PROCEDURE TO ESTABLISH DRAINAGE SYSTEMS

Sec. 21. [106A.201] NEW DRAINAGE SYSTEMS.

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Subdivision 1. PROCEDURE. To establish a new drainage system under this chapter, the petitioners and drainage authority must proceed according to this section and the provisions applicable to establishment of drainage systems.

Subd. 2. FILING PETITION AND BOND. A petition for a new drainage system and a bond must be filed with the auditor. If a drainage system is within two or more counties, the petition must be filed with the auditor of the county with the greatest area of property that the proposed drainage system passes over.

Subd. 3. SIGNATURES ON PETITION. The petition must be signed by a majority of the resident owners of the property that the proposed drainage system described in the petition passes over, or by the property owners of at least 60 percent of the area that the proposed drainage system passes over, excluding areas in and holders of easements for electric or telephone transmission and distribution lines. The petition may be signed by the commissioner of transportation or by a political subdivision, when property affected by or assessed for the proposed drainage system is in their jurisdiction. The signature of each entity counts as one signature on the petition.

Subd. 4. PETITION REQUIREMENTS. The petition must:

- (1) describe the property where the proposed drainage system passes over;
- (2) describe the starting point, the general course, and the terminus of the proposed drainage system;
- (3) state why the proposed drainage system is necessary;
- (4) state that the proposed drainage system will benefit and be useful to the public and will promote public health; and
- (5) state that the petitioners will pay all costs of the proceedings, if the proceedings are dismissed or the contract for the construction of the proposed drainage system is not awarded.

Subd. 5. WITHDRAWAL OF A PETITIONER. After a petition has been filed, a petitioner may not withdraw from the petition except with the written consent of all other petitioners on the filed petition.

Sec. 22. [106A.205] PETITIONERS' BOND.

One or more petitioners must file a bond with the petition for at least \$10,000 that is payable to the county where the petition is filed, or for a petition for a proposed joint county drainage system that is payable to all of the counties named in the petition. The bond must have adequate surety and be approved by the auditor. The bond must be conditioned to pay the costs incurred if the proceedings are dismissed or a contract is not awarded to construct the drainage system proposed in the petition.

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Sec. 23. [106A.211] EXPENSES NOT TO EXCEED BOND.

The costs incurred before the proposed drainage system is established may not exceed the amount of the petitioners' bond. A claim for expenses greater than the amount of the bond may not be paid unless an additional bond is filed. If the drainage authority determines that the cost of the proceeding will be greater than the petitioners' bond before the proposed drainage system is established, the drainage authority must require an additional bond to cover all costs to be filed within a prescribed time. The proceeding must be stopped until the additional bond prescribed by the drainage authority is filed. If the additional bond is not filed within the time prescribed, the proceeding may be dismissed.

Sec. 24. [106A.215] IMPROVEMENT OF DRAINAGE SYSTEM.

Subdivision 1. PROCEDURE. The procedure in this section must be used to improve an established and constructed drainage system.

Subd. 2. DEFINITION. In this section "improvement" means the tiling, enlarging, extending, straightening, or deepening of an established and constructed drainage system including construction of ditches to reline or replace tile and construction of tile to replace a ditch.

Subd. 3. LIMIT OF EXTENSION. An improvement may only extend a drainage system downstream to a more adequate outlet and the extension may not exceed one mile.

Subd. 4. PETITION. (a) To start an improvement proceeding, a petition must be signed by:

(1) at least 26 percent of the resident owners of the property affected by the proposed improvement;

(2) at least 26 percent of the resident owners of property that the proposed improvement passes over;

(3) the owners of at least 26 percent of the property area affected by the proposed improvement; or

(4) the owners of at least 26 percent of the property area that the proposed improvement passes over.

(b) The petition must be filed with the auditor or, for a drainage system in more than one county, with the auditor of the county having the largest area of property the improvement is located on.

(c) The provisions of section 21, subdivision 3, regarding signatures of public officials apply to this subdivision.

(d) The petition must:

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(1) designate the drainage system proposed to be improved by number or another description that identifies the drainage system;

(2) state that the drainage system has insufficient capacity or needs enlarging or extending to furnish sufficient capacity or a better outlet;

(3) describe the starting point, general course, and terminus of any extension;

(4) state that the proposed improvement will be of public utility and promote the public health; and

(5) contain an agreement by the petitioners that they will pay all costs and expenses that may be incurred if the improvement proceedings are dismissed.

Subd. 5. SUBSEQUENT PROCEEDINGS. When a petition and the bond required by section 22 are filed, the auditor shall present the petition to the board at its next meeting or, for a joint county drainage system, to the joint county drainage authority within ten days after the petition is filed. The drainage authority shall appoint an engineer to examine the drainage system and make an improvement report. The improvement proceedings must proceed under this chapter as provided for the original proceedings for the establishment of a drainage system. The benefits and damages determined must be as a result of the proposed improvement. Assessments for the repair of the improvement must be based on the benefits determined for the improvement.

Subd. 6. PETITION FOR SEPARABLE PART OF THE DRAINAGE SYSTEM NEEDING REPAIR. (a) If the existing drainage system needs repair and the petition for the improvement is for a separable part only of the existing drainage system, the engineer may include in the detailed survey report a statement showing the proportionate estimated cost of the proposed improvement required to repair the separable part of the existing system and the estimated proportionate cost of the added work required for the improvement. The notice of hearing on the detailed survey report must be given by publication and mailing to all persons owning property affected by the existing drainage system. The hearing may be held at the same time and location as the establishment hearing for the improvement.

(b) At the hearing, if the drainage authority determines that only a separable portion of the existing drainage system will be improved and that the portion needs repair, the drainage authority shall determine and assess, by order, the proportionate cost of the improvement that would be required to repair the separable portion of the drainage system to be improved. The order must direct that:

(1) the repair portion is allocated as repairs and assessed against all property benefited by the entire drainage system, as provided by section 86; and

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(2) the balance of the cost of the improvement is assessed in addition to the repair assessment against the property benefited by the improvement.

Sec. 25. [106A.221] IMPROVEMENT OF OUTLETS.

Subdivision 1. CONDITIONS FOR IMPROVEMENT OF OUTLETS. If a public or private, proposed or existing drainage system has waters draining into an existing drainage system, watercourse, or body of water, and the construction or proposed construction of the drainage system causes an overflow of the existing drainage system, watercourse, or body of water on adjoining property, an affected county or the owners of the overflowed property may start outlet improvement proceedings under this section.

Subd. 2. PETITION. (a) A petition must be signed by the board of an affected county, by at least 26 percent of the resident owners of adjoining overflowed property, or by the owners of at least 26 percent of the area of the overflowed property. The petition must:

- (1) describe the property that has been or is likely to be overflowed;
- (2) state in general terms by number or otherwise the drainage systems that have caused or are likely to cause the overflow;
- (3) describe the location of the overflowed drainage system, watercourse, or body of water and the outlet;
- (4) show the necessity of the improvement by enlarging the system or controlling the waters by off-take ditches, additional outlets, or otherwise;
- (5) show that the outlet improvement will protect the adjoining property from overflow;
- (6) state that the improvement will be of public benefit and utility and improve the public health; and
- (7) state that the petitioners will pay all costs incurred if the proceedings are dismissed or a contract for the construction outlet improvement is not awarded.

(b) The petitioners, except for a petition made by the board, shall give the bond required by section 22.

Subd. 3. FILING OF PETITION. The petition shall be filed with the county auditor. If the board makes the petition, it must be addressed to the drainage authority and filed with the auditor. If part of the improvement or the overflowed property is located in more than one county, the petition must be filed with the auditor.

Subd. 4. JURISDICTION OF BOARD AND DISTRICT COURT. After the petition is filed, the board or joint county drainage authority where the petition is filed, has jurisdiction of the petition, the improvement, the affected

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property, and all proceedings for the establishment and construction of the outlet improvement and the assessment of property benefited by the outlet improvement, as provided for establishment and construction of a drainage system under this chapter.

Subd. 5. PRELIMINARY SURVEY REPORT REQUIREMENTS. In the preliminary survey report, the engineer shall show the existing or proposed drainage systems that cause the overflow, the property drained or to be drained by the drainage system, and the names of affected property owners.

Subd. 6. BENEFITED PROPERTY TO BE DETERMINED BY VIEWERS. If, after the preliminary survey report hearing, a detailed survey is ordered and viewers appointed, the viewers shall determine and report the benefits to all property from the outlet improvement including property drained or to be drained by the existing or proposed drainage system.

Sec. 26. [106A.225] LATERALS.

Subdivision 1. PETITION. (a) Persons that own property in the vicinity of an existing drainage system may petition for a lateral that connects their property with the drainage system. The petition must be signed by at least 26 percent of the resident owners of the property or by the owners of at least 26 percent of the area of the property traversed by the lateral. The petition must be filed with the auditor, or for property in more than one county, the petition must be filed with the auditor of the county with the largest property area traversed by the lateral. The petition must:

(1) describe in general terms the starting point, general course, and terminus of the proposed lateral;

(2) describe the property traversed by the lateral;

(3) state the necessity to construct the lateral;

(4) state that, if constructed, the lateral will be of public benefit and utility and promote the public health;

(5) request that the lateral be constructed and connected with the drainage system; and

(6) provide that the petitioners will pay all costs incurred if the proceedings are dismissed or if a contract for the construction of the lateral is not awarded.

(b) The petitioners shall give the bond required by section 22.

Subd. 2. ESTABLISHMENT PROCEDURE. After the petition is filed, the procedure to establish and construct the lateral is the same as that provided in this chapter to establish a new drainage system.

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Subd. 3. AUTHORITY NECESSARY FOR PROPERTY NOT ASSESSED. A lateral may not be constructed to drain property that is not assessed benefits for the existing public drainage system until express authority for the use of the existing system as an outlet for the lateral has been obtained under section 52.

Sec. 27. [106A.231] DISMISSAL OF PROCEEDINGS BY PETITIONERS.

A proceeding under this chapter may be dismissed by a majority of the petitioners if they own at least 60 percent of the area owned by all of the petitioners as described in the petition. The proceeding may be dismissed at any time before the proposed drainage system is established after payment of the cost of the proceeding. The drainage authority shall determine the cost of the proceeding. After the proceeding is dismissed any other action on the proposed drainage system must begin with a new petition.

Sec. 28. [106A.235] DRAINAGE SYSTEM IN TWO OR MORE COUNTIES.

Subdivision 1. DESIGNATION. A petition for a proposed drainage system in two or more counties must be designated as a joint county drainage system with a number assigned by the auditor of the county with the largest area of property in the drainage system.

Subd. 2. JOINT COUNTY DRAINAGE AUTHORITY. The board where a petition for a proposed joint county drainage system is filed shall notify the board of each county where property is affected by the drainage system and request the boards to meet jointly and consider the petition. The boards shall select five of their members at the meeting to be the drainage authority. At least one member must be from each board. The drainage authority shall be known as the joint county drainage authority with a joint county drainage system number. A vacancy in the membership of the joint county drainage authority must be filled by joint action of the boards.

Subd. 3. TRANSFER OF DRAINAGE SYSTEMS TO WATERSHED DISTRICTS NOT AFFECTED. This section does not affect the transfer of a drainage system to the board of managers of a watershed district under section 112.65.

Sec. 29. [106A.241] ENGINEER.

Subdivision 1. APPOINTMENT. Within 30 days after filing the petition and bond, the drainage authority shall, by order, appoint an engineer to make a preliminary survey within a prescribed time. The engineer is the engineer for the drainage system throughout the proceeding and construction unless otherwise ordered. Each appointed engineer must file an oath and bond. The engineer may be removed by the drainage authority at any time. If the engineer

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position is vacant, the drainage authority shall appoint another engineer as soon as possible.

Subd. 2. OATH; BOND. An appointed engineer must subscribe to an oath to faithfully perform the assigned duties in the best manner possible and file a bond with the auditor. Within ten days after being appointed, the drainage authority shall set an amount of at least \$5,000 for the bond. The bond must have adequate surety and be payable to the county where the petition is filed, or for a proposed joint county drainage system to all counties in the petition. The bond must be conditioned to pay any person or the drainage authority for damages and injuries resulting from negligence of the engineer while the engineer is acting in the proceedings or construction, and provide that the engineer will diligently and honestly perform the engineer's duties. The bond is subject to approval by the auditor. The aggregate liability of the surety for all damages may not exceed the amount of the bond.

Subd. 3. ASSISTANTS; COMPENSATION. The engineer may appoint assistant engineers and hire help necessary to complete the engineer's duties. The engineer is responsible for the assistant engineers and may remove them. The compensation of the engineer, assistant engineers, and other employees is provided by section 76.

Subd. 4. ENGINEER'S REPORTS. The engineer shall make an expense report every two weeks after the beginning of the engineer's work until the construction contract is awarded. The report must show costs incurred by the engineer and expenses incurred under the engineer's direction relating to the proceeding, and include the names of the engineer, engineer assistants, and employees and the time each was employed, and every item of expense incurred by the engineer. The engineer must file this report with the auditor as soon as possible and may not incur expenses for the proceeding greater than the petitioners' bond.

Subd. 5. CONSULTING ENGINEER. After the engineer is appointed and before construction of the drainage system is finished, the drainage authority may employ an engineer as a consulting engineer for the proceeding and construction. A consulting engineer shall advise the engineer and drainage authority on engineering matters and problems that may arise related to the proceeding and construction of the drainage system. The drainage authority shall determine the compensation for the consulting engineer.

Sec. 30. [106A.245] PRELIMINARY SURVEY AND PRELIMINARY SURVEY REPORT.

Subdivision 1. SURVEY. The engineer shall proceed promptly to:

- (1) examine the petition and order;

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(2) make a preliminary survey of the area likely to be affected by the proposed drainage system to enable the engineer to determine whether the proposed drainage system is necessary and feasible with reference to the environmental and land use criteria in section 3, subdivision 1;

(3) examine and gather information related to determining whether the proposed drainage system substantially affects areas that are public waters; and

(4) if the proposed drainage system requires construction of an open channel, examine the nature and capacity of the outlet and any necessary extension.

Subd. 2. LIMITATION OF SURVEY. The engineer shall restrict the preliminary survey to the drainage area described in the petition, except that to secure an outlet the engineer may run levels necessary to determine the distance for the proper fall. The preliminary survey must consider the impact of the proposed drainage system on the environmental and land use criteria in section 3, subdivision 1. The drainage authority may have other areas surveyed after:

(1) giving notice by mail of a hearing to survey additional areas, to be held at least ten days after the notice is mailed, to the petitioners and persons liable on the petitioners' bond;

(2) holding the hearing;

(3) obtaining consent of the persons liable on the petitioners' bond; and

(4) ordering the additional area surveyed by the engineer.

Subd. 3. ADOPTION OF FEDERAL PROJECT. The engineer may approve and include as a part of the report, a project of the United States relating to drainage or flood control that is within the proposed drainage system area, and may accept data, plats, plans, or information relating to the project furnished by United States engineers. The engineer does not need to make the preliminary survey if the material furnished by the United States is sufficient for the engineer to make the preliminary survey report.

Subd. 4. PRELIMINARY SURVEY REPORT. The engineer shall report the proposed drainage system plan or recommend a different practical plan. The report must give sufficient information, in detail, to inform the drainage authority on issues related to feasibility, and show changes necessary to make the proposed plan practicable and feasible including extensions, laterals, and other work. If the engineer finds the proposed drainage system in the petition is feasible and complies with the environmental and land use criteria in section 3, subdivision 1, the engineer shall include in the preliminary survey report a preliminary plan of the proposed system showing the proposed ditches, tile, laterals, and other improvements, the outlet of the system, the watershed of the drainage system, and the property likely to be affected and its known owners. The plan must show:

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(1) the elevation of the outlet and the controlling elevations of the property likely to be affected referenced to standard sea level datum, if practical;

(2) the probable size and character of the ditches and laterals necessary to make the plan practicable and feasible;

(3) the character of the outlet and whether it is sufficient;

(4) the probable cost of the drains and improvements shown on the plan;

(5) all other information and data necessary to disclose the practicability, necessity, and feasibility of the proposed drainage system;

(6) consideration of the project under the environmental and land use criteria in section 3, subdivision 1, of the proposed drainage system; and

(7) other information as ordered by the drainage authority.

Sec. 31. [106A.251] FILING PRELIMINARY SURVEY REPORT.

The engineer shall file the completed preliminary survey report in duplicate with the auditor. The auditor shall send one copy of the report to the director. If the proposed drainage system involves a joint county drainage system, a copy of the report must be filed with the auditor of each affected county.

Sec. 32. [106A.255] COMMISSIONER'S PRELIMINARY ADVISORY REPORT.

The commissioner shall make a preliminary advisory report to the drainage authority with an opinion about the adequacy of the preliminary survey report. The commissioner shall state any additional investigation and evaluation that should be done under the public waters determination in section 105.37, and the environmental and land use criteria in section 3, subdivision 1, and cite specific portions of the preliminary survey report that are inadequate. The commissioner shall file an initial preliminary advisory report with the auditor before the date of the preliminary hearing. The commissioner may request additional time for review and evaluation of the preliminary survey report if additional time is necessary for proper evaluation. A request for additional time for filing the commissioner's preliminary advisory report may not be made more than five days after the date of the notice by the auditor that a date is to be set for the preliminary hearing. An extension of time may not exceed two weeks after the date of the request.

Sec. 33. [106A.261] PRELIMINARY HEARING.

Subdivision 1. NOTICE. When the preliminary survey report is filed, the auditor shall promptly notify the drainage authority. The drainage authority in consultation with the auditor shall set a time, by order, not more than 30 days after the date of the order, for a hearing on the preliminary survey report. At

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least ten days before the hearing, the drainage authority after consulting with the auditor shall give notice by mail of the time and location of the hearing to the petitioners, owners of property, and political subdivisions likely to be affected by the proposed drainage system in the preliminary survey report.

Subd. 2. HEARING. The engineer shall attend the preliminary hearing and provide necessary information. The petitioners and all other interested parties may appear and be heard. The commissioner's advisory report on the preliminary plan must be publicly read and included in the record of proceedings.

Subd. 3. SUFFICIENCY OF PETITION. (a) The drainage authority shall first examine the petition and determine if it meets the legal requirements.

(b) If the petition does not meet the legal requirements of this chapter, the hearing shall be adjourned and the petition referred back to the petitioners. The petitioners, by unanimous action, may amend the petition. The petitioners may obtain signatures of additional property owners as added petitioners.

(c) If at the adjourned hearing the petition does not meet the legal requirements, the proceedings must be dismissed.

Subd. 4. DISMISSAL. (a) The drainage authority shall dismiss the proceedings if it determines that:

(1) the proposed drainage system is not feasible;

(2) the adverse environmental impact is greater than the public benefit and utility after considering the environmental and land use criteria in section 3, subdivision 1, and the engineer has not reported a plan to make the proposed drainage system feasible and acceptable;

(3) the proposed drainage system is not of public benefit or utility; or

(4) the outlet is not adequate.

(b) If the proceedings are dismissed, any other action on the proposed drainage system must begin with a new petition.

Subd. 5. FINDINGS AND ORDER. (a) The drainage authority shall state, by order, its findings and any changes that must be made in the proposed drainage system from those outlined in the petition, including changes necessary to minimize or mitigate adverse impact on the environment, if it determines that:

(1) the proposed drainage system outlined in the petition, or modified and recommended by the engineer, is feasible;

(2) there is necessity for the proposed drainage system;

(3) the proposed drainage system will be of public benefit and promote the public health, after considering the environmental and land use criteria in section 3, subdivision 1; and

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(4) the outlet is adequate.

(b) Changes may be stated by describing them in general terms or filing a map that outlines the changes in the proposed drainage system with the order. The order and accompanying documents must be filed with the auditor.

Subd. 6. OUTLET IS EXISTING DRAINAGE SYSTEM. If the outlet is an existing drainage system, the drainage authority may determine that the outlet is adequate and obtain permission to use the existing drainage system as an outlet. The drainage authority shall assign a number to the proposed drainage system and proceed under section 52 to act in behalf of the proposed drainage system.

Subd. 7. EFFECT OF FINDINGS. (a) For all further proceedings, the order modifies the petition and the order must be considered with the petition.

(b) The findings and order of the drainage authority at the preliminary hearing are conclusive only for the signatures and legal requirements of the petition, the nature and extent of the proposed plan, and the need for a detailed survey, and only for the persons or parties shown by the preliminary survey report as likely to be affected by the proposed drainage system. All questions related to the practicability and necessity of the proposed drainage system are subject to additional investigation and consideration at the final hearing.

Sec. 34. [106A.265] ORDER FOR DETAILED SURVEY AND DETAILED SURVEY REPORT.

Subdivision 1. ORDER. When the preliminary hearing order is filed with the auditor, the drainage authority shall order the engineer to make a detailed survey with plans and specifications for the proposed drainage system and submit a detailed survey report to the drainage authority as soon as possible.

Subd. 2. WAIVER. The drainage authority may waive the order for and the detailed survey if it determines that adequate data, plans, and specifications have been furnished by a United States engineer.

Sec. 35. [106A.271] DETAILED SURVEY.

Subdivision 1. SURVEY AND EXAMINATION. When an order for a detailed survey is filed, the engineer shall proceed to survey the lines of the proposed drainage system in the preliminary hearing order, and survey and examine affected property.

Subd. 2. SURVEY REQUIREMENTS. All drainage lines must be surveyed in 100 foot stations and elevations must be based on standard sea level datum, if practical. Bench marks must be established on permanent objects along the drainage line, not more than one mile apart. Field notes made by the engineer must be entered in bound field books and preserved by the engineer until they are filed with the auditor.

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Sec. 36. [106A.275] ENGINEER'S VARIANCE FROM DRAINAGE AUTHORITY ORDER.

(a) In planning a proposed drainage system, the engineer may vary from the starting point and the line and plan described by the preliminary hearing order if necessary to drain the property likely to be assessed in the proposed drainage system.

(b) The engineer may:

(1) survey and recommend the location of additional necessary ditches;

(2) where better results will be accomplished and more desirable outlets secured, provide for the extension of the outlet; and

(3) provide for different parts of the drainage to flow in different directions with more than one outlet.

(c) The open ditches do not have to connect if they drain the area to be affected in the petition. The variance must be reported with similar information in the detailed survey report.

Sec. 37. [106A.281] SOIL SURVEY.

The engineer shall make a soil survey if: (1) the drainage authority orders a soil survey; (2) the commissioner requests a soil survey; or (3) the engineer determines a soil survey is necessary. The soil survey must show the nature and character of the soil in the proposed drainage area and include the engineer's findings from the soil survey. The report on the soil survey must be included in the detailed survey report or reported and filed separately before the final hearing.

Sec. 38. [106A.285] DETAILED SURVEY REPORT.

Subdivision 1. REPORT AND INFORMATION REQUIRED. The engineer shall prepare a detailed survey report that includes the data and information in this section.

Subd. 2. MAP. A complete map of the proposed drainage system must be drawn to scale, showing:

(1) the terminus and course of each drain and whether it is ditch or tile, and the location of other proposed drainage works;

(2) the location and situation of the outlet;

(3) the watershed of the proposed drainage system and the sub-watershed of main branches, if any, with the location of existing highway bridges and culverts;

(4) all property affected, with the names of the known owners;

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(5) public roads and railways affected;

(6) the outline of any lake basin, wetland, or public water body affected;

and

(7) other physical characteristics of the watershed necessary to understand the proposed drainage system.

Subd. 3. PROFILE OF DRAINAGE LINES. A profile of all proposed drainage lines must be presented showing, graphically, the elevation of the ground and gradient at each 100 foot station, and the station number at each section line and at each property line. The profile must show information necessary to understand it, including, in the case of an open ditch, the bottom width and side slope and, in the case of a tiled ditch, the size of tile.

Subd. 4. BRIDGE AND CULVERT PLANS. Plans for private bridges and culverts to be constructed by and as a part of the proposed drainage system and plans for other works to be constructed for the proposed drainage system must be presented. A list must be made that shows the required minimum hydraulic capacity of bridges and culverts at railways and highways that cross ditches, and at other prospective ditch crossings where bridges and culverts are not specified to be constructed as part of the proposed drainage system. Plans and estimates of the cost of highway bridges and culverts must be prepared for the viewers to determine benefits and damages.

Subd. 5. TABULAR STATEMENT OF EXCAVATION, CONSTRUCTION, AND COST. A tabular statement must be prepared showing:

(1) the number of cubic yards of excavation, linear feet of tile, and average depth on each tile line;

(2) the bridges, culverts, and works to be constructed under the plans for the system; and

(3) the estimated unit cost of each item, a summary of the total cost, and an estimate of the total cost of completing the proposed drainage system that includes supervision and other costs.

Subd. 6. RIGHT-OF-WAY ACREAGE. The acreage must be shown that will be taken for ditch right-of-way on each government lot, 40 acre tract, or fraction of a lot or tract under separate ownership.

Subd. 7. DRAIN TILE SPECIFICATIONS. Specifications for drain tile must be given that comply with the requirements of the American Society for Testing Materials standard specifications for drain tile, except where the engineer requires tile of a special, higher quality for certain tile depths or soil conditions.

Subd. 8. SOIL SURVEY REPORT. If required under section 37, the report on the soil survey must be included in the detailed survey report or reported and filed separately before the final hearing.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 9. RECOMMENDATION FOR DIVISION OF WORK. If construction of the proposed drainage system would be more economical, the engineer may recommend: (1) that the work be divided into sections and contracted separately; (2) that the ditch and tile work or tile and labor on the system be contracted separately, or (3) the time and manner for the work to be completed.

Subd. 10. OTHER INFORMATION ON PRACTICABILITY AND NECESSITY OF DRAINAGE SYSTEM. Other data and information to inform the drainage authority of the practicability and necessity of the proposed drainage system must be made available including a comprehensive examination and the recommendation by the engineer regarding the environmental and land use criteria in section 3, subdivision 1.

Subd. 11. OUTLET IN ANOTHER STATE. If an outlet is only practical in an adjoining state, the engineer shall describe the right-of-way needed and the cost of obtaining the right-of-way and constructing the outlet.

Subd. 12. COMPLETION. The engineer shall prepare the detailed survey and complete the detailed survey report, in duplicate, as specified in this section.

Sec. 39. [106A.291] FILING DETAILED SURVEY REPORT.

The engineer must file the detailed survey report with the auditor where the proceedings are pending and the auditor must deliver a copy of the detailed survey report to the commissioner. The engineer must also file copies of the detailed survey report with the auditors of any affected counties.

Sec. 40. [106A.295] REVISION OF ENGINEER'S DETAILED SURVEY REPORT AFTER ACCEPTANCE.

After the final acceptance of the proposed drainage system, the engineer shall revise the plan, profiles, and designs of structures to show the project as actually constructed on the original tracings. The engineer shall file the revised detailed survey report with the auditor. The auditor shall forward the original or a copy to the director as a permanent record.

Sec. 41. [106A.301] COMMISSIONER'S FINAL ADVISORY REPORT.

(a) The commissioner shall examine the detailed survey report and within 30 days of receipt make a final advisory report to the drainage authority. The final advisory report must state whether the commissioner:

(1) finds the detailed survey report is incomplete and not in accordance with the provisions of this chapter, specifying the incomplete or nonconforming provisions;

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(2) approves the detailed survey report as an acceptable plan to drain the property affected;

(3) does not approve the plan and recommendations for changes;

(4) finds the proposed drainage system is not of public benefit or utility under the environmental and land use criteria in section 3, subdivision 1, specifying the facts and evidence supporting the findings; or

(5) finds a soil survey is needed, and, if it is, makes a request to the engineer to make a soil survey.

(b) The commissioner shall direct the final advisory report to the drainage authority and file it with the auditor.

Sec. 42. [106A.305] VIEWERS' APPOINTMENT AND QUALIFICATION.

Subdivision 1. APPOINTMENT. When the order for a detailed survey is made, the drainage authority shall, by order, appoint viewers consisting of three disinterested resident property owners of the counties affected by the proposed drainage system.

Subd. 2. AUDITOR'S ORDER FOR FIRST MEETING. Within five days after the detailed survey report is filed, the auditor shall, by order, designate the time and location for the first meeting of the viewers, and issue a copy to the viewers of the auditor's order and a certified copy of the order appointing the viewers.

Subd. 3. FIRST MEETING. At the first meeting and before beginning their duties, the viewers shall subscribe to an oath to faithfully perform their duties. If an appointed viewer does not qualify for any reason, the auditor shall designate another qualified person to take the disqualified viewer's place.

Sec. 43. [106A.311] VIEWERS' DUTIES.

The viewers, with or without the engineer, shall determine the benefits and damages to all property affected by the proposed drainage system and make a viewers' report.

Sec. 44. [106A.315] ASSESSMENT OF DRAINAGE BENEFITS AND DAMAGES.

Subdivision 1. STATE LAND. Property owned by the state must have benefits and damages reported in the same manner as taxable lands subject to the provisions relating to conservation areas in section 3, subdivision 2.

Subd. 2. GOVERNMENT PROPERTY. The viewers shall report the benefits and damages to the state, counties, and municipalities from the proposed drainage system.

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Subd. 3. PUBLIC ROADS. If a public road or street is benefited or damaged, the state, county, or political subdivision that is the governmental unit with the legal duty of maintaining the road or street, must be assessed benefits or damages to the road or street, except that benefits and damages for bridges and culverts must be assessed to the governmental unit that has the legal duty to construct and maintain the bridge or culvert under section 60.

Subd. 4. RAILWAY AND OTHER UTILITIES. The viewers shall report the benefits and damages to railways and other utilities, including benefits and damages to property used for railway or other utility purposes.

Subd. 5. EXTENT OF BENEFITS. The viewers shall determine the amount of benefits to all property benefited, whether the property is benefited immediately by the construction of the proposed drainage system or the proposed drainage system can become an outlet for drainage, makes an outlet more accessible, or otherwise directly benefits the property.

Subd. 6. BENEFITS FOR PROPOSED DRAINAGE SYSTEM AS OUTLET. (a) If the proposed drainage system furnishes an outlet to an existing drainage system and benefits the property drained by the existing system, the viewers shall equitably determine and assess:

(1) the benefits of the proposed drainage system to each tract or lot drained by the existing drainage system;

(2) a single amount as an outlet benefit to the existing drainage system; or

(3) benefits on a watershed acre basis.

(b) Assessments that conform with the provisions in this subdivision are valid. If a single sum is assessed as an outlet benefit, the lien for the assessment must be pro-rated on all property benefited by the existing drainage system in proportion to the benefits determined in the existing drainage system proceeding.

Sec. 45. [106A.321] VIEWERS' REPORT.

Subdivision 1. REQUIREMENTS. The viewers' report must show, in tabular form, for each lot, 40 acre tract, and fraction of a lot or tract under separate ownership that is benefited or damaged:

(1) a description of the lot or tract, under separate ownership, that is benefited or damaged;

(2) the names of the owners as they appear on the current tax records of the county;

(3) the number of acres in each tract or lot;

(4) the number and value of acres added to a tract or lot by the proposed drainage of meandered lakes;

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(5) the damage, if any, to riparian rights; and

(6) the amount that each tract or lot will be benefited or damaged.

Subd. 2. DISAGREEMENT OF VIEWERS. If the viewers are unable to agree, each viewer shall separately state findings on the disagreed issue. A majority of the viewers may perform the required duties under this chapter.

Subd. 3. FILING. When the viewers complete their duties, they shall file the viewers' report with the auditor of each affected county. A detailed statement must be filed with the viewers' report showing the actual time the viewers were engaged and the costs incurred. The viewers shall perform their duties and complete the viewers' report as soon as possible after their first meeting.

Sec. 46. [106A.325] FINAL HEARING.

Subdivision 1. TIME. Promptly after the filing of the viewers' report and the commissioner's final advisory report, the drainage authority after consulting with the auditor shall set a time and location for the final hearing on the petition, the detailed survey report, and the viewers' report. The hearing must be set 25 to 50 days after the date of the final hearing notice.

Subd. 2. NOTICE. (a) The final hearing notice must state:

(1) that the petition is pending;

(2) that the detailed survey report is filed;

(3) that the viewers' report is filed;

(4) the time and place set for the final hearing;

(5) a brief description of the proposed drainage system, giving in general terms the starting point, terminus, and general course of the main ditch and branches;

(6) a description of property benefited and damaged, and the names of the owners of the property; and

(7) the municipal and other corporations affected by the proposed drainage system as shown by the detailed survey report and viewers' report.

(b) Names may be listed in a narrative form and property affected may be separately listed in narrative form by governmental sections or otherwise.

(c) For a joint county proceeding, separate notice may be prepared for each county affected, showing the portion of the proposed drainage system and the names and descriptions of affected property in the county.

Subd. 3. METHOD OF NOTICE. The auditor shall notify the drainage authority, auditors of affected counties, and all interested persons of the time and

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location of the final hearing by publication, posting, and mail. A printed copy of the final hearing notice for each affected county must be posted at least three weeks before the date of the final hearing at the front door of the courthouse in each county. Within one week after the first publication of the notice, the auditor shall give notice by mail of the time and location of the final hearing to the commissioner, all property owners, and others affected by the proposed drainage system and listed in the detailed survey report and the viewers' report.

Subd. 4. DEFECTIVE NOTICE. If the final hearing notice is not given or is not legally given, the auditor shall properly publish, post, and mail the notice or provide the notice under the provisions to cure defective notice in section 7.

Sec. 47. [106A.331] JURISDICTION OF PROPERTY BY DRAINAGE AUTHORITY.

After the final hearing notice is given, the drainage authority has jurisdiction of all property described in the detailed survey report and viewers' report, of the persons and municipalities named in the reports, and of persons having an interest in a mortgage, lien, or encumbrance against property described in the reports.

Sec. 48. [106A.335] PROCEEDINGS AT THE FINAL HEARING.

Subdivision 1. CONSIDERATION OF PETITION AND REPORTS.

At the time and location for the final hearing specified in the notice, or after the hearing adjourns, the drainage authority shall consider the petition for the drainage system, with all matters pertaining to the detailed survey report, the viewers' report, and the commissioner's final advisory report. The drainage authority shall hear and consider the testimony presented by all interested parties. The engineer or the engineer's assistant and at least one viewer shall be present. The director may appear and be heard. If the director does not appear personally, the final advisory report shall be read during the hearing. The final hearing may be adjourned and reconvened as is necessary.

Subd. 2. CHANGES IN DRAINAGE PLAN. If the drainage authority determines that the general plan reported by the engineer may be improved by changes, or that the viewers have made an inequitable assessment of benefits or damages to any property, the drainage authority may amend the detailed survey report or the viewers' report, and make necessary and proper findings in relation to the reports. The drainage authority may resubmit matters to the engineer or to the viewers for immediate consideration. The engineer or viewers shall proceed promptly to reconsider the resubmitted matters and shall make and file the amended findings and reports. The amended reports are a part of the original reports.

Subd. 3. REEXAMINATION. If the drainage authority determines that property not included in the notice should be included and assessed or that the

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engineer or viewers, or both, should reexamine the proposed drainage system or the property benefited or damaged by the system, the drainage authority may resubmit the reports to the engineer and viewers. If a report is resubmitted the final hearing may be continued as is necessary to make the reexamination and reexamination report. If the reexamination report includes property not included in the original report, the drainage authority may, by order, adjourn the hearing and direct the auditor to serve or publish, post, and mail a final hearing notice with reference to all property not included in the previous notice. The jurisdiction of the drainage authority continues in the property given proper notice, and new or additional notice is not required for that property.

Sec. 49. [106A.341] DRAINAGE AUTHORITY FINAL ORDER.

Subdivision 1. DISMISSAL OF PROCEEDINGS. The drainage authority must dismiss the proceedings and petition, by order, if it determines that:

(1) the benefits of the proposed drainage system are less than the total cost, including damages awarded;

(2) the proposed drainage system will not be of public benefit and utility;
or

(3) the proposed drainage system is not practicable after considering the environmental and land use criteria in section 3, subdivision 1.

Subd. 2. ESTABLISHMENT OF PROPOSED DRAINAGE SYSTEM. (a) The drainage authority shall establish, by order, a proposed drainage system if it determines that:

(1) the detailed survey report and viewers' report have been made and other proceedings have been completed under this chapter;

(2) the reports made or amended are complete and correct;

(3) the damages and benefits have been properly determined;

(4) the estimated benefits are greater than the total estimated cost, including damages;

(5) the proposed drainage system will be of public utility and benefit, and will promote the public health; and

(6) the proposed drainage system is practicable.

(b) The order must contain the drainage authority's findings, adopt and confirm the viewers' report as made or amended, and establish the proposed drainage system as reported and amended.

Sec. 50. [106A.345] APPORTIONMENT OF COST FOR JOINT COUNTY DRAINAGE SYSTEMS.

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For joint county proceedings, the auditor where the petition is filed shall file a certified copy of the viewers' report with the auditor of each affected county within 20 days after the date of the final order establishing the system. When the final order to establish the drainage system is made, the drainage authority shall determine and order the percentage of the cost of the drainage system to be paid by each affected county. The cost shall be in proportion to the benefits received, unless there is a contrary reason. An auditor of an affected county may petition the drainage authority after the final order is made to determine and order the percentage of costs to be paid by the affected counties. The drainage authority shall hold a hearing five days after giving written notice to the auditor of each affected county. After giving the notice to the auditors of the affected counties, the drainage authority may, at any time that it is necessary, modify an order or make an additional order to allocate the cost among the affected counties.

Sec. 51. [106A.351] REDETERMINATION OF BENEFITS.

Subdivision 1. CONDITIONS TO REDETERMINE BENEFITS; APPOINTMENT OF VIEWERS. If the drainage authority determines that the original benefits determined in a drainage proceeding do not reflect reasonable present day land values or that the benefited areas have changed, or if more than 50 percent of the property owners benefited by a drainage system petition for correction of an error that was made at the time of the proceedings that established the drainage system, the drainage authority may appoint three viewers to redetermine and report the benefits and the benefited areas.

Subd. 2. HEARING AND PROCEDURE. The drainage authority shall hold a hearing on the report and confirm the benefits and benefited areas. The redetermination of benefits shall proceed as provided for viewers and the viewers' report in sections 43 to 45, and for the final hearing under sections 46, 48, and 49.

Subd. 3. REDETERMINED BENEFITS REPLACE ORIGINAL BENEFITS. The redetermined benefits and benefited areas must be used in place of the original benefits and benefited areas in all subsequent proceedings relating to the drainage system.

Subd. 4. APPEAL. A person aggrieved by the redetermination of benefits and benefited areas may appeal from the order confirming the benefits and benefited areas under section 18.

OUTLETS FOR DRAINAGE SYSTEMS

Sec. 52. [106A.401] USE OF DRAINAGE SYSTEM AS AN OUTLET.

Subdivision 1. COMMISSIONER MUST RECOGNIZE DRAINAGE OUTLET PROCEEDINGS WHEN PURCHASING WETLANDS. If the commissioner purchases wetlands under section 97.481, the commissioner must

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recognize that when a majority of landowners or owners of a majority of the land in the watershed, petition for a drainage outlet, the state should not interfere with or unnecessarily delay the drainage proceedings if the proceedings are conducted according to this chapter.

Subd. 2. EXPRESS AUTHORITY NECESSARY. After the construction of a drainage system, a public or private drainage system that drains property not assessed for benefits for the established drainage system may not be constructed to use the established drainage system as an outlet without obtaining express authority from the drainage authority of the drainage system proposed to be used as the outlet. This section is applicable to the construction of a public or private drainage system that outlets water into an established drainage system regardless of the actual physical connection.

Subd. 3. PETITION. A person seeking authority to use an established drainage system as an outlet must petition the drainage authority. When the petition is filed, the drainage authority in consultation with the auditor shall set a time and location for a hearing on the petition and shall give notice by mail and notice by publication of the hearing. The auditor must be paid a fee of \$5 plus 30 cents for each notice mailed in excess of ten.

Subd. 4. HEARING. At the hearing the drainage authority shall consider the capacity of the outlet drainage system. If express authority is given to use the drainage system as an outlet, the drainage authority shall state, by order, the terms and conditions for use of the established drainage system as an outlet and shall set the amount to be paid as an outlet fee. The order must describe the property to be benefited by the drainage system and must state the amount of benefits to the property for the outlet. The property benefited is liable for assessments levied after that time in the drainage system, on the basis of the benefits as if the benefits had been determined in the order establishing the drainage system.

Subd. 5. PRIVATE DRAINAGE SYSTEM MAY NOT BE CONSTRUCTED WITHOUT PAYMENT OF OUTLET FEE. A private drainage system may not be constructed to use the established drainage system as an outlet until the outlet fee, set by order, is paid by the petitioner to the county treasurer where petitioner's property is located.

Subd. 6. PAYMENT OF OUTLET FEE. The outlet fee for a proposed drainage system is a part of the cost of the proposed drainage system and is to be paid by assessment against the property benefited by the proposed drainage system, under section 67, and credited to the established drainage system account.

Sec. 53. [106A.405] OUTLETS IN ADJOINING STATES.

In any drainage proceeding, at the hearing on the detailed survey report and viewers' report, if the drainage authority determines that a proper outlet for the drainage system does not exist, except through property in an adjoining state,

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the drainage authority may adjourn the hearing. If the hearing is adjourned the drainage authority shall require the auditor or, for a joint county drainage system, the auditors of affected counties to procure an option to acquire the needed right-of-way at an expense not exceeding the estimated cost specified in the detailed survey report. The order establishing the drainage system may not be made until the option is procured. If the option is procured and the drainage system established, the option shall be exercised and the cost of the right-of-way shall be paid as a part of the cost of the drainage system.

Sec. 54. [106A.411] DRAINAGE SYSTEM AS OUTLET FOR MUNICIPALITY.

Subdivision 1. PETITION. A municipality may use a drainage system as an outlet for its municipal drainage system or the overflow from the system under the provisions of this section. The municipality must petition to the drainage authority to use the drainage system. The petition must:

- (1) show the necessity for the use of the drainage system as an outlet;
- (2) show that the use of the drainage will be of public benefit and utility and promote the public health;
- (3) be accompanied by a plat showing the location of the drainage system and the location of the municipal drainage system; and
- (4) be accompanied by specifications showing the plan of connection from the municipal drainage system to the drainage system.

Subd. 2. APPROVAL BY POLLUTION CONTROL AGENCY. The plan for connecting the municipal drainage system to the drainage system must be approved by the pollution control agency.

Subd. 3. FILING; NOTICE. (a) If proceedings to establish the drainage system to be used as an outlet are pending, the petition must be filed with the auditor. The municipal drainage system petition must be presented to the drainage authority at the final hearing to consider the detailed survey report and viewers' report. Notice of the municipal drainage system petition must be included in the final hearing notice.

(b) If the drainage system to be used as an outlet is established, the municipal drainage system petition must be filed with the auditor. When the petition is filed, the drainage authority in consultation with the auditor shall, by order, set a time and place for hearing on the petition. Notice of the hearing must be given by publication and by mailed notice to the auditor of each affected county.

Subd. 4. HEARING AND ORDER. (a) At the hearing the drainage authority may receive all evidence of interested parties for or against the granting of the petition. The drainage authority, by order, may authorize the municipality

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to use the drainage system as an outlet, subject to the conditions that are necessary and proper to protect the rights of the parties and safeguard the interests of the general public, if the drainage authority determines:

(1) that a necessity exists for the use of the drainage system as an outlet for the municipal drainage system or the overflow from the system;

(2) that use of the drainage system will be of public utility and promote the public health; and

(3) that the proposed connection conforms to the requirements of the pollution control agency and provides for the construction and use of proper disposal works.

(b) The drainage authority must, by order, make the municipality a party to the drainage proceedings and determine the benefits from using the drainage system as an outlet.

Subd. 5. BENEFITS AND ASSESSMENTS IF DRAINAGE SYSTEM IS ESTABLISHED. If the drainage system is established, the drainage authority must determine the amount the municipality must pay for the privilege of using the drainage system as an outlet. The amount must be paid to the affected counties and credited to the account of the drainage system used as an outlet. The municipality is liable for all subsequent liens and assessments for the repair and maintenance of the drainage system in proportion to the benefits, as though the benefits were determined in the order establishing the drainage system.

CONSTRUCTION OF DRAINAGE SYSTEM

Sec. 55. [106A.501] CONTRACT AND BOND.

Subdivision 1. PREPARATION. The county attorney, the engineer, and the attorney for the petitioners shall prepare the contract and bond. The contract and bond must include the provisions required by this chapter and section 574.26 for bonds given by contractors for public works and must be conditioned as provided by section 574.26 for the better security of the contracting counties and parties performing labor and furnishing material in performance of the contract. The prepared contract and bond must be attached and provided to the contractor for execution.

Subd. 2. CONTRACTOR'S BOND. The contractor shall file a bond with the auditor for an amount not less than 75 percent of the contract price of the work. The bond must have adequate surety and be approved by the auditor. The bond must provide that the surety for the bond is liable for all damages resulting from a failure to perform work under the contract, whether the work is resold or not, and that any person or political subdivision showing damages from the failure to perform work under the contract may maintain an action against the bond in their own names. Actions may be successive in favor of all persons

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injured, but the aggregate liability of the surety for all the damages may not exceed the amount of the bond. The surety is liable for the tile work guaranteed by the contractor. The contractor is considered a public officer and the bond an official bond within the meaning of section 574.24 construing the official bonds of public officers as security to all persons and providing for actions on the bonds by a party that is damaged.

Subd. 3. CONTRACT. The contract must contain a specific description of the work to be done, either expressly or by reference to the plans and specifications, and must provide that the work must be done and completed as provided in the plans and specifications and subject to the inspection and approval of the engineer. The contract must provide that time is of the essence of the contract, and that if there is a failure to perform the work according to the terms of the contract within the time given in the original contract or as extended, the contractors shall forfeit and pay counties an amount stated in the contract as liquidated damages. The amount must be fixed by the auditor for each day that the failure of performance continues.

Subd. 4. CONTRACT PROVISIONS FOR CHANGES DURING CONSTRUCTION. The contract must give the engineer the right, with the consent of the drainage authority, to modify the detailed survey report, plans, and specifications as the work proceeds and as circumstances require. The contract must provide that the increased cost resulting from the changes will be paid by the drainage authority to the contractor at a rate not greater than the amount for similar work in the contract. A change may not be made that will substantially impair the usefulness of any part of the drainage system, substantially alter its original character, or increase its total cost by more than ten percent of the total original contract price. A change may not be made that will cause the cost to exceed the total estimated benefits found by the drainage authority, or that will cause any detrimental effects to the public interest under section 3, subdivision 1.

Subd. 5. CONTRACT WITH FEDERAL UNIT. If any portion of the work is to be done by the United States or an agency of the United States, a bond or contract is not necessary for that portion of the work, except that a contract must be made if the United States or its agencies require a contract with the local governmental units. The contract must contain the terms, conditions, provisions, and guaranties required by the United States or its agencies to proceed with the work.

Subd. 6. GUARANTY OF TILE WORK. If tile is used to construct any part of the drainage system, a majority of the persons affected may file a written request with the auditor to contract the tile work separately. The request must be filed before advertising for the sale of the work has begun. If the request is properly made, the tile work must be contracted separately. The contractor must guarantee the tile work under the contract for three years after its completion

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against any fault or negligence on the part of the contractor. The advertisement for bids must include this requirement.

Subd. 7. MODIFICATION OF CONTRACT BY AGREEMENT. This chapter does not prevent the persons with property affected by the construction of a drainage system from uniting in a written agreement with the contractor and the surety of the contractor's bond to modify the contract as to the manner or time when any portion of the drainage system is constructed, if the modification is recommended, in writing, by the engineer and approved by the drainage authority.

Sec. 56. [106A.505] AWARDING THE CONSTRUCTION CONTRACT.

Subdivision 1. AUDITORS AND DRAINAGE AUTHORITY TO PROCEED. Thirty days after the order establishing a drainage system is filed, the auditor and the drainage authority or, for a joint county drainage system, a majority of the auditors of the affected counties shall proceed to award the contract to construct the drainage system.

Subd. 2. PENDING APPEAL OF BENEFITS AND DAMAGES. If an appeal regarding the determination of benefits and damages is made within 30 days after the order establishing the drainage system has been filed, a contract may not be awarded until the appeal has been determined, unless the drainage authority orders the contract awarded. The auditor of an affected county or an interested person may request the drainage authority to make the order. If the request is not made by an affected auditor, the auditors of affected counties must be given notice five days before the hearing on the request.

Subd. 3. NOTICE OF CONTRACT AWARDING. The auditor of an affected county shall give notice of the awarding of the contract by publication in a newspaper in the county. The notice must state the time and location for awarding the contract. For a joint county drainage system the auditors shall award the contract at the office of the auditor where the proceedings are pending. If the estimated cost of construction is more than \$3,000, the auditor must also place a notice in a drainage construction trade paper. The trade paper notice must state:

- (1) the time and location for awarding the contract;
- (2) the approximate amount of work and its estimated cost;
- (3) that bids may be for the work as one job, or in sections, or separately, for bridges, ditches and open work, tile, or tile construction work, if required or advisable;
- (4) that each bid must be accompanied by a certified check or a bond furnished by an approved surety corporation payable to the auditors of affected

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counties for ten percent of the bid, as security that the bidder will enter into a contract and give a bond as required by section 55; and

(5) that the drainage authority reserves the right to reject any and all bids.

Subd. 4. ENGINEER SHALL ATTEND AWARDING OF CONTRACT. The engineer shall attend the meeting to award the contract. A bid may not be accepted without the engineer's approval of compliance with plans and specifications.

Subd. 5. HOW CONTRACT MAY BE AWARDED. The contract may be awarded in one job, in sections, or separately for labor and material and must be let to the lowest responsible bidder.

Subd. 6. BIDS EXCEEDING 30 PERCENT OF ESTIMATED COST NOT ACCEPTED. Bids that in the aggregate exceed the total estimated cost of construction by more than 30 percent may not be accepted.

Subd. 7. AFFECTED COUNTIES CONTRACT THROUGH AUDITOR. The chairman of the drainage authority and the auditor of each affected county shall contract, in the names of their respective counties, to construct the drainage system in the time and manner and according to the plans and specifications and the contract provisions in this chapter.

Subd. 8. WORK DONE BY FEDERAL GOVERNMENT. If any of the drainage work is to be done by the United States or its agencies, a notice of awarding that contract does not need to be published and a contract for that construction is not necessary. Affected municipalities may contract or arrange with the United States or its agencies for cooperation or assistance in constructing, maintaining, and operating the drainage system, for control of waters in the district, or for making a survey and investigation or reports on the drainage system. The municipalities may provide required guaranty and protection to the United States or its agencies.

Sec. 57. [106A.511] PROCEDURE IF CONTRACT IS NOT AWARDED DUE TO BIDS OR COSTS.

Subdivision 1. CONDITIONS TO USE PROCEDURE IN THIS SECTION. The procedure in this section may be used if after a drainage system is established:

(1) the only bids received are for more than 30 percent in excess of the engineer's estimated cost, or in excess of the benefits, less damages and other costs; or

(2) a contract is awarded, but due to unavoidable delays not caused by the contractor, the contract cannot be completed for an amount equal to or less than the benefits, less damages and other costs.

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Subd. 2. PETITION AFTER COST ESTIMATE ERROR OR CHANGE TO LOWER COST. A person interested in the drainage system may petition the drainage authority if the person determines that the engineer made an error in the estimate of the drainage system cost or that the plans and specifications could be changed in a manner materially affecting the cost of the drainage system without interfering with the efficiency. The petition must state the person's determinations and request that the detailed survey report and viewers' report be referred back to the engineer and to the viewers for additional consideration.

Subd. 3. PETITION AFTER EXCESSIVE COST DUE TO INFLATION. (a) A person interested in the drainage system may petition the drainage authority for an order to reconsider the detailed survey report and viewers' report if the person determines:

(1) that bids were received only for a price more than 30 percent in excess of the detailed survey report estimate because inflation increased the construction cost between the time of the detailed survey cost estimate and the time of awarding the contract; or

(2) that after the contract was awarded there was unavoidable delay not caused by the contractor, and between the time of awarding the contract and completion of construction inflation increased construction costs resulting in the contract not being completed for an amount equal to or less than the assessed benefits.

(b) The person may request in the petition that the drainage authority reconsider the original cost estimate in the detailed survey report and viewers' report and adjust the cost estimate consistent with the increased construction cost.

Subd. 4. HEARING ORDERED AFTER RECEIPT OF PETITION. After receiving a petition, the drainage authority shall order a hearing. The order must designate the time and place of the hearing and direct the auditor to give notice by publication.

Subd. 5. HEARING ON COST PETITION. (a) At the hearing the drainage authority shall consider the petition and hear all interested parties.

(b) The drainage authority may, by order, authorize the engineer to amend the detailed survey report, if the drainage authority determines that:

(1) the detailed survey report cost estimate was erroneous and should be corrected;

(2) the plans and specifications could be changed in a manner materially affecting the cost of the drainage system without interfering with the efficiency; and

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(3) with the correction or modification a contract could be awarded within the 30 percent limitation and equal to or less than benefits.

(c) If the drainage authority determines that the amended changes affect the amount of benefits or damages to any property or that the benefits should be reexamined because of inflated land values or inflated construction costs, it shall refer the viewers' report to the viewers to reexamine the benefits and damages.

(d) The drainage authority may, by order, direct the engineer and viewers to amend their detailed survey report and viewers' report to consider the inflationary cost increases if the drainage authority determines that:

(1) bids were not received; or

(2) because of inflationary construction cost increases, construction under the awarded contract cannot be completed for 30 percent or less over the detailed survey cost estimate or in excess of the benefits, less damages and other costs.

(e) The drainage authority may continue the hearing to give the engineer or viewers additional time to amend the reports. The jurisdiction of the drainage authority continues at the adjourned hearing.

(f) The drainage authority has full authority to consider the amended reports and make findings and orders. A party may appeal to the district court under section 18, subdivision 1.

Sec. 58. [106A.515] DAMAGES, PAYMENT.

The board of each county where the damaged property is located must order the awarded damages to be paid, less any assessment against the property, before the property is entered for construction of the drainage system. If a county or a municipality that is awarded damages requests it, the assessment may not be deducted. If there is an appeal, the damages may not be paid until the final determination. If it is not clear who is entitled to the damages, the board may pay the damages to the clerk of the district court of the county. The court shall direct the clerk, by order, to pay the parties entitled to the damages.

Sec. 59. [106A.521] SUPERVISION OF CONSTRUCTION.

The drainage authority shall require the engineer to supervise and inspect the construction under contract. The drainage authority shall cause the contracts under this chapter to be performed properly.

Sec. 60. [106A.525] CONSTRUCTION AND MAINTENANCE OF BRIDGES AND CULVERTS.

Subdivision 1. HYDRAULIC CAPACITY. A public or private bridge or culvert may not be constructed or maintained across or in a drainage system with less hydraulic capacity than specified in the detailed survey report, except with the written approval of the director of the division of waters. If the detailed

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survey report does not specify the hydraulic capacity, a public or private bridge or culvert in or across a drainage system ditch may not be constructed without the director's approval of the hydraulic capacity.

Subd. 2. ROAD AUTHORITY RESPONSIBLE FOR CONSTRUCTION. Bridges and culverts on public roads required by the construction or improvement of a drainage system must be constructed and maintained by the road authority responsible for keeping the road in repair, except as provided in this section.

Subd. 3. NOTICE; CHANGING COST. The auditor shall notify the state and each railroad company, corporation, or political subdivision that they are to construct a required bridge or culvert on a road or right-of-way under its jurisdiction, within a reasonable time in the notice. If the work is not done within the prescribed time, the drainage authority may order the bridge or culvert constructed as part of the drainage system construction. The cost must be deducted from the damages awarded to the corporation or collected from it as an assessment for benefits. If the detailed survey report or viewers' report shows that the construction of the bridge or culvert is necessary, the drainage authority may, by order, retain an amount to secure the construction of the bridge or culvert from amounts to be paid to a railroad, corporation, or political subdivision.

Subd. 4. CONSTRUCTION ON LINE BETWEEN TWO CITIES PAID EQUALLY. The costs of constructing a bridge or culvert that is required by construction of a drainage system on a public road that is not a state trunk highway on the line between two statutory or home rule charter cities, whether in the same county or not, must be paid jointly, in equal shares, by the cities. The cities shall pay jointly, in equal shares, for the cost of maintaining the bridge or culvert.

Subd. 5. CONSTRUCTION ON TOWN AND COUNTY LINES. The cost of constructing and maintaining bridges and culverts on a town or county road across a drainage system ditch constructed along the boundary line between towns or counties, with excavated material deposited on the boundary line or within 33 feet of the line, must be paid equally by the town or county where the bridge or culvert is located and the other town or county adjoining the boundary.

Sec. 61. [106A.531] INSPECTION OF DRAINAGE CONSTRUCTION AND PARTIAL PAYMENTS.

Subdivision 1. INSPECTION AND REPORT. The engineer shall inspect and require the work as it is being completed to be done in accordance with the plans, specifications, and contract for construction. Each month during the work, the engineer shall report to the drainage authority, in writing, showing the work completed since the previous report and all materials furnished under the contract.

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Subd. 2. PRELIMINARY CERTIFICATE. The engineer shall issue with the monthly report a preliminary certificate for work done and approved or materials delivered. The certificate must contain the station numbers of the work covered by the certificate and the total value of all work done and the materials furnished according to the contract. For each ditch section, the certificate must show the actual volume, in cubic yards, of the excavation completed. For joint county drainage systems the certificate must also show the percentage of the total value to be paid by each county in the proportion fixed by the drainage authority order. Each certificate must show that a loss will not occur as a result of a partial payment. A duplicate of the certificate must be delivered to the auditor of each affected county.

Subd. 3. PARTIAL PAYMENT. The affected counties must pay the contractor, based on the certificate, 90 percent of the total value of work done and approved and 90 percent of the total value of material furnished and delivered. The materials may only be delivered as required in the course of construction and authorized by the engineer.

Sec. 62. [106A.535] PARTIAL PAYMENT OF RETAINED CONTRACT AMOUNTS.

Subdivision 1. PETITION FOR PARTIAL PAYMENT OF RETAINED VALUE. If a single contract exceeds \$50,000, and the contract, exclusive of materials furnished and not installed, is one-half or more complete and the contractor is not in default, the contractor may file a verified petition with the auditor stating these facts and requesting that an order be made to pay 40 percent of the retained value of work and material.

Subd. 2. NOTICE OF HEARING. When the petition is filed, the auditor shall set a time and location for a hearing on the petition before the drainage authority. At least five days before the date of hearing, the auditor shall give notice by mail of the date and location of hearing to the engineer, the attorney for the petitioners, the surety of the contractor's bond, and auditors of the affected counties.

Subd. 3. HEARING. At the hearing the drainage authority shall hear all parties interested. If the drainage authority determines that the facts in the petition are correct, the work has been performed in a satisfactory manner, and a portion of the retained percentage may be released without endangering the interests of affected counties, the drainage authority shall state the findings and may order not more than 40 percent of the retained value of work and material to be paid.

Sec. 63. [106A.541] EXTENSION OF TIME ON CONTRACTS.

The auditors of affected counties may extend the time for the performance of a contract as provided in this section. The contractor may apply, in writing, for an extension of the contract. Notice of the application must be given to: (1)

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the engineer and the attorney for the petitioners; and (2) for a joint county drainage system, to the auditors of the affected counties. The auditors may grant an extension if sufficient reasons are shown. The extension does not affect a claim for liquidated damages that may arise after the original time expires and before an extension or a claim that may arise after the time for the extension expires.

Sec. 64. [106A.545] REDUCTION OF CONTRACTOR'S BOND.

Subdivision 1. APPLICATION TO DRAINAGE AUTHORITY. The contractor, at the end of each season's work and before the contract is completed, may make a verified application to the drainage authority to reduce the contractor's bond and file the application with the auditor. The application must state:

- (1) the work certified as completed by the engineer;
- (2) the certified work's value;
- (3) the amount of money received by the contractor and the amount retained;
- (4) the amount unpaid by the contractor for labor or material furnished on the contract; and
- (5) a request for an order to reduce the amount of the contractor's bond.

The application must be filed with the auditor.

Subd. 2. NOTICE FOR HEARING. When an application is filed, the auditor, by order, shall set the time and location for a hearing on the application. Ten days before the hearing, notice of the hearing must be published in each affected county and notice by mail given to the engineer, the attorney for the petitioners, and the auditor of each affected county. The contractor must pay the cost of the hearing notice by publication.

Subd. 3. HEARING; REDUCTION OF BOND. The drainage authority may, by order, reduce the contractor's bond if it determines that the contractor is not in default and that a loss will not result from reducing the bond. The bond may be reduced to an amount sufficient to protect the affected counties from loss and damage, but the reduction:

- (1) may not be more than 35 percent of the amount already paid to the contractor;
- (2) may not affect the remaining amount of the bond;
- (3) does not affect liability incurred on the bond before the reduction; and
- (4) does not affect a provision for a three-year guaranty of tile work.

Sec. 65. [106A.551] CONTRACTOR'S DEFAULT.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. NOTICE. If a contractor defaults in the performance of the contract, the auditor shall mail a notice of the default to the contractor, the surety of the contractor's bond, the engineer, and the auditors of the affected counties. The notice must specify the default and state that if the default is not promptly removed and the contract completed, the unfinished portion of the contract will be awarded to another contractor.

Subd. 2. COMPLETION OF CONTRACT BY SURETY. If the surety of the contractor's bond promptly proceeds with the completion of the contract, the affected auditors may grant an extension of time. If the contract is completed by the surety, the balance due on the contract must be paid to the surety, less damages incurred by the affected counties from the default.

Subd. 3. AWARDING OF CONTRACT; RECOVERY ON BOND. If the surety of the contractor's bond does not undertake the completion of the contract or does not complete the contract within the time specified or extended, auditors of the affected counties shall advertise for bids to complete the contract in the manner provided in the original awarding of contracts. The drainage authority may recover the increased amounts paid to a subsequent contractor after reselling the work, and damages incurred by affected counties, from the first contractor's bond.

Sec. 66. [106A.555] ACCEPTANCE OF CONTRACT.

Subdivision 1. ENGINEER'S REPORT AND NOTICE. When a contract is completed, the engineer shall make a report to the drainage authority showing the contract price, the amount paid on certificates, the unpaid balance, and the work that is completed under the contract. When the report is filed, the auditor shall set a time and location for a hearing on the report. The auditor shall give notice of the hearing by publication or notice by mail at least ten days before the hearing to the owners of affected property. The notice must state that the report is filed, the time and location for the hearing, and that a party objecting to the acceptance of the contract may appear and be heard.

Subd. 2. HEARING. At the hearing the drainage authority may, by order, direct payment of the balance due if it determines that the contract has been completed in accordance with the plans and specifications. If good cause is shown, the drainage authority may waive any part of the liquidated damages accruing under the contract. When the order is filed, the auditor shall draw a warrant on the treasurer of the county for the balance due on the contract. For a joint county drainage system the auditor shall make an order to the auditors of the affected counties to pay for their proportionate shares of the balance due on the contract. After receiving the order, the auditor of each affected county shall draw a warrant on the treasurer of the county for the amount specified in the order.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

FUNDING, COLLECTION, AND PAYMENT OF DRAINAGE SYSTEM COSTS

Sec. 67. [106A.601] DRAINAGE LIEN STATEMENT.

Subdivision 1. DETERMINATION OF PROPERTY LIABILITY.

When the contract for the construction of a drainage system is awarded, the auditor of an affected county shall make a statement showing the total cost of the drainage system with the estimated cost of all items required to complete the work. The cost must be prorated to each tract of property affected in direct proportion to the benefits. The cost, less any damages, is the amount of liability for each tract for the drainage system. The property liability must be shown in the tabular statement under subdivision 2, opposite the property owner's name and description of each tract of property. The amount of liability on a tract of property for establishment and construction of a drainage system may not exceed the benefits determined in the proceedings that accrue to the tract.

Subd. 2. DRAINAGE LIEN STATEMENT. The auditor of each affected county shall make a lien statement in tabular form showing:

(1) the names of the property owners, corporate entities, or political subdivisions of the county benefited or damaged by the construction of the drainage system in the viewers' report as approved by the final order for establishment;

(2) the description of the property in the viewers' report, and the total number of acres in each tract according to the county tax lists;

(3) the number of acres benefited or damaged in each tract shown in the viewers' report;

(4) the amount of benefits and damages to each tract of property as stated in the viewers' report and confirmed by the final order that established the drainage system unless the order is appealed and a different amount is set; and

(5) the amount each tract of property will be liable for and must pay into the county treasury for the establishment and construction of the drainage system.

Subd. 3. SUPPLEMENTAL DRAINAGE LIEN STATEMENT. If any items of the cost of the drainage system have been omitted from the original drainage lien statement, a supplemental drainage lien statement with the omitted items must be made and recorded in the same manner provided for a drainage lien statement. The total amount of the original drainage lien and any supplemental drainage liens may not exceed the benefits.

Subd. 4. RECORDING DRAINAGE LIEN STATEMENT. The drainage lien statement and supplemental drainage lien statements must be certified by the auditor and recorded by the county recorder of the county where the tract is located. The county recorder's fees for recording must be paid on allowance by

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the board. The drainage lien statement and any supplemental drainage lien statements, after recording, must be returned and preserved by the auditor.

Sec. 68. [106A.605] EFFECT OF FILED DRAINAGE LIEN.

The amount recorded on the drainage lien statement and supplemental drainage lien statement that each tract of property will be liable for, and the interest allowed on that amount, is a drainage lien on the property. The drainage lien is a first and paramount lien until fully paid, and has priority over all mortgages, charges, encumbrances, and other liens unless the board subordinates the drainage lien to easements of record. The recording of the drainage lien statement or a supplemental drainage lien statement is notice to all parties of the existence of the drainage lien.

Sec. 69. [106A.611] PAYMENT OF DRAINAGE LIENS AND INTEREST.

Subdivision 1. PAYMENT OF DRAINAGE LIEN PRINCIPAL. (a) Drainage liens against property benefited under this chapter are payable to the treasurer of the county in 20 or less equal annual installments. The first installment of the principal is due on or before November 1 after the drainage lien statement is recorded, and each subsequent installment is due on or before November 1 of each year afterwards until the principal is paid.

(b) The drainage authority may, by order, direct the drainage lien to be paid by 1/15 of the principal on or before five years from November 1 after the lien statement is recorded, and 1/15 on or before November 1 of each year afterwards until the principal is paid.

(c) The drainage authority may order that the drainage lien must be paid by one or two installments, notwithstanding paragraphs (a) and (b), if the principal amount of a lien against a lot or tract of property or against a county or municipality is less than \$50.

Subd. 2. INTEREST. (a) Interest is an additional drainage lien on all property until paid. The interest rate on the drainage lien principal must be set by the board, but may not exceed seven percent per year from the date the drainage lien statement is recorded.

(b) Before the tax lists for the year are given to the county treasurer, the auditor shall compute the interest on the unpaid balance of the drainage lien at the rate set by the board. The amount of interest must be computed on the entire unpaid principal from the date the drainage lien was recorded to August 15 of the next calendar year, and afterwards from August 15 to August 15 of each year.

(c) Interest is due and payable after November 1 of each year the drainage lien principal or interest is due and unpaid.

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Subd. 3. COLLECTION OF PAYMENTS. Interest and any installment due must be entered on the tax lists for the year. The installment and interest must be collected in the same manner as real estate taxes for that year by collecting one-half of the total of the installment and interest with and as a part of the real estate taxes on or before May 15 and one-half on or before October 15 of the next year.

Subd. 4. PREPAYMENT OF INTEREST. Interest may be paid at any time, computed to the date of payment, except that after the interest is entered on the tax lists for the year, it is due as entered, without a reduction for prepayment.

Subd. 5. PAYMENT OF DRAINAGE LIENS WITH BONDS. The board may direct the county treasurer to accept any outstanding bond that is a legal obligation of the county under this chapter issued on account of a drainage lien in payment of drainage liens under the provisions of this chapter. The bonds must be accepted at their par value plus accrued interest.

Subd. 6. DRAINAGE LIEN RECORD. The auditor shall keep a drainage lien record for each drainage system showing the amount of the drainage lien remaining unpaid against each tract of property.

Subd. 7. COLLECTION AND ENFORCEMENT OF DRAINAGE LIENS. The provisions of law that exist relating to the collection of real estate taxes are adopted to enforce payment of drainage liens. If there is a default, a penalty may not be added to an installment of principal and interest, but each defaulted payment, principal, and interest draws interest from the date of default until paid at seven percent per year.

Sec. 70. [106A.615] ENFORCEMENT OF ASSESSMENTS.

Subdivision 1. MUNICIPALITIES. Assessments filed for benefits to a municipality are a liability of the municipality and are due and payable with interest in installments on November 1 of each year as provided in section 69. If the installments and interest are not paid on or before November 1, the amount due with interest added as provided in section 69 must be extended by the county auditor against all property in the municipality that is liable to taxation. A levy must be made and the amount due must be paid and collected in the same manner and time as other taxes.

Subd. 2. COUNTY OR STATE-AID ROAD. If a public road benefited is a county or state-aid road, the assessment filed is against the county and must be paid out of the road and bridge fund of the county.

Subd. 3. STATE TRUNK HIGHWAY. An assessment against the state for benefits to trunk highways is chargeable to and payable out of the trunk highway fund. The commissioner of transportation shall pay assessments from the trunk highway fund after receipt of a certified copy of the assessment against the state for benefits to a trunk highway.

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Subd. 4. ASSESSMENT FOR VACATED TOWN ROADS. If a town is assessed for benefits to a town road in a drainage system proceeding under this chapter and the town road is later vacated by the town board under section 164.07, the town board may petition the drainage authority to cancel the assessment. The drainage authority may cancel the assessment if it finds that the town road for which benefits are assessed has been vacated under section 164.07.

Subd. 5. STATE PROPERTY. State property, including rural credit property, is assessable for benefits received. The assessment must be paid by the state from funds appropriated and available for drainage assessments after the state officer having jurisdiction over the assessed property certifies the assessment to the commissioner of finance.

Subd. 6. ASSESSMENTS ON WILDLIFE LANDS TO BE PAID FROM WILDLIFE ACQUISITION FUND. An assessment against state land acquired for wildlife habitat shall be paid from the wildlife acquisition fund as provided in section 97.484.

Subd. 7. RAILROAD AND UTILITY PROPERTY. Property owned by a railroad or other utility corporation benefited by a drainage system is liable for the assessments of benefits on the property as other taxable property. From the date the drainage lien is recorded, the amount of the assessment with interest is a lien against all property of the corporation within the county. Upon default the assessment may be collected by civil action or the drainage lien may be foreclosed by action in the same manner as provided by law for the foreclosure of mortgage liens. The county where the drainage lien is filed has the right of action against the corporation to enforce and collect the assessment.

Sec. 71. [106A.621] SATISFACTION OF LIENS.

When a drainage lien with the accumulated interest is fully paid, the auditor shall issue a certificate of payment with the auditor's official seal and record the certificate with the county recorder. The recorded certificate releases and discharges the drainage lien. The auditor may collect 25 cents for each description in the certificate. The auditor's fee and the fee of the county recorder must be paid from the account for the drainage system.

Sec. 72. [106A.625] SUBDIVISION BY PLATTING MUST HAVE LIENS APPORTIONED.

A tract of property with a drainage lien that is subdivided by platting is not complete and the plat may not be recorded until the drainage liens against the tracts are apportioned and the apportionment filed with the county recorder of the county where the tract is located.

Sec. 73. [106A.631] APPORTIONMENT OF LIENS.

Subdivision 1. PETITION. A person who has an interest in property that has a drainage lien attached to it may petition the drainage authority to

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apportion the lien among specified portions of the tract if the payments of principal and interest on the property are not in default.

Subd. 2. NOTICE. When the petition is filed, the drainage authority shall, by order, set a time and location for a hearing on the petition. The drainage authority shall give notice of the hearing by personal service to the auditor, the occupants of the tract, and on all parties having an interest in the tract as shown by the records in the county recorder's office. The service must be made at least ten days before the hearing. If personal service cannot be made to all interested persons, notice may be given by publication. The petitioner shall pay the costs for service or publication.

Subd. 3. HEARING. The drainage authority shall hear all related evidence and, by order, apportion the lien. A certified copy of the order must be recorded in the county recorder's office and filed with the auditor.

Sec. 74. [106A.635] DRAINAGE BOND ISSUES.

Subdivision 1. AUTHORITY. After the contract for the construction of a drainage system is awarded, the board of an affected county may issue the bonds of the county in an amount necessary to pay the cost of establishing and constructing the drainage system.

Subd. 2. SINGLE ISSUE FOR TWO OR MORE DRAINAGE SYSTEMS. The board may include two or more drainage systems in a single drainage bond issue. The total amount of the drainage bond issue may not exceed the total cost, including expenses, to be assessed to pay for the drainage systems. The total cost to be assessed must be determined or estimated by the board when the drainage bonds are issued.

Subd. 3. SECURITY AND SOURCE OF PAYMENT. The drainage bonds must be issued in accordance with chapter 475 and must pledge the full faith, credit, and resources of the county for the prompt payment of the principal and interest of the drainage bonds. The drainage bonds are primarily payable from the funds of the drainage systems financed by the bonds or from the common drainage bond redemption fund of the county. The common drainage bond redemption fund may be created by resolution of the county board as a debt redemption fund for the payment of drainage bonds issued under this chapter.

Subd. 4. PAYMENT PERIOD AND INTEREST ON DRAINAGE BONDS. (a) The board shall determine, by resolution:

(1) the time of payment for the drainage bonds not exceeding 23 years from their date;

(2) the rates of interest for the drainage bonds, with the net average rate of interest over the term of the bonds not to exceed seven percent per year; and

(3) whether the drainage bonds are payable annually or semi-annually.

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(b) The board shall determine the years and amounts of principal maturities that are necessary by the anticipated collections of the drainage systems assessments, without regard to any limitations on the maturities imposed by section 475.54.

Subd. 5. TEMPORARY DRAINAGE BONDS MATURING IN TWO YEARS OR LESS. The board may issue and sell temporary drainage bonds under this subdivision maturing not more than two years after their date of issue, instead of bonds under subdivision 4. The county shall issue and sell definitive drainage bonds before the maturity of bonds issued under this subdivision and use the proceeds to pay for the temporary drainage bonds and interest to the extent that the temporary bonds are not paid for by assessments collected or other available funds. The holders of temporary drainage bonds and the taxpayers of the county have and may enforce by mandamus or other appropriate proceedings:

(1) all rights respecting the levy and collection of assessments sufficient to pay the cost of drainage proceedings and construction financed by the temporary drainage bonds that are granted by law to holders of other drainage bonds, except the right to require levies to be collected before the temporary drainage bonds mature; and

(2) the right to require the offering of definitive drainage bonds for sale, or to require the issuance of definitive drainage bonds in exchange for the temporary drainage bonds, on a par for par basis, bearing interest at the rate of seven percent per year if the definitive drainage bonds have not been sold and delivered before the maturity of the temporary drainage bonds.

Subd. 6. DEFINITIVE DRAINAGE BONDS. The definitive drainage bonds issued in exchange for an issue of temporary drainage bonds must be numbered and mature serially at times and in amounts to allow the principal and interest to be paid when due by the collection of assessments levied for the drainage systems financed by the temporary bond issue. The definitive bonds are subject to redemption and prepayment on any interest payment date by the county notifying each definitive bondholder who has registered their name and address with the county treasurer. The bondholders must be notified by mail 30 days before the interest payment date. The definitive bonds must be delivered in order of their serial numbers, lowest numbers first, to the holders of the temporary drainage bonds in order of the serial numbers of the bonds held by them.

Subd. 7. SALE OF DEFINITIVE DRAINAGE BONDS. The board must sell and negotiate the definitive drainage bonds for at least their par value. The definitive bonds must be sold at public sale after advertised notice under chapter 475.

Subd. 8. COUNTY INVESTMENT, PURCHASE, AND SELLING OF TEMPORARY DRAINAGE BONDS. (a) Funds of the issuing county may

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be invested in temporary drainage bonds under sections 471.56 and 475.66, except that the temporary drainage bonds may be:

(1) purchased by the county when the temporary drainage bonds are initially issued;

(2) purchased only out of funds that the board determines will not be required for other purposes before the temporary drainage bonds mature; and

(3) resold before the temporary drainage bonds mature only if there is an unforeseen emergency.

(b) If a temporary drainage bond purchase is made from money held in a sinking fund for other bonds of the county, the holders of the other bonds may enforce the county's obligation to sell definitive bonds at or before the maturity of the temporary drainage bonds, or exchange the other bonds, in the same manner as holders of the temporary drainage bonds.

Subd. 9. DELIVERY OF BONDS AS DRAINAGE WORK PROCEEDS. The board may provide in the contract for the sale of drainage bonds, temporary drainage bonds, and definitive drainage bonds, that the bonds are delivered as the drainage work proceeds and the money is needed, and that interest is paid only from the date of delivery.

Subd. 10. BOND RECITAL. Each drainage bond, temporary drainage bond, and definitive drainage bond must contain a recital that it is issued by authority of and in strict accordance with this chapter. The recital is conclusive in favor of the holders of the bonds as against the county, that the drainage system has been properly established, that property within the county is subject to assessment for benefits in an amount not less than the amount of the bonds, and that all proceedings and construction relative to the drainage systems financed by the bonds have been or will be made according to law.

Subd. 11. HOW BONDS MAY BE PAID. The board may pay drainage bonds, temporary drainage bonds, and definitive drainage bonds issued under this chapter from any available funds in the county treasury if the money in the common drainage bond redemption fund or in the drainage fund for the issued bonds is insufficient. The county treasury funds that money is transferred from must be reimbursed, with interest at a rate of seven percent per year for the time the money is actually needed, from assessments on the drainage systems or from the sale of drainage funding bonds.

Sec. 75. [106A.641] DRAINAGE FUNDING BONDS.

Subdivision 1. AUTHORITY. The board may issue drainage funding bonds under the conditions and terms in this section.

Subd. 2. CONDITIONS FOR ISSUANCE. Drainage funding bonds may be issued if:

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(1) money in a drainage system account or in the common drainage bond redemption fund will not be sufficient to pay the principal and interest of the drainage bonds payable from the funds and becoming due within one year afterwards; or

(2) the county has paid any of the principal or interest on any of its drainage bonds from county funds other than the fund from which the bonds are payable, or by the issuance of county warrants issued and outstanding.

Subd. 3. AUDITOR'S CERTIFICATE. (a) Before drainage funding bonds are authorized or issued under this section, the county auditor shall first sign and seal a certificate and present the certificate to the board. The board shall enter the certificate in its records. The certificate must state in detail, for each of the several drainage systems:

(1) the amount that will be required to pay an existing shortage under subdivision 2; and

(2) the probable amount that will be required to pay the principal and interest of the county's outstanding drainage bonds that become due within one year afterwards.

(b) The certificate is conclusive evidence that the county has authority to issue bonds under the provisions of this section in an amount that does not exceed the aggregate amount specified in the auditor's certificate.

Subd. 4. ISSUANCE OF BONDS. When the auditor's certificate is entered in the board's records, the board may issue and sell, from time to time, county drainage funding bonds for the same drainage purposes as the funds listed in the certificate were used. The bonds must be designated drainage funding bonds. The board shall authorize issuance of the drainage funding bonds by resolution. The drainage funding bonds must be sold, issued, bear interest, and obligate the county as provided in section 74 for drainage bonds. The drainage funding bonds must mature serially in annual installments that are payable within 15 years.

Subd. 5. APPLICATION OF BOND PROCEEDS. The proceeds of drainage funding bonds that are paid into the treasury must be applied to the purpose for which they are issued.

Subd. 6. COUNTY BOND OBLIGATION. Drainage funding bonds are general obligations of the county but are not included in determining the county's net indebtedness under any law.

Sec. 76. [106A.645] ALLOWANCE AND PAYMENT OF FEES AND EXPENSES.

Subdivision 1. FEES AND EXPENSES. The fees and expenses in this section are allowed and must be paid for services provided under this chapter.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 2. ENGINEER, ENGINEER'S ASSISTANTS, AND OTHER EMPLOYEES. The compensation of the engineer, the engineer's assistants, and other employees is on a per diem basis and must be set by order of the drainage authority. The order setting compensation must provide for payment of the actual and necessary expenses of the engineer, the engineer's assistants, and other employees, including the cost of the engineer's bond.

Subd. 3. VIEWERS. Each viewer may be paid for every necessary day the viewer is engaged on a per diem basis and for the viewer's actual and necessary expenses. The compensation must be set by the drainage authority.

Subd. 4. BOARD MEMBERS. Each member of the board may be paid a per diem under section 375.055, subdivision 1, and actual and necessary expenses incurred while actually employed in drainage proceedings or construction, or in the inspection of any drainage system if the board member is appointed to a committee for that purpose.

Subd. 5. AUDITOR, ATTORNEY FOR THE PETITIONERS, AND OTHER COUNTY OFFICIALS. The county auditor and the attorney for the petitioners must each be paid reasonable compensation for services actually provided as determined by the drainage authority. The fees and compensation of all county officials in drainage proceedings and construction are in addition to other fees and compensation allowed by law.

Subd. 6. PETITIONERS' BOND. The cost of the petitioners' bond must be allowed and paid.

Subd. 7. PAYMENT. The fees and expenses provided for in this chapter for a drainage system in one county must be audited, allowed, and paid by order of the board or for a drainage system in more than one county must be audited, allowed, and paid by order of the drainage authority after ten days' written notice to each affected county. The notice must be given by the auditor to the auditors of affected counties. The notice must state the time and location of the hearing and that all bills on file with the auditor at the date of the notice must be presented for hearing and allowance.

Sec. 77. [106A.651] DRAINAGE SYSTEM ACCOUNT.

Subdivision 1. FUNDS FOR DRAINAGE SYSTEM COSTS. The board shall provide funds to pay the costs of drainage systems.

Subd. 2. DRAINAGE SYSTEM ACCOUNT. The auditor shall keep a separate account for each drainage system. The account must be credited with all money from the sale of bonds and bond premiums and all money received from interest, liens, assessments, and other sources for the drainage system. The account must be debited with every item of expense made for the drainage system.

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Subd. 3. INVESTMENT OF SURPLUS FUNDS. If a drainage system account or the common drainage bond redemption fund has a surplus over the amount required for payment of obligations presently due and payable from the account or fund, the board may invest any part of the surplus in bonds or certificates of indebtedness of the United States or of the state.

Subd. 4. DORMANT DRAINAGE SYSTEM ACCOUNT TRANSFERRED TO GENERAL REVENUE FUND. If a surplus has existed in a drainage system account for a period of 20 years or more and there have not been any expenditures from the account during the period, the board, by a unanimous resolution, may transfer the surplus remaining in the drainage system account to the county general revenue fund of the county.

Sec. 78. [106A.655] PAYMENT OF DRAINAGE SYSTEM COSTS.

Subdivision 1. PAYMENT MADE FROM DRAINAGE SYSTEM ACCOUNT. The costs for a drainage system proceeding and construction must be paid from the drainage system account by drawing on the account.

Subd. 2. INSUFFICIENT FUNDS; TRANSFER FROM OTHER ACCOUNTS. If money is not available in the drainage system account on which the warrant is drawn, the board may, by unanimous resolution, transfer funds from any other drainage system account under its jurisdiction or from the county general revenue fund to the drainage system account. If the board transfers money from another account or fund to a drainage system account, the money plus interest must be reimbursed from the proceeds of the drainage system that received the transfer. The interest must be computed for the time the money is actually needed at the same rate per year charged on drainage liens and assessments.

Subd. 3. WARRANT ON ACCOUNT WITH INSUFFICIENT FUNDS; INTEREST ON WARRANT. If a warrant is issued by the auditor under this chapter and there is not enough money in the drainage system account to pay the warrant when it is presented, the county treasurer shall endorse the warrant "Not paid for want of funds," with the date and sign the endorsement. Interest on the warrant must be at the rate of six percent per year and paid annually from available funds until the warrant is called in and paid by the treasurer. Interest may not be paid on a warrant after money is available to the treasurer to pay the warrants. The warrant is a general obligation of the county issuing the warrant.

Sec. 79. [106A.661] ESTABLISHMENT OF DRAINAGE SYSTEM ACCOUNTS BY STATE AUDITOR.

Subdivision 1. STATE AUDITOR MUST ESTABLISH ACCOUNTS UPON APPLICATION. A county may apply, by resolution, to the state auditor to examine the accounts and records of any or all drainage systems in the county.

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The auditor must establish a system of accounts for each drainage system applied for in the county.

Subd. 2. PAYMENT OF EXPENSES. The compensation and travel and hotel expenses of the examining accountant must be audited, allowed, and paid into the state treasury by the board. The money must be credited to the revolving fund of the state auditor. The county auditor shall apportion the expenses among the drainage systems in the county.

PROCEDURE TO REPAIR DRAINAGE SYSTEMS

Sec. 80. [106A.701] REPAIRS.

Subdivision 1. DEFINITION. The term "repair," as used in this section, means to restore all or a part of a drainage system as nearly as practicable to the same condition as when originally constructed or subsequently improved, including resloping of ditches and leveling of waste banks if necessary to prevent further deterioration, and routine operations that may be required to remove obstructions and maintain the efficiency of the drainage system.

Subd. 2. REPAIR OF TOWN DITCHES. The town board has the power of a drainage authority to repair a town drainage system located within the town.

Subd. 3. BRIDGES AND CULVERTS. (a) Highway bridges and culverts constructed on a drainage system established on or after March 25, 1947, must be maintained by the road authority charged with the duty of maintenance under section 60.

(b) Private bridges or culverts constructed as a part of a drainage system established by proceedings that began on or after March 25, 1947, must be maintained by the drainage authority as part of the drainage system. Private bridges or culverts constructed as a part of a drainage system established by proceedings that began before March 25, 1947, may be maintained, repaired, or rebuilt and any portion paid for as part of the drainage system by the drainage authority.

(c) For a repair of a drainage system that has had redetermination of benefits under section 51, the drainage authority may repair or rebuild existing bridges or culverts on town and home rule charter and statutory city roads constructed as part of the drainage system and any portion of the cost may be paid by the drainage system.

Sec. 81. [106A.705] REPAIR PROCEDURE.

Subdivision 1. INSPECTION. After the construction of a drainage system has been completed, the drainage authority shall maintain the drainage system that is located in its jurisdiction and provide the repairs necessary to make the drainage system efficient. The drainage authority shall have the drainage

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system inspected annually by an inspection committee of the drainage authority or a drainage inspector appointed by the drainage authority.

Subd. 2. DRAINAGE INSPECTOR REPORT. For each drainage system that the board designates and requires the drainage inspector to examine, the drainage inspector shall make a drainage inspection report in writing to the board after examining a drainage system, designating portions that need repair and the location and nature of the repair. The board shall consider the drainage inspection report at its next meeting and may repair all or any part of the drainage system as provided under this chapter.

Subd. 3. INSPECTION REPORT TO DRAINAGE AUTHORITY. If the inspection committee or drainage inspector reports, in writing, to the drainage authority that repairs are necessary on a drainage system and the report is approved by the drainage authority, the repairs must be made under this section.

Subd. 4. REPAIRS LESS THAN \$20,000. If the drainage authority finds that the estimated cost of repairs and maintenance of one drainage system for one year will be less than \$20,000, it may have the repair work done by hired labor and equipment without advertising for bids or entering into a contract for the repair work.

Subd. 5. ANNUAL REPAIR ASSESSMENT LEVY LIMITS. The drainage authority may give notice of and hold a hearing on the repair levy before ordering the levy of an assessment for repairs. In one calendar year the drainage authority may not levy an assessment for repairs or maintenance on one drainage system for more than 20 percent of the benefits of the drainage system or \$20,000, whichever is greater, except for a repair made after a disaster under subdivision 6 or under the petition procedure.

Subd. 6. REPAIR AND CONSTRUCTION AFTER DISASTER. The drainage authority may repair and reconstruct the drainage system without advertising for bids and without regard to the \$20,000 limitation if:

(1) a drainage system is destroyed or impaired by floods, natural disaster, or unforeseen circumstances;

(2) the area where the drainage system is located has been declared a disaster area by the President of the United States and federal funds are available for repair or reconstruction; and

(3) the public interests would be damaged by repair or reconstruction being delayed.

Sec. 82. [106A.711] COST APPORTIONMENT FOR JOINT COUNTY DRAINAGE SYSTEMS.

Subdivision 1. REPAIR COST STATEMENT. For a joint county drainage system the auditor of a county that has made repairs may present a

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repair cost statement at the end of each year, or other convenient period after completion, to each affected county. The repair cost statement must show the nature and cost of the repairs to the drainage systems and must be based on the original apportionment of cost following the establishment of the drainage system. If a board approves the repair costs, the statement must be paid to the county submitting the statement.

Subd. 2. REPAIR COST STATEMENT NOT PAID. (a) If a county does not pay the repair cost statement, the board of an affected county may petition the joint county drainage authority. The petition must:

(1) show the nature and necessity of the repairs made to the drainage system in the county during the period;

(2) show the cost of the repairs; and

(3) request the drainage authority to apportion the costs, by order, among the affected counties.

(b) When the petition is filed, the drainage authority shall, by order, set a time and location for a hearing to apportion the costs, and direct the auditor to give notice of the hearing to each affected county by publication and notice by mail to its auditor. At or before the hearing, the auditor of each affected county, except the petitioner, shall file with the drainage authority a statement showing:

(1) all repairs made to the drainage system in that county, not previously reimbursed;

(2) the nature and necessity of the repairs; and

(3) the cost of the repairs.

(c) The drainage authority has jurisdiction over the affected counties and shall hear all interested parties. The drainage authority shall determine which repairs were necessary and reasonable and proper costs. For the allowed repairs the drainage authority shall balance the accounts among the affected counties, by charging each county with its proportionate share of the cost of all repairs made and crediting each county with the amount paid for the repairs. The drainage authority shall order a just reimbursement among the affected counties. A certified copy of the order must be filed by the auditor with the auditors of affected counties, and the boards shall make the required reimbursement.

Sec. 83. [106A.715] PROCEDURE FOR REPAIR BY PETITION.

Subdivision 1. REPAIR PETITION. An individual or an entity interested in or affected by a drainage system may file a petition to repair the drainage system. The petition must state that the drainage system needs repair. The auditor shall present the petition to the board at its next meeting or, for a joint county drainage system, to the drainage authority within ten days after the petition is filed.

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Subd. 2. ENGINEER AND REPAIR REPORT. If the drainage authority determines that the drainage system needs repair, the drainage authority shall appoint an engineer to examine the drainage system and make a repair report. The report must show the necessary repairs, the estimated cost of the repairs, and all details, plans, and specifications necessary to prepare and award a contract for the repairs. The drainage authority may give notice and order a hearing on the petition before appointing the engineer.

Subd. 3. NOTICE OF HEARING. When the repair report is filed, the auditor shall promptly notify the drainage authority. The drainage authority in consultation with the auditor shall set a time, by order, not more than 30 days after the date of the order for a hearing on the repair report. At least ten days before the hearing, the auditor shall give notice by mail of the time and location of the hearing to the petitioners, owners of property, and political subdivisions likely to be affected by the repair in the repair report.

Subd. 4. HEARING ON REPAIR REPORT. (a) The drainage authority shall make findings and order the repair to be made if:

(1) the drainage authority determines from the repair report and the evidence presented that the repairs recommended are necessary for the best interests of the affected property owners; or

(2) the repair petition is signed by the owners of at least 26 percent of the property area affected by and assessed for the original construction of the drainage system, and the drainage authority determines that the drainage system is in need of repair so that it no longer serves its original purpose and the cost of the repair will not exceed the total benefits determined in the original drainage system proceeding.

(b) The order must direct the auditor and the chairman of the board or, for a joint county drainage system, the auditors of the affected counties to proceed and prepare and award a contract for the repair of the drainage system. The contract must be for the repair in the repair report and as determined necessary by the drainage authority, and be prepared in the manner provided in this chapter for the original drainage system construction.

Subd. 5. APPORTIONMENT OF REPAIR COST FOR JOINT COUNTY DRAINAGE SYSTEM. For the repair of a joint county drainage system, the drainage authority shall, by order, apportion the repair cost among affected counties in the same manner required in the original construction of the drainage system.

Subd. 6. REPAIR BY RESLOPING DITCHES, LEVELING WASTE BANKS, AND REMOVING TREES. (a) For a drainage system that is to be repaired by resloping ditches, leveling waste banks, or removing trees, before ordering the repair, the drainage authority must appoint viewers to assess and report on damages and benefits if it determines:

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(1) that the resloping, leveling, and tree removal will require the taking of any property not contemplated and included in the original proceeding for the establishment of the drainage system; and

(2) that any waste bank leveling will directly benefit property where the bank leveling is specified.

(b) The viewers shall assess and report damages and benefits as provided by sections 44 and 45 and the drainage authority shall hear and determine the damages and benefits as provided in sections 46, 48, and 49. Damages must be paid as provided by section 44 as a part of the cost of the repair, and benefits must be added to the benefits previously determined as the basis for the pro rata assessment for the repair of the drainage system for the repair proceeding only.

Sec. 84. [106A.721] REPLACEMENT AND HYDRAULIC CAPACITY OF BRIDGES AND CULVERTS.

Subdivision 1. REPORT ON HYDRAULIC CAPACITY. If the engineer determines in a drainage system repair proceeding that because of added property under section 88 or otherwise, a bridge constructed or replaced or culvert installed or replaced as a part of a drainage system provides inadequate hydraulic capacity for the efficient operation of the drainage system to serve its original purpose, the engineer shall make a hydraulic capacity report to the drainage authority. The hydraulic capacity report must include plans and specifications for the recommended replacement bridges and culverts, the necessary details to make and award a contract, and the estimated cost.

Subd. 2. NOTICE. When the hydraulic capacity report is filed, the auditor shall promptly notify the drainage authority. The drainage authority in consultation with the auditor shall, by order, set a time not more than 30 days after the date of the order, for a hearing on the report. At least ten days before the hearing, the auditor shall give notice by mail of the time and location of the hearing to the petitioners, owners of property, and political subdivisions likely to be affected by the repair in the repair report. The notice may be given in conjunction with and as a part of the repair report notice, but the notice must specifically state that increasing the hydraulic capacity will be considered by the drainage authority at the hearing.

Subd. 3. REPORT HEARING. At the hearing on the hydraulic capacity report, the drainage authority shall hear all interested parties. If the drainage authority finds that existing bridges and culverts provide insufficient hydraulic capacity for the efficient operation of the drainage system as originally constructed or subsequently improved, the drainage authority shall make findings accordingly, and may order that the hydraulic capacity be increased by constructing bridges or installing culverts of a sufficient capacity. The drainage authority shall determine and include in the order the type and plans for the replacement bridges or culverts. The order must direct the state, political subdivision,

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railroad company, or other entity to construct bridges or culverts required by the order for its road or right-of-way within a reasonable time stated in the order. The auditor shall notify the state, political subdivision, railroad company, or other entity to construct the bridges and culverts in accordance with the order.

Subd. 4. CONSTRUCTION NOT COMPLETED WITHIN SPECIFIED TIME. If the work is not done within the time specified, the drainage authority may order the bridges and culverts built and the cost collected as an assessment for benefits.

Subd. 5. REQUEST FOR CULVERT OR BRIDGE TO BE INSTALLED AS PART OF REPAIR. If a political subdivision, railroad company, or other entity, at the hearing or when notified to construct a bridge or install a culvert, requests that the bridge or culvert be installed as part of the repair of the drainage system, the drainage authority may, by order, direct the cost of the construction and installation assessed and collected from the political subdivision, railroad company, or other entity in the manner provided by section 86.

Sec. 85. [106A.725] COST OF REPAIR.

All fees and costs incurred for proceedings relating to the repair of a drainage system, including inspections, engineering, viewing, and publications, are costs of the repair and must be assessed against the property and entities benefited.

Sec. 86. [106A.731] ASSESSMENT; BONDS.

Subdivision 1. APPORTIONMENT OF ASSESSMENTS. If there is not enough money in the drainage system account to make a repair, the board shall apportion and assess the costs of the repairs pro rata on all property and entities that have been assessed benefits for the drainage system.

Subd. 2. NUMBER OF INSTALLMENTS. The assessments may be paid in annual installments specified in the assessment order. If the assessments are not more than 50 percent of the original cost of the drainage system, the installments may not exceed ten. If the assessments are greater than 50 percent of the original cost of the drainage system, the board may order the assessments to be paid in 15 or less installments.

Subd. 3. INTEREST ON ASSESSMENTS. If the order provides for payment in installments, interest on unpaid assessments from the date of the order for assessments must be set by the board in the order. The interest rate may not exceed seven percent per year and must be collected with each installment.

Subd. 4. COLLECTION OF ASSESSMENTS. If the assessment is not payable in installments, a lien does not need to be filed, and the assessment, plus interest from the date of the order to August 15 of the next calendar year, must be entered on the tax lists for the year. The assessment and interest are due and

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payable with and as a part of the real estate taxes for the year. If an assessment is levied and payable in installments, the auditor shall file for the record in the county recorder's office an additional tabular statement in substance as provided in section 67, and all the provisions of sections 68, 69, and 70 relating to collection and payment must apply to the assessment. Upon the filing of the tabular statement, the installment and interest are due and payable and must be entered on the tax lists and collected in the same manner as the original lien.

Subd. 5. CONDITIONS TO SELL BONDS FOR REPAIR. If a contract for drainage system repair has been entered into under this chapter or the repair has been ordered to be constructed by hired labor and equipment, and the board has ordered the assessments to be paid in installments, the board may issue and sell bonds, as provided by section 74.

Subd. 6. REPAIR OF STATE DRAINAGE SYSTEM WHEN NO BENEFITS WERE ASSESSED. For the repair of a drainage system established by the state where benefits were not assessed to the property, the drainage authority shall proceed to appoint viewers to determine the benefits resulting from the repair and collect assessments for the repair as provided in this chapter.

Sec. 87. [106A.735] DRAINAGE SYSTEM REPAIR FUND.

Subdivision 1. AUTHORITY AND LIMITS OF FUND. To create a repair fund for a drainage system to be used only for repairs, the drainage authority may apportion and assess an amount against all property and entities assessed for benefits in proceedings for establishment of the drainage system, including property not originally assessed and subsequently found to be benefited according to law. The fund may not exceed 20 percent of the assessed benefits of the drainage system or \$40,000, whichever is greater. If the account in a fund for a drainage system exceeds the larger of 20 percent of the assessed benefits of the drainage system or \$40,000, assessments for the fund may not be made until the account is less than the larger of 20 percent of the assessed benefits or \$40,000. Assessments must be made pro rata according to the determined benefits. Assessments may be made payable, by order, in equal annual installments. The auditor shall file a tabular statement as provided in section 86, subdivision 4, with the county recorder. Assessments must be collected as provided in section 86.

Subd. 2. TRANSFER OF DRAINAGE SYSTEM. If a drainage system within the county has been taken over by a watershed district under section 112.65, subdivision 1, or if responsibility for repair and maintenance of the drainage system has been assumed by any other governing body, the board may transfer any remaining surplus of the drainage system repair fund to the repair fund of the watershed district or to the appropriate fund of any existing governing body having responsibility for repair and maintenance of the drainage system.

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Sec. 88. [106A.741] INCLUSION OF PROPERTY THAT HAS NOT BEEN ASSESSED BENEFITS.

Subdivision 1. CONSIDERATION BY ENGINEER. In a proceeding to repair a drainage system, if the engineer determines or is made aware that property that was not assessed for benefits for construction of the drainage system has been drained into the drainage system or has otherwise benefited from the drainage system, the engineer shall submit a map with the repair report. The map must show all public and private main ditches and drains that drain into the drainage system, all property affected or otherwise benefited by the drainage system, and the names of the property owners to the extent practicable. The property owners must be notified of the hearing on the repair report at least ten days before the hearing. The auditor must give notice of the time and location of the hearing by mail.

Subd. 2. APPOINTMENT OF VIEWERS. At the hearing on the repair report, if the drainage authority determines that property not assessed for benefits for the construction of the drainage system has been benefited by the drainage system, the drainage authority shall appoint viewers as provided by section 42 before the repair contract is awarded. The viewers shall determine the benefits to all property and entities benefited by the original construction of the drainage system and not assessed for benefits arising from its construction. The viewers shall make a viewers' repair report to the drainage authority as provided by section 44. When the viewers' repair report is filed, the auditor shall give notice of a hearing as required by section 46 and the drainage authority has jurisdiction of each tract of property described in the viewers' report as provided in section 47.

Subd. 3. VIEWERS' REPAIR REPORT HEARING. At the hearing on the viewers' repair report, the drainage authority shall hear all interested parties and determine the benefits to property and entities benefited by the original construction of the drainage system and not assessed for benefits.

Subd. 4. APPEAL OF ASSESSMENT ORDER. A person may appeal from the order determining the assessments as provided by section 18.

Subd. 5. PROPERTY BENEFITED IN HEARING ORDER INCLUDED IN FUTURE PROCEEDINGS. For the repair of the drainage system under this section that included the property that was not assessed and in all future proceedings relating to repairing, cleaning, improving, or altering the drainage system, the property benefited in the viewers' report hearing is part of the property benefited by the drainage system and must be assessed in the same manner provided for the assessment of the property originally assessed for and included in the drainage system.

Sec. 89. [106A.745] COST OF REPAIR EXCEEDING BENEFITS.

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If the cost of the repair of a drainage system exceeds the benefits determined in the original proceedings for the establishment of the drainage system, the requirements of section 24 for improvements of drainage systems apply if:

- (1) the repair will result in the drainage of 100 or more acres of public waters in Anoka county;
- (2) the public waters have existed for 15 or more years;
- (3) the drainage system has not been substantially repaired for more than 25 years; and
- (4) the physical repair was not started before July 1, 1980.

CONSOLIDATION, DIVISION, AND ABANDONMENT OF DRAINAGE SYSTEMS

Sec. 90. [106A.801] CONSOLIDATION OR DIVISION OF DRAINAGE SYSTEMS.

Subdivision 1. AUTHORITY TO CONSOLIDATE OR DIVIDE. After the benefited area of a drainage system has been redetermined by the drainage authority under section 51 or in connection with drainage proceedings, the drainage authority may divide one system into two or more separate systems, consolidate two or more systems, transfer part of one system to another, or attach a part of a system that has been abandoned as provided in section 91 or 92 to another system to provide for the efficient administration of the system consistent with the redetermination of the benefited area.

Subd. 2. INITIATION OF ACTION. The consolidation or division may be initiated by the drainage authority on its own motion or by any party interested in or affected by the drainage system filing a petition. If the system is under the jurisdiction of a drainage authority, the petition must be filed with the auditor. If the system is under the jurisdiction of a watershed board, the petition must be filed with the secretary of the board.

Subd. 3. HEARING. (a) When a drainage authority or watershed board directs by resolution or a petition is filed, the drainage authority in consultation with the auditor or secretary shall set a time and location for a hearing. The auditor or secretary shall give notice by publication to all persons interested in the drainage system. The drainage authority may consolidate or divide drainage systems, by order, if it determines that the division of one system into two or more separate systems, the consolidation of two or more systems, the transfer of part of one system to another, or the attachment of a previously abandoned part of a system to another system:

- (1) is consistent with the redetermination of the benefited areas of the drainage system;

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(2) would provide for the efficient administration of the drainage system;
and

(3) would be fair and equitable.

(b) An order to consolidate or divide drainage systems does not release property from a drainage lien or assessment filed for costs incurred on account of a drainage system before the date of the order.

Sec. 91. [106A.805] REMOVAL OF PROPERTY FROM AND PARTIAL ABANDONMENT OF A DRAINAGE SYSTEM.

Subdivision 1. PETITION. After the construction of a drainage system, the owner of benefited property may petition the drainage authority to remove property from the drainage system or abandon any part of the drainage system that is not of public benefit and utility and does not serve a substantial useful purpose to property remaining in the system if:

(1) waters are diverted from property assessed for benefits so that the drainage from the property does not use or affect the drainage system; or

(2) a dam authorized by law is constructed in the drainage system so that the property above the dam cannot use or receive benefits from the drainage system.

Subd. 2. FILING. If the drainage system is under the jurisdiction of a drainage authority, the petition must be filed with the auditor. If the system is under the jurisdiction of a watershed district, the petition must be filed with the secretary of the district.

Subd. 3. HEARING. (a) When the petition is filed, the drainage authority in consultation with the auditor or the secretary shall set a time and location for a hearing on the partial abandonment petition and shall give notice by publication of the hearing to all persons interested in the drainage system.

(b) At the hearing, the drainage authority shall make findings and shall direct, by order, that the petitioners' property is removed from the drainage system if the drainage authority determines:

(1) that the waters from the petitioners' property have been diverted from the drainage system, or that a dam has been lawfully constructed and the property cannot use the drainage system;

(2) that the property is not benefited by the drainage system and does not use or affect the drainage system; and

(3) that removing the property from the drainage system will not prejudice the property owners and property remaining in the system.

(c) The drainage authority shall make findings and direct, by order, that part of the drainage system be abandoned if the drainage authority determines

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that part of the drainage system does not serve a substantial useful purpose to any property remaining in the system and is not of a substantial public benefit and utility.

Subd. 4. EFFECT OF REMOVING PROPERTY FROM DRAINAGE SYSTEM. The property that has been removed from the drainage system is not affected by the drainage system at any later proceeding for the repair or improvement of the drainage system and a drainage lien or assessment for repairs or improvements may not be made against the property that has been removed on or after the date of the order.

Subd. 5. LIENS AND ASSESSMENTS ON PROPERTY REMOVED OR ABANDONED. An order under this section does not release the property from a drainage lien filed on account of the drainage system before the date of the order. An order under this section does not release the property from any assessment or a drainage lien filed on or after the date of the order for costs incurred on account of the drainage system before the date of the order.

Sec. 92. [106A.811] ABANDONMENT OF DRAINAGE SYSTEM.

Subdivision 1. DRAINAGE LIEN PAYMENT PERIOD MUST EXPIRE. After the period originally fixed or subsequently extended to pay the assessment of the drainage liens expires, a drainage system may be abandoned as provided in this section.

Subd. 2. PETITIONERS. A petition must be signed by at least 51 percent of the resident property owners assessed for the construction of the drainage system or by the owners of not less than 51 percent of the area of the property assessed for the drainage system. For the purpose of the petition, the county is the resident owner of all tax forfeited property held by the state and assessed benefits for the drainage system, and the board may execute the petition for the county as a resident owner.

Subd. 3. PETITION. The petition must designate the drainage system proposed to be abandoned and show that the drainage system is not of public benefit and utility because the agricultural property that used the drainage system has been generally abandoned or because the drainage system has ceased to function and its restoration is not practical.

Subd. 4. FILING PETITION; JURISDICTION. If all property assessed for benefits in the drainage system is in one county, the petition must be filed with the auditor unless the petition is signed by the board, in which case the petition must be made to the district court of the county and filed with the clerk of court. If property assessed for benefits is in two or more counties, the petition must be filed with the auditor. When the petition is filed, the drainage authority in consultation with the auditor, or the clerk with the approval of the court, shall set a time and location for a hearing on the petition. The auditor or clerk shall give notice by publication of the time and location of the abandonment hearing to

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all persons interested. The drainage authority or the district court where the petition is properly filed has jurisdiction of the petition.

Subd. 5. ABANDONMENT HEARING. (a) At the hearing, the drainage authority or court shall examine the petition and determine whether it is sufficient and shall hear all interested parties.

(b) If a property owner assessed benefits for the drainage system appears and makes a written objection to the abandonment of the drainage system, the drainage authority or court shall appoint three disinterested persons as viewers to examine the property and report to the drainage authority or court. The hearing must be adjourned to make the examination and report. The viewers, if appointed, shall proceed to examine the property of the objecting owner and report as soon as possible to the drainage authority or court with the description and situation of the property and whether the drainage system drains or otherwise affects the property.

(c) At the adjourned hearing, the drainage authority or court shall consider the viewers' report and all evidence offered, and:

(1) if the drainage authority determines that the drainage system serves any useful purpose to any property or the general public, the petition for abandonment must be denied; or

(2) if the drainage authority determines that the drainage system does not serve any useful purpose to any affected property and is not of public benefit and utility, the drainage authority or court shall make findings and shall, by order, abandon the drainage system.

Subd. 6. EFFECT OF ABANDONMENT. After abandonment of a drainage system, a repair petition for the drainage system may not be accepted and the responsibility of the drainage authority for the maintenance of the drainage system ends.

Sec. 93. Minnesota Statutes 1984, section 40.072, subdivision 3, is amended to read:

Subd. 3. PRELIMINARY PROGRAM PLANS; APPLICATION FOR FEDERAL OR OTHER AID; COOPERATION WITH OTHER AGENCIES; REPORT AND RECOMMENDATIONS TO THE COUNTY BOARD; ADOPTION OF IMPROVEMENT WORK PLAN. After adoption of the resolution recommending the improvement work unit and program as provided in subdivision 2, with amendments thereto, if any, the board or boards, when the board or boards of county commissioners by resolution so directs, may make or cause to be made such further surveys and studies as may be necessary and thereupon make or cause to be made a preliminary general plan for carrying out the program for the improvement work unit as set forth in the resolution or any part thereof, with cost estimates therefor. The board or boards, at the

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direction of the county board or boards, may make application for federal aid, state aid, or aid available from any other source for the works embraced in the program or any part thereof under Public Law 566 or any act amendatory thereof or supplementary thereto or any other applicable federal or state law, and may take all steps necessary to determine whether such aid will be available and the amount thereof. The board may consider how the cost of the works of improvement or any part thereof above prospective federal or other aid may be met from the funds of the district or from the proceeds of assessments on benefited property or otherwise, and make estimates therefor. If the cooperation or joint action of any adjacent soil and water conservation district or any other public agency is desirable for any purpose under the program or in connection therewith, the board, at the direction of the county board or boards, may negotiate with the authorities concerned for such cooperation or joint action as authorized in this chapter, and acts amendatory thereof, or as otherwise provided by law. Upon completion of the foregoing steps as far as necessary, the board or boards may make and file a report, summarizing its findings thereon and its recommendations for further action on the program or any part thereof. The board or boards shall make the plan together with the preliminary general plan for the improvement work unit available to the county board or boards and to all other public agencies and persons concerned, and may give such publicity thereto as the district board deems advisable. The report shall contain substantially the same engineering information required by section 112.49, subdivisions 1 and 2. The board or boards shall transmit a copy of the report and preliminary plan to any regional development agency created by Minnesota law for the region in which each project is located, and in those cases where the plan involves a project for which a permit is required from the commissioner of natural resources under chapter 105, or for which proceedings will be instituted under ~~chapter 106~~ sections 1 to 92, to the commissioner of natural resources and to the water resources board. The water resources board shall review the report and plan and, if it concludes that the plan is inconsistent with systematic administration of state water policy, shall report its conclusion to the board or boards and the commissioner of natural resources within 60 days after receiving the report and plan. Thereafter the board or boards may modify and retransmit the report and preliminary plan to the water resources board, or may request a hearing on the report and plan before the water resources board. The water resources board shall hear the matter in the same manner, and follow the same procedures, as provided in sections 105.76 to 105.79, for the hearing of cases where it consents to intervention proceedings. Except where the water resources board concludes that the report and plan are inconsistent with state water policy, the district board or boards, with the approval of the county board or boards, may adopt and sponsor the improvement work unit and a program of work for the unit.

Sec. 94. Minnesota Statutes 1984, section 40.072, subdivision 4, is amended to read:

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Subd. 4. ACTION ON WORK PROJECT PURSUANT TO REPORT; PETITION AND HEARING. The county board or boards, acting jointly under section 471.59, may take action on a project within the improvement work unit for construction or installation of works of improvement or part thereof pursuant to the recommendations in the report only upon a petition for a project signed by at least 25 percent of the owners of the land over which the proposed improvement work passes or upon which it is located, or by the owners of at least 30 percent of the area of such land, describing such land and requesting the county board or joint county board to hold a hearing on the practicability and desirability of carrying out the project in accordance with the preliminary plan and the recommendations in the report of the district board or boards. If the report specifies that any part of the cost of the project is to be paid from the proceeds of assessments on benefited property, one or more of the petitioners, upon the filing of the petition and before any action is taken thereon, shall file a bond to the county or counties acting jointly conditioned as provided by section ~~106.041~~ 22 in the case of a county drainage system, to be approved by the chairman of the board. The county board or joint county board shall set a time and place for the hearing on the petition, and cause notice thereof to be given as provided in section ~~106.101~~ 33, subdivision 1. If upon the hearing the county board or joint county board finds that the carrying out of the project as requested in the petition will be feasible, in accordance with the recommendations of the report, and in furtherance of the objectives and purposes therein set forth, and that the estimated cost will not exceed the funds which may reasonably be expected to be available for payment thereof, the county board or joint county board may adopt a resolution so determining and directing further action on the project as hereinafter provided. By such resolution the county board or joint county board shall determine the amount to be paid from the respective sources of available or potentially available funds, including federal aid, district funds, assessments on benefited property, and other funds, if any. The amount payable from district funds may be commensurate with but shall not exceed the value of the general public benefit of the project to the district as determined by the board or boards.

Sec. 95. Minnesota Statutes 1984, section 40.072, subdivision 5, is amended to read:

Subd. 5. ACTION ON PROJECT WITHOUT ASSESSMENTS. If no part of the project cost is to be paid from assessments on benefited property, the county board or joint county board may proceed with complete surveys and detailed plans and specifications and make its order establishing the project. The order shall contain findings substantially conforming to those required by section ~~106.201~~ 49, subdivision 2. Notice summarizing the findings and order shall be served upon those persons entitled to receive notice of a county drainage project pursuant to section ~~106.171~~ 46, in the manner therein provided unless such notice is waived in writing by each person entitled to receive such notice. The waiver of notice shall be filed with the county auditor. Unless an appeal is taken within 30

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days after the notice is given, the county board or joint county board may proceed to acquire necessary rights or property, procure materials, let contracts, and take any other steps appropriate to complete the project. The county board or joint county board may delegate its duties and powers under this subdivision to the district board or joint district board provided that the district board or joint district board shall not exercise the power of eminent domain.

Sec. 96. Minnesota Statutes 1984, section 40.072, subdivision 6, is amended to read:

Subd. 6. **ACTION ON PROJECT WITH ASSESSMENTS.** If any part of the cost of the project is to be paid from the proceeds of assessments on benefited property, viewers shall be appointed as provided in section ~~106.141~~ 42, and shall report as required by sections ~~106.151 and 106.161~~ 43, 44, and 45. The board or joint board of county commissioners shall direct the petitioners or, with its consent, the board or joint board of supervisors, to provide such engineering services as may be necessary to produce final plans adequate for the construction of the proposed improvement. The county board or joint county board shall then give notice of and conduct a final hearing substantially in accordance with sections ~~106.171~~ 46 to ~~106.191~~ 49 inclusive, as in the case of a county drainage proceeding, so far as these sections are consistent with this chapter, and acts amendatory thereof. If it is determined that the total benefits to property are not as much as the amount payable from the proceeds of assessments as specified in the report of the board or boards under subdivision 3, the petition shall be dismissed and further action on the project discontinued except as hereinafter provided, unless the county board or joint county board shall determine that the deficiency may be met by increasing the amount payable from district funds or other funds, subject to the limitations hereinbefore prescribed, in which case further action for completion of the project may be taken as herein provided. If it is determined that the total benefits to property are as much as or more than the amount payable from the proceeds of assessments as specified in the report and that the other applicable requirements of law have been complied with, the county board or joint county board shall by order containing such findings establish the project as reported or amended and adopt and confirm the viewers' report as made or amended. If the total amount of benefits to be assessed upon property pursuant to the viewers' report as so adopted and confirmed is greater than the amount specified as payable from such assessments in the report of the board or boards under subdivision 3, the county board or joint county board may reduce the amounts payable from other sources of funds accordingly in such proportions as it may determine. Further action shall be taken thereon as provided in ~~chapter 106~~ sections 1 to 92, so far as appropriate, except that each tract of land affected shall be assessed for the full amount of benefits, less damages, if any, as shown by the viewers' report as adopted and confirmed, unless the total amount of such benefits, less damages, exceeds the total actual cost of the project to be paid from the proceeds of assessments, in which case such cost shall be prorated for assessment purposes as provided in section ~~106.341~~

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67. Upon filing of the viewers' report as provided in this section the county board of each county affected shall provide funds to meet its proportionate share of the total cost of the improvement, as shown by the report and order of the county board or joint county board, and for such purposes is authorized to issue bonds of the county in such amount as may be necessary in the manner provided in section ~~106.411~~ 74.

The provision of section ~~106.411~~ 74 requiring the county board to let a contract for construction before issuing bonds shall not be applicable to bonds issued to provide the funds required to be furnished by this section.

The county board or joint county board, pursuant to agreement with the district board or boards, may by resolution direct the district to undertake, construct, install, maintain, and operate the work of improvement upon terms mutually agreed upon. However, if it is necessary to acquire property by eminent domain, the county, or the counties acting jointly, shall exercise the power of eminent domain and shall convey the property to the district or districts pursuant to the agreement.

If, pursuant to an agreement, the responsibility for a work of improvement is vested in a district or districts, the respective county treasurers shall transmit the proceeds of all related assessments or bond issues, when collected, to the treasurer of the district, who shall credit the same to the proper funds under the direction of the district board.

Sec. 97. Minnesota Statutes 1984, section 40.072, subdivision 9, is amended to read:

Subd. 9. **REPAIR.** The term "repair" used in this section means restoring the project works of improvement or any part thereof as nearly as practicable to the same condition as when originally constructed or subsequently improved.

After the construction of a project has been completed and accepted by the board of the county or district having authority over the project, the board shall maintain the same or such part thereof as lies within its jurisdiction and provide the repairs required to render it efficient to answer its purpose. This board shall have, exercise, and perform the powers and duties of the ~~county board~~ drainage authority under ~~section 106.471~~ sections 80 to 89, except as follows. If this board is a board of a soil and water conservation district, the financing of repairs which require assessments and bond issues shall be the responsibility of the county board or joint county board in a manner similar to that provided for the financing of the cost of original construction of the project and as provided in ~~section 106.471~~ sections 80 to 89, so far as appropriate.

Sec. 98. Minnesota Statutes 1984, section 40.073, is amended to read:

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40.073 APPEALS.

Any person aggrieved by an order of the board or joint board of county commissioners in any proceedings undertaken pursuant to section 40.072, subdivisions 5 or 6, may appeal to the district court upon the grounds and in the manner provided by ~~section 106.631~~ sections 18 and 19, for a county drainage proceeding. Notices required by ~~section 106.631~~ sections 18 and 19, to be filed with the county auditor shall also be filed with the board or joint board of supervisors. No appeal shall be permitted from an order of the board or joint board of county commissioners or the board or joint board of supervisors made pursuant to section 40.072, subdivisions 5 or 6 which dismisses a petition or refuses to establish a project.

Sec. 99. Minnesota Statutes 1984, section 88.43, subdivision 2, is amended to read:

Subd. 2. **BENEFITS; ASSESSMENT; LIEN.** If any clearing or other improvement of land made by any town or city benefits any person, or benefits some and damages others, then the amount of both such benefits and damages shall be ascertained in the same manner as provided by law with respect to damages in condemnation proceedings by right of eminent domain. All provisions of law relating to the determination of the amount of damages in condemnation proceedings shall apply to the determination of the value of benefits under this section, as far as practicable. Any benefits so found shall be assessed against, and be a lien upon, the real property so benefited and shall be noted upon the public records and collected upon the same terms and in substantially the same manner as now provided by law for the collection of ditch and drainage assessments pursuant to ~~chapter 106~~ sections 1 to 92.

Sec. 100. Minnesota Statutes 1984, section 97.484, is amended to read:
97.484 ASSESSMENTS TO BE PAID FROM FUND.

Any assessments against the State of Minnesota under the provisions of ~~sections 106.381, or 106.671 and 106.672~~ 3, subdivision 2; 5; 44, subdivision 1; or section 70, shall be paid from moneys in the Wildlife Acquisition Fund herein created on all such lands or properties heretofore or hereafter acquired for wildlife habitat.

Sec. 101. Minnesota Statutes 1984, section 97.50, subdivision 1, is amended to read:

Subdivision 1. **POWERS.** The commissioner, director, game refuge patrolmen, and conservation officers are authorized to:

(1) execute and serve all warrants and processes issued by any court having jurisdiction under any law relating to wild animals, wild rice, use of water, conservation, protection or control of public waters, state-owned dams or other

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works affecting public waters or water pollution, in the same manner as a constable or sheriff;

(2) arrest, without a warrant, any person detected in the actual violation of any provisions of chapters 84, 97 to 102, 105 and ~~106~~ sections 1 to 92, and section 609.68; and

(3) take the person before any court in the county in which the offense was committed and make proper complaint.

When a person who is arrested for any violation of the provisions of law listed in clause (2), which is punishable as a misdemeanor, is not taken into custody and immediately taken before a court, the arresting officer shall prepare, in quadruplicate, written notice to appear before a court. The notice shall be in the form and has the effect of a summons and complaint. It shall contain the name and address of the person arrested, the offense charged, and the time and the place he is to appear before the court. This place must be before a court which has jurisdiction within the county in which the offense is alleged to have been committed.

In order to secure release, without being taken into custody and immediately taken before the court, the arrested person must give his written promise to appear before the court by signing, in quadruplicate, the written notice prepared by the arresting officer. The officer shall retain the original of the notice and deliver the copy marked "SUMMONS" to the person arrested. The officer shall then release the person from custody.

On or before the return day, the officer shall return the notice or summons to the court before whom it is returnable. If the person summoned fails to appear on the return day, the court shall issue a warrant for his arrest. Upon his or her arrest, proceedings shall be had as in other cases.

Sec. 102. Minnesota Statutes 1984, section 105.42, subdivision 1, is amended to read:

Subdivision 1. It shall be unlawful for the state, any person, partnership, association, private or public corporation, county, municipality or other political subdivision of the state, to construct, reconstruct, remove, abandon, transfer ownership, or make any change in any reservoir, dam or waterway obstruction on any public water; or in any manner, to change or diminish the course, current or cross-section of any public waters, wholly or partly within the state, by any means, including but not limited to, filling, excavating, or placing of any materials in or on the beds of public waters, without a written permit from the commissioner previously obtained. Application for such permit shall be in writing to the commissioner on forms prescribed by him. No permit shall be required for work in altered natural watercourses which are part of drainage systems established pursuant to ~~chapters 106 and sections 1 to 92 and chapter 112~~ when the work in the waters is undertaken pursuant to those chapters.

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This section does not apply to any public drainage system lawfully established under the provisions of ~~chapter 106~~ sections 1 to 92 which does not substantially affect any public waters.

The commissioner, subject to the approval of the county board, shall have power to grant permits under such terms and conditions as he shall prescribe, to establish, construct, maintain and control wharfs, docks, piers, levees, breakwaters, basins, canals and hangars in or adjacent to public waters of the state except within the corporate limits of cities.

Sec. 103. Minnesota Statutes 1984, section 105.471, is amended to read:

**105.471 VENUE OF ACTIONS AGAINST COMMISSIONER;
DRAINAGE AND CLASSIFICATION OF PUBLIC WATERS.**

Notwithstanding any other law to the contrary, any action for declaratory judgment that is commenced under chapter 555 by or against the commissioner to determine the validity of the commissioner's final decision regarding the classification of any waters of the state as public waters pursuant to sections 105.38 to 105.391, or the drainage of waterbasins or watercourses as provided in ~~section 106.021~~ sections 2 and 3, subdivision 1, shall be venued in the county where the water, watercourse or waterbasin is located, if the water, watercourse or waterbasin is located in one county, or in the judicial district where the majority of the water, watercourse or waterbasin is located, if the water, watercourse or waterbasin is located in more than one county.

Sec. 104. Minnesota Statutes 1984, section 105.74, is amended to read:

105.74 ADDITIONAL DUTIES OF BOARD.

In addition to duties elsewhere prescribed, the board has the function defined in sections 105.72 to 105.79 when the decision of the agency in a proceeding involves a question of water policy in one or more of the areas of water conservation, water pollution, preservation and management of wildlife, drainage, soil conservation, public recreation, forest management, and municipal planning under any of the following: Sections 84.57, 97.48, subdivision 13, 105.41, 105.42, 105.43, 105.44, 105.64, ~~106.021, 106.671~~ 2, 3, 115.04, 115.05, and chapter 110.

Sec. 105. Minnesota Statutes 1984, section 105.81, is amended to read:

105.81 PETITION; BOND; INVESTIGATION; REPORT; HEARING; ORDER.

For the purpose of conserving and making more adequate use of our water resources, any person, public or municipal corporation, governmental subdivision, the state or any of its departments or agencies, the commissioner of natural resources and the United States or any of its agencies, may petition the county board in the case of a system lying wholly within one county or the district court

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in the case of a drainage system affecting two or more counties for the installation of dams or other control works in said ditches to impound or divert waters for any beneficial use. Said petition shall contain the location of the installation, plans and specifications for the proposed structure, and a map of the areas likely to be affected by the impoundment or diversion. The petitioner shall agree to be responsible for the cost of installation and construction of the structure. Upon filing of the petition, the petitioners shall file a bond as provided in sections ~~106.041~~ and ~~106.051~~ 22 and 23. No bond shall be required if the petition is filed by the state, any of its departments or agencies, the commissioner of natural resources, the United States or any of its agencies, and cities. Said petition shall also be accompanied by a permit from the commissioner of natural resources as required in sections 105.41 and 105.42.

On receipt of the petition, bond, and permit, if required, the board or court shall appoint an engineer to investigate the effect of the proposed installation and file a report of his findings. Upon filing of the engineer's report, notice shall be given and a public hearing held as provided in section ~~106.101~~ 33. If at this hearing it appears from the engineer's report and other evidence presented that such installation will be of a public or private benefit and that it will not impair the utility of the ditch or deprive affected land owners of the benefit thereof, the board or court shall issue a permit authorizing its installation. Before the petitioner shall install or construct any impoundment or diversion, he shall obtain such rights-of-way and flowage easements from all owners of land to be affected thereby.

The order of the court modifying the ditch system shall provide that all construction and subsequent maintenance and repairs of the ditch modification shall be done and performed by the petitioner without any cost to the owners of lands and properties previously within the drainage system.

Sec. 106. Minnesota Statutes 1984, section 111.09, subdivision 2, is amended to read:

Subd. 2. **CHIEF ENGINEER, ATTORNEY.** The board may employ a chief engineer and an attorney, and such other engineers and attorneys or agents or assistants as are needful and necessary and shall provide for their compensation. All such expenses shall be, as far as practicable, as a part of the costs of each improvement upon which such engineer and attorney perform services, and as far as applicable shall be governed by section ~~106.431~~ 76.

Sec. 107. Minnesota Statutes 1984, section 111.11, is amended to read:

111.11 ESTABLISHMENT OF DISTRICT; CLASSES.

After the organization of the board of directors of any drainage and conservancy district organized under the provisions of sections 111.02 to 111.42 and upon filing with the clerk of the board a petition signed by not less than 25 freeholders of the district (but in no event shall more than 25 percent of the

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owners of the property affected be required), or by the board of county commissioners of any county, or the council of any city likely to be affected by the proposed improvement therein, asking for the construction within the limits of the conservancy district of any of the improvements authorized by the provisions of sections 111.02 to 111.42 relative to drainage, regulation, control, or conservation of the waters of any lake, pond, marsh, or body of water, river, stream, watercourse, ditch, or drain within the district which may cover the whole or any part of the improvement contemplated when the district was organized, therein describing the need of the proposed improvement, the extent thereof, and describing in general terms the bodies of water, streams, or watercourses proposed to be improved, or reservoirs or other improvements constructed; and, if the construction of a ditch or drain as a part of the proposed improvement contemplated, a description of the starting point, the general course and termination thereof shall be given therein, or if the contemplated improvements require that any ditch or drain established and constructed under any law of this state, or any portion thereof, be utilized for the protection of fires in areas subject to destruction or damage by fire or for irrigation, all as specified, a description of such ditch and drain, or the portions thereof so required, and a general description of such areas, protection whereof from fire is sought, or irrigation is sought, setting forth the reasons and necessity for such improvements and that the same, if constructed, will benefit public health and general welfare of the inhabitants in that vicinity, and the petition is to be accompanied by a bond signed by the petitioners, or any number of them, or other parties in their behalf, in such sum as the board of directors of such district may specify and such as it shall approve, conditioned for payment of all costs or expenses in connection with such improvements in the event the petition, as therein set forth or subsequently modified, is not granted; it shall be the duty of the board of directors of the district to cause to be made, at the earliest possible date, by its engineer, all necessary surveys, maps, plats, profiles, and plans covering the proposed improvements so as to fully inform the board as to the merits and practicability of proposed improvements, and, in making the surveys, plats, profiles, and report, the engineer shall, so far as practicable, conform to the requirements of General Statutes. 1923, Section 6678, and the board shall have authority to correct, change, or modify the proposed improvements, as outlined in the petition, and if the report of the engineer is favorable to the construction of the improvements, and is approved by the board of directors, the board shall, with the least possible delay, appoint three disinterested citizens of the state to act as viewers, and the viewers so selected shall, after subscribing an oath to faithfully and impartially perform their duties, proceed to personally inspect and examine all lands, highways, and other property likely to be affected by the improvements, or that may be used or taken for the construction or maintenance thereof and shall, in the performance of their duties so far as practicable comply with the provisions of sections 106.141 and ~~106.151~~ 42 to 45 and make and file with the clerk of the board with such plans and specifications a detailed statement showing the actual benefits and damages that will result to individuals, property, or corporations

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from the construction of the improvements, and a list of lands and other property, including highways and corporations, that will be actually benefited or damaged, and the amount thereof, and include lands, roads, corporations, and other property receiving actual benefits by way of drainage or control of flood waters, or by regulation, conservation, and application of waters for fire protection and irrigation, as hereinbefore authorized, and lands or water powers further down the valley and include all lands to which a drainage outlet is supplied by such improvement by way of increased facilities for drainage or control of flood waters or protection from fire or for irrigation, and all such property and corporations shall be assessable for the cost of the proposed improvement in proportion to the actual benefits received, as finally determined by the court; provided, the board of directors of the district may elect to levy no assessment under this section upon water powers, but collect for such improvement as otherwise provided in sections 111.02 to 111.42. General Statutes 1923, Sections 6681 and 6682, so far as applicable, shall apply to and govern the work of the viewers under sections 111.02 to 111.42. In any case where fire protection is part of the relief prayed for in the petition and the utilization of any existing ditch or drain, or any portion thereof, is alleged to be necessary thereto, the petition for such improvements, before being presented to the board of directors, shall be signed by not less than 50 percent of the resident freeholders (but in no event shall more than 25 signers be required) whose lands are affected by the ditch or drain, or portion thereof, to be utilized, and approved by resolution of the board of county commissioners of each county wherein the same is located.

Sec. 108. Minnesota Statutes 1984, section 111.13, is amended to read:

111.13 MODIFICATIONS, APPROVAL OR REJECTION.

At the time and place specified in the notice, the court shall hear all parties interested for and against the granting of the petition and confirming the reports, and may order and direct the modification of the plans and specifications and the assessments of benefits and damages and amend or change the list of property reported as assessable for the construction and maintenance thereof, or may recommit the same to the engineer or viewers, or both, for changes. If upon full hearing the court shall find that the improvement will be conducive to the public health and promote the general welfare and cause the protection and reclamation of wet or overflowed lands or the control of flood waters in streams, channels, and reservoirs, or aid in the prevention of fires in the areas, or any purpose authorized by sections 111.02 to 111.42, in the drainage and conservancy district and that the benefits resulting therefrom will be greater than the costs of the construction and damages, and a sum equal to 15 percent of the cost of the construction, exclusive of damages, for maintenance, then the court shall make its findings accordingly and order and direct the construction of the improvement and confirm the report of the engineer and the findings and report of the board or the viewers with reference to benefits and damages and lands assessable, and may, by this order, authorize the board of the district to construct the whole or any

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part of the improvement petitioned for or to let contracts for the improvement ordered as a whole or for different parts thereof separately. All persons, parties, or corporations affected by the order shall have the right to appeal on questions of benefits and damages in the manner now provided for appeals in the case of judicial ditches, pursuant to provisions of ~~section 106.631~~ sections 18 and 19.

If any ditch or drain, or any portion thereof, mentioned in the petition and reports is proper to be utilized for any of the objects or purposes of sections 111.02 to 111.42, the court shall include in its findings all matters in respect thereto and in and by the order fix and limit the use and application of the same therefor, taking care not to destroy the ditch, or any part thereof, so used for the purposes for which it was established. Upon the entry of the order, the board of directors of the district shall have and exercise all the authority thereover theretofore vested in any public corporation or administrative body as to such ditch or drain, or portion thereof, and be charged with all the duties of any such public corporation or administrative body as to the upkeep, repair, and maintenance of any such ditch, or the part thereof taken under sections 111.02 to 111.42.

Sec. 109. Minnesota Statutes 1984, section 111.30, is amended to read:

111.30 APPORTIONMENT OF COSTS.

At the time set for hearing on the report and petition of the board of directors of any district and the report of the engineer asking for the establishment of any improvement under the provisions of sections 111.02 to 111.42, or at any time subsequent thereto, upon five days' notice, in writing, to the auditor of each county containing property affected by such improvement, the court shall apportion the amount of the total costs of the construction of the improvements among the counties affected in proportion to the benefits received and shall fix and determine the amount to be paid by each and, upon similar notice to the auditor, the judge of the district court may, at any time, modify his order as justice may require, or make additional orders covering additional expense. The word "expense", as used in this section, shall be construed to mean every item of cost of the improvement from its inception to its completion and all fees and expenses paid or incurred, including all damages awarded; and, upon the filing of the order, or a certified copy thereof, with the auditor of each county affected, together with a list of all property in the county affected and a statement of all benefits and damages affecting the same, and such other information as the court, by order, may direct, it shall be the duty of the county board of each county to provide the necessary funds to meet the proportionate share of the cost of the improvement, as specified in the order, in the same manner as now provided in the case of judicial ditch proceedings, under ~~section 106.411~~ 74. Immediately, or at the earliest date possible following the letting of contracts for the construction of the improvement by the board of directors of the district, it shall cause to be made and filed, with its clerk and with the auditor of each county affected, a

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statement showing the total cost of the improvement, including expenses as nearly as they can be ascertained, and the proportionate amount that the property within each county affected shall be required to pay on the basis fixed by the order of the court, together with a list of all property benefited within such county; and thereupon it shall become the duty of the auditor of each county to cause to be made and recorded the tabular statement and lien against the property benefited within the county the amount to be paid by the property in the county, in accordance with the provisions of sections ~~106.341~~, ~~106.351~~, and ~~106.361~~ 67 and 68; and it shall be the duty of the county commissioners of each county to provide funds to meet the proportionate share of the total cost of the improvement, as shown by the report of the board of the drainage and conservancy district and the order of the court, and the county board is authorized to exercise all rights and authority in so doing now granted to the board of county commissioners under the provisions of sections ~~106.341~~ and ~~106.411~~ 67, subdivisions 1 and 2; and 74 and other provisions relating to county and judicial ditch proceedings. It shall be the duty of the respective county auditors and county treasurers to levy and collect the amount shown in the tabular statement and lien, as provided in sections ~~106.371~~ 69 and ~~106.381~~ 70. All moneys received by the treasurer of any county from the sale of bonds, assessments, or otherwise for the benefit of the district shall be by him accounted for and paid over to the treasurer of the district.

Sec. 110. Minnesota Statutes 1984, section 111.31, is amended to read:

111.31 ASSESSMENTS.

Upon the filing by the board of directors of a drainage and conservancy district with the auditor of any county of a statement as provided in section 111.30, giving a list of the property and corporations benefited or damaged or otherwise affected by any proposed improvement, it shall be the duty of the auditor to assess the amount specified in such list against the lands and municipalities or other corporations as therein specified in accordance with the provisions of section ~~106.381~~ 70, he shall proceed to levy and collect the sums specified in the lists against the property and corporations in accordance with the provisions thereof and, in the event the sum so reported shall become a direct charge against the county, it may be paid by such county out of its road and bridge fund, or otherwise, as the county commissioners may direct, and may be paid in whole or in instalments as may be specified by the board of county commissioners of the county. No assessment shall be levied against any property or corporation benefited under the provisions of sections 111.02 to 111.42 in excess of the amounts of benefits received as fixed by the order of the court directing the construction of the improvement or subsequently determined on appeal.

Sec. 111. Minnesota Statutes 1984, section 111.36, is amended to read:

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111.36 NEGLECT OF AFFAIRS.

The provisions of section ~~106.641~~ 16 relating to the obstruction or injury of work shall apply to any and all improvements made or authorized under the provisions of sections 111.02 to 111.42, and any other provision contained in the laws of this state relating to judicial or county ditches providing for punishment for damages committed to or interfering with such work shall apply to all improvements made under the provisions of sections 111.02 to 111.42.

Sec. 112. Minnesota Statutes 1984, section 111.78, is amended to read:

111.78 LIENS TO BEAR INTEREST.

The amount that each tract of land, public or private, shall be liable for on account of the construction of works authorized in sections 111.65 to 111.80 shall bear interest from the date of the filing of the auditor's statement in the office of the county recorder at the legal rate until paid.

Such liens may be paid to the county treasurer at any time after the recording of the auditor's statement in the office of the county recorder.

When payment of the full amount of the liens with interest shall at any time be made the county auditor, upon presentation of a receipt from the county treasurer to that effect, shall issue under his hand a certificate of such payment and the same when recorded in the office of the county recorder shall release and discharge the lien of record.

On or before November 15 next following the filing by the auditor of such statement, he shall enter on the tax lists of the county the amount of the lien against each tract of land, all of which shall be payable as directed by the court on such tract, which shall be subject to and be collected with like penalties as all other taxes.

The auditor of the county wherein the proceedings are held is hereby authorized, upon order of the court, to issue warrants of the county to pay the official costs of such proceedings and when the costs are assessed against the lands in more than one county such costs are to be determined and apportioned between the counties affected in proportion to the benefits assessed against the lands and property in such county. The issued warrants are to draw interest at the legal rate, subject to their payment as provided under section ~~106.451~~ 78.

Sec. 113. Minnesota Statutes 1984, section 112.431, subdivision 2, is amended to read:

Subd. 2. **DEFINITIONS.** (a) For the purpose of this section the terms defined in this subdivision have the meanings ascribed to them.

(b) "Drainage system" means a ditch as defined by section ~~106.011~~, ~~subdivision 17~~ 1, ~~subdivision 11~~.

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(c) "Watershed district" means any watershed district established pursuant to the provisions of chapter 112, wholly or partially in a metropolitan county.

(d) "Metropolitan county" means any one of the following counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott or Washington.

(e) "Metropolitan area" means the combined area of the metropolitan counties.

Sec. 114. Minnesota Statutes 1984, section 112.48, subdivision 1, is amended to read:

Subdivision 1. After the overall plan of the district has been prescribed by the board, as provided in section 112.46, a petition may be filed with the managers for any project within the district conforming in general with the plan. The petition must be signed:

(1) By not less than 25 percent of the resident freeholders, or by the owners of more than 25 percent of the land within the limits of the area proposed to be improved unless the project consists of the establishment of a drainage system as defined in ~~chapter 106~~ sections 1 to 92 or the improvement of an existing drainage system;

(2) By a majority of the resident owners of the land over which the proposed project passes or is located, or by the owners of at least 60 percent of the area of the land, if the project consists of the establishment of a drainage system as defined in ~~chapter 106~~ sections 1 to 92;

(3) By not less than 26 percent of the resident owners of the property affected by the proposed project or over which the proposed project passes or by the owners of not less than 26 percent of the area affected or over which the proposed project passes if the project consists of the improvement of an existing drainage system as defined in ~~chapter 106~~ sections 1 to 92;

(4) By a county board of any county affected; or

(5) By the governing body of any city lying wholly or partly within the area proposed to be improved; provided that if the proposed project affects lands exclusively within a city, the petition shall originate from the governing body of the city.

For the purpose of this subdivision, holders of easements for electric or telephone transmission or distribution lines are not considered freeholders or owners.

The petition shall contain the following:

(a) A description of the proposed project, and the purpose to be accomplished;

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(b) A description of the lands over which the proposed project passes or is located;

(c) A general description of the part of the district which will be affected, if less than the entire district;

(d) The need and necessity for the proposed improvement;

(e) That the proposed project will be conducive to public health, convenience, and welfare;

(f) A statement that the petitioners will pay all costs and expenses which may be incurred in case the proceedings are dismissed or for any reason no construction contract is let for the project.

Sec. 115. Minnesota Statutes 1984, section 112.50, is amended to read:

112.50 APPRAISALS.

Subdivision 1. Upon the filing of the engineer's report the managers shall, with the least possible delay, appoint three disinterested resident freeholders of the state to act as appraisers. These appraisers shall subscribe an oath to faithfully and impartially perform their duties, and with or without the engineer, shall determine the benefits or damages to all lands and properties affected by the proposed project or improvement, including lands owned by the state of Minnesota or any department thereof, highways, and other property likely to be affected by the proposed improvement or that may be used or taken for the construction or maintenance thereof. Benefits and damages to lands owned by the state of Minnesota or any department thereof held and used for the purposes described in ~~section 106.672~~ sections 5 and 44, subdivision 1, shall be determined subject to the provisions thereof, so far as applicable. Each appraiser may be paid on a per diem basis for every day necessarily engaged in the performance of his duties and for his actual and necessary expenses. The compensation shall be fixed by the managers, to be paid by the district and included in the cost of improvement. The managers of the watershed districts may in their discretion use the following procedure for the purpose of determining benefits and damages. Upon the filing of the engineer's report the managers with the assistance of the engineer shall determine the benefits or damages to all lands and properties affected by the proposed project or improvement, including lands owned by the state of Minnesota or any department thereof, highways, and other property likely to be affected by the proposed improvement or that may be used or taken from the construction or maintenance thereof. Benefits and damages to lands owned by the state of Minnesota or any department thereof held and used for the purposes described in ~~section 106.672~~ sections 5 and 44, subdivision 1 shall be determined subject to the provisions thereof, so far as applicable. The managers shall also determine the amount to be paid and generally assessed by the watershed district for the basic water management portion of the improvement projects.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 116. Minnesota Statutes 1984, section 112.501, subdivision 1, is amended to read:

Subdivision 1. Where the proposed improvement, includes or prays for the construction or improvement of any ditch, stream, river, or watercourse, or any structures for the control or alleviation of damages from flood waters, the appraisers shall be governed by ~~section 106.151~~ sections 43 to 45.

Sec. 117. Minnesota Statutes 1984, section 112.541, is amended to read:

112.541 PROCEDURE WHEN CONTRACT IS NOT LET.

If after the receipt of the bids, no bids are received except for a price more than 30 percent in excess of the engineers estimate as contained in his report, or for a price in excess of the benefits, less damages and other costs, the managers shall follow the procedure described in section ~~106.241~~ 57.

Sec. 118. Minnesota Statutes 1984, section 112.59, is amended to read:

112.59 CONTROL OF CONTRACTS.

In all cases where contracts are let by the managers, they shall have full control of all matters pertaining thereto. If a contractor fails to complete the improvement within the time or in the manner specified in the contract, the managers may extend the time for completion or may refuse an extension of time or may cancel the contract and readvertise and relet the contract. They may require the surety for the contractor to complete the improvement or proceed to have the contract otherwise completed at the expense of the contractor and his surety. They may take such other action with reference thereto that the occasion may require in the interest of the district. The provisions of ~~chapter 106~~ sections 1 to 92, so far as pertinent, apply to and govern the relations between the engineer and the contractor, including the examination and report of the engineer and the amount and time of payment. The managers shall keep an accurate account of all expenses incurred, which shall include the compensation of the engineer and his assistants, the compensation and expenses of the appraisers as provided in section 112.50, the compensation of petitioners' attorney, the cost of petitioners' bond, the fees of all county officials necessitated by the improvement which shall be in addition to all fees otherwise allowed by law, and the time and expenses of all employees of the district, including the expenses of the managers while engaged in any improvement. The fees and expenses provided for herein shall be audited, allowed and paid upon the order of the managers and shall be charged to and be treated as a part of the cost of the improvement.

Sec. 119. Minnesota Statutes 1984, section 112.60, subdivision 1, is amended to read:

Subdivision 1. Upon the filing by the managers with the auditor of any county of a statement listing the property and corporations benefited or damaged or otherwise affected by any improvement as found by the appraisers and

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approved by the managers, he shall assess the amount specified in such list against the lands and municipalities or other corporations as therein specified in accordance with the pertinent provisions of ~~chapter 106~~ sections 1 to 92.

Sec. 120. Minnesota Statutes 1984, section 112.60, subdivision 2, is amended to read:

Subd. 2. Upon filing of the statement as provided in subdivision 1 the county board of each county affected shall provide funds to meet its proportionate share of the total cost of the improvements, as shown by the report and order of the managers of the district, and for such purposes is authorized to issue bonds of the county in such amount as may be necessary in the manner provided by, section ~~106.411~~ 74. In the event an improvement is to be constructed under the provisions of section 112.69, the provisions of section ~~106.411~~ 74 requiring the county board to let a contract for construction before issuing bonds shall not be applicable to bonds issued to provide the funds required to be furnished by this section.

Sec. 121. Minnesota Statutes 1984, section 112.60, subdivision 3, is amended to read:

Subd. 3. The respective county auditors and county treasurers shall levy and collect the amount shown in the tabular statement and lien as provided in sections ~~106.341~~ 67 to ~~106.401~~ 73. All moneys received by the treasurer of any county from the sale of bonds, assessments, or otherwise, for the benefit of the district shall be by him accounted for and paid over to the treasurer of the district.

Sec. 122. Minnesota Statutes 1984, section 112.64, subdivision 2, is amended to read:

Subd. 2. For the purpose of creating a maintenance fund for normal and routine maintenance of a project, the board of managers is authorized to apportion and assess the amount of the fund against all the parcels of land and municipal corporations previously assessed for benefits in proceedings for the construction of the project. The assessment shall be made pro rata according to benefits determined. No assessment for the benefit of the maintenance fund shall be made when the fund exceeds 20 percent of the original cost of construction of the project. Upon receiving the assessment order from the board of managers, the auditors of the counties affected shall file for record in the office of the county recorder for the county a tabular lien statement covering the assessment. The assessment shall be collected as provided in the order in the same manner as provided in section ~~106.471~~ 86. Before ordering the levy of an assessment for the benefit of the maintenance fund, the board of managers, in its discretion, may give notice of a hearing on the matter.

Sec. 123. Minnesota Statutes 1984, section 112.64, subdivision 3, is amended to read:

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Subd. 3. If the engineer certifies to the board of managers, in his annual report or otherwise, that an improvement of the district is in such a state of disrepair that it cannot be restored by normal and routine maintenance to the same condition as when originally constructed or subsequently improved, or that a ditch or channel must be widened or deepened, or that any improvement of the district must be altered or improved, in order to attain the level of operating efficiency contemplated at the time of the original construction, the board of managers, before ordering any repairs other than normal and routine maintenance, shall order the engineer to prepare and submit to the board of managers technical and cost specifications on the work necessary to restore, or improve the improvement to the desired level of operating efficiency. Upon receiving the engineer's report, the board of managers shall set a date for hearing on the report and give notice of the hearing in the same manner as in the original proceeding on the construction of the improvement. If upon hearing the board of managers finds that the repair or improvement is in compliance with the provisions, is necessary to accomplish the purposes of this chapter, and that the cost of the repair or improvement will not exceed its benefits, they may order the repair or improvement and assess the cost against the benefited properties. The cost shall be apportioned and assessed pro rata upon all lands and property that were assessed for the construction of the improvement. No single levy for repair shall exceed the amount of benefits originally determined. The board of managers shall file a copy of the order for levy with the auditor of each county which contains affected properties. The auditor shall extend the levy against affected properties as in proceedings for the levy, assessment and collection of taxes levied in drainage proceedings conducted under ~~chapter 106~~ sections 1 to 92.

Sec. 124. Minnesota Statutes 1984, section 112.65, subdivision 1, is amended to read:

Subdivision 1. The managers of a district shall take over when directed by the district court or county board any judicial or county drainage system within the district, together with the right to repair and maintain the same. Such transfer may be initiated by the district court or county board, or such transfer may be initiated by a petition from any person having an interest in the drainage system or by the managers. No such transfer shall be made until the district court or county board has held a hearing thereon. Due notice of the proposed transfer together with the time and place of hearing shall be given by two weeks published notice in a legal newspaper of general circulation in the area involved. All interested persons may appear and be heard. Following the hearing, the district court or county board shall make its order directing that the managers of a district take over the affected judicial or county drainage system, unless it appears that the take over would not be in the public welfare or public interest and would not serve the purpose of this chapter. When the transfer is directed all proceedings for repair and maintenance shall thereafter conform to the provisions of ~~chapter 106~~ sections 1 to 92.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 125. Minnesota Statutes 1984, section 161.28, subdivision 1, is amended to read:

Subdivision 1. **PETITION.** Upon the filing of a petition by the commissioner with the appropriate county auditor setting forth that it would be advantageous or desirable in the construction or maintenance of a trunk highway to make a minor alteration or change in a public drainage system directly affecting a trunk highway and that the alteration or change will not affect the functioning or efficiency of the public drainage system, the auditor shall fix a time and place for hearing and give notice of the hearing by publication, as defined in section ~~106.171~~ 46. Upon the filing of the petition the commissioner shall also file a plan showing in detail the alteration or change petitioned for. If upon the hearing it appears to the county board or joint county ditch authority that the alteration or change in the public drainage system will not affect or impair the efficiency of the drainage system, the board or authority shall make its order allowing the commissioner to make the alteration or change petitioned for. Upon the making of the order by the county board or the joint county ditch authority, the commissioner may proceed at the sole cost and expense of the state to make the alterations or changes as may be in the order allowed, damages, if any, for any additional lands necessary for the change or alteration being first duly paid or secured. Upon completion of the alteration or change the commissioner shall file with the appropriate auditor a map drawn to scale showing the change or alteration made and shall also file a profile of all lines of the alteration or change in the ditch showing graphically the elevation of the ground and gradient, whether open or tiled, the size of tile, and the bottom width and side slope of open ditch sections, and such other information as may appear necessary for understanding. Upon the completion of the alteration or change herein provided for, the ditch shall thereafter include such alteration or change as a part of it with the same force and effect as though it had been originally so constructed and established.

Sec. 126. Minnesota Statutes 1984, section 163.17, is amended to read:

163.17 DRAINAGE SYSTEMS AFFECTING HIGHWAYS; ALTERATIONS.

Upon the filing of a resolution by the county board of any county with the county auditor, in the case of a public ditch system lying wholly within a county, or with the clerk of the district court having jurisdiction over said ditch in the case of a ditch system affecting two or more counties, therein setting forth that it would be advantageous or desirable in the construction or maintenance of a highway under the jurisdiction of the county to make a minor alteration or change in a public ditch system directly affecting the highway, and that the alteration or change will not affect the functioning or efficiency of the ditch system, it shall be the duty of the auditor, or the clerk with the approval of the judge, to fix a time and place for hearing thereon and to give notice of hearing by

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publication as defined by section ~~406.011~~ 1, subdivision ~~2~~ 21. Upon the filing of the resolution, the board shall also cause to be filed a plan showing in detail the alteration or change therein described. If upon the hearing it shall appear to the county board or district court that the alteration or change in the public ditch system will not affect or impair the efficiency of the ditch system, the board or court shall make its order authorizing the county to cause the alteration or change to be made. Upon the making of the order by the county board or the court, the county board may proceed at the sole cost and expense of the county to make the alterations or changes as may be in the order allowed; damages, if any, occasioned thereby being first duly paid or secured by the county. Upon completion of the alteration or change, the county board shall cause to be filed with the auditor or clerk, a map and profile drawn to scale showing thereon the change or alteration made. If the map and profile be filed with the clerk, duplicates thereof shall also be filed with the auditor of each county affected. Upon the completion of the alteration or change herein provided for, the ditch shall thereafter include the alteration or change as part thereof with the same force and effect as though it had been originally so constructed and established.

Sec. 127. Minnesota Statutes 1984, section 357.021, subdivision 2, is amended to read:

Subd. 2. **FEE AMOUNTS.** The fees to be charged and collected by the clerk of district court shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper on his part is filed in said action, a fee of \$20, except that in an action for marriage dissolution, the fee is \$55.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper on his or their part is filed in said action, a fee of \$15.

The party requesting a trial by jury shall pay \$15.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under ~~chapter 406~~ sections 1 to 92, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding \$5 and \$3.50 for an uncertified copy.

(3) Issuing a subpoena \$1 for each name.

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(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$5.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$5.

(6) Filing and entering a satisfaction of judgment, partial satisfaction or assignment of judgment, \$5.

(7) Certificate as to existence or non-existence of judgments docketed, \$1 for each name certified to and \$1 for each judgment certified to.

(8) Filing and indexing trade name; or recording notary commission; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trusteeships, \$10.

(10) All other services required by law for which no fee is provided such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

Sec. 128. Minnesota Statutes 1984, section 375.471, is amended to read:

375.471 LAND CONSERVATION AND UTILIZATION; FEDERAL AID.

The county boards of the several counties which have been designated as a resource conservation and development project area under 7 USCA, Sec. 1011(e) and acts amendatory thereof, may enter into agreements as necessary with the secretary of agriculture of the United States and other agencies of the federal government for the program of land conservation and land utilization authorized by 7 USCA, Sec. 1010 and acts amendatory thereof, to accept assistance for the program under 7 USCA, Sec. 1011 and acts amendatory thereof, to engage in works of improvement as necessary for the purpose of the acts and to cooperate with the secretary of agriculture and federal agencies so that residents of this state obtain the benefits and advantages available to them and intended by congress to be available by the acts. The county boards shall comply with the requirements of federal law and any rules and regulations promulgated under it and with appropriate state laws to accomplish the purposes intended by this section. If a proceeding is instituted by petition for an improvement under this section, it may be conducted by a board in the same manner provided for the establishment of a drainage system under ~~chapter 106~~ sections 1 to 92. A majority of the landowners as defined in section ~~106.031~~ 21, subdivision 3, shall be required for a valid petition. They may also proceed under authority provided by other law.

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Sec. 129. Minnesota Statutes 1984, section 471.345, subdivision 3, is amended to read:

Subd. 3. **CONTRACTS OVER \$15,000.** If the amount of the contract is estimated to exceed \$15,000, sealed bids shall be solicited by public notice in the manner and subject to the requirements of the law governing contracts by the particular municipality or class thereof provided that with regard to repairs and maintenance of ditches, bids shall not be required if the estimated amount of the contract does not exceed the amount specified in section ~~106.471, subdivision 2~~ 81, subdivisions 4, 5, and 6.

Sec. 130. Minnesota Statutes 1984, section 473.877, subdivision 1, is amended to read:

Subdivision 1. **AUTHORITY.** Any agreement under section 471.59 to jointly or cooperatively manage or plan for the management of surface water in a watershed delineated pursuant to subdivision 2, as required by sections 473.875 to 473.883, may provide, in addition to other provisions authorized by section 471.59, for a joint board having:

(a) the authority to prepare, adopt, and implement a plan for the watershed meeting the requirements of section 473.878;

(b) the authority to review and approve local water management plans as provided in section 473.879;

(c) the authority of a watershed district under chapter 112 to regulate the use and development of land in the watershed when one or more of the following conditions exists: (1) the local government unit exercising planning and zoning authority over the land under sections 366.10 to 366.19, 394.21 to 394.37, or 462.351 to 462.364, does not have a local water management plan approved and adopted in accordance with the requirements of section 473.879 or has not adopted the implementation program described in the plan; (2) an application to the local government unit for a permit for the use and development of land requires an amendment to or variance from the adopted local water management plan or implementation program of the local unit; (3) the local government unit has authorized the organization to require permits for the use and development of land;

(d) the authority of a watershed district under section 112.65 to accept the transfer of drainage systems in the watershed, to repair, improve, and maintain the transferred drainage systems, and to construct all new drainage systems and improvements of existing drainage systems in the watershed, provided that projects may be carried out under the powers granted in chapter ~~106, 112, or 473~~ and sections 1 to 92 and that proceedings of the board with respect to the systems must be in conformance with the watershed plan adopted under section 473.878; and

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(e) other powers necessary to exercise the authority under clauses (a) to (c), including the power to enter into contracts for the performance of functions with governmental units or persons.

Sec. 131. Minnesota Statutes 1984, section 473.878, subdivision 4, is amended to read:

Subd. 4. **CONTENTS.** The plan shall:

(a) Describe the existing physical environment, land use, and development in the area and the environment, land use, and development proposed in existing local and metropolitan comprehensive plans;

(b) Present information on the hydrologic system and its components, including any drainage systems previously constructed under ~~chapter 106 sections 1 to 92~~, and existing and potential problems related thereto;

(c) State objectives and policies, including management principles, alternatives and modifications, water quality, and protection of natural characteristics;

(d) Set forth a management plan, including the hydrologic and water quality conditions that will be sought and significant opportunities for improvement;

(e) Describe the effect of the plan on existing drainage systems;

(f) Describe conflicts between the watershed plan and existing plans of local government units;

(g) Set forth an implementation program consistent with the management plan, which includes a capital improvement program and standards and schedules for amending the comprehensive plans and official controls of local government units in the watershed to bring about conformance with the watershed plan; and

(h) Set out a procedure for amending the plan.

Sec. 132. **EFFECT OF CHANGES IN THIS ACT.**

The legislature intends this act to be a clarification and reorganization of the drainage law. The changes that have been made are not intended to alter the drainage law and shall not be construed by a court or other authority to alter the meaning of the law.

Sec. 133. **REPEALER.**

Minnesota Statutes 1984, sections 106.011; 106.015; 106.021; 106.031; 106.041; 106.051; 106.061; 106.071; 106.081; 106.091; 106.101; 106.111; 106.121; 106.131; 106.141; 106.151; 106.161; 106.171; 106.181; 106.191; 106.201; 106.211; 106.221; 106.231; 106.241; 106.251; 106.261; 106.271; 106.281; 106.291; 106.301; 106.311; 106.321; 106.331; 106.341; 106.351; 106.361; 106.371; 106.381; 106.383; 106.391; 106.401; 106.411; 106.421;

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106.431; 106.441; 106.451; 106.461; 106.465; 106.471; 106.481; 106.491;
106.501; 106.511; 106.521; 106.531; 106.541; 106.551; 106.561; 106.571;
106.581; 106.591; 106.601; 106.611; 106.621; 106.631; 106.641; 106.651;
106.652; 106.661; 106.671; 106.672; 106.673; and 109.38 are repealed.

Approved May 21, 1985

CHAPTER 173 — S.F.No. 63

An act relating to the city of Fergus Falls located in Otter Tail county and the city of Detroit Lakes located in Becker county; granting the cities the powers of a port authority; authorizing the port authority to exercise the powers of a municipal housing and redevelopment authority; permitting the cities to choose the name of the port authority; requiring local approval.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. FERGUS FALLS AND DETROIT LAKES; PORT AUTHORITY.

The city of Fergus Falls located in Otter Tail county and the city of Detroit Lakes located in Becker county may establish a port authority commission that has the same powers as a port authority established under Minnesota Statutes, section 458.09, or other law. If either city establishes a port authority commission, that city shall exercise all the powers relating to the port authority granted to a city by Minnesota Statutes, chapter 458, or other law. Notwithstanding Minnesota Statutes, section 458.09, subdivision 1, or other law, each city may choose the name of the commission.

Sec. 2. FERGUS FALLS AND DETROIT LAKES; MUNICIPAL HOUSING AND REDEVELOPMENT AUTHORITY.

If the city of Fergus Falls or the city of Detroit Lakes establishes a port authority commission under section 1, either commission may exercise the same powers as a municipal housing and redevelopment authority established under Minnesota Statutes, section 462.425, or other law. Either city shall then exercise all the powers relating to the municipal housing and redevelopment authority granted to a city by Minnesota Statutes, chapter 462, or other law.

Sec. 3. LOCAL APPROVAL.

This act is effective for the city of Fergus Falls the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Fergus Falls.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.