

Bond Case Briefs

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MUNICIPAL ASSESSMENTS - MINNESOTA

First Baptist Church of St. Paul v. City of St. Paul

Supreme Court of Minnesota - August 24, 2016 - N.W.2d - 2016 WL 4446310

Churches brought action challenging city's right-of-way (ROW) assessment.

The District Court entered summary judgment in city's favor, and churches appealed. The Court of Appeals remanded. On remand, the District Court entered summary judgment in city's favor, and churches appealed. The Court of Appeals affirmed, and churches appealed.

The Supreme Court of Minnesota held that:

- City's ROW assessment was "tax," rather than fee for services, and
- Fact issues remained as to extent of special benefits to churches' properties attributable to right-of-way services.

City's right-of-way (ROW) assessment was "tax," rather than fee for services, even though many services provided addressed conditions that, if left unabated, would have become nuisances, and funds collected through ROW assessment were kept in segregated accounts used only to pay for right-of-way maintenance services, where city charter provided assessments were for "the cost of improvements as are of a local character," that "in no case shall the amounts assessed exceed the benefits to the property," and that one basis to appeal ROW assessment was that it "is in an amount in excess of the actual benefits to the property," city code provisions implementing ROW assessment system made repeated reference to property "benefited," city's policy resolution governing ROW assessments recited that "[t]he law requires that the properties assessed must receive a special benefit from the assessment," ROW assessment functioned as revenue measure, benefiting public in general, and each property owner paid annual assessment without regard to whether owner had violated any ordinance or undertaken any activity requiring regulation.