

8100.0800 PHASE-IN.

Subpart 1. **Phase-in of valuation changes.** Any change in valuation is phased in over three years. For assessment years 2007, 2008, and 2009, each utility property must be valued both under the valuation process of current Minnesota Rules, chapter 8100, ("current rules") and under the valuation process of Minnesota Rules 2005, chapter 8100, as amended through March 2, 2000, ("old rules"). The difference, either positive or negative, between the value derived under the current rules and the value derived under old rules is incrementally added to the value derived under the old rules as follows:

For assessment year 2007, 20 percent of the difference is added to the value derived under the old rules; this amount is the assessed value for 2007.

For assessment year 2008, 50 percent of the difference is added to the value derived under the old rules; this amount is the assessed value for 2008.

For assessment year 2009, and all subsequent assessment years, the full value derived under the current rules is the assessed value.

Subp. 2. **Examples of phase-in valuations.** The following example illustrates a valuation when the value derived using the old rules exceeds the value derived using the current rules:

1.	Value for Assessment Year 2007	
	Value under current rules	\$ 10,750,000
	Value under old rules	\$ 12,000,000
	Difference between old and current value	\$ 1,250,000
	20% of difference	\$ 250,000
	Assessed Value	\$ 11,750,000
2.	Value for Assessment year 2008	
	Value under current rules	\$ 10,900,000
	Value under old rules	\$ 12,750,000
	Difference between old and current values	\$ 1,850,000
	50% of difference	\$ 925,000
	Assessed Value	\$ 11,825,000
3.	Value for Assessment Year 2009	
	Value under current rules	\$ 11,750,000
	Assessed Value	\$ 11,750,000

The following example illustrates a valuation when the value derived using the old rules is less than the value derived using the current rules:

1.	Value for Assessment Year 2007	
	Value under current rules	\$ 15,000,000
	Value under old rules	\$ 13,500,000
	Difference between old and current values	\$ 1,500,000
	20% of difference	\$ 300,000
	Assessed Value	\$ 13,800,000
2.	Value for Assessment Year 2008	
	Value under current rules	\$ 15,250,000
	Value under old rules	\$ 14,250,000
	Difference between old and current values	\$ 1,000,000
	50% of difference	\$ 500,000
	Assessed Value	\$ 14,750,000
3.	Value for Assessment Year 2009	
	Value under current rules	\$ 16,600,000
	Assessed Value	\$ 16,600,000

Statutory Authority: *MS s 270C.06*

History: *31 SR 1317*

Published Electronically: *June 4, 2007*