

1 Department of Revenue
2 Property Equalization Division
3
4 Adopted Rules Relating to Railroad Valuation
5
6 Rules as Adopted

7 8106.0100 DEFINITIONS.

8 Subpart 1. **Scope.** As used in this chapter, the following
9 words, terms, and phrases have the meanings given to them by
10 this part. Some of the words, terms, and phrases are defined by
11 statute but are included here for completeness.

12 Subp. 2. **Allocation.** "Allocation" means the process by
13 which a fair and reasonable portion of each railroad's total
14 unit value is assigned to Minnesota for purposes of taxation.

15 Subp. 3. **Apportionment.** "Apportionment" means the process
16 of distributing that portion of the railroad's unit value which
17 has been allocated to Minnesota after deducting exempt and
18 nonoperating property to the various counties and taxing
19 districts in which the railroad company operates.

20 Subp. 4. **Assessment/sales ratio.** "Assessment/sales ratio"
21 means the ratio derived by dividing the estimated market value
22 of a property by its adjusted selling price and used as a
23 measure of the level of estimated market value to real or true
24 market value.

25 Subp. 5. **Book depreciation.** "Book depreciation" means the
26 depreciation shown by a railroad company on its corporate books
27 and allowed the company by the Interstate Commerce Commission.

28 Subp. 6. **Capitalization rate.** "Capitalization rate" means
29 an anticipated rate of return from an investment, a rate at
30 which income is processed (capitalized) to indicate the probable
31 capital value. This rate is usually expressed as a percentage.

32 Subp. 7. **Equalization.** "Equalization" means the
33 adjustment of the estimated market value of railroad operating
34 property to the apparent assessment/sales ratio of commercial
35 and industrial property.

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1 Subp. 8. **Exempt property.** "Exempt property" means
2 property which is nontaxable for ad valorem tax purposes by
3 statutes. Examples of such property are approved pollution
4 control equipment for which an exemption has been granted and
5 personal property otherwise exempt from taxation under Minnesota
6 Statutes, chapter 272.

7 Subp. 9. **ICC.** "ICC" means the Interstate Commerce
8 Commission, a federal regulatory agency.

9 Subp. 10. **Mainline track.** "Mainline track" means all
10 track reported to the ICC by the respondent railroad as main
11 line.

12 Subp. 11. **Nonoperating property.** "Nonoperating property"
13 means all property owned by a railroad company which does not
14 fall under the definition of operating property. Nonoperating
15 property includes real property which is leased or rented or
16 available for lease or rent to any person which is not a
17 railroad company. Vacant land is presumed to be available for
18 lease or rent if it has not been used as operating property for
19 a period of at least one year preceding the valuation date. It
20 also includes: (a) land which is not necessary and integral to
21 the performance of railroad transportation services and which is
22 not used on a regular and continual basis in the performance of
23 these services; and (b) that portion of a general office
24 building and its proportionate share of land which is not used
25 for railway operations or purposes.

26 Subp. 12. **Obsolescence allowance.** "Obsolescence allowance"
27 means the adjustment to be made to the gross cost indicator of
28 value to reflect the loss of economic usefulness or value
29 because of causes other than physical deterioration.

30 Subp. 13. **Operating property.** "Operating property" means
31 all property owned or used on a regular and continual basis by a
32 railroad company in the performance of railroad transportation
33 services, including without limitation, franchises,
34 rights-of-way, bridges, trestles, shops, docks, wharves,
35 buildings, and structures.

36 Subp. 14. **Original cost.** "Original cost" means the amount

1 paid for an asset as recorded on the railroad's books in
2 accordance with ICC accounting rules and regulations.

3 Subp. 15. PUC. "PUC" means the Minnesota Public Utilities
4 Commission.

5 Subp. 16. Railroad company. "Railroad company" means a
6 company which as a common carrier operates a railroad or a line
7 or lines of railway situated within or partly within Minnesota.

8 Subp. 17. Restated cost. "Restated cost" means the cost
9 of an asset recorded on a railroad's books after adjusting the
10 amount from a retirement-replacement-betterment accounting basis
11 to a depreciation accounting basis, in accordance with Code of
12 Federal Regulations, title 49, part 1201 (effective January 1,
13 1983).

14 Subp. 18. Structure. "Structure" means all coal and ore
15 wharves or docks, station houses, depots, shops, office
16 buildings, and all other buildings with a restated cost of over
17 \$10,000.

18 Subp. 19. System. "System" means the total tangible
19 property, real and personal, of a company which is used in its
20 railroad operations in all states in which it operates.

21 Subp. 20. Unit value. "Unit value" means the value of the
22 system of a railroad company taken as a whole without any regard
23 to the value of its component parts.

24 Subp. 21. Weighting. "Weighting" means the confidence or
25 reliability given to a factor or indicator. It is usually
26 expressed as a portion of 100 percent.

27 8106.0200 GENERAL PROCEDURES.

28 ~~Laws of Minnesota 1979, chapter 303, article VII (called~~
29 ~~the Omnibus Tax Bill) codified as Minnesota Statutes, sections~~
30 ~~270.80 to 270.90, eliminated the gross earnings tax on Minnesota~~
31 ~~railroads and replaced it with an ad valorem tax on all railroad~~
32 ~~operating property. The article also charges the commissioner~~
33 ~~of revenue with the responsibility of developing rules, both~~
34 ~~emergency and permanent, which will implement the provisions of~~
35 ~~the law dealing with the ad valorem method of taxing railroads.~~

1 ~~Subsequently, Laws of Minnesota 1984, chapter 502, article 9~~
 2 ~~gave additional instructions to the commissioner regarding the~~
 3 ~~method of valuing railroad property and the equalization of~~
 4 ~~these valuations.---This article also gives the commissioner the~~
 5 ~~authority to promulgate emergency rules in order to implement~~
 6 ~~these valuation and equalization procedures.~~

7 The methods, procedures, indicators of value,
 8 capitalization rates, weighting percents, allocation factors,
 9 apportionment standards, and equalization methods will be used
 10 as described in this chapter for 1986 and subsequent years.

11 8106.0300 REPORTS REQUIRED.

12 Subpart 1. Reports to be filed. The data used in the
 13 valuation, allocation, and apportionment processes will be drawn
 14 from reports submitted to the Department of Revenue by the
 15 railroad companies. These reports are to be filed with the
 16 commissioner on or before April 30 of each year and shall
 17 include:

- 18 A. the Minnesota Department of Revenue annual
 19 railroad report;
- 20 B. the annual report to the Interstate Commerce
 21 Commission;
- 22 C. the annual report to the Minnesota Public
 23 Utilities Commission;
- 24 D. the annual stockholders report; and
- 25 E. other commonly accepted sources of railroad
 26 income, expense, capitalization, and debt and stock values such
 27 as Standard and Poor's Stock Guide, Standard and Poor's
 28 Statistical Service, Moody's Transportation Manual, and
 29 Transportation Statistics in the United States, compiled by the
 30 Interstate Commerce Commission.

31 Subp. 2. Reports examination. Periodic examination of the
 32 supporting data for these reports will be made by the Department
 33 of Revenue. The commissioner shall, upon written application
 34 from the railroad, extend the filing date 30 days.

35 Subp. 3. Failure to file. In the event any railroad

1 company fails to file the required reports, the commissioner
2 shall make a valuation according to the commissioner's best
3 judgment based on available information.

4 Other sources of pertinent information may be consulted
5 only when necessary to make the valuation, allocation, and
6 apportionment required by parts 8106.0100 to 8106.0700. Said
7 sources will, when applicable, be used uniformly and will be
8 commonly accepted sources of data for which they are consulted.
9 Questions unique to the valuation of a particular railroad may
10 be resolved by consulting the books and records of the
11 particular railroad involved.

12 8106.0400 VALUATION.

13 Subpart 1. In general. ~~The Minnesota legislature has said~~
14 ~~that railroads may be valued using the unit basis of estimating~~
15 ~~value. Consequently, the commissioner has chosen to use this~~
16 ~~method.~~ The approaches to value that will be used in
17 determining the estimated unit value of railroad operating
18 property are cost, capitalized income, and stock and debt except
19 as provided in subparts 4 and 6. ~~It is the decision of the~~
20 ~~commissioner of revenue that for 1986 and subsequent years the~~
21 ~~value of railroad property will be determined using these three~~
22 ~~approaches to value, where applicable, in the manner provided in~~
23 ~~this part until time or conditions warrant a change in either~~
24 ~~methods or procedures.~~

25 Subp. 2. Cost approach to valuation. The cost factor that
26 will be considered in the railroad valuation method is the
27 restated cost of the railroad system, plus the restated cost of
28 construction work in progress on the assessment date. The
29 railroad system shall be considered to be made up of the
30 following ICC accounts: all road and equipment accounts,
31 including leased equipment accounts; all general expenditures;
32 and other elements of investment and railroad property owned and
33 leased to others as well as railroad property leased from
34 others. Book depreciation and obsolescence shall be allowed as
35 a deduction from the restated cost of the railroad's assets

1 enumerated above. The original cost if known, and the annual
 2 lease payments of any leased operating property used by the
 3 railroad must be reported to the commissioner in conjunction
 4 with the annual railroad report. The commissioner shall
 5 incorporate the value of the leased property into the railroad's
 6 unit value utilizing this information.

7 If any railroad is not required by the ICC to restate the
 8 cost of its assets in accordance with Code of Federal
 9 Regulations, title 49, part 1201, the commissioner will make an
 10 estimate based upon the best available information of the impact
 11 of this restatement on the railroad's assets.

12 Obsolescence will be calculated through the use of the
 13 "Blue Chip Method." This method compares the railroad being
 14 appraised with the best railroads in the country, the so-called
 15 blue chip railroads. Three indicators of obsolescence will be
 16 used. First, a five-year average rate of return will be
 17 calculated for the railroad under appraisal. This rate of
 18 return is computed by dividing the subject's annual net railroad
 19 operating income for each of the most recent five years
 20 preceding the assessment, by the railroad's total owned
 21 transportation property less recorded depreciation and
 22 amortization (net investment in railroad property) for each
 23 corresponding year. The resulting five rates of return are then
 24 averaged using a simple arithmetic average to arrive at a
 25 five-year average rate of return. An example of this
 26 computation is as follows:

XYZ Railroad			
Year	Net Railroad Operating Income	Net Investment	Indicated Rate of Return
19XX	\$2,700,000	\$31,500,000	8.57%
19XX	\$2,900,000	\$32,000,000	9.06%
19XX	\$3,100,000	\$33,500,000	9.25%
19XX	\$3,300,000	\$34,000,000	9.70%
19XX	\$3,530,700	\$35,000,000	10.08%
		Total	46.66%
Five-year Average Rate of Return			9.33%

40 A study will then be made of the major railroads operating
 41 within the United States for the same five-year period using
 42 such informational sources as Standard and Poor's Statistical

1 Service, Moody's Transportation Manual, and Transportation
 2 Statistics in the United States. Each year the railroad with
 3 the highest rate of return will be selected as the blue chip
 4 railroad. The resulting five rates of return will then be
 5 averaged to find the five-year average blue chip rate of
 6 return. An example of this process is as follows:

7	Year	Railroad	Rate of Return
8			
9	19XX	ABC	11.50%
10	19XX	FGH	11.27%
11	19XX	JKL	10.57%
12	19XX	MNO	11.02%
13	19XX	XYZ	10.08%
14		Total	54.44%
15			
16	Five-year Average Blue Chip Rate of Return		10.89%

17 The five-year average rate of return for the railroad under
 18 appraisal will be compared to the five-year average blue chip
 19 rate of return. The deviation of the subject railroad's rate of
 20 return from the blue chip railroads' rate of return is the
 21 amount of indicated obsolescence. The following example
 22 illustrates the computation.

23	XYZ Railroad 5-year Average Rate of Return	9.33%
24	Blue Chip 5-year Average Rate of Return	10.89%
25	Indicated Obsolescence	
26	1 - (9.33% ÷ 10.89%)	14.30%

27 Second, a five-year average freight traffic density
 28 indicator will be calculated. ~~This indicator is based on the~~
 29 ~~premise that increased traffic volume reduces unit costs and~~
 30 ~~therefore enhances net income; thus, as traffic density rises~~
 31 ~~obsolescence decreases.~~ This indicator is calculated by
 32 dividing the subject railroad's ton miles of revenue freight for
 33 the most recent five years preceding the assessment by the
 34 average miles of road operated for each corresponding year. The
 35 resulting five indicators of freight traffic density are then
 36 averaged using a simple arithmetic average to arrive at a
 37 five-year average of freight traffic density. An example of
 38 this computation is as follows:

39	XYZ Railroad		
40			
41			
42	Ton Miles of	Average Miles	Indicated Freight
43	Year Revenue Freight	of Road Operated	Traffic Density
44			
45	19XX 1,300,000,000	575	2,260,000

1	19XX	1,402,500,000	550	2,550,000
2	19XX	1,200,000,000	550	2,180,000
3	19XX	1,100,000,000	500	2,200,000
4	19XX	1,000,000,000	500	2,000,000
5			Total	11,190,000

7 Five-Year Average Freight Traffic Density 2,238,000

8 A five-year study is then made of the major railroads
9 operating within the United States in the same manner and using
10 the same sources as the rate of return study with the exception
11 that this study concentrates on the freight traffic density
12 achieved by the various major railroads. Each year the railroad
13 with the highest freight traffic density will be selected as the
14 blue chip railroad. The resulting five freight traffic density
15 amounts will then be averaged to find the five-year average blue
16 chip freight traffic density amount. An example of this process
17 is as follows:

18	19	20	21	22	23	24	25	26	27
	Year	Railroad		Freight Traffic Density					
	19XX	JKL		2,280,000					
	19XX	FGH		2,600,000					
	19XX	FGH		2,200,000					
	19XX	MNO		2,900,000					
	19XX	ABC		2,280,000					
			Total	12,260,000					
28	Five-year Average Blue Chip								
29	Freight Traffic Density			2,452,000					

30 The five-year average freight traffic density indicator of
31 the railroad under appraisal will be compared to the five-year
32 average blue chip freight traffic density indicator. The
33 deviation of the subject railroad's freight traffic density from
34 the blue chip railroad's freight traffic density is the amount
35 of indicated obsolescence. The following example illustrates
36 this computation:

37	XYZ Railroad Five-Year Average	
38	Freight Traffic Density	2,238,000
39	Blue Chip Five-Year Average	
40	Freight Traffic Density	2,452,000
41	Indicated Obsolescence	
42	1 - (2,238,000 ÷ 2,452,000)	8.70%

44 Third, a five-year average gross profit margin indicator
45 will be calculated. This indicator measures a railroad's
46 ability to convert gross revenue to net profit,--and-would
47 therefore-be-an-important-consideration-to-an-investor.--A-high

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1 ~~percentage-of-gross-profit-margin-indicates-a-more-efficient~~
 2 ~~railroad-in-converting-gross-revenue-to-net-profit-and-thus-this~~
 3 ~~railroad-is-less-economically-obsolete.--A-low-percentage-of~~
 4 ~~gross-profit-margin-indicates-a-railroad-with-high-operating~~
 5 ~~expenses-and-a-good-deal-of-economic-obsolescence.~~ This
 6 indicator is calculated by dividing net railway operating
 7 income, before federal and deferred taxes, by gross revenues.
 8 This calculation is performed using the subject railroad income
 9 figures for the most recent five years preceding the assessment.
 10 The resulting five indicators of gross profit margin are then
 11 averaged using a simple arithmetic average to arrive at a
 12 five-year average of gross profit margin. An example of this
 13 computation is as follows:

14
 15 XYZ Railroad
 16
 17 Net Railroad
 18 Operating Income
 19 Year Before Taxes Gross Revenue Indicated Gross
 20 Profit Margin
 21 19XX 4,050,000 15,000,000 27.0%
 22 19XX 4,350,000 15,800,000 27.5%
 23 19XX 4,650,000 16,500,000 28.2%
 24 19XX 4,950,000 17,300,000 28.6%
 25 19XX 5,295,000 19,000,000 27.9%
 26 Total 139.2%
 27
 28 Five-Year Average Gross Profit Margin 27.8%

29 A study will then be made of the major railroads operating
 30 within the United States for the same five-year period in the
 31 same manner and using the same sources in the two previous
 32 five-year studies mentioned above. This study will look at the
 33 gross profit margin achieved by the various major railroads.
 34 Each year the railroad with the highest gross profit margin will
 35 be selected as the blue chip railroad. The resulting five gross
 36 profit margin percents will then be averaged to find a five-year
 37 average blue chip gross profit margin percentage. An example of
 38 this process is as follows:

39
 40 Year Railroad Gross Profit Margin
 41
 42 19XX ABC 30.0%
 43 19XX ABC 31.2%
 44 19XX JKL 29.9%
 45 19XX FGH 32.6%
 46 19XX JKL 33.3%
 47 Total 157.0%

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1
 2 Five-Year Average Blue Chip
 3 Gross Profit Margin 31.4%

4 The five-year average gross profit margin percent for the
 5 railroad under appraisal will be compared to the five-year
 6 average blue chip gross profit margin percent. The deviation of
 7 the subject railroad's gross profit margin from the blue chip
 8 railroad's gross profit margin is the amount of indicated
 9 obsolescence. The following example illustrates this
 10 computation:

11

12 XYZ Railroad Five-Year Average Gross Profit Margin	27.8%
13 Blue Chip Five-Year Average Gross Profit Margin	31.4%
14 Indicated Obsolescence 1 - (27.8% ÷ 31.4%)	11.5%

15 The obsolescence percentage indicated by this comparison of
 16 gross profit margins will be added to the obsolescence indicated
 17 by a comparison of rates of return and freight traffic density.
 18 The total of these three amounts will be averaged and this
 19 result will be the overall obsolescence percentage for the
 20 subject railroad. The following is an example of this
 21 computation:

22

23 XYZ Railroad	
24	
25	Obsolescence Indicated by
26	Rate of Return Comparison 14.30%
27	Obsolescence Indicated by
28	Freight Traffic Density Comparison 8.70%
29	Obsolescence Indicated by
30	Gross Profit Margin Comparison 11.50%
31	
32	Total 34.50%
33	
34	Average Obsolescence Percentage 11.50%

35 The obsolescence percentage will then be applied to the
 36 road accounts of the subject railroad, excluding land and
 37 personal property, after the allowance for depreciation has been
 38 deducted. In no instance shall the allowance for obsolescence
 39 exceed 50 percent. The following example illustrates how the
 40 cost indicator of value is computed and how the allowance for
 41 obsolescence is applied.

42

	XYZ Railroad	
43	Account	Amount
44		
45	Road	\$24,000,000
46	Equipment -- Owned and Leased	9,000,000
47	Construction Work in Progress	4,500,000

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Year	Net Railway Operating Income
19XX	\$ 2,600,000
19XX	2,700,000
19XX	3,000,000
19XX	3,100,000
19XX	3,492,500
Total	\$14,892,500
Average	\$ 2,978,500

Five-year average Net Railway Operating Income Capitalized at 14.0 percent (2,978,500 ÷ 14.0 percent) equals \$21,275,000.

The income indicator of value computed in accordance with this part shall be weighted 60 percent of the total estimated unit value of the railroad's property except in the case of bankrupt railroads or railroads having no net operating income as provided for in subpart 6.

Subp. 4. Stock and debt approach to valuation. The stock and debt approach to value is the third method which will be used to estimate the unit value of the railroad operating property. This approach to value is based on the accounting principle: assets = liabilities + equity. Therefore, when the value of a company's liabilities (debt) is found and this added to the worth of its stock, a value can be established for its assets (property).

The use of this approach to value will be limited to only those railroads meeting qualifications in items A to C:

A. The stock of the railroad must be traded on either the New York or American Stock Exchange.

B. The bonds of the railroad must be traded or have a rating by either Standard and Poor's or Moody's rating services.

C. If the railroad is part of a diversified company, the value of the railroad portion of the total stock price must be able to be separated on an earnings basis using the following method:

XYZ Railroad	
XYZ railroad is wholly owned by ABC Industries Inc.	
Net Earnings of ABC Industries	\$5,200,500
Net Earnings of XYZ Railroad	\$2,600,250
Percent of XYZ net earnings to total conglomerate earnings	50%
Value of share of ABC Industries stock	\$ 100

1 XYZ Railroad portion of stock value \$ 50

2 If a railroad has no net earnings, and is part of a
 3 conglomerate, then the stock and debt indicator of value will
 4 not be used.

5 The value of the stock used in the stock and debt method
 6 shall be an average of the month-ending stock prices for the 12
 7 months immediately preceding the assessment date of January 2.
 8 The value of the bonds, equipment obligations, and conditional
 9 sales contracts, and other long-term debts shall also be an
 10 average of the cost of money quotes for the 12 months
 11 immediately preceding the assessment date of January 2. The
 12 source for these stock and bond prices shall be Standard and
 13 Poor's Stock Guide or other applicable financial service.

14 An illustration of a computation of the stock and debt
 15 approach to value is as follows:

		XYZ Railroad Company	
18	Shares of Common Stock issued x		
19	Average price for preceding year		
20		1,000,000 x \$12 =	\$12,000,000
21	Shares of Preferred Stock x		
22	Average price for preceding year		
23		100,000 x \$15 =	\$ 1,500,000
24	Rate and face value of bonds x		
25	Average price for class of bonds		
26	for preceding year		
27	A rated 8% bonds \$10,000,000 x 99% of par =		\$ 9,900,000
28			
29	Stock and Debt Indicator of Value		\$23,400,000

30 After the gross stock and debt indicator of value has been
 31 computed, an allowance will be made for the effect, if any, of
 32 revenue from other than railway operations included in this
 33 indicator of value. This allowance shall be based on the ratio
 34 of a five-year average of net revenue from railway operations,
 35 as determined by the ICC, to a similar five-year average of
 36 income available for fixed charges as determined by the ICC.
 37 The five-year average will be the most recent five years
 38 preceding the assessment date. An example of this computation
 39 is as follows:

		XYZ Railroad Company	
42	Year	Net Revenue from Railway Operations	Income Available for Fixed Charges
43	19XX	\$ 3,000,000	\$ 3,500,000

1	19XX	4,000,000	4,300,000
2	19XX	5,200,000	5,700,000
3	19XX	6,000,000	6,800,000
4	19XX	5,200,000	5,400,000
5		\$23,400,000	\$25,700,000
6	Average	\$ 4,680,000	\$ 5,140,000

7
8 Ratio \$4,680,000 ÷ \$5,140,000 = 91%

9			
10	Gross Stock and Debt Indicator of Value	\$23,400,000	
11	Ratio of Operating to Non-carrier Earnings		91%
12	Net Stock and Debt Indicator of Value	\$21,300,000	

13 The stock and debt indicator of value computed in
14 accordance with this part will bear a weighting of 25 percent of
15 the total unit value of the railroad's property, except in the
16 case of bankrupt railroads, railroads in bankruptcy proceedings,
17 or railroads with no income to be capitalized, as provided for
18 in subpart 6. If no stock and debt indicator of value is
19 computed, the weighting of 25 percent which would have been
20 applied to this indicator of value will be placed on the cost
21 indicator of value.

22 Subp. 5. Unit value computation. The estimated unit value
23 of the railroad property will be the total of the three weighted
24 indicators of value. The following is an example of the
25 computation of the unit value.

26	XYZ Railroad			
27				
28	Valuation Approach	Value	Weighting	
29				
30	Cost indicator of value	\$27,483,000	15%	\$ 4,122,500
31	Income indicator of value	21,275,000	60%	12,765,000
32	Stock and debt indicator of			
33	value	21,300,000	25%	5,325,000
34			Unit Value	\$22,212,500

35 The weighting shown above may vary from railroad to
36 railroad, as provided for in subparts 2 to 4, ~~depending on the~~
37 ~~conditions and circumstances involved in each valuation. For~~
38 ~~example, a railroad with no outstanding stock would not have a~~
39 ~~computation for a stock and debt indicator of value and,~~
40 ~~therefore, the cost indicator of value would be weighted 40~~
41 percent.

42 Subp. 6. Railroads operating at a loss, bankrupt railroads
43 involved in federal bankruptcy proceedings, and railroads
44 adjudged bankrupt by a federal court. Railroads which are
45 involved in federal bankruptcy proceedings, adjudged bankrupt,

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1 or railroads having no net railway operating income will be
2 valued using the cost and stock and debt approaches to value.
3 If the stocks or bonds of such railroads are not traded, or do
4 not meet the other requirements for use of the stock and debt
5 indicator of value, then these railroads will be valued using
6 the cost approach to value only.

7 8106.0500 ALLOCATION.

8 Subpart 1. In general. After the estimated unit value of
9 the railroad property has been determined, the portion of value
10 which is attributable to Minnesota must be established. This is
11 accomplished through the use of certain allocation factors.
12 Each of the factors in the allocation method shows a
13 relationship between the railroad system operations in all
14 states and its Minnesota operations. These relationships are
15 expressed in percentage figures. These percentages are then
16 added and an average is computed. The resulting average of the
17 factors, multiplied by the unit value, yields the Minnesota
18 portion of the railroad property which will, after the
19 adjustments described in parts 8106.0600 and 8106.0800, be
20 subject to ad valorem tax in Minnesota.

21 Subp. 2. Allocation factors. The factors to be considered
22 in making allocations of unit values to Minnesota for railroad
23 companies are:

24 A. miles of railroad track operated in Minnesota
25 divided by miles of railroad track operated in all states;

26 B. ton miles of revenue freight transported in
27 Minnesota divided by ton miles of revenue freight transported in
28 all states;

29 C. gross revenues from transportation operations
30 within Minnesota divided by gross revenues from transportation
31 operations in all states; and

32 D. cost of road property in Minnesota divided by the
33 cost of road property in all states.

34 The following example illustrates the allocation method to
35 be applied to the unit value of railroad property.

1	XYZ Railroad		
2			
3	Minnesota miles of track	100	
4			= 20%
5	Total miles of track	<u>500</u>	
6			
7	Minnesota ton miles of revenue freight	2,200,000	
8			= 24%
9	Total ton miles of revenue freight	<u>9,000,000</u>	
10			
11	Minnesota gross transportation revenue	\$10,000,000	
12			= 25%
13	Total gross transportation revenue	<u>\$40,000,000</u>	
14			
15	Minnesota cost of road property	2,990,000	
16			= 23%
17	Total cost of road property	<u>13,000,000</u>	
18			
19	Total		92%
20	Minnesota Percent of Unit Value		23%
21	Total Unit Value (\$22,212,500 x 23%) =		
22	Minnesota Portion of Unit Value		\$5,108,875

23 8106.0600 ADJUSTMENTS FOR NONFORMULA ASSESSED PROPERTY OR EXEMPT
24 PROPERTY.

25 After the Minnesota portion of the unit value of the
26 railroad company is determined, property which is either exempt
27 from taxation, such as pollution control equipment and personal
28 property, or classified as nonoperating will be deducted from
29 the Minnesota portion of the unit value to the extent that it
30 has been included in the computation of this value.

31 Property which has been included in the computation of the
32 unit value but has been defined as nonoperating property will be
33 valued by the local assessor. The Minnesota portion of the unit
34 value will be reduced by the restated cost of this property.
35 Only nonoperating property located within Minnesota will be
36 eligible for this exclusion.

37 The railroad company shall have the responsibility to
38 submit to the commissioner of revenue, in the form required by
39 the commissioner, such schedules of nonoperating property as the
40 commissioner may require.

41 In addition to nonoperating property which will be valued
42 and assessed locally, a deduction from the Minnesota portion of
43 the unit value will be made for personal property. ~~The unit
44 value method presupposes that the value of any one portion of
45 the unit is interdependent upon all other elements of the unit,~~

1 therefore,--it-is-extremely-difficult-to-make-a-separation-of
2 this-value-into-real-and-personal-property.

3 A percentage of the Minnesota portion of the unit value
4 after deducting nonoperating and exempt property will be
5 excluded as personal property. This percentage will be computed
6 in the following way:

7 A. The following ICC accounts for property within
8 Minnesota will be totaled:

- 9 (1) that portion of coal and ore wharves
- 10 determined to be personal property;
- 11 (2) communication equipment;
- 12 (3) signals and interlockers;
- 13 (4) roadway machines;
- 14 (5) shop machinery;
- 15 (6) power plant machines; and
- 16 (7) equipment, allocated to Minnesota on the
- 17 basis of car and locomotive miles in Minnesota compared to total
- 18 system car and locomotive miles.

19 B. The total of these accounts will then be divided
20 by the total of the Minnesota road, equipment, leased property,
21 general expenditures, construction work in progress, and other
22 elements of investment accounts. The resulting percentage will
23 be used to determine the personal property amount of the
24 Minnesota portion of the unit value. This amount will not be
25 taxable for ad valorem purposes.

26 C. The following is an illustration of the
27 computation for the personal property exclusion.

XYZ Railway		Amount in
Personal Property Account		Minnesota
Coal and Ore Wharves		\$ 189,200
Communication Equipment		100,000
Signals and Interlockers		200,000
Roadway Machines		200,000
Shop Machinery		100,000
Power Plant Machinery		100,000
* Equipment -- Owned and Leased		2,250,000
		3,139,200
* Total Equipment Account	\$9,000,000	
Car and Locomotive Miles in		
Minnesota	1,000,000	

1	Total Car and Locomotive Miles	4,000,000	
2	Ratio of Minnesota to Total	25%	
3	Minnesota Allocated Equipment		
4	Account	\$2,250,000	
5			
6			Amount in
7	Restated Cost Account		Minnesota
8			
9	Road		\$2,990,000
10	Equipment -- Owned and Leased		2,250,000
11	Construction Work in Progress		800,000
12	General expenditures		500,000
13			\$6,540,000
14			
15	Minnesota Personal Property		
16	Accounts	\$3,139,200	
17	Minnesota Restated Cost	\$6,540,000	
18	Ratio of Personal Property to		
19	Cost	48%	
20			
21	Minnesota portion of unit value		5,108,875
22	Personal Property exclusion at 48%		2,452,260
23	Taxable Minnesota Portion of Unit Value		\$2,656,615

24 8106.0700 APPORTIONMENT.

25 Subpart 1. In general. After the taxable Minnesota
 26 portion of the railroad's unit value has been determined, this
 27 value must be distributed to the various counties and taxing
 28 districts in which the railroad operates. This distribution
 29 will be accomplished by the commissioner of revenue through the
 30 use of certain apportionment components. Each of the components
 31 in the apportionment method is a reflection of the property
 32 owned or used by the railroad within a particular taxing
 33 district. The figures making up these components will be
 34 developed on information submitted by the railroad companies in
 35 annual reports filed with the commissioner, and information
 36 supplied to the commissioner by the various county auditors and
 37 assessors.

38 Subp. 2. Apportionment components. There are three
 39 components which will be used in the distribution of the value
 40 of railroad property to the various taxing districts. They are
 41 railroad operating land, miles of track, and railroad operating
 42 structures with a restated cost of \$10,000 or more.

43 Subp. 3. Railroad operating land. The information for the
 44 computation of this apportionment component will be based on
 45 information submitted by both the railroads and the various
 46 county auditors and assessors. The railroad companies shall

1 file with the commissioner of revenue each year, in conjunction
2 with their annual reports required by part 8106.0300, subpart 1,
3 the number of acres of railroad operating land owned or used by
4 them in each taxing district in which they operate. The county
5 auditor shall also be required to submit to the commissioner of
6 revenue a report showing the number of acres of railroad
7 operating land, detailed by owning railroad, in each taxing
8 district within the county. If either the railroads or the
9 auditors find that it is administratively impracticable to
10 submit this information, the commissioner shall make an estimate
11 of the number of acres of railroad operating land within each
12 taxing district based on the best information available. Such
13 information would usually consist of the miles of railroad track
14 within the taxing district and the normal width of the
15 right-of-way used by the railroad. In addition, information
16 relative to the current estimated market value of all land
17 within the respective taxing districts will be obtained from the
18 county or city assessors by a review of the abstract of
19 assessment of real and personal property which the various
20 assessors are required to submit yearly to the commissioner of
21 revenue in compliance with Minnesota Statutes, section 273.061,
22 subdivision 9. A review will also be made of the abstract of
23 assessment of exempt real property which is submitted to the
24 commissioner of revenue by the various assessors in compliance
25 with Minnesota Statutes, section 273.18.

26 The computation for the railroad operating land
27 apportionment component will be accomplished annually in the
28 following manner:

29 A. The average estimated market value per taxable
30 acre within a specific taxing district will be calculated by
31 dividing the estimated market value of all taxable land within
32 the taxing district as indicated by the most recent abstract of
33 assessment of real and personal property by the number of
34 taxable acres within the taxing district. The number of acres
35 within a taxing district will be obtained from the most recent
36 statistics available from the Land Management Information

1 Center, State Planning Agency. The total number of acres will
 2 be adjusted to allow for nontaxable or exempt acres by
 3 subtracting these nontaxable or exempt acres from the total
 4 acres. The number of nontaxable or exempt acres will be
 5 obtained from the most recent abstract of assessment of exempt
 6 real property. The following example illustrates this
 7 calculation.

8	Estimated Market Value of All Taxable Land		
9	Within Taxing District		\$200,000
10	Total Area of Taxing District	210 Acres	
11	Nontaxable or Exempt Acres	10 Acres	
12	Taxable Acres Within Taxing District		200
13			
14	Average Estimated Market Value per Acre		<u>\$ 1,000</u>

15 B. This average estimated market value per taxable
 16 acre is then applied to the number of acres of railroad
 17 operating land within the taxing district to compute a gross
 18 railroad operating land component within the taxing district.
 19 The following example illustrates this computation:

20	Average Estimated Market Value Per Acre	\$1,000
21	Acres of Railroad Operating Land	x 5
22		
23	Gross Railroad Operating Land Component	<u>\$5,000</u>

24 C. This railroad operating land component will then
 25 be adjusted. This adjustment is achieved by striking a ratio
 26 between the system unit value for all Minnesota railroads, as
 27 described in part 8106.0400, subpart 5, to the total of net
 28 investment in railway property used in transportation service as
 29 defined by the ICC for all railroads operating in Minnesota.
 30 This relationship will be computed annually and will then be
 31 applied to the gross railroad operating land component to arrive
 32 at the adjusted railroad operating land component. This
 33 adjusted land value will then be used as one element of the
 34 apportionment computation.

35 The following is an example of how the adjusted railroad
 36 operating land component is to be computed:

37			Net Investment in
38			Railway Property Used in
39	Railroad	System Unit Value	Transportation Services
40			
41	ABC Railway	\$20,000,000	\$ 40,000,000
42	FGH Railway	5,256,000	8,000,000
43	JKL Railroad	2,000,000	4,780,830
44	MNO Railroad	50,000,000	90,000,000

1	XYZ Railroad	22,212,500	25,000,000
2			
3		<u>\$99,468,500</u>	<u>\$165,780,830</u>

4 Total System Unit Value (\$99,468,500) ÷ Total Net
 5 Investment in Railway Property Used in Transportation Services
 6 (\$165,780,830) = 60%

7	Gross Railroad Operating Land Component	
8	Within the Taxing District	\$5,000
9	Adjustment Factor	60%
10		
11	Adjusted Railroad Operating Land Component	<u>\$3,000</u>

12 Subp. 4. Miles of track. The information for the
 13 computation of this apportionment component will be based on
 14 information submitted by the railroads to the commissioner of
 15 revenue in conjunction with the annual report required by part
 16 8106.0300, subpart 1. Each railroad will be required to list
 17 the miles of track they own in each taxing district within
 18 Minnesota. The track must be separated into two classes, main
 19 line track and all other track.

20 In order to make the miles of track in each taxing district
 21 compatible with the other apportionment components, the miles
 22 must be converted to dollars. This conversion will be computed
 23 annually. The conversion will be accomplished by adding
 24 together the following ICC accounts for each railroad's net
 25 investment in Minnesota: account 3, grading; account 8, ties;
 26 account 9, rails; account 11, ballast. The total of these
 27 accounts will then be divided by the number of miles of track
 28 operated by the respective railroads within Minnesota to obtain
 29 a cost per mile figure. This will be used as the average cost
 30 per mile for track within Minnesota.

31 The following is an example of how the average cost per
 32 mile of track in Minnesota will be computed:

33		Total of Accounts	Mileage Operated
34	Railroad	#3, 8, 9, 11	in Minnesota
35			
36	ABC Railway	\$ 4,000,000	154
37	FGH Railway	800,000	42
38	JKL Railroad	500,000	20
39	MNO Railroad	7,450,000	290
40	XYZ Railroad	2,500,000	104
41			
42		<u>\$15,250,000</u>	<u>610</u>

43 Total cost of track (\$15,250,000) ÷ Total miles operated

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1 (610) = Average Cost per Mile of Track \$25,000.

2 ~~An additional calculation is necessary to adjust this~~
 3 ~~average cost per mile of track to allow for weighting.~~ Main
 4 line track shall be weighted at 1.5 times the cost of all other
 5 track; thus, if the average cost per mile of track is \$25,000,
 6 main line track would be worth more than \$25,000 per mile, while
 7 all other track would be worth less. The calculation for the
 8 average cost of both main line and all other track shall be made
 9 annually on an industry basis.

10 The calculation to determine the average cost per mile of
 11 main line track and the average cost per mile of all other track
 12 will be computed in the following manner:

13 A. Total mileage operated will be multiplied by the
 14 average cost per mile to arrive at a total track cost.

15 B. Total mileage operated will be separated into the
 16 two types of track, main line and all other track.

17 C. Main line track will be multiplied by 1.5 to
 18 arrive at adjusted main line miles.

19 D. Adjusted main line miles will be added to all
 20 other track miles to arrive at adjusted total track miles.

21 E. Total track cost will be divided by adjusted total
 22 track miles to arrive at the cost per mile of all other track.

23 F. The cost per mile of main line track will be
 24 computed by multiplying the cost per mile of all other track by
 25 1.5.

26 An illustration of this computation is as follows:

27 Railroad	28 Mileage Operated	29 Main Line Miles	30 All other Track Miles
31 ABC Railway	154	96	58
32 FGH Railway	42	10	32
33 JKL Railroad	20	15	5
34 MNO Railroad	290	132	158
35 XYZ Railroad	104	52	52
36	<u>610</u>	<u>305</u>	<u>305</u>
37			
38 Total Mileage Operated			610
39 Average Cost Per Mile of Track			\$ 25,000
40 Total Track Cost			\$15,250,000
41			
42 Main Line Miles		305	
43 Weighting Factor		1.5	
44			
45 Adjusted Main Line Miles			457.5

1	Other Track Miles		305.0
2	Adjusted Total Track Miles		762.5
3			
4	Total Track Cost	\$15,250,000	
5	Adjusted Total Track Miles		762.5
6	Average Cost Per Mile of Other Track	\$	20,000
7			
8	Average Cost Per Mile of Other Track	\$	20,000
9	Weighting Factor		1.5
10	Average Cost Per Mile of Main Line Track	\$	30,000

11 After the per mile cost figures for main line and all other
 12 track are obtained, these per mile cost figures would be
 13 multiplied by the length of each type of track in a particular
 14 taxing district to obtain the value of the trackage in that
 15 district. The same cost figures will be used for all railroads
 16 operating in Minnesota.

17 Subp. 5. Structures. The information for the computation
 18 of this apportionment component will be based on statements
 19 submitted by the railroads. These schedules shall be submitted
 20 annually to the commissioner of revenue in conjunction with the
 21 annual report required by part 8106.0300, subpart 1. The
 22 schedules shall show the location, by taxing district, of all
 23 operating structures owned by the reporting railroad within
 24 Minnesota with a restated cost of \$10,000 or more. The
 25 schedules shall list a description of the structure and the
 26 railroad's current restated cost investment in the structure as
 27 it appears in the appropriate ICC account.

28 An example of this listing is as follows:

29 XYZ Railroad

30 Taxing District	Description	Restated Cost
31 St. Paul, S.D. #625	Office Building	\$400,000
32 Minneapolis, S.D. #1	Depot	20,000
33 Fridley, S.D. #16	Yard Tower	200,000
34 Anoka, S.D. #11	Engine and Car Shop	250,000
35		
36		
37	Total	<u>\$870,000</u>

38 Subp. 6. Apportionment computation. ~~After the three~~
 39 ~~apportionment components have been calculated for each taxing~~
 40 ~~district in which the railroad operates, the apportionment of~~
 41 ~~the railroad's taxable Minnesota portion of the unit value can~~
 42 ~~begin.---This~~ The apportionment of a railroad's taxable Minnesota
 43 value is accomplished by totaling the amount of the land, track,
 44 and structure components as developed in subparts 3 to 5 for

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1 each taxing district, then finding the sum of these totals for
 2 all the taxing districts in which the subject railroad
 3 operates. The taxable Minnesota portion of the railroad's unit
 4 value is divided by the total of the three apportionment
 5 components for all taxing districts in which the railroad
 6 operates in order to arrive at a percentage. This resulting
 7 percentage is then applied to the total amount of the three
 8 apportionment components for each specific taxing district. The
 9 figure produced by this multiplication process is the taxing
 10 district's share of the railroad's taxable Minnesota portion of
 11 the unit value. ~~It is important to note that~~ No more value can
 12 be distributed to the various taxing districts than that
 13 produced by the valuation process described in parts 8106.0100
 14 to 8106.0600.

15 The example in part 8106.9900 illustrates the apportionment
 16 process.

17 8106.0800 EQUALIZATION.

18 Subpart 1. In general. After the apportionment of value
 19 referred to in part 8106.0700 has been made, the railroad
 20 property values must be equalized to coincide with the
 21 assessment levels of commercial and industrial property within
 22 each respective county receiving a share of the apportioned
 23 railroad value. This equalization will be accomplished through
 24 the use of an assessment/sales ratio.

25 Subp. 2. Assessment/sales ratio computation. ~~Each-year~~
 26 ~~the-sales-ratio-section-of-the-Minnesota-Department-of-Revenue,~~
 27 ~~Property-Equalization-Division, prepares-a-comprehensive~~
 28 ~~assessment/sales-ratio-study-commonly-known-as-the-State-Board~~
 29 ~~of-Equalization-Sales/Ratio-study.--This-study-is-used-by-the~~
 30 ~~State-Board-of-Equalization-to-equalize-assessment-levels-of-ad~~
 31 ~~valorem-property-among-various-counties-and-taxing-jurisdictions~~
 32 ~~within-Minnesota.--The-study-is-conducted-in-many-parts. A~~
 33 comprehensive assessment/sales ratio study compiled annually by
 34 the sales ratio section of the Property Assessment and Review
 35 Division of the Department of Revenue commonly known as the

1 State Board of Equalization Sales/Ratio Study will be used in
2 this computation. The portions of this study which will be used
3 for purposes of this section are known as the "County Commercial
4 and Industrial Sales Ratio."

5 This commercial and industrial (C & I) sales ratio is
6 computed through an analysis of the certificates of real estate
7 value filed by the buyers or sellers of commercial or industrial
8 property within each county. The information contained on these
9 certificates of real estate value is compiled pursuant to
10 requests, standards, and methods set forth by the Minnesota
11 Department of Revenue acting upon recommendations of the
12 Minnesota legislature. The most recent C & I study available
13 will be used for purposes of this section.

14 The median C & I sales ratio from the County Commercial and
15 Industrial Sales Ratio study will be used as a basis to estimate
16 the current year C & I median ratio for each county.

17 The process used to estimate this current year median ratio
18 will be as follows.

19 The State Board of Equalization abstract of market value
20 will be examined. ~~This statistical compilation, commonly called~~
21 ~~the mini abstract, is filed each year by every county assessor,~~
22 ~~with the commissioner of revenue. The abstract is a listing of~~
23 ~~the current estimated market values, together with other~~
24 ~~information for the various classes of property --- residential~~
25 ~~agricultural, commercial, industrial, recreational, etc. ---~~
26 ~~within each particular county.~~ The current estimated market
27 value of commercial and industrial property within each county
28 will be taken from this abstract. The amount of the value of
29 new commercial and industrial construction, ("new" meaning since
30 the last assessment period) as well as the value of commercial
31 and industrial property which has changed classification (i.e.
32 commercial to tax exempt property) will also be taken from the
33 abstract. The value of new construction will then be deducted
34 from the estimated market value, resulting in a net estimated
35 current year market value for commercial and industrial property
36 within the county. The value of commercial and industrial

1 property which has changed classification will be deducted from
 2 the previous years estimated market value to arrive at a net
 3 estimated previous year market value for commercial and
 4 industrial property within the county. The net current year
 5 value will be compared to the net previous year's estimated
 6 market value for commercial and industrial property within the
 7 county and the difference between the two values noted. This
 8 difference will be divided by the previous year's net estimated
 9 market value for commercial and industrial property to find the
 10 percentage of increase, or decrease, in assessment level for
 11 each year. This percent of change will be applied to the most
 12 recent C & I median ratio to estimate the current year's C & I
 13 median ratio. An example of this calculation for a typical
 14 county is shown below.

15	1986 Estimated Market Value for		
16	Commercial and Industrial Property	\$12,000,000	
17	Less: New Construction	1,500,000	
18			
19	1986 Net Estimated Market Value		
20	for Commercial and Industrial Property		10,500,000
21			
22	1985 Estimated Market Value for		
23	Commercial and Industrial Property	10,250,000	
24	Less: Classification Changes	250,000	
25			
26	1985 Net Estimated Market Value		
27	for Commercial and Industrial Property		10,000,000
28			
29			
30	Difference 1985 vs. 1986		
31	Estimated Market Value		500,000
32	Percent of Change (500,000 ÷ 10,000,000)		5%
33	1985 Median Commercial and Industrial Ratio		88%
34	1986 Estimated Median Commercial and		
35	Industrial Ratio (88% x 105%)		92.4%

36 This same calculation is performed for each Minnesota
 37 county which contains operating railroad property. However, If
 38 there are five or fewer valid sales of commercial and industrial
 39 property within a county during the study period, ~~it is the~~
 40 ~~commissioner's decision that~~ these few sales are insufficient to
 41 form the basis for a meaningful C & I ratio. Therefore, the
 42 median assessment/sales ratio to be used for purposes of the
 43 above computation will not be the median C & I ratio but will be
 44 the weighted median ratio of all property classes within the
 45 county for which a sales ratio is available. This weighted
 46 median ratio is computed in the same manner using the same

1 procedures and standards as the C & I ratio. In addition, the
 2 computation described above will not be performed using the
 3 commercial and industrial estimated market value but will use
 4 the estimated market value for all property within the county.
 5 All other aspects of the calculations are identical except for
 6 this substitution.

7 The weighted median ratio is developed by multiplying the
 8 median ratio for each class of property (agricultural,
 9 residential, recreational, commercial) by the percentage of
 10 value that class of property comprises of the total county
 11 value. An example of this calculation is as follows:

12			Percent		Weighted
13		Amount	of	Median	Median
14	Class of Property	of Value	Value	Ratio	Ratio
15					
16	Residential	\$ 20,000,000	20%	85%	17.00%
17	Agricultural	55,000,000	55%	95%	52.25%
18	Seasonal -				
19	Recreational	5,000,000	5%	90%	4.50%
20	Commercial -				
21	Industrial	20,000,000	20%	85%	17.00%
22	TOTAL	\$100,000,000	100%		90.75%

23 Subp. 3. Application of the estimated current year median
 24 assessment/sales ratio. After the estimated current year median
 25 ratio has been calculated pursuant to subpart 2, it is used to
 26 adjust the apportioned estimated market value of operating
 27 railroad property to the apparent assessment level of commercial
 28 and industrial property in each county. This is done by
 29 factoring or multiplying the estimated market value of the
 30 railroad property by the estimated sales ratio to arrive at the
 31 equalized market value of operating railroad property. In no
 32 instance will any adjustment be made if, after comparing the
 33 estimated current year sales ratio to the assessment level of
 34 operating railroad property, the difference between the two is
 35 five percent or less. An example of this adjustment is as
 36 follows:

37		Estimated	Equalized Estimated
38	Estimated Market	Current Year	Market Value of
39	Value of Railroad	Median Sales	Railroad Operating
40	Operating Property*	Ratio	Property
41			
42	County A	\$100,000	\$ 85,000
43	County B	250,000	220,000
44	County C	300,000	270,000
45	County D	150,000	138,000

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1 County E 100,000 95% 100,000**
2

3 * For purposes of this example, assume that railroad property is
4 assessed at 100 percent of market value.

5 ** No adjustment made because estimated current year median
6 sales ratio is within five percent of assessment level on
7 operating railroad property.

8 All railroads operating within a particular county will be
9 equalized at the same percentage.

10 These equalized estimated market values of operating
11 railroad property will be certified to the county assessor
12 denoting specific railroads and taxing districts pursuant to
13 Minnesota Statutes, section 270.87.

1 8106.9900 EXAMPLE OF APPORTIONMENT PROCESS.

Taxing District	LAND COMPONENT				TRACK COMPONENT				STRUCTURES				
	Aver. F.M.V. Per Acre	# of R.R. Opr. Acres	Gross R.R. Land Component	Adj. R.R. Land Component @ 60%	Miles Main Line	Value of Main Line @ \$30,000 Mile	Miles of all other Track	Value of All Other Track @ \$20,000	Total Track Component	Structures At Restated cost	Total of 3 Components	% of 3 Components to Unit Value*	Taxing Dist. Portion of Unit Value
St. Paul, S.D. #625	\$19,000	50	\$ 950,000	570,000	8	\$ 240,000			\$ 240,000	\$400,000	\$1,210,000	37.87%	\$ 458,285
Minneapolis, S.D. #1	20,000	80	1,600,000	960,000	12	360,000			360,000	20,000	1,340,000	37.87%	507,522
Fridley, S.D. #16	15,000	95	1,425,000	855,000	6	180,000	20	\$ 400,000	580,000	200,000	1,635,000	37.87%	619,253
Coon Rapids, S.D. #11	13,000	70	910,000	546,000	9	270,000			270,000	-----	816,000	37.87%	309,059
Anoka, S.D. #11	12,000	20	240,000	144,000	4	120,000			120,000	250,000	514,000	37.87%	194,677
Ramsey, S.D. #11	10,000	60	600,000	360,000	11	330,000			330,000	-----	690,000	37.87%	261,336
Elk River, S.D. #728	6,000	5	30,000	18,000	2	60,000			60,000	-----	78,000	37.87%	29,542
Elk River Twsp., S.D. #728	2,000	20	40,000	24,000			8	160,000	160,000	-----	184,000	37.87%	69,690
Big Lake, S.D. #727	3,000	4	12,000	7,200			4	80,000	80,000	-----	87,200	37.87%	33,027
Big Lake Twsp., S.D. #727	1,000	100	100,000	60,000			20	400,000	400,000	-----	460,000	37.87%	174,224
SP-N12			\$5,907,000	\$3,544,200		\$1,560,000		\$1,040,000	\$2,600,000	\$870,000	\$7,014,200		\$2,656,615
											$\frac{\$2,656,615}{\$7,014,200} = 37.87\%$		
											*Taxable Minn. Portion of Unit Value		
											Total of 3 Components for All Taxing Districts		

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- 1 REPEALER. Minnesota Rules, parts 8105.0100; 8105.0200;
- 2 8105.0300; 8105.0400; 8105.0500; 8105.0600; 8105.0700; and
- 3 8105.9900 are repealed.