

## CHAPTER 473F

## METROPOLITAN REVENUE DISTRIBUTION

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**473F.02 DEFINITIONS.**

*[For text of subds 1 and 2, see M.S.1986]*

Subd. 3. "Commercial-industrial property" means the following categories of property, as defined in section 273.13, excluding that portion of such property (1) which may, by law, constitute the tax base for a tax increment pledged pursuant to section 469.042 or 469.162, certification of which was requested prior to August 1, 1979, to the extent and while such tax increment is so pledged; (2) which may, by law, constitute the tax base for tax revenues set aside and paid over for credit to a sinking fund pursuant to direction of the city council in accordance with Laws 1963, chapter 881, as amended, to the extent that such revenues are so treated in any year; or (3) which is exempt from taxation pursuant to section 272.02:

(a) That portion of class 3 property defined in Minnesota Statutes 1971, section 273.13, consisting of stocks of merchandise and furniture and fixtures used therewith; manufacturers' materials and manufactured articles; and tools, implements and machinery, whether fixtures or otherwise.

(b) That portion of class 4 property defined in Minnesota Statutes 1971, section 273.13, which is either used or zoned for use for any commercial or industrial purpose, except for such property which is, or, in the case of property under construction, will when completed be used exclusively for residential occupancy and the provision of services to residential occupants thereof. Property shall be considered as used exclusively for residential occupancy only if each of not less than 80 percent of its occupied residential units is, or, in the case of property under construction, will when completed be occupied under an oral or written agreement for occupancy over a continuous period of not less than 30 days.

If the classification of property prescribed by section 273.13 is modified by legislative amendment, the references in this subdivision shall be to such successor class or classes of property, or portions thereof, as embrace the kinds of property designated in this subdivision.

Subd. 4. "Residential property" means the following categories of property, as defined in section 273.13, excluding that portion of such property exempt from taxation pursuant to section 272.02:

(a) Class 1, 2a, 4a, 4b, 4c, and 4d property except resorts

(b) And that portion of class 3a, 3b, and 5 property used exclusively for residential occupancy.

*[For text of subds 5 to 11, see M.S.1986]*

Subd. 12. "Market value" of real property within a municipality means the "actual market value" of real property within the municipality, determined in the manner and with respect to the property described for school districts in section 475.53, subdivision 4, except that no adjustment shall be made for property on which taxes are paid into the state treasury under gross earnings tax laws applicable to common carrier railroads. For purposes of sections 473F.01 to 473F.13, the commissioner of revenue shall annually make determinations and reports with respect to each municipality which are comparable to those it makes for school districts under section 124.2131, subdivision 1, in the same manner and at the same times as are prescribed by the

subdivision. The commissioner of revenue shall annually determine, for each municipality, information comparable to that required by section 475.53, subdivision 4, for school districts, as soon as practicable after it becomes available. The commissioner of revenue shall then compute the market value of property within each municipality.

*[For text of subds 13 to 16, see M.S.1986]*

Subd. 17. "Public grants" means (1) the sum of all money received by a municipality pursuant to section 273.1394; and (2) one-tenth of all other money received by a municipality from the federal and state governments, and their agencies and political subdivisions, under programs of intergovernmental aids and grants distributed by formula or upon application. The state auditor shall certify the public grants of each municipality for each year to the commissioner of finance not later than September 1 of the subsequent year.

*[For text of subds 18 to 22, see M.S.1986]*

**History:** 1987 c 268 art 6 s 50,51; art 7 s 53; 1987 c 291 s 234

**NOTE:** Except where provided otherwise, subdivisions 4 and 17, as amended by Laws 1987, chapter 268, article 6, sections 50 and 51, are effective for taxes levied in 1988, payable in 1989, and thereafter. See Laws 1987, chapter 268, article 6, section 54.

#### **473F.05 ASSESSED VALUATION; 1972 AND SUBSEQUENT YEARS.**

On or before November 20 of 1972 and each subsequent year, the assessors within each county in the area shall determine and certify to the county auditor the assessed valuation in that year of commercial-industrial property subject to taxation within each municipality in the county, determined without regard to section 469.177, subdivision 3.

**History:** 1987 c 291 s 235

#### **473F.06 INCREASE IN ASSESSED VALUATION.**

On or before September 1 of 1976 and each subsequent year, the auditor of each county in the area shall determine the amount, if any, by which the assessed valuation determined in the preceding year pursuant to section 473F.05, of commercial-industrial property subject to taxation within each municipality in the auditor's county exceeds the assessed valuation in 1971 of commercial-industrial property subject to taxation within that municipality. If a municipality is located in two or more counties within the area, the auditors of those counties shall certify the data required by section 473F.05 to the county auditor who is responsible under other provisions of law for allocating the levies of that municipality between or among the affected counties. That county auditor shall determine the amount of the net excess, if any, for the municipality under this section, and certify that amount under section 473F.07. Notwithstanding any other provision of sections 473F.01 to 473F.13 to the contrary, in the case of a municipality which is designated on July 24, 1971, as a redevelopment area pursuant to section 401(a)(4) of the Public Works and Economic Development Act of 1965, Public Law Number 89-136, the increase in its assessed valuation of commercial-industrial property for purposes of this section shall be determined in each year subsequent to the termination of such designation by using as a base the assessed valuation of commercial-industrial property in that municipality in the year following that in which such designation is terminated, rather than the assessed valuation of such property in 1971. The increase in assessed valuation determined by this section shall be reduced by the amount of any decreases in the assessed valuation of commercial-industrial property resulting from any court decisions, court related stipulation agreements, or abatements for a prior year, and only in the amount of such decreases made during the 12-month period ending on June 30 of the current assessment year, where such decreases, if originally reflected in the determination of a prior year's valuation under section 473F.05, would have resulted in a smaller contribution from the municipality in that year. An adjustment for such decreases shall be made only if the

municipality made a contribution in a prior year based on the higher valuation of the commercial-industrial property.

**History:** 1987 c 384 art 2 s 107

#### 473F.07 COMPUTATION OF AREAWIDE TAX BASE.

Subdivision 1. Each county auditor shall certify the determinations pursuant to sections 473F.05 and 473F.06 to the administrative auditor on or before November 20 of each year. The administrative auditor shall determine the sum of the amounts certified pursuant to section 473F.06, and divide that sum by 2-1/2. The resulting amount shall be known as the "areawide tax base for .....(year)."

*[For text of subs 2 to 5, see M.S.1986]*

**History:** 1987 c 384 art 2 s 108

#### 473F.08 TAXABLE VALUE.

*[For text of subd 1, see M.S.1986]*

Subd. 2. The taxable value of a governmental unit is its assessed valuation, as determined in accordance with other provisions of law including section 469.177, subdivision 3, subject to the following adjustments:

(a) There shall be subtracted from its assessed valuation, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to 40 percent of the amount certified in that year pursuant to section 473F.06 in respect to that municipality as the total preceding year's assessed valuation of commercial-industrial property which is subject to the taxing jurisdiction of the governmental unit within the municipality, determined without regard to section 469.177, subdivision 3, bears to the total preceding year's assessed valuation of commercial-industrial property within the municipality, determined without regard to section 469.177, subdivision 3;

(b) There shall be added to its assessed valuation, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to the areawide base for the year attributable to that municipality as the total preceding year's assessed valuation of residential property which is subject to the taxing jurisdiction of the governmental unit within the municipality bears to the total preceding year's assessed valuation of residential property of the municipality.

*[For text of subs 3 and 3a, see M.S.1986]*

Subd. 4. In 1972 and subsequent years, the county auditor shall divide that portion of the levy determined pursuant to subdivision 3, clause (b), by the assessed valuation of the governmental unit, taking section 469.177, subdivision 3, into account, less that portion subtracted from assessed valuation pursuant to subdivision 2, clause (a). The resulting rate shall apply to all taxable property except commercial-industrial property, which shall be taxed in accordance with subdivision 6.

*[For text of subs 5 and 5a, see M.S.1986]*

Subd. 6. The rate of taxation determined in accordance with subdivision 5 shall apply in the taxation of each item of commercial-industrial property subject to taxation within a municipality, including property located within any tax increment financing district, as defined in section 469.174, subdivision 9, to that portion of the assessed valuation of the item which bears the same proportion to its total assessed valuation as 40 percent of the amount determined pursuant to section 473F.06 in respect to the municipality in which the property is taxable bears to the amount determined pursuant to section 473F.05. The rate of taxation determined in accordance with subdivision 4 shall apply in the taxation of the remainder of the assessed valuation of the item.

*[For text of subs 7a and 10, see M.S.1986]*

**History:** 1987 c 291 s 236-238

**473F.09 ADJUSTMENTS IN DATES.**

If, by reason of the enactment of any other law, the date by which the commissioner of revenue is required to certify to the county auditors the records of proceedings affecting the assessed valuation of property is advanced to a date earlier than November 15, the dates specified in sections 473F.07 and 473F.10 may be modified in the years to which such other law applies in the manner and to the extent prescribed by the administrative auditor.

**History:** 1987 c 384 art 2 s 109