# CHAPTER 473F

# METROPOLITAN REVENUE DISTRIBUTION


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## 473F.001 CITATION.

This chapter shall be cited as the "Charles R. Weaver Metropolitan Revenue Distribution Act."

**History:** *1992 c 511 art 2 s 39*

## 473F.01 PURPOSE; USE OF PROCEEDS.

Subdivision 1. **Purpose.** The legislature finds it desirable to improve the revenue raising and distribution system in the seven-county Twin Cities area to accomplish the following objectives:

(1) to provide a way for local governments to share in the resources generated by the growth of the area, without removing any resources which local governments already have;

(2) to increase the likelihood of orderly urban development by reducing the impact of fiscal considerations on the location of business and residential growth and of highways, transit facilities and airports;

(3) to establish incentives for all parts of the area to work for the growth of the area as a whole;

(4) to provide a way whereby the area's resources can be made available within and through the existing system of local governments and local decision making;

(5) to help communities in different stages of development by making resources increasingly available to communities at those early stages of development and redevelopment when financial pressures on them are the greatest; and

(6) to encourage protection of the environment by reducing the impact of fiscal considerations so that floodplains can be protected and land for parks and open space can be preserved.

Subd. 2. **Use of proceeds.** Except as provided in section 473F.08, subdivision 3a, the proceeds from the areawide tax imposed under this chapter must be used by a local governmental unit in the same manner and for the same purposes as the proceeds from other ad valorem taxes levied by the local governmental unit.

**History:** *Ex1971 c 24 s 1; 1991 c 291 art 1 s 37*

## 473F.02 DEFINITIONS.

Subdivision 1. **Terms.** The terms defined in this section shall have the meanings therein ascribed to them for purposes of sections 473F.01 to 473F.13 unless context otherwise requires.

Subd. 2. **Area.** "Area" means the territory included within the metropolitan area as defined in section 473.121, subdivision 2, excluding lands constituting a major or an intermediate airport as defined under section 473.625.

Subd. 3. **Commercial-industrial property.** "Commercial-industrial property" means the following categories of property, as defined in section 273.13, excluding that portion of such property which is exempt from taxation under 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.** "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, 1b, 2a, 4a, 4b, 4c, and 4d property except resorts and property classified under section 273.13, subdivision 25, paragraph (d), clause (3); and

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

Subd. 5. **Governmental unit.** "Governmental unit" means a county, city, town, school district, or other taxing unit or body which levies ad valorem taxes in whole or in part within the area.

Subd. 6. **Administrative auditor.** "Administrative auditor" means the person selected pursuant to section 473F.03.

Subd. 7. **Population.** "Population" means the most recent estimate of the population of a municipality made by the Metropolitan Council under section 473.24 and filed with the commissioner of revenue as of July 15 of the year in which a municipality's distribution net tax capacity is calculated.

Subd. 8. **Municipality.** "Municipality" means a city, town, or township located in whole or part within the area as defined in subdivision 2. If a municipality is located partly within and partly without the area, the references in sections 473F.01 to 473F.13 to property or any portion thereof subject to taxation or taxing jurisdiction within the municipality are to such property or portion thereof as is located in that portion of the municipality within the area, except that the fiscal capacity of such a municipality shall be computed upon the basis of the valuation and population of the entire municipality.

A municipality shall be excluded from the area if its municipal comprehensive zoning and planning policies conscientiously exclude most commercial-industrial development, for reasons other than preserving

an agricultural use. The Metropolitan Council and the commissioner of revenue shall jointly make this determination annually and shall notify those municipalities that are ineligible to participate in the tax base sharing program provided in this chapter for the following year.

Subd. 9. MS 1990 [Repealed, 1991 c 291 art 1 s 63]

Subd. 10. **County.** "County" means each county in which a governmental unit is located in whole or in part.

Subd. 11. MS 1990 [Repealed, 1991 c 291 art 1 s 63]

Subd. 12. **Adjusted market value.** "Adjusted market value" of real and personal property within a municipality means the taxable market value, as defined in section 272.03, of all real and personal property, including the value of manufactured housing, within the municipality, adjusted for sales ratios in a manner similar to the adjustments made to city and town net tax capacities under section 273.1325, subdivisions 1 to 6.

Subd. 13. MS 2012 [Repealed, 2013 c 143 art 14 s 111]

Subd. 14. **Fiscal capacity.** "Fiscal capacity" of a municipality means its adjusted market value, determined as of January 2 of any year, divided by its population, determined as of a date in the same year.

Subd. 15. **Average fiscal capacity.** "Average fiscal capacity" of municipalities means the sum of the adjusted market values of all municipalities, determined as of January 2 of any year, divided by the sum of their populations, determined as of a date in the same year.

Subd. 16. MS 1990 [Repealed, 1991 c 291 art 1 s 63]

Subd. 17. MS 1990 [Repealed, 1991 c 291 art 1 s 63]

Subd. 18. MS 1990 [Repealed, 1991 c 291 art 1 s 63]

Subd. 19. MS 1990 [Repealed, 1991 c 291 art 1 s 63]

Subd. 20. MS 1990 [Repealed, 1991 c 291 art 1 s 63]

Subd. 21. **Metropolitan Council.** "Metropolitan Council" or "council" means the Metropolitan Council created by section 473.123.

Subd. 22. **Levy.** "Levy" means the amount certified to the county auditor pursuant to chapter 275, less all reductions made by the auditor pursuant to any provision of law in determining the amount to be spread against taxable property.

Subd. 23. **Net tax capacity.** "Net tax capacity" means the taxable market value of real and personal property multiplied by its net tax capacity rates in section 273.13.

Subd. 24. **Local tax rate.** "Local tax rate" means a governmental unit's levy, including any portion levied against market value under section 126C.17, subdivision 10, divided by its net tax capacity.

**History:** *Ex1971 c 24 s 2; 1973 c 35 s 81,82; 1973 c 123 art 5 s 7; 1973 c 492 s 7,14; 1973 c 582 s 3; 1976 c 191 s 1-3; 1978 c 543 s 6,7; 1979 c 322 s 18; 1980 c 378 s 4,5; 1980 c 509 s 154; 1981 c 358 art 1 s 48; 1Sp1981 c 4 art 1 s 177; 1984 c 593 s 40; 1985 c 305 art 12 s 3; 1Sp1985 c 14 art 4 s 92,93; 1987 c 268 art 6 s 50,51; art 7 s 53; 1987 c 291 s 234; 1988 c 719 art 5 s 48,49; 1989 c 329 art 13 s 20; 1991 c 291 art 1 s 38-41; 1993 c 224 art 1 s 32; 1995 c 186 s 119; 1997 c 31 art 3 s 18; 1998 c 397 art 11 s 3;*

*2005 c 151 art 4 s 5; 1Sp2005 c 3 art 1 s 29; 2012 c 294 art 2 s 42; 2013 c 143 art 14 s 94-97,110; 2014 c 275 art 1 s 121; 2023 c 64 art 3 s 31,32*

**473F.03 ADMINISTRATIVE AUDITOR.**

Subdivision 1. **Election of administrative auditor.** On or before July 1 of 1972 and each subsequent even-numbered year the auditors of the counties within the area shall meet at the call of the auditor of Hennepin County and elect from among their number one auditor to serve as administrative auditor for a period of two years and until a successor is elected. If a majority is unable to agree upon a person to serve as administrative auditor, the commissioner of management and budget shall appoint one from among the auditors of the counties in the area. If the administrative auditor ceases to serve as a county auditor within the area during the term for which elected or appointed, a successor shall be chosen in the same manner as is provided herein for the original selection, to serve for the unexpired term.

Subd. 2. **Staff; facilities; reimbursement.** The administrative auditor shall utilize the staff and facilities of the auditor's office of the county served to perform the functions imposed by sections 473F.01 to 473F.13. The administrative auditor's county shall be reimbursed for the marginal expenses incurred by its county auditor and auditor's staff hereunder by contributions from each other county in the area in an amount which bears the same proportion to the total expenses as the population of the other county bears to the total population of the area. The administrative auditor shall annually, on or before February 1, certify the amounts of total expense for the preceding calendar year, and the share of each county, to the treasurer of each other county. Payment shall be made by the treasurer of each other county to the treasurer of the county incurring expense on or before the succeeding March 1.

**History:** *Ex1971 c 24 s 3; 1973 c 492 s 14; 1986 c 444; 2009 c 101 art 2 s 109*

**473F.04** MS 1982 [Repealed, 1983 c 222 s 45]

**473F.05 NET TAX CAPACITY.**

On or before August 5 of each year, the assessors within each county in the area shall determine and certify to the county auditor the net tax capacity 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:** *Ex1971 c 24 s 5; 1979 c 322 s 19; 1986 c 444; 1987 c 291 s 235; 1988 c 719 art 5 s 50; 1989 c 329 art 13 s 20; 1Sp1989 c 1 art 9 s 70; 1991 c 291 art 1 s 42*

**473F.06 INCREASE IN NET TAX CAPACITY.**

On or before July 15 of each year, the auditor of each county in the area shall determine the amount, if any, by which the net tax capacity determined in the preceding year under section 473F.05, of commercial-industrial property subject to taxation within each municipality in the auditor's county exceeds the net tax capacity 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 under section 401(a)(4) of the Public Works and Economic Development Act of 1965, Public Law 89-136, the increase in its net tax capacity of commercial-industrial property for purposes of this section shall be

determined in each year by using as a base the net tax capacity of commercial-industrial property in that municipality in the 1989 assessment year, rather than the net tax capacity of such property in 1971. The increase in total net tax capacity determined by this section shall be reduced by the amount of any decreases in net tax capacity 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 May 1 of the current assessment year, where such decreases, if originally reflected in the determination of a prior year's net tax capacity 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 net tax capacity of the commercial-industrial property.

**History:** *Ex1971 c 24 s 6; 1976 c 191 s 4; 1986 c 444; 1987 c 384 art 2 s 107; 1988 c 719 art 5 s 51; 1989 c 329 art 13 s 20; 1Sp1989 c 1 art 9 s 71; 1991 c 291 art 1 s 43*

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

Subdivision 1. **Areawide net tax capacity.** Each county auditor shall certify the determinations under sections 473F.05 and 473F.06 to the administrative auditor on or before August 1 of each year.

The administrative auditor shall determine an amount equal to 40 percent of the sum of the amounts certified under section 473F.06. The resulting amount shall be known as the "areawide net tax capacity for .....(year)."

Subd. 2. **Certification by commissioner.** The commissioner of revenue shall certify to the administrative auditor, on or before August 10 of each year, the population of each municipality for the preceding year, the proportion of that population which resides within the area, the average fiscal capacity of all municipalities in the area for the preceding year, and the fiscal capacity of each municipality in the area for the preceding year.

Subd. 3. **Areawide tax base distribution index.** The administrative auditor shall determine, for each municipality, the product of (a) its population, and (b) the proportion which the average fiscal capacity of municipalities for the preceding year bears to the fiscal capacity of that municipality for the preceding year. The product shall be the areawide tax base distribution index for that municipality. If a municipality is located partly within and partly without the area its index shall be that which is otherwise determined hereunder, multiplied by the proportion which its population residing within the area bears to its total population as of the preceding year.

Subd. 4. **Distribution net tax capacity.** The administrative auditor shall determine the proportion which the index of each municipality bears to the sum of the indices of all municipalities and shall then multiply this proportion in the case of each municipality, by the areawide net tax capacity.

Subd. 5. **Certification to county auditor.** The result of the procedure prescribed by subdivision 4 shall be known as the "areawide net tax capacity for .....(year) attributable to .....(municipality)." The administrative auditor shall certify such product to the auditor of the county in which the municipality is located on or before August 15.

**History:** *Ex1971 c 24 s 7; 1973 c 492 s 14; 1976 c 191 s 5; 1976 c 231 s 31,32; 1986 c 444; 1987 c 384 art 2 s 108; 1988 c 719 art 5 s 52-54; 1989 c 329 art 13 s 20; 1Sp1989 c 1 art 9 s 72-74; 1991 c 291 art 1 s 44; 2003 c 127 art 5 s 44*

**473F.08 NET TAX CAPACITY.**

Subdivision 1. **County auditor to determine.** The county auditor shall determine the net tax capacity of each governmental unit within the auditor's county in the manner prescribed by this section.

Subd. 2. **Computation of net tax capacity.** The net tax capacity of a governmental unit is its net tax capacity, 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 net tax capacity, 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 under sections 473F.06 and 473F.07 for the municipality as the total preceding year's net tax capacity 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 net tax capacity of commercial-industrial property within the municipality, determined without regard to section 469.177, subdivision 3;

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

Subd. 3. **Apportionment of levy.** The county auditor shall apportion the levy of each governmental unit in the auditor's county in the manner prescribed by this subdivision. The auditor shall:

(a) by August 20, determine the areawide portion of the levy for each governmental unit by multiplying the local tax rate of the governmental unit for the preceding levy year times the distribution value set forth in subdivision 2, clause (b);

(b) by September 5, determine the local portion of the current year's levy by subtracting the resulting amount from clause (a) from the governmental unit's current year's levy;

(c) for determinations made under clause (a) in the case of school districts, for taxes payable in 2002, exclude the general education tax rate and the portion of the referendum tax rate attributable to the first $415 per pupil unit from the local tax rate for the preceding levy year;

(d) for determinations made under clause (a) in the case of the Metropolitan Council, for taxes payable in 2002, exclude the transit operating tax rate from the local tax rate for the preceding levy year; and

(e) for determinations made under clause (a) in the case of transit opt-out cities, for taxes payable in 2002, exclude the opt-out transit rate from the local tax rate for the preceding levy year.

Subd. 3a. **Bloomington computation.** (a) Beginning in 1987 and each subsequent year through 1998, the city of Bloomington shall determine the interest payments for that year for the bonds which have been sold for the highway improvements pursuant to Laws 1986, chapter 391, section 2, paragraph (g). Effective for property taxes payable in 1988 through property taxes payable in 1999, after the Hennepin County auditor has computed the areawide portion of the levy for the city of Bloomington pursuant to subdivision 3, clause (a), the auditor shall annually add a dollar amount to the city of Bloomington's areawide portion of the levy equal to the amount which has been certified to the auditor by the city of Bloomington for the interest payments for that year for the bonds which were sold for highway improvements. The total areawide portion of the levy for the city of Bloomington including the additional amount for interest repayment certified

pursuant to this subdivision shall be certified by the Hennepin County auditor to the administrative auditor pursuant to subdivision 5. The Hennepin County auditor shall distribute to the city of Bloomington the additional areawide portion of the levy computed pursuant to this subdivision at the same time that payments are made to the other counties pursuant to subdivision 7a. For property taxes payable from the year 2009 through 2014, the Hennepin County auditor shall adjust Bloomington's contribution to the areawide gross tax capacity upward each year by a value equal to ten percent of the total additional areawide levy distributed to Bloomington under this subdivision from 1988 to 1999, divided by the areawide tax rate for taxes payable in the previous year.

(b) For property taxes payable from 2015 through 2018, the administrative auditor shall increase the areawide net tax capacity each year by an amount equal to ten percent of the total additional areawide levy distributed to Bloomington under this subdivision from 1988 to 1999, divided by the areawide tax rate for taxes payable in the previous year. The administrative auditor must notify the commissioner of revenue of the amount determined by multiplying the increase in the areawide net tax capacity by the areawide tax rate determined under subdivision 5. The commissioner of revenue must pay the amount determined each payable year to the administrative auditor in two installments on July 10 and November 10, for distribution and settlement as provided in subdivision 7a.

(c) A sum sufficient to meet the obligations under this subdivision is annually appropriated from the general fund to the commissioner of revenue.

Subd. 3b. **Livable communities fund.** (a) The Hennepin County auditor shall certify the city of Bloomington's interest payments for 1987 for the bonds which were sold for highway improvements pursuant to Laws 1986, chapter 391, section 2, paragraph (g), and which were certified as an addition to the city of Bloomington's areawide levy for taxes payable in 1988.

(b) For taxes payable in 1996 through taxes payable in 1999, the Hennepin County auditor shall certify the amount calculated by subtracting the amount certified under subdivision 3a from the amount in paragraph (a). For taxes payable in 2000 and subsequent years, the Hennepin County auditor shall certify the amount calculated in paragraph (a).

(c) The Metropolitan Council may annually certify to the Ramsey County auditor the amount calculated under paragraph (b), or a lesser amount, but not to exceed $5,000,000, to be used to provide funds for the cleanup of polluted lands in the metropolitan area.

(d) The amount certified under paragraph (c) shall be certified annually by the Ramsey County auditor to the administrative auditor as an addition to the Metropolitan Council's areawide levy under subdivision 5.

Subd. 3c. **Mall of America.** (a) When computing the net tax capacity under section 473F.05, the Hennepin County auditor shall exclude the captured tax capacity of Tax Increment Financing Districts No. 1-C and No. 1-G in the city of Bloomington.

(b) Notwithstanding the provisions of subdivision 2, paragraph (a), the commercial-industrial contribution percentage for the city of Bloomington is the contribution net tax capacity divided by the total net tax capacity of commercial-industrial property in the city, excluding any commercial-industrial property that is captured tax capacity of Tax Increment Financing Districts No. 1-C and No. 1-G.

(c) The property taxes to be paid on commercial-industrial tax capacity that is included in the captured tax capacity of Tax Increment Financing Districts No. 1-C and No. 1-G in the city of Bloomington must be

determined as described in subdivision 6, except that the portion of the tax that is based on the areawide tax rate is to be treated as tax increment under section 469.176.

(d) The provisions of this subdivision take effect only if the clerk of the city of Bloomington certifies to the Hennepin County auditor that the city has entered into a binding written agreement with the Metropolitan Council to repair and restore, or to replace, the old Cedar Avenue bridge for use by bicycle commuters and recreational users.

(e) This subdivision expires on the earliest of the following dates:

(1) when the tax increment financing districts have been decertified in 2024 or 2035, as provided by Laws 2013, chapter 143, article 9, section 22, subdivision 2 or 4; or

(2) on January 1, 2014, if the city clerk fails to make the certification provided in paragraph (d) or if the city fails to file its local approval of Laws 2013, chapter 143, article 9, section 23, with the secretary of state by December 31, 2013.

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

Subd. 5. **Areawide tax rate.** On or before August 25 of each year, the county auditor shall certify to the administrative auditor that portion of the levy of each governmental unit determined under subdivisions 3, clause (a), 3a, and 3b. The administrative auditor shall then determine the areawide tax rate sufficient to yield an amount equal to the sum of such levies from the areawide net tax capacity. On or before September 1 of each year, the administrative auditor shall certify the areawide tax rate to each of the county auditors.

Subd. 5a. **Governmental unit in two or more counties.** If a governmental unit is located in two or more counties, the computations and certifications required by subdivisions 3 to 5 with respect to it shall be made by the county auditor who is responsible under other provisions of law for allocating its levies between or among the affected counties.

Subd. 6. **Application to commercial-industrial property.** The areawide tax rate determined in accordance with subdivision 5 shall apply to each 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 net tax capacity of the item which bears the same proportion to its total net tax capacity as 40 percent of the amount determined under sections 473F.06 and 473F.07 is to the amount determined under section 473F.05. The tax rate determined in accordance with subdivision 4 shall apply in the taxation of the remainder of the net tax capacity of the item.

Subd. 7. MS 1978 [Repealed, 1980 c 437 s 20]

Subd. 7a. **Certification of values; payment.** The administrative auditor shall determine for each county the difference between the total levy on distribution value pursuant to subdivisions 3, clause (a), 3a, and 3b, within the county and the total tax on contribution value pursuant to subdivision 6, within the county. On or before May 16 of each year, the administrative auditor shall certify the differences so determined to each county auditor. In addition, the administrative auditor shall certify to those county auditors for whose county the total tax on contribution value exceeds the total levy on distribution value the settlement the county is to make to the other counties of the excess of the total tax on contribution value over the total levy on distribution value in the county. On or before June 15 and November 15 of each year, each county treasurer

in a county having a total tax on contribution value in excess of the total levy on distribution value shall pay one-half of the excess to the other counties in accordance with the administrative auditor's certification.

Subd. 8. MS 1978 [Repealed, 1980 c 437 s 20]

Subd. 8a. **Fiscal disparities adjustment.** In any year in which the highest classification rate for class 3a property changes from the rate in the previous year, the following adjustments shall be made to the procedures described in sections 473F.06 to 473F.08.

(1) An initial contribution tax capacity shall be determined for each municipality based on the previous year's classification rates.

(2) Each jurisdiction's distribution tax capacity shall be determined based upon the areawide tax base determined by summing the tax capacities computed under clause (1) for all municipalities and apportioning the resulting sum pursuant to section 473F.07, subdivision 5.

(3) Each jurisdiction's distribution levy shall be determined by applying the procedures described in subdivision 3, clause (a), to the distribution tax capacity determined pursuant to clause (2).

(4) Each municipality's final contribution tax capacity shall be determined equal to its initial contribution tax capacity multiplied by the ratio of the new highest classification rate for class 3a property to the previous year's highest classification rate for class 3a property.

(5) For the purposes of computing education aids and any other state aids requiring the addition of the fiscal disparities distribution tax capacity to the local tax capacity, each municipality's final distribution tax capacity shall be determined equal to its initial distribution tax capacity multiplied by the ratio of the new highest classification rate for class 3a property to the previous year's highest classification rate for class 3a property.

(6) The areawide tax rate shall be determined by dividing the sum of the amounts determined in clause (3) by the sum of the values determined in clause (4).

(7) The final contribution tax capacity determined in clause (4) shall also be used to determined the portion of each commercial/industrial property's tax capacity subject to the areawide tax rate pursuant to subdivision 6.

Subd. 9. MS 1974 [Repealed, 1976 c 191 s 14]

Subd. 10. **Adjustment of value.** For the purpose of computing fiscal capacity under section 473F.02, subdivision 14, a municipality's taxable market value shall be adjusted to reflect the reductions to net tax capacity effected by subdivision 2, clause (a), provided that in determining the taxable market value of commercial-industrial property or any class thereof within a municipality, the reduction required by this subdivision shall be that amount which bears the same proportion to the amount subtracted from the municipality's net tax capacity pursuant to subdivision 2, clause (a), as the taxable market value of commercial-industrial property, or such class thereof, located within the municipality bears to the net tax capacity of commercial-industrial property, or such class thereof, located within the municipality. No adjustment shall be made to taxable market value for the increase in net tax capacity under subdivision 2, clause (b).

Subd. 11. MS 1980 [Repealed, 1Sp1981 c 4 art 1 s 192]

**History:** *Ex1971 c 24 s 8; 1976 c 191 s 6-9; 1979 c 322 s 20-22; 1980 c 437 s 18; 1980 c 607 art 6 s 20; 1983 c 342 art 7 s 14; 1986 c 391 s 12; 1986 c 444; 1987 c 291 s 236-238; 1988 c 719 art 5 s 55-62;*

*1989 c 329 art 13 s 20; 1Sp1989 c 1 art 2 s 11; art 3 s 28; art 5 s 42; art 9 s 75-76; 1990 c 480 art 7 s 27; 1991 c 291 art 1 s 45-47; 1995 c 255 art 2 s 10-13; 1Sp2001 c 5 art 3 s 73; 1Sp2005 c 3 art 1 s 30; 2013 c 143 art 4 s 32; art 9 s 10; art 14 s 98; 2014 c 275 art 1 s 122; 2014 c 308 art 10 s 12*

**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 net tax capacity of property is advanced to a date earlier than June 30, 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:** *Ex1971 c 24 s 9; 1973 c 582 s 3; 1987 c 384 art 2 s 109; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 20; 1Sp1989 c 1 art 9 s 77; 1991 c 291 art 1 s 48*

**473F.10 REASSESSMENTS AND OMITTED PROPERTY.**

Subdivision 1. **Reassessment orders.** If the commissioner of revenue orders a reassessment of all or any portion of the property in a municipality other than in the form of a mathematically prescribed adjustment of valuation, or if omitted property is placed upon the tax rolls, and the reassessment has not been completed or the property placed upon the rolls, as the case may be, by November 15, the net tax capacity of the affected property shall, for purposes of sections 473F.03 to 473F.08, be determined from the abstracts filed by the county auditor with the commissioner of revenue.

Subd. 2. **Adjustment in succeeding year.** If the reassessment, when completed and incorporated in the commissioner of revenue's certification of the net tax capacity of the municipality, or the listing of omitted property, when placed on the rolls, results in an increase in the net tax capacity of commercial-industrial property in the municipality which differs from that used, pursuant to subdivision 1, for purposes of sections 473F.03 to 473F.08, the increase in the net tax capacity of commercial-industrial property in that municipality in the succeeding year, as otherwise computed under section 473F.06, shall be adjusted in a like amount, by an increase if the reassessment or listing discloses a larger increase than was used for purposes of sections 473F.03 to 473F.08, or by a decrease if the reassessment or listing discloses a smaller increase than was used for those purposes, provided that no adjustment shall reduce the amount determined under section 473F.06 to an amount less than zero.

Subd. 3. **Application.** Subdivisions 1 and 2 shall not apply to the determination of the tax rate under section 473F.08, subdivision 4, or to the determination of the net tax capacity of commercial-industrial property and each item thereof for purposes of section 473F.08, subdivision 6.

**History:** *Ex1971 c 24 s 10; 1973 c 582 s 3; 1986 c 444; 1988 c 719 art 5 s 63; 1989 c 329 art 13 s 20; 1Sp1989 c 1 art 2 s 11*

**473F.11 LATE LEVIES.**

Subdivision 1. **Failure to certify levy.** If a governmental unit does not certify its levy to the county auditor by November 25, then for purposes of section 473F.08, subdivision 3, clause (a), and section 473F.08, subdivision 5, its levy shall be deemed to equal its levy in the preceding year.

Subd. 2. **Change in levy.** If a governmental unit certifies its levy to the county auditor on or before November 25, no change in its levy subsequent to that date shall be recognized for purposes of section 473F.08, subdivision 3, clause (a), and section 473F.08, subdivision 5.

Subd. 3. **Application.** Subdivisions 1 and 2 shall not apply to section 473F.08, subdivision 3, clause (b), and section 473F.08, subdivision 4.

Subd. 4. **Adjustment in succeeding year.** If, in any year, the levy employed in respect to a governmental unit, for purposes of section 473F.08, subdivision 3, clause (a), and section 473F.08, subdivision 5, is determined under subdivision 1 or subdivision 2, and its actual levy as determined subsequent to November 25 is a different amount, then its levy as otherwise determined in the succeeding year shall, for purposes of those provisions, be increased in the amount of the difference if the actual levy was greater than that employed for purposes of those provisions, or decreased in the amount of the difference if the actual levy was less than that employed for purposes of those provisions.

**History:** *Ex1971 c 24 s 11*

**473F.12** MS 1990 [Repealed, 1991 c 291 art 1 s 63]

**473F.13 CHANGE IN STATUS OF MUNICIPALITY.**

Subdivision 1. **Certification of change in status.** If a municipality is dissolved, is consolidated with all or part of another municipality, annexes territory, has a portion of its territory detached from it, or is newly incorporated, the secretary of state shall immediately certify that fact to the commissioner of revenue. The secretary of state shall also certify to the commissioner of revenue the current population of the new, enlarged, or successor municipality, if determined by the chief administrative law judge of the state Office of Administrative Hearings incident to consolidation, annexation, or incorporation proceedings. The population so certified shall govern for purposes of sections 473F.01 to 473F.13 until the Metropolitan Council files its first population estimate as of a later date with the commissioner of revenue. If an annexation of unincorporated land occurs without proceedings before the chief administrative law judge, the population of the annexing municipality as previously determined shall continue to govern for purposes of sections 473F.01 to 473F.13 until the Metropolitan Council files its first population estimate as of a later date with the commissioner of revenue.

Subd. 2. MS 1990 [Repealed, 1991 c 291 art 1 s 63]

Subd. 3. MS 1990 [Repealed, 1991 c 291 art 1 s 63]

**History:** *Ex1971 c 24 s 13; 1973 c 492 s 14; 1975 c 271 s 6; 1976 c 191 s 12,13; 1991 c 291 art 1 s 49; 2003 c 2 art 5 s 12; 2008 c 196 art 2 s 10*