Overview

Permits a city to divide its area into urban and rural service districts for purposes of property taxation for all municipal property taxes including those levied for the payment of debt. Under current law, differential tax rates are allowed only for non-debt purposes.

Section

1 Division into urban and rural service districts.
Permits a city, in order to carry out an orderly annexation agreement entered into (under a Minnesota Municipal Board order) on or after August 16, 1996, to divide its area into urban and rural service districts in order to establish separate taxing districts. Permits a city to divide its area into urban and rural service districts for purposes of property taxation for all municipal property taxes including those levied for the payment of debt. Under current law, differential tax rates are allowed only for non-debt purposes.

Also permits this division notwithstanding the law that requires a rural service district to include only unplatted lands that are deemed to be rural in character, and not developed for commercial, industrial, or urban residential purposes.

2 Effective date. Section 1 is effective for taxes levied in 1999 payable in 2000 and thereafter.