

**CITY OF KANDIYOHI, COUNTY OF KANDIYOHI  
STATE OF MINNESOTA**

**ORDINANCE 177.01**

**AN ORDINANCE ESTABLISHING URBAN AND RURAL TAXING DISTRICTS WITHIN THE  
CORPORATE LIMITS OF THE CITY OF KANDIYOHI.**

**WHEREAS**, Minn. Stat. § 272.67 authorizes the City to divide its territory into Urban Service District areas and Rural Service District areas for the purpose of allocating municipal property tax burdens to reflect the lesser municipal service benefits received in the Rural Service District.

**NOW, THEREFORE, IT IS HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF KANDIYOHI, KANDIYOHI COUNTY, MINNESOTA, AS FOLLOWS:**

(A) **PURPOSE.** The City of Kandiyohi is hereby divided into an Urban Service District and Rural Service District, pursuant to M.S. § 272.67, as it may be amended from time to time, for the purpose of all municipal property taxes, except those levied for the payment of bonds, judgments, and interest thereon. The separate districts shall be known as the "Rural Service District" and the "Urban Service District."

(B) **DEFINITIONS.**

(1) The "Urban Service District" shall include all property within the limits of the city, except those set forth by ordinance as the Rural Service District.

(2) The "Rural Service District" shall include unplatted lands which need not be contiguous to one another and platted lands which are not developed, as in the judgment of the Council are rural in character, taxed as agricultural, and are not developed for commercial, industrial, or urban residential purpose and for these reasons are not benefited to the same degree as other lands by municipal services financed by general taxation.

(C) **RURAL SERVICE DISTRICT.** The Rural Service District as of the date of adoption of this Ordinance shall be comprised of the following parcels of land within the City:

<u>Parcel ID No.</u>	<u>Acres</u>	<u>Property Owner</u>
50-250-2000	2.07	Constance L Vanderbilt Trust
50-250-2150	2.07	Constance L Vanderbilt Trust
50-250-2300	2.07	Constance L Vanderbilt Trust
50-250-2450	1.21	Constance L Vanderbilt Trust
50-910-0120	31.02	Bradley R Backlund
50-910-0120	4.28	Rierson Revocable Trusts

(D) **BENEFITS TAX RATIO.** The Ratio of Benefits of land within the Rural Service District compared to land of like market value situated within the Urban Service District shall be 43 percent, however, not less than the tax ratio for agricultural land in Kandiyohi Township.

- (E) **MODIFICATION OF DISTRICTS AND BENEFITS RATIO.** By establishment of this ordinance, land may be added to or removed from the Rural Service Taxing District and the benefit ratio may be changed by city resolution. Whenever any parcel of land included in the Rural Service District is platted, in whole or in part, or whenever application is made for a permit for the construction of a commercial, industrial, residential or agricultural building or improvement to be situated on such parcel or any part therefor, or whenever the construction of an improvement or building is commenced without a permit, the Council shall transfer the parcel or part thereof from the Rural Service District to the Urban Service District, as the Council may deem appropriate.
- (F) **SERVICES PROVIDED.** Except for fire and planning services, the City of Kandiyohi will provide no other services to the lands in the Rural Service District beyond those customarily provided by the township in which the lands are located.
- (G) **VOIDS PRIOR ORDINANCES.** This ordinance voids any previous ordinances regulating rural service districts in the City of Kandiyohi.
- (H) **EFFECTIVE DATE.** This ordinance shall be effective 30 days after adoption and publication for real estate taxes becoming due and payable in the year 2022 and thereafter.

**Adopted by the City Council of the City of Kandiyohi on this 16<sup>th</sup> day of August 2021.**

Approved:

/s/ \_\_\_\_\_

Jonathan Lindstrand  
Mayor

Attested:

/s/ \_\_\_\_\_

Julie Woltjer  
City Clerk/Treasurer

Motioned By: Council Member Schneider  
Seconded By: Council Member McGillivray  
Voice Roll Call: Council Member McGillivray Yes, Larcom Absent,  
Schneider Yes, and Streich Absent. Motion Passed/Failed: Passed