

CITY OF PRINCETON

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE ~~ESTABLISHING~~ AMENDING THE URBAN AND RURAL  
TAXING DISTRICTS WITHIN THE CORPORATE  
LIMITS OF THE CITY OF PRINCETON, MINNESOTA**

**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 PRINCETON, MILLE LACS COUNTY AND SHERBURNE COUNTY, MINNESOTA AS FOLLOWS:**

**SECTION 1. DEFINITIONS.** The following terms are defined as hereinafter stated:

**Rural Service District.** Any platted or unplatted Lot ~~more than 2.5 acres~~, lying within the corporate limits of the City of Princeton which either abuts the municipal boundary on at least one side, or has been annexed into the City less than 10 years prior to the date of filing an application for inclusion in the Rural Service District, is rural in character and not developed for commercial, industrial or urban residential purposes, and ~~which~~ does not have reasonably convenient access to municipal sewer and water and ~~which~~ is either undeveloped, or used or developed for rural residential or agricultural purposes ~~only~~.

**Urban Service District.** All Lots within the corporate limits of the City of Princeton which do not lie within the Rural Service District.

**Lot.** Any parcel of land separated from other parcels by legal description.

**Municipal Property Taxes.** All *ad valorem* property taxes levied by the City of Princeton, except such taxes levied for the payment of principal and interest on bonds and judgments.

**Municipal Services.** Any or all of the following: Public sanitary sewer and water service, police and fire protection, all weather hard surfaced street improvements, drainage and storm sewer improvements, and similar basic services.

**Exceptions.** The Rural Service District shall not contain Lots which lie within a Tax Increment Financing District, a JobZ Zone, a Green Acres classification, or a similar *ad valorem* property tax benefit district, provided, however that such *ad valorem* property tax benefits may be extended to Lots within the Rural Service

District in the event the owner or developer of such a Lot agrees to opt out of the Rural Service District and repay to the City all *ad valorem* property tax benefits which have accrued to the Lot while contained within the Rural Service District.

**Ratio.** A ratio expresses the magnitude of Municipal Services received by Lots in the Rural Service District, as compared with the magnitude of Municipal Services received by comparably priced Lots in the Urban Service District.

**SECTION 2. RURAL SERVICE DISTRICT ESTABLISHED.** The City Council hereby establishes the Rural Service District and classifies therein, each Lot within the corporate limits of the City of Princeton which, in the judgment of the City Council, meets the following criteria:

- (a) The lot meets the definition of Rural Service District as defined in this ordinance; and
- (b) The Lot does not benefit from a substantial number of Municipal Services provided by the City.

**SECTION 3. URBAN SERVICE DISTRICT ESTABLISHED.** The City Council hereby establishes the Urban Service District and classifies therein, each Lot within the corporate limits of the City of Princeton which is not included in the Rural Service District

**SECTION 4. RATIO OF MUNICIPAL BENEFITS ESTABLISHED.** The ratio which exists between benefits resulting from Municipal Services available to Lots within the Rural Service District, and benefits resulting from Municipal Services available to Lots within the Urban Service District, assuming the Lots are similar in market value, is established as the same ratio which exists between the overall tax capacity rate which prevails in the adjacent township and the overall tax capacity rate which prevails in the City of Princeton.

Adopted by the City Council of the City of Princeton this \_\_\_\_ day of \_\_\_\_\_, 2024.

Approved:

\_\_\_\_\_  
Thom Walker, Mayor

Attest:

\_\_\_\_\_  
Shawna Jenkins Tadych, City Clerk