
MEMORANDUM



TO: City Council
FROM: Shawna Jenkins
SUBJECT: **Rural Taxing District – Newly Annexed properties**
DATE: July 11, 2024

At the June 27th City Council meeting, Ordinance 852 amending the Rural Taxing District was approved.

Cindy Penney’s property was annexed into the City of Princeton along with six others in 2022 – 2023 to square up the City’s boundary following State Statute 414.033, Sub 3.

Subd. 3.60 percent bordered and 40 acres or less.

If the perimeter of the area to be annexed by a municipality is 60 percent or more bordered by the municipality and if the area to be annexed is 40 acres or less, the municipality shall serve notice of intent to annex upon the town board and the chief administrative law judge, unless the area is appropriate for annexation by ordinance under subdivision 2, clause (3). The town board shall have 90 days from the date of service to serve objections with the chief administrative law judge. If no objections are forthcoming within the said 90-day period, such land may be annexed by ordinance. If objections are filed with the chief administrative law judge, the chief administrative law judge shall conduct hearings and issue an order as in the case of annexations under section [414.031](#), subdivisions 3 and 4.

Cindy Penney contacted the city regarding the increase in her property taxes since being annexed into the City. I informed her that the Rural Taxing District Ordinance was going to be amended and she could request a refund for the difference in tax amounts.

At the June 27th meeting, the Council heard her request and asked if any of the other properties that were recently annexed would meet the requirements to be in the Rural Tax District. Staff determined that three met the Rural Tax District Requirements.

	City Portion paid 2024	Rural Taxing Dist \$	Refund \$
24-021-2301 (Penney)	\$1,339.00	\$469.55	\$869.45
24-021-4800 (Leuthard)	\$1,368.32	\$480.25	\$888.07
24-032-6000 (Arendsee)	\$1,944.24	\$673.70	\$1,270.54