

**8100.0200 INTRODUCTION.**

The commissioner of revenue establishes an estimate of the unit value for each utility company operating within the state. The entire system is valued utilizing data relating to the cost of the property, the earnings of the company owning or operating the property, and additional indicators of value where applicable. The resulting valuation is allocated to each state in which the utility company operates. The value of property located in Minnesota that is exempt from property tax or that is locally assessed is subtracted from the value allocated to Minnesota. Next, by the process of apportionment, the portion allocated to Minnesota is distributed to the various taxing districts within the state. The data used in the valuation, allocation, and apportionment process is drawn from reports submitted to the Department of Revenue by the utility companies. These reports include Minnesota Department of Revenue Annual Utility Reports (UTL forms), Reports to the Minnesota Public Utilities Commission, Annual Reports to Shareholders, Annual Reports to the Federal Energy Regulatory Commission, United States Department of Agriculture, Rural Utility Service or equivalent, and other publicly available sources of information regarding rates. Periodic examinations of the supporting data for these reports are made by the Department of Revenue. Finally, the value is equalized based on sales/assessment ratios determined by the Department of Revenue.

The commissioner of revenue reserves the right to exercise discretion whenever the circumstances of a valuation estimate dictate the need for it. Discretion may be used to ensure a balance between a prescriptive rule and sound appraisal judgment; to ensure that all relevant data pertaining to value is considered; to ensure that a reasonable estimate of market value is derived; to address concerns of predictability and stability in estimations of market value; and to ensure that utility valuation is easily understood and administered.

**Statutory Authority:** *MS s 270.06; 270.11; 270C.06*

**History:** *11 SR 635; 12 SR 58; 13 SR 394; 14 SR 1806; 15 SR 2190; 21 SR 749; 24 SR 1106; L 2005 c 151 art 1 s 114; 31 SR 1317*

**Published Electronically:** *June 4, 2007*