

CITY OF PLATO

ORDINANCE NO. 87

AN ORDINANCE CREATING A RURAL SERVICE TAX DISTRICT

Revised 11-2025

87.01 ESTABLISHMENT OF DISTRICTS.

Pursuant to the authority granted by M.S. § 272.67, the City of Plato hereby divides the area within its municipal limits into an urban service district and a rural service district constituting separate taxing districts for the purpose of all municipal property taxes except those levied for the payment of bonds and judgments and interest thereon.

87.02 URBAN SERVICE DISTRICT.

The urban service district shall include all land within the boundaries of the City of Plato which are not included in the rural service district established by this subchapter.

87.03 RURAL SERVICE DISTRICT.

(A) The rural service district shall include only such unplatted lands, which need not be contiguous to one another, as in the judgment of the City Council at the time of the original adoption of Ord. No. 87 (July 17, 2013) are rural in character, and are not developed for commercial, industrial, or urban residential purposes, and for these reasons are not benefitted to the same degree as other lands by municipal services financed by general taxation. Land in a Rural Service District must be open, rural in character and maintained in farm crops or seeded.

(B) The City Council by amendment to this subchapter in the future, may designate lands outside the City of Plato which, if annexed, shall be included within the rural service district.

87.04 LANDS INCLUDED WITHIN THE RURAL SERVICE DISTRICT.

The following parcel(s) are hereby designated to be included in the rural service district of the City of Plato as of the date of this revision (November 2025):

PID No. R18.014.3825

Tony Stepien as the owner of real property in McLeod County, Minnesota

Approximately 8.05 acres

87.05 TRANSFER FROM RURAL SERVICE DISTRICT TO URBAN SERVICE DISTRICT.

(A) 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 construction for a commercial, industrial, residential, or agricultural building or improvement, except for the purpose of repairing or replacing a pre-existing structure; or whenever such improvement or building is commenced without a permit; or whenever, at the request of the owner, any parcel is provided additional municipal services such as sewer, water, streets, or the like; the City Council shall make and enter an order by resolution transferring such parcel or any part thereof from the rural service district to the urban service district.

B) Grading of land is not considered as an improvement providing such grading is limited to that which is required to minimize storm water drainage problems and provided grading areas are placed into agricultural use or reseeded within one year. Any new fill placed on the land shall be graded and seeded within one year.

87.06 BENEFIT RATIO; TAX RATE.

(A) It is the judgment of the City Council that the calculation of the ratio that exists between the benefits resulting from the tax supported municipal services to parcels of land of like market value, situated in the rural service district and in the urban service district, respectively, is intended to result in an equal tax rate of the rural service district as if it were being taxed by Helen Township. However, in no event shall the tax rate for the rural service district be less than what the tax rate for such parcel would be if taxed by the township in which the parcel is located. Any taxes levied for the payments of bonds and judgments and interest thereon shall be in addition to such tax.

(B) By amendment to this subchapter by Council Resolution, the benefit ratio may be changed, and lands may be added to or removed from the rural service district, but no amendment shall be required to remove land by the procedure provided in Paragraph 87.05, above. The McLeod County Auditor-Treasurer will be notified of any amendments by September 15 of each year.

87.07 ANNUAL REVIEW.

Once each year the City Council shall review the status of all lands in the rural service district to determine whether such lands continue to qualify for inclusion in the rural service district.

87.08 CONNECTION CHARGES.

At such time as a parcel of land is transferred from the rural service district to the urban service district and/or a structure on such parcel is connected to the sewer and water system of the City of Plato, the owner of such parcel shall pay to the City of Plato such connection and availability charges of the city that are then in effect at the time of such connection.

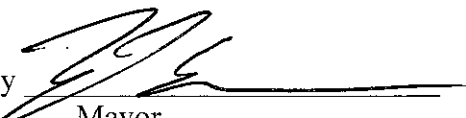
87.09 SERVICES PROVIDED.

Except for fire, police and planning services, the City of Plato 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.

Upon adoption of this ordinance revision, the original version of Ordinance 87 is considered obsolete and hereby repealed and replaced.

Adopted by the City Council this 10th day of November, 2025

CITY OF PLATO

By 
Mayor

ATTEST:


City Clerk

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