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RAILROADS:
METHODS OF VALUING OPERATING PROPERTY
AND
THE AMOUNTS OF TAX PAYMENTS

A REPORT TO THE 1985 MINNESOTA LEGISLATURE

Prepared by the
Minnesota Department of Revenue
February 1985

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PREFACE

State law requires the Department of Revenue to report to the legislature in February 1985 and in February 1986 on:

- 1) the formula the Department of Revenue has used to determine the market value of the operating property of the state's railroads;
- 2) the values it has determined for each company according to the formula; and
- 3) the property taxes it has determined for each company.

**A BRIEF HISTORY OF
WHY THIS REPORT IS REQUIRED**

The requirement for this report can be traced back to 1979. It grows out of a major development--which occurred in 1979--in the long history of the taxation of railroads in Minnesota.

To understand this report and make use of the information it contains, it is necessary to know some of that history--especially what has occurred since 1979.

From before the turn of the century through 1979, railroads did not pay a property tax. Instead of a property tax, state law imposed on railroads a five percent gross earnings tax. For 1979, the amount of revenue collected from the gross earnings tax on railroads was \$25 million.

A major change in the taxation of railroads in Minnesota occurred in 1979 when the state legislature passed a law providing for a shift from the gross earnings tax on railroads to a property tax. The property tax on railroads was first assessed for 1980.

The shift from the gross earnings tax on railroads to a property tax was the state legislature's response to the 1976 Federal Railroad Revitalization and Regulatory Reform Act (the 4R Act). The 4R Act prohibited states from taxing railroad property in a discriminatory manner and at a rate higher than other commercial-industrial property.

The Department of Revenue had been responsible for collecting the railroad gross earnings tax, and under the 1979 law ordering the shift to a property tax, the department was assigned the responsibility of valuing railroad property for the property tax.

The law called on the department--under its rule-making authority--to develop a method for determining the values.

(The department was also assigned the responsibility of collecting the tax for 1980 and 1981. From 1982 onward, state law has given the responsibility for collecting the tax to the local governments. The department remains responsible for valuing railroad property.)

But, since railroad property had never been valued for property tax purposes, the legislature wanted to see what methods the department developed to determine the valuation and what were the results.

As a result, in its 1979 law the legislature required the department to report to it in February 1980 and in February 1981 on:

- 1) the formula the department used to determine the market value of the operating property of the railroads;
- 2) the values it determined for each company according to the formula; and
- 3) the property taxes it determined for each company.

The law went on to state:

The legislature may review the formula, the valuation, and the resulting taxes, and may make changes in the formula that it deems necessary.

Clearly, the intent of the legislature was to closely watch the valuing of railroad property so that, if it saw fit, it could enact changes in the methods of determining the values.

The Department of Revenue made the required reports to the legislature for 1980 and for 1981.

In the 1979 law, no reports were called for after 1981.

But in 1984 the legislature revived its 1979 legislation calling again for the Department of Revenue to develop a formula under its rule-making authority for valuing railroad property and again asking for a report--this report--in February 1985 and in February 1986 on the formula used, the values determined, and the tax determined for each railroad.

The legislature again asked the department to develop a formula for valuing railroad property and report back to it because of a decision handed down by the Minnesota Tax Court in 1983.

From 1980 to 1983, five Minnesota railroads brought a total of 14 suits against the department to the Minnesota Tax Court claiming that the methods the department had used to value their property were wrong and had resulted in values--and ultimately property taxes--which were too high.

In 1983 the Tax Court issued a ruling in a suit brought by one railroad which agreed that its property had been overvalued. The court then outlined its own methods for determining the value of railroad property. Under the court's methods, the value was reduced and the property tax on the railroad was recalculated.

Developments In Response To The 1983 Tax Court Decision

Following the Tax Court decision, the remaining suits have all been settled in negotiations between the railroads and the department based on the guidelines for determining values which the court outlined in its decision. The negotiations resulted in tax reductions in every case.

As a result of these actions, the total property taxes paid by the railroads in 1982 have been reduced from \$10.9 million based on the Department of Revenue's original methods for determining values to \$6.8 million based on the Tax Court's methods. For 1983 the recalculation of railroad property values according to the court's methods saw a reduction in property taxes from \$11.5 million to \$6.7 million, and for 1984 the reduction was from \$12.2 million to \$6.7 million. (A table comparing the amounts of property tax paid by railroads based on the department's original methods with the amounts paid based on the Tax Court's methods by year appears on page 11 of the appendix.)

Using the valuation methods developed by the department under its rule-making authority since the court decision, the amount of property taxes owed by the state's railroads for 1985 will be approximately \$8 million.

The legislature responded to the 1983 Tax Court Decision by requiring the state government to reimburse the local governments for \$8.2 million of the total of \$10 million which they were required to refund to the railroads as a result of the overvaluation of their property in 1982 and 1983. A listing of the amount the state reimbursed local governments in each county for refunds made to the railroads appears on pages 13 - 15 of the appendix. Also, the legislature responded by again calling for the department to develop rules for valuing railroad property and to report the rules and the results to the legislature.

This report describes the methods the department has developed for valuing railroad property, and it makes recommendations for the legislature to consider for future changes in the methods of valuing railroad property.

Methods for Valuing Railroads

The methods developed by the department for estimating the value of railroad operating property in 1984 for use in determining property tax payment amounts in 1985 are described below. The methods for the valuing of railroads were developed by the department under its authority to adopt emergency rules granted by Laws of 1984, Chapter 502, Article 9, Section 2.

Although not required by law, the first step in the department's procedures is to determine the "unit value" of each railroad. This means estimating the value of the entire system of a railroad company rather than determining the value of the component parts of its system.

The department's rules call for the use of three approaches in estimating the unit value of each railroad company:

- restated cost less an allowance for depreciation and obsolescence;
- capitalized earnings through the use of a capitalization rate developed under the guidelines of the Minnesota Tax Court in its 1983 ruling; and
- the stock and debt value of the railroad adjusted for any non-operating property it owned.

The definitions of these approaches and the steps to follow for estimating the value of railroads under each are explained on pages 96 - 110, Volume 9, Number 2 of the State Register published on July 9, 1984. A further description of the three approaches to value, together with examples of how values are determined according to each method, is not provided here because it would require fourteen pages of print--the same number of pages to provide the same explanations already published in the State Register.

If a railroad company is operating in more than one state, the next step in the department's procedures is to determine the portion of its unit value to allocate to Minnesota. Four measures are used by the department to determine the portion of a railroad's unit value to assign to Minnesota: miles of track; ton miles of revenue freight; gross revenue; and the costs of railroad property.

The total amount in the nation of each measure for a railroad is divided into the portion of the total of the measure determined by the department to be in Minnesota. The result is a percentage for each of the four measures. Next, the

percentages for each measure are added together and the total of the percentages divided by four. The result is an arithmetic average of the four percentages. The average is then multiplied by the unit value of the railroad to determine the portion of its value in the nation to allocate to Minnesota.

The portion of the unit value allocated to Minnesota is now reduced for the property of a railroad that is not taxed by state law. An estimated 50 percent of a railroad's total value is made up of items exempted from the property tax. The substantial portion of this property represents engines and freight cars owned by the railroads. The result of this process is the value of a railroad's property that is taxed in Minnesota. (The market values as determined by the department for the assessment years 1980 to 1984 are listed on pages 17 and 18 of the appendix.)

The value of the railroad's property taxed in the state is then allocated to local units of government through the use of a formula using three factors: miles of track of the railroad; values of land for the railroad; and buildings owned by railroad with a cost of more than \$10,000.

The next step in the department's procedure calls for reducing the value of a railroad's property allocated to each local unit of government so that the value is taxed at the same percentage of its market value as other commercial and industrial property within a county. The department uses the median ratio of sales prices to assessors' estimates of market value for commercial and industrial property by county to determine the reduction in the value of railroad properties (see pages 20 and 21 of the appendix). The resulting value of the railroad is multiplied by 43 percent to determine the assessed value of its property in each local unit of government within a county.

The requirement that the values of railroad properties be reduced by the sales-to-assessment ratio for commercial and industrial property in each county is required by the Federal 4R Act, the Minnesota Tax court in its ruling in 1983, and by state law. This process resulted in a reduction of 20 percent in the department's estimates of railroad property for the 1984 assessment used in determining property taxes payable in 1985 (see page 19 of the appendix for the amount of reduction by railroad).

The department estimates, based on the values it has determined for railroads as a result of the 1984 assessment, that about \$8 million in property taxes will be paid by the railroad companies in 1985. This estimate was determined by multiplying the value of the railroad property that is taxed in Minnesota by the statewide average mill rate.

Future Developments

For the 1985 assessment of railroad operating property used in determining property tax amounts in 1986, the department will be focusing on:

- revising the capitalization rate that is applied to the earnings of railroad companies as a method for determining the values of their properties to take into account reduced interest rates in the last couple of years;
- expanding from one to three the number of factors used to determine the amount of economic obsolescence of railroad operating property; and
- eliminating allowances for the obsolescence of personal property.

The purpose of the changes is to update as well as improve the factors used by the department in determining the values of railroads. This will result in estimates of values that are more defensible and accurate.

Meanwhile, the department will continue to work closely with and monitor the results of other states as a means of improving its estimates of the value of railroad operating property. As new developments occur, the department will explore adopting those changes in the factors, procedures, or methods in the valuing of railroad operating properties.

In addition, the department will be reviewing the recommendations made by the Minnesota Tax Study Commission for determining the value of railroad operating property. The commission as well as the department recommends that the unit value method for determining the value of railroad operating property be continued.

The commission also recommends the department look at valuation methods that are tied more closely to the land of railroad companies. The department intends to explore implementing this suggestion of the commission and report its results back to the legislature.

A recommendation advanced by several assessors, although not by the department or the Tax Study Commission, is to value the land of railroad companies on the same basis as surrounding land. However, the Minnesota Tax Court precluded the use of this approach to value by ruling that ". . . railroad property

is effectively zoned only for railroad use and so we must find that the highest and best use of the property is for railroad land." If the recommendation of assessors were to be adopted, in the opinion of the department it would require a law change by the legislature.

Any changes in the methods of valuing railroad property would have to be cautiously done. The reason for this is that the Federal 4R Act plays a substantial role in how railroad companies are taxed. And because railroad companies have actively challenged the methods of valuation or tax adopted by states as a result of the provisions of the Federal 4R Act, any changes must proceed in a cautious way to reduce the expense of litigation to the department and the loss of property tax revenues to local units of government.

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CHRONOLOGY OF EVENTS IN RAILROAD PROPERTY TAXATION IN MINNESOTA

1. **1800-~~s~~ - 1979** - Railroads paid a 5% gross earnings tax in place of property taxes on railroad operating property.
 - a. State tax collections amounted to \$25,000,000 a year.
2. **1976** - Federal legislation titled the Railroad Revitalization and Regulatory Reform Act (4R Act) became law.
 - a. Act had a 3 year phase in period; became effective February 1979.
 - b. 4R Act provided that states could not:
 - 1) tax railroad property in a discriminatory manner;
 - 2) tax railroad property at a higher tax rate than other commercial and industrial property; and not
 - 3) assess railroad property at a higher assessment ratio than other commercial and industrial property.
3. **1979** - Minnesota responds to the 4R Act by requiring railroads to pay a property tax in place of a gross earnings tax.
 - a. Minnesota law has in 2 years phase in period 1980-1981* during which proceeds of tax are paid to state.
 - b. For all years after 1981 property taxes are paid to local units of government.
 - c. Property tax collections amount to approximately \$12,000,000 per year.
4. **1980** - First appeals filed by the DW & P and Soo Line Railways with the Minnesota Tax Court concerning the valuation and equalization of their railroad operating property.
 - a. Other railroads, the BN and Milwaukee Road, followed suit.
5. **1982** - Soo Line's 1981 and 1982 appeals heard by Tax Court.
 - a. Appeals contained two major issues:
 - 1) the railroad was overvalued, and
 - 2) the value of the railroad was not equalized with the valuation level of other commercial and industrial property.
6. **1983** - Soo Line decision handed down by Minnesota Tax Court. Court ruled:
 - a. Railroad's taxable value was overstated by approximately 30%.
 - b. Lower value must be equalized to assessment level of other commercial and industrial property. Ratio determined by the court to be 85%.
 - c. Combined result was a 40% reduction in taxable value.
7. **1984** - Impact of Soo Line case.
 - a. Refunds made to the Soo Line, Burlington Northern, Chicago and North-

western as a result of the Tax Court decision. Refunds due but not made to Duluth, Winnipeg and Pacific, Duluth Missabe and Iron Range and, Milwaukee Road.

- b. States responsibility for refund of 1981 taxes and interest of approximately \$1,000,000.
 - c. Local taxing districts have responsibility of refunding 1982, 1983, 1984 taxes. State will partially reimburse local governments for 1982 and 1983 refunds.
8. 1984 - Legislature responds to Railroad tax appeals.
- a. Revenue Department given authority to establish temporary valuation rules for railroad property.
 - b. Legislation passed to provide equalization to railroads commensurate with the 4R Act.
 - c. Reimbursement program authorized to mitigate the effect of railroad property tax refunds on taxing jurisdictions.

*Note years referred to are years taxes are payable; i.e. 1979 assessment, taxes payable in 1980.

5 YEAR SUMMARY - RAILROAD TAXES

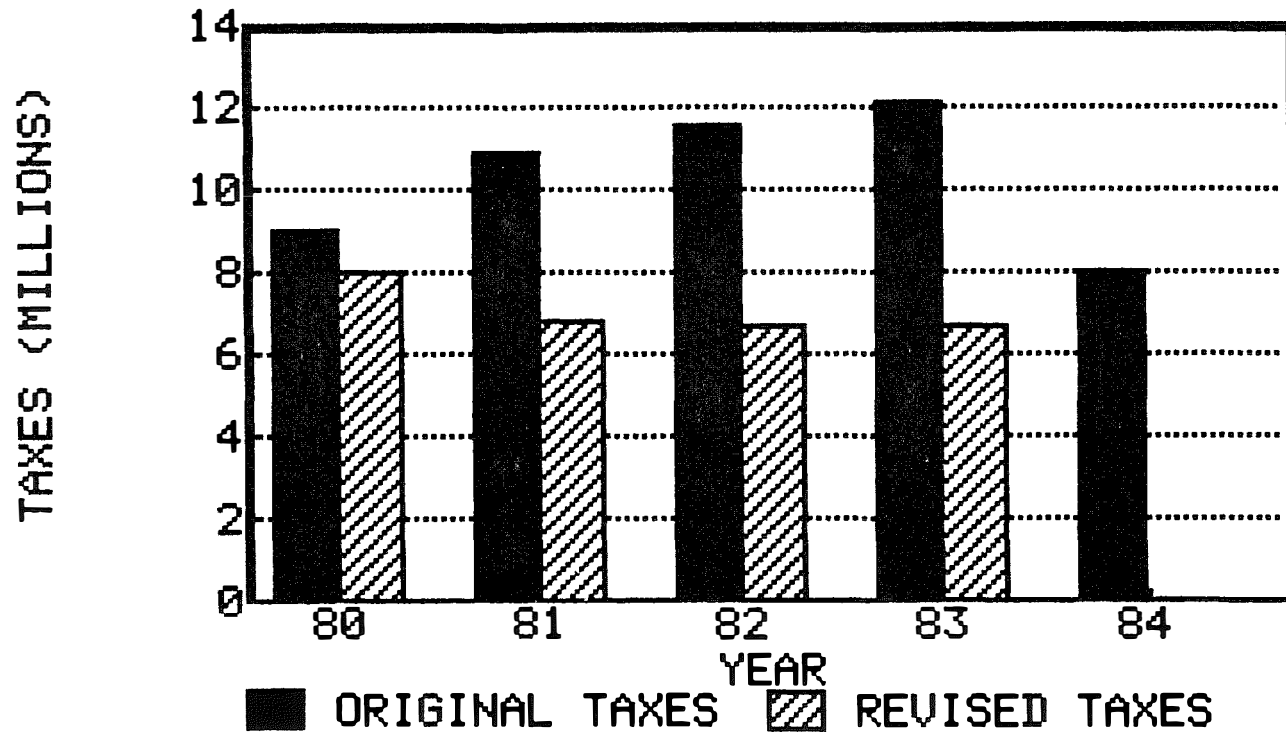
ASSESSMENT YEAR

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
Original Taxes ⁽¹⁾	\$9,058,000	\$10,871,000	\$11,550,000	\$12,215,000	\$7,964,000
Revised Taxes ^{(1) (2)}	\$8,140,000	\$ 6,751,000	\$ 6,720,000	\$ 6,689,000	-
Percentage Decrease	(10.1%)	(37.9%)	(41.8%)	(54.7%)	-

(1) Taxes estimated by using Statewide Average Mill Rates
 1980 = 87.006
 1981 = 92.153
 1982 = 92.101
 1983 = 98.140
 1984 = 99.000

(2) Revised taxes are due to the effect of the railroad tax appeals on value and thus taxes.

5-YEAR SUMMARY RR TAXES



Total Property Tax Reduction and Interest Compared to Total State Reimbursement
 Estimates for Taxes Payable Years 1982 and 1983 Combined and for the
 Burlington Northern, Soo Line and Duluth, Winnipeg and Pacific Railroads Combined

County	(1) Estimated Total Property Tax Reduction & Interest	(2) Estimated Total State Reimbursement	(3) Difference (1-2)
Aitkin	\$ 95,247	\$ 88,582	\$ 6,665
Anoka	548,888	438,373	110,515
Becker	110,272	94,904	15,368
Beltrami	132,066	116,046	16,020
Benton	124,439	109,594	14,845
Big Stone	22,060	19,549	2,511
Blue Earth	-0-	-0-	-0-
Brown	-0-	-0-	-0-
Carlton	233,801	216,214	17,587
Carver	17,669	8,768	8,901
Cass	150,835	137,983	12,852
Chippewa	16,408	11,892	4,516
Chisago	60,877	49,575	11,302
Clay	359,161	324,083	35,078
Clearwater	37,878	32,749	5,129
Cook	-0-	-0-	-0-
Cottonwood	-0-	-0-	-0-
Crow Wing	267,564	243,244	24,320
Dakota	591	-0-	591
Dodge	-0-	-0-	-0-
Douglas	97,169	80,813	16,356
Faribault	-0-	-0-	-0-
Fillmore	-0-	-0-	-0-
Freeborn	-0-	-0-	-0-
Goodhue	-0-	-0-	-0-
Grant	61,630	57,046	4,584
Hennepin	1,380,358	950,269	430,089
Houston	-0-	-0-	-0-
Hubbard	24,206	17,581	6,625
Isanti	42,699	30,876	11,823
Itasca	191,858	166,557	25,301
Jackson	-0-	-0-	-0-
Kanabec	35,644	28,666	6,978
Kandiyohi	133,235	112,777	20,458
Kittson	61,598	57,340	4,258
Koochiching	213,933	204,655	9,278
Lac Qui Parle	11,888	8,441	3,447
Lake	-0-	-0-	-0-
Lake of the Woods	-0-	-0-	-0-
Le Sueur	-0-	-0-	-0-

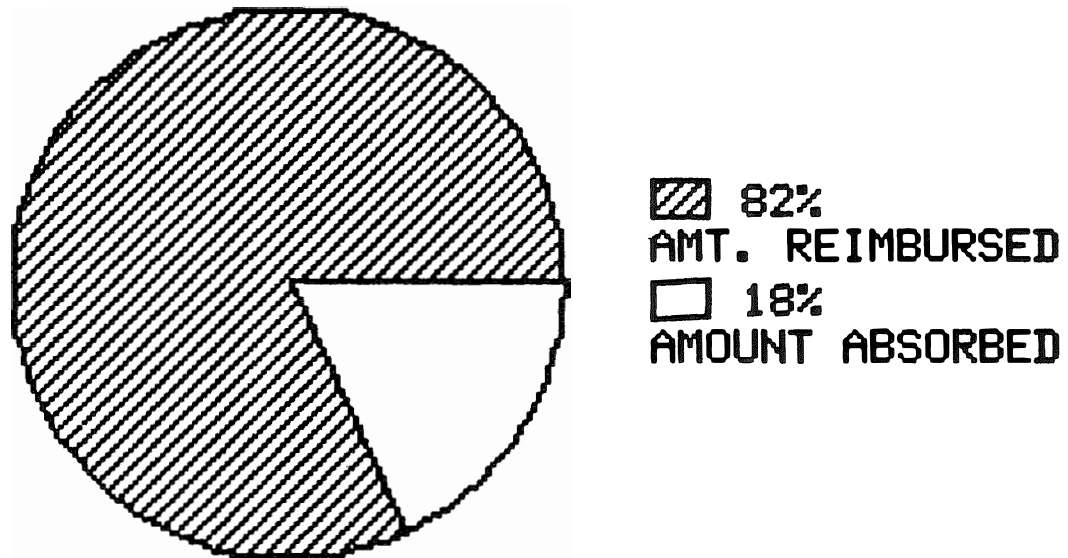
Total Property Tax Reduction and Interest Compared to Total State Reimbursement
 Estimates for Taxes Payable Years 1982 and 1983 Combined and for the
 Burlington Northern, Soo Line and Duluth, Winnipeg and Pacific Railroads Combined

<u>County</u>	(1) Estimated Total Property Tax Reduction & Interest	(2) Estimated Total State Reimbursement	(3) Difference (1-2)
Lincoln	\$ 1,680	\$ 764	\$ 916
Lyon	32,038	20,875	11,163
Mc Leod	35,018	22,709	12,309
Mahnomen	38,294	33,944	4,350
Marshall	99,341	96,736	2,605
Martin	-0-	-0-	-0-
Meeker	52,015	39,627	12,388
Mille Lacs	52,411	40,186	12,225
Morrison	136,012	119,981	16,031
Mower	-0-	-0-	-0-
Murray	-0-	-0-	-0-
Nicollet	-0-	-0-	-0-
Nobles	-0-	-0-	-0-
Norman	42,005	35,215	6,790
Olmsted	-0-	-0-	-0-
Otter Tail	210,436	181,887	28,549
Pennington	44,861	36,673	8,188
Pine	161,685	150,435	11,250
Pipestone	41,729	35,646	6,083
Polk	281,635	259,593	22,042
Pope	61,226	54,892	6,334
Ramsey	1,234,860	862,747	372,113
Red Lake	30,140	24,913	5,227
Redwood	-0-	-0-	-0-
Renville	-0-	-0-	-0-
Rice	-0-	-0-	-0-
Rock	12,514	9,531	2,983
Roseau	38,839	29,859	8,980
St. Louis	1,755,316	1,643,806	111,510
Scott	-0-	-0-	-0-
Sherburne	88,107	69,872	18,235
Sibley	-0-	-0-	-0-
Stearns	438,476	366,046	72,430
Steele	-0-	-0-	-0-
Stevens	54,986	48,693	6,293
Swift	54,803	46,717	8,086
Todd	121,448	108,213	13,235
Traverse	6,410	4,876	1,534
Wabasha	-0-	-0-	-0-
Wadena	82,401	73,851	8,550

Total Property Tax Reduction and Interest Compared to Total State Reimbursement
 Estimates for Taxes Payable Years 1982 and 1983 Combined and for the
 Burlington Northern, Soo Line and Duluth, Winnipeg and Pacific Railroads Combined

<u>County</u>	(1) Estimated Total Property Tax Reduction & Interest	(2) Estimated Total State Reimbursement	(3) Difference (1-2)
Waseca	\$ -0-	\$ -0-	\$ -0-
Washington	128,487	54,557	73,930
Watonwan	-0-	-0-	-0-
Wilkin	74,080	69,161	4,919
Winona	5,157	-0-	5,157
Wright	125,799	83,866	41,933
Yellow Medicine	21,788	16,946	4,842
TOTAL	\$ 9,995,971	\$ 8,249,394	\$1,746,577

REIMBURSEMENT PROGRAM-RR'S



**RAILROAD STATISTICS
ASSESSMENT DATE - JANUARY 2, 1984
AD VALOREM RESULTS**

<u>Railroad Name</u>	<u>Unit Value</u>	<u>Minnesota Portion of Unit Value</u>	<u>Exempt Property Deduction</u>	<u>Personal Property Deduction</u>	<u>Unequalized Minnesota Market Value</u>
Burlington Northern	\$2,263,654,628	\$196,937,953	\$4,524,415	\$ 65,382,120	\$127,031,420
Chicago and Northwestern	259,271,461	22,608,471	111,025	15,147,530	7,349,922
Milwaukee Road	117,037,622	25,841,907	32,870	9,345,452	16,463,590
Chicago, Rock Island and Pacific		Included in Chicago and Northwestern Valuation			
Duluth and Northeastern	1,540,861	1,540,861	-0-	561,798	979,064
Duluth, Missabe and Iron Range	51,985,747	51,575,060	1,471,477	28,338,587	21,764,995
Duluth, Winnipeg and Pacific	35,951,338	35,951,338	5,975	15,945,363	20,000,003
Green Bay and Western	8,905,570	39,185	-0-	2,136	37,049
Illinois Central Gulf	303,962,629	404,270	-0-	33,433	370,837
Minnesota, Dakota and Western	2,068,699	2,068,699	-0-	343,611	1,725,088
Minnesota and Manitoba	1,095,074	1,095,074	-0-	1,752	1,093,322
Minnesota Transfer	892,352	892,352	4,518	169,132	718,703
Soo Line Railroad	207,877,158	63,631,198	392,412	28,128,612	35,110,175
Southeast Corporation	<u>17,451</u>	<u>17,451</u>	<u>-0-</u>	<u>-0-</u>	<u>17,451</u>
TOTALS	<u>\$3,254,260,590</u>	<u>\$402,603,819</u>	<u>\$6,542,692</u>	<u>\$163,399,526</u>	<u>\$232,661,619</u>

**RAILROAD STATISTICS
FIVE YEAR SUMMARY OF UNEQUALIZED MARKET VALUES**

<u>Railroad</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
Burlington Northern	\$119,746,124	\$139,760,974	\$149,684,100	\$154,137,928	\$127,031,420
Chicago and Northwestern	3,266,858	4,474,010	5,470,000	5,297,490	7,349,922
Milwaukee Road	19,391,268	18,519,459	18,880,600	17,034,388	16,463,590
Chicago, Rock Island and Pacific	2,537,001	2,023,898	1,764,200	1,700,385	Part of C. & NW
Duluth and Northeastern	1,064,004	1,211,144	1,183,400	1,141,421	979,064
Duluth, Missabe and Iron Range	31,902,441	36,228,555	37,655,700	37,390,889	21,764,995
Duluth, Winnipeg and Pacific	23,906,702	27,625,488	30,536,500	26,739,064	20,000,003
Green Bay and Western	35,906	39,845	41,500	41,781	37,049
Illinois Central Gulf	368,147	376,602	374,300	376,624	370,837
Minneapolis, Northfield & Southern	3,403,695	3,355,000	2,587,000	Part of Soo Line	Part of Soo Line
Minnesota, Dakota and Western	2,134,814	2,520,267	2,632,500	2,219,407	1,725,088
Minnesota and Manitoba	1,183,457	1,180,732	1,185,700	1,343,078	1,093,322
Minnesota Transfer Railway	887,893	856,988	879,800	900,497	718,703
Soo Line Railroad	32,960,040	36,158,882	38,774,000	41,114,332	35,110,175
Southeast Corporation	-0-	-0-	-0-	25,089	17,451
TOTALS	<u><u>\$242,788,350</u></u>	<u><u>\$274,331,844</u></u>	<u><u>\$291,649,300</u></u>	<u><u>\$289,462,373</u></u>	<u><u>\$232,661,619</u></u>

**RAILROAD STATISTICS
EFFECTS OF EQUALIZATION ON 1984
MARKET VALUES**

<u>Railroad</u>	<u>Unequalized 1984 Market Values</u>	<u>Equalized 1984 Market Values</u>	<u>Percentage Decrease In Value</u>	<u>Effective Equalization Percent</u>
Burlington Northern	\$127,031,420	\$102,465,592	19.34%	80.66%
Chicago and Northwestern	7,349,922	5,611,708	23.65%	76.35%
Milwaukee Road	16,463,590	13,048,164	20.75%	79.25%
Chicago, Rock Island and Pacific	Included in Chicago and Northwestern Valuation			
Duluth and Northeastern	979,064	899,709	8.11%	91.89%
Duluth, Missabe and Iron Range	21,764,995	17,624,598	19.02%	80.98%
Duluth, Winnipeg and Pacific	20,000,003	15,671,638	21.64%	78.36%
Green Bay and Western	37,049	27,031	27.04%	72.96%
Illinois Central Gulf	370,837	311,764	15.93%	84.07%
Minnesota, Dakota and Western	1,725,088	982,955	43.02%	56.98%
Minnesota and Manitoba	1,093,322	911,708	16.61%	83.39%
Minnesota Transfer	718,703	663,274	7.71%	92.29%
Soo Line Railroad	35,110,175	28,834,476	17.87%	82.13%
Southeast Corporation	<u>17,451</u>	<u>15,506</u>	<u>11.15%</u>	<u>88.85%</u>
TOTALS	<u>\$232,661,619</u>	<u>\$187,068,123</u>	<u>19.60%</u>	<u>80.40%</u>

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**RAILROAD STATISTICS
APPORTIONMENT**

<u>County</u>	<u>1984 Equalized Value All Railroads</u>	<u>% of Total Value 1984</u>
Aitkin	\$ 2,075,405	1.1094%
Anoka	6,967,221	3.7244
Becker	2,798,806	1.4961
Beltrami	1,726,733	.9231
Benton	1,729,581	.9246
Big Stone	822,548	.4397
Blue Earth	345,389	.1846
Brown	192,032	.1027
Carlton	4,967,687	2.6555
Carver	918,918	.4912
Cass	2,784,872	1.4887
Chippewa	1,304,988	.6976
Chisago	558,913	.2988
Clay	3,796,803	2.0296
Clearwater	812,729	.4345
Cook	-0-	-0-
Cottonwood	130,360	.0697
Crow Wing	3,341,823	1.7864
Dakota	2,108,296	1.1270
Dodge	104,132	.0557
Douglas	1,669,221	.8923
Faribault	797,054	.4261
Fillmore	-0-	-0-
Freeborn	832,293	.4449
Goodhue	609,661	.3259
Grant	1,393,025	.7447
Hennepin	22,726,787	12.1489
Houston	276,132	.1476
Hubbard	831,106	.4443
Isanti	374,421	.2002
Itasca	3,060,558	1.6361
Jackson	164,496	.0879
Kanabec	252,330	.1349
Kandiyohi	2,589,577	1.3843
Kittson	2,044,461	1.0929
Koochiching	3,496,544	1.8691
Lac Qui Parle	345,297	.1846
Lake	3,008,473	1.6082
Lake/Woods	534,222	.2856
Le Sueur	164,576	.0880
Lincoln	120,044	.0642
Lyon	1,138,234	.6085
McLeod	802,498	.4290
Mahnomen	574,676	.3072
Marshall	2,417,304	1.2922
Martin	506,946	.2710
Meeker	1,091,010	.5832
Mille Lacs	339,612	.1815
Morrison	2,475,367	1.3232
Mower	755,989	.4041

<u>County</u>	<u>1984</u> <u>Equalized Value</u> <u>All Railroads</u>	<u>% of Total</u> <u>Value 1984</u>
Murray	\$ -0-	-0-%
Nicollet	-0-	-0-
Nobles	192,360	.1028
Norman	1,048,492	.5605
Olmsted	173,563	.0928
Otter Tail	3,513,406	1.8781
Pennington	1,171,221	.6261
Pine	2,932,293	1.5675
Pipestone	1,099,869	.5880
Polk	5,752,094	3.0749
Pope	1,048,191	.5603
Ramsey	16,224,522	8.6730
Red Lake	967,952	.5174
Redwood	119,437	.0638
Renville	749,237	.4005
Rice	669,558	.3579
Rock	770,870	.4121
Roseau	1,286,091	.6875
St. Louis	34,238,735	18.3028
Scott	284,333	.1520
Sherburne	2,536,534	1.3559
Sibley	20,931	.0112
Stearns	4,609,991	2.4643
Steele	552,935	.2956
Stevens	1,299,191	.6945
Swift	971,921	.5196
Todd	1,934,097	1.0339
Traverse	235,103	.1257
Wabasha	554,526	.2964
Wadena	1,355,221	.7245
Waseca	217,118	.1161
Washington	1,669,069	.8922
Watonwan	230,220	.1231
Wilkin	2,402,344	1.2842
Winona	1,010,508	.5402
Wright	1,757,741	.9396
Yellow Medicine	589,299	.3150
TOTALS	<u>\$187,068,123</u>	<u>99.9999%</u>