

revenue need calculated under the formula in paragraph (b) times the difference between one and the transition factor. For purposes of this paragraph "transition factor" is 0.2 percent times the amount that the city's population exceeds the minimum threshold in either of the first two sentences.

(e) The city revenue need cannot be less than zero.

(f) For calendar year 2015 and subsequent years, the city revenue need for a city, as determined in paragraphs (a) to (e), is multiplied by the ratio of the annual implicit price deflator for government consumption expenditures and gross investment for state and local governments as prepared by the United States Department of Commerce, for the most recently available year to the 2013 implicit price deflator for state and local government purchases.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2018 and thereafter.

Sec. 2. Minnesota Statutes 2016, section 477A.011, subdivision 45, is amended to read:

Subd. 45. **Sparsity adjustment.** For a city with a population of 10,000 or more, the sparsity adjustment is ~~100~~ 150 for any city with an average population density less than 150 per square mile, according to the most recent federal census, and the sparsity adjustment is zero for all other cities.

EFFECTIVE DATE. This section is effective for aids payable in calendar years 2018 and thereafter.

Sec. 3. Minnesota Statutes 2016, section 477A.013, subdivision 13, is amended to read:

Subd. 13. **Certified aid adjustments.** (a) A city that received an aid base increase under Minnesota Statutes 2012, section 477A.011, subdivision 36, paragraph (e), shall have its total aid under subdivision 9 increased by an amount equal to \$150,000 for aids payable in 2014 through 2018.

(b) A city that received an aid base increase under section 477A.011, subdivision 36, paragraph (r), shall have its total aid under subdivision 9 increased by an amount equal to \$160,000 for aids payable in 2014 and thereafter.

~~(c) A city that received a temporary aid increase under Minnesota Statutes 2012, section 477A.011, subdivision 36, paragraph (e), shall have its total aid under subdivision 9 increased by an amount equal to \$1,000,000 for aids payable in 2014 only~~ authorized to impose an admissions and recreation tax under Laws 2010, chapter 389, article 5, section 7, shall

3.1 receive, for aids payable in 2018 and thereafter, the greater of its total aid payable under
3.2 subdivision 9 or its total aid received for aids payable in 2003.

3.3 **EFFECTIVE DATE.** This section is effective for aids payable in calendar years 2018
3.4 and thereafter.