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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. **597**

02/01/2021 Authored by Freiberg and Frazier
The bill was read for the first time and referred to the Committee on Taxes

- 1.1 A bill for an act
- 1.2 relating to taxation; property; local government aids; increasing the appropriation
- 1.3 and modifying the minimum aid payments for 2022; amending Minnesota Statutes
- 1.4 2020, sections 477A.013, subdivision 9; 477A.03, subdivision 2a.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. Minnesota Statutes 2020, section 477A.013, subdivision 9, is amended to read:
- 1.7 Subd. 9. **City aid distribution.** (a) In calendar year 2018 and thereafter, if a city's
- 1.8 certified aid before any aid adjustment under subdivision 13 for the previous year is less
- 1.9 than its current unmet need, the city shall receive an aid distribution equal to the sum of (1)
- 1.10 its certified aid in the previous year before any aid adjustment under subdivision 13, (2) the
- 1.11 city formula aid under subdivision 8, and (3) its aid adjustment under subdivision 13.
- 1.12 (b) For aids payable in ~~2020~~ 2022 only, no city's aid amount before any adjustment
- 1.13 under subdivision 13 may be less than its pay ~~2019~~ 2021 certified aid amount, less any aid
- 1.14 adjustment under subdivision 13 for that year. For aids payable in ~~2020~~ 2022 and thereafter,
- 1.15 if a city's certified aid before any aid adjustment under subdivision 13 for the previous year
- 1.16 is equal to or greater than its current unmet need, the total aid for a city is equal to the greater
- 1.17 of (1) its unmet need plus any aid adjustment under subdivision 13, or (2) the amount it was
- 1.18 certified to receive in the previous year minus the sum of (i) any adjustment under subdivision
- 1.19 13 that was paid in the previous year but has expired, and (ii) the lesser of \$10 multiplied
- 1.20 by its population, or five percent of its net levy in the year prior to the aid distribution. No
- 1.21 city may have a total aid amount less than \$0.
- 1.22 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2022
- 1.23 and thereafter.

2.1 Sec. 2. Minnesota Statutes 2020, section 477A.03, subdivision 2a, is amended to read:

2.2 Subd. 2a. **Cities.** For aids payable in 2016 and 2017, the total aid paid under section
2.3 477A.013, subdivision 9, is \$519,398,012. For aids payable in 2018 and 2019, the total aid
2.4 paid under section 477A.013, subdivision 9, is \$534,398,012. For aids payable in 2020, the
2.5 total aid paid under section 477A.013, subdivision 9, is \$560,398,012. For aids payable in
2.6 2021 ~~and thereafter~~, the total aid payable under section 477A.013, subdivision 9, is
2.7 \$564,398,012. For aids payable in 2022 and thereafter, the total aid payable under section
2.8 477A.013, subdivision 9, is \$569,870,718.

2.9 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2022
2.10 and thereafter.