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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 2856

04/25/2019 Authored by Carlson, L.; Freiberg; Youakim and Winkler 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 taxes; local government aids; increasing the appropriation and modifying
1.3 the minimum aid payments for 2020; amending Minnesota Statutes 2018, sections
1.4 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 2018, 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 only, no city's aid amount before any adjustment under
1.13 subdivision 13 may be less than its certified aid amount, less any adjustment under
1.14 subdivision 13 in that year for aids payable in 2019. For aids payable in 2018 2020 and
1.15 thereafter, if a city's certified aid before any aid adjustment under subdivision 13 for the
1.16 previous year is equal to or greater than its current unmet need, the total aid for a city is
1.17 equal to the greater of (1) its unmet need plus any aid adjustment under subdivision 13, or
1.18 (2) the amount it was certified to receive in the previous year minus the lesser of \$10
1.19 multiplied by its population, or five percent of its net levy in the year prior to the aid
1.20 distribution. No city may have a total aid amount less than \$0.

1.21 EFFECTIVE DATE. This section is effective for aids payable in calendar year 2020
1.22 and thereafter.

2.1 Sec. 2. Minnesota Statutes 2018, 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 ~~thereafter~~ 2019,
2.4 the total aid paid under section 477A.013, subdivision 9, is \$534,398,012. For aids payable
2.5 in 2020, the total aid paid under section 477A.013, subdivision 9, is \$570,390,952. For aids
2.6 payable in 2021 and thereafter, the total aid paid under section 477A.013, subdivision 9, is
2.7 \$564,990,952.

2.8 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2020
2.9 and thereafter.