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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 350

02/13/2025 Authored by Smith, Liebling, Hicks and Rehrauer
The bill was read for the first time and referred to the Committee on Taxes

A bill for an act

relating to taxation; local government aid; creating a minimum city aid distribution; amending Minnesota Statutes 2024, sections 477A.013, subdivision 9; 477A.03, subdivision 2a.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2024, section 477A.013, subdivision 9, is amended to read:

Subd. 9. **City aid distribution.** (a) In calendar year 2024 and thereafter, if a city's certified aid for the previous year is less than its current unmet need, the city shall receive an aid distribution equal to the sum of (1) its certified aid in the previous year, and (2) the city formula aid under subdivision 8.

(b) For aids payable in 2024 and thereafter, if a city's certified aid for the previous year is equal to or greater than its current unmet need, the total aid for a city is equal to the greater of (1) its unmet need, or (2) the amount it was certified to receive in the previous year minus the lesser of (i) $10 multiplied by its population, or (ii) five percent of its net levy in the year prior to the aid distribution. No city may have a total aid amount less than $0.

(c) Notwithstanding paragraphs (a) and (b), the aid distribution under this subdivision to a city of the first class must not be less than $150 multiplied by the city's population.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2026 and thereafter.

Sec. 2. Minnesota Statutes 2024, section 477A.03, subdivision 2a, is amended to read:

Subd. 2a. **Cities.** ~~For aids payable in 2021 through 2023, the total aid payable under section 477A.013, subdivision 9, is $564,398,012.~~ For aids payable in 2024 and ~~thereafter~~

2025, the total aid payable under section 477A.013, subdivision 9, is $644,398,012. For aids payable in 2026 and thereafter, the total aid payable under section 477A.013, subdivision 9, is $657,681,729.

EFFECTIVE DATE. This section is effective for aids payable in calendar year 2026 and thereafter.