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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2040

03/09/2021 Authored by Raleigh and Poston
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; local government aid; requiring certain cities to reserve a
1.3 portion of local government aid for public safety purposes; amending Minnesota
1.4 Statutes 2020, section 477A.013, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2020, section 477A.013, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 9a. Cities of the first class; dedicated uses. (a) Beginning with aids payable in
1.9 2022, a city of the first class located in the metropolitan area as defined in section 473.121,
1.10 subdivision 2, must dedicate a portion of aid under this section to fund new positions for
1.11 peace officers as defined in section 626.84, subdivision 1, paragraph (c). For the purpose
1.12 of this paragraph, "new position" means a position not funded by the budget the city adopted
1.13 for 2021.

1.14 (b) The portion dedicated must equal the lesser of:

1.15 (1) the amount necessary to fund new positions so that the city's total count of peace
1.16 officers equals at least three peace officers per one thousand population, or

1.17 (2) the product of:

1.18 (i) the required aid dedication percentage, and

1.19 (ii) the city's certified aid for the current year.

1.20 The required aid dedication percentage equals ten percent for aids payable in 2022; 20
1.21 percent for aids payable in 2023; 30 percent for aids payable in 2024; 40 percent for aids

2.1 payable in 2025; 50 percent for aids payable in 2026; 60 percent for aids payable in 2027;
2.2 and 70 percent for aids payable in 2028 and later.

2.3 (c) By February 1, 2023, and annually thereafter, the city must file a certification with
2.4 the state auditor stating whether the city has complied with the requirements of paragraph
2.5 (a) in the previous aids payable year. The certification must indicate the city's actual aid
2.6 dedication for the dedicated uses under this subdivision. The state auditor shall determine
2.7 the form and manner of the certification. By March 15, 2023, and annually thereafter, the
2.8 state auditor must certify to the commissioner of revenue whether a city required to file a
2.9 certification under this paragraph has complied with the requirements of paragraph (a).

2.10 (d) If a city fails to meet the requirements of paragraph (a), the commissioner must
2.11 reduce that city's aid distribution under subdivision 9 calculated for the payable year
2.12 following the date of the required certification. The reduction must be equal to the greater
2.13 of zero or (1) the required aid dedication for the second previous aids payable year according
2.14 to paragraph (b) minus (2) the city's actual aid dedication for the second previous aids
2.15 payable year. Any aid reductions under this subdivision must cancel to the general fund and
2.16 not be reallocated among other cities.