A bill for an act
relating to taxation; property; modifying adjusted levy limit base; amending Minnesota Statutes 2008, section 275.71, subdivision 4.

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

Section 1. Minnesota Statutes 2008, section 275.71, subdivision 4, is amended to read:

Subd. 4. **Adjusted levy limit base.** For taxes levied in 2008 through 2010, the adjusted levy limit base is equal to the levy limit base computed under subdivision 2 or section 275.72, multiplied by~~:~~

~~(1) one plus the lesser of 3.9 percent or the percentage growth in the implicit price deflator;~~

~~(2) one plus a percentage equal to 50 percent of the percentage increase in the number of households, if any, for the most recent 12-month period for which data is available; and~~

~~(3) one plus a percentage equal to 50 percent of the percentage increase in the taxable market value of the jurisdiction due to new construction of class 3 property, as defined in section 273.13, subdivision 4, except for state-assessed utility and railroad property, for the most recent year for which data is available.~~ <u>the ratio of the total tax capacity of the current taxing year divided by the total taxing capacity of the previous year, plus:</u>

<u>(1) 100 percent of the difference between the local government aid certified in 2009 and the actual aid paid; and</u>

<u>(2) 100 percent of the difference between the market value homestead credits certified in 2009 and the actual amount of the market value homestead credits paid.</u>

<u>**EFFECTIVE DATE.** The section is effective for levies certified in 2009 and thereafter, for taxes payable in 2010 and thereafter.</u>