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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2967

03/14/2016 Authored by Lien; Johnson, C.; Poppe and Marquart  
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 state aids; increasing the ongoing appropriation for the local  
1.3 government aid to cities; amending Minnesota Statutes 2014, section 477A.03,  
1.4 by adding a subdivision; Minnesota Statutes 2015 Supplement, section 477A.03,  
1.5 subdivision 2a.

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

1.7 Section 1. Minnesota Statutes 2015 Supplement, section 477A.03, subdivision 2a,  
1.8 is amended to read:

1.9 Subd. 2a. **Cities.** ~~The total aid paid under section 477A.013, subdivision 9, is~~  
1.10 ~~\$516,898,012 for aids payable in 2015.~~ For aids payable in 2016 and thereafter, the total  
1.11 aid paid under section 477A.013, subdivision 9, is \$519,398,012. For aids payable in  
1.12 2017, the total aid payable under section 477A.013, subdivision 9, is \$564,982,145. For  
1.13 aids payable in 2018 and thereafter, the total aid paid under section 477A.013, subdivision  
1.14 9, is the amount certified to be paid under that section in the previous year multiplied by  
1.15 the inflation adjustment factor calculated in subdivision 6.

1.16 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year  
1.17 2017 and thereafter.

1.18 Sec. 2. Minnesota Statutes 2014, section 477A.03, is amended by adding a subdivision  
1.19 to read:

1.20 Subd. 6. **Inflation adjustment factor.** The inflation adjustment factor is equal to  
1.21 one plus the percentage increase in the implicit price deflator for government consumption  
1.22 expenditures and gross investment for state and local government prepared by the Bureau  
1.23 of Economic Analysis of the United States Department of Commerce for the 12-month

2.1 period ending June 30 of the year preceding the year in which the aid is certified. The  
2.2 inflation adjustment factor may not be greater than 1.05 or less than one.

2.3 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year  
2.4 2017 and thereafter.