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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **3511**

02/19/2020 Authored by Freiberg and Carlson, L.,
The bill was read for the first time and referred to the Property and Local Tax Division

1.1 A bill for an act
1.2 relating to taxes; local government aids; modifying minimum aid payments to
1.3 cities; amending Minnesota Statutes 2019 Supplement, section 477A.013,
1.4 subdivision 9.

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

1.6 Section 1. Minnesota Statutes 2019 Supplement, section 477A.013, subdivision 9, is
1.7 amended to read:

1.8 Subd. 9. **City aid distribution.** (a) In calendar year 2018 and thereafter, if a city's
1.9 certified aid before any aid adjustment under subdivision 13 for the previous year is less
1.10 than its current unmet need, the city shall receive an aid distribution equal to the sum of (1)
1.11 its certified aid in the previous year before any aid adjustment under subdivision 13, (2) the
1.12 city formula aid under subdivision 8, and (3) its aid adjustment under subdivision 13.

1.13 (b) For aids payable in ~~2020 only~~ 2021 and thereafter, no city's aid amount before any
1.14 adjustment under subdivision 13 may be less than its ~~pay 2019~~ certified aid amount for the
1.15 previous year, less any aid adjustment under subdivision 13 for that year. ~~For aids payable~~
1.16 ~~in 2020 and thereafter, if a city's certified aid before any aid adjustment under subdivision~~
1.17 ~~13 for the previous year is equal to or greater than its current unmet need, the total aid for~~
1.18 ~~a city is equal to the greater of (1) its unmet need plus any aid adjustment under subdivision~~
1.19 ~~13, or (2) the amount it was certified to receive in the previous year minus the sum of (i)~~
1.20 ~~any adjustment under subdivision 13 that was paid in the previous year but has expired, and~~
1.21 ~~(ii) the lesser of \$10 multiplied by its population, or five percent of its net levy in the year~~
1.22 ~~prior to the aid distribution. No city may have a total aid amount less than \$0.~~

- 2.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021
- 2.2 and thereafter.