

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-FIRST SESSION**

**S.F. No. 1939**

(SENATE AUTHORS: CHAMBERLAIN, Lang, Kiffmeyer and Ruud)

DATE	D-PG	OFFICIAL STATUS
03/04/2019	621	Introduction and first reading Referred to Taxes

1.1 A bill for an act

1.2 relating to taxation; local government aid; modifying city aid formula; increasing

1.3 appropriation; amending Minnesota Statutes 2018, sections 477A.013, subdivision

1.4 8; 477A.03, subdivision 2a.

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

1.6 Section 1. Minnesota Statutes 2018, section 477A.013, subdivision 8, is amended to read:

1.7 Subd. 8. **City formula aid.** (a) For aids payable in 2018 and thereafter, the formula aid

1.8 for a city is equal to the product of (1) the difference between its unmet need and its certified

1.9 aid in the previous year and before any aid adjustment under subdivision 13, and (2) the aid

1.10 gap percentage.

1.11 (b) The applicable aid gap percentage must be calculated by the Department of Revenue

1.12 so that the total of the aid under subdivision 9 equals the total amount available for aid under

1.13 section 477A.03. Except for aids payable in 2020, the aid gap percentage must be the same

1.14 for all cities subject to paragraph (a). For aids payable in 2020, the initial aid gap percentage

1.15 must be calculated using the total amount available for aid under section 477A.03 for aids

1.16 payable in 2019. The final aid gap percentage for all cities having a population of 5,000 or

1.17 more is equal to the initial aid gap percentage. The final aid gap percentage for cities under

1.18 5,000 population shall be increased by the difference between the total amount available

1.19 for aid under section 477A.03 for aids payable in 2020 and the amount available for aid

1.20 under that section for aids payable in 2019. Data used in calculating aids to cities under

1.21 sections 477A.011 to 477A.013 shall be the most recently available data as of January 1 in

1.22 the year in which the aid is calculated.

2.1 **EFFECTIVE DATE.** This section is effective beginning with aids payable in calendar  
2.2 year 2020 and thereafter.

2.3 Sec. 2. Minnesota Statutes 2018, section 477A.03, subdivision 2a, is amended to read:

2.4 Subd. 2a. **Cities.** ~~For aids payable in 2016 and 2017, the total aid paid under section~~  
2.5 ~~477A.013, subdivision 9, is \$519,398,012.~~ For aids payable in 2018 and thereafter 2019,  
2.6 the total aid paid under section 477A.013, subdivision 9, is \$534,398,012. For aids payable  
2.7 in 2020 and thereafter, the total aid paid under section 477A.013, subdivision 9, is  
2.8 \$549,398,012.

2.9 **EFFECTIVE DATE.** This section is effective beginning with aids payable in calendar  
2.10 year 2020 and thereafter.