

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 3518

(SENATE AUTHORS: KORAN)

DATE
03/19/2018

D-PG
6773 Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act

1.2 relating to taxation; dedicating a portion of sales and use tax to aid to cities and

1.3 school districts; repealing the fiscal disparity program and existing city and town

1.4 local government aid; amending Minnesota Statutes 2016, section 477A.014,

1.5 subdivision 1; Minnesota Statutes 2017 Supplement, section 297A.94; proposing

1.6 coding for new law in Minnesota Statutes, chapter 477A; repealing Minnesota

1.7 Statutes 2016, sections 276A.01, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 12, 13, 14,

1.8 15, 16; 276A.02; 276A.03; 276A.04; 276A.05; 276A.06, subdivisions 1, 2, 3, 4,

1.9 5, 6, 7, 9; 276A.07; 276A.08; 276A.09; 473F.001; 473F.01; 473F.02, subdivisions

1.10 1, 2, 3, 4, 5, 6, 7, 8, 10, 12, 14, 15, 21, 22, 23, 24; 473F.03; 473F.05; 473F.06;

1.11 473F.07; 473F.08, subdivisions 1, 2, 3, 3a, 3b, 3c, 4, 5, 5a, 6, 7a, 8a, 10; 473F.09;

1.12 473F.10; 473F.11; 473F.13, subdivision 1; 477A.011, subdivisions 20, 27, 30,

1.13 30a, 35, 38, 42, 43, 44; 477A.013, subdivisions 10, 13; 477A.03, subdivision 2c;

1.14 Minnesota Statutes 2017 Supplement, sections 276A.01, subdivisions 8, 17;

1.15 276A.06, subdivisions 8, 10; 477A.011, subdivisions 34, 45; 477A.013,

1.16 subdivisions 1, 8, 9; 477A.03, subdivision 2a.

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

1.18 Section 1. Minnesota Statutes 2017 Supplement, section 297A.94, is amended to read:

1.19 **297A.94 DEPOSIT OF REVENUES.**

1.20 (a) Except as provided in this section, the commissioner shall deposit the revenues,

1.21 including interest and penalties, derived from the taxes imposed by this chapter in the state

1.22 treasury and credit them to the general fund.

1.23 (b) The commissioner shall deposit taxes in the Minnesota agricultural and economic

1.24 account in the special revenue fund if:

1.25 (1) the taxes are derived from sales and use of property and services purchased for the

1.26 construction and operation of an agricultural resource project; and

2.1 (2) the purchase was made on or after the date on which a conditional commitment was
2.2 made for a loan guaranty for the project under section 41A.04, subdivision 3.

2.3 The commissioner of management and budget shall certify to the commissioner the date on
2.4 which the project received the conditional commitment. The amount deposited in the loan
2.5 guaranty account must be reduced by any refunds and by the costs incurred by the Department
2.6 of Revenue to administer and enforce the assessment and collection of the taxes.

2.7 (c) The commissioner shall deposit the revenues, including interest and penalties, derived
2.8 from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3,
2.9 paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

2.10 (1) first to the general obligation special tax bond debt service account in each fiscal
2.11 year the amount required by section 16A.661, subdivision 3, paragraph (b); and

2.12 (2) after the requirements of clause (1) have been met, the balance to the general fund.

2.13 (d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit
2.14 in the state treasury the revenues collected under section 297A.64, subdivision 1, including
2.15 interest and penalties and minus refunds, and credit them to the highway user tax distribution
2.16 fund.

2.17 (e) The commissioner shall deposit the revenues, including interest and penalties,
2.18 collected under section 297A.64, subdivision 5, in the state treasury and credit them to the
2.19 general fund. By July 15 of each year the commissioner shall transfer to the highway user
2.20 tax distribution fund an amount equal to the excess fees collected under section 297A.64,
2.21 subdivision 5, for the previous calendar year.

2.22 (f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit
2.23 of revenues under paragraph (d), the commissioner shall deposit into the state treasury and
2.24 credit to the highway user tax distribution fund an amount equal to the estimated revenues
2.25 derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or
2.26 rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The
2.27 commissioner shall estimate the amount of sales tax revenue deposited under this paragraph
2.28 based on the amount of revenue deposited under paragraph (d).

2.29 (g) Starting after July 1, 2017, the commissioner shall deposit an amount of the
2.30 remittances monthly into the state treasury and credit them to the highway user tax
2.31 distribution fund as a portion of the estimated amount of taxes collected from the sale and
2.32 purchase of motor vehicle repair parts in that month. For the remittances between July 1,
2.33 2017, and June 30, 2019, the monthly deposit amount is \$2,628,000. For remittances in

3.1 each subsequent fiscal year, the monthly deposit amount is \$12,137,000. For purposes of
3.2 this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11,
3.3 and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories,
3.4 and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle
3.5 maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor
3.6 vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph,
3.7 "tire" means any tire of the type used on highway vehicles, if wholly or partially made of
3.8 rubber and if marked according to federal regulations for highway use.

3.9 (h) 72.43 percent of the revenues, including interest and penalties, transmitted to the
3.10 commissioner under section 297A.65, must be deposited by the commissioner in the state
3.11 treasury as follows:

3.12 (1) 50 percent of the receipts must be deposited in the heritage enhancement account in
3.13 the game and fish fund, and may be spent only on activities that improve, enhance, or protect
3.14 fish and wildlife resources, including conservation, restoration, and enhancement of land,
3.15 water, and other natural resources of the state;

3.16 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
3.17 be spent only for state parks and trails;

3.18 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
3.19 be spent only on metropolitan park and trail grants;

3.20 (4) three percent of the receipts must be deposited in the natural resources fund, and
3.21 may be spent only on local trail grants; and

3.22 (5) two percent of the receipts must be deposited in the natural resources fund, and may
3.23 be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory,
3.24 and the Duluth Zoo.

3.25 (i) The revenue dedicated under paragraph (h) may not be used as a substitute for
3.26 traditional sources of funding for the purposes specified, but the dedicated revenue shall
3.27 supplement traditional sources of funding for those purposes. Land acquired with money
3.28 deposited in the game and fish fund under paragraph (h) must be open to public hunting
3.29 and fishing during the open season, except that in aquatic management areas or on lands
3.30 where angling easements have been acquired, fishing may be prohibited during certain times
3.31 of the year and hunting may be prohibited. At least 87 percent of the money deposited in
3.32 the game and fish fund for improvement, enhancement, or protection of fish and wildlife
3.33 resources under paragraph (h) must be allocated for field operations.

4.1 (j) The commissioner must deposit the revenues, including interest and penalties minus
 4.2 any refunds, derived from the sale of items regulated under section 624.20, subdivision 1,
 4.3 that may be sold to persons 18 years old or older and that are not prohibited from use by
 4.4 the general public under section 624.21, in the state treasury and credit:

4.5 (1) 25 percent to the volunteer fire assistance grant account established under section
 4.6 88.068;

4.7 (2) 25 percent to the fire safety account established under section 297I.06, subdivision
 4.8 3; and

4.9 (3) the remainder to the general fund.

4.10 For purposes of this paragraph, the percentage of total sales and use tax revenue derived
 4.11 from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be
 4.12 sold to persons 18 years old or older and are not prohibited from use by the general public
 4.13 under section 624.21, is a set percentage of the total sales and use tax revenues collected in
 4.14 the state, with the percentage determined under section 39.

4.15 (k) The commissioner must credit an amount equal to the revenue raised by a sales tax
 4.16 of one percent on all taxable sales, including interest and penalties, under this chapter to
 4.17 the school and municipal trust account in the special revenue fund.

4.18 (l) The revenues deposited under paragraphs (a) to ~~(j)~~ (k) do not include the revenues,
 4.19 including interest and penalties, generated by the sales tax imposed under section 297A.62,
 4.20 subdivision 1a, which must be deposited as provided under the Minnesota Constitution,
 4.21 article XI, section 15.

4.22 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
 4.23 30, 2018.

4.24 **Sec. 2. [477A.0135] SCHOOL AND MUNICIPAL TRUST ACCOUNT AID.**

4.25 **Subdivision 1. Definitions.** (a) For purposes of this section, the terms defined in this
 4.26 subdivision have the meanings given them.

4.27 (b) "County revenue share" means the amount of the revenue appropriated to make
 4.28 municipal aid payments under subdivision 5, multiplied by the ratio of the total sales and
 4.29 use tax revenue reported as remitted from that county to the total sales and use tax revenue
 4.30 reported as remitted from all counties as reported by the commissioner for the most recently
 4.31 available fiscal year, excluding revenue remitted from outside of the state or for which the
 4.32 county of remittance is not determined.

5.1 (c) "County revenue share per capita" means the county revenue share divided by the
5.2 county population.

5.3 (d) "Municipality" means a statutory or home rule charter city or a township.

5.4 Subd. 2. **School and municipal trust account; creation.** A school and city trust account
5.5 is established in the special revenue fund in the state treasury. Revenue from one percent
5.6 of the sales and use tax imposed on all taxable sales in chapter 297A is credited to the
5.7 account. All money in the account, including interest earned, is annually appropriated to
5.8 the commissioner to make aid payments under this section.

5.9 Subd. 3. **Allocation of funds.** Thirty-six percent of the amount of revenue in the school
5.10 and municipal aid fund at the end of a fiscal year is appropriated to the commissioner for
5.11 making payments in the following fiscal year under subdivision 4. The remainder of the
5.12 amount of revenue in the school and municipal aid fund at the end of a calendar year is
5.13 appropriated to the commissioner for making payments in the following fiscal year under
5.14 subdivision 5.

5.15 Subd. 4. **School mental health and school security aid.** (a) Each school district and
5.16 charter school qualifies for state aid under this subdivision to support student mental health
5.17 and school security activities.

5.18 (b) A school district or charter school may employ personnel or contract for student
5.19 mental health services. All aid received under this subdivision must be reserved and used
5.20 only for qualifying mental health services or school security services.

5.21 (c) A school district's or charter school's annual aid equals the greater of: (1) \$20,000
5.22 for each school site serving 20 or more students; or (2) the school share of the school and
5.23 municipal trust account under subdivision 3, divided by the total number of pupils in average
5.24 daily membership served by the site in the previous school year.

5.25 (d) This aid must be included in the state aid payments to school districts and charter
5.26 schools under section 127A.45.

5.27 Subd. 5. **Municipal aid.** (a) Each municipality in the state qualifies for state aid under
5.28 this subdivision.

5.29 (b) A municipality's annual aid is equal to the county revenue share per capita multiplied
5.30 by the municipality's population. For a municipality that is split between two or more
5.31 counties, its aid is equal to the sum of the county share per capita for each county multiplied
5.32 by the share of the municipality's population that resides in that county.

6.1 (c) This aid must be distributed on the dates listed for local government aid payments
6.2 under section 477A.015.

6.3 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2020
6.4 and thereafter.

6.5 Sec. 3. Minnesota Statutes 2016, section 477A.014, subdivision 1, is amended to read:

6.6 Subdivision 1. **Calculations and payments.** (a) The commissioner of revenue shall
6.7 make all necessary calculations and make payments pursuant to sections ~~477A.013~~
6.8 477A.0135 and 477A.03 directly to the affected taxing authorities annually. In addition,
6.9 the commissioner shall notify the authorities of their aid amounts, as well as the
6.10 computational factors used in making the calculations for their authority, and those statewide
6.11 total figures that are pertinent, before August 1 of the year preceding the aid distribution
6.12 year.

6.13 (b) For the purposes of this subdivision, aid is determined for a city or town based on
6.14 its city or town status as of June 30 of the year preceding the aid distribution year. If the
6.15 effective date for a municipal incorporation, consolidation, annexation, detachment,
6.16 dissolution, or township organization is on or before June 30 of the year preceding the aid
6.17 distribution year, such change in boundaries or form of government shall be recognized for
6.18 aid determinations for the aid distribution year. If the effective date for a municipal
6.19 incorporation, consolidation, annexation, detachment, dissolution, or township organization
6.20 is after June 30 of the year preceding the aid distribution year, such change in boundaries
6.21 or form of government shall not be recognized for aid determinations until the following
6.22 year.

6.23 (c) Changes in boundaries or form of government will only be recognized for the purposes
6.24 of this subdivision, to the extent that: (1) changes in market values are included in market
6.25 values reported by assessors to the commissioner, and changes in population and household
6.26 size are included in their respective certifications to the commissioner as referenced in
6.27 section 477A.011, or (2) an annexation information report as provided in paragraph (d) is
6.28 received by the commissioner on or before July 15 of the aid calculation year. Revisions to
6.29 estimates or data for use in recognizing changes in boundaries or form of government are
6.30 not effective for purposes of this subdivision unless received by the commissioner on or
6.31 before July 15 of the aid calculation year. Clerical errors in the certification or use of
6.32 estimates and data established as of July 15 in the aid calculation year are subject to correction
6.33 within the time periods allowed under subdivision 3.

7.1 (d) In the case of an annexation, an annexation information report may be completed by
7.2 the annexing jurisdiction and submitted to the commissioner for purposes of this subdivision
7.3 if the net tax capacity of annexed area for the assessment year preceding the effective date
7.4 of the annexation exceeds five percent of the city's net tax capacity for the same year. The
7.5 form and contents of the annexation information report shall be prescribed by the
7.6 commissioner. The commissioner shall change the net tax capacity, the population, the
7.7 population decline, the commercial industrial percentage, and the transformed population
7.8 for the annexing jurisdiction only if the annexation information report provides data the
7.9 commissioner determines to be reliable for all of these factors used to compute city revenue
7.10 need for the annexing jurisdiction. The commissioner shall adjust the pre-1940 housing
7.11 percentage and household size only if the entire area of an existing city or town is annexed
7.12 or consolidated and only if reliable data is available for all of these factors used to compute
7.13 city revenue need for the annexing jurisdiction.

7.14 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2020
7.15 and thereafter.

7.16 Sec. 4. **REVISOR'S INSTRUCTION.**

7.17 In Minnesota Statutes, the revisor of statutes shall delete all cross references to the
7.18 sections and subdivisions repealed in section 5, and may make grammatical changes
7.19 necessary to preserve the meaning of the text.

7.20 Sec. 5. **REPEALER.**

7.21 (a) Minnesota Statutes 2016, sections 477A.011, subdivisions 20, 27, 30, 30a, 35, 38,
7.22 42, 43, and 44; 477A.013, subdivisions 10 and 13; and 477A.03, subdivision 2c, are repealed.

7.23 (b) Minnesota Statutes 2017 Supplement, sections 477A.011, subdivisions 34 and 45;
7.24 477A.013, subdivisions 1, 8, and 9; and 477A.03, subdivision 2a, are repealed.

7.25 (c) Minnesota Statutes 2016, sections 276A.01, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 12,
7.26 13, 14, 15, and 16; 276A.02; 276A.03; 276A.04; 276A.05; 276A.06, subdivisions 1, 2, 3,
7.27 4, 5, 6, 7, and 9; 276A.07; 276A.08; 276A.09; 473F.001; 473F.01; 473F.02, subdivisions
7.28 1, 2, 3, 4, 5, 6, 7, 8, 10, 12, 14, 15, 21, 22, 23, and 24; 473F.03; 473F.05; 473F.06; 473F.07;
7.29 473F.08, subdivisions 1, 2, 3, 3a, 3b, 3c, 4, 5, 5a, 6, 7a, 8a, and 10; 473F.09; 473F.10;
7.30 473F.11; and 473F.13, subdivision 1, are repealed.

7.31 (d) Minnesota Statutes 2017 Supplement, sections 276A.01, subdivisions 8 and 17; and
7.32 276A.06, subdivisions 8 and 10, are repealed.

- 8.1 **EFFECTIVE DATE.** Paragraphs (a) and (b) are effective beginning with aids payable
- 8.2 in 2020. Paragraphs (c) and (d) are effective beginning with property taxes payable in 2019.

276A.01 DEFINITIONS.

Subdivision 1. **Applicability.** In sections 276A.01 to 276A.09, the terms defined in this section have the meanings given them unless the context indicates otherwise.

Subd. 2. **Area.** "Area" means the territory included within all taconite assistance areas defined in section 273.1341.

Subd. 3. **Commercial-industrial property.** "Commercial-industrial property" means the following categories of property, as defined in section 273.13, excluding that portion of the property (i) that may, by law, constitute the tax base for a tax increment pledged pursuant to sections 469.174 to 469.178, certification of which was requested prior to May 1, 1996, to the extent and while the tax increment is so pledged; or (ii) that is exempt from taxation under section 272.02:

(1) that portion of class 5 property consisting of unmined iron ore and low-grade iron-bearing formations as defined in section 273.14, tools, implements, and machinery, except the portion of high voltage transmission lines, the value of which is deducted from net tax capacity under section 273.425; and

(2) that portion of class 3 and class 5 property which is either used or zoned for use for any commercial or industrial purpose, including property that becomes taxable under section 298.25, except for such property which is, or, in the case of property under construction, will when completed be used exclusively for residential occupancy and the provision of services to residential occupants thereof. Property must be considered as used exclusively for residential occupancy only if each of not less than 80 percent of its occupied residential units is, or, in the case of property under construction, will when completed be occupied under an oral or written agreement for occupancy over a continuous period of not less than 30 days.

If the classification of property prescribed by section 273.13 is modified by legislative amendment, the references in this subdivision are to the successor class or classes of property, or portions thereof, that include the kinds of property designated in this subdivision.

Subd. 4. **Residential property.** "Residential property" means the following categories of property, as defined in section 273.13, excluding that portion of the property that is exempt from taxation pursuant to section 272.02:

(1) class 1a, 1b, and 2a property, limited to the homestead dwelling, a garage, and the one acre of land on which the dwelling is located;

(2) that portion of class 3 property used exclusively for residential occupancy; and

(3) property valued and assessed under section 273.13, subdivision 25, except for hospitals and property valued and assessed under section 273.13, subdivision 25, paragraph (d), clauses (1) and (3).

Subd. 5. **Governmental unit.** "Governmental unit" means a county, city, town, school district, or other taxing unit or body which levies ad valorem taxes in whole or in part within the area.

Subd. 6. **Administrative auditor.** "Administrative auditor" means the person selected under section 276A.02.

Subd. 7. **Population.** "Population" means the most recent estimate of the population of a municipality made by the state demographer and filed with the commissioner of revenue as of July 15 of the year in which a municipality's distribution net tax capacity is calculated. The state demographer shall annually estimate the population of each municipality and, in the case of a municipality which is located partly within and partly without the area, the proportion of the total which resides within the area, and shall file the estimates with the commissioner of revenue.

Subd. 8. **Municipality.** "Municipality" means a city, town, or township located in whole or part within the area. If a municipality is located partly within and partly without the area, the references in sections 276A.01 to 276A.09 to property or any portion thereof subject to taxation or taxing jurisdiction within the municipality are to the property or portion thereof that is located in that portion of the municipality within the area, except that the fiscal capacity of the municipality must be computed upon the basis of the valuation and population of the entire municipality. A municipality shall be excluded from the area if its municipal comprehensive zoning and planning policies conscientiously exclude most commercial-industrial development, for reasons other than preserving an agricultural use. The commissioner of Iron Range resources and rehabilitation and the commissioner of revenue shall jointly make this determination annually and shall notify those municipalities that are ineligible to participate in the tax base sharing program provided in this

APPENDIX
Repealed Minnesota Statutes: SF3518-0

chapter for the following year. Before making the determination, the commissioner of Iron Range resources and rehabilitation must consult the Iron Range Resources and Rehabilitation Board.

Subd. 9. **County.** "County" means each county in which a governmental unit is located in whole or in part.

Subd. 10. **Adjusted market value.** "Adjusted market value" of real and personal property within a municipality means the taxable market value, as defined in section 272.03, of all real and personal property, including the value of manufactured housing, within the municipality, adjusted for sales ratios in a manner similar to the adjustments made to city and town net tax capacities under section 273.1325, subdivisions 1 to 6.

Subd. 12. **Fiscal capacity.** "Fiscal capacity" of a municipality means its adjusted market value, determined as of January 2 of any year, divided by its population, determined as of a date in the same year.

Subd. 13. **Average fiscal capacity.** "Average fiscal capacity" of municipalities means the sum of the adjusted market values of all municipalities, determined as of January 2 of any year, divided by the sum of their populations, determined as of a date in the same year.

Subd. 14. **Levy.** "Levy" means the amount certified to the county auditor pursuant to chapter 275, less all reductions made by the auditor pursuant to any provision of law in determining the amount to be spread against taxable property.

Subd. 15. **Net tax capacity.** "Net tax capacity" means the taxable market value of real and personal property multiplied by its net tax capacity rates in section 273.13.

Subd. 16. **Local tax rate.** "Local tax rate" means a governmental unit's levy, including any portion levied against market value under section 126C.17, subdivision 10, divided by its net tax capacity.

Subd. 17. **School fund allocation.** (a) "School fund allocation" means an amount up to 25 percent of the areawide levy certified by the commissioner of Iron Range resources and rehabilitation, after consultation with the Iron Range Resources and Rehabilitation Board, to be used for the purposes of the Iron Range school consolidation and cooperatively operated school account under section 298.28, subdivision 7a.

(b) The allocation under paragraph (a) shall only be made after the commissioner of Iron Range resources and rehabilitation, after consultation with the Iron Range Resources and Rehabilitation Board, has certified by June 30 that the Iron Range school consolidation and cooperatively operated account has insufficient funds to make payments as authorized under section 298.28, subdivision 7a.

276A.02 ADMINISTRATIVE AUDITOR.

Subdivision 1. **Election.** On or before July 1, 1997, and each subsequent odd-numbered year, the auditors of the counties within the area shall meet at the call of the auditor of St. Louis County and elect from among themselves one auditor to serve as administrative auditor for a period of two years and until a successor is elected. If a majority is unable to agree upon a person to serve as administrative auditor, the commissioner of revenue shall appoint one from among the auditors of the counties in the area. If the administrative auditor ceases to serve as a county auditor within the area during the term for which the administrative auditor was elected or appointed, a successor must be chosen in the manner provided for the original selection to serve for the unexpired term.

Subd. 2. **Staff; expenses.** The administrative auditor shall utilize the staff and facilities of the auditor's office of the county the administrative auditor serves to perform the functions imposed upon the administrative auditor by sections 276A.01 to 276A.09. That county shall be reimbursed for the marginal expenses incurred by its county auditor and staff under this section by contributions from each other county in the area in an amount which bears the same proportion to the total expenses that the population of the other county bears to the total population of the area. By February 1 each year, the administrative auditor shall certify the amounts of total expense for the preceding calendar year, and the share of each county, to the treasurer of each other county. Payment must be made by the treasurer of each other county to the treasurer of the county incurring expense by the succeeding March 1.

276A.03 NET TAX CAPACITY OF COMMERCIAL-INDUSTRIAL PROPERTY.

By August 5 of 1996 and each subsequent year, the assessors within each county in the area shall determine and certify to the county auditor the net tax capacity in that year of commercial-industrial property subject to taxation within each municipality in the county, determined without regard to section 469.177, subdivision 3. By August 5 of 1996 only, the assessor within each county in the area shall also determine and certify to the county auditor the net tax capacity for the 1995 assessment of commercial-industrial property subject to taxation within each municipality within the county determined without regard to section 469.177, subdivision 3.

276A.04 INCREASE IN NET TAX CAPACITY.

By July 15 of 1997 and each subsequent year, the auditor of each county in the area shall determine the amount, if any, by which the net tax capacity determined in the preceding year pursuant to section 276A.03, of commercial-industrial property subject to taxation within each municipality in the county exceeds the net tax capacity in 1995 of commercial-industrial property subject to taxation within that municipality, including the total net tax capacity of property that becomes taxable under section 298.25. If a municipality is located in two or more counties within the area, the auditors of those counties shall certify the data required by section 276A.03 to the county auditor responsible for allocating the levies of that municipality between or among the affected counties. That county auditor shall determine the amount of the net excess, if any, for the municipality under this section, and certify that amount under section 276A.05. The increase in total net tax capacity determined by this section must be reduced by the amount of any decreases in the net tax capacity of commercial-industrial property resulting from any court decisions, court-related stipulation agreements, or abatements for a prior year, and only in the amount of such decreases made during the 12-month period ending on May 1 of the current assessment year, where the decreases, if originally reflected in the determination of a prior year's net tax capacity under section 276A.03, would have resulted in a smaller contribution from the municipality in that year. An adjustment for the decreases shall be made only if the municipality made a contribution in a prior year based on the higher net tax capacity of the commercial-industrial property.

276A.05 COMPUTATION OF AREAWIDE TAX BASE.

Subdivision 1. **Areawide net tax capacity.** Each county auditor shall certify the determinations under sections 276A.03 and 276A.04 to the administrative auditor on or before August 1 of each year. The administrative auditor shall determine an amount equal to 40 percent of the sum of the amounts certified pursuant to section 276A.04. The resulting amount shall be known as the "areawide net tax capacity for(year)."

Subd. 2. **Population and fiscal capacity certifications.** The commissioner of revenue shall certify to the administrative auditor, on or before August 10 of each year, the population of each municipality for the preceding year, the proportion of that population which resides within the area, the average fiscal capacity of municipalities for the preceding year, and the fiscal capacity of each municipality for the preceding year.

Subd. 3. **Areawide tax base distribution index.** The administrative auditor shall determine, for each municipality, the product of (1) its population, (2) the proportion which the average fiscal capacity of municipalities for the preceding year bears to the fiscal capacity of that municipality for the preceding year. The product shall be the areawide tax base distribution index for that municipality. If a municipality is located partly within and partly without the area, its index is that which is otherwise determined hereunder, multiplied by the proportion which its population residing within the area bears to its total population as of the preceding year.

Subd. 4. **Distribution net tax capacity.** The administrative auditor shall determine the proportion which the index of each municipality bears to the sum of the indices of all municipalities and shall then multiply this proportion in the case of each municipality, by the areawide net tax capacity.

Subd. 5. **Certification.** The product of the procedure prescribed by subdivision 4 shall be known as the "areawide net tax capacity for(year) attributable to(municipality)." The administrative auditor shall certify the product to the auditor of the county in which the municipality is located on or before August 15.

276A.06 NET TAX CAPACITY OF GOVERNMENTAL UNIT.

Subdivision 1. **Generally.** The county auditor shall determine the net tax capacity of each governmental unit within the county in the manner prescribed by this section.

Subd. 2. **Definition.** The net tax capacity of a governmental unit is its net tax capacity as determined in accordance with other provisions of law including section 469.177, subdivision 3, subject to the following adjustments:

(1) There must be subtracted from its net tax capacity, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount that bears the same proportion to 40 percent of the amount certified in that year pursuant to sections 276A.04 and 276A.05 for the municipality as the total preceding year's net tax capacity of commercial-industrial property which is subject to the taxing jurisdiction of the governmental unit within the municipality, determined without regard to section 469.177, subdivision 3, bears to the total preceding year's net tax capacity of commercial-industrial property within the municipality, determined without regard to section 469.177, subdivision 3.

(2) There must be added to its net tax capacity, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to the areawide net tax capacity for the year attributable to that municipality as the total preceding year's net tax capacity of residential property which is subject to the taxing jurisdiction of the governmental unit within the municipality bears to the total preceding year's net tax capacity of residential property of the municipality.

Subd. 3. **Apportionment of levy.** The county auditor shall apportion the levy of each governmental unit in the county in the manner prescribed by this subdivision. The auditor shall:

(1) by August 20 of 2014 and each subsequent year, determine the preliminary areawide portion of the levy for each governmental unit by multiplying the local tax rate of the governmental unit for the preceding levy year times the distribution value set forth in subdivision 2, clause (2);

(2) by September 5 of 2014 and each subsequent year, determine the areawide portion of the levy for each governmental unit by multiplying the preliminary areawide portion of the levy for each governmental unit times a fraction, the numerator of which is the difference between the sum of the preliminary areawide levies for all governmental units in the area minus the school fund allocation and the denominator is the sum of the preliminary areawide levy for all governmental units in the area; and

(3) by September 5 of 2014 and each subsequent year, determine the local portion of the current year's levy by subtracting the resulting amount from clause (1) from the governmental unit's current year's levy.

Subd. 4. **Tax rate noncommercial property.** In 1997 and subsequent years, the county auditor shall divide that portion of the levy determined pursuant to subdivision 3, clause (2), by the net tax capacity of the governmental unit, taking section 469.177, subdivision 3, into account, less that portion subtracted from net tax capacity pursuant to subdivision 2, clause (1). The resulting rate applies to all taxable property except commercial-industrial property, which must be taxed in accordance with subdivision 7.

Subd. 5. **Areawide tax rate.** On or before August 25, 1997, and each subsequent year, the county auditor shall certify to the administrative auditor the preliminary portion of the levy of each governmental unit determined pursuant to subdivision 3, clause (1). The administrative auditor shall then determine the areawide tax rate sufficient to yield an amount equal to the sum of the levies from the preliminary areawide net tax capacity. On or before September 1, the administrative auditor shall certify the areawide tax rate to each of the county auditors.

Subd. 6. **Governmental unit in two or more counties.** If a governmental unit is located in two or more counties, the computations and certifications required by subdivisions 3 to 5 with respect to it must be made by the county auditor who is responsible for allocating its levies between or among the affected counties.

Subd. 7. **Application to commercial-industrial property.** The areawide tax rate determined in accordance with subdivision 5 applies to each commercial-industrial property subject to taxation within a municipality, including property located within any tax increment financing district, as defined in section 469.174, subdivision 9, to that portion of the net tax capacity of the item which bears the same proportion to its total net tax capacity as 40 percent of the amount determined pursuant to sections 276A.04 and 276A.05 is to the amount determined pursuant to section 276A.03.

APPENDIX
Repealed Minnesota Statutes: SF3518-0

The rate of taxation determined in accordance with subdivision 4 applies in the taxation of the remainder of the net tax capacity of the item.

Subd. 8. Certification of values; payment. The administrative auditor shall determine for each county the difference between the total levy on distribution value pursuant to subdivision 3, clause (1), including the school fund allocation within the county and the total tax on contribution value pursuant to subdivision 7, within the county. On or before May 16 of each year, the administrative auditor shall certify the differences so determined and the county's portion of the school fund allocation to each county auditor. In addition, the administrative auditor shall certify to those county auditors for whose county the total tax on contribution value exceeds the total levy on distribution value the settlement the county is to make to the other counties of the excess of the total tax on contribution value over the total levy on distribution value in the county. On or before June 15 and November 15 of each year, each county treasurer in a county having a total tax on contribution value in excess of the total levy on distribution value shall pay one-half of the excess to the other counties in accordance with the administrative auditor's certification. On or before June 15 and November 15 of each year, each county treasurer shall pay to the administrative auditor that county's share of the school fund allocation. On or before December 1 of each year, the administrative auditor shall pay the school fund allocation to the commissioner of Iron Range resources and rehabilitation for deposit in the Iron Range school consolidation and cooperatively operated account.

Subd. 9. Fiscal disparities adjustment. In any year in which the highest classification rate for class 3a property changes from the rate in the previous year, the following adjustments shall be made to the procedures described in sections 276A.04 to 276A.06:

(1) An initial contribution tax capacity shall be determined for each municipality based on the previous year's classification rates.

(2) Each jurisdiction's distribution tax capacity shall be determined based upon the areawide tax base determined by summing the tax capacities computed under clause (1) for all municipalities and apportioning the resulting sum pursuant to section 276A.05, subdivision 5.

(3) Each jurisdiction's distribution levy shall be determined by applying the procedures described in subdivision 3, clause (1), to the distribution tax capacity determined pursuant to clause (2).

(4) Each municipality's final contribution tax capacity shall be determined equal to its initial contribution tax capacity multiplied by the ratio of the new highest classification rate for class 3a property to the previous year's highest classification rate for class 3a property.

(5) For the purposes of computing education aids and any other state aids requiring the addition of the fiscal disparities distribution tax capacity to the local tax capacity, each municipality's final distribution tax capacity shall be determined equal to its initial distribution tax capacity multiplied by the ratio of the new highest classification rate for class 3a property to the previous year's highest classification rate for class 3a property.

(6) The areawide tax rate shall be determined by dividing the sum of the amounts determined in clause (3) by the sum of the values determined in clause (4).

(7) The final contribution tax capacity determined in clause (4) shall also be used to determine the portion of each commercial-industrial property's tax capacity subject to the areawide tax rate pursuant to subdivision 7.

Subd. 10. Adjustment of values. For the purpose of computing fiscal capacity under section 276A.01, subdivision 12, a municipality's taxable market value must be adjusted to reflect the reductions to net tax capacity effected by subdivision 2, clause (1), provided that in determining the taxable market value of commercial-industrial property or any class thereof within a municipality, the reduction required by this subdivision is that amount which bears the same proportion to the amount subtracted from the municipality's net tax capacity pursuant to subdivision 2, clause (1), as the taxable market value of commercial-industrial property, or such class thereof, located within the municipality bears to the net tax capacity of commercial-industrial property, or such class thereof, located within the municipality. No adjustment shall be made to taxable market value for the increase in net tax capacity under subdivision 2, clause (2).

276A.07 ADJUSTMENTS IN DATES.

If, because of the enactment of any other law, the date by which the commissioner of revenue is required to certify to the county auditors the records of proceedings affecting the net tax capacity of property is advanced to a date earlier than June 30, the dates specified in sections 276A.03 to

APPENDIX
Repealed Minnesota Statutes: SF3518-0

276A.06 and 276A.08 may be modified in the years to which the other law applies in the manner and to the extent prescribed by the administrative auditor.

276A.08 REASSESSMENTS AND OMITTED PROPERTY.

Subdivision 1. **Reassessment orders.** If the commissioner of revenue orders a reassessment of all or any portion of the property in a municipality other than in the form of a mathematically prescribed adjustment of valuation, or if omitted property is placed upon the tax rolls, and the reassessment has not been completed or the property placed upon the rolls by November 15, the net tax capacity of the affected property must, for purposes of sections 276A.02 to 276A.06, be determined from the abstracts filed by the county auditor with the commissioner of revenue.

Subd. 2. **Adjustment of value.** If the reassessment, when completed and incorporated in the commissioner's certification of the net tax capacity of the municipality, or the listing of omitted property, when placed on the rolls, results in an increase in the net tax capacity of commercial-industrial property in the municipality which differs from that used, pursuant to subdivision 1, for purposes of sections 276A.02 to 276A.06, the increase in the net tax capacity of commercial-industrial property in that municipality in the succeeding year, as otherwise computed under section 276A.04, must be adjusted in a like amount, by an increase if the reassessment or listing discloses a larger increase than was used for purposes of sections 276A.02 to 276A.06, or by a decrease if the reassessment or listing discloses a smaller increase than was used for those purposes, provided that no adjustment shall reduce the amount determined under section 276A.04 to an amount less than zero.

Subd. 3. **Exceptions.** Subdivisions 1 and 2 do not apply to the determination of the tax rate under section 276A.06, subdivision 4, or to the determination of the net tax capacity of commercial-industrial property and each item thereof for purposes of section 276A.06, subdivision 7.

276A.09 CHANGE IN STATUS OF MUNICIPALITY.

If a municipality is dissolved, is consolidated with all or part of another municipality, annexes territory, has a portion of its territory detached from it, or is newly incorporated, the secretary of state shall immediately certify that fact to the commissioner of revenue. The secretary of state shall also certify to the commissioner of revenue the current population of the new, enlarged, or successor municipality, if determined by the chief administrative law judge of the state Office of Administrative Hearings incident to consolidation, annexation, or incorporation proceedings. The population so certified shall govern for purposes of sections 276A.01 to 276A.09 until the state demographer files the first population estimate as of a later date with the commissioner of revenue. If an annexation of unincorporated land occurs without proceedings before the chief administrative law judge of the state Office of Administrative Hearings, the population of the annexing municipality as previously determined shall continue to govern for purposes of sections 276A.01 to 276A.09 until the state demographer files the first population estimate as of a later date with the commissioner of revenue.

473F.001 CITATION.

This chapter shall be cited as the "Charles R. Weaver Metropolitan Revenue Distribution Act."

473F.01 PURPOSE; USE OF PROCEEDS.

Subdivision 1. **Purpose.** The legislature finds it desirable to improve the revenue raising and distribution system in the seven-county Twin Cities area to accomplish the following objectives:

- (1) to provide a way for local governments to share in the resources generated by the growth of the area, without removing any resources which local governments already have;
- (2) to increase the likelihood of orderly urban development by reducing the impact of fiscal considerations on the location of business and residential growth and of highways, transit facilities and airports;
- (3) to establish incentives for all parts of the area to work for the growth of the area as a whole;
- (4) to provide a way whereby the area's resources can be made available within and through the existing system of local governments and local decision making;

APPENDIX
Repealed Minnesota Statutes: SF3518-0

(5) to help communities in different stages of development by making resources increasingly available to communities at those early stages of development and redevelopment when financial pressures on them are the greatest; and

(6) to encourage protection of the environment by reducing the impact of fiscal considerations so that floodplains can be protected and land for parks and open space can be preserved.

Subd. 2. **Use of proceeds.** Except as provided in section 473F.08, subdivision 3a, the proceeds from the areawide tax imposed under this chapter must be used by a local governmental unit in the same manner and for the same purposes as the proceeds from other ad valorem taxes levied by the local governmental unit.

473F.02 DEFINITIONS.

Subdivision 1. **Terms.** The terms defined in this section shall have the meanings therein ascribed to them for purposes of sections 473F.01 to 473F.13 unless context otherwise requires.

Subd. 2. **Area.** "Area" means the territory included within the boundaries of Anoka, Carver, Dakota excluding the city of Northfield, Hennepin, Ramsey, Scott excluding the city of New Prague, and Washington Counties, excluding lands constituting a major or an intermediate airport as defined under section 473.625.

Subd. 3. **Commercial-industrial property.** "Commercial-industrial property" means the following categories of property, as defined in section 273.13, excluding that portion of such property which is exempt from taxation under section 272.02:

(a) That portion of class 3 property defined in Minnesota Statutes 1971, section 273.13, consisting of stocks of merchandise and furniture and fixtures used therewith; manufacturers' materials and manufactured articles; and tools, implements and machinery, whether fixtures or otherwise.

(b) That portion of class 4 property defined in Minnesota Statutes 1971, section 273.13, which is either used or zoned for use for any commercial or industrial purpose, except for such property which is, or, in the case of property under construction, will when completed be used exclusively for residential occupancy and the provision of services to residential occupants thereof. Property shall be considered as used exclusively for residential occupancy only if each of not less than 80 percent of its occupied residential units is, or, in the case of property under construction, will when completed be occupied under an oral or written agreement for occupancy over a continuous period of not less than 30 days.

If the classification of property prescribed by section 273.13 is modified by legislative amendment, the references in this subdivision shall be to such successor class or classes of property, or portions thereof, as embrace the kinds of property designated in this subdivision.

Subd. 4. **Residential property.** "Residential property" means the following categories of property, as defined in section 273.13, excluding that portion of such property exempt from taxation pursuant to section 272.02:

(a) class 1, 1b, 2a, 4a, 4b, 4c, and 4d property except resorts and property classified under section 273.13, subdivision 25, paragraph (d), clause (3); and

(b) that portion of class 3a, 3b, and 5 property used exclusively for residential occupancy.

Subd. 5. **Governmental unit.** "Governmental unit" means a county, city, town, school district, or other taxing unit or body which levies ad valorem taxes in whole or in part within the area.

Subd. 6. **Administrative auditor.** "Administrative auditor" means the person selected pursuant to section 473F.03.

Subd. 7. **Population.** "Population" means the most recent estimate of the population of a municipality made by the Metropolitan Council under section 473.24 and filed with the commissioner of revenue as of July 15 of the year in which a municipality's distribution net tax capacity is calculated.

Subd. 8. **Municipality.** "Municipality" means a city, town, or township located in whole or part within the area, but not the cities of New Prague or Northfield. If a municipality is located partly within and partly without the area, the references in sections 473F.01 to 473F.13 to property or any portion thereof subject to taxation or taxing jurisdiction within the municipality are to such property or portion thereof as is located in that portion of the municipality within the area, except that the

APPENDIX
Repealed Minnesota Statutes: SF3518-0

fiscal capacity of such a municipality shall be computed upon the basis of the valuation and population of the entire municipality.

A municipality shall be excluded from the area if its municipal comprehensive zoning and planning policies conscientiously exclude most commercial-industrial development, for reasons other than preserving an agricultural use. The Metropolitan Council and the commissioner of revenue shall jointly make this determination annually and shall notify those municipalities that are ineligible to participate in the tax base sharing program provided in this chapter for the following year.

Subd. 10. **County.** "County" means each county in which a governmental unit is located in whole or in part.

Subd. 12. **Adjusted market value.** "Adjusted market value" of real and personal property within a municipality means the taxable market value, as defined in section 272.03, of all real and personal property, including the value of manufactured housing, within the municipality, adjusted for sales ratios in a manner similar to the adjustments made to city and town net tax capacities under section 273.1325, subdivisions 1 to 6.

Subd. 14. **Fiscal capacity.** "Fiscal capacity" of a municipality means its adjusted market value, determined as of January 2 of any year, divided by its population, determined as of a date in the same year.

Subd. 15. **Average fiscal capacity.** "Average fiscal capacity" of municipalities means the sum of the adjusted market values of all municipalities, determined as of January 2 of any year, divided by the sum of their populations, determined as of a date in the same year.

Subd. 21. **Metropolitan Council.** "Metropolitan Council" or "council" means the Metropolitan Council created by section 473.123.

Subd. 22. **Levy.** "Levy" means the amount certified to the county auditor pursuant to chapter 275, less all reductions made by the auditor pursuant to any provision of law in determining the amount to be spread against taxable property.

Subd. 23. **Net tax capacity.** "Net tax capacity" means the taxable market value of real and personal property multiplied by its net tax capacity rates in section 273.13.

Subd. 24. **Local tax rate.** "Local tax rate" means a governmental unit's levy, including any portion levied against market value under section 126C.17, subdivision 10, divided by its net tax capacity.

473F.03 ADMINISTRATIVE AUDITOR.

Subdivision 1. **Election of administrative auditor.** On or before July 1 of 1972 and each subsequent even-numbered year the auditors of the counties within the area shall meet at the call of the auditor of Hennepin County and elect from among their number one auditor to serve as administrative auditor for a period of two years and until a successor is elected. If a majority is unable to agree upon a person to serve as administrative auditor, the commissioner of management and budget shall appoint one from among the auditors of the counties in the area. If the administrative auditor ceases to serve as a county auditor within the area during the term for which elected or appointed, a successor shall be chosen in the same manner as is provided herein for the original selection, to serve for the unexpired term.

Subd. 2. **Staff; facilities; reimbursement.** The administrative auditor shall utilize the staff and facilities of the auditor's office of the county served to perform the functions imposed by sections 473F.01 to 473F.13. The administrative auditor's county shall be reimbursed for the marginal expenses incurred by its county auditor and auditor's staff hereunder by contributions from each other county in the area in an amount which bears the same proportion to the total expenses as the population of the other county bears to the total population of the area. The administrative auditor shall annually, on or before February 1, certify the amounts of total expense for the preceding calendar year, and the share of each county, to the treasurer of each other county. Payment shall be made by the treasurer of each other county to the treasurer of the county incurring expense on or before the succeeding March 1.

473F.05 NET TAX CAPACITY.

On or before August 5 of each year, the assessors within each county in the area shall determine and certify to the county auditor the net tax capacity in that year of commercial-industrial property

APPENDIX
Repealed Minnesota Statutes: SF3518-0

subject to taxation within each municipality in the county, determined without regard to section 469.177, subdivision 3.

473F.06 INCREASE IN NET TAX CAPACITY.

On or before July 15 of each year, the auditor of each county in the area shall determine the amount, if any, by which the net tax capacity determined in the preceding year under section 473F.05, of commercial-industrial property subject to taxation within each municipality in the auditor's county exceeds the net tax capacity in 1971 of commercial-industrial property subject to taxation within that municipality. If a municipality is located in two or more counties within the area, the auditors of those counties shall certify the data required by section 473F.05 to the county auditor who is responsible under other provisions of law for allocating the levies of that municipality between or among the affected counties. That county auditor shall determine the amount of the net excess, if any, for the municipality under this section, and certify that amount under section 473F.07. Notwithstanding any other provision of sections 473F.01 to 473F.13 to the contrary, in the case of a municipality which is designated on July 24, 1971, as a redevelopment area under section 401(a)(4) of the Public Works and Economic Development Act of 1965, Public Law 89-136, the increase in its net tax capacity of commercial-industrial property for purposes of this section shall be determined in each year by using as a base the net tax capacity of commercial-industrial property in that municipality in the 1989 assessment year, rather than the net tax capacity of such property in 1971. The increase in total net tax capacity determined by this section shall be reduced by the amount of any decreases in net tax capacity of commercial-industrial property resulting from any court decisions, court related stipulation agreements, or abatements for a prior year, and only in the amount of such decreases made during the 12-month period ending on May 1 of the current assessment year, where such decreases, if originally reflected in the determination of a prior year's net tax capacity under section 473F.05, would have resulted in a smaller contribution from the municipality in that year. An adjustment for such decreases shall be made only if the municipality made a contribution in a prior year based on the higher net tax capacity of the commercial-industrial property.

473F.07 COMPUTATION OF AREAWIDE TAX BASE.

Subdivision 1. **Areawide net tax capacity.** Each county auditor shall certify the determinations under sections 473F.05 and 473F.06 to the administrative auditor on or before August 1 of each year.

The administrative auditor shall determine an amount equal to 40 percent of the sum of the amounts certified under section 473F.06. The resulting amount shall be known as the "areawide net tax capacity for(year)."

Subd. 2. **Certification by commissioner.** The commissioner of revenue shall certify to the administrative auditor, on or before August 10 of each year, the population of each municipality for the preceding year, the proportion of that population which resides within the area, the average fiscal capacity of all municipalities in the area for the preceding year, and the fiscal capacity of each municipality in the area for the preceding year.

Subd. 3. **Areawide tax base distribution index.** The administrative auditor shall determine, for each municipality, the product of (a) its population, and (b) the proportion which the average fiscal capacity of municipalities for the preceding year bears to the fiscal capacity of that municipality for the preceding year. The product shall be the areawide tax base distribution index for that municipality. If a municipality is located partly within and partly without the area its index shall be that which is otherwise determined hereunder, multiplied by the proportion which its population residing within the area bears to its total population as of the preceding year.

Subd. 4. **Distribution net tax capacity.** The administrative auditor shall determine the proportion which the index of each municipality bears to the sum of the indices of all municipalities and shall then multiply this proportion in the case of each municipality, by the areawide net tax capacity.

Subd. 5. **Certification to county auditor.** The result of the procedure prescribed by subdivision 4 shall be known as the "areawide net tax capacity for(year) attributable to(municipality)." The administrative auditor shall certify such product to the auditor of the county in which the municipality is located on or before August 15.

473F.08 NET TAX CAPACITY.

Subdivision 1. **County auditor to determine.** The county auditor shall determine the net tax capacity of each governmental unit within the auditor's county in the manner prescribed by this section.

Subd. 2. **Computation of net tax capacity.** The net tax capacity of a governmental unit is its net tax capacity, as determined in accordance with other provisions of law including section 469.177, subdivision 3, subject to the following adjustments:

(a) There shall be subtracted from its net tax capacity, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to 40 percent of the amount certified in that year under sections 473F.06 and 473F.07 for the municipality as the total preceding year's net tax capacity of commercial-industrial property which is subject to the taxing jurisdiction of the governmental unit within the municipality, determined without regard to section 469.177, subdivision 3, bears to the total preceding year's net tax capacity of commercial-industrial property within the municipality, determined without regard to section 469.177, subdivision 3;

(b) There shall be added to its net tax capacity, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to the areawide net tax capacity for the year attributable to that municipality as the total preceding year's net tax capacity of residential property which is subject to the taxing jurisdiction of the governmental unit within the municipality bears to the total preceding year's net tax capacity of residential property of the municipality.

Subd. 3. **Apportionment of levy.** The county auditor shall apportion the levy of each governmental unit in the auditor's county in the manner prescribed by this subdivision. The auditor shall:

(a) by August 20, determine the areawide portion of the levy for each governmental unit by multiplying the local tax rate of the governmental unit for the preceding levy year times the distribution value set forth in subdivision 2, clause (b);

(b) by September 5, determine the local portion of the current year's levy by subtracting the resulting amount from clause (a) from the governmental unit's current year's levy;

(c) for determinations made under clause (a) in the case of school districts, for taxes payable in 2002, exclude the general education tax rate and the portion of the referendum tax rate attributable to the first \$415 per pupil unit from the local tax rate for the preceding levy year;

(d) for determinations made under clause (a) in the case of the Metropolitan Council, for taxes payable in 2002, exclude the transit operating tax rate from the local tax rate for the preceding levy year; and

(e) for determinations made under clause (a) in the case of transit opt-out cities, for taxes payable in 2002, exclude the opt-out transit rate from the local tax rate for the preceding levy year.

Subd. 3a. **Bloomington computation.** (a) Beginning in 1987 and each subsequent year through 1998, the city of Bloomington shall determine the interest payments for that year for the bonds which have been sold for the highway improvements pursuant to Laws 1986, chapter 391, section 2, paragraph (g). Effective for property taxes payable in 1988 through property taxes payable in 1999, after the Hennepin County auditor has computed the areawide portion of the levy for the city of Bloomington pursuant to subdivision 3, clause (a), the auditor shall annually add a dollar amount to the city of Bloomington's areawide portion of the levy equal to the amount which has been certified to the auditor by the city of Bloomington for the interest payments for that year for the bonds which were sold for highway improvements. The total areawide portion of the levy for the city of Bloomington including the additional amount for interest repayment certified pursuant to this subdivision shall be certified by the Hennepin County auditor to the administrative auditor pursuant to subdivision 5. The Hennepin County auditor shall distribute to the city of Bloomington the additional areawide portion of the levy computed pursuant to this subdivision at the same time that payments are made to the other counties pursuant to subdivision 7a. For property taxes payable from the year 2009 through 2014, the Hennepin County auditor shall adjust Bloomington's contribution to the areawide gross tax capacity upward each year by a value equal to ten percent of the total additional areawide levy distributed to Bloomington under this subdivision from 1988 to 1999, divided by the areawide tax rate for taxes payable in the previous year.

APPENDIX
Repealed Minnesota Statutes: SF3518-0

(b) For property taxes payable from 2015 through 2018, the administrative auditor shall increase the areawide net tax capacity each year by an amount equal to ten percent of the total additional areawide levy distributed to Bloomington under this subdivision from 1988 to 1999, divided by the areawide tax rate for taxes payable in the previous year. The administrative auditor must notify the commissioner of revenue of the amount determined by multiplying the increase in the areawide net tax capacity by the areawide tax rate determined under subdivision 5. The commissioner of revenue must pay the amount determined each payable year to the administrative auditor in two installments on July 10 and November 10, for distribution and settlement as provided in subdivision 7a.

(c) A sum sufficient to meet the obligations under this subdivision is annually appropriated from the general fund to the commissioner of revenue.

Subd. 3b. **Livable communities fund.** (a) The Hennepin County auditor shall certify the city of Bloomington's interest payments for 1987 for the bonds which were sold for highway improvements pursuant to Laws 1986, chapter 391, section 2, paragraph (g), and which were certified as an addition to the city of Bloomington's areawide levy for taxes payable in 1988.

(b) For taxes payable in 1996 through taxes payable in 1999, the Hennepin County auditor shall certify the amount calculated by subtracting the amount certified under subdivision 3a from the amount in paragraph (a). For taxes payable in 2000 and subsequent years, the Hennepin County auditor shall certify the amount calculated in paragraph (a).

(c) The Metropolitan Council may annually certify to the Ramsey County auditor the amount calculated under paragraph (b), or a lesser amount, but not to exceed \$5,000,000, to be used to provide funds for the cleanup of polluted lands in the metropolitan area.

(d) The amount certified under paragraph (c) shall be certified annually by the Ramsey County auditor to the administrative auditor as an addition to the Metropolitan Council's areawide levy under subdivision 5.

Subd. 3c. **Mall of America.** (a) When computing the net tax capacity under section 473F.05, the Hennepin County auditor shall exclude the captured tax capacity of Tax Increment Financing Districts No. 1-C and No. 1-G in the city of Bloomington.

(b) Notwithstanding the provisions of subdivision 2, paragraph (a), the commercial-industrial contribution percentage for the city of Bloomington is the contribution net tax capacity divided by the total net tax capacity of commercial-industrial property in the city, excluding any commercial-industrial property that is captured tax capacity of Tax Increment Financing Districts No. 1-C and No. 1-G.

(c) The property taxes to be paid on commercial-industrial tax capacity that is included in the captured tax capacity of Tax Increment Financing Districts No. 1-C and No. 1-G in the city of Bloomington must be determined as described in subdivision 6, except that the portion of the tax that is based on the areawide tax rate is to be treated as tax increment under section 469.176.

(d) The provisions of this subdivision take effect only if the clerk of the city of Bloomington certifies to the Hennepin County auditor that the city has entered into a binding written agreement with the Metropolitan Council to repair and restore, or to replace, the old Cedar Avenue bridge for use by bicycle commuters and recreational users.

(e) This subdivision expires on the earliest of the following dates:

(1) when the tax increment financing districts have been decertified in 2024 or 2035, as provided by Laws 2013, chapter 143, article 9, section 22, subdivision 2 or 4; or

(2) on January 1, 2014, if the city clerk fails to make the certification provided in paragraph (d) or if the city fails to file its local approval of Laws 2013, chapter 143, article 9, section 23, with the secretary of state by December 31, 2013.

Subd. 4. **Tax rate; noncommercial property.** In 1972 and subsequent years, the county auditor shall divide that portion of the levy determined pursuant to subdivision 3, clause (b), by the net tax capacity of the governmental unit, taking section 469.177, subdivision 3, into account, less that portion subtracted from net tax capacity pursuant to subdivision 2, clause (a). The resulting tax rate shall apply to all taxable property except commercial-industrial property, which shall be taxed in accordance with subdivision 6.

Subd. 5. **Areawide tax rate.** On or before August 25 of each year, the county auditor shall certify to the administrative auditor that portion of the levy of each governmental unit determined

APPENDIX
Repealed Minnesota Statutes: SF3518-0

under subdivisions 3, clause (a), 3a, and 3b. The administrative auditor shall then determine the areawide tax rate sufficient to yield an amount equal to the sum of such levies from the areawide net tax capacity. On or before September 1 of each year, the administrative auditor shall certify the areawide tax rate to each of the county auditors.

Subd. 5a. **Governmental unit in two or more counties.** If a governmental unit is located in two or more counties, the computations and certifications required by subdivisions 3 to 5 with respect to it shall be made by the county auditor who is responsible under other provisions of law for allocating its levies between or among the affected counties.

Subd. 6. **Application to commercial-industrial property.** The areawide tax rate determined in accordance with subdivision 5 shall apply to each commercial-industrial property subject to taxation within a municipality, including property located within any tax increment financing district, as defined in section 469.174, subdivision 9, to that portion of the net tax capacity of the item which bears the same proportion to its total net tax capacity as 40 percent of the amount determined under sections 473F.06 and 473F.07 is to the amount determined under section 473F.05. The tax rate determined in accordance with subdivision 4 shall apply in the taxation of the remainder of the net tax capacity of the item.

Subd. 7a. **Certification of values; payment.** The administrative auditor shall determine for each county the difference between the total levy on distribution value pursuant to subdivisions 3, clause (a), 3a, and 3b, within the county and the total tax on contribution value pursuant to subdivision 6, within the county. On or before May 16 of each year, the administrative auditor shall certify the differences so determined to each county auditor. In addition, the administrative auditor shall certify to those county auditors for whose county the total tax on contribution value exceeds the total levy on distribution value the settlement the county is to make to the other counties of the excess of the total tax on contribution value over the total levy on distribution value in the county. On or before June 15 and November 15 of each year, each county treasurer in a county having a total tax on contribution value in excess of the total levy on distribution value shall pay one-half of the excess to the other counties in accordance with the administrative auditors certification.

Subd. 8a. **Fiscal disparities adjustment.** In any year in which the highest classification rate for class 3a property changes from the rate in the previous year, the following adjustments shall be made to the procedures described in sections 473F.06 to 473F.08.

(1) An initial contribution tax capacity shall be determined for each municipality based on the previous year's classification rates.

(2) Each jurisdiction's distribution tax capacity shall be determined based upon the areawide tax base determined by summing the tax capacities computed under clause (1) for all municipalities and apportioning the resulting sum pursuant to section 473F.07, subdivision 5.

(3) Each jurisdiction's distribution levy shall be determined by applying the procedures described in subdivision 3, clause (a), to the distribution tax capacity determined pursuant to clause (2).

(4) Each municipality's final contribution tax capacity shall be determined equal to its initial contribution tax capacity multiplied by the ratio of the new highest classification rate for class 3a property to the previous year's highest classification rate for class 3a property.

(5) For the purposes of computing education aids and any other state aids requiring the addition of the fiscal disparities distribution tax capacity to the local tax capacity, each municipality's final distribution tax capacity shall be determined equal to its initial distribution tax capacity multiplied by the ratio of the new highest classification rate for class 3a property to the previous year's highest classification rate for class 3a property.

(6) The areawide tax rate shall be determined by dividing the sum of the amounts determined in clause (3) by the sum of the values determined in clause (4).

(7) The final contribution tax capacity determined in clause (4) shall also be used to determine the portion of each commercial/industrial property's tax capacity subject to the areawide tax rate pursuant to subdivision 6.

Subd. 10. **Adjustment of value.** For the purpose of computing fiscal capacity under section 473F.02, subdivision 14, a municipality's taxable market value shall be adjusted to reflect the reductions to net tax capacity effected by subdivision 2, clause (a), provided that in determining the taxable market value of commercial-industrial property or any class thereof within a municipality, the reduction required by this subdivision shall be that amount which bears the same proportion to the amount subtracted from the municipality's net tax capacity pursuant to subdivision 2, clause

APPENDIX
Repealed Minnesota Statutes: SF3518-0

(a), as the taxable market value of commercial-industrial property, or such class thereof, located within the municipality bears to the net tax capacity of commercial-industrial property, or such class thereof, located within the municipality. No adjustment shall be made to taxable market value for the increase in net tax capacity under subdivision 2, clause (b).

473F.09 ADJUSTMENTS IN DATES.

If, by reason of the enactment of any other law, the date by which the commissioner of revenue is required to certify to the county auditors the records of proceedings affecting the net tax capacity of property is advanced to a date earlier than June 30, the dates specified in sections 473F.07 and 473F.10 may be modified in the years to which such other law applies in the manner and to the extent prescribed by the administrative auditor.

473F.10 REASSESSMENTS AND OMITTED PROPERTY.

Subdivision 1. **Reassessment orders.** If the commissioner of revenue orders a reassessment of all or any portion of the property in a municipality other than in the form of a mathematically prescribed adjustment of valuation, or if omitted property is placed upon the tax rolls, and the reassessment has not been completed or the property placed upon the rolls, as the case may be, by November 15, the net tax capacity of the affected property shall, for purposes of sections 473F.03 to 473F.08, be determined from the abstracts filed by the county auditor with the commissioner of revenue.

Subd. 2. **Adjustment in succeeding year.** If the reassessment, when completed and incorporated in the commissioner of revenue's certification of the net tax capacity of the municipality, or the listing of omitted property, when placed on the rolls, results in an increase in the net tax capacity of commercial-industrial property in the municipality which differs from that used, pursuant to subdivision 1, for purposes of sections 473F.03 to 473F.08, the increase in the net tax capacity of commercial-industrial property in that municipality in the succeeding year, as otherwise computed under section 473F.06, shall be adjusted in a like amount, by an increase if the reassessment or listing discloses a larger increase than was used for purposes of sections 473F.03 to 473F.08, or by a decrease if the reassessment or listing discloses a smaller increase than was used for those purposes, provided that no adjustment shall reduce the amount determined under section 473F.06 to an amount less than zero.

Subd. 3. **Application.** Subdivisions 1 and 2 shall not apply to the determination of the tax rate under section 473F.08, subdivision 4, or to the determination of the net tax capacity of commercial-industrial property and each item thereof for purposes of section 473F.08, subdivision 6.

473F.11 LATE LEVIES.

Subdivision 1. **Failure to certify levy.** If a governmental unit does not certify its levy to the county auditor by November 25, then for purposes of section 473F.08, subdivision 3, clause (a), and section 473F.08, subdivision 5, its levy shall be deemed to equal its levy in the preceding year.

Subd. 2. **Change in levy.** If a governmental unit certifies its levy to the county auditor on or before November 25, no change in its levy subsequent to that date shall be recognized for purposes of section 473F.08, subdivision 3, clause (a), and section 473F.08, subdivision 5.

Subd. 3. **Application.** Subdivisions 1 and 2 shall not apply to section 473F.08, subdivision 3, clause (b), and section 473F.08, subdivision 4.

Subd. 4. **Adjustment in succeeding year.** If, in any year, the levy employed in respect to a governmental unit, for purposes of section 473F.08, subdivision 3, clause (a), and section 473F.08, subdivision 5, is determined under subdivision 1 or subdivision 2, and its actual levy as determined subsequent to November 25 is a different amount, then its levy as otherwise determined in the succeeding year shall, for purposes of those provisions, be increased in the amount of the difference if the actual levy was greater than that employed for purposes of those provisions, or decreased in the amount of the difference if the actual levy was less than that employed for purposes of those provisions.

473F.13 CHANGE IN STATUS OF MUNICIPALITY.

Subdivision 1. **Certification of change in status.** If a municipality is dissolved, is consolidated with all or part of another municipality, annexes territory, has a portion of its territory detached from it, or is newly incorporated, the secretary of state shall immediately certify that fact to the commissioner of revenue. The secretary of state shall also certify to the commissioner of revenue the current population of the new, enlarged, or successor municipality, if determined by the chief administrative law judge of the state Office of Administrative Hearings incident to consolidation, annexation, or incorporation proceedings. The population so certified shall govern for purposes of sections 473F.01 to 473F.13 until the Metropolitan Council files its first population estimate as of a later date with the commissioner of revenue. If an annexation of unincorporated land occurs without proceedings before the chief administrative law judge, the population of the annexing municipality as previously determined shall continue to govern for purposes of sections 473F.01 to 473F.13 until the Metropolitan Council files its first population estimate as of a later date with the commissioner of revenue.

477A.011 DEFINITIONS.

Subd. 20. **City net tax capacity.** "City net tax capacity" means the city's adjusted net tax capacity under section 273.1325.

Subd. 27. **Revenue base.** "Revenue base" means the amount levied for taxes payable in the previous year, including the levy on the fiscal disparity distribution under section 276A.06, subdivision 3, clause (1), or 473F.08, subdivision 3, paragraph (a); plus the originally certified local government aid in the previous year under sections 477A.011 and 477A.013; and the taconite aids received in the previous year under sections 298.28 and 298.282.

Subd. 30. **Pre-1940 housing percentage.** (a) Except as provided in paragraph (b), "pre-1940 housing percentage" for a city is 100 times the most recent count by the United States Bureau of the Census of all housing units in the city built before 1940, divided by the total number of all housing units in the city. Housing units includes both occupied and vacant housing units as defined by the federal census.

(b) For the city of East Grand Forks only, "pre-1940 housing percentage" is equal to 100 times the 1990 federal census count of all housing units in the city built before 1940, divided by the most recent count by the United States Bureau of the Census of all housing units in the city. Housing units includes both occupied and vacant housing units as defined by the federal census.

Subd. 30a. **Percent of housing built between 1940 and 1970.** "Percent of housing built between 1940 and 1970" is equal to 100 times the most recent count by the United States Bureau of the Census of all housing units in the city built after 1939 but before 1970, divided by the total number of all housing units in the city. Housing units includes both occupied and vacant housing units as defined by the federal census.

Subd. 34. **City revenue need.** (a) For a city with a population equal to or greater than 10,000, "city revenue need" is 1.15 times the sum of (1) 4.59 times the pre-1940 housing percentage; plus (2) 0.622 times the percent of housing built between 1940 and 1970; plus (3) 169.415 times the jobs per capita; plus (4) the sparsity adjustment; plus (5) 307.664.

(b) For a city with a population equal to or greater than 2,500 and less than 10,000, "city revenue need" is 1.15 times the sum of (1) 572.62; plus (2) 5.026 times the pre-1940 housing percentage; minus (3) 53.768 times household size; plus (4) 14.022 times peak population decline; plus (5) the sparsity adjustment.

(c) For a city with a population less than 2,500, "city revenue need" is the sum of (1) 410; plus (2) 0.367 times the city's population over 100; plus (3) the sparsity adjustment. The city revenue need for a city under this paragraph shall not exceed 630 plus the city's sparsity adjustment.

(d) For a city with a population of at least 2,500 but less than 3,000, the "city revenue need" equals (1) the transition factor times the city's revenue need calculated in paragraph (b); plus (2) 630 times the difference between one and the transition factor. For a city with a population of at least 10,000 but less than 11,000, the "city revenue need" equals (1) the transition factor times the city's revenue need calculated in paragraph (a); plus (2) the city's revenue need calculated under the formula in paragraph (b) times the difference between one and the transition factor. For purposes of the first sentence of this paragraph "transition factor" is 0.2 percent times the amount that the city's population exceeds the. For purposes of the second sentence of this paragraph, "transition factor" is 0.1 percent times the amount that the city's population exceeds the minimum threshold.

APPENDIX
Repealed Minnesota Statutes: SF3518-0

(e) The city revenue need cannot be less than zero.

(f) For calendar year 2015 and subsequent years, the city revenue need for a city, as determined in paragraphs (a) to (e), is multiplied by the ratio of the annual implicit price deflator for government consumption expenditures and gross investment for state and local governments as prepared by the United States Department of Commerce, for the most recently available year to the 2013 implicit price deflator for state and local government purchases.

Subd. 35. **Tax effort rate.** "Tax effort rate" means the net levy for all cities divided by the sum of the city net tax capacity for all cities. For purposes of this section, "net levy" means the city levy, after all adjustments, used for calculating the local tax rate under section 275.08 for taxes payable in the year prior to the aid distribution. The fiscal disparity distribution levy under chapter 276A or 473F is included in net levy.

Subd. 38. **Household size.** "Household size" means the average number of persons per household in the jurisdiction as most recently estimated and reported by the state demographer and Metropolitan Council as of July 15 of the aid calculation year. A revision to an estimate or enumeration is effective for these purposes only if it is certified to the commissioner on or before July 15 of the aid calculation year. Clerical errors in the certification or use of estimates and counts established as of July 15 in the aid calculation year are subject to correction within the time periods allowed under section 477A.014.

Subd. 42. **Jobs per capita in the city.** "Jobs per capita in the city" means (1) the average annual number of employees in the city based on the data from the Quarterly Census of Employment and Wages, as reported by the Department of Employment and Economic Development, for the most recent calendar year available November 1 of every odd-numbered year, divided by (2) the city's population for the same calendar year as the employment data. The commissioner of the Department of Employment and Economic Development shall certify to the city the average annual number of employees for each city by January 1 of every even-numbered year beginning with January 1, 2014. A city may challenge an estimate under this paragraph by filing its specific objection, including the names of employers that it feels may have misreported data, in writing with the commissioner by December 1 of every odd-numbered year. The commissioner shall make every reasonable effort to address the specific objection and adjust the data as necessary. The commissioner shall certify the estimates of the annual employment to the commissioner of revenue by January 1 of all even-numbered years, including any estimates still under objection.

Subd. 43. **Unmet need.** "Unmet need" for a city is equal to the difference between (1) its city revenue need multiplied by its population, and (2) its city net tax capacity multiplied by the tax effort rate.

Subd. 44. **Peak population decline.** "Peak population decline" is equal to 100 times the difference between one and the ratio of the city's current population, to the highest city population reported in a federal census from the 1970 census or later. "Peak population decline" shall not be less than zero.

Subd. 45. **Sparsity adjustment.** For a city with a population of 10,000 or more, the sparsity adjustment is 100 for any city with an average population density less than 150 per square mile, according to the most recent federal census. For a city with a population less than 10,000, the sparsity adjustment is 200 for any city with an average population density less than 30 per square mile, according to the most recent federal census. The sparsity adjustment is zero for all other cities.

477A.013 MUNICIPAL GOVERNMENT DISTRIBUTIONS.

Subdivision 1. **Towns.** (a) In 2014 and thereafter, each town is eligible for a distribution under this subdivision equal to the product of (i) its agricultural property factor, (ii) its town area factor, (iii) its population factor, and (iv) 0.0045. As used in this subdivision, the following terms have the meanings given them:

(1) "agricultural property factor" means the ratio of the adjusted net tax capacity of agricultural property located in a town, to the adjusted net tax capacity of all other property located in the town. The agricultural property factor cannot exceed eight;

(2) "agricultural property" means property classified under section 273.13, as homestead and nonhomestead agricultural property, rural vacant land, and noncommercial seasonal recreational property;

APPENDIX
Repealed Minnesota Statutes: SF3518-0

(3) "town area factor" means the most recent estimate of total acreage, not to exceed 50,000 acres, located in the township available as of July 1 in the aid calculation year, estimated or established by:

- (i) the United States Bureau of the Census;
 - (ii) the State Land Management Information Center; or
 - (iii) the secretary of state; and
- (4) "population factor" means the square root of the towns' population.

(b) If the sum of the aids payable to all towns under this subdivision exceeds the limit under section 477A.03, subdivision 2c, the distribution to each town must be reduced proportionately so that the total amount of aids distributed under this section does not exceed the limit in section 477A.03, subdivision 2c.

(c) Data used in calculating aids to towns under this subdivision, other than acreage, shall be the most recently available data as of January 1 in the year in which the aid is calculated.

Subd. 8. City formula aid. (a) For aids payable in 2018 and thereafter, the formula aid for a city is equal to the product of (1) the difference between its unmet need and its certified aid in the previous year and before any aid adjustment under subdivision 13, and (2) the aid gap percentage.

(b) The applicable aid gap percentage must be calculated by the Department of Revenue so that the total of the aid under subdivision 9 equals the total amount available for aid under section 477A.03. The aid gap percentage must be the same for all cities subject to paragraph (a). Data used in calculating aids to cities under sections 477A.011 to 477A.013 shall be the most recently available data as of January 1 in the year in which the aid is calculated.

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

(b) For aids payable in 2018 and thereafter, if a city's certified aid before any aid adjustment under subdivision 13 for the previous year is equal to or greater than its current unmet need, the total aid for a city is equal to the greater of (1) its unmet need plus any aid adjustment under subdivision 13, or (2) the amount it was certified to receive in the previous year minus the lesser of \$10 multiplied by its population, or five percent of its net levy in the year prior to the aid distribution. No city may have a total aid amount less than \$0.

Subd. 10. Levy adjustments for aid decreases. Notwithstanding any local ordinance or charter provision, a city whose certified aid under subdivision 9 is less than the amount it received in the previous year under the same subdivision may increase its levy payable in the same year as the certified aid is paid by an amount equal to the aid decrease for that year.

Subd. 13. Certified aid adjustments. (a) A city that received an aid base increase under Minnesota Statutes 2012, section 477A.011, subdivision 36, paragraph (e), shall have its total aid under subdivision 9 increased by an amount equal to \$150,000 for aids payable in 2014 through 2018.

(b) A city that received an aid base increase under section 477A.011, subdivision 36, paragraph (r), shall have its total aid under subdivision 9 increased by an amount equal to \$160,000 for aids payable in 2014 and thereafter.

(c) A city that received a temporary aid increase under Minnesota Statutes 2012, section 477A.011, subdivision 36, paragraph (o), shall have its total aid under subdivision 9 increased by an amount equal to \$1,000,000 for aids payable in 2014 only.

477A.03 APPROPRIATION.

Subd. 2a. Cities. For aids payable in 2016 and 2017, the total aid paid under section 477A.013, subdivision 9, is \$519,398,012. For aids payable in 2018 and thereafter, the total aid paid under section 477A.013, subdivision 9, is \$534,398,012.

Subd. 2c. Towns. For aids payable in 2015 and thereafter, the total aids paid under section 477A.013, subdivision 1, is limited to \$10,000,000.