
CHAPTER 198—H.F.No.3233

An act relating to taxation; increasing the levy limit bases of governmental subdivisions to include gross earnings aids and inheritance tax distributions; amending Minnesota Statutes, 1973 Supplement, Sections 275.50, Subdivision 5; and 275.51, Subdivision 3.

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

Section 1. Minnesota Statutes, 1973 Supplement, Section 275.50, Subdivision 5, is amended to read:

Subd. 5. TAXATION; GOVERNMENTAL SUBDIVISION LEVY LIMITS. "Special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any action other than an action on an express contract or default on an express contract, or to pay the costs of settlements out of court against the governmental subdivision in any action other than an action on an express contract when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, but only to the extent of the increase in levy for such judgments and out of court settlements over levy year 1970, taxes payable in 1971;

(b) pay the costs of complying with any written lawful order issued by the state of Minnesota, or the United States, or any agency or subdivision thereof, which is authorized by law, statute, special act or ordinance and is enforceable in a court of competent jurisdiction, or any stipulation agreement or permit for treatment works or disposal system for pollution abatement in lieu of a lawful order signed by the governmental subdivision and the state of Minnesota, or the United States, or any agency or subdivision thereof which is enforceable in a court of competent jurisdiction. The commissioner of ~~taxation~~ revenue shall in consultation with other state departments and agencies, develop a suggested form for use by the state of Minnesota, its agencies and subdivisions in issuing orders pursuant to this subdivision;

(c) pay the costs of complying with any law enacted by the 1971 legislature or a prior or subsequent year's legislature which specifically and directly requires a new or altered activity after levy year 1970, taxes payable in 1971, but only to the extent of the increased cost for such activity after levy year 1970, taxes payable in 1971;

(d) pay the costs of an expanded county court system to the extent of the increase in costs over the amount levied in support of a

Changes or additions indicated by underline deletions by ~~strikeout~~

county court or a probate court in levy year 1970, taxes payable in 1971;

(e) pay amounts required by any public pension plan to the extent that operation of the laws of the state of Minnesota or the United States governing such fund directly causes the level of governmental financial support to exceed the level of such support prior to July 1, 1971, provided that such increases are not the result of amendment by any means to the benefit plan after July 1, 1971 which required the approval of the governing body of the governmental subdivision;

(f) pay amounts required to be levied in support of a volunteer firemen's relief association if resulting from the operation of sections 69.772 and 69.773;

(g) pay the costs to a governmental subdivision for their share of any program otherwise authorized by law, including the administrative costs of social services and of county welfare systems, for which matching funds have been appropriated by the state of Minnesota or the United States, but only to the extent that the costs to the governmental subdivision for the program exceed those expended in calendar year 1970, subject to rules promulgated by the commissioner of ~~taxation-revenue~~ pursuant to the administrative procedures act;

(h) pay expenses reasonably and necessarily incurred in preventing, preparing for or repairing the effects of natural disaster. "Natural disaster" as used herein means the occurrence or threat of widespread or severe damage, injury or loss of life or property resulting from natural causes, including and limited to fire, flood, earthquake, wind storm, wave action, oil spill, or other water contamination requiring action to avert danger or damage, volcanic activity, drought or air contamination. The civil defense division of the state department of public safety shall formulate standards by which an occurrence of any of the aforementioned natural phenomena would be deemed a natural disaster by reason of the level of damage, injury or loss of life or property that has occurred or would occur if preventative action was not taken;

(i) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law;

(j) pay the costs of principal and interest on bonded indebtedness, or, effective for taxes levied in 1973 and years thereafter, to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(k) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources

Changes or additions indicated by underline deletions by ~~strikeout~~

or funding extraordinary expenditures resulting from a public emergency;

(l) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(m) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(n) pay the amounts required to compensate for a decrease in revenues from public service enterprises, municipal liquor stores, licenses, permits, fines and forfeits and no other, to the extent that the aggregate of revenues from these sources in the calendar year preceding the year of levy are less than the aggregate of revenues from these sources in calendar year 1971. "Revenues" from a public service enterprise or a municipal liquor store shall mean the net income or loss of such public service enterprise or municipal liquor store, determined by subtracting total expenses from total revenues, and before any contribution to or from the governmental subdivision. "Fines" for a municipal court means the net amount remaining after subtracting total municipal court expenses from total collections of municipal court fines. A governmental subdivision shall qualify for this special levy only if the decrease in aggregate revenues as computed herein and divided by the population of the governmental subdivision in the preceding levy year is equal to or greater than two percent of the per capita levy limitation for the preceding levy year;

(o) pay the amounts required to compensate for a decrease in mobile homes property tax receipts to the extent that the governmental subdivision's portion of the total levy in the current levy year, pursuant to section 273.13, subdivision 3, as amended, is less than the distribution of the mobile homes tax to the governmental subdivision pursuant to section 273.13, subdivision 3, in calendar year 1971;

~~(p) pay the amounts required to compensate for a decrease in gross earnings tax aids pursuant to sections 276.15 to 276.18, or 368.30 to 368.42, or 373.20 to 373.24, to the extent that the distribution of these aids to the governmental subdivision in the calendar year immediately preceding the current levy year is less than the distribution of these aids to the governmental subdivision in calendar year 1971;~~

(q) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission in levy year 1971 or a subsequent levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(r) pay amounts required to correct for an error of omission in the

Changes or additions indicated by underline deletions by ~~strikeout~~

levy certified to the appropriate county auditor or auditors by the governing body of a city ; ~~village, borough~~ or town with ~~village-statutory city~~ powers in levy year 1971 or a subsequent levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(s) pay the increased cost of municipal services as the result of an annexation or consolidation ordered by the Minnesota municipal commission in levy year 1971 or a subsequent levy year, but only to the extent and for the levy years as provided by the commission in its order pursuant to section 414.01, subdivision 15;

(t) pay the increased costs of municipal services provided to new private industrial and nonresidential commercial development, to the extent that the extension of such services are not paid for through bonded indebtedness or special assessments, and not to exceed the amount determined as follows. The governmental subdivision may calculate the aggregate of:

(1) The increased expenditures necessary in preparation for the delivering of municipal services to new private industrial and nonresidential commercial development, but limited to one year's expenditures one time for each such development;

(2) The amount determined by dividing the overall levy limitation established pursuant to sections 275.50 to 275.56, and exclusive of special levies and special assessments, by the total taxable value of the governmental subdivision, and then multiplying this quotient times the total increase in assessed value of private industrial and nonresidential commercial development within the governmental subdivision. For the purpose of this clause, the increase in the assessed value of private industrial and nonresidential commercial development is calculated as the increase in assessed value over the assessed value of the real estate parcels subject to such private development as most recently determined before the building permit was issued. In the fourth levy year subsequent to the levy year in which the building permit was issued, the increase in assessed value of the real estate parcels subject to such private development shall no longer be included in determining the special levy.

The aggregate of the foregoing amounts, less any costs of extending municipal services to new private industrial and nonresidential commercial development which are paid by bonded indebtedness or special assessments, equals the maximum amount that may be levied as a "special levy" for the increased costs of municipal services provided to new private industrial and nonresidential commercial development.

Sec. 2. Minnesota Statutes, 1973 Supplement, Section 275.51,

Changes or additions indicated by underline deletions by ~~strikeout~~

Subdivision 3, is amended to read:

Subd. 3. The property tax levy limitation for governmental subdivisions in 1972 and subsequent levy years is calculated as follows. The governmental subdivision's levy limit base per capita for the immediately preceding levy year shall be increased pursuant to section 275.52, subdivision 2. The resulting current levy year's levy limit base per capita shall then be multiplied by the current levy year's population of the governmental subdivision established pursuant to section 275.53. From the resulting figure (current levy year's levy limit base) shall be deducted the amount of state formula aids estimated by the department of ~~taxation-revenue~~ to be paid pursuant to section 477A.01, as amended, and the taconite production tax municipal aids paid pursuant to section 298.282, as amended, to the governmental subdivision during the tax collection year to which the current levy year's levy limit base applies. The resulting figure is the amount of property taxes which the governmental subdivision may levy in the current levy year for all purposes other than those for which special levies and special assessments are made.

For the purpose of determining the amount of property taxes that a governmental subdivision may levy, in 1973 and thereafter, taxes payable in 1974 and thereafter, for all purposes except special levies and special assessments, the following amounts (increased by 12.36 percent and divided by the ~~1973-1972~~ population of the governmental subdivision established pursuant to section 275.53) shall be added to the governmental subdivision's 1972 payable 1973 levy limit base per capita and adjusted pursuant to section 275.52, subdivision 2:

(1) The amount of a county auditor's error of omission in the ad valorem taxes extended in levy year 1970, taxes payable in 1971, but only to the extent that when included in the governmental subdivision's levy in 1970, taxes payable in 1971, such amount is not in excess of any applicable statutory, special law or charter limitation imposed on the governmental subdivision in levy year 1970.

(2) The amount of an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city ; ~~village, borough~~ or town with ~~village-statutory~~ city powers in levy year 1970, taxes payable in 1971, but only to the extent that when included in the governmental subdivision's levy in 1970, taxes payable in 1971, such amount is not in excess of any applicable statutory, special law or charter limitation imposed on the governmental subdivision in levy year 1970.

The foregoing addition shall not be construed to alter in any way the amount of state formula aids estimated by the department of ~~taxation-revenue~~ to be paid a governmental subdivision pursuant to section 477A.01 in calendar years 1972 and 1973.

For levy year 1973 and thereafter, taxes payable in 1974 and
Changes or additions indicated by underline deletions by ~~strikeout~~

thereafter, the current levy year's levy limit base for the governmental subdivision shall be increased by the following aids (as estimated by the department of revenue and before adjustments for prior year aid payments) :

(a) the amount of aids (estimated by the department of taxation) that the governmental subdivision was entitled to receive from the state, pursuant to sections 297.13 and 340.60; 70 percent of the amount of county government was entitled to receive pursuant to section 287.12 and 100 percent of the amount a city, village or town government was entitled to receive pursuant to section 287.12, in calendar year 1973, before any adjustments for payments made in preceding calendar years;

(b) the amount of aids (estimated by the department of taxation) that the governmental subdivision was entitled to receive from the state, pursuant to section 290.361, on November 30, 1972 and May 31, 1973, before any adjustments for prior payments.

(1) Calendar year 1973 cigarette tax distribution aids pursuant to Minnesota Statutes 1971, Section 297.13;

(2) Calendar year 1973 liquor tax distribution aids pursuant to Minnesota Statutes 1971, Section 340.60;

(3) The November 30, 1972 and May 31, 1973, distribution of bank excise tax aids pursuant to Minnesota Statutes 1971, Section 290.361;

(4) Seventy percent of the amount that county governments were entitled to receive and 100 percent of the amount city and town governments were entitled to receive in fiscal year 1973 (July 1, 1972 through June 30, 1973) pursuant to Minnesota Statutes 1971, Section 287.12;

(5) Fiscal year 1973 (July 1, 1972 through June 30, 1973) gross earnings aids to cities, towns and counties pursuant to Minnesota Statutes 1971, Sections 276.15 to 276.18; 368.39 to 368.42; and 373.20 to 373.24;

(6) Fifty percent of the fiscal year 1973 (July 1, 1972 to June 30, 1973) inheritance tax distribution to county governments pursuant to Minnesota Statutes 1971, Section 291.33.

The foregoing addition shall be made after the per capita adjustment pursuant to section 275.52, subdivision 2, and after the multiplication of the current levy year's levy limit base per capita by the current levy year's population of the governmental subdivision, but before the deduction of the aids estimated by the department of ~~taxation-revenue~~ to be paid to the governmental subdivision pursuant to sections 477A.01 and 298.282, as amended, during the tax collection year to which the current levy year's levy limit base applies.

Changes or additions indicated by underline deletions by ~~strikeout~~

Approved March 21, 1974.

CHAPTER 199—H.F.No.3264

An act relating to taxes on and measured by net income; credits against tax, amending Minnesota Statutes 1971, Section 290.0601, Subdivision 9, as amended.

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

Section 1. Minnesota Statutes 1971, Section 290.0601, Subdivision 9, as amended by Laws 1973, Chapter 650, Article XVIII, Section 2, is amended to read:

Subd. 9. TAXATION; INCOME TAX; CREDITS AGAINST TAX; PROPERTY TAXES ACCRUED. Property taxes accrued means the net property tax after deducting the credit allowed by Minnesota Statutes 1967, Section 273.13, Subdivisions 6 and 7, (exclusive of special assessments, delinquent interest and charges for service) levied on a claimant's homestead in 1967 or any calendar year thereafter pursuant to Minnesota Statutes 1965, Chapters 272 and 273. When a homestead is owned by two or more persons or entities as joint tenants or tenants in common and one or more persons or entities is not a member of claimant's household, "property taxes accrued" is that part of property taxes levied on such homestead as reflects the ownership percentage of the claimant and his household. For purposes of this paragraph property taxes are "levied" when the tax roll is delivered to the local treasurer for collection. The local treasurer will include with the tax bill a statement that if the owner of the property is 65 years of age or over, or was a recipient of "supplementary security income for the aged, blind, and disabled" under the social security amendments of 1972 (P.L. 92-603), he may be eligible for the credit allowed by sections 290.0601 to 290.0616 and Laws 1973, Chapter 650, Article XVI, Section 1. When a claimant and his household own their homestead part of the preceding calendar year and rent the same or a different homestead for part of the same year "property taxes accrued" means only taxes levied on the homestead when both owned and occupied as such by claimant and his household at the time of the levy, multiplied by the percentage of 12 months that such property was owned and occupied by such household as its homestead during the preceding year. When a household owns and occupies two or more different homesteads in the same calendar year, property taxes accrued shall relate only to that property occupied by the household as a homestead on the levy date. Whenever a homestead is an integral part of a farm, the claimant may use the total property taxes accrued for the larger unit, but not exceeding 80-120 acres of land, as described in section 273.13, subdivision 6, except as the limitations of section 290.0608 apply. For the purpose of sections 290.0601 to 290.0616 and Laws 1973, Chapter 650, Article XVI, Section 1, the "unit" refers to that parcel of property covered by

Changes or additions indicated by underline deletions by ~~strikeout~~