

CHAPTER 2—H.F.No. 47

An act relating to financing of government in this state; reducing appropriations for the biennium ending June 30, 1991, with certain conditions; providing for transfer of certain money in the state treasury; appropriating money for a deficiency in income maintenance appropriations; transferring certain balances in the Minnesota resources fund to the general fund; canceling certain balances to the general fund; eliminating the motor vehicle excise tax transfer from the general fund for highway purposes; transferring balances in the transit assistance fund to the general fund; transferring funds from the Greater Minnesota Corporation fund balance to the general fund; transferring receipts from the infrastructure development fund to the general fund; providing for an employee-leave-without-pay program; reducing calendar year 1991 state aid payments to local units of government; amending Minnesota Statutes 1990, sections 16B.70, subdivision 1; 477A.011, subdivisions 27, 28, and by adding a subdivision; 477A.012, subdivision 1, and by adding a subdivision; 477A.013, subdivisions 1, 3, and by adding a subdivision; and 477A.014, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 477A.

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

ARTICLE 1**SUMMARY**

(General Fund Only)

TRANSFERS FROM OTHER FUNDS	33,335,000
PRIOR YEAR ADJUSTMENTS	3,081,000
APPROPRIATION REDUCTIONS	151,170,400
CANCELLATIONS	6,897,000
TOTAL	194,483,400
DEFICIENCY APPROPRIATION	125,412,000

ARTICLE 2**EDUCATION FINANCE ADJUSTMENTS****Section 1. APPROPRIATION REDUCTIONS: SUMMARY**

SUMMARY (General Fund Only)

	1991 APPROPRIATIONS
APPROPRIATION REDUCTIONS	(6,528,400)

Sec. 2. APPROPRIATION REDUCTIONS

The general fund appropriations in Laws 1989, chapter 329, as amended by Laws 1990, chapter 562, articles 6, 7, and 9, are reduced by the listed amounts. All reductions are for fiscal year 1991 only.

(a) Transportation aid for enrollment options	(25,400)
(b) Summer special education aid	(759,800)
(c) Secondary vocational handicapped aid	(1,500,400)
(d) Assurance of mastery aid	(849,000)
(e) Individualized learning and development aid	(429,000)
(f) Adult graduation aid	(426,000)
(g) Health and developmental screening aid	(1,360,800)
(h) Secondary vocational cooperative aid	(5,300)
(i) Cooperation and combination aid	(2,900)
(j) PER process aid	(500)
(k) Tobacco use prevention aid	(2,700)
(l) Career teacher aid	(222,600)
(m) Educational cooperative service unit loans	(500,000)
(n) Adult education - basic skills evaluation	(75,000)
(o) Department of education	(136,000)

None of this reduction shall be taken from the appropriations for the Fari-bault academies.

(p) Minnesota center for arts education	(200,000)
(q) Task force on mathematics, science, technology, and international education	(33,000)

Sec. 3. EFFECTIVE DATE.

Section 2 is effective the day following final enactment.

ARTICLE 3

POSTSECONDARY EDUCATION

Section 1. APPROPRIATION REDUCTIONS: SUMMARY

The sums set forth in parentheses in the column designated "1991 APPROPRIATIONS" are reduced from the general fund appropriations for the fiscal year ending June 30, 1991, in Laws 1989, chapter 293, as amended by Laws 1990, chapter 591, article 1, to the specified agencies.

SUMMARY (General Fund Only)

APPROPRIATION REDUCTIONS	1991 APPROPRIATIONS (17,020,000)
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Sec. 2. APPROPRIATION REDUCTIONS

(a) Higher education coordinating board (3,020,000)

This reduction is from the state grant program.

(b) University of Minnesota (8,800,000)

(c) State University Board (2,130,000)

(d) Community College Board (1,190,000)

(e) State Board of Technical Colleges (1,880,000)

The reductions in this section must not be considered in developing the budget base for the 1992-1993 biennium.

Sec. 3. EFFECTIVE DATE.

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 4**HUMAN DEVELOPMENT****Section 1. APPROPRIATION REDUCTIONS: SUMMARY**

The sums set forth in the column marked "1991 APPROPRIATIONS BY FUND" are added to appropriations from the general fund or any other fund named, to the agencies and programs specified. Sums shown in parentheses are reduced from the general fund appropriations, or from other named appropriations, to the specified agencies in Laws 1989, chapter 282, article 1, sections 2 to 10, as amended by Laws 1990, chapter 568, article 1, sections 2 to 8; Laws 1989, chapter 335, article 1, section 27, as amended by Laws 1990, chapter 594, article 1, section 25; and Laws 1990, chapter 568, article 6, for the fiscal year ending June 30, 1991.

SUMMARY (General Fund Only)**1991 APPROPRIATIONS BY FUND**

TRANSFERS FROM OTHER FUNDS	2,350,000
APPROPRIATION REDUCTIONS	(18,230,000)
DEFICIENCY APPROPRIATION	125,412,000

Sec. 2. HUMAN SERVICES

Subdivision 1. Social Services (8,175,000)

The commissioner shall transfer

\$5,000,000 in fiscal year 1991 from the consolidated chemical dependency treatment fund to the general fund. Notwithstanding Minnesota Statutes, sections 254B.02, subdivision 4, and 254B.09, all money remaining in the consolidated chemical dependency treatment fund after all services provided in fiscal year 1991 are reimbursed shall cancel. This cancellation shall apply to state money remaining in county allocations, the reserve account, tribal allocations, the tribal reserve account, and the nonreservation Indian reserve account.

Laws 1990, chapter 568, article 2, section 59, is effective February 1, 1991, notwithstanding Laws 1990, chapter 568, article 2, section 104, subdivision 3. In conjunction with this provision, the commissioner shall transfer \$3,000,000 in fiscal year 1991 from the consolidated chemical dependency treatment fund to the general fund.

For the biennium ending June 30, 1991, and notwithstanding Minnesota Statutes, section 254B.03, subdivision 4, the commissioner may refuse to pay for services to persons not eligible under Minnesota Statutes, section 254B.04, subdivision 1, and the state is not financially liable for payment of services to ineligible persons.

The department of human services is authorized to receive new federal funds as of October 1, 1990, for child care. The new funds are authorized under Section 5081 of the federal Omnibus Budget Reconciliation Act of 1990, which amends the Social Security Act adding section 402(1), providing child care to low income families.

Subd. 2. Mental Health	(500,000)
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Subd. 3. Family Support Programs	(1,919,000)
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For the biennium ending June 30, 1991, and notwithstanding any other law to the contrary, counties may not enter into agreements for new general assistance or Minnesota supplemental aid negotiated rate beds except under the following two circumstances, both of which are limited to existing funding caps: limited adult foster care development needed to ensure census reduction targets for developmentally disabled persons at regional treatment centers; and development to ensure compliance with the federal Omnibus Budget Reconciliation Act of 1990 alternative disposition plan requirements for inappropriately placed developmentally disabled persons.

For the biennium ending June 30, 1991, and notwithstanding Minnesota Statutes, section 256D.051 and Minnesota Rules, parts 9500.1200 to 9500.1318, the commissioner shall identify groups of nonexempt work readiness registrants receiving food stamps who must participate in the work readiness employment and training program as a condition of eligibility for work readiness assistance. The number of persons required to participate shall be sufficient to meet federal performance requirements for the Food Stamp Employment and Training Program. All other nonexempt registrants shall be deferred from participation in the Work Readiness Employment and Training Program. The notice and disqualification provisions of Minnesota Statutes, section 256D.101, remain in effect. The commissioner shall modify the groups identified in order to increase the number of registrants who must participate if necessary to meet federal participation requirements or if sufficient funds are available to expand program operations. Counties must provide ongoing employment and

training services to all registrants in the county who are members of the groups identified by the commissioner.

For the biennium ending June 30, 1991, and notwithstanding Minnesota Statutes, sections 256D.01 to 256D.21 and Minnesota Rules, parts 9500.1200 to 9500.1318, an applicant's eligibility for work readiness assistance shall not begin until the first day of the calendar month following the date of application for assistance. The initial date of eligibility for emergency assistance under Minnesota Statutes, section 256D.051, subdivision 1, is not affected. Notwithstanding Minnesota Statutes, section 256D.051, subdivision 1b, counties shall not provide special payments prorated to cover an initial certification period.

Notwithstanding Minnesota Statutes, chapter 256D, or any other law or administrative rule to the contrary, commencing March 1, 1991, and ending June 30, 1991, any person who would be defined for purposes of the federal Food Stamp Program as being enrolled at least half-time in an institution of higher education is ineligible to receive payments or services from the Work Readiness Program.

\$100,000 of this reduction is from the appropriation in Laws 1989, chapter 282, article 1, section 2, subdivision 6, to reimburse local agencies for the costs of providing transportation for work readiness literacy training. The commissioner shall reimburse counties for these purposes up to the amount of this appropriation, and state financial liability shall not extend beyond the appropriation amount.

Subd. 4. Health Care

(5,143,000)

If the existing 1991 appropriation for

the 180-day portion of the alternative care grant program is insufficient to fund payments to counties for services provided through June 30, 1991, the commissioner may transfer up to \$3,500,000 from the department's non-grant accounts to fund these payments.

Subd. 5. State Residential Facilities (813,000)

Subd. 6. Total Forecast Adjustment 125,412,000

Sec. 3. VETERANS NURSING HOMES BOARD (950,000)

Sec. 4. DEPARTMENT OF JOBS AND TRAINING (230,000)

Notwithstanding Minnesota Statutes, section 268.022, subdivision 2, the commissioner of finance shall transfer in fiscal year 1991 from the dislocated worker fund to the general fund \$1,700,000 of the money collected through the special assessment established in Minnesota Statutes, section 268.022, subdivision 1.

Sec. 5. CORRECTIONS (500,000)

This reduction is in the general fund appropriation in Laws 1989, chapter 282, article 1, section 6, subdivision 2, as amended by Laws 1990, chapter 568, article 1, section 5, subdivision 2.

Sec. 6. HEALTH

All balances in the asbestos abatement fund shall be transferred to the general fund on June 30, 1991. The balance on June 30, 1991, is estimated to be \$791,000. \$141,000 of this amount was recognized in the November 1990 forecast and \$650,000 is recognized in this act.

Sec. 7. EFFECTIVE DATE.

Sections 1 to 6 are effective the day following final enactment, unless otherwise specified.

ARTICLE 5

ENVIRONMENT AND NATURAL RESOURCES

Section 1. APPROPRIATION REDUCTIONS: SUMMARY

The sums set forth in parentheses in the column designated "1991 APPROPRIATIONS" are reduced from the general fund appropriations for the fiscal year ending June 30, 1991, in Laws 1989, chapters 269, 335, and 337; Laws 1989, First Special Session chapter 1; Laws 1990, chapters 594 and 607; or another named law to the specified agencies.

SUMMARY (General Fund Only)

	1991 APPROPRIATIONS
TRANSFERS FROM OTHER FUNDS	1,000,000
APPROPRIATION REDUCTIONS	(2,209,000)
CANCELLATIONS	466,000

Sec. 2. POLLUTION CONTROL AGENCY

(a) Clean Water Partnership Program	(50,000)
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This reduction is from the money appropriated from the general fund in Laws 1989, chapter 335, article 1, section 23, subdivision 2, for fiscal year 1991.

(b) Medical Waste Program	(50,000)
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This reduction is from the money appropriated from the general fund in Laws 1989, chapter 337, section 13, subdivision 1, for fiscal year 1991.

(c) Household Hazardous Waste Program	(170,000)
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This reduction is from the money appropriated from the general fund in Laws 1989, First Special Session chapter 1, article 24, section 1, subdivision 3a, for fiscal year 1991.

(d) Solid Waste Composition Study	(200,000)
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This reduction is from the money appropriated from the general fund in Laws 1989, First Special Session chapter 1, article 24, section 1, subdivision 3(b), for fiscal year 1991.

(e) On-Site Treatment (Septic Tank)
Grants

(150,000)

This reduction is from the money appropriated from the general fund in Laws 1990, chapter 594, article 1, section 22, item (c), for fiscal year 1991.

Sec. 3. OFFICE OF WASTE MANAGEMENT

(a) Litter Prevention, Control, and Abatement Grants

(50,000)

This reduction is from the money appropriated from the general fund in Laws 1989, First Special Session chapter 1, article 24, section 1, subdivision 2, item (d), for fiscal year 1991.

(b) Problem Materials Collection and Disposal

(100,000)

This reduction is from the money appropriated from the general fund in Laws 1989, First Special Session chapter 1, article 24, section 1, subdivision 2, item (f), for fiscal year 1991.

Sec. 4. NATURAL RESOURCES

General Reduction

(970,000)

This reduction is from the money appropriated from the general fund in Laws 1989, chapter 335, article 1, section 21, for fiscal year 1991.

Sec. 5. LEGISLATIVE COMMISSION ON MINNESOTA RESOURCES

As the cash flow in the Minnesota resources fund permits, the commissioner of finance shall transfer \$1,000,000 to the general fund by June 30, 1991.

Sec. 6. ZOOLOGICAL BOARD

\$400,000 of the appropriation made in Laws 1988, chapter 686, article 1, section 12, item (b), to renovate the water

and filtration systems that serve the beluga whale facility shall be unallotted and canceled by the commissioner of finance. Any remaining balances in that appropriation may be used by the zoo as a state contribution to the financing for the World of Birds amphitheater project.

Sec. 7. AGRICULTURE

(a) Family Farm Security

(169,000)

This reduction is from the money appropriated from the general fund in Laws 1989, chapter 269, section 7, subdivision 4, for family farm security interest payment adjustments.

(b) \$66,000 of the appropriation in Laws 1987, chapter 404, section 22, subdivision 7, as amended by Laws 1989, chapter 335, article 1, section 21, subdivision 7, available for expenditure by the commissioner of agriculture until June 30, 1991, for elk management is canceled.

Sec. 8. GRASSHOPPER CONTINGENT ACCOUNT

(300,000)

This reduction is from the money appropriated from the general fund in Laws 1990, chapter 607, section 6, paragraph (a), for fiscal year 1991. \$120,000 has been transferred to the commissioner of agriculture and \$180,000 is still in the contingent account.

Sec. 9. EFFECTIVE DATE.

Sections 1 to 8 are effective the day following final enactment.

ARTICLE 6**INFRASTRUCTURE AND REGULATION****Section 1. APPROPRIATION REDUCTIONS; SUMMARY.**

The sums set forth in parentheses in the column designated "1991 APPROPRIATIONS" are reduced from appropriations from the general fund, or another named fund, for the fiscal year ending June 30, 1991, in Laws 1989, chapter 269, or another named law to the specified agencies.

SUMMARY (General Fund Only)

	1991 APPROPRIATIONS
TRANSFERS FROM OTHER FUNDS	26,885,000
APPROPRIATION REDUCTIONS	(52,808,000)

Sec. 2. TRANSPORTATION

The appropriations in Laws 1989, chapter 269, section 2, as amended by Laws 1990, chapter 565, section 2, for fiscal year 1991 are reduced by the listed amounts:

Subdivision 1. Highway Development	
Trunk Highway Fund	(33,568,000)
County State Aid Highway Fund	(13,276,000)
Municipal State Aid Street Fund	(3,864,000)
Subd. 2. Program Delivery	
Trunk Highway Fund	(1,500,000)

If the county and municipal state aids have been apportioned by the commissioner of transportation according to law and rule based upon anticipated fiscal year 1991 motor vehicle excise tax transfer receipts, the commissioner must reduce the apportionment by the total amount of the 1991 fiscal year motor vehicle excise tax transfer receipts, and those proceeds shall be returned to the general fund upon final enactment.

Sec. 3. MOTOR VEHICLE EXCISE TAX

Notwithstanding Minnesota Statutes, section 297B.09, or Minnesota Rules,

part 8820.1200, tax proceeds under Minnesota Statutes, chapter 297B, and the investment earnings on those proceeds credited to the highway user tax distribution fund, and the trunk highway fund, for the period after June 30, 1990, and before July 1, 1991, must be returned to the general fund on June 30, 1991. The amount returned is estimated to be \$52,208,000.

Sec. 4. TRANSIT ASSISTANCE FUND

Notwithstanding Minnesota Statutes, section 297B.09, tax proceeds under Minnesota Statutes, chapter 297B, relating to the transit assistance fund and the earnings credited to the transit assistance fund for the period before July 1, 1991, that are unliquidated and unencumbered in the fiscal year ending June 30, 1991, must be returned to the general fund. The amount returned is estimated to be \$1,613,000.

Sec. 5. REGIONAL TRANSIT BOARD

(600,000)

This reduction is from the appropriation in Laws 1989, chapter 269, section 3, as amended by Laws 1990, chapter 565, section 5.

Sec. 6. GREATER MINNESOTA CORPORATION

The Greater Minnesota Corporation shall transfer \$9,000,000 of its unobligated balance in the special revenue fund to the general fund by June 30, 1991.

Sec. 7. INFRASTRUCTURE DEVELOPMENT FUND

The unencumbered balance in the infrastructure development fund on June 30, 1991, must be transferred and credited to the general fund. The amount transferred is estimated to be \$16,272,000.

Sec. 8. EFFECTIVE DATE.

Sections 1 to 7 are effective the day following final enactment.

ARTICLE 7**STATE GOVERNMENT AFFAIRS****Section 1. APPROPRIATION REDUCTION; SUMMARY.**

The sums set forth in parentheses in the column designated "1991 APPROPRIATIONS" are reduced from the general fund appropriations for the fiscal year ending June 30, 1991, to the specified agencies.

SUMMARY (General Fund Only)

	1991 APPROPRIATIONS
TRANSFERS FROM OTHER FUNDS	3,100,000
PRIOR YEAR ADJUSTMENTS	3,081,000
APPROPRIATION REDUCTIONS	(4,375,000)
CANCELLATIONS	6,431,000

Sec. 2. APPROPRIATION REDUCTIONS

The general fund appropriations in Laws 1989, chapter 335, as amended by Laws 1990, chapter 594, are reduced by the listed amounts:

(a) Legislature (2,000,000)

This reduction shall be allocated to the appropriations to the Senate, House of Representatives, and the Legislative Commissions by the legislative coordinating commission.

(b) Governor and Lieutenant Governor (68,000)

This reduction is to the governor's office budget.

(c) Administration (700,000)

This reduction is from the 1991 appropriation in Laws 1989, chapter 335, article 1, section 15, for building code administration.

The commissioner of administration shall transfer \$1,600,000 of contributed capital from the computer services internal service fund to the general fund by June 30, 1991.

The commissioner of administration is directed to review existing general fund project accounts for repairs and betterments. The commissioner shall cancel unobligated funding no longer required for specific projects and transfer \$600,000 to the general fund by June 30, 1991.

(d) Employee Relations

The commissioner of employee relations is directed to accelerate scheduled loan repayments to the general fund from the workers' compensation special fund by \$400,000 for fiscal year 1991.

(e) Trade and Economic Development

(549,000)

The unobligated balance in the capital access account in the special revenue fund authorized under Minnesota Statutes, section 116J.876, subdivision 4, shall be transferred to the general fund by June 30, 1991. This balance is estimated at \$500,000.

The remaining unobligated balance in Laws 1984, chapter 502, article 5, section 19, for plant construction and expansion grants, shall cancel to the general fund. This unobligated balance is estimated to be \$1,889,000.

The remaining unobligated balance in Laws 1987, chapter 404, section 26, subdivision 6, Community Development, in the general fund and economic development fund shall cancel to the general fund. It is estimated these unobligated balances total \$750,000.

The remaining unobligated balances in

Laws 1989, chapter 335, article 1, section 25, subdivisions 4, Tourism, and 6, Community Development, shall cancel to the general fund. It is estimated that this balance is \$498,000, of which \$488,000 will be shown as a prior year adjustment and \$10,000 will be shown as a current year cancellation.

(f) Housing Finance (600,000)

This amount shall be transferred from the housing development fund to the general fund.

(g) Military Affairs
(1) Enlistment Incentives Program (345,000)
(2) Military Land Fund (100,000)
(3) Military Forces Emergency Fund (13,000)

Sec. 3. HIRING AND PROCUREMENT FREEZE

It is estimated that the hiring and procurement freeze imposed by emergency executive order number 91-2 will result in increased cancellations to the general fund of \$5,151,000.

Sec. 4. VOLUNTARY UNPAID LEAVE OF ABSENCE.

Appointing authorities in the executive branch of state government shall encourage each employee to take an unpaid leave of absence for up to 160 hours during the period ending June 30, 1991. Each appointing authority approving such a leave shall allow the employee to continue accruing vacation and sick leave, be eligible for paid holidays and insurance benefits, accrue seniority, and accrue service credit in state retirement plans permitting service credits for authorized leaves of absence as if the employee had actually been employed during the time of the leave. If the leave of absence is for one full pay period or longer, any holiday pay shall be included in the first payroll warrant after return from the leave of absence. The appointing authority shall attempt to grant requests for unpaid leaves of absence consistent with the need to continue efficient operation of the agency. However, each appointing authority shall retain discretion to grant or refuse to grant requests for leaves of absence and to schedule and cancel leaves, subject to applicable provisions of collective bargaining agreements and compensation plans. Approval of leave under this section shall be given by the appointing authority in writing, with a copy to the commissioner of finance, who shall reduce the agency's allotments by the amount of the resulting savings. It is estimated that this option for employees will result in general fund savings of \$1,270,000 by June 30, 1991.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 5. Minnesota Statutes 1990, section 16B.70, subdivision 1, is amended to read:

Subdivision 1. **COMPUTATION.** To defray the costs of administering sections 16B.59 to 16B.73, a surcharge is imposed on all permits issued by municipalities in connection with the construction of or addition or alteration to buildings and equipment or appurtenances after June 30, 1971, as follows:

If the fee for the permit issued is fixed in amount the surcharge is equivalent to one-half mill (.0005) of the fee or 50 cents, whichever amount is greater. For all other permits, the surcharge is as follows: (1) if the valuation of the structure, addition, or alteration is \$1,000,000 or less, the surcharge is equivalent to one-half mill (.0005) of the valuation of the structure, addition, or alteration; (2) if the valuation is greater than \$1,000,000, the surcharge is \$500 plus two-fifths mill (.0004) of the value between \$1,000,000 and \$2,000,000; (3) if the valuation is greater than \$2,000,000, the surcharge is \$900 plus three-tenths mill (.0003) of the value between \$2,000,000 and \$3,000,000; (4) if the valuation is greater than \$3,000,000, the surcharge is \$1,200 plus one-fifth mill (.0002) of the value between \$3,000,000 and \$4,000,000; (5) if the valuation is greater than \$4,000,000, the surcharge is \$1,400 plus one-tenth mill (.0001) of the value between \$4,000,000 and \$5,000,000; and (6) if the valuation exceeds \$5,000,000, the surcharge is \$1,500 plus one-twentieth mill (.00005) of the value that exceeds \$5,000,000.

By September 1 of each odd-numbered year, the commissioner shall rebate to municipalities any money received under this section and section 16B.62 in the previous biennium in excess of the cost to the building code division in that biennium of carrying out its duties under sections 16B.59 to 16B.73. The rebate to each municipality must be in proportion to the amount of the surcharges collected by that municipality and remitted to the state. The amount necessary to meet the commissioner's rebate obligations under this subdivision is appropriated to the commissioner from the general fund.

Sec. 6. **EFFECTIVE DATE.**

Sections 1 to 5 are effective the day following final enactment, unless otherwise specified.

ARTICLE 8

LOCAL AIDS

Section 1. Minnesota Statutes 1990, section 477A.011, is amended by adding a subdivision to read:

Subd. 2a. SPECIAL TAXING DISTRICT. "Special taxing district" means a political subdivision with the authority to levy property taxes, other than a city, county, town, or school district.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 2. Minnesota Statutes 1990, section 477A.011, subdivision 27, is amended to read:

Subd. 27. **REVENUE BASE.** "Revenue base" means the amount levied for taxes payable in 1990 ~~less the special levies under section 275.50, subdivision 5, clause (u) 1991,~~ including the levy on the fiscal disparity distribution under section 473F.08, subdivision 3, paragraph (a), and before reduction for the homestead and agricultural credit aid under section 273.1398, subdivision 2, equalization aid under section 477A.013, subdivision 5, and disparity reduction aid under section 273.1398, subdivision 3; plus the local government aid under sections 477A.011; 477A.012, subdivisions 1 ~~and~~, 3, ~~and~~ 5, determined without regard to subdivision 2; and 477A.013, subdivisions 1, 3 ~~and~~, 6, ~~and~~ 7; and the estimated taconite aids used to determine levy limits for taxes payable in ~~1990~~ 1991 under section 275.51, subdivision 3i.

Sec. 3. Minnesota Statutes 1990, section 477A.011, subdivision 28, is amended to read:

Subd. 28. **REDUCTION PERCENTAGE.** "Reduction percentage" is means the equal percentage reduction in each county and city revenue base that ~~is was~~ necessary to reduce 1990 aid payments by \$28,000,000 under sections 477A.012, subdivision 5, and 477A.013, subdivision 7, and, in addition, the equal percentage reduction in each county, city, town, and special taxing district revenue base that is necessary to reduce 1991 aid payments under sections 477A.012, subdivisions 1, 3, and 5; 477A.013, subdivisions 1, 3, 5, 6, and 7; and 273.1398, subdivisions 2 and 3, by a combined amount of \$50,000,000.

Sec. 4. Minnesota Statutes 1990, section 477A.012, subdivision 1, is amended to read:

Subdivision 1. **AID AMOUNT.** In calendar year 1990, each county government shall receive a distribution equal to the aid amount certified for 1987 pursuant to this subdivision. Except as provided in subdivision 6, in calendar year 1991 and subsequent years, each county government shall receive a distribution equal to the aid amount it received in 1990 under this subdivision less the reduction made under subdivision 5.

Sec. 5. Minnesota Statutes 1990, section 477A.012, is amended by adding a subdivision to read:

Subd. 6. 1991 COUNTY AID ADJUSTMENT. A county's July 20, 1991 payment of local government aid and homestead and agricultural credit aid is reduced by the product of its revenue base and the reduction percentage. The aid reduction is first applied to a county's local government aid in its scheduled July 20, 1991 aid payment. If the aid reduction is greater than the local government aid amount in its scheduled July 20, 1991 aid payment, the remaining amount is then applied to the county's homestead and agricultural credit aid, and then, if necessary, to its disparity reduction aid. The July 20, 1991 local government aid, homestead and agricultural credit aid, and disparity reduction aid payment to a county after this reduction cannot be less than \$0.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 6. Minnesota Statutes 1990, section 477A.013, subdivision 1, is amended to read:

Subdivision 1. **TOWNS.** In calendar year 1989, each town that had levied for taxes payable in 1988 at least one mill on the dollar of the assessed value of the town shall receive a distribution equal to 106 percent of the distribution received under Minnesota Statutes 1987 Supplement, section 477A.013, subdivision 1, in 1988. In calendar year 1990, each town that had levied for taxes payable in the prior year a local tax rate of at least .008 shall receive a distribution equal to 106 percent of the amount received in 1989 under this subdivision. Except as provided in subdivision 8, in calendar year 1991 and subsequent years, each town that had levied for taxes payable in the prior year a local tax rate of at least .008 shall receive a distribution equal to the amount it received in 1990 under this subdivision less the amount deducted in 1989 under subdivision 6.

Sec. 7. Minnesota Statutes 1990, section 477A.013, subdivision 3, is amended to read:

Subd. 3. **CITY AID DISTRIBUTION.** In 1989, a city whose initial aid is greater than \$0 will receive the following aid increases in addition to an amount equal to the local government aid it received in 1988 under Minnesota Statutes 1987 Supplement, section 477A.013:

- (1) for a city whose expenditure/unlimited aid ratio is at least 1.5, two percent of city revenue;
- (2) for a city whose expenditure/unlimited aid ratio is at least 1.4 but less than 1.5, 2.5 percent of city revenue;
- (3) for a city whose expenditure/unlimited aid ratio is at least 1.3 but less than 1.4, three percent of city revenue;
- (4) for a city whose expenditure/unlimited aid ratio is at least 1.2 but less than 1.3, four percent of city revenue;
- (5) for a city whose expenditure/unlimited aid ratio is at least 1.1 but less than 1.2, five percent of city revenue;
- (6) for a city whose expenditure/unlimited aid ratio is at least 1.05 but less than 1.1, six percent of city revenue;
- (7) for a city whose expenditure/unlimited aid ratio is at least 1.0 but less than 1.05, seven percent of city revenue;
- (8) for a city whose expenditure/unlimited aid ratio is at least .95 but less than 1.0, 7.5 percent of city revenue;
- (9) for a city whose expenditure/unlimited aid ratio is at least .75 but less than .95, 8.5 percent of city revenue; and

New language is indicated by underline, deletions by ~~strikeout~~.

(10) for a city whose expenditure/unlimited aid ratio is less than .75, nine percent of city revenue.

In 1990, a city whose initial aid is greater than \$0 will receive an amount equal to the aid it received under this section in the year prior to that for which aids are being calculated plus an aid increase equal to 50 percent of the rates listed in clauses (1) to (10) multiplied by city revenue.

In 1991 and subsequent years, a city will receive an amount equal to the local government aid it received under this section in the previous year except as provided in subdivision 8.

A city's aid increase under this subdivision is limited to the lesser of (1) 20 percent of its levy for taxes payable in the year prior to that for which aids are being calculated, or (2) its initial aid amount, or (3) 15 percent of the total local government aid amount received under this section in the previous year, provided that no city will receive an increase that is less than two percent of its 1989 local government aid for aids payable in 1990.

A city whose initial aid is \$0 will receive in 1990 an amount equal to 102 percent of the local government aid it received in 1989 under Minnesota Statutes 1988, section 477A.013. A city whose initial aid is \$0 will receive in 1991 an amount equal to the aid it received in the previous year under this section. For purposes of this subdivision, the term "local government aid" does not include equalization aid amounts under subdivision 5.

Sec. 8. Minnesota Statutes 1990, section 477A.013, is amended by adding a subdivision to read:

Subd. 8. 1991 CITY, OR TOWN AID ADJUSTMENT. A city or town's July 20, 1991 payment of local government aid, equalization aid, homestead and agricultural credit aid, and disparity reduction aid is reduced by the product of its revenue base, and the reduction percentage, as determined in section 477A.011, subdivision 28. The aid reduction is first applied to a city or town's local government aid amount in its scheduled July 20, 1991 aid payment. If the aid reduction is greater than the local government aid amount in its scheduled July 20, 1991 aid payment, the remaining amount is then applied to the city or town's equalization aid, and then, if necessary, to its homestead and agricultural credit aid, and then, if necessary, to its disparity reduction aid. The July 20, 1991 local government aid, equalization aid, homestead and agricultural credit aid, and disparity reduction aid payment to a city or town after this reduction cannot be less than \$0.

Sec. 9. [477A.0135] SPECIAL TAXING DISTRICTS; 1991 AID REDUCTION.

A special taxing district's July 20, 1991 payment of homestead and agricultural credit aid, and disparity reduction aid is reduced by the product of its revenue base and the reduction percentage, as determined in section 477A.011, sub-

New language is indicated by underline, deletions by ~~strikeout~~.

division 28. The aid reduction is first applied to a special taxing district's homestead and agricultural credit aid amount in its scheduled July 20, 1991 aid payment. If the aid reduction is greater than the homestead and agricultural credit aid amount in its scheduled July 20, 1991 aid payment, the remaining amount is then applied to the special taxing district's disparity reduction aid. The July 20, 1991 homestead and agricultural credit aid and disparity reduction aid payment to a special taxing district after this reduction cannot be less than \$0.

Sec. 10. Minnesota Statutes 1990, section 477A.014, subdivision 1, is amended to read:

Subdivision 1. **CALCULATIONS AND PAYMENTS.** The commissioner of revenue shall make all necessary calculations and make payments pursuant to sections 477A.012, 477A.013, and 477A.03 directly to the affected taxing authorities annually. In addition, the commissioner shall notify the authorities of their aid amounts, as well as the computational factors used in making the calculations for their authority, and those statewide total figures that are pertinent, before August 15 of the year preceding the aid distribution year, except that for aid payable in 1990 the commissioner of revenue must notify the authorities of their aid amounts as well as the computational factors used in the calculation before October 23, 1989. The commissioner shall reduce the July 20, 1991, payment of local government aid, equalization aid, homestead and agricultural credit aid, and disparity reduction aid to counties, cities, towns, and special taxing districts by a combined amount of \$50,000,000.

Sec. 11. **EFFECTIVE DATE.**

Sections 1 to 10 are effective the day following final enactment, unless otherwise specified.

Presented to the governor January 30, 1991

Signed by the governor January 30, 1991, 10:50 a.m.

CHAPTER 3—H.F.No. 152

An act relating to taxation; allowing Mahnomen county and the city of Mahnomen to make special levies for the Mahnomen county and village hospital; amending Minnesota Statutes 1990, section 275.50, subdivision 5a.

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

Section 1. Minnesota Statutes 1990, section 275.50, subdivision 5a, is amended to read:

Subd. 5a. **SPECIAL LEVIES; LOCAL.** "Special levies" also includes those portions of ad valorem taxes levied by the following governmental subdivisions for the years and purposes given in the cited laws:

New language is indicated by underline, deletions by ~~strikeout~~.