

CHAPTER 477A

LOCAL GOVERNMENT AID

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477A.011 DEFINITIONS.

[For text of subd 1, see M.S.1984]

Subd. 1a. **City.** City means a statutory or home rule charter city.

[For text of subd 2, see M.S.1984]

Subd. 3. **Population.** Population means the population established by the most recent federal census, by a special census conducted under contract with the United States Bureau of the Census, by a population estimate made by the metropolitan council, or by a population estimate of the state demographer made pursuant to section 116K.04, subdivision 4, clause (10), whichever is the most recent as to the stated date of the count or estimate. The term "per capita" refers to population as defined by this subdivision.

[For text of subds 3a to 7a, see M.S.1984]

Subd. 10. **Maximum aid amount.** For any calendar year aid distribution, a city's maximum aid amount shall be 106 percent of its previous year aid amount, provided that its previous year aid amount exceeded \$150 per capita. If its previous year aid amount was less than \$150 per capita, its maximum aid amount shall be the lesser of: (a) 112 percent of its previous year aid amount, or (b) \$159 multiplied by the population figure used in determining its previous year aid.

[For text of subd 11, see M.S.1984]

Subd. 12. **Previous year aid amount.** For any calendar year aid distribution, a municipality's previous year aid amount means the amount that it was certified to receive for the previous calendar year pursuant to sections 477A.011 to 477A.03.

Subd. 13. **Fiscal need factor.** For any calendar year aid distribution, a city's fiscal need factor means the three-year average of the sum of its municipal levy including its fiscal disparities distribution amount, and its local government aid distribution amount, for taxes payable and distribution amounts receivable in the three years immediately preceding the aid distribution year.

The fiscal need factor of any city that issued general obligation bonds in 1982 to pay for the construction or reconstruction of water wells which replaced a municipal water supply found to be an environmental health hazard by the state department of health shall be increased by one-fourth of the amount of the bonds issued.

For any city which received more than \$70 per capita in attached machinery aids in 1983 pursuant to Minnesota Statutes 1982, section 273.138, the local government aid amounts for 1984 and 1985 used in the calculation of the fiscal need factor shall be reduced by the amount of attached machinery aids received in 1983.

Subd. 14. **Local effort mill rate.** For any calendar year aid distribution, a city's local effort mill rate means its fiscal need factor per capita divided by \$16 per capita per mill for the first \$300 of its fiscal need factor per capita; plus its fiscal need factor per capita divided by \$14 per capita per mill on that part of its fiscal

need factor per capita, if any, in excess of \$300. In no case shall a city's local effort mill rate be less than eight mills.

History: *1Sp1985 c 14 art 6 s 1-6*

477A.012 COUNTY GOVERNMENT DISTRIBUTIONS.

In calendar year 1986, each county government shall receive a distribution equal to 60 percent of the aid amount certified for 1983 pursuant to sections 477A.011 to 477A.03.

History: *1Sp1985 c 14 art 6 s 7*

477A.013 MUNICIPAL GOVERNMENT DISTRIBUTIONS.

Subdivision 1. Towns. In calendar year 1986, each town which had levied for taxes payable in the previous year at least one mill on the dollar of the assessed value of the town shall receive a distribution equal to the greater of: (a) 60 percent of the amount received in 1983 pursuant to Minnesota Statutes 1982, sections 273.138, 273.139, and 477A.011 to 477A.03; or (b) 106 percent of the amount received in 1985 pursuant to Minnesota Statutes 1984, sections 477A.011 to 477A.03.

Subd. 2. Cities. In calendar year 1986, each city shall receive a local government aid distribution as determined by the following steps.

(1) A preliminary aid amount shall be computed for each city equal to the amount obtained by subtracting its local effort mill rate multiplied by its equalized assessed value from its fiscal need factor, except that its preliminary aid amount may not be less than its previous year aid amount.

For any city which received more than \$70 per capita in attached machinery aids in 1983 pursuant to Minnesota Statutes 1982, section 273.138, an amount equal to the amount of attached machinery aids received in 1983 shall be added to the preliminary aid amount.

(2) For each city, an aid increase amount equal to the amount by which its preliminary aid amount exceeds its previous year aid amount shall be determined. Each city's aid increase amount shall be reduced by a uniform percentage as determined by the commissioner of revenue, to make the sum of the final aid distributions for all cities equal the aid limitation imposed by subdivision 3.

(3) Each city's final aid amount shall be equal to the sum of its aid increase amount, as adjusted, and its previous year aid amount; provided, however, that no city's aid shall exceed its maximum aid amount, and further provided that no city which is a city of the first class shall have a final aid amount which is less than 102 percent of its previous year aid.

Subd. 3. Aid limitation. The total amount available for distribution to cities pursuant to subdivision 2 shall be \$286,000,000 for calendar year 1986.

History: *1Sp1985 c 14 art 6 s 8*

477A.0131 [Repealed, 1Sp1985 c 14 art 6 s 10]

477A.014 COMMISSIONER'S RESPONSIBILITIES.

[For text of subds 1 to 3, see M.S.1984]

Subd. 4. The director of state planning shall annually bill the commissioner of revenue for one-half of the costs incurred by the state planning agency in the preparation of materials required by section 116K.04, subdivision 4, clause (10).

The commissioner shall deduct these amounts from the next payments to be made to appropriate local units of government. Amounts deducted must be credited to the general fund.

History: *1Sp1985 c 13 s 359*

477A.018 LOCAL LODGING TAX.

Subdivision 1. Authorization. Notwithstanding section 477A.016 or any other law, a statutory or home rule charter city may by ordinance, and a town may by vote at its annual meeting, impose a tax of up to three percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more. A statutory or home rule charter city may by ordinance impose the tax authorized under this subdivision on the camping site receipts of a municipal campground.

Subd. 2. Existing taxes. No statutory or home rule charter city or town may impose a tax under this section upon transient lodging that, when combined with any tax authorized by special law or enacted prior to 1972, exceeds a rate of three percent.

Subd. 3. Disposition of proceeds. Ninety-five percent of the gross proceeds from any tax imposed under subdivision 1 shall be used by the statutory or home rule charter city or town to fund a local convention or tourism bureau for the purpose of marketing and promoting the city or town as a tourist or convention center. This subdivision shall not apply to any statutory or home rule charter city or town that has a lodging tax authorized by special law or enacted prior to 1972 at the time of enactment of this section.

Subd. 4. Unorganized territories. A county board acting as a town board with respect to an unorganized territory may impose a lodging tax within the unorganized territory according to this section if it determines by resolution that imposition of the tax is in the public interest.

Subd. 5. Reverse referendum. If the county board passes a resolution under subdivision 4 to impose the tax, the resolution must be published for two successive weeks in a newspaper of general circulation within the unorganized territory, together with a notice fixing a date for a public hearing on the proposed tax.

The hearing must be held not less than two weeks nor more than four weeks after the first publication of the notice. After the public hearing, the county board may determine to take no further action, or may adopt a resolution authorizing the tax as originally proposed or approving a lesser rate of tax. The resolution must be published in a newspaper of general circulation within the unorganized territory. The voters of the unorganized territory may request a referendum on the proposed tax by filing a petition with the county auditor within 30 days after the resolution is published. The petition must be signed by voters who reside in the unorganized territory. The number of signatures must equal at least five percent of the number of persons voting in the unorganized territory in the last general election. If such a petition is timely filed, the resolution is not effective until it has been submitted to the voters residing in the unorganized territory at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum.

Subd. 6. **Joint powers agreements.** Any statutory or home rule charter city, town, or county when the county board is acting as a town board with respect to an unorganized territory, may enter into a joint exercise of powers agreement pursuant to section 471.59 for the purpose of imposing the tax and disposing of its proceeds pursuant to this section.

History: *1Sp1985 c 14 art 2 s 15*

477A.04 [Repealed, 1985 c 300 s 30]