

CHAPTER 275

TAXES; LEVY, EXTENSION

275.07	City, town and school district taxes.	275.125	Tax levy, school districts.
275.081	Farm and homestead value exemption.	275.50	Levy limits; definitions.
275.082	Computation of tax on parcels.	275.51	Levy limits.

275.07 CITY, TOWN AND SCHOOL DISTRICT TAXES.

Subdivision 1. The taxes voted by cities and towns shall be certified by the proper authorities to the county auditor on or before October 10 in each year. The taxes of a school district must be certified to the commissioner of education by October 10 in each year. If a city, town, county, school district, or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year. If the local unit notifies the commissioner of revenue, or the commissioner of education in the case of a school district, before October 10 of its inability to certify its levy by that date, and the commissioner is satisfied that the delay is unavoidable and is not due to the negligence of the local unit's officials or staff, the commissioner shall extend the time within which the local unit shall certify its levy up to 15 calendar days beyond the date of request for extension. For 1988 only, the commissioner may extend the certification time to November 7 if the requirements of this subdivision are met.

[For text of subd 2, see M.S.1986]

History: 1987 c 268 art 6 s 36; art 7 s 40

NOTE: The amendment to subdivision 1 by Laws 1987, chapter 268, article 6, section 36, is effective for taxes levied in 1988, payable in 1989 and thereafter except as provided otherwise. See Laws 1987, chapter 268, article 6, section 54.

The amendment to subdivision 1 by Laws 1987, chapter 268, article 7, section 40, is effective for the 1988 assessment and thereafter and taxes payable in 1989 and thereafter. See Laws 1987, chapter 268, article 7, section 56.

275.081 FARM AND HOMESTEAD VALUE EXEMPTION.

Subdivision 1. **Procedure.** After certification of assessed valuations pursuant to section 274.04 and adjustments pursuant to sections 270.13, 274.01, 274.08, 274.09, 274.12, 274.16, and 274.17, the county auditor shall reduce the assessed value of each farm and homestead according to this section.

Subd. 2. **Nonagricultural homesteads.** The assessed value of a nonagricultural homestead is reduced by 52 percent, but not to exceed 52 percent of the assessed value of a class 1 homestead having an estimated market value of \$68,000.

Subd. 3. **Agricultural homesteads.** The assessed value of the first 320 acres of property classified as an agricultural homestead is reduced by 36 percent of the assessed value of the first 320 acres less the value of the homestead dwelling, garage, and one acre on which the dwelling is situated. The assessed value of the property in excess of 320 acres is reduced by 26 percent of its assessed value.

Subd. 4. **Nonhomestead farms and timberland.** The assessed value of a nonhomestead farm, excluding the value of any dwelling, garage, and one acre surrounding it, is reduced by 26 percent of its assessed value. For purposes of this section, nonhomestead farms shall include timberlands.

Subd. 5. **Seasonal residential recreational property.** The assessed value of noncommercial seasonal residential recreational property is reduced by 15 percent, but not to exceed 15 percent of the assessed value of a noncommercial seasonal residential recreational property with \$31,000 of assessed value.

History: 1987 c 268 art 6 s 37

NOTE: Except where provided otherwise, this section, as added by Laws 1987, chapter 268, article 6, section 37, is effective for taxes levied in 1988, payable in 1989 and thereafter. See Laws 1987, chapter 268, article 6, section 54.

275.082 COMPUTATION OF TAX ON PARCELS.

Subdivision 1. Nonagricultural homesteads. For use in taxing nonagricultural homesteads, a mill rate shall be computed for each taxing jurisdiction based on the assessed value of properties as reduced under section 275.081. The homestead credit amount for each nonagricultural homestead shall be the exemption amount computed under section 275.081, multiplied by the total mill rate, and the gross tax is the sum of that credit amount plus the net tax determined by multiplying the mill rate by the assessed value of the property after subtraction of the exemption amount.

Subd. 2. Agricultural and other property. For use in taxing agricultural homesteads, nonhomestead agricultural land, timberland, and seasonal recreational property, the mill rate as computed under subdivision 1 shall be applied to the assessed value of the property after deduction of the exemption amount computed under section 275.081. From that amount of tax on agricultural homesteads there shall be deducted a homestead credit in an amount equal to 52 percent of the tax on the property, less any reduction received under sections 273.123 and 473H.10, but not to exceed \$700.

History: 1987 c 268 art 6 s 38

NOTE: Except where provided otherwise, this section, as added by Laws 1987, chapter 268, article 6, section 37, is effective for taxes levied in 1988, payable in 1989 and thereafter. See Laws 1987, chapter 268, article 6, section 54.

275.125 TAX LEVY, SCHOOL DISTRICTS.

[For text of subd 1, see M.S.1986]

Subd. 3. [Repealed, 1987 c 398 art 1 s 27]

Subd. 4. Miscellaneous levy authorizations. A school district may levy the amounts necessary to make payments for bonds issued and for interest thereon, including the bonds and interest thereon, issued as authorized by Minnesota Statutes 1974, section 275.125, subdivision 3, clause (7)(C); the amounts necessary for repayment of debt service loans and capital loans; the amounts necessary to pay the district's obligations under section 6.62; the amount authorized for liabilities of dissolved districts pursuant to section 122.45; the amounts necessary to pay the district's obligations under section 268.06, subdivision 25; the amounts necessary to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.08; the amounts necessary to pay the district's obligations under section 127.05; the amounts authorized by section 122.531; and the amounts necessary to pay the district's obligations under section 122.533.

Subd. 5. Basic transportation levy. Each year, a school district may levy for school transportation services an amount not to exceed the amount raised by the basic transportation mill rate times the adjusted assessed valuation of the district for the preceding year. The commissioner of revenue shall establish the basic transportation mill rate and certify it to the commissioner of education by August 1 of each year for levies payable in the following year. The basic transportation mill rate shall be a rate, rounded up to the nearest hundredth of a mill, that, when applied to the adjusted assessed valuation of taxable property for all districts, raises the amount specified in this subdivision. The basic transportation mill rate for the 1987 payable 1988 levies and for transportation aid for the 1988-1989 school year shall be the rate that raises \$71,256,100. The basic transportation mill rate certified by the commissioner of revenue must not be changed due to changes or corrections made to a district's adjusted assessed valuation after the mill rate has been certified.

[For text of subds 5a and 5b, see M.S.1986]

Subd. 5c. Nonregular transportation levy. A school district may also make a levy for unreimbursed nonregular transportation costs pursuant to this subdivision. The amount of the levy shall not exceed the product of:

(a) the district's unreimbursed nonregular transportation revenue determined pursuant to section 124.225, subdivision 8j, clause (a), times

- (b) the lesser of
 - (i) one, or
 - (ii) the ratio of the district's adjusted assessed valuation for the preceding year per total pupil unit in the school year to which the levy is attributable, to \$83,800.

Subd. 5d. [Repealed, 1987 c 398 art 2 s 14]

Subd. 5e. **Excess transportation levy.** A school district may make a levy for excess transportation costs according to this subdivision. The amount of the levy shall be the result of the following computation:

(a) Multiply the base cost computed using data for the current school year according to section 124.225, subdivision 1, paragraph (k), by the sum of the number of secondary pupils transported to and from school in the current year who live more than one mile but less than two miles from the public school which they could attend or the nonpublic school actually attended, plus the number of pupils residing less than one mile from school who were transported to and from school in the current year due to extraordinary traffic hazards.

(b) Add to the result in paragraph (a) the actual cost in the current year of other related services that are necessary because of extraordinary traffic hazards.

Subd. 5f. **Bus purchase levy.** A school district may levy the amount necessary to eliminate any projected deficit in the reserved fund balance account for bus purchases in its transportation fund as of June 30 of the school year beginning in the calendar year following the calendar year the levy is certified.

Subd. 5g. **Contracted services levy.** A school district may levy an amount equal to the aid subtraction computed according to section 124.225, subdivision 8k, for the school year beginning in the year the levy is certified.

Subd. 6a. **Minneapolis civil service retirement levy.** (1) In addition to the excess levy authorized in subdivision 6, in 1976 any district within a city of the first class which was authorized in 1975 to make a retirement levy under Minnesota Statutes 1974, section 275.127 and chapter 422A may levy an amount per pupil unit which is equal to the amount levied in 1975 payable 1976, under Minnesota Statutes 1974, section 275.127 and chapter 422A, divided by the number of pupil units in the district in 1976-1977.

(2) In 1979 and each year thereafter, any district which qualified in 1976 for an extra levy under clause (1) shall be allowed to levy the same amount as levied for retirement in 1978 under this clause reduced each year by ten percent of the difference between the amount levied for retirement in 1971 under Minnesota Statutes 1971, sections 275.127 and 422.01 to 422.54 and the amount levied for retirement in 1975 under Minnesota Statutes 1974, section 275.127 and chapter 422A.

Subd. 6e. **Desegregation levy.** Each year, school district No. 625, St. Paul, may levy an amount not to exceed one mill times the adjusted assessed valuation of the district. Notwithstanding section 121.904, the entire amount of this levy shall be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155. If the district levies under this subdivision, it may not place the proceeds of the 1983 payable 1984 levy authorized by subdivision 9a, in the general fund.

Subd. 6f. **Exceptional need levy.** To obtain exceptional need revenue, a district may levy an amount not to exceed the lesser of its exceptional need revenue or the result of the following computation:

(a) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the actual pupil units for the year to which the levy is attributable.

(b) Divide the result in paragraph (a) by the ratio of the formula allowance, established in section 124A.22, subdivision 2, to the general education mill rate, established in section 124A.23, subdivision 1, for the year to which the levy is attributable.

(c) Multiply the result in paragraph (b) by the district's exceptional need revenue for the year to which the levy is attributable.

Subd. 6h. **Minneapolis health insurance subsidy levy.** Each year special school district No. 1, Minneapolis, may make an additional levy not to exceed the amount raised by .1 mill times the adjusted assessed valuation of the property in the district for the preceding year. In addition, in 1987 the district may levy an amount not to exceed the amount raised by .1 mill times the adjusted assessed valuation of the property in the district for the preceding year for health insurance subsidies for fiscal year 1988. The proceeds may be used only to subsidize health insurance costs for eligible teachers as provided in this section.

"Eligible teacher" means a retired teacher who was a basic member of the Minneapolis teachers retirement fund association, who retired before May 1, 1974, and who is not eligible to receive the hospital insurance benefits of the federal Medicare program of the Social Security Act without payment of a monthly premium. The district shall notify eligible teachers that a subsidy is available. An eligible teacher may submit to the school district a copy of receipts for health insurance premiums paid during the previous 12-month period. The school district shall disburse the health insurance premium subsidy to each eligible teacher in a timely and efficient manner. An eligible teacher may receive a subsidy up to an amount equal to the lesser of 90 percent of the cost of the eligible teacher's health insurance or up to 90 percent of the cost of the number two qualified plan of health coverage for individual policies made available by the Minnesota comprehensive health association under chapter 62E.

If funds remaining from the previous year's health insurance subsidy levy, minus the previous year's required subsidy amount, are sufficient to pay the estimated current year subsidy, the levy must be discontinued until the remaining funds are estimated by the school board to be insufficient to pay the subsidy.

Subd. 8. **Community education levy.** (a) Each year, a district without a youth development plan that has established a community education advisory council under section 121.88, may levy the amount raised by .8 mill times the most recent adjusted assessed valuation of the district, but no more than the greater of

- (1) \$7,340, or
- (2) \$5.50 times the population of the district.

(b) Each year, a district with an approved youth development plan, or a district that intends to approve a youth development plan for the 1988-1989 school year, that has established a community education advisory council under section 121.88, may levy the amount raised by .8 mill times the most recent adjusted assessed valuation of the district, but no more than the greater of

- (1) \$8,000, or
- (2) \$6 times the population of the district.

(c) In addition to the levy authorized in paragraph (a) or (b), each year a district may levy an additional amount for community education programs equal to the amount authorized under Minnesota Statutes 1986, section 275.125, subdivision 8, clause (2).

(d) A district having an approved adult basic and continuing education program, according to section 124.26, may levy an amount not to exceed the amount raised by .1 mill times the adjusted assessed valuation of the district for the preceding year.

(e) A district having an approved program and budget may levy for a handicapped adult program. The levy amount may not exceed the lesser of: (1) the actual expenditures for approved programs for the fiscal year beginning in the calendar year after the levy is certified minus the amount of state aid paid for the same year, or (2) \$30,000 for one program. In the case of a program offered by a group of districts, the levy amount shall be divided among the districts according to the agreement submitted to the department. The proceeds of the levy shall be used only for a handicapped adult program.

(f) The levies authorized in this subdivision shall be used for community education, including nonvocational adult programs, recreation and leisure time activity programs, and programs authorized by sections 121.85 to 121.882. A school district

may levy pursuant to this subdivision only after it has filed a certificate of compliance with the commissioner of education. The certificate of compliance shall certify that the governing boards of the county, municipality and township in which the school district or any part thereof is located have been sent 15 working days written notice of a meeting and that a meeting has been held to discuss methods of increasing mutual cooperation between such bodies and the school board. The failure of a governing board of a county, municipality or township to attend the meeting shall not affect the authority of the school district to levy pursuant to this subdivision.

(g) The population of the district for purposes of this subdivision is the population determined as provided in section 275.14 or as certified by the department of education from the most recent federal census.

Subd. 8a. [Repealed, 1987 c 398 art 1 s 27]

[For text of subd 8b, see M.S.1986]

Subd. 8c. **Special education levy.** Each year, a district, excluding intermediate school district Nos. 287, 916, and 917, may levy an amount that may not exceed 66 percent of salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under sections 124.32, subdivisions 1b and 10, and 124.574, subdivision 2b, plus 61 percent of salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under section 124.273, subdivision 1b, for the year to which the levy is attributable.

For purposes of this subdivision, a special education cooperative or an intermediate school district each year shall allocate an amount equal to 66 percent of salaries paid to essential personnel in that intermediate district or cooperative minus the amount of state aid and any federal aid, if applicable, paid to that intermediate district or cooperative for salaries of these essential personnel under sections 124.32, subdivisions 1b and 10, and 124.574, subdivision 2b, plus 61 percent of salaries paid to essential personnel in that intermediate district or cooperative minus the amount of state aid and any federal aid, if applicable, paid to that intermediate district or cooperative for salaries of these essential personnel under section 124.273, subdivision 1b, for the year to each of the member districts of the cooperative or the intermediate district. The member districts may make a levy in the amount of the costs allocated to them by the cooperative or intermediate district.

Special education cooperatives and intermediate school districts that allocate unreimbursed portions of salaries of special education essential personnel among member districts, for purposes of the member districts making a levy under this subdivision, shall provide information to the state department of education on the amount of unreimbursed costs of salaries they allocated to the member districts.

Subd. 8d. **Program improvement levy.** In the year a district receives a grant under section 129B.11, it must levy the lesser of .5 mills times the adjusted assessed valuation of the district or an amount equal to its share of the grant. If a group of districts receives a grant, the group shall determine the proportionate share of the grant for each district.

Subd. 9. **Levy reductions; taconite.** (1) Reductions in levies pursuant to subdivision 10, and section 273.138, shall be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts which received payments pursuant to sections 298.018; 298.23 to 298.28, except an amount distributed under section 298.28, subdivision 4, paragraph (c), clause (ii); 298.34 to 298.39; 298.391 to 298.396; 298.405; and any law imposing a tax upon severed mineral values, or recognized revenue pursuant to section 477A.15; shall not include a portion of these aids in their permissible levies pursuant to those sections, but instead shall reduce the permissible levies authorized by this section and chapters 124 and 124A by the greater of the following:

(a) an amount equal to 50 percent of the total dollar amount of the payments

received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year less the product of the same dollar amount of payments or revenue times the ratio of the maximum levy allowed the district under Minnesota Statutes 1986, sections 124A.03, subdivision 2, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, and 124A.14, subdivision 5a, to the total levy allowed the district under this section and Minnesota Statutes 1986, sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 124A.20, subdivision 2, for levies certified in 1986.

(3) No reduction pursuant to this subdivision shall reduce the levy made by the district pursuant to section 124A.23, to an amount less than the amount raised by a levy of 12.5 mills times the adjusted assessed valuation of that district for the preceding year as determined by the commissioner. The amount of any increased levy authorized by referendum pursuant to section 124A.03, subdivision 2 shall not be reduced pursuant to this subdivision. The amount of any levy authorized by subdivision 4, to make payments for bonds issued and for interest thereon, shall not be reduced pursuant to this subdivision.

(4) Before computing the reduction pursuant to this subdivision of the capital expenditure levy authorized by section 124.244, subdivision 2, and subdivisions 11c, 12, and 12a, and the community service levy authorized by subdivisions 8 and 8b, the commissioner shall ascertain from each affected school district the amount it proposes to levy for capital expenditures pursuant to section 124.244, subdivision 2, and subdivisions 11c, 12, and 12a, and for community services pursuant to subdivisions 8 and 8b. The reduction of the capital expenditure levy and the community services levy shall be computed on the basis of the amount so ascertained.

(5) Notwithstanding any law to the contrary, any amounts received by districts in any fiscal year pursuant to sections 298.018; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values; and not deducted from foundation aid pursuant to section 124A.035, subdivision 5, clause (2), and not applied to reduce levies pursuant to this subdivision shall be paid by the district to the St. Louis county auditor in the following amount by March 15 of each year except 1986 and 1987, the amount required to be subtracted from the previous fiscal year's foundation aid pursuant to section 124A.035, subdivision 5, which is in excess of the foundation aid earned for that fiscal year. The county auditor shall deposit any amounts received pursuant to this clause in the St. Louis county treasury for purposes of paying the taconite homestead credit as provided in section 273.135.

[For text of subd 9a, see M.S.1986]

Subd. 9b. Operating debt levy. (1) Each year, a district may make an additional levy to eliminate a deficit in the net unappropriated operating funds of the district, determined as of June 30, 1983, and certified and adjusted by the commissioner. This levy may in each year be an amount not to exceed the amount raised by a levy of 1.5 mills times the adjusted assessed valuation of the district for the preceding year as determined by the commissioner. However, the total amount of this levy for all years it is made shall not exceed the lesser of (a) the amount of the deficit in the net unappropriated operating funds of the district as of June 30, 1983, or (b) the amount of the aid reduction, according to Laws 1981, Third Special Session chapter 2, article 2, section 2, but excluding clauses (l), (m), (n), (o), and (p), and Laws 1982, Third Special Session chapter 1, article 3, section 6, to the district in fiscal year 1983. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

(2) The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(3) Any district which levies pursuant to this subdivision shall certify the maximum levy allowable under section 124A.03, subdivision 1 or 3 in that same year.

[For text of subs 9c and 10, see M.S.1986]

Subd. 11a. [Repealed, 1987 c 398 art 6 s 20]

Subd. 11c. **Hazardous substance capital expenditure levy.** Each year, a district with a hazardous substance plan approved by the commissioner of education under section 124.245, subdivision 3a, may levy an amount equal to the following product:

(a) the district's hazardous substance revenue as defined in section 124.245, subdivision 3b, for the year to which the levy is attributable, times

(b) the lesser of one, or the ratio of:

(i) the quotient derived by dividing the adjusted assessed valuation of the district for the year preceding the year the levy is certified by the total pupil units in the district for the school year to which the levy is attributable, to

(ii) 50 percent of the equalizing factor for the school year to which the levy is attributable.

The proceeds of the tax shall be placed in the district's capital expenditure fund and may be used only for expenditures necessary for the removal or encapsulation of asbestos from school buildings or property, asbestos related repairs, cleanup and disposal of polychlorinated biphenyls found in school buildings or property, or the cleanup, removal, disposal, and repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01.

Subd. 12. [Repealed, 1987 c 398 art 6 s 20]

[For text of subs 12a and 14a, see M.S.1986]

Subd. 15. **Adjustments.** If any school district levy is found to be excessive as a result of a decision of the tax court or a redetermination by the commissioner of revenue under section 124.2131, subdivisions 2 to 11 or for any other reason, the amount of the excess shall be deducted from the levy certified in the next year for the same purpose; provided that if no levy is certified in the next year for the same purpose or if the amount certified is less than the amount of the excess, the excess shall be deducted from that levy and the levy certified pursuant to section 124A.03, subdivision 1. If any aid entitlement pursuant to sections 124.225, 124.245, and 124A.02 would have been increased in a prior year as a result of a decision of the tax court or a redetermination by the commissioner, the amount of the increase shall be added to the current aid entitlement for the same purposes.

[For text of subs 17 to 21, see M.S.1986]

Subd. 22. **Aid adjustment.** If a school district's aids pursuant to chapter 124A or sections 273.1394 and 273.1395 for the school year beginning following the levy year are reduced pursuant to section 273.1396, then the district's levy limit shall be increased by the amount of the reduction. If the district's aids are increased pursuant to section 273.1396, then its levy limit shall be reduced by the amount of the increase.

History: 1987 c 268 art 6 s 39; art 7 s 41-43; art 9 s 8; 1987 c 384 art 1 s 26; art 2 s 68,69; 1987 c 398 art 1 s 21; art 2 s 8-12; art 3 s 36; art 4 s 14; art 6 s 12-15; art 7 s 39; art 8 s 38; 1Sp1987 c 4 art 1 s 5

NOTE: The amendment to subdivision 9, clause (2), by Laws 1987, chapter 268, article 9, section 8, is effective for taxable years beginning after December 31, 1989. See Laws 1987, chapter 268, article 9, section 44.

NOTE: Except where provided otherwise, subdivision 22, as added by Laws 1987, chapter 268, article 6, section 39, is effective for taxes levied in 1988, payable in 1989 and thereafter. See Laws 1987, chapter 268, article 6, section 54.

275.50 LEVY LIMITS; DEFINITIONS.

[For text of subd 1, see M.S.1986]

Subd. 2. **Governmental subdivision.** (a) "Governmental subdivision" means a county, home rule charter city.

(b) "Governmental subdivision" also includes any town that receives a distribution from the taconite municipal aid account in the levy year.

[For text of subs 3 and 4, see M.S.1986]

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1983 payable in 1984 and subsequent years, "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 tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action 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 initially issued prior to January 1, 1977, 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 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 to a governmental subdivision for their minimum required share of any program otherwise authorized by law for which matching funds have been appropriated by the state of Minnesota or the United States, excluding the administrative costs of public assistance programs, to the extent of the increase in levy over the amount levied for the local share of the program for the taxes payable year 1971. This clause shall apply only to those programs or projects for which matching funds have been designated by the state of Minnesota or the United States on or before September 1, of the previous year and only when the receipt of these matching funds is contingent upon the initiation or implementation of the project or program during the year in which the taxes are payable or those programs or projects approved by the commissioner;

(d) 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, and the costs of purchase or delivery of social services. Except for the costs of general assistance as defined in section 256D.02, subdivision 4, general assistance medical care under section 256D.03 and the costs of hospital care pursuant to section 261.21, the aggregate amounts levied pursuant to this clause are subject to a maximum increase of 18 percent over the amount levied for these purposes in the previous year;

(e) pay the costs of principal and interest on bonded indebtedness except on bonded indebtedness issued under section 471.981, subdivisions 4 to 4c or 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;

(f) 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 or funding extraordinary expenditures resulting from a public emergency; and to pay the cost for certificates of indebtedness issued pursuant to sections 298.28 and 298.282;

(g) 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;

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

(i) pay the amounts required to compensate for a decrease in manufactured 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 274.19, subdivision 8, as amended, is less than the distribution of the manufactured homes tax to the governmental subdivision pursuant to Minnesota Statutes 1969, section 273.13, subdivision 3, in calendar year 1971;

(j) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission 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;

(k) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a 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;

(l) pay the increased cost of municipal services as the result of an annexation or consolidation ordered by the Minnesota municipal board but only to the extent and for the levy years as provided by the board in its order pursuant to section 414.01, subdivision 15. Special levies authorized by the board shall not exceed 50 percent of the levy limit base of the governmental subdivision and may not be in effect for more than three years after the board's order;

(m) 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. In the levy year following the levy year in which the special levy made pursuant to this clause is discontinued, one-half of the amount of that special levy made in the preceding year shall be added to the permanent levy base of the governmental subdivision;

(n) recover a loss or refunds in tax receipts incurred in nonspecial levy funds resulting from abatements or court action in the previous year pursuant to section 275.48;

(o) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(p) the amounts allowed under section 174.27 to establish and administer a commuter van program;

(q) pay the costs of financial assistance to local governmental units and certain administrative, engineering, and legal expenses pursuant to Laws 1979, chapter 253, section 3;

(r) compensate for revenue lost as a result of abatements or court action pursuant to section 270.07, 270.17 or 278.01 due to a reassessment ordered by the commissioner of revenue pursuant to section 270.16;

(s) pay the total operating cost of a county jail as authorized in section 641.01. If the county government utilizes this special levy, then any amount levied by the county government in the previous year for operating its county jail and included in its previous year's levy limitation computed pursuant to section 275.51 shall be deducted from the current levy limitation;

(t) pay the costs of implementing section 18.023, including sanitation and reforestation;

(u) pay the estimated cost for the following calendar year of the county's share of funding the Minnesota cooperative soil survey;

(v) pay the costs of meeting the planning requirements of section 115A.46; the requirements of section 115A.917; the planning requirements of the metropolitan plan adopted under section 473.149 and county master plans adopted under section 473.803; waste reduction and source separation programs and facilities; response actions that are financed in part by service charges under section 400.08 or 115A.15, subdivision 6; closure and postclosure care of a solid waste facility closed by order of the pollution control agency or by expiration of an agency permit before January 1, 1989; and current operating and maintenance costs of a publicly-owned solid waste processing facility financed with general obligation bonds issued after a referendum before March 25, 1986;

(w) pay the annual principal and interest due on a loan made under section 116J.37;

(x) pay the annual principal and interest due on a loan from money received from litigation or settlement of alleged violations of federal petroleum pricing regulations; and

(y) pay the costs of constructing public libraries.

[For text of subds 7 and 8, see M.S.1986]

History: 1987 c 268 art 6 s 40; 1987 c 289 s 2; 1987 c 344 s 2; 1987 c 380 art 2 s 2

NOTE: Except where provided otherwise, subdivision 2, as amended by Laws 1987, chapter 268, article 6, section 40, is effective for taxes levied in 1988, payable in 1989 and thereafter. See Laws 1987, chapter 268, article 6, section 54.

275.51 LEVY LIMITS.

[For text of subds 1 to 3g, see M.S.1986]

Subd. 3h. Adjusted levy limit base. For taxes levied in 1988 and thereafter, the adjusted levy limit base is equal to the levy limit base computed pursuant to Laws 1987, article 5, section 12, or subdivision 3f, increased by:

(a) a percentage equal to the percentage growth in the implicit price deflator, or three percent, whichever is lesser;

(b) a percentage equal to the greater of the percentage increases in population or in number of households, if any, for the most recent 12-month period for which data is available, using figures derived pursuant to subdivision 6;

(c) one-half of the amount levied as a special levy in the previous year for paying the costs of municipal services provided to new private industrial and nonresidential commercial development pursuant to section 275.50, subdivision 5, clause (m), if the special levy is discontinued;

(d) the amount of any permanent increase in the levy limit base approved at a general or special election held during the 12-month period ending September 30 of the levy year, pursuant to section 275.58, subdivisions 1 and 2; and

(e) the amount, if known, equal to the decrease in federal revenue sharing allotment from the levy year to the year in which the levy is payable; otherwise the amount equal to the decrease in federal revenue sharing allotment in the levy year as compared to the previous year if the levy base for the previous year has not been adjusted for a decrease in federal revenue sharing allotment.

Subd. 3i. Levy limitation. The levy limitation for a governmental subdivision shall be equal to the adjusted levy limit base determined pursuant to subdivision 3h, reduced by (a) the total amount of local government aid that the governmental subdivision has been certified to receive pursuant to sections 477A.011 to 477A.014; (b) taconite aids pursuant to sections 298.28 and 298.282 including any aid received in the levy year which was required to be placed in a special fund for expenditure in the next succeeding year; (c) state reimbursements for wetlands and native prairie property tax exemptions pursuant to sections 273.115, subdivision 3, and 273.116, subdivision 3; (d) payments in lieu of taxes to a county pursuant to section 477A.12 which are required to be used to provide property tax levy reduction certified to be paid in the calendar year in which property taxes are payable; and (e) payments from the proceeds of the net proceeds tax under section 298.018. If the sum of the taconite aids deducted exceeds the adjusted levy limit base, the excess must be used to reduce the amounts levied as special levies pursuant to section 275.50, subdivisions 5 and 7. The commissioner of revenue shall notify a governmental subdivision of any excess taconite aids to be used to reduce special levies.

As provided in section 298.28, one cent per taxable ton of the amount distributed under section 298.28, subdivision 5, paragraph (d), shall not be deducted from the levy limit base of the counties that receive that aid. The resulting figure is the amount of property taxes which a governmental subdivision may levy for all purposes other than those for which special levies and special assessments are made.

For taxes levied in 1987 and subsequent years, the levy limit for a county as calculated under paragraph (b) shall be decreased by an additional amount equal to the reduction in the distribution to the county under section 298.28, from the 1986 distribution to the 1987 distribution.

[For text of subds 4 and 6, see M.S. 1986]

History: 1987 c 268 art 6 s 41; art 9 s 9

NOTE: Except where provided otherwise, subdivision 3h, as amended by Laws 1987, chapter 268, article 6, section 41, is effective for taxes levied in 1988, payable in 1989 and thereafter. See Laws 1987, chapter 268, article 6, section 54.