

## CHAPTER 275

### TAXES; LEVY, EXTENSION

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#### 275.01 LEVY IN SPECIFIC AMOUNTS.

All taxes shall be levied or voted in specific amounts and the rates percent shall be determined from the amount of property as equalized by the state board of equalization each year, except such general taxes as may be definitely fixed by law.

**History:** (2055) *RL s 866*

#### 275.011 MILL RATE LEVY LIMITATIONS; CONVERSION FROM MILLS TO DOLLARS.

**Subdivision 1. Determination of levy limit.** The property tax levied for any purpose under a special law that is not codified in Minnesota Statutes or a city charter provision and that is subject to a mill rate limitation imposed by the special law or city charter provision, excluding levies subject to mill rate limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, must not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of the applicable mill rate limitation imposed by special law or city charter provision multiplied by the total assessed valuation of all taxable property subject to the tax as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, the product of (1) the property tax levy limitation for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property subject to the tax divided by the assessment year 1987 total market valuation of all taxable property subject to the tax; and

(c) for taxes payable in 1990 and subsequent years, the product of (1) the property tax levy limitation for the previous year determined pursuant to this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property subject to the tax for the current assessment year divided by the total market valuation of all taxable property subject to the tax for the previous assessment year.

For the purpose of determining the property tax levy limitation for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property subject to the tax without valuation adjustments for fiscal disparities (chapters 276A and 473F), tax increment financing (sections 469.174 to 469.179), or powerline credit (section 273.425).

**Subd. 2. Construction of mill rate levy limit.** A mill rate levy limitation imposed by a special law or city charter provision that is presently in effect, excluding those mill rate levy limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, shall be construed to allow no more and no less property taxes than the amount determined under this section.

**Subd. 3. County capital improvement mill limits.** For purposes of determining the mill rate limits applicable to county capital improvement programs under section 373.40, the mill rate limit applicable to the county must be divided by 0.45 and multiplied by the county's assessed value for taxes payable in 1988. The resulting dollar amount must be used in determining the limitation under the procedures provided by this section.

**History:** 1988 c 719 art 5 s 36; 1989 c 277 art 4 s 21,22; 1989 c 329 art 13 s 8; 1997 c 31 art 3 s 8; 1998 c 254 art 1 s 78

## 275.02 STATE LEVY, EXCEPTIONS; CERTIFICATION OF TAX RATE.

The state tax shall be levied on all taxable property in the state. The rate of the tax shall be certified by the state auditor to each county auditor on or before November 15 annually.

**History:** (2056) RL s 867; 1935 c 282; Ex1959 c 70 art 2 s 1; 1965 c 45 s 49; 1984 c 593 s 33

**275.03** [Repealed, 1993 c 375 art 3 s 47]

**275.035** [Repealed, 1988 c 719 art 6 s 21]

**275.04** [Repealed, 1965 c 45 s 73]

**275.05** [Repealed, 1965 c 45 s 73]

**275.06** [Repealed, 1965 c 45 s 73]

**275.064** [Repealed, 1996 c 310 s 1]

## 275.065 PROPOSED PROPERTY TAXES; NOTICE.

**Subdivision 1. Proposed levy.** (a) Notwithstanding any law or charter to the contrary, on or before September 15, each taxing authority, other than a school district, shall adopt a proposed budget and shall certify to the county auditor the proposed or, in the case of a town, the final property tax levy for taxes payable in the following year.

(b) On or before September 30, each school district shall certify to the county auditor the proposed property tax levy for taxes payable in the following year. The school district shall certify the proposed levy as:

(1) the state determined school levy amount as prescribed under section 126C.13, subdivision 2;

(2) voter approved referendum and debt levies; and

(3) the sum of the remaining school levies, or the maximum levy limitation certified by the commissioner of children, families, and learning according to section 126C.48, subdivision 1, less the amounts levied under clauses (1) and (2).

(c) If the board of estimate and taxation or any similar board that establishes maximum tax levies for taxing jurisdictions within a first class city certifies the maximum property tax levies for funds under its jurisdiction by charter to the county auditor by September 15, the city shall be deemed to have certified its levies for those taxing jurisdictions.

(d) For purposes of this section, "taxing authority" includes all home rule and statutory cities, towns, counties, school districts, and special taxing districts as defined in section 275.066. Intermediate school districts that levy a tax under chapter 124 or 136D, joint powers boards established under sections 123A.44 to 123A.446, and common school districts No. 323, Franconia, and No. 815, Prinsburg, are also special taxing districts for purposes of this section.

**Subd. 1a. Overlapping jurisdictions.** In the case of a taxing authority lying in two or more counties, the home county auditor shall certify the proposed levy and the proposed local tax rate to the other county auditor by September 20. The home county auditor must esti-

mate the levy or rate in preparing the notices required in subdivision 3, if the other county has not certified the appropriate information. If requested by the home county auditor, the other county auditor must furnish an estimate to the home county auditor.

Subd. 1b. [Repealed, 1992 c 511 art 3 s 9]

Subd. 1c. **Levy; shared, merged, consolidated services.** If two or more taxing authorities are in the process of negotiating an agreement for sharing, merging, or consolidating services between those taxing authorities at the time the proposed levy is to be certified under subdivision 1, each taxing authority involved in the negotiation shall certify its total proposed levy as provided in that subdivision, including a notification to the county auditor of the specific service involved in the agreement which is not yet finalized. The affected taxing authorities may amend their proposed levies under subdivision 1 until October 10 for levy amounts relating only to the specific service involved.

Subd. 2. [Repealed, 1Sp1989 c 1 art 9 s 85]

Subd. 3. **Notice of proposed property taxes.** (a) The county auditor shall prepare and the county treasurer shall deliver after November 10, and on or before November 24 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority proposes to collect for taxes payable the following year. In the case of a town, or in the case of the state determined portion of the school district levy, the final tax amount will be its proposed tax. The notice must clearly state that each taxing authority, including regional library districts established under section 134.201, and including the metropolitan taxing districts as defined in paragraph (i), but excluding all other special taxing districts and towns, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the current budget and proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail.

(d) The notice must state for each parcel:

(1) the market value of the property as determined under section 273.11, and used for computing property taxes payable in the following year and for taxes payable in the current year as each appears in the records of the county assessor on November 1 of the current year; and, in the case of residential property, whether the property is classified as homestead or nonhomestead. The notice must clearly inform taxpayers of the years to which the market values apply and that the values are final values;

(2) the items listed below, shown separately by county, city or town, state determined school tax net of the education homestead credit under section 273.1382, voter approved school levy, other local school levy, and the sum of the special taxing districts, and as a total of all taxing authorities:

(i) the actual tax for taxes payable in the current year;

(ii) the tax change due to spending factors, defined as the proposed tax minus the constant spending tax amount;

(iii) the tax change due to other factors, defined as the constant spending tax amount minus the actual current year tax; and

(iv) the proposed tax amount.

In the case of a town or the state determined school tax, the final tax shall also be its proposed tax unless the town changes its levy at a special town meeting under section 365.52. If a school district has certified under section 126C.17, subdivision 9, that a referendum will be held in the school district at the November general election, the county auditor must note next to the school district's proposed amount that a referendum is pending and that, if approved by the voters, the tax amount may be higher than shown on the notice. In the case of the city of Minneapolis, the levy for the Minneapolis library board and the levy for Minneapolis park and recreation shall be listed separately from the remaining amount of the city's levy. In the case of a parcel where tax increment or the fiscal disparities area-wide tax under chapter 276A or 473F applies, the proposed tax levy on the captured value or the proposed

tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease between the total taxes payable in the current year and the total proposed taxes, expressed as a percentage.

For purposes of this section, the amount of the tax on homesteads qualifying under the senior citizens' property tax deferral program under chapter 290B is the total amount of property tax before subtraction of the deferred property tax amount.

(e) The notice must clearly state that the proposed or final taxes do not include the following:

- (1) special assessments;
- (2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;
- (3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified;
- (4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified; and
- (5) the contamination tax imposed on properties which received market value reductions for contamination.

(f) Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.

(g) If the notice the taxpayer receives under this section lists the property as nonhomestead, and satisfactory documentation is provided to the county assessor by the applicable deadline, and the property qualifies for the homestead classification in that assessment year, the assessor shall reclassify the property to homestead for taxes payable in the following year.

(h) In the case of class 4 residential property used as a residence for lease or rental periods of 30 days or more, the taxpayer must either:

- (1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter, or lessee; or
- (2) post a copy of the notice in a conspicuous place on the premises of the property.

The notice must be mailed or posted by the taxpayer by November 27 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph.

(i) For purposes of this subdivision, subdivisions 5a and 6, "metropolitan special taxing districts" means the following taxing districts in the seven-county metropolitan area that levy a property tax for any of the specified purposes listed below:

- (1) metropolitan council under section 473.132, 473.167, 473.249, 473.325, 473.446, 473.521, 473.547, or 473.834;
- (2) metropolitan airports commission under section 473.667, 473.671, or 473.672; and
- (3) metropolitan mosquito control commission under section 473.711.

For purposes of this section, any levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A shall be included with the appropriate county's levy and shall be discussed at that county's public hearing.

(j) If a statutory or home rule charter city or a town has exercised the local levy option provided by section 473.388, subdivision 7, it may include in the notice of its proposed taxes the amount of its proposed taxes attributable to its exercise of the option. In the first year of the city or town's exercise of this option, the statement shall include an estimate of the reduction of the metropolitan council's tax on the parcel due to exercise of that option. The metropolitan council's levy shall be adjusted accordingly.

**Subd. 3a. Constant spending levy amount.** (a) For purposes of this section, "constant spending levy amount" for a county, city, town, or special taxing district means the property tax levy that the taxing authority would need to levy so that the sum of (i) its levy, including its fiscal disparities distribution levy under section 276A.06, subdivision 3, clause (a), or 473F.08, subdivision 3, clause (a), plus (ii) its property tax aid amounts, would remain constant from the current year to the proposed year, taking into account the fiscal disparities distribution levy amounts and the property tax aid amounts that have been certified for the proposed year. For the purposes of this paragraph, property tax aids include homestead and agricultural credit aid under section 273.1398, subdivision 2, local government aid under section 477A.013, local performance aid under section 477A.05, county criminal justice aid under section 477A.0121, and family preservation aid under section 477A.0122.

(b) For the state determined school tax, "constant spending levy amount" is the same as the proposed tax.

(c) For the voter approved school levy, "constant spending levy amount" is the result of the following computation: (i) compute the current year's revenue per pupil in average daily membership as the ratio of the voter approved referendum and debt service levy plus aid revenue to the number of pupils in average daily membership, as estimated at the time of levy certification the previous December; (ii) compute the proposed year's levy ratio as ratio of the proposed year's levy limitation for voter approved referendum and debt service revenue to the maximum referendum and debt service levy plus aid revenue for the proposed year, at the time of proposed levy certification in September; and (iii) compute the "constant spending levy amount" as the product of the current year's revenue per pupil from clause (i) times the proposed year's levy ratio from clause (ii) times the proposed year's pupils in average daily membership.

(d) For the sum of all other school levies not included in paragraph (b) or (c), "constant spending levy amount" is the result of the following computation: (i) compute the current year's revenue per pupil in average daily membership as the ratio of the levy plus associated aid revenue to the number of pupils in average daily membership, as estimated at the time of levy certification the previous December; (ii) compute the proposed year's levy ratio as ratio of the proposed year's levy limitation to the maximum levy plus associated aid revenue for the proposed year, estimated at the time of proposed levy certification in September; and (iii) compute the "constant spending levy amount" as the product of the current year's revenue per pupil from clause (i) times the proposed year's levy ratio from clause (ii) times the proposed year's pupils in average daily membership.

(e) Each year, the commissioner of children, families, and learning must compute and report to the county auditor each school district's constant spending levy amounts by September 30. In no case shall a constant spending levy amount be less than \$0. For the purposes of this subdivision, school homestead and agricultural credit aid under section 273.1398, subdivision 2, shall be included in the other school levy category. For purposes of this subdivision, the school fiscal disparities distribution levy shall be apportioned proportionately among levy categories.

(f) For the tax increment financing tax, and the fiscal disparities tax, the "constant spending levy amount" is the same as the proposed tax.

**Subd. 4. Costs.** If the reasonable cost of the county auditor's services and the cost of preparing and mailing the notice required in this section exceed the amount distributed to the county by the commissioner of revenue to administer this section, the taxing authority must reimburse the county for the excess cost. The excess cost must be apportioned between taxing jurisdictions as follows:

- (1) one-third is allocated to the county;
- (2) one-third is allocated to cities and towns within the county; and
- (3) one-third is allocated to school districts within the county.

The amounts in clause (2) must be further apportioned among the cities and towns in the proportion that the number of parcels in the city and town bears to the number of parcels in all the cities and towns within the county. The amount in clause (3) must be further apportioned among the school districts in the proportion that the number of parcels in the school district bears to the number of parcels in all school districts within the county.

Subd. 5: [Repealed, 1Sp1989 c 1 art 9 s 85]

Subd. 5a. **Public advertisement.** (a) A city that has a population of more than 2,500, county, a metropolitan special taxing district as defined in subdivision 3, paragraph (i), a regional library district established under section 134.201, or school district shall advertise in a newspaper a notice of its intent to adopt a budget and property tax levy or, in the case of a school district, to review its current budget and proposed property taxes payable in the following year, at a public hearing. The notice must be published not less than two business days nor more than six business days before the hearing.

The advertisement must be at least one-eighth page in size of a standard-size or a tabloid-size newspaper. The advertisement must not be placed in the part of the newspaper where legal notices and classified advertisements appear. The advertisement must be published in an official newspaper of general circulation in the taxing authority. The newspaper selected must be one of general interest and readership in the community, and not one of limited subject matter. The advertisement must appear in a newspaper that is published at least once per week.

For purposes of this section, the metropolitan special taxing district's advertisement must only be published in the Minneapolis Star and Tribune and the Saint Paul Pioneer Press.

(b) The advertisement for school districts, metropolitan special taxing districts, and regional library districts must be in the following form, except that the notice for a school district may include references to the current budget in regard to proposed property taxes.

**"NOTICE OF  
PROPOSED PROPERTY TAXES**

(School District/Metropolitan  
Special Taxing District/Regional  
Library District) of .....

The governing body of ..... will soon hold budget hearings and vote on the property taxes for (metropolitan special taxing district/regional library district services that will be provided in (year)/school district services that will be provided in (year) and (year)).

**NOTICE OF PUBLIC HEARING:**

All concerned citizens are invited to attend a public hearing and express their opinions on the proposed (school district/metropolitan special taxing district/regional library district) budget and property taxes, or in the case of a school district, its current budget and proposed property taxes, payable in the following year. The hearing will be held on (Month/Day/Year) at (Time) at (Location, Address)."

(c) The advertisement for cities and counties must be in the following form.

**"NOTICE OF PROPOSED  
TOTAL BUDGET AND PROPERTY TAXES**

The (city/county) governing body or board of commissioners will hold a public hearing to discuss the budget and to vote on the amount of property taxes to collect for services the (city/county) will provide in (year).

**SPENDING:** The total budget amounts below compare (city's/county's) (year) total actual budget with the amount the (city/county) proposes to spend in (year).

| (Year) Total<br>Actual Budget | Proposed (Year)<br>Budget | Change from<br>(Year)-(Year) |
|-------------------------------|---------------------------|------------------------------|
| \$ .....                      | \$ .....                  | ..... %                      |

**TAXES:** The property tax amounts below compare that portion of the current budget levied in property taxes in (city/county) for (year) with the property taxes the (city/county) proposes to collect in (year).

| (Year) Total<br>Actual Budget | Proposed (Year)<br>Budget | Change from<br>(Year)-(Year) |
|-------------------------------|---------------------------|------------------------------|
| \$ .....                      | \$ .....                  | %                            |

## ATTEND THE PUBLIC HEARING

All (city/county) residents are invited to attend the public hearing of the (city/county) to express your opinions on the budget and the proposed amount of (year) property taxes. The hearing will be held on:

(Month/Day/Year/Time)  
(Location/ Address)

If the discussion of the budget cannot be completed, a time and place for continuing the discussion will be announced at the hearing. You are also invited to send your written comments to:

(City/County)  
(Location/Address)"

(d) For purposes of this subdivision, the budget amounts listed on the advertisement mean:

(1) for cities, the total government fund expenditures, as defined by the state auditor under section 471.6965, less any expenditures for improvements or services that are specially assessed or charged under chapter 429, 430, 435, or the provisions of any other law or charter; and

(2) for counties, the total government fund expenditures, as defined by the state auditor under section 375.169, less any expenditures for direct payments to recipients or providers for the human service aids listed below:

(1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;

(2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(3) general assistance medical care under section 256D.03, subdivision 6;

(4) general assistance under section 256D.03, subdivision 2;

(5) emergency assistance under section 256.871, subdivision 6;

(6) Minnesota supplemental aid under section 256D.36, subdivision 1;

(7) preadmission screening under section 256B.0911, and alternative care grants under section 256B.0913;

(8) general assistance medical care claims processing, medical transportation and related costs under section 256D.03, subdivision 4;

(9) medical transportation and related costs under section 256B.0625, subdivisions 17 to 18a;

(10) group residential housing under 256I.05, subdivision 8, transferred from programs in clauses (4) and (6); or

(11) any successor programs to those listed in clauses (1) to (10).

(e) A city with a population of over 500 but not more than 2,500 must advertise by posted notice as defined in section 645.12, subdivision 1. The advertisement must be posted at the time provided in paragraph (a). It must be in the form required in paragraph (b).

(f) For purposes of this subdivision, the population of a city is the most recent population as determined by the state demographer under section 4A.02.

(g) The commissioner of revenue, subject to the approval of the chairs of the house and senate tax committees, shall prescribe the form and format of the advertisement.

Subd. 6. **Public hearing; adoption of budget and levy.** (a) For purposes of this section, the following terms shall have the meanings given:

(1) "Initial hearing" means the first and primary hearing held to discuss the taxing authority's proposed budget and proposed property tax levy for taxes payable in the following year, or, for school districts, the current budget and the proposed property tax levy for taxes payable in the following year.

(2) "Continuation hearing" means a hearing held to complete the initial hearing, if the initial hearing is not completed on its scheduled date.

(3) "Subsequent hearing" means the hearing held to adopt the taxing authority's final property tax levy, and, in the case of taxing authorities other than school districts, the final budget, for taxes payable in the following year.

(b) Between November 29 and December 20, the governing bodies of a city that has a population over 500, county, metropolitan special taxing districts as defined in subdivision 3, paragraph (i), and regional library districts shall each hold an initial public hearing to discuss and seek public comment on its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold an initial public hearing to review its current budget and proposed property tax levy for taxes payable in the following year. The metropolitan special taxing districts shall be required to hold only a single joint initial public hearing, the location of which will be determined by the affected metropolitan agencies.

(c) The initial hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No initial hearing may be held on a Sunday.

(d) At the initial hearing under this subdivision, the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions. At the public hearing, the school district must also provide and discuss information on the distribution of its revenues by revenue source, and the distribution of its spending by program area.

(e) If the initial hearing is not completed on its scheduled date, the taxing authority must announce, prior to adjournment of the hearing, the date, time, and place for the continuation of the hearing. The continuation hearing must be held at least five business days but no more than 14 business days after the initial hearing. A continuation hearing may not be held later than December 20 except as provided in paragraphs (f) and (g). A continuation hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No continuation hearing may be held on a Sunday.

(f) The governing body of a county shall hold its initial hearing on the first Thursday in December each year, and may hold additional initial hearings on other dates before December 20 if necessary for the convenience of county residents. If the county needs a continuation of its hearing, the continuation hearing shall be held on the third Tuesday in December. If the third Tuesday in December falls on December 21, the county's continuation hearing shall be held on Monday, December 20.

(g) The metropolitan special taxing districts shall hold a joint initial public hearing on the first Wednesday of December. A continuation hearing, if necessary, shall be held on the second Wednesday of December even if that second Wednesday is after December 10.

(h) The county auditor shall provide for the coordination of initial and continuation hearing dates for all school districts and cities within the county to prevent conflicts under clauses (i) and (j).

(i) By August 10, each school board and the board of the regional library district shall certify to the county auditors of the counties in which the school district or regional library district is located the dates on which it elects to hold its initial hearing and any continuation hearing. If a school board or regional library district does not certify these dates by August 10, the auditor will assign the initial and continuation hearing dates. The dates elected or assigned must not conflict with the initial and continuation hearing dates of the county or the metropolitan special taxing districts.

(j) By August 20, the county auditor shall notify the clerks of the cities within the county of the dates on which school districts and regional library districts have elected to hold their initial and continuation hearings. At the time a city certifies its proposed levy under subdivi-

sion 1 it shall certify the dates on which it elects to hold its initial hearing and any continuation hearing. Until September 15, the first and second Mondays of December are reserved for the use of the cities. If a city does not certify its hearing dates by September 15, the auditor shall assign the initial and continuation hearing dates. The dates elected or assigned for the initial hearing must not conflict with the initial hearing dates of the county, metropolitan special taxing districts, regional library districts, or school districts within which the city is located. To the extent possible, the dates of the city's continuation hearing should not conflict with the continuation hearing dates of the county, metropolitan special taxing districts, regional library districts, or school districts within which the city is located. This paragraph does not apply to cities of 500 population or less.

(k) The county initial hearing date and the city, metropolitan special taxing district, regional library district, and school district initial hearing dates must be designated on the notices required under subdivision 3. The continuation hearing dates need not be stated on the notices.

(l) At a subsequent hearing, each county, school district, city over 500 population, and metropolitan special taxing district may amend its proposed property tax levy and must adopt a final property tax levy. Each county, city over 500 population, and metropolitan special taxing district may also amend its proposed budget and must adopt a final budget at the subsequent hearing. The final property tax levy must be adopted prior to adopting the final budget. A school district is not required to adopt its final budget at the subsequent hearing. The subsequent hearing of a taxing authority must be held on a date subsequent to the date of the taxing authority's initial public hearing. If a continuation hearing is held, the subsequent hearing must be held either immediately following the continuation hearing or on a date subsequent to the continuation hearing. The subsequent hearing may be held at a regularly scheduled board or council meeting or at a special meeting scheduled for the purposes of the subsequent hearing. The subsequent hearing of a taxing authority does not have to be coordinated by the county auditor to prevent a conflict with an initial hearing, a continuation hearing, or a subsequent hearing of any other taxing authority. All subsequent hearings must be held prior to five working days after December 20 of the levy year. The date, time, and place of the subsequent hearing must be announced at the initial public hearing or at the continuation hearing.

(m) The property tax levy certified under section 275.07 by a city of any population, county, metropolitan special taxing district, regional library district, or school district must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

(1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 123B.63, subdivision 3, or 126C.17, subdivision 9, after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters after the proposed levy was certified;

(3) the amount of a levy to pay principal and interest on bonds approved by the voters under section 475.58 after the proposed levy was certified;

(4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a;

(5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a;

(6) the amount of an increase in levy limits certified to the taxing authority by the commissioner of children, families, and learning or the commissioner of revenue after the proposed levy was certified; and

(7) the amount required under section 126C.55.

(n) This subdivision does not apply to towns and special taxing districts other than regional library districts and metropolitan special taxing districts.

(o) Notwithstanding the requirements of this section, the employer is required to meet and negotiate over employee compensation as provided for in chapter 179A.

**Subd. 6a. Approval of commissioner.** (a) A taxing authority may appeal to the commissioner of revenue for authorization to levy an amount over the amount of the proposed levy. The taxing authority must provide evidence satisfactory to the commissioner that it has incurred costs for the purposes specified in paragraph (b). The commissioner may approve an increase in the taxing authority's levy of up to the amount of costs incurred or a lesser amount determined by the commissioner. The commissioner's decision is final.

(b) A levy addition may be made under paragraph (a) for the following costs incurred after the proposed levy is certified: (1) the unreimbursed costs to satisfy judgments rendered against the taxing authority by a court of competent jurisdiction in a tort action in excess of \$50,000 or ten percent of the current year's proposed certified levy whichever is less; and (2) the costs incurred in clean up of a natural disaster. For purposes of this subdivision, "natural disaster" includes the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from causes such as earthquake, fire, flood, windstorm, wave action, oil spill, water contamination, air contamination, or drought.

**Subd. 6b. Joint public hearings.** Notwithstanding any other provision of law, any city with a population of 10,000 and over, may conduct a more comprehensive public hearing than is contained in subdivision 6 by including a board member from the county, a board member from the school district located within the city's boundary, and a representative of the metropolitan council, if the city is in the metropolitan area, as defined in section 473.121, subdivision 2, at the city's public hearing. All provisions regarding the public hearings under subdivision 6 are applicable to the joint public hearings under this subdivision.

Upon the adoption of a resolution by the governing body of the city to hold a joint hearing, the city shall notify the county, the school district, and the metropolitan council if the city is in the metropolitan area, of the decision to hold a joint public hearing and request a board member from each of those taxing authorities, and the member or the designee of the metropolitan council if applicable, to be at the joint hearing. If the city is located in more than one county, the city may choose to request a county board member from each county or only from the county containing the majority of the city's market value. If more than one school district is partially or totally located within the city, the city may choose to request a school district board member from each school district, or a board member only from the school district containing the majority of the city's market value. If, as a result of requests under this subdivision, there are not sufficient board members in the county or the school district to attend the joint hearing, the county or school district may send a nonelected person working for its taxing authority to speak on the authority's behalf. The city may also invite each state senator and representative who represents the city, or a portion of the city, to come to the joint hearing.

The primary purpose of the joint hearing is to discuss the city's budget and property tax levy. The county and school district officials, and metropolitan council representative, if the city is in the metropolitan area, should be prepared to answer questions relevant to its budget and levy and the effect that its levy has on the property owners in the city.

If a city conducts a hearing under this subdivision, this hearing is in lieu of the initial hearing required under subdivision 6. However, the city is still required to adopt its proposed property tax levy at a subsequent hearing as provided under subdivision 6. The hearings under this subdivision do not relieve a county, school district, or the metropolitan council of the requirement to hold its individual hearing under subdivision 6.

**Subd. 7. Certification of compliance.** At the time the taxing authority certifies its tax levy under section 275.07, it shall certify to the commissioner of revenue its compliance with this section. The certification must contain the information required by the commissioner of revenue to determine compliance with this section. If the commissioner determines that the taxing authority has failed to substantially comply with the requirements of this section, the commissioner of revenue shall notify the county auditor. The decision of the commissioner is final. When fixing rates under section 275.08 for a taxing authority that has not complied with this section, the county auditor must use the taxing authority's previous year's levy, plus any additional amounts necessary to pay principal and interest on general obligation bonds of the taxing authority for which its taxing powers have been pledged if the bonds were issued before 1989.

Subd. 8. **Hearing.** Notwithstanding any other provision of law, Ramsey county, the city of St. Paul, and independent school district No. 625 are authorized to and shall hold their initial public hearing jointly. The hearing must be held on the second Tuesday of December each year. The advertisement required in subdivision 5a may be a joint advertisement. The hearing is otherwise subject to the requirements of this section.

Ramsey county is authorized to hold an additional initial hearing or hearings as provided under this section, provided that any additional hearings must not conflict with the initial or continuation hearing dates of the other taxing districts. However, if Ramsey county elects not to hold such additional initial hearing or hearings, the joint initial hearing required by this subdivision must be held in a St. Paul location convenient to residents of Ramsey county.

**History:** 1988 c 719 art 5 s 30; 1Sp1989 c 1 art 2 s 11; art 9 s 31-38; 1990 c 604 art 3 s 23-26; 1991 c 130 s 28,37; 1991 c 199 art 2 s 20; 1991 c 265 art 9 s 64-66; 1991 c 291 art 5 s 1-3; 1992 c 499 art 8 s 21; art 12 s 24,29; 1992 c 511 art 3 s 2-7; art 5 s 8; 1992 c 603 s 24; 1993 c 224 art 1 s 30; 1993 c 271 s 3; 1993 c 375 art 3 s 24; art 7 s 9-12,29; art 12 s 10; 1994 c 416 art 1 s 25-27; 1994 c 510 art 1 s 8; 1994 c 587 art 3 s 10; art 7 s 5; 1994 c 628 art 3 s 23,24; 1995 c 264 art 3 s 14,15; art 4 s 4; art 16 s 12; 1Sp1995 c 3 art 1 s 52; art 16 s 13; 1996 c 305 art 1 s 60; 1996 c 455 art 5 s 1,2; 1996 c 471 art 3 s 16-18,52; art 11 s 2; 1997 c 31 art 3 s 9; 1997 c 231 art 4 s 1-8,12; art 14 s 2; 1998 c 254 art 1 s 79; 1998 c 389 art 3 s 12,13; 1998 c 397 art 11 s 3

## 275.066 SPECIAL TAXING DISTRICTS; DEFINITION.

For the purposes of property taxation and property tax state aids, the term "special taxing districts" includes the following entities:

- (1) watershed districts under chapter 103D;
- (2) sanitary districts under sections 115.18 to 115.37;
- (3) regional sanitary sewer districts under sections 115.61 to 115.67;
- (4) regional public library districts under section 134.201;
- (5) park districts under chapter 398;
- (6) regional railroad authorities under chapter 398A;
- (7) hospital districts under sections 447.31 to 447.38;
- (8) St. Cloud metropolitan transit commission under sections 458A.01 to 458A.15;
- (9) Duluth transit authority under sections 458A.21 to 458A.37;
- (10) regional development commissions under sections 462.381 to 462.398;
- (11) housing and redevelopment authorities under sections 469.001 to 469.047;
- (12) port authorities under sections 469.048 to 469.068;
- (13) economic development authorities under sections 469.090 to 469.1081;
- (14) metropolitan council under sections 473.123 to 473.549;
- (15) metropolitan airports commission under sections 473.601 to 473.680;
- (16) metropolitan mosquito control commission under sections 473.701 to 473.716;
- (17) Morrison county rural development financing authority under Laws 1982, chapter 437, section 1;
- (18) Croft Historical Park District under Laws 1984, chapter 502, article 13, section 6;
- (19) East Lake county medical clinic district under Laws 1989, chapter 211, sections 1 to 6;
- (20) Floodwood area ambulance district under Laws 1993, chapter 375, article 5, section 39; and
- (21) any other political subdivision of the state of Minnesota, excluding counties, school districts, cities, and towns, that has the power to adopt and certify a property tax levy to the county auditor, as determined by the commissioner of revenue.

**History:** 1994 c 416 art 1 s 28; 1995 c 186 s 54; 1995 c 236 s 2

**275.067 SPECIAL TAXING DISTRICTS; ORGANIZATION DATE; CERTIFICATION OF LEVY OR SPECIAL ASSESSMENTS.**

Special taxing districts as defined in section 275.066 organized on or before July 1 in a calendar year may certify a levy to the county auditor in that same year for property taxes or special assessments to be payable in the following calendar year to the extent that the special taxing district is authorized by statute or special act to levy taxes or special assessments. Special taxing districts organized after July 1 in a calendar year may not certify a levy of property taxes or special assessments to the county auditor under the powers granted to them by statute or special act until the following calendar year.

**History:** 1994 c 416 art 1 s 29

**275.07 CITY, TOWN, COUNTY, AND SCHOOL DISTRICT TAXES.**

**Subdivision 1. Certification of levy.** The taxes voted by cities, counties, school districts, and special districts shall be certified by the proper authorities to the county auditor on or before five working days after December 20 in each year. A town must certify the levy adopted by the town board to the county auditor by September 15 each year. If the town board modifies the levy at a special town meeting after September 15, the town board must recertify its levy to the county auditor on or before five working days after December 20. The taxes certified shall not be reduced by the county auditor by the aid received under section 273.1398, subdivision 2, but shall be reduced by the county auditor by the aid received under section 273.1398, subdivision 3. 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.

**Subd. 1a. Application of limitations.** Any limitation upon the amount that may be levied by a local taxing jurisdiction shall apply to the sum of the levy as certified under subdivision 1 plus the certified homestead and agricultural credit aid amount under section 273.1398, subdivision 2, unless the commissioner of revenue certifies to the county auditor that the limitation applies to the levy under subdivision 1 only.

**Subd. 2. School district in more than one county.** In school districts lying in more than one county, the clerk shall certify the tax levied to the auditor of the county in which the administrative offices of the school district are located.

**Subd. 3. [Repealed, 1993 c 375 art 4 s 21]**

**Subd. 4. Report to commissioner.** (a) On or before October 8 of each year, the county auditor shall report to the commissioner of revenue the proposed levy certified by local units of government under section 275.065, subdivision 1. If any taxing authorities have notified the county auditor that they are in the process of negotiating an agreement for sharing, merging, or consolidating services but that when the proposed levy was certified under section 275.065, subdivision 1c, the agreement was not yet finalized, the county auditor shall supply that information to the commissioner when filing the report under this section and shall recertify the affected levies as soon as practical after October 10.

(b) On or before January 15 of each year, the county auditor shall report to the commissioner of revenue the final levy certified by local units of government under subdivision 1.

(c) The levies must be reported in the manner prescribed by the commissioner. The reports must show a total levy and the amount of each special levy.

**Subd. 5. Revised final levy.** (a) If the final levy of a taxing jurisdiction certified to the county auditor is incorrect due to an error in the deduction of the aid received under section 273.1398, subdivision 2, in determining the certified levy as required under subdivision 1, the taxing jurisdiction may apply to the commissioner of revenue to increase the levy and recertify it in the correct amount. The commissioner must receive the request by January 2.

(b) If the commissioner determines that the requirements of paragraph (a) have been met, the commissioner shall notify the taxing jurisdiction that the revised final levy has been approved. Upon receipt of the approval, but no later than January 15, the governing body of the taxing jurisdiction shall adopt the revised final levy and the taxing jurisdiction shall recertify the revised final levy to the county auditor. The county auditor shall use the revised final levy to compute the tax rate for the taxing jurisdiction.

(c) The county auditor shall report to the commissioner of revenue the revised final levy used to determine the tax rates for the taxing jurisdiction. The provisions of section 275.065,

subdivisions 6, 6a, and 7 do not apply to the revised final levy for the taxing jurisdiction certified under this section.

(d) The taxing jurisdiction must publish in an official newspaper of general circulation in the taxing jurisdiction a notice of its revised final levy. The notice shall contain examples of the tax impact of the revised final levy on homestead, apartment, and commercial classes of property in the taxing jurisdiction. The county auditor shall assist the taxing jurisdiction in preparing the examples for the publication.

**History:** (2058) *RL s 869; 1973 c 123 art 5 s 7; 1977 c 423 art 4 s 5; 1978 c 764 s 101; 1987 c 268 art 6 s 36; art 7 s 40; 1988 c 719 art 5 s 31,32; 1989 c 277 art 2 s 37; 1Sp1989 c 1 art 3 s 23; art 4 s 1,2; art 9 s 39,40; 1990 c 480 art 7 s 17; 1990 c 604 art 3 s 27,28; art 4 s 5; 1993 c 375 art 3 s 25,26; art 4 s 6,7; 1Sp1993 c 1 art 2 s 6; 1994 c 416 art 1 s 65; 1994 c 465 art 3 s 73; 1995 c 264 art 11 s 6; 1996 c 471 art 3 s 19; 1997 c 231 art 4 s 9; 1998 c 389 art 3 s 14*

### **275.075 OMISSION BY INADVERTENCE; CORRECTION.**

Whenever the amount of taxes as levied and certified by the tax levying body of any county, city, town, special taxing district, or school district has not been, as the result of error, inadvertence, or from the estimates as provided in section 275.08, by the county auditor extended and spread in conformity therewith, such tax levying body may include in its tax levy for the year following, the whole or any part of the amount so omitted through error, inadvertence, or from the estimates as provided in section 275.08, in addition to its current levy and in addition to and notwithstanding any limitations to the contrary.

**History:** *1947 c 71 s 1; 1973 c 123 art 5 s 7; 1Sp1981 c 1 art 8 s 9; 1997 c 84 art 1 s 1*

### **275.077 ERRORS BY COUNTY AUDITOR AFFECTING TOWNSHIP LEVY.**

Subdivision 1. If an error is made by a county auditor in recording the levy of a township lower than the levy certified by the township, the governing body of the county in which the error was made shall appropriate and disburse to the affected township sufficient funds to make up for the difference created by the error within 30 days of notification of the error.

Subd. 2. The difference between the correct levy and the erroneous levy shall be added to the township levy for the subsequent levy year; provided that if the amount of the difference exceeds 0.12089 percent of taxable market value, the excess shall be added to the township levy for the second and later subsequent levy years, not to exceed an additional levy of 0.12089 percent of taxable market value in any year, until the full amount of the difference has been levied. The funds collected from the corrected levies shall be used to reimburse the county for the payment required by subdivision 1.

**History:** *1979 c 16 s 1,2; 1989 c 277 art 4 s 23*

### **275.08 AUDITOR TO FIX RATE.**

Subdivision 1. **Generally.** The rate percent of all taxes, except the state tax and taxes the rate of which may be fixed by law, shall be calculated and fixed by the county auditor according to the limitations in this chapter hereinafter prescribed; provided, that if any county, city, town, or school district shall return a greater amount than the prescribed rates will raise, the auditor shall extend only such amount of tax as the limited rate will produce.

Subd. 1a. **Computation of tax capacity.** For taxes payable in 1989, the county auditor shall compute the gross tax capacity for each parcel according to the class rates specified in section 273.13. The gross tax capacity will be the appropriate class rate multiplied by the parcel's market value. For taxes payable in 1990 and subsequent years, the county auditor shall compute the net tax capacity for each parcel according to the class rates specified in section 273.13. The net tax capacity will be the appropriate class rate multiplied by the parcel's market value.

Subd. 1b. **Computation of tax rates.** The amounts certified to be levied against net tax capacity under section 275.07 by an individual local government unit shall be divided by the total net tax capacity of all taxable properties within the local government unit's taxing juris-

diction. The resulting ratio, the local government's local tax rate, multiplied by each property's net tax capacity shall be each property's net tax capacity tax for that local government unit before reduction by any credits.

Any amount certified to the county auditor to be levied against market value shall be divided by the total referendum market value of all taxable properties within the taxing district. The resulting ratio, the taxing district's new referendum tax rate, multiplied by each property's referendum market value shall be each property's new referendum tax before reduction by any credits. For the purposes of this subdivision, "referendum market value" means the market value as defined in section 126C.01, subdivision 3.

**Subd. 1c. Adjustment of local tax rates.** After the local tax rate of a local government has been determined pursuant to subdivision 1b, the auditor shall adjust the local government's local tax rate within each unique taxing jurisdiction as defined in section 273.1398, subdivision 1, in which the local government exercises taxing authority. The adjustment shall equal the unique taxing jurisdiction's disparity reduction aids allocated to the local government pursuant to section 273.1398, subdivision 3, divided by the total tax capacity of all taxable property within the unique taxing jurisdiction. The adjustment shall reduce the local tax rate of the local government within the unique taxing jurisdiction for which the adjustment was calculated.

**Subd. 1d. Additional adjustment.** If, after computing each local government's adjusted local tax rate within a unique taxing jurisdiction pursuant to subdivision 1c, the auditor finds that the total adjusted local tax rate of all local governments combined is less than 90 percent of gross tax capacity for taxes payable in 1989 and 90 percent of net tax capacity for taxes payable in 1990 and thereafter, the auditor shall increase each local government's adjusted local tax rate proportionately so the total adjusted local tax rate of all local governments combined equals 90 percent. The total amount of the increase in tax resulting from the increased local tax rates must not exceed the amount of disparity aid allocated to the unique taxing district under section 273.1398. The auditor shall certify to the department of revenue the difference between the disparity aid originally allocated under section 273.1398, subdivision 3, and the amount necessary to reduce the total adjusted local tax rate of all local governments combined to 90 percent. Each local government's disparity reduction aid payment under section 273.1398, subdivision 6, must be reduced accordingly.

**Subd. 1e. Education homestead credit tax rate adjustment.** The amounts certified under section 126C.48, subdivision 1, paragraph (b), shall be divided by the total net tax capacity of all taxable properties within a school district's taxing jurisdiction. The resulting ratio is a school district's education homestead credit tax rate adjustment.

**Subd. 2. Estimates.** If, by January 15 of any year, the county auditor has not received from another county auditor the local tax rate or gross tax capacity applicable to any taxing district lying in two or more counties, the county auditor who has not received the necessary information may levy taxes for the overlapping district by estimating the local tax rate or the gross tax capacity.

**Subd. 3. Assistance of county auditor.** A county auditor who has not furnished the local tax rate or gross tax capacity of property in the county by January 15 shall, on request, furnish the county auditor of a county in the overlapping district an estimate of the tax capacities or the local tax rate. The auditor may request the assistance of the county assessor in determining the estimate.

**Subd. 4. Subsequent adjustment.** After the correct local tax rate or net tax capacity has been certified, the amount of taxes over or under levied shall be computed and notice sent to each affected taxing district. If the estimated tax levy exceeds the correct tax levy based on actual net tax capacity and local tax rate, the county treasurer shall remit any amount of excess collected to the affected taxing district. In the following levy year, the estimating county auditor shall adjust the levy of the affected taxing district to compensate for the amount of variance.

In the event that the estimated tax levy is less than the correct tax levy based on actual net tax capacity and local tax rate, the auditor shall adjust the levy of the affected taxing district as provided in section 275.075.

**History:** (2059) *RL s 870; 1Sp1981 c 1 art 8 s 10; 1986 c 444; 1988 c 719 art 5 s 33-35, 84; 1989 c 1 s 2; 1989 c 329 art 13 s 20; 1Sp1989 c 1 art 2 s 11; art 9 s 41, 42; 1991 c 291 art 1 s 27; 1995 c 264 art 11 s 7; 1996 c 471 art 3 s 20; 1997 c 251 s 19; 1998 c 397 art 11 s 3*

**275.081** [Repealed, 1988 c 719 art 5 s 81]

**275.082** [Repealed, 1988 c 719 art 5 s 81]

**275.09** Subdivision 1. [Repealed, 1984 c 593 s 46]

Subd. 2. [Repealed, 1984 c 593 s 46]

Subd. 3. [Repealed, 1983 c 342 art 3 s 9]

Subd. 3. [Repealed, 1983 c 342 art 3 s 9; 1984 c 593 s 46]

Subd. 4. [Repealed, 1984 c 593 s 46]

**275.091** [Repealed, 1984 c 593 s 46]

## **275.092 LOCAL ACTS LIMITING COUNTY LEVY OR APPROPRIATION.**

Any special act for a single county relating to a limitation on the authority of a county board to levy taxes or make an appropriation for a particular purpose, however stated in mills, dollars, or a per capita amount, which is inconsistent with Laws 1973, chapter 583, sections 1 to 35 is superseded.

**History:** 1973 c 583 s 36

**275.10** [Repealed, 1979 c 153 s 2]

**275.11** Subdivision 1. [Repealed, 1Sp1989 c 1 art 5 s 51]

Subd. 2. [Repealed, 1Sp1989 c 1 art 5 s 51].

Subd. 3. MS 1957 [Repealed, 1961 c 500 s 2]

Subd. 3. MS 1990 [Repealed, 1Sp1989 c 1 art 5 s 51.]

Subd. 4. [Repealed, 1Sp1989 c 1 art 5 s 51]

**275.12** [Repealed, Ex1971 c 31 art 20 s 25]

**275.121** [Local]

**275.122** [Expired]

**275.123** [Repealed, Ex1971 c 31 art 20 s 25]

## **275.124 REPORT OF CERTIFIED LEVY.**

Prior to April 1 of each year, each county auditor shall report to the commissioner of children, families, and learning on forms furnished by the commissioner, the amount of the certified levy made by each school district within the county which has taxable property and any other information concerning these levies that is deemed necessary by the commissioner.

**History:** 1969 c 1109 s 3; 1975 c 162 s 40; 1977 c 447 art 7 s 25; 1978 c 764 s 102; 1Sp1989 c 1 art 9 s 43; 1Sp1995 c 3 art 16 s 13

**275.125** Subdivision 1. [Repealed, 1991 c 130 s 38]

Subd. 1a. [Repealed, 1982 c 548 art 7 s 13]

Subd. 2. [Repealed, 1973 c 683 s 30]

Subd. 2a. [Renumbered 124A.03 subdivision 1]

Subd. 2b. [Repealed, 1981 c 358 art 1 s 49]

Subd. 2c. [Renumbered subd 2e]

Subd. 2d. [Renumbered 124A.03 subd 2]

- Subd. 2e. [Renumbered 124A.03 subd 3]
- Subd. 2f. [Repealed, 3Sp1981 c 2 art 2 s 19]
- Subd. 2g. [Repealed, 1984 c 463 art 2 s 8]
- Subd. 2h. [Repealed, 1984 c 463 art 2 s 8]
- Subd. 2i. [Repealed, 1984 c 463 art 2 s 8]
- Subd. 2j. [Repealed, 1984 c 463 art 2 s 8 subd 2; 1Sp1985 c 12 art 1 s 37]
- Subd. 2k. [Renumbered 124A.03 subd 4]
- Subd. 2l. [Renumbered 124A.03 subd 5]
- Subd. 3. [Repealed, 1987 c 398 art 1 s 27]
- Subd. 4. [Renumbered 124.912 subdivision 1]
- Subd. 4a. [Repealed, 1991 c 130 s 38]
- Subd. 5. [Renumbered 124.226 subdivision 1]
- Subd. 5a. [Renumbered 124.226 subd 2]
- Subd. 5b. [Renumbered 124.226 subd 3]
- Subd. 5c. [Renumbered 124.226 subd 4]
- Subd. 5d. [Repealed, 1987 c 398 art 2 s 14]
- Subd. 5e. [Renumbered 124.226 subd 5]
- Subd. 5f. [Renumbered 124.226 subd 6]
- Subd. 5g. [Renumbered 124.226 subd 7]
- Subd. 5h. [Renumbered 124.226 subd 8]
- Subd. 5i. [Renumbered 124.226 subd 9]
- Subd. 6. [Repealed, 1979 c 334 art 1 s 27]
- Subd. 6a. [Renumbered 124.916 subd 3]
- Subd. 6b. [Repealed, 1983 c 314 art 1 s 23]
- Subd. 6c. [Repealed, 1983 c 314 art 1 s 23]
- Subd. 6d. [Repealed, 1983 c 314 art 1 s 23]
- Subd. 6e. [Renumbered 124.912 subd 2]
- Subd. 6f. [Repealed, 1989 c 329 art 1 s 18]
- Subd. 6h. [Renumbered 124.916 subd 4]
- Subd. 6i. [Renumbered 124.912 subd 3]
- Subd. 6j. [Renumbered 124.912 subd 6]
- Subd. 6k. [Renumbered 124.916 subdivision 1]
- Subd. 7. [Repealed, 1979 c 334 art 1 s 27]
- Subd. 7a. [Repealed, 1983 c 314 art 1 s 23]
- Subd. 7b. [Repealed, 1981 c 358 art 1 s 49]
- Subd. 7c. [Repealed, 1983 c 314 art 1 s 23]
- Subd. 7d. [Renumbered 124A.06 subd 3a; 124A.08 subd 3a; 124A.10 subd 3a; 124A.12 subd 3a; 124A.14 subd 5a]
- Subd. 7e. [Renumbered 124A.08 subd 5]
- Subd. 8. [Repealed, 1989 c 329 art 4 s 20]
- Subd. 8a. [Repealed, 1987 c 398 art 1 s 27]
- Subd. 8b. [Repealed, 1991 c 265 art 4 s 33]
- Subd. 8c. [Repealed, 1991 c 265 art 3 s 40]
- Subd. 8d. [Repealed, 1991 c 130 s 38; 1991 c 265 art 6 s 67]
- Subd. 8e. [Renumbered 124.912 subd 4]
- Subd. 8f. [Renumbered 124.912 subd 5]
- Subd. 9. [Renumbered 124.918 subd 8]
- Subd. 9a. [Renumbered 124.914 subdivision 1]
- Subd. 9b. [Renumbered 124.914 subd 2]

- Subd. 9c. [Renumbered 124.914 subd 3]
- Subd. 10. [Renumbered 124.918 subdivision 1]
- Subd. 11. [Repealed, 1976 c 271 s 98 subd 1]
- Subd. 11a. [Repealed, 1987 c 398 art 6 s 20]
- Subd. 11b. [Repealed, 1Sp1986 c 1 art 9 s 64]
- Subd. 11c. [Repealed, 1988 c 718 art 8 s 27]
- Subd. 11d. [Renumbered 124.91 subdivision 1]
- Subd. 11e. [Renumbered 124.91 subd 4]
- Subd. 11f. [Renumbered 124.91 subd 2]
- Subd. 11g. [Renumbered 124.91 subd 5]
- Subd. 11h. [Renumbered 124.91 subd 3]
- Subd. 12. [Repealed, 1987 c 398 art 6 s 20]
- Subd. 12a. [Renumbered 124.91 subd 6]
- Subd. 13. [Repealed, 1979 c 334 art 5 s 29]
- Subd. 14. [Repealed, 1981 c 358 art 5 s 47]
- Subd. 14a. [Renumbered 136C.411]
- Subd. 15. [Renumbered 124.918 subd 3]
- Subd. 16. [Repealed, 1Sp1986 c 1 art 9 s 64]
- Subd. 17. [Renumbered 124.918 subd 4]
- Subd. 18. [Renumbered 124.918 subd 2]
- Subd. 19. [Renumbered 124A.03 subd 6]
- Subd. 20. [Renumbered 124.918 subd 5]
- Subd. 21. [Renumbered 124.918 subd 7]
- Subd. 22. [Repealed, 1988 c 719 art 5 s 81]
- Subd. 23. [Renumbered 124.918 subd 6]
- Subd. 24. [Renumbered 124.916 subd 2]
- Subd. 25. [Renumbered 124.2716]

**275.126** [Repealed, 1975 c 306 s 34]

**275.127** [Repealed, 1976 c 271 s 98 subd 1]

**275.128** [Repealed, 1989 c 329 art 9 s 34]

**275.13** [Expired]

#### **275.14 CENSUS.**

For the purposes of sections 275.124 to 275.16, the population of a city shall be that established by the last federal census, by a special census taken by the United States Bureau of the Census, by an estimate made by the metropolitan council, or by the state demographer made according to section 4A.02, whichever has the latest stated date of count or estimate, before July 2 of the current levy year. The population of a school district must be as certified by the department of children, families, and learning from the most recent federal census.

In any year in which no federal census is taken pursuant to law in any school district affected by sections 275.124 to 275.16 a population estimate may be made and submitted to the state demographer for approval as hereinafter provided. The school board of a school district, in case it desires a population estimate, shall pass a resolution by July 1 containing a current estimate of the population of the school district and shall submit the resolution to the state demographer. The resolution shall describe the criteria on which the estimate is based and shall be in a form and accompanied by the data prescribed by the state demographer. The state demographer shall determine whether or not the criteria and process described in the resolution provide a reasonable basis for the population estimate and shall inform the school district of that determination within 30 days of receipt of the resolution. If the state demographer determines that the criteria and process described in the resolution do not provide a rea-

sonable basis for the population estimate, the resolution shall be of no effect. If the state demographer determines that the criteria and process do provide a reasonable basis for the population estimate, the estimate shall be treated as the population of the school district for the purposes of sections 275.124 to 275.16 until the population of the school district has been established by the next federal census or until a more current population estimate is prepared and approved as provided herein, whichever occurs first. The state demographer shall establish guidelines for acceptable population estimation criteria and processes. The state demographer shall issue advisory opinions upon request in writing to cities or school districts as to proposed criteria and processes prior to their implementation in an estimation. The advisory opinion shall be final and binding upon the demographer unless the demographer can show cause why it should not be final and binding.

In the event that a census tract employed in taking a federal or local census overlaps two or more school districts, the county auditor shall, on the basis of the best information available, allocate the population of said census tract to the school districts involved.

The term "council," as used in sections 275.124 to 275.16, means any board or body, whether composed of one or more branches, authorized to make ordinances for the government of a city within this state.

**History:** (2064) 1921 c 417 s 4; 1951 c 447 s 1; 1961 c 593 s 1; 1971 c 16 s 1; 1971 c 783 s 1; 1973 c 123 art 5 s 7; 1980 c 487 s 3; 1985 c 65 s 1; 1989 c 329 art 4 s 16; 1Sp1989 c 1 art 5 s 9; art 9 s 46; 1991 c 345 art 2 s 48; 1Sp1995 c 3 art 16 s 13

#### 275.15 NOT TO INCREASE LEVIES.

Sections 275.124 to 275.16 shall not authorize, nor be construed as, in any instance, authorizing the levy of total amounts of taxes in any year in excess of the amount allowed by law at the time of the passage of these sections, but shall be considered an additional limitation.

**History:** (2065) 1921 c 417 s 5; 1Sp1989 c 1 art 5 s 10

#### 275.16 COUNTY AUDITOR TO FIX AMOUNT OF LEVY.

If any such municipality shall return to the county auditor a levy greater than permitted by chapters 123A, 123B, 124B, 126C, 136C, 136D, sections 275.124 to 275.16, and sections 275.70 to 275.74, such county auditor shall extend only such amount of taxes as the limitations herein prescribed will permit; provided, if such levy shall include any levy for the payment of bonded indebtedness or judgments, such levies for bonded indebtedness or judgments shall be extended in full, and the remainder of the levies shall be reduced so that the total thereof, including levies for bonds and judgments, shall not exceed such amount as the limitations herein prescribed will permit.

**History:** (2066) 1921 c 417 s 6; 1941 c 543 s 4; 1Sp1989 c 1 art 5 s 11; 1991 c 130 s 33; 1997 c 231 art 3 s 1; 1998 c 397 art 11 s 3

**NOTE:** The amendment to this section by Laws 1997, chapter 231, article 3, section 1, is effective for taxes levied in 1997 and 1998, payable in 1998 and 1999. Laws 1997, chapter 231, article 3, section 9.

**275.161 [Repealed, 1984 c 593 s 46]**

**275.17 [Local]**

**275.18 [Local]**

**275.19 [Local]**

**275.20 [Local]**

**275.21 [Local]**

**275.22 [Repealed, 1967 c 584 s 1]**

**275.23 [Repealed, 1984 c 593 s 46]**

**275.24 [Repealed, 1976 c 44 s 70]**

**275.25 [Repealed, 1969 c 9 s 100]**

**275.26 EXCESSIVE LEVY; INJUNCTION.**

When any county board shall levy taxes for any purpose in excess of the amount allowed by law, any taxpayer thereby affected, personally and for all other interested taxpayers in the county, may bring an action against the treasurer, the auditor, and the board of such county, to enjoin the collection of such taxes, and for an order requiring the defendants, or either of them, to correct the levy, and for such other order as may be proper for the correction and adjustment of such taxes and levy, notwithstanding that such taxpayers have a speedy and adequate remedy in the ordinary course of law. When so corrected and adjusted, the taxes may be collected as other taxes.

**History:** (2069) *RL s 873; 1986 c 444*

**275.27 CONTRACTS IN EXCESS VOID; LIABILITY OF OFFICERS.**

It shall be unlawful for the authorities of any county, town, city, or school district, unless expressly authorized by law, to contract any debt or incur any pecuniary liability for the payment of either the principal or the interest of which, during the current or any subsequent year, it shall be necessary to levy a rate of taxes higher than the maximum prescribed by law. Every such contract shall be null and void in regard to any obligation thereby sought to be imposed upon such corporation; but every officer, agent, or member thereof who participates in or authorizes the making of such contract shall be individually liable for its performance. Every such officer or agent who is present when such contract is made or authorized shall be deemed to participate in or authorize the making thereof, as the case may be, unless the officer or agent enter or cause to be entered a dissent therefrom in the records of such corporation.

**History:** (2070) *RL s 874; 1973 c 123 art 5 s 7; 1986 c 444*

**275.28 TAX LISTS.**

**Subdivision 1. Auditor to make.** The county auditor shall make out the tax lists according to the prescribed form, and to correspond with the assessment districts. The rate percent necessary to raise the required amount of the various taxes shall be calculated on the net tax capacity of property as determined by the state board of equalization, but, in calculating such rates, no rate shall be used resulting in a fraction other than a decimal fraction, or less than a gross local tax rate of .01 percent or a net local tax rate of .01 percent; and, in extending any tax, whenever it amounts to the fractional part of a cent, it shall be made one cent. The tax lists shall also be made out to correspond with the assessment books in reference to ownership and description of property, with columns for the valuation and for the various items of tax included in the total amount of all taxes set down opposite each description. Opposite each description which has been sold for taxes, and which is subject to redemption, but not redeemed, shall be placed the words "sold for taxes." The amount of all special taxes shall be entered in the proper columns, but the general taxes may be shown by entering the rate percent of each tax at the head of the proper columns, without extending the same, in which case a schedule of the rates percent of such taxes shall be made on the first page of each tax list. If the auditor fails to enter on any such list before its delivery to the treasurer any tax levied, the tax may be subsequently entered. The tax lists shall be deemed completed, and all taxes extended thereon, as of January 1 annually.

**Subd. 2. Certificate of auditor.** The auditor shall make in each assessment book or list a certificate in the following form:

I, A.B., auditor of ..... county, and the state of Minnesota, do hereby certify that the following is a correct list of the taxes levied on the real and personal property in the (town or district, as the case may be) of ..... for the year ..... (being the same year the property was assessed and the tax levied), to become payable in the year .....

Witness my hand and official seal this ..... day of ....., .....

.....  
County Auditor.

**Subd. 3. Designation of year of tax.** Taxes on real and personal property shall be related to and designated on the property tax statement by the year in which they become pay-

able but the liens shall relate back to the assessment date preceding except as otherwise provided. For cash basis taxpayers, taxes on real and personal property shall relate to the year in which they become payable. For accrual basis taxpayers, taxes on real and personal property shall relate to the year in which the lien arose.

**Subd. 4. Unit card ledger counties.** In any county in this state in which the county auditor has elected to come under the provisions of section 273.03, subdivision 2, the auditor shall cause to be prepared a record to be known as "Real estate assessment and tax list for the year .....". In addition to the information provided for in subdivision 1, to be shown in tax lists, there shall also be included the amount of market value of land, building, and machinery, if any, and the total market value assessed against each parcel of real estate contained in such lists.

In such counties the auditor shall make in each list a certificate in the following form:

"I, ....., auditor of ..... county and State of Minnesota, do hereby certify that the following is a correct list of the taxes levied on the real property, based on the total market value indicated therein, in the (town or district, as the case may be) of ..... for the year .....

Witness my hand and official seal this ..... day of .....

County Auditor."

**History:** (2071, 2072) *RL s 875,876; 1963 c 39 s 1,2; 1963 c 781 s 5; 1965 c 545 s 1; 1969 c 323 s 1; 1973 c 458 s 1; 1975 c 339 s 8; 1980 c 607 art 2 s 18; 1986 c 444; 1988 c 719 art 5 s 84; 1989 c 277 art 4 s 24; 1989 c 329 art 15 s 20; 1Sp1989 c 1 art 2 s 11; art 9 s 47; 1993 c 375 art 2 s 1; 1998 c 254 art 1 s 107*

## 275.29 ABSTRACTS TO COMMISSIONER OF REVENUE.

Not later than March 31, in each year, the county auditor shall make and transmit to the commissioner of revenue, in such form as may be prescribed by the commissioner of revenue, complete abstracts of the tax lists of the county, showing the number of acres of land assessed; its value; including the structures thereon; the value of town and city lots, including structures; the total value of all taxable personal property in the several assessment districts; the aggregate amount of all taxable property in the county, and the total amount of taxes levied therein for state, county, town, and all other purposes for that year.

**History:** (2073) *RL s 877; 1974 c 86 s 1; 1975 c 46 s 4; 1Sp1989 c 1 art 9 s 48*

## 275.295 WETLANDS EXEMPTION; REPLACEMENT OF REVENUE.

**Subdivision 1. Certification.** The total amount of revenue lost as a result of the exemption provided in section 272.02, subdivision 1, paragraph (10), clause (iii), must be certified by the county auditor to the commissioner of revenue and submitted to the commissioner as part of the abstract of tax lists to be filed with the commissioner under the provisions of section 275.29. The amount of revenue lost as a result of the exemption must be computed each year by applying the current local tax rates of the taxing jurisdictions in which the wetlands are located to the net tax capacity of the wetlands. Payment to the county for lost revenue must not be less than the revenue that would have been received in taxes if the wetlands had a net tax capacity of 50 cents per acre. The commissioner of revenue shall review the certification for accuracy and may make necessary changes or return the certification to the county auditor for corrections.

**Subd. 2. Payment.** Based on current year tax data reported in the abstracts of tax lists, the commissioner of revenue shall annually determine the taxing district distribution of the amounts certified under subdivision 1. The commissioner shall pay to each taxing district, other than school districts, its total payment for the year at the time distributions are made under section 473H.10.

**Subd. 3. Appropriation.** There is appropriated from the general fund to the commissioner of revenue the amount necessary to make the payments required in subdivision 2. There is appropriated from the general fund to the commissioner of children, families, and

learning the amount necessary to make the payments determined under subdivisions 1 and 2 for school districts.

**History:** 1991 c 354 art 4 s 7; 1993 c 375 art 3 s 27; 1997 c 31 art 3 s 10

**275.30** [Repealed, 1974 c 14 s 1]

**275.31** [Repealed, 1980 c 437 s 19]

**275.32** [Repealed, 1980 c 437 s 19]

**275.33** [Repealed, 1980 c 437 s 19]

**275.34** [Repealed, 1980 c 437 s 19]

**275.35** [Repealed, 1980 c 437 s 19]

**275.36** [Repealed, 1976 c 44 s 70]

**275.37** [Repealed, 1953 c 29 s 1]

**275.38** [Expired]

**275.39** [Repealed, 1976 c 271 s 98 subd. 1]

**275.40** [Expired]

**275.41** [Repealed, 1976 c 271 s 98 subd. 1]

**275.42** [Repealed, 1976 c 271 s 98 subd. 1]

**275.43** [Repealed, 1965 c 45 s 73]

**275.44** [Repealed, 1984 c 593 s 46]

**275.45** [Repealed, 1984 c 593 s 46]

**275.46** [Repealed, 1984 c 593 s 46]

**275.47** [Repealed, 1984 c 593 s 46]

## **275.48 ADDITIONAL TAX LEVIES IN CERTAIN TAXING DISTRICTS.**

When by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the net tax capacity of a city or township for a taxable year is reduced after the taxes for the year have been spread by the county auditor, and when the local tax rate determined by the county auditor based on the original net tax capacity is applied on the reduced net tax capacity and does not produce the full amount of taxes actually levied and certified for that taxable year on the original net tax capacity, the city or township may include an additional amount in its tax levy made following final determination and notice of the reduction in net tax capacity. The amount shall equal the difference between the total amount of taxes actually levied and certified for that taxable year upon the original net tax capacity, not exceeding the maximum amount which could be raised on the net tax capacity as reduced, within existing local tax rate limitations, if any, and the amount of taxes collected for that taxable year on the reduced net tax capacity.

The amount of taxes so included shall be levied separately and shall be levied in addition to all limitations imposed by law; and further shall not result in any penalty in the nature of a reduction in state aid of any kind.

**History:** 1943 c 523 s 1,2; 1973 c 123 art 5 s 7; 1975 c 432 s 82; 1978 c 764 s 112; 1982 c 548 art 6 s 23; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 20; 1Sp1989 c 1 art 2 s 11; 1991 c 130 s 37; 1992 c 499 art 12 s 29; 1993 c 224 art 8 s 11; 1994 c 647 art 8 s 28

**275.49** [Repealed, 1988 c 719 art 5 s 81]

**275.50** Subdivision 1. [Repealed, 1Sp1989 c 1 art 5 s 51]

Subd. 2. [Repealed, 1Sp1989 c 1 art 5 s 51]

Subd. 3. [Repealed, 1988 c 719 art 5 s 81]

- Subd. 4. [Repealed, 1Sp1989 c 1 art 5 s 51]
- Subd. 5. [Repealed, 1Sp1989 c 1 art 5 s 51]
- Subd. 5a. [Repealed, 1Sp1989 c 1 art 5 s 51]
- Subd. 5b. [Repealed, 1Sp1989 c 1 art 5 s 51]
- Subd. 6. [Repealed, 1983 c 342 art 3 s 9; 1Sp1989 c 1 art 5 s 51]
- Subd. 7. [Repealed, 1988 c 719 art 5 s 81; 1Sp1989 c 1 art 5 s 51]
- Subd. 8. [Repealed, 1988 c 719 art 5 s 81; 1Sp1989 c 1 art 5 s 51]
- 275.51** Subdivision 1. [Repealed, 1Sp1989 c 1 art 5 s 51]
  - Subd. 2. [Expired]
  - Subd. 3. [Repealed, 1975 c 437 art 4 s 10; 1Sp1989 c 1 art 5 s 51]
  - Subd. 3a. [Repealed, 1975 c 437 art 4 s 10; 1Sp1989 c 1 art 5 s 51]
  - Subd. 3b. [Repealed, 1977 c 423 art 5 s 7; 1Sp1989 c 1 art 5 s 51]
  - Subd. 3c. [Repealed, 1977 c 423 art 5 s 7; 1Sp1989 c 1 art 5 s 51]
  - Subd. 3d. [Repealed, 1Sp1981 c 1 art 5 s 13; 1Sp1989 c 1 art 5 s 51]
  - Subd. 3e. [Repealed, 1983 c 342 art 3 s 9; 1Sp1989 c 1 art 5 s 51]
  - Subd. 3f. [Repealed, 1Sp1989 c 1 art 5 s 51]
  - Subd. 3g. [Repealed, 1Sp1989 c 1 art 5 s 51]
  - Subd. 3h. [Repealed, 1Sp1989 c 1 art 5 s 51]
  - Subd. 3i. [Repealed, 1Sp1989 c 1 art 5 s 51]
  - Subd. 3j. [Repealed, 1Sp1989 c 1 art 5 s 51]
  - Subd. 4. [Repealed, 1Sp1989 c 1 art 5 s 51]
  - Subd. 5. [Repealed, 1983 c 342 art 3 s 9; 1Sp1989 c 1 art 5 s 51]
  - Subd. 6. [Repealed, 1Sp1989 c 1 art 5 s 51]
  - Subd. 7. [Repealed, 1Sp1989 c 1 art 5 s 51]
- 275.515** [Repealed, 3Sp1981 c 2 art 4 s 16]
- 275.52** [Repealed, 1Sp1981 c 1 art 5 s 13]
- 275.53** Subdivision 1. [Repealed, 1Sp1981 c 1 art 5 s 13]
  - Subd. 1a. [Repealed, 1980 c 487 s 23; 1Sp1981 c 1 art 5 s 13]
  - Subd. 2. [Repealed, 1Sp1981 c 1 art 5 s 13]
  - Subd. 3. [Repealed, 1Sp1981 c 1 art 5 s 13]
  - Subd. 4. [Repealed, 1Sp1981 c 1 art 5 s 13]
- 275.54** [Repealed, 1Sp1989 c 1 art 5 s 51]
- 275.55** [Repealed, 1Sp1989 c 1 art 5 s 51]
- 275.551** [Repealed, 1Sp1981 c 1 art 5 s 13]
- 275.552** [Repealed, 1Sp1981 c 1 art 5 s 13]
- 275.56** [Repealed, 1Sp1989 c 1 art 5 s 51]
- 275.561** [Repealed, 1Sp1989 c 1 art 5 s 51]
- 275.57** [Repealed, 1989 c 277 art 2 s 77]
- 275.58** Subdivision 1. [Repealed, 1Sp1989 c 1 art 5 s 51]
  - Subd. 2. [Repealed, 1Sp1989 c 1 art 5 s 51]
  - Subd. 3. [Repealed, 1Sp1989 c 1 art 5 s 51]
  - Subd. 4. [Repealed, 1989 c 277 art 2 s 77; 1Sp1989 c 1 art 5 s 51]
  - Subd. 5. [Repealed, 1Sp1989 c 1 art 5 s 51]
  - Subd. 6. [Repealed, 1Sp1989 c 1 art 5 s 51]
- 275.59** [Repealed, 1Sp1981 c 1 art 5 s 13]

**275.60 LEVY OR BOND REFERENDUM; BALLOT NOTICE.**

Notwithstanding any general or special law or any charter provisions, but subject to section 126C.17, subdivision 9, any question submitted to the voters by any local governmental subdivision at a general or special election after June 8, 1995, authorizing a property tax levy or tax rate increase, including the issuance of debt obligations payable in whole or in part from property taxes, must include on the ballot the following notice in boldface type.

**"BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A PROPERTY TAX INCREASE."**

For purposes of this section and section 275.61, "local governmental subdivision" includes counties, home rule and statutory cities, towns, school districts, and all special taxing districts. This statement is in addition to any general or special laws or any charter provisions that govern the contents of a ballot question.

This section does not apply to a school district bond election if the debt service payments are to be made entirely from transfers of revenue from the capital fund to the debt service fund.

**History:** 1991 c 291 art 1 s 28; 1Sp1995 c 3 art 1 s 53; 1998 c 397 art 11 s 3

**275.61 VOTER APPROVED LEVY; MARKET VALUE.**

For local governmental subdivisions other than school districts, any levy, including the issuance of debt obligations payable in whole or in part from property taxes, required to be approved and approved by the voters at a general or special election for taxes payable in 1993 and thereafter, shall be levied against the referendum market value of all taxable property within the governmental subdivision, as defined in section 126C.01, subdivision 3. Any levy amount subject to the requirements of this section shall be certified separately to the county auditor under section 275.07.

The ballot shall state the maximum amount of the increased levy as a percentage of market value and the amount that will be raised by the new referendum tax rate in the first year it is to be levied.

**History:** 1991 c 291 art 1 s 29; 1992 c 511 art 2 s 22; 1996 c 471 art 3 s 21; 1998 c 397 art 11 s 3

**275.62 TAX LEVIES; REPORT TO THE COMMISSIONER OF REVENUE.**

Subdivision 1. **Report on taxes levied.** The commissioner of revenue shall establish procedures for the annual reporting of local government levies. Each local governmental unit shall submit a report to the commissioner by December 30 of the year in which the tax is levied. The report shall include, but is not limited to, information on the amount of the tax levied by the governmental unit for the following purposes:

- (1) debt, which includes taxes levied for the purposes defined in Minnesota Statutes 1991 Supplement, section 275.50, subdivision 5, clauses (b), (c), (d), and (e);
- (2) social services and related programs, which include taxes levied for the purposes defined in Minnesota Statutes 1991 Supplement, section 275.50, subdivision 5, clauses (a), (j), and (v);
- (3) libraries, which include taxes levied for the purposes defined in Minnesota Statutes 1991 Supplement, section 275.50, subdivision 5, clause (n);
- (4) for counties only, the amount of levy needed to fund increased county costs associated with the welfare reform under Laws 1997, chapter 85, including increased administration and program costs of the income maintenance programs and also related support services as they relate directly to the welfare reform; and
- (5) other levies, which include the taxes levied for all purposes not included in clause (1), (2), (3), or (4).

Subd. 2. **Local governments required to report.** For purposes of this section, "local governmental unit" means a county, home rule charter or statutory city with a population greater than 2,500, a town with a population greater than 5,000, or a home rule charter or statutory city or town that receives a distribution from the taconite municipal aid account in the levy year.

Subd. 3. **Population estimate.** For the purposes of this section, the population of a local governmental unit shall be that established by the last federal census, by a census taken under section 275.14, or by an estimate made by the metropolitan council or by the state demographer made under section 4A.02, whichever is the most recent as to the stated date of count or estimate for the calendar year preceding the current levy year.

Subd. 4. **Penalty for late reporting.** If a local government unit fails to submit the report required in subdivision 1 by January 30 of the year after the year in which the tax was levied, aid payments to the local governmental unit in the year after the year in which the tax was levied shall be reduced as follows:

(1) for a county, the aid amount under section 256E.06 shall be reduced by five percent; and

(2) for other local governmental units, the aid certified to be received under sections 477A.011 to 477A.014 shall be reduced by five percent.

**History:** 1992 c 511 art 5 s 10; 1995 c 186 s 119; 1997 c 231 art 3 s 2

**NOTE:** The amendment to subdivision 1 by Laws 1997, chapter 231, article 3, section 2, is effective for taxes levied in 1997 and 1998, payable in 1998 and 1999. Laws 1997, chapter 231, article 3, section 9.

## 275.70 LEVY LIMITATIONS; DEFINITIONS.

Subdivision 1. **Application.** For the purposes of sections 275.70 to 275.74, the following terms shall have the meanings given them, unless provided otherwise.

Subd. 2. **Implicit price deflator.** "Implicit price deflator" means the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the bureau of economic analysis of the United States Department of Commerce for the 12-month period ending March 31 of the levy year.

Subd. 3. **Local governmental unit.** "Local governmental unit" means a county, or a statutory or home rule charter city with a population greater than 2,500.

Subd. 4. **Population; number of households.** "Population" or "number of households" means the population or number of households for the local governmental unit as established by the last federal census, by a census taken under section 275.14, or by an estimate made by the metropolitan council or by the state demographer under section 4A.02, whichever is most recent as to the stated date of the count or estimate up to and including July 1 of the current levy year.

Subd. 5. **Special levies.** "Special levies" means those portions of ad valorem taxes levied by a local governmental unit for the following purposes or in the following manner:

(1) to pay the costs of the principal and interest on bonded indebtedness or to reimburse for the amount of liquor store revenues used to pay the principal and interest due on municipal liquor store bonds in the year preceding the year for which the levy limit is calculated;

(2) to pay the costs of principal and interest on certificates of indebtedness issued for any corporate purpose except for the following:

(i) tax anticipation or aid anticipation certificates of indebtedness;

(ii) certificates of indebtedness issued under sections 298.28 and 298.282;

(iii) certificates of indebtedness used to fund current expenses or to pay the costs of extraordinary expenditures that result from a public emergency; or

(iv) certificates of indebtedness used to fund an insufficiency in tax receipts or an insufficiency in other revenue sources;

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

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

(5) for unreimbursed expenses related to flooding that occurred during the first half of calendar year 1997, as allowed by the commissioner of revenue under section 275.74, paragraph (b);

(6) for local units of government located in an area designated by the Federal Emergency Management Agency pursuant to a major disaster declaration issued for Minnesota by

President Clinton after April 1, 1997, and before June 11, 1997, for the amount of tax dollars lost due to abatements authorized under section 273.123, subdivision 7, and Laws 1997, chapter 231, article 2, section 64, to the extent that they are related to the major disaster and to the extent that neither the state or federal government reimburses the local government for the amount lost;

(7) property taxes approved by voters which are levied against the referendum market value as provided under section 275.61;

(8) to fund matching requirements needed to qualify for federal or state grants or programs to the extent that either (i) the matching requirement exceeds the matching requirement in calendar year 1997, or (ii) it is a new matching requirement that didn't exist prior to 1998;

(9) to pay the expenses reasonably and necessarily incurred in preparing for or repairing the effects of natural disaster including the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from natural causes, in accordance with standards formulated by the emergency services division of the state department of public safety, as allowed by the commissioner of revenue under section 275.74, paragraph (b);

(10) for the amount of tax revenue lost due to abatements authorized under section 273.123, subdivision 7, for damage related to the tornadoes of March 29, 1998, to the extent that neither the state or federal government provides reimbursement for the amount lost;

(11) pay amounts required to correct an error in the levy certified to the county auditor by a city or county 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 275.70 to 275.74 in the preceding levy year; and

(12) to pay an abatement under section 469.1815.

**Subd. 6. Matching fund requirements.** The special levy provided in subdivision 5, clause (8), does not include the increased direct and indirect costs related to general increases in program costs where there is no mandated increase regarding the matching fund requirements. Specifically, but without limitation, the following provisions apply to the special levy authorization in subdivision 5, clause (8):

(1) increases in direct or indirect income maintenance administrative costs are not included;

(2) increases for social services and social services administration are included, but only to the extent that the minimum local share amount needed to receive community social service aids exceeds the amount levied for social services and social services administration for the taxes payable year 1997; and

(3) increases in county costs for Title IV-E Foster Care Services over the amount levied for the taxes payable year 1997 are included to the extent the amount from both years represents the local matching fund requirement for the federal grant.

**History:** 1997 c 231 art 3 s 3; 1Sp1997 c 5 s 24; 1998 c 389 art 4 s 1, 2.

**NOTE:** This section, as added by Laws 1997, chapter 231, article 3, section 3, is effective for taxes levied in 1997 and 1998, payable in 1998 and 1999. Laws 1997, chapter 231, article 3, section 9.

## 275.71 LEVY LIMITS.

**Subdivision 1. Limit on levies.** Notwithstanding any other provision of law or municipal charter to the contrary which authorize ad valorem taxes in excess of the limits established by sections 275.70 to 275.74, the provision of this section shall apply to local governmental units for all purposes other than those for which special levies and special assessments are made.

**Subd. 2. Levy limit base.** (a) The levy limit base for a local governmental unit for taxes levied in 1997 shall be equal to the sum of:

(1) the amount the local governmental unit levied in 1996, less any amount levied for debt, as reported to the department of revenue under section 275.62, subdivision 1, clause (1), and less any tax levied in 1996 against market value as provided for in section 275.61;

(2) the amount of aids the local governmental unit was certified to receive in calendar year 1997 under sections 477A.011 to 477A.03 before any reductions for state tax increment financing aid under section 273.1399, subdivision 5;

(3) the amount of homestead and agricultural credit aid the local governmental unit was certified to receive under section 273.1398 in calendar year 1997 before any reductions for tax increment financing aid under section 273.1399, subdivision 5;

(4) the amount of local performance aid the local governmental unit was certified to receive in calendar year 1997 under section 477A.05; and

(5) the amount of any payments certified to the local government unit in 1997 under sections 298.28 and 298.282.

If a governmental unit was not required to report under section 275.62 for taxes levied in 1997, the commissioner shall request information on levies used for debt from the local governmental unit and adjust its levy limit base accordingly.

(b) The levy limit base for a local governmental unit for taxes levied in 1998 is equal to its adjusted levy limit base in the previous year, subject to any adjustments under section 275.72 and multiplied by the increase that would have occurred under subdivision 3, clause (3), if that clause had been in effect for taxes levied in 1997.

**Subd. 3. Adjusted levy limit base.** For taxes levied in 1998, the adjusted levy limit is equal to the levy limit base computed under subdivision 2 or section 275.72, multiplied by:

(1) one plus a percentage equal to the percentage growth in the implicit price deflator; and

(2) for all cities and for counties outside of the seven-county metropolitan area, one plus a percentage equal to the percentage increase in number of households, if any, for the most recent 12-month period for which data is available; and for counties located in the seven-county metropolitan area, one plus a percentage equal to the greater of the percentage increase in the number of households in the county or the percentage increase in the number of households in the entire seven-county metropolitan area for the most recent 12-month period for which data is available; and

(3) one plus a percentage equal to the percentage increase in the taxable market value of the jurisdiction due to new construction of class 3 and class 5 property, as defined in section 273.13, subdivisions 24 and 31, for the most recent year for which data are available.

**Subd. 4. Property tax levy limit.** For taxes levied in 1998, the property tax levy limit for a local governmental unit is equal to its adjusted levy limit base determined under subdivision 3 plus any additional levy authorized under section 275.73, which is levied against net tax capacity, reduced by the sum of (1) the total amount of aids that the local governmental unit is certified to receive under sections 477A.011 to 477A.014, (2) homestead and agricultural aids it is certified to receive under section 273.1398, (3) local performance aid it is certified to receive under section 477A.05, (4) taconite aids under sections 298.28 and 298.282 including any aid which was required to be placed in a special fund for expenditure in the next succeeding year, (5) flood loss aid under section 273.1383, and (6) low-income housing aid under sections 477A.06 and 477A.065.

**Subd. 5. Levies in excess of levy limits.** If the levy made by a city or county exceeds the levy limit provided in sections 275.70 to 275.74, except when the excess levy is due to the rounding of the rate in accordance with section 275.28, the county auditor shall only extend the amount of taxes permitted under sections 275.70 to 275.74, as provided for in section 275.16.

**History:** 1997 c 231 art 3 s 4; 1Sp1997 c 5 s 25,26; 1998 c 389 art 4 s 3-5.

**NOTE:** This section, as added by Laws 1997, chapter 231, article 3, section 4, is effective for taxes levied in 1997 and 1998, payable in 1998 and 1999. Laws 1997, chapter 231, article 3, section 9.

## 275.72 LEVY LIMIT ADJUSTMENTS FOR CONSOLIDATION AND ANNEXATION.

**Subdivision 1. Adjustments for consolidation.** If all of the area included in two or more local governmental units is consolidated, merged, or otherwise combined to constitute a single governmental unit, the levy limit base for the resulting governmental unit in the first

levy year in which the consolidation is effective shall be equal to (1) the highest tax rate in any of the merging governmental units in the previous year multiplied by the net tax capacity of all the merging governmental units in the previous year, minus (2) the sum of all levies in the merging governmental units in the previous year that qualify as special levies under section 275.70, subdivision 3.

**Subd. 2. Adjustments for annexation.** If a local governmental unit increases its tax base through annexation of an area which is not the area of an entire local governmental unit, the levy limit base of the local governmental unit in the first year in which the annexation is effective shall be equal to its levy limit base established before the adjustment under section 275.71, subdivision 3, for the current levy year multiplied by the ratio of the net tax capacity in the local governmental unit after the annexation compared to its net tax capacity before the annexation.

**Subd. 2a. Adjustments for changes in service levels.** If a local governmental unit, as a result of an annexation agreement prior to January 1, 1997, has different tax rates in various parts of the jurisdiction due to different service levels, it may petition the commissioner of revenue to adjust its levy limits established under section 275.71. The commissioner shall adjust the levy limits to reflect scheduled changes in tax rates related to increasing service levels in areas currently receiving less city services. The local governmental unit shall provide the commissioner with any information the commissioner deems necessary in making the levy limit adjustment.

**Subd. 3. Transfer of governmental functions.** If a function or service of one local governmental unit is transferred to another local governmental unit, the levy limits established under section 275.71 shall be adjusted by the commissioner of revenue in such manner so as to fairly and equitably reflect the reduced or increased property tax burden resulting from the transfer. The aggregate of the adjusted limitations shall not exceed the aggregate of the limitations prior to adjustment.

**Subd. 4. Effective date for levy limits purposes.** Annexations, mergers, and shifts in services and functional responsibilities that are effective by June 30 of the levy year are included in the calculation of the levy limit for that levy year. Annexations, mergers, and shifts in services and functional responsibilities that are effective after June 30 of a levy year are not included in the calculation of the levy limit until the subsequent levy year.

**History:** 1997 c 231 art 3 s 5; 1Sp1997 c 5 s 27; 1998 c 389 art 4 s 6

**NOTE:** This section, as added by Laws 1997, chapter 231, article 3, section 5, is effective for taxes levied in 1997 and 1998, payable in 1998 and 1999. Laws 1997, chapter 231, article 3, section 9.

## 275.73 ELECTIONS FOR ADDITIONAL LEVIES.

**Subdivision 1. Additional levy authorization.** Notwithstanding the provisions of sections 275.70 to 275.72, but subject to other law or charter provisions establishing other limitations on the amount of property taxes a local governmental unit may levy, a local governmental unit may levy an additional levy in any amount which is approved by the majority of voters of the governmental unit voting on the question at a general or special election. Notwithstanding section 275.61, any levy authorized under this section shall be levied against net tax capacity unless the levy required voter approval under another general or special law or any charter provisions. When the governing body of the local governmental unit resolves to increase the levy pursuant to this section, it shall provide for submission of the proposition of an additional levy at a general or special election. Notice of the election shall be given in the manner required by law. The notice shall state the purpose and the maximum yearly amount of the additional levy.

**Subd. 2. Levy effective date.** An additional levy approved under subdivision 1 at a general or special election held prior to September 1 in any levy year may be levied in that same levy year and subsequent levy years. An additional levy approved under subdivision 1 at a general or special election held after August 31 in any levy year shall not be levied in that same levy but may be levied in subsequent levy years.

**History:** 1997 c 231 art 3 s 6

**NOTE:** This section, as added by Laws 1997, chapter 231, article 3, section 6, is effective for taxes levied in 1997 and 1998, payable in 1998 and 1999. Laws 1997, chapter 231, article 3, section 9.

**275.74 STATE REGULATION OF LEVIES.**

(a) The commissioner of revenue shall make all necessary calculations for determining levy limits for local governmental units and notify the affected governmental units of their levy limits directly by August 1 of each levy year. The local governmental unit shall report by September 15, in a manner prescribed by the commissioner, the maximum amount of taxes it plans to levy for each of the purposes listed under special levies and any additional levy authorized under section 275.73, along with any necessary documentation. The commissioner shall review the proposed special levies and make any adjustments needed. The commissioner's decision is final. The final allowed special levy amounts and any levy limit adjustments shall be certified back to the local governments by December 10. In addition, the commissioner of revenue shall notify all county auditors on or before five working days after December 20 of the sum of the levy limit plus the total of allowed special levies for each local governmental unit located within their boundaries so that they may fix the levies as required in section 275.16. The local governmental units shall provide the commissioner of revenue with all information that the commissioner deems necessary to make the calculations provided for in sections 275.70 to 275.73.

(b) A local governmental unit may request authorization to levy under section 275.70, subdivision 5, clause (5), if (i) the governmental unit is located in an area designated by the Federal Emergency Management Agency pursuant to a major disaster declaration issued for Minnesota by President Clinton after April 1, 1997, and before April 21, 1997, and (ii) the amount of direct unreimbursed costs incurred by the governmental unit related to the flooding and its clean up, including emergency disaster assistance to residents, exceeds five percent of its levy in 1997. A local governmental unit may request authorization to levy for unreimbursed costs for other natural disasters, except the 1997 floods, under section 275.70, subdivision 5, clause (9). The local governmental unit must submit a request to levy under section 275.70, subdivision 5, clause (5) or (9), to the commissioner of revenue by September 15 of the levy year and the request must include information documenting the estimated unreimbursed costs. The commissioner of revenue may grant levy authority, up to the amount requested based on the documentation submitted. All decisions of the commissioner are final. The commissioner shall send a report to the chairs of the house and senate tax committees on the levies authorized and levied under this provision by February 28 of the year following the levy year.

**History:** 1997 c 231 art 3 s 7

**NOTE:** This section, as added by Laws 1997, chapter 231, article 3, section 7, is effective for taxes levied in 1997 and 1998, payable in 1998 and 1999. Laws 1997, chapter 231, article 3, section 9.