

## CHAPTER 275

## TAXES; LEVY, EXTENSION

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**275.025 STATE GENERAL TAX.**

Subdivision 1. **Levy amount.** The state general levy is levied against commercial-industrial property and seasonal residential recreational property, as defined in this section. The state general levy base amount is \$592,000,000 for taxes payable in 2002. For taxes payable in subsequent years, the levy base amount is increased each year by multiplying the levy base amount for the prior year by the sum of one plus the rate of increase, if any, in the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the Bureau of Economic Analysts of the United States Department of Commerce for the 12-month period ending March 31 of the year prior to the year the taxes are payable. The tax under this section is not treated as a local tax rate under section 469.177 and is not the levy of a governmental unit under chapters 276A and 473F.

The commissioner shall increase or decrease the preliminary or final rate for a year as necessary to account for errors and tax base changes that affected a preliminary or final rate for either of the two preceding years. Adjustments are allowed to the extent that the necessary information is available to the commissioner at the time the rates for a year must be certified, and for the following reasons:

- (1) an erroneous report of taxable value by a local official;
- (2) an erroneous calculation by the commissioner; and
- (3) an increase or decrease in taxable value for commercial-industrial or seasonal residential recreational property reported on the abstracts of tax lists submitted under section 275.29 that was not reported on the abstracts of assessment submitted under section 270.11, subdivision 2, for the same year.

The commissioner may, but need not, make adjustments if the total difference in the tax levied for the year would be less than \$100,000.

*[For text of subd 2, see M.S.2002]*

Subd. 3. **Seasonal residential recreational tax capacity.** For the purposes of this section, "seasonal residential recreational tax capacity" means the tax capacity of all class 4c(1) property under section 273.13, subdivision 25, except that the first \$76,000 of market value of each noncommercial class 4c(1) property has a tax capacity for this purpose equal to 40 percent of its tax capacity under section 273.13.

Subd. 4. **Apportionment and levy of state general tax.** The state general tax must be distributed among the counties by applying a uniform rate to each county's commercial-industrial tax capacity and its seasonal residential recreational tax capacity. Within each county, the tax must be levied by applying a uniform rate against commercial-industrial tax capacity and seasonal residential recreational tax capacity. On or before October 1 each year, the commissioner of revenue shall certify a preliminary state general levy rate to each county auditor that must be used to prepare the notices of proposed property taxes for taxes payable in the following year. By January 1 of each year, the commissioner shall certify the final state general levy rate to each county auditor that shall be used in spreading taxes.

**History:** 2003 c 127 art 5 s 24-26; 1Sp2003 c 21 art 4 s 5

**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 education 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.

*[For text of subds 1a to 1c, see M.S.2002]*

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 general tax, the final tax amount will be its proposed tax. In the case of taxing authorities required to hold a public meeting under subdivision 6, 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, a telephone number for the taxing authority that taxpayers may call if they have questions related to the notice, 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, and state general tax, net of the residential and agricultural homestead credit under section

273.1384, 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; and
- (ii) the proposed tax amount.

If the county levy under clause (2) includes an amount for a lake improvement district as defined under sections 103B.501 to 103B.581, the amount attributable for that purpose must be separately stated from the remaining county levy amount.

In the case of a town or the state general 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 the city of St. Paul, the levy for the St. Paul Library Agency must 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 areawide 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 and school district levy referenda;
- (3) a levy limit increase approved by the voters by the first Tuesday after the first Monday in November of the levy year as provided under section 275.73;
- (4) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified;
- (5) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified; and
- (6) 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.

Subd. 3a. [Repealed, 1Sp2003 c 21 art 4 s 13]

*[For text of subs 4 to 5a, see M.S.2002]*

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. A city, county, metropolitan special taxing district as defined in subdivision 3, paragraph (i), regional library district established under section 134.201, or school district is not required to hold a public hearing under this subdivision unless its proposed property tax levy for taxes payable in the following year, as certified under subdivision 1, has increased over its final property tax levy for taxes payable in the current year by a percentage that is greater than the percentage increase in the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the Bureau of Economic Analysts of the United States Department of Commerce for the 12-month period ending March 31 of the current year.

(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 subdivision 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 education 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.

*[For text of subds 6a to 8, see M.S.2002]*

**History:** 2003 c 130 s 12; 1Sp2003 c 21 art 4 s 6

### **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;
- (21) Middle Mississippi River Watershed Management Organization under sections 103B.211 and 103B.241;
- (22) emergency medical services special taxing districts under section 144F.01;
- (23) a county levying under the authority of section 103B.241, 103B.245, or 103B.251;
- (24) Southern St. Louis County Special Taxing District; Chris Jensen Nursing Home under Laws 2003, First Special Session chapter 21, article 4, section 12; and
- (25) 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:** *1Sp2003 c 21 art 4 s 7*

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

Prior to April 1 of each year, each county auditor shall report to the commissioner of education 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:** *2003 c 130 s 12*

#### **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 Education 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 reasonable 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:** 2003 c 130 s 12

#### 275.295 WETLANDS EXEMPTION; REPLACEMENT OF REVENUE.

*[For text of subs 1 and 2, see M.S.2002]*

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

**History:** 2003 c 130 s 12

#### 275.70 LEVY LIMITATIONS; DEFINITIONS.

*[For text of subs 1 to 4, see M.S.2002]*

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

(6) 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 2001, or (ii) it is a new matching requirement that did not exist prior to 2002;

(7) 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, subdivision 2;

(8) 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;

(9) to pay an abatement under section 469.1815;

(10) to pay any costs attributable to increases in the employer contribution rates under chapter 353 that are effective after June 30, 2001;

(11) to pay the operating or maintenance costs of a county jail as authorized in section 641.01 or 641.262, or of a correctional facility as defined in section 241.021, subdivision 1, paragraph (f); to the extent that the county can demonstrate to the commissioner of revenue that the amount has been included in the county budget as a direct result of a rule, minimum requirement, minimum standard, or directive of the Department of Corrections, or to pay the operating or maintenance costs of a regional jail as authorized in section 641.262. For purposes of this clause, a district court order is not a rule, minimum requirement, minimum standard, or directive of the Department of Corrections. If the county utilizes this special levy, except to pay operating or maintenance costs of a new regional jail facility under sections 641.262 to 641.264 which will not replace an existing jail facility, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.71, shall be deducted from the levy limit base under section 275.71, subdivision 2, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination;

(12) to pay for operation of a lake improvement district, as authorized under section 103B.555. If the county utilizes this special levy, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.71 shall be deducted from the levy limit base under section 275.71, subdivision 2, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination;

(13) to repay a state or federal loan used to fund the direct or indirect required spending by the local government due to a state or federal transportation project or other state or federal capital project. This authority may only be used if the project is not a local government initiative;

(14) to pay for court administration costs as required under section 273.1398, subdivision 4b, less the (i) county's share of transferred fines and fees collected by the district courts in the county for calendar year 2001 and (ii) the aid amount certified to be paid to the county in 2004 under section 273.1398, subdivision 4c; however, for taxes levied to pay for these costs in the year in which the court financing is transferred to

the state, the amount under this clause is limited to the amount of aid the county is certified to receive under section 273.1398, subdivision 4a; and

(15) to fund a police or firefighters relief association as required under section 69.77 to the extent that the required amount exceeds the amount levied for this purpose in 2001.

**History:** *1Sp2003 c 21 art 7 s 1*

## 275.71 LEVY LIMITS.

*[For text of subd 1, see M.S.2002]*

**Subd. 2. Levy limit base.** The levy limit base for a local governmental unit for taxes levied in 2003 is equal to its adjusted levy limit base in the previous year, subject to any adjustments under section 275.72, plus any aid amounts received in 2003 under section 273.138 or 273.166, minus the difference between its levy limit under subdivision 5 for taxes levied in 2002 and the amount it actually levied under that subdivision in that year, and certified property tax replacement aid payable in 2003 under section 174.242.

*[For text of subd 3, see M.S.2002]*

**Subd. 4. Adjusted levy limit base.** (a) For taxes levied in 2003, the adjusted levy limit base is equal to the levy limit base computed under subdivisions 2 and 3 or section 275.72, reduced by 40 percent of the difference between (1) the sum of 2003 certified aid payments, under sections 273.138, 273.1398 except for amounts certified under subdivision 4a, paragraph (b), 273.166, 477A.011 to 477A.03, 477A.06, and 477A.07, before any reduction under Laws 2003, First Special Session chapter 21, articles 5 and 6, and (2) the sum of the aids paid in 2004 under those same sections, after any reductions in 2004 under Laws 2003, First Special Session chapter 21, articles 5 and 6.

(b) For taxes levied in 2003 only, the adjusted levy limit base is increased by 60 percent of the difference between a jurisdiction's market value credit in 2003 before any reductions under Laws 2003, First Special Session chapter 21, articles 5 and 6, and its market value credit in 2004 after reductions in Laws 2003, First Special Session chapter 21, articles 5 and 6.

**Subd. 5. Property tax levy limit.** For taxes levied in 2003, the property tax levy limit for a local governmental unit is equal to its adjusted levy limit base determined under subdivision 4 plus any additional levy authorized under section 275.73, which is levied against net tax capacity, reduced by the sum of (i) the total amount of aids and reimbursements that the local governmental unit is certified to receive under sections 477A.011 to 477A.014, except for the increases in city aid bases in calendar year 2002 under section 477A.011, subdivision 36, paragraphs (l), (n), and (o), (ii) homestead and agricultural aids it is certified to receive under section 273.1398, (iii) 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, (iv) temporary court aid under section 273.1398, subdivision 4a, and (v) estimated payments to the local governmental unit under section 272.029, adjusted for any error in estimation in the preceding year.

**Subd. 6. 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:** *1Sp2003 c 19 art 2 s 47; 1Sp2003 c 21 art 7 s 2-5*

## 275.72 LEVY LIMIT ADJUSTMENTS FOR CONSOLIDATION AND ANNEXATION.

*[For text of subs 1 and 2, see M.S.2002]*

**Subd. 3. Adjustments for changes in service levels.** If a local governmental unit, as a result of an annexation agreement, 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.

*[For text of subs 4 and 5, see M.S.2002]*

**History:** 1Sp2003 c 21 art 7 s 6

#### **275.73 ELECTIONS FOR ADDITIONAL LEVIES.**

*[For text of subd 1, see M.S.2002]*

Subd. 2. **Levy effective date.** An additional levy approved under subdivision 1 at a general or special election held on or before the first Tuesday after the first Monday in November 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 the first Tuesday after the first Monday in November in any levy year shall not be levied in that same levy but may be levied in subsequent levy years.

**History:** 1Sp2003 c 21 art 7 s 7

#### **275.74 STATE REGULATION OF LEVIES.**

*[For text of subs 1 and 2, see M.S.2002]*

Subd. 3. **Information necessary to calculate levy limit base.** A local governmental unit must provide the commissioner with the information required to calculate the amount under section 275.71, subdivision 2, by July 20 of the levy year. If the information is not received by the commissioner by that date, or is not deemed sufficient to make the calculation under that clause, the commissioner has the discretion to set the local governmental unit's levy limit for all purposes including those purposes for which special levies may be made, equal to the amount of the local governmental unit's certified levy for the prior year.

**History:** 1Sp2003 c 21 art 7 s 8

#### **275.75 CHARTER EXEMPTION FOR AID LOSS.**

Notwithstanding any other provision of a municipal charter that limits ad valorem taxes to a lesser amount, or that would require voter approval for any increase, the governing body of a municipality may by resolution increase its levy for taxes payable in 2004 and 2005 only by an amount equal to the reduction in the amount of aid it is certified to receive under sections 477A.011 to 477A.03 for that same payable year compared to the amount certified for payment in 2003.

**History:** 2003 c 127 art 2 s 17