

**477A.011 DEFINITIONS.**

Subdivision 1. **Application.** For the purposes of sections 477A.011 to 477A.014 the following terms shall have these meanings, unless otherwise provided to the contrary.

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

Subd. 1b. **Town.** "Town" means a township.

Subd. 2. [Repealed, 1996 c 310 s 1]

Subd. 2a. [Repealed, 2013 c 143 art 2 s 36]

Subd. 3. **Population.** "Population" means the population estimated or established as of July 15 in an aid calculation year by the most recent federal census, by a special census conducted under contract with the United States Bureau of the Census, by a population estimate made by the Metropolitan Council pursuant to section 473.24, or by a population estimate of the state demographer made pursuant to section 4A.02, whichever is the most recent as to the stated date of the count or estimate for the preceding calendar year, and which has been certified to the commissioner of revenue on or before July 15 of the aid calculation year. The term "per capita" refers to population as defined by this subdivision. A revision of an estimate or count is effective for these purposes only if it is certified to the commissioner on or before July 15 of the aid calculation year. Clerical errors in the certification or use of the estimates and counts established as of July 15 in the aid calculation year are subject to correction within the time periods allowed under section 477A.014.

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 [Repealed, 1993 c 375 art 4 s 21]

Subd. 4. [Repealed, 1988 c 719 art 5 s 81]

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 [Repealed, 1988 c 719 art 5 s 81]

Subd. 6. [Repealed, 1988 c 719 art 5 s 81]

Subd. 7. [Repealed, 1988 c 719 art 5 s 81]

Subd. 7a. [Repealed, 1988 c 719 art 5 s 81]

Subd. 8. [Repealed, 1983 c 342 art 5 s 16]

Subd. 9. [Repealed, 1983 c 342 art 5 s 16]

Subd. 10. [Repealed, 1988 c 719 art 5 s 81]

Subd. 11. [Repealed, 1988 c 719 art 5 s 81]

Subd. 12. [Repealed, 1988 c 719 art 5 s 81]

Subd. 13. [Repealed, 1988 c 719 art 5 s 81]

Subd. 14. [Repealed, 1988 c 719 art 5 s 81]

Subd. 15. [Repealed, 1993 c 375 art 4 s 21]

Subd. 16. [Repealed, 1993 c 375 art 4 s 21]

Subd. 17. [Repealed, 1993 c 375 art 4 s 21]

Subd. 18. [Repealed, 1993 c 375 art 4 s 21]

Subd. 19. [Repealed, 2013 c 143 art 2 s 36]

Subd. 20. **City net tax capacity.** "City net tax capacity" means the city's adjusted net tax capacity under section 273.1325.

Subd. 21. [Repealed, 2013 c 143 art 14 s 111]

Subd. 22. [Repealed, 1993 c 375 art 4 s 21]

Subd. 23. [Repealed, 1993 c 375 art 4 s 21]

Subd. 24. [Repealed, 1Sp1989 c 1 art 4 s 15]

Subd. 25. [Repealed, 1993 c 375 art 4 s 21]

Subd. 26. [Repealed, 1993 c 375 art 4 s 21]

Subd. 27. **Revenue base.** "Revenue base" means the amount levied for taxes payable in the previous year, including the levy on the fiscal disparity distribution under section 276A.06, subdivision 3, clause (1), or 473F.08, subdivision 3, paragraph (a); plus the originally certified local government aid in the previous year under sections 477A.011 and 477A.013; and the taconite aids received in the previous year under sections 298.28 and 298.282.

Subd. 28. [Repealed, 2007 c 13 art 2 s 13]

Subd. 29. [Repealed, 2013 c 143 art 2 s 36]

Subd. 30. **Pre-1940 housing percentage.** (a) Except as provided in paragraph (b), "pre-1940 housing percentage" for a city is 100 times the most recent count by the United States Bureau of the Census of all housing units in the city built before 1940, divided by the total number of all housing units in the city. Housing units includes both occupied and vacant housing units as defined by the federal census.

(b) For the city of East Grand Forks only, "pre-1940 housing percentage" is equal to 100 times the 1990 federal census count of all housing units in the city built before 1940, divided by the most recent count by the United States Bureau of the Census of all housing units in the city. Housing units includes both occupied and vacant housing units as defined by the federal census.

Subd. 30a. **Percent of housing built between 1940 and 1970.** "Percent of housing built between 1940 and 1970" is equal to 100 times the most recent count by the United States Bureau of the Census of all housing units in the city built after 1939 but before 1970, divided by the total number of all housing units in the city. Housing units includes both occupied and vacant housing units as defined by the federal census.

Subd. 31. [Repealed, 2013 c 143 art 2 s 36]

Subd. 32. [Repealed, 2013 c 143 art 2 s 36]

Subd. 33. [Repealed, 2013 c 143 art 2 s 36]

Subd. 34. **City revenue need.** (a) For a city with a population equal to or greater than 10,000, "city revenue need" is 1.15 times the sum of (1) 4.59 times the pre-1940 housing percentage; plus (2) 0.622 times the percent of housing built between 1940 and 1970; plus (3) 169.415 times the jobs per capita; plus (4) the sparsity adjustment; plus (5) 307.664.

(b) For a city with a population equal to or greater than 2,500 and less than 10,000, "city revenue need" is 1.15 times the sum of (1) 572.62; plus (2) 5.026 times the pre-1940 housing percentage; minus (3) 53.768 times household size; plus (4) 14.022 times peak population decline; plus (5) the sparsity adjustment.

(c) For a city with a population less than 2,500, "city revenue need" is the sum of (1) 410; plus (2) 0.367 times the city's population over 100; plus (3) the sparsity adjustment. The city revenue need for a city under this paragraph shall not exceed 630 plus the city's sparsity adjustment.

(d) For a city with a population of at least 2,500 but less than 3,000, the "city revenue need" equals (1) the transition factor times the city's revenue need calculated in paragraph (b); plus (2) 630 times the difference between one and the transition factor. For a city with a population of at least 10,000 but less than 11,000, the "city revenue need" equals (1) the transition factor times the city's revenue need calculated in paragraph (a); plus (2) the city's revenue need calculated under the formula in paragraph (b) times the difference between one and the transition factor. For purposes of the first sentence of this paragraph "transition factor" is 0.2 percent times the amount that the city's population exceeds the minimum threshold. For purposes of the second sentence of this paragraph, "transition factor" is 0.1 percent times the amount that the city's population exceeds the minimum threshold.

(e) The city revenue need cannot be less than zero.

(f) For calendar year 2015 and subsequent years, the city revenue need for a city, as determined in paragraphs (a) to (e), is multiplied by the ratio of the annual implicit price deflator for government consumption expenditures and gross investment for state and local governments as prepared by the United States Department of Commerce, for the most recently available year to the 2013 implicit price deflator for state and local government purchases.

Subd. 35. **Tax effort rate.** "Tax effort rate" means the net levy for all cities divided by the sum of the city net tax capacity for all cities. For purposes of this section, "net levy" means the city levy, after all adjustments, used for calculating the local tax rate under section 275.08 for taxes payable in the year prior to the aid distribution. The fiscal disparity distribution levy under chapter 276A or 473F is included in net levy.

Subd. 36. [Repealed, 2013 c 143 art 2 s 36]

Subd. 37. [Repealed, 1Sp2003 c 21 art 5 s 14]

Subd. 38. **Household size.** "Household size" means the average number of persons per household in the jurisdiction as most recently estimated and reported by the state demographer and Metropolitan Council as of July 15 of the aid calculation year. A revision to an estimate or enumeration is effective for these purposes only if it is certified to the commissioner on or before July 15 of the aid calculation year. Clerical errors in the certification or use of estimates and counts established as of July 15 in the aid calculation year are subject to correction within the time periods allowed under section 477A.014.

Subd. 39. [Repealed, 2013 c 143 art 2 s 36]

Subd. 40. [Repealed, 2013 c 143 art 2 s 36]

Subd. 41. [Repealed, 2013 c 143 art 2 s 36]

Subd. 42. **Jobs per capita in the city.** "Jobs per capita in the city" means (1) the average annual number of employees in the city based on the data from the Quarterly Census of Employment and Wages, as reported by the Department of Employment and Economic Development, for the most recent calendar year available

November 1 of every odd-numbered year, divided by (2) the city's population for the same calendar year as the employment data. The commissioner of the Department of Employment and Economic Development shall certify to the city the average annual number of employees for each city by January 1 of every even-numbered year beginning with January 1, 2014. A city may challenge an estimate under this paragraph by filing its specific objection, including the names of employers that it feels may have misreported data, in writing with the commissioner by December 1 of every odd-numbered year. The commissioner shall make every reasonable effort to address the specific objection and adjust the data as necessary. The commissioner shall certify the estimates of the annual employment to the commissioner of revenue by January 1 of all even-numbered years, including any estimates still under objection.

Subd. 43. **Unmet need.** "Unmet need" for a city is equal to the difference between (1) its city revenue need multiplied by its population, and (2) its city net tax capacity multiplied by the tax effort rate.

Subd. 44. **Peak population decline.** "Peak population decline" is equal to 100 times the difference between one and the ratio of the city's current population, to the highest city population reported in a federal census from the 1970 census or later. "Peak population decline" shall not be less than zero.

Subd. 45. **Sparsity adjustment.** For a city with a population of 10,000 or more, the sparsity adjustment is 100 for any city with an average population density less than 150 per square mile, according to the most recent federal census. For a city with a population less than 10,000, the sparsity adjustment is 200 for any city with an average population density less than 30 per square mile, according to the most recent federal census. The sparsity adjustment is zero for all other cities.

**History:** 1981 c 356 s 248; 1981 c 358 art 1 s 48; 1Sp1981 c 1 art 6 s 1; 1983 c 289 s 114 subd 2; 1983 c 342 art 5 s 5-9; 1984 c 558 art 4 s 10; 1Sp1985 c 14 art 6 s 1-6; 1Sp1986 c 1 art 6 s 1,2; 1987 c 291 s 240; 1988 c 719 art 5 s 66-75; 1989 c 277 art 2 s 66; 1Sp1989 c 1 art 4 s 3-6; art 9 s 79,80; 1990 c 480 art 7 s 28,29; 1990 c 604 art 4 s 6-9; 1991 c 2 art 8 s 1-3; 1991 c 291 art 3 s 5-7; 1991 c 345 art 2 s 64,65; 1992 c 511 art 5 s 16,17; 1993 c 375 art 4 s 8-17; 1994 c 416 art 1 s 57; 1995 c 264 art 8 s 13; 1996 c 471 art 3 s 44; art 11 s 16-19; 1997 c 231 art 2 s 49,69; 1998 c 254 art 1 s 94,95; 1998 c 389 art 4 s 7; 1999 c 243 art 5 s 42; 2000 c 490 art 6 s 6; 1Sp2001 c 5 art 3 s 74,75; 2002 c 377 art 6 s 9; art 10 s 26; 1Sp2003 c 21 art 5 s 2-6; 2004 c 228 art 3 s 14-16; 2005 c 38 s 1; 2005 c 151 art 4 s 6-9; 1Sp2005 c 3 art 2 s 1; 2006 c 259 art 11 s 1; 2008 c 154 art 1 s 1; 2008 c 366 art 2 s 1-5; 2009 c 88 art 2 s 38; art 10 s 17,18; 2010 c 215 art 13 s 4; 1Sp2011 c 7 art 6 s 14; 2012 c 294 art 1 s 1; 2013 c 143 art 2 s 7-12; art 14 s 105; 2015 c 21 art 1 s 79-81; 1Sp2017 c 1 art 4 s 10,11; 2018 c 182 art 1 s 97