

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 1956

(SENATE AUTHORS: EICHORN)

DATE
03/08/2017

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1190 Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
 1.2 relating to taxation; property; adjusting distribution levies for the Iron Range fiscal
 1.3 disparities program; amending Minnesota Statutes 2016, section 276A.06,
 1.4 subdivisions 3, 5.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2016, section 276A.06, subdivision 3, is amended to read:

1.7 Subd. 3. **Apportionment of levy.** The county auditor shall apportion the levy of each
 1.8 governmental unit in the county in the manner prescribed by this subdivision. The auditor
 1.9 shall:

1.10 (1) by August 20 of ~~2014~~ and each subsequent year, determine the preliminary areawide
 1.11 portion of the levy for each governmental unit by multiplying the local tax rate of the
 1.12 governmental unit for the preceding levy year times the distribution value set forth in
 1.13 subdivision 2, clause (2);

1.14 (2) by September 5 of each year, adjust the preliminary areawide portion of the levy for
 1.15 each governmental unit by the adjustment percentage, if any, determined under subdivision
 1.16 5, paragraph (b);

1.17 (3) by September 5 of ~~2014~~ and each subsequent year, determine the areawide portion
 1.18 of the levy for each governmental unit by multiplying the adjusted preliminary areawide
 1.19 portion of the levy for each governmental unit times a fraction, the numerator of which is
 1.20 the difference between the sum of the adjusted preliminary areawide levies for all
 1.21 governmental units in the area minus the school fund allocation and the denominator is the
 1.22 sum of the adjusted preliminary areawide levy for all governmental units in the area; and

2.1 ~~(3)~~ (4) by September 5 of 2014 and each subsequent year, determine the local portion
2.2 of the current year's levy by subtracting the resulting amount from clause ~~(1)~~ (2) from the
2.3 governmental unit's current year's levy.

2.4 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2018.

2.5 Sec. 2. Minnesota Statutes 2016, section 276A.06, subdivision 5, is amended to read:

2.6 Subd. 5. **Areawide tax rate.** (a) On or before August 25, 1997, and of each subsequent
2.7 year, the county auditor shall certify to the administrative auditor the preliminary portion
2.8 of the levy of each governmental unit determined pursuant to subdivision 3, clause (1). The
2.9 administrative auditor shall then determine the areawide tax rate sufficient to yield an amount
2.10 equal to the sum of the levies from the preliminary areawide net tax capacity.

2.11 (b) The areawide tax rate may not deviate from the previous year's areawide rate by
2.12 more than three percentage points. If the areawide tax rate determined under paragraph (a)
2.13 does not fall within that range, the auditor must determine the percentage increase or
2.14 reduction to each jurisdiction's distribution levy necessary so that the areawide rate falls
2.15 within the range and recalculate the areawide rate accordingly.

2.16 (c) On or before September 1, the administrative auditor shall certify the areawide tax
2.17 rate to each of the county auditors.

2.18 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2018.