

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.

[*RL s 866*] (2055)

275.02 LEGISLATIVE LEVY, EXCEPTIONS; CERTIFICATION OF TAX RATE. The state tax shall be levied by the legislature on all taxable property in the state, except class 2 property as defined in section 273.13 and the rate of such tax shall be certified by the state auditor to each county auditor on or before November 15 annually.

[*RL s 867; 1935 c 282; Ex1959 c 70 art 2 s 1; 1965 c 45 s 49*] (2056)

275.03 COUNTY TAXES. Except as otherwise provided in the case of counties having a population of more than 150,000, the county taxes shall be levied by the county board at its meeting in July of each year, and shall be based upon an itemized statement of the county expenses for the ensuing year, which statement shall be included in the published proceedings of such board; and no greater levy of county taxes shall be made upon the taxable property of any county than will be equal to the amount of such expenses, with an excess of five percent of the same.

[*RL s 868*] (2057)

275.035 LIMITED LEVY ON CERTAIN LEASED PROPERTY. Property assessed according to the provisions of section 273.19, subdivision 3, shall be subject to the levy for county taxes, but shall be exempt from all other property tax levies.

[*1978 c 756 s 3*]

275.04 [Repealed, 1965 c 45 s 73]

275.05 [Repealed, 1965 c 45 s 73]

275.06 [Repealed, 1965 c 45 s 73]

275.07 CITY, TOWN AND SCHOOL DISTRICT TAXES. Subdivision 1. The taxes voted by cities, towns, and school districts shall be certified by the proper authorities to the county auditor on or before October tenth in each year. If a city, town, county, school district or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year. If the local unit notifies the commissioner of revenue before October tenth of its inability to certify its levy by that

date, and the commissioner is satisfied that the delay is unavoidable and is not due to the negligence of the local unit's officials or staff, the commissioner shall extend the time within which the local unit shall certify its levy.

Subd. 2. 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.

[*RL s 869; 1973 c 123 art 5 s 7; 1977 c 423 art 4 s 5; 1978 c 764 s 101*] (2058)

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, or school district has not been, as the result of error or inadvertence 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 or inadvertence in addition to its current levy and in addition to and notwithstanding any limitations to the contrary.

[*1947 c 71 s 1; 1973 c 123 art 5 s 7*]

275.08 AUDITOR TO FIX RATE. 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.

[*RL s 870*] (2059)

275.09 RATE OF TAX. Subdivision 1. **State purposes.** There shall be levied annually on each dollar of taxable property, except such as is by law otherwise taxable, as assessed and entered on the tax lists, for state purposes taxes in such amount as is levied by the legislature.

Subd. 2. **County purposes.** There shall be levied annually on each dollar of taxable property, except such as is by law otherwise taxable, as assessed and entered on the tax lists for county purposes, such amount as is levied by the county board.

Subd. 3. **Town purposes.** There shall be levied annually on each dollar of taxable property, except such as is by law otherwise taxable, as assessed and entered on the tax lists for town purposes, such amount as is voted at any legal town meeting, the rate of which tax shall not exceed, exclusive of such sums as are voted at the annual town meeting for road and bridge purposes, 3 1/3 mills in any town having a population of more than 7,000, excluding the population of any cities therein, 1.6 2/3 mills in any town having a taxable valuation of \$100,000 or more, and the amount of which shall not exceed \$350 in any town having a taxable valuation of less than \$100,000, and the rate of which shall not exceed one percent in any town. The rate of tax for road and bridge purposes in any town shall not exceed the rate provided by section 164.04. In any town in which the amount levied within the above limitations is not sufficient to enable the town to carry on its necessary governmental functions, the electors, during the business hours, after disposing of the annual report, may make an additional levy of not to exceed 1.6 2/3 mills to enable the town to carry on such necessary governmental functions.

Subd. 4. **School purposes.** There shall be levied annually on each dollar of taxable property, except such as is by law otherwise taxable, as assessed and entered on the tax lists for school purposes, such amounts as are provided in section 275.125.

[*RL s 871; 1927 c 313 s 1; 1937 c 379 s 1; 1939 c 170 s 1; 1943 c 183 s 1; 1945 c 450 s 1; 1947 c 268 s 1; 1949 c 141 s 1; 1949 c 418 s 1; 1951 c 149 s 1; 1951 c 352 s 1; 1951 c 423 s 1; 1953 c 241 s 1; 1953 c 565 s 1; 1953 c 585 s 1; 1955 c 524 s 1; 1957 c 436 s 1; 1961 c 422 s 1; 1961 c 560 s 25; 1973 c 123 art 5 s 7; 1973 c 380 s 13; 1973 c 583 s 18; 1973 c 650 art 21 s 25; 1973 c 773 s 1; 1978 c 706 s 64*] (2060)

NOTE: See also section 275.23.

275.091 ACTS PROVIDING FOR A HIGHER LEVY NOT SUPERSEDED OR REPEALED. This act shall not be construed as repealing any existing law which provides for a higher levy than the amount specified herein, nor shall it be construed as

superseding any other act enacted by the 1949 session of the legislature, relating to the same subject.

[1947 c 268 s 2; 1949 c 141 s 2]

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.

[1973 c 583 s 36]

275.10 TAX LEVY IN TOWNS. Subdivision 1. **Rate.** The total amount of taxes, exclusive of money and credits taxes, levied in each calendar year by or for any town, through the vote of the town meeting or the electors of such town or otherwise, and by or for any board or commission thereof, for any and all general or special purposes whatsoever, including payment of indebtedness and bonds, shall not exceed 5 2/3 mills on the dollar of the assessed taxable valuation of the property in the town, exclusive of money and credits, whenever such levy of 5 2/3 mills upon the dollar of such assessed taxable valuation will produce a total levy of town taxes as great as or greater than an average of \$1,000 per government section of the entire area of such town, according to government survey of the property therein in any one calendar year, and no such town, by vote of the electors or otherwise, shall contract debts or make expenditures in any calendar year in excess of the amount of taxes assessed for that year, plus any available unexpended balance in prior years against which obligations have not been incurred.

Subd. 2. **Additional levy.** If, prior to the calendar year 1927, such town has incurred, by proper authority, a valid indebtedness, including bonds, in excess of its cash on hand, plus any amount in any sinking fund, plus taxes levied prior to 1927 and uncollected but not delinquent, and plus any funds otherwise available, such town, within the limits now permitted by law, may levy, in addition to the foregoing, sufficient sums to pay and discharge such excess indebtedness, bonds and interest thereon, but any such additional sum so levied shall be levied separately and when collected shall be paid into a separate fund and used only for the purpose of paying such excess indebtedness, bonds and interest thereon.

Subd. 3. **Limitation.** This section shall not authorize, nor shall it be construed in any instance as authorizing, the levy or spreading of total amounts of taxes for specific purposes or in total amounts in any year in excess of the amount allowed by law at the time of the passage of this section, but this section is and shall be considered an additional limitation.

Subd. 4. **Excessive levy, procedure.** If any such town shall return to the county auditor a levy greater than herein permitted, such auditor shall extend only such amount of taxes as the limitations herein prescribed shall permit, and to that end he shall determine the area of such towns as herein described from the records in his office or such other data as to government survey as may be available. If such town shall make levies otherwise valid, in specific amounts, for specific purposes, which aggregate more than the total amount permitted by this section, then the amount of each specific levy shall be reduced and spread by him proportionately, to bring the aggregate within the total limit herein permitted.

[1927 c 110 s 1-3; 1973 c 773 s 1] (2060-2, 2060-3, 2060-4)

275.11 TAX LEVY FOR GENERAL PURPOSES LIMITED. Subdivision 1. The total amount of taxes levied by or for any city, for any and all general and special purposes, exclusive of taxes levied for special assessments for local improvements on property specially benefited thereby, shall not exceed in any year \$54 per capita of the population of such city.

Subd. 2. In any city or statutory city, except those organized according to Chapter 8, Laws of 1895, in addition to the levy provided for in subdivision 1, an additional levy may be made for general fund purposes as herein provided:

If the Revised Consumer Price Index, as published by the United States Department of Labor, Bureau of Labor Statistics, for the city of Minneapolis (or if no such index is published for the city of Minneapolis, for the nearest city to Minneapolis for which such index is published), as of December 15 of any year (or for the date nearest to December 15 if no such index is published as of December 15), shall be above 102 (using the average for the years 1947-1949 as a base), the maximum levy limit shall,

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subject to the restrictions of this subdivision, be increased by 3 1/3 percent for each of the first 6 points that said index may be increased and by one percent for each additional point increased above 6. A fractional point increase shall be disregarded if less than one-half point and treated as one point if one-half point, or more. In any city where more than 25 percent of the assessed valuation consists of iron ore and in any statutory city, the levy permitted by this paragraph shall be in addition to any statutory or charter limitations. In any other city, the levy authorized by this paragraph shall be made within charter limitations.

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

Subd. 3. Nothing in this section shall be construed to reduce levies of any municipality below the per capita levy spread in 1970.

Subd. 4. A city which has a major electric generating facility within its borders, which is designed for operation at a capacity of 500 megawatts or more and is capable of producing electrical energy for the purpose of transmission and distribution to a consumer, shall be exempt from the per capita levy limits set by this section.

[1921 c 417 s 1; 1929 c 206 s 1; 1941 c 543 s 1; 1951 c 539 s 1; 1953 c 577 s 1; 1957 c 710 s 1; 1961 c 500 s 1; 1973 c 123 art 5 s 7; 1973 c 389 s 1; 1978 c 719 s 1]
(2061)

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

275.121 [Local]

275.122 MS 1969 [Expired]

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

275.124 REPORT OF CERTIFIED LEVY. Prior to February 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.

[1969 c 1109 s 3; 1975 c 162 s 40; 1977 c 447 art 7 s 25; 1978 c 764 s 102]

275.125 TAX LEVY, SCHOOL DISTRICTS. Subdivision 1. Except as may otherwise be provided in this section, the words and phrases defined in section 124.212 when used in this section shall have the meanings ascribed to them in section 124.212.

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

Subd. 2a. (1) In 1977, a school district may levy for all general and special school purposes, an amount equal to the amount raised by 28 mills times the 1976 adjusted assessed valuation of the district.

(2) In 1978, a school district may levy for all general and special school purposes, an amount equal to the amount raised by 27 mills times the 1977 adjusted assessed valuation of the district.

(3) For any district levying less than 95 percent of the maximum levy allowable in clauses (1) and (2), beginning with the levy certified in 1978, payable in 1979, the foundation aid to the district for the 1979-1980 school year, and for subsequent levies, foundation aid for subsequent school years, calculated pursuant to section 124.212, shall be reduced to an amount equal to the ratio between the actual levy and the maximum levy allowable under clauses (1) and (2) times the foundation aid to which the district is otherwise entitled for that year. For purposes of computations pursuant to this clause, the maximum levy allowable and the actual levy under clauses (1) and (2) shall be increased by any reduction of this levy which is required by section 275.125, subdivision 9 or any other law.

(4) (a) The levy authorized by clauses (1) or (2) may be increased in any amount which is approved by the voters of the district at a referendum called for the purpose. Such a referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum shall be held on a date set by the school board. Only one such election may be held to approve a levy increase which will commence in a specific school year. The question on the ballot shall state the maximum amount of the increased levy in mills, the amount that will be raised by that millage in the first year it is to be levied, and that the millage shall be used to finance school operations. The question may designate a specific number of years for which the referendum authorization shall apply. If approved, the

amount provided by the approved millage applied to each year's taxable valuation shall be authorized for certification for the number of years approved, if applicable, or until revoked by the voters of the district at a subsequent referendum.

(b) A referendum on the question of revoking the increased levy amount authorized pursuant to clause (a) of this clause may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. The amount approved by the voters of the district pursuant to clause (a) of this clause must be levied at least once before it is subject to a referendum on its revocation for subsequent years. Only one such revocation election may be held to revoke a levy for any specific year and for years thereafter.

(c) A petition authorized by clauses (a) or (b) of this clause shall be effective if signed by a number of qualified voters in excess of 15 percent, or 10 percent if the school board election is held in conjunction with a general election, of the average number of voters at the two most recent district wide school elections. A referendum invoked by petition shall be held within three months of submission of the petition to the school board.

(d) Notwithstanding any law to the contrary, the approval of 50 percent plus one of those voting on the question is required to pass a referendum.

(e) Within 30 days after the district holds a referendum pursuant to this clause, the district shall notify the commissioner of education of the results of the referendum.

Subd. 2b. (1) Beginning in 1978, in any year when the amount of the maximum levy allowed for any district by subdivision 2a, clause (1) or (2), exceeds the product of the district's foundation aid formula allowance under section 124.212 for the corresponding school year times the number of pupil units computed for that district under section 124.17 for that school year, the levy permitted that district by subdivision 2a, clause (1) or (2) shall be limited to the greater of the dollar amount of the levy the district certified in 1977 under subdivision 2a, clause (1) or 107 percent of the sum of the following, but not to exceed the amount raised by the number of mills permitted under subdivision 2a, clause (1) or (2):

(a) the product of the district's foundation aid formula allowance under section 124.212 for the school year in which the levy is certified times the number of pupil units computed for that district under sections 124.17 for the school year in which the levy is certified; plus

(b) the district's estimated aid entitlement pursuant to section 124.20 for the summer school which begins in the school year in which the levy is certified; plus

(c) that district's entitlement, for the year in which the levy is certified, for transportation aid pursuant to section 124.222, special education aid pursuant to section 124.32, secondary vocational aid pursuant to section 124.573 and secondary vocational aid for handicapped children pursuant to section 124.574.

(2) If a district levies the full 107 percent of its entitlement under clause (1) for a school year and that amount is less than the amount to which the district would actually have been entitled under sections 124.20, 124.212, 124.222, 124.32, 124.573 and 124.574, for the year to which the levy is attributable, the district may adjust its levies in the succeeding years to make up this difference. The amount by which the district is allowed to adjust its levies in the succeeding years pursuant to this clause shall be recorded as a receivable in the school year to which the aids are attributable.

(3) If a district levies pursuant to clause (1) for a school year and the amount levied is greater than the amount to which the district would actually have been entitled under sections 124.20, 124.212, 124.222, 124.32, 124.573 and 124.574, for the year to which the levy is attributable, the district shall reduce its levies in the succeeding years by the amount of this difference.

(4) However, if the amount of the difference in clause (2), when calculated as an addition to the original levy for that year, would have exceeded the amount raised by the millage limitation in subdivision 2a, clause (1) or (2) for that year, the state shall pay the amount to which the district is entitled under sections 124.20, 124.212, 124.222, 124.32, 124.573 and 124.574, for that school year, which exceeds the amount raised by that millage limitation.

(5) If the district is unable to levy the full 107 percent of its entitlement for a school year because of the millage limitation in subdivision 2a, clause (1) or (2), the

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state shall pay the amount under sections 124.20, 124.212, 124.222, 124.32, 124.573 or 124.574 to which the district is entitled for that school year which exceeds the amount raised by that millage limitation.

(6) Prior to the certification of levies, the commissioner of education shall notify an applicable district that it is subject to the levy limitation of this subdivision and of its estimated entitlements pursuant to sections 124.20, 124.212, 124.222, 124.32, 124.573 and 124.574. The commissioner shall decide that a district is subject to this levy limitation if it appears reasonably certain that the maximum levy allowed that district pursuant to subdivision 2a, clause (1) or (2) will exceed the district's foundation aid formula allowance times the number of pupil units computed for that district under section 124.17 for that corresponding year. If, upon the order of the commissioner, the district levies pursuant to this subdivision but the maximum levy allowed that district pursuant to subdivision 2a, clause (1) or (2) would not actually have exceeded the district's foundation aid formula allowance times the number of pupil units computed for that district under section 124.17 for that corresponding year, the district shall reduce its levy for the next year by the amount by which the levy certified pursuant to this subdivision exceeded the amount the district could have levied under subdivision 2a, clause (1) or (2). Also in that case, the district shall receive all aids from the state pursuant to sections 124.20, 124.212, 124.222, 124.32, 124.573 and 124.574 to which it would otherwise have been entitled if its permitted levy had not been computed pursuant to this subdivision.

(7) Any district which is required to compute its permitted levy under this subdivision shall not be eligible to receive aid under sections 124.20, 124.212, 124.222, 124.32, 124.573 and 124.574 for the corresponding year except as authorized by this subdivision.

(8) Nothing within the provisions of this subdivision shall be construed to affect any other levy under this section, including levies made pursuant to subdivision 2a, clause (4), to which a district is otherwise entitled.

(9) A levy made by a district pursuant to the provisions of this subdivision shall be construed to be the levy made by that district pursuant to subdivision 2a, clause (1) and (2), for purposes of statutory cross-reference.

Subd. 3. In addition to the levy authorized by subdivision 2a, a qualifying district may levy additional amounts as provided in subdivisions 3 to 14.

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

Subd. 5. For school transportation services, a school district may levy an amount not to exceed the amount raised by a levy of one mill times the adjusted assessed valuation of the taxable property of the district for the preceding year. A district may levy under this subdivision for the annual cash payments to be made for the purchase of buses, but only for that portion of the payments not offset by state transportation aid received on account of depreciation. Beginning with the levy certified in 1976, a district may levy for transportation costs or other related services which are approved by the commissioner as necessary because of extraordinary traffic hazards for the current fiscal year.

Subd. 5a. Upon approval of the commissioner, a district may levy for increased transportation costs above the formula limitation resulting from changes in transportation patterns required by leasing a school in another district provided that the cost increases are estimated to be a direct result of leasing that school and the increases result in costs above the formula limitation. The commissioner shall approve a specific dollar amount which may be levied because of these increased costs. The levy authorized by this subdivision may be computed on the basis of estimated increased costs. In the first year a district makes the levy authorized by this subdivision, the commissioner may authorize a levy sufficient to pay for estimated increased costs resulting from leasing for two years. The amount provided by this levy shall not be included in

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the computation of the actual net operating cost per pupil transported in future years.

Subd. 6. (1) In 1975 any district in which the 1970-1971 adjusted maintenance cost per pupil unit in average daily membership was greater than \$663 per pupil unit may levy an amount per pupil unit which is equal to or less than the difference between the 1970-1971 adjusted maintenance cost per pupil unit in average daily membership and \$663 per pupil unit. Provided, however, that a district with boundaries coterminous with the boundaries of a city of the first class which was affected by the limitation of an extra levy not to exceed 1.9 mills times the adjusted assessed valuation of the district shall be allowed to levy an amount per pupil unit which is equal to 2.0 mills times the 1974 adjusted assessed valuation of the district, divided by the number of pupil units in the district in 1975-1976.

(2) In 1976 and each year thereafter, any district which qualified in 1975 for an extra levy under clause (1) shall be allowed to levy the same amount per pupil unit allowed by that clause.

(3) For purposes of computing allowable levies under this subdivision, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (6) and (7). The provisions of this clause shall not affect or modify any district's 1970-1971 adjusted maintenance cost per pupil unit in average daily membership.

Subd. 6a. (1) In addition to the excess levy authorized in subdivision 6, in 1976 any district within a city of the first class which was authorized in 1975 to make a retirement levy under sections 275.127 and 422A.01 to 422A.25 may levy an amount per pupil unit which is equal to the amount levied in 1975 payable 1976, under sections 275.127 and 422A.01 to 422A.25, divided by the number of pupil units in the district in 1976-1977.

(2) In 1977 and each year thereafter, any district which qualified in 1976 for an extra levy under clause (1) shall be allowed to levy the same amount per pupil unit allowed by that clause, reduced each year by ten percent of the difference between the amount levied for retirement in 1971 under Minnesota Statutes 1971, Sections 275.127 and 422.01 to 422.54 and the amount levied for retirement in 1975 under Minnesota Statutes 1974, Sections 275.127 and 422A.01 to 422A.25.

Subd. 7. (1) In addition to the excess levy authorized in subdivision 6, any district in Hennepin county or Ramsey county, other than a district with boundaries coterminous with the boundaries of a city of the first class, whose excess levy per pupil unit pursuant to Minnesota Statutes 1974, Section 275.125, Subdivision 3, Clause (5), was among the lowest 20 percent of these levies in such districts shall be allowed in 1975 to make an excess levy if the district has had a decrease in actual pupil units for the previous three years. This additional permitted excess levy per pupil unit shall equal the difference between the excess levy per pupil unit for the district and the average excess levy per pupil unit for the districts in Hennepin and Ramsey counties, other than districts with boundaries coterminous with the boundaries of a city of the first class, allowed pursuant to Minnesota Statutes 1974, Section 275.125, Subdivision 3, Clause (5), or 2.0 mills times the 1974 adjusted assessed valuation of the property in the district, whichever is less.

(2) In 1976 and each year thereafter, any district which in 1975 qualified for an additional levy under the provisions of clause (1) and which continues to decline in enrollment may levy that same amount per pupil unit plus an amount equal to 2.0 mills times the 1975 adjusted assessed valuation of the taxable property in the district.

Subd. 8. (1) In 1977, and each year thereafter, a district which has established a community school advisory council pursuant to section 121.88, may levy an amount of money raised by the greater of (A) \$2 per capita, or (B) the amount certified pursuant to this subdivision in 1976. These levies shall be used for community services including nonvocational adult programs, recreation and leisure time activity programs, and programs contemplated by sections 121.85 to 121.88. For purposes of computing the levy limitation pursuant to this subdivision, the amount certified pursuant to this subdivision in 1976 shall not reflect reductions pursuant to subdivision 9.

(2) A school district shall be authorized to make a levy pursuant to this subdivision only after it has filed a certificate of compliance with the commissioner of education. The certificate of compliance shall certify that the governing boards of the county, municipality and township in which the school district or any part thereof is located have been sent 15 working days written notice of a meeting and that a meeting has been held to discuss methods of increasing mutual cooperation between such

bodies and the school board. The failure of a governing board of a county, municipality or township to attend the meeting shall not affect the authority of the school district to make a levy pursuant to this subdivision.

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

Subd. 9. (1) Districts which receive payments which result in deductions from foundation aid pursuant to section 124.212, subdivision 8a, clause (1), shall reduce the permissible levies authorized by subdivisions 3 to 14 by that portion of the previous year's payment not deducted from foundation aid on account of the payment. The levy reductions shall be made in the proportions that each permissible levy bears to the sum of the permissible levies. Reductions in levies pursuant to this clause, subdivision 10 of this section, and section 273.138, shall be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts which received payments pursuant to sections 294.21 to 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; and any law imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; shall not include a portion of these aids in their permissible levies pursuant to those sections, but instead shall reduce the permissible levies authorized by this section by the greater of the following:

(a) an amount equal to 50 percent of the total dollar amount of the payments received pursuant to those sections in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections in the previous fiscal year less the product of the same dollar amount of payments times the ratio of the maximum levy allowed the district under subdivision 2a, to the total levy allowed the district under this section in the year in which the levy is certified.

(3) No reduction pursuant to this subdivision shall reduce the levy made by the district pursuant to subdivision 2a, clause 1 or 2, to an amount less than the amount raised by a levy of 10 mills times the adjusted assessed valuation of that district for the preceding year as determined by the equalization aid review committee. The amount of any increased levy authorized by referendum pursuant to subdivision 2a, clause (4) shall not be reduced pursuant to this subdivision. The amount of any levy authorized by subdivision 4, to make payments for bonds issued and for interest thereon, shall not be reduced pursuant to this subdivision.

(4) Before computing the reduction pursuant to this subdivision of the capital expenditure levy authorized by subdivision 11a, the commissioner shall ascertain from each affected school district the amount it proposes to levy for capital expenditures pursuant to that subdivision. The reduction of the capital expenditure levy shall be computed on the basis of the amount so ascertained.

(5) Notwithstanding any law to the contrary, any amounts received by districts in any fiscal year after fiscal year 1975 pursuant to sections 294.21 to 294.28; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; or any law imposing a tax on severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; and not deducted from foundation aid pursuant to section 124.212, subdivision 8a, clause (2), and not applied to reduce levies pursuant to this subdivision shall be paid by the district to the commissioner of finance in the following amounts pursuant to this clause on the designated dates: on or before March 15, 1977, 20 percent of the amounts received in fiscal 1976 and not deducted from foundation aid in August 1976 and not applied to reduce 1976 payable 1977 levies; on or before March 15, 1978, 60 percent of the amounts received in fiscal 1977 and not deducted from foundation aid and not applied to reduce 1977 payable 1978 levies. Any amounts received by districts in any fiscal year after fiscal year 1977 pursuant to the sections specified in this clause shall be paid by the district to the commissioner of finance in the following amounts on the designated dates: on or before March 15, 1979 and March 15 of each year thereafter, 100 percent of the amount required to be subtracted from the previous fiscal year's foundation aid pursuant to section 124.212, subdivision 8a, which is in excess of the foundation aid earned for that fiscal year. The commissioner of finance shall deposit any amounts received pursuant to this clause in the taconite property tax relief fund

in the state treasury, established pursuant to section 16A.70 for purposes of paying the taconite homestead credit as provided in section 273.135.

Subd. 9a. (1) In 1978 and each year thereafter in which so required by this subdivision, a district shall make an additional levy to eliminate its statutory operating debt, determined as of June 30, 1977 and certified and adjusted by the commissioner. This levy shall not be made in more than 20 successive years and each year before it is made, it must be approved by the commissioner and the approval shall specify its amount. This levy shall in each year be an amount which is equal to the amount raised by a levy of 1.5 mills times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review committee; provided that in the last year in which the district is required to make this levy, it shall levy an amount not to exceed the amount raised by a levy of 1.5 mills times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review committee. When the cumulative levies made pursuant to this subdivision equal an amount equal to the statutory operating debt of the district, the levy shall be discontinued.

(2) The district shall establish a special account in the general fund which shall be designated "appropriated fund balance reserve account for purposes of reducing statutory operating debt" on its books and records. This account shall reflect the levy authorized pursuant to this subdivision. The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(3) Any district which is required to levy pursuant to this subdivision shall certify the maximum levy allowable under subdivision 2a, clause (1) or (2) in that same year.

(4) Each district shall make permanent fund balance transfers so that the total statutory operating debt of the district is reflected in the general fund as of June 30, 1977.

Subd. 10. The commissioner shall certify to the county auditors the levy limits for all school districts headquartered in the respective counties together with adjustments for errors in levies not penalized pursuant to subdivision 15 as well as adjustments to final pupil unit counts.

A school district shall have the right to require the commissioner to review his certification and to present evidence in support of modification of his certification.

The county auditor shall reduce levies for any excess of levies over levy limitations pursuant to section 275.16. Such reduction in excess levies may at the discretion of the school district be spread over not to exceed two calendar years.

Subd. 11. [Repealed, 1976 c 271 s 98 subd 1]

Subd. 11a. (a) A school district may levy an amount not to exceed the amount equal to \$75 per pupil unit or, in districts where the pupil unit count is increased pursuant to section 124.17, subdivision 1, clause (7), \$80 per pupil unit. For purposes of computing allowable levies under section 275.125, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (4), (5), (6) and (7). No levy under this subdivision shall exceed 10 mills times the adjusted assessed valuation of the taxable property in the district for the preceding year, notwithstanding the provisions of sections 272.64 and 275.49.

(b) The proceeds of the tax may be used only to acquire land, to equip and reequip buildings and permanent attached fixtures, and to pay leasing fees for computer systems hardware, computer terminals and telecommunications equipment, and related proprietary software. The proceeds of the tax may also be used for capital improvement and repair of school sites, buildings and permanent attached fixtures, energy assessments as required pursuant to section 116H.126, and for the payment of any special assessments levied against the property of the district authorized pursuant to section 435.19 or any other law or charter provision authorizing assessments against publicly owned property; provided that a district may not levy amounts to pay assessments for service charges, including but not limited to those described in section 429.101, whether levied pursuant to that section or pursuant to any other law or home rule provision. The proceeds of the tax may also be used for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped individuals.

(c) Subject to the commissioner's approval, the tax proceeds may also be used to rent or lease buildings for school purposes and to acquire or construct buildings. The state board shall promulgate rules establishing the criteria to be used by the commissioner in approving and disapproving district applications requesting the use of capital expenditure tax proceeds for the renting or leasing of buildings for school purposes and the acquisition or construction of buildings. The approval criteria for purposes of building acquisition and construction shall include: the appropriateness of the proposal with respect to the district's long term needs; the availability of adequate existing facilities; and the economic feasibility of bonding because of the proposed building's size or cost.

(d) The board shall establish a fund in which the proceeds of this tax shall be accumulated until expended.

(e) The proceeds of the tax shall not be used for custodial or other maintenance services.

Subd. 12. When a district finds it economically advantageous to rent or lease existing school buildings for instructional purposes, and the proceeds of the levy permitted under section 124.04 or 275.125, subdivision 11a are insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this clause shall contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use. The criteria for approval of applications to levy under this clause shall include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building, conformity of the lease to the laws and regulations of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner shall not authorize a levy under this clause in an amount greater than the cost to the district of renting or leasing a school building for approved purposes. The proceeds of this levy shall not be used for custodial or other maintenance services.

Subd. 13. Districts maintaining a post-secondary vocational-technical school may levy for post-secondary vocational-technical purposes as follows:

(1) For districts in cities of the first class, one-half mill, exclusive of debt service, times the adjusted assessed valuation of the taxable property of the district for the preceding year as determined by the equalization aid review committee.

(2) For districts formed pursuant to Laws 1967, Chapter 822, as amended, and Laws 1969, Chapters 775 and 1060 as amended, one-half mill, exclusive of debt service, times the adjusted assessed valuation of the taxable property of the district for the preceding year as determined by the equalization aid review committee.

(3) For other districts maintaining post-secondary vocational schools, one mill, exclusive of debt service, times the adjusted assessed valuation of the taxable property of the district for the preceding year as determined by the equalization aid review committee.

Subd. 14. Districts maintaining a post-secondary vocational-technical school may levy additional amounts as follows:

(1) A district maintaining a post-secondary vocational-technical school shall assume responsibility for a local share of the district post-secondary vocational deficit. The local share shall be 30 percent, or 15 percent in Independent School District Nos. 595 and 793, of the district post-secondary vocational deficit as of July 1, 1975, as certified to the commissioner of education pursuant to section 124.561, subdivision 4.

(2) For the purpose of eliminating the local share of its post-secondary vocational deficit, a district may petition the commissioner of education for authority to make an additional levy. Before such a levy may be made, it must be approved by the commissioner. The approval shall specify the years in which the additional levy may be made and shall specify its dollar amount. No levy so approved shall be made in more than four successive years, beginning with the levy certified in 1975, and shall not annually exceed .25 mills in a district in a city of the first class, 1.5 mills in districts formed pursuant to Laws 1969, Chapter 1060, as amended; Laws 1969, Chapter 775, as amended; or Laws 1967, Chapter 822, as amended, or three mills in any other district maintaining a post-secondary vocational-technical school times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review committee. Under no circumstances may a district levy a total

amount greater than the local share of its post-secondary vocational deficit as of July 1, 1975, as certified to the commissioner of education.

(3) If the additional levy allowed in clause (2) of this subdivision would be insufficient to eliminate the local share of the district's post-secondary vocational deficit as of July 1, 1975, as certified to the commissioner of education, it may petition the commissioner of education for authority to issue general obligation bonds in an amount sufficient to meet the deficiency. Before the bonds may be issued, they must be authorized by the commissioner. The authorization shall specify a term not to exceed seven years and the amount of the bond issue, provided that the amount of principal and interest due in any year on the bonds will not, based on the 1974 adjusted assessed valuation of the district as determined by the equalization aid review committee, exceed .25 mills in a district in a city of the first class, .5 mills in districts formed pursuant to Laws 1969, Chapter 1060, as amended; Laws 1969, Chapter 775, as amended; or Laws 1967, Chapter 822, as amended, or six mills in any other district maintaining a post-secondary vocational-technical school. The bonds authorized by this section shall be secured, sold and issued pursuant to the provisions of chapter 475, except as otherwise provided in this subdivision. The bonds shall not be included in computing any debt limitation for the district and no election shall be required for their sale and issuance.

(4) A district may not be authorized an additional levy under both clauses (2) and (3) of this subdivision.

(5) The state shall assume responsibility for 70 percent, or in Independent School District Nos. 595 and 793 for 85 percent, of a district's post-secondary vocational deficit as of July 1, 1975, as certified to the commissioner of education. The state portion of the deficit shall be paid to each district in fiscal years 1977 and 1978 in two equal payments, provided that the levy for the district's portion of the deficit has been approved by the commissioner and the required portion for the 1975 levy has been certified to the county auditor.

Subd. 15. If any school district levy is found to be excessive as a result of a decision of the tax court or a redetermination by the equalization aid review committee under section 124.212, subdivisions 11 to 18 or for any other reason, the amount of the excess shall be deducted from the levy certified in the next year for the same purpose; provided that if no levy is certified in the next year for the same purpose or if the amount certified is less than the amount of the excess, the excess shall be deducted from that levy and the levy certified pursuant to subdivision 2a. If any aid entitlement pursuant to sections 124.212, 124.222 and 124.245 would have been increased in a prior year as a result of a decision of the tax court or a redetermination by the equalization aid review committee, the amount of the increase shall be added to the current aid entitlement for the same purposes.

Subd. 16. For the purposes of this section, the number of resident pupil units in average daily membership shall be computed in accordance with section 124.17, provided that the district may use an estimated average daily membership for the current school year. Any district which increased its pupil units, exclusive of consolidation, or merger of districts, or change of definition of pupil units by more than five percent from one year to another for two consecutive years may use an estimated pupil unit count for the next succeeding school year for determining a levy certified in the current year. If as a result of such estimate the levy is different from the amount that could actually have been levied under this section had such levy been based upon the pupil units computed under section 124.17 for that school year, the authorized levy for the following year shall be adjusted for the difference.

Subd. 17. Notwithstanding any other charter provision, general or special laws to the contrary, every school district in the state shall abide by the terms and provisions of this section.

Subd. 18. By November 1 of each year each district shall notify the commissioner of education of the levies certified in compliance with the levy limitations of this section. The commissioner of education shall prescribe the form of this notification.

[*Ex1971 c 31 art 20 s 8; 1973 c 683 s 18,19; 1974 c 521 s 29-31; 1975 c 432 s 74-81; 1976 c 2 s 97; 1976 c 134 s 78; 1976 c 271 s 80-90; 1977 c 307 s 29; 1977 c 423 art*

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3 s 12; 1977 c 447 art 1 s 19,20; art 2 s 8; art 4 s 5; art 5 s 12; art 6 s 8-10; art 7 s 26; 1978 c 764 s 103-111]

275.126 [Repealed, 1975 c 306 s 34]

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

275.13 MS 1969 [Expired]

275.14 CENSUS. For the purposes of sections 275.11 to 275.16, the last respective state or federal census of population taken prior to the calendar year in which any such levy may be made shall govern and shall be conclusive in determining hereunder the population of any city or school districts. Provided, if by the 1970 Federal Census, any school district shall have less population than that upon which the 1970 tax levy of said district was based, and shall not have had a subsequent special census, as authorized hereby, the population for subsequent years for the purposes of sections 275.11 to 275.16, may at the option of the district be computed as follows: For the year 1971, the same population as for 1970; for the year 1972, the population used in computing the 1970 levy, decreased by one-fourth of the loss in population shown by the 1970 census; for each of the next two subsequent years, an additional one-fourth of the population loss shown by the 1970 census shall be deducted; thereafter, the said 1970 federal census shall control until a subsequent federal or state census is taken.

If by the 1970 federal census, any city shall have less population than that upon which the 1970 tax levy of said city was based, and shall not have had a subsequent special census, as authorized hereby, the population for subsequent years for the purposes of sections 275.11 to 275.16, shall be computed as follows: For the year 1971, the same population as for 1970; for the year 1972, the population used in computing the 1970 levy, decreased by one-fourth of the loss in population shown by the 1970 census; for each of the next two subsequent years an additional one-fourth of the population loss shown by the 1970 census shall be deducted; thereafter the said 1970 federal census shall control until a subsequent federal or state census is taken. Provided, that in any year in which no state or federal census is taken pursuant to law in any such city or school district affected by sections 275.11 to 275.16 a census may be taken as hereinafter provided. In cases where a census may be taken in any such city or school district, the council of such city or the school board of such school district, in case it desires such census, shall pass a resolution requesting the taking thereof by the secretary of state and shall furnish the secretary of state a certified copy thereof, whereupon the secretary of state shall cause such census to be taken under his immediate supervision and such rules and regulations as he may prescribe, and shall certify the result thereof to the council of such city or the school board of such school district, as the case may be, within three months from the receipt by him of the certified copy of the resolution; and such special census may be used for such purpose within the year it is taken or at any time thereafter. The expense of taking such census shall be paid by the city or school district, as the case may be, in which the same is taken.

In the event that a census tract employed in taking a federal, state, 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 275.11 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.

[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] (2064)

275.15 NOT TO INCREASE LEVIES. Sections 275.11 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.

[1921 c 417 s 5] (2065)

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 sections 275.11 to 275.16, 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 shall not be extended.

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edness 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.

[1921 c 417 s 6; 1941 c 543 s 4] (2066)

275.161 ADDITIONAL LIMITATION. Sections 275.11 and 275.16 shall be considered an additional limitation and shall not 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 on April 28, 1941.

[1941 c 543 s 5; 1976 c 2 s 98]

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 LIMITATIONS OF SECTION 275.09. Section 275.09 shall not be construed as prohibiting assessments on property adjacent to local improvements made in any city or town for the purpose of paying the cost thereof, and the damages occasioned thereby, and nothing in section 275.09 shall be construed as preventing the proper authorities of any county, city, town or school district from levying any tax authorized by special law.

[RL s 872; 1973 c 123 art 5 s 7] (2068)

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, for himself and 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.

[RL s 873] (2069)

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 he enter or cause to be entered his dissent therefrom in the records of such corporation.

[RL s 874; 1973 c 123 art 5 s 7] (2070)

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 assessed valuation 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 one-thirtieth of a mill; 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

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taxes set down opposite each description; and 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 shall fail to enter on any such list before its delivery to the treasurer any tax levied, such tax may be subsequently entered. The tax lists shall be deemed completed, and all taxes extended thereon, as of October 16 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 19.. (being the same year the property was assessed and the tax levied), to become payable in the year 19.. .

Witness my hand and official seal this day of, 19.. .

.....

County Auditor.

Subd. 3. **Designation of year of tax.** Beginning with property taxes payable in 1964, taxes on real and personal property shall continue to be related to the year in which assessed but shall be designated by the year in which they become payable but the liens shall relate back to the assessment date preceding except as otherwise provided, and further provided that such designation shall not be deemed to change the date or period to which such property taxes relate.

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, he 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 19.. .

Witness my hand and official seal this day of 19.. .

.....

County Auditor."

[*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; 1973 c 773 s 1; 1975 c 339 s 8*] (2071, 2072)

275.29 ABSTRACTS TO COMMISSIONER OF REVENUE. On or before January first, 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.

[*RL s 877; 1974 c 86 s 1; 1975 c 46 s 4*] (2073)

275.30 [Repealed, 1974 c 14 s 1]

275.31 LIMITATION OF SECTIONS 275.31 TO 275.35. Sections 275.31 to 275.35 apply to all towns in the state having a population of more than 3,000, exclu-

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sive of incorporated cities therein, and an assessed valuation of taxable property, exclusive of money and credits, of more than \$10,000,000.

[1935 c 133 s 1; 1973 c 123 art 5 s 7] (2060-5)

275.32 LIMIT, TAX LEVY. The total amount of taxes, exclusive of money and credit taxes, levied by or for any such town, through the vote of the town meeting or the electors of such town or otherwise, and by or for any board or commission thereof, for any and all general or special purposes whatsoever, including payment of indebtedness and bonds, payment for which is levied under Laws 1941, Chapter 447; Laws 1951, Chapter 396; Minnesota Statutes 1949, Section 368.52 and Laws 1951, Chapter 477, shall not exceed $5 \frac{2}{3}$ mills on the dollar of the assessed taxable valuation of the property in any such town, exclusive of money and credits, whenever such levies as hereinbefore specified will produce a total levy of town taxes as great or greater than an average of \$1,000 per government section of the entire area of such town, according to government survey of the property therein in any one calendar year. In the year 1953 and thereafter, the total amount of taxes, exclusive of money and credit taxes, levied by or for any such town, through the vote of the town meeting or the electors of such town or otherwise and for and by any board or commission thereof, for any and all general or special purposes whatsoever, including payment of indebtedness and bonds, shall not exceed $5 \frac{2}{3}$ mills on the dollar of the assessed taxable valuation of any such property, exclusive of money and credits, whenever such levy as herein specified will produce a levy of town taxes as great or greater than an average of \$1,000 per government section of the entire area of such town, according to government survey of the property therein in any one calendar year; provided, that whenever the statutes of this state provide for a tax levy for such towns of town taxes for bonded indebtedness and interest in excess of all such limitations for such towns, that such tax levies for such bonded indebtedness and interest shall continue to be levied in excess of the tax limitations herein specified.

[1935 c 133 s 2; 1953 c 183 s 1; 1973 c 773 s 1] (2060-6)

275.33 LIMITATION OF EXPENDITURES. No such town, by vote of the electors or otherwise, shall contract debts or make expenditures in any calendar year in excess of the amount of taxes levied for that year, plus any available unexpended balance in prior years against which obligations have not been incurred.

[1935 c 133 s 3] (2060-7)

275.34 ADDITIONAL LIMITATION. Sections 275.31 to 275.35 shall not authorize, nor be construed in any instance as authorizing, the levy or spreading of total amounts of taxes for specific purposes or in total amounts in any year in excess of the amount allowed by law at the time of the passage of Laws 1935, Chapter 133, but shall be an additional limitation.

[1935 c 133 s 4] (2060-8)

275.35 COUNTY AUDITOR TO MAKE LEVY WITHIN LIMIT. If any such town shall return to the county auditor a levy greater than herein permitted, such auditor shall extend only such amount of taxes as the limitations herein prescribed shall permit, and to that end he shall determine the area of such towns as herein described from the records in his office or such other data as to government survey as may be available. If any such town shall make levies otherwise valid, in specific amounts, for specific purposes, which aggregate more than the total amount permitted by sections 275.31 to 275.35, then the amount of each specific levy shall be reduced and spread by him proportionately to bring the aggregate within the total limit herein permitted.

[1935 c 133 s 5] (2060-9)

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 MS 1967 [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 CERTAIN CITIES, LIMITATION OF TAX LEVY. Sections 275.44 to 275.47 shall apply to all cities in the state having a population of more than 10,000 and less than 50,000 and having an assessed valuation of taxable property exclusive of money and credits of more than \$35,000,000.

The total amount of taxes levied in the years hereinafter designated by or for any such city for any and all general and special purposes, exclusive of taxes levied for special assessments for local improvements upon property specially benefited thereby, shall not exceed in the year 1935 \$62.50 per capita of the population of such city; in the year 1936 shall not exceed \$60 per capita of the population of such city; in the year 1937 shall not exceed \$57.50 per capita of the population of such city; in the year 1938 shall not exceed \$55 per capita of the population of such city; in the year 1939 shall not exceed \$52.50 per capita of the population of such city; and in the year 1940 and in each year thereafter such total levy shall not exceed \$50 per capita of the population of such city.

If any such city, subject to the provisions of Laws 1929, Chapter 208, has, prior to the calendar year 1929, incurred by proper authority a valid indebtedness, including bonds issued in 1929 to fund indebtedness incurred prior thereto, in excess of its cash on hand plus any amount in any sinking fund such city, within but not above the limits now permitted by law, in addition to the foregoing, may levy sufficient amounts to pay and discharge such excess indebtedness, bonds, and interest thereon; but any such additional sum so levied shall be separately levied; and when collected shall be paid into a separate fund and used only for the purpose of paying such excess indebtedness, bonds, and interest thereon.

[1935 c 134 s 1,2; 1973 c 123 art 5 s 7] (2066-7, 2066-8)

275.45 WHICH CENSUS GOVERNS. For the purposes of sections 275.44 to 275.47, the last respective state or federal census of population taken prior to the enactment thereof shall govern and be conclusive in determining hereunder the population of any such city in fixing all levies up to and including the levy of the year 1942. For levies subsequent to the year 1942 the last respective state or federal census prior to the calendar year in which any such levy may be made shall govern. In the year 1945, and each tenth year thereafter, the council of such city may, in case it desires a special census, pass a resolution requesting the taking thereof by the secretary of state, and shall furnish the secretary of state a certified copy thereof; whereupon the secretary of state shall cause such census to be taken under his immediate supervision, and under such rules and regulations as he may prescribe, and shall certify the result thereof to the council of such city within three months from the receipt by him of such certified copy of resolution. The expense of taking such census shall be paid by the city in which the same is taken.

[1935 c 134 s 3; 1973 c 123 art 5 s 7] (2066-9)

275.46 LIMITATION OF LEVY. Sections 275.44 to 275.47 shall not authorize, or 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 Laws 1935, Chapter 134, and shall be considered an additional limitation.

[1935 c 134 s 4] (2066-10)

275.47 COUNTY AUDITOR TO MAKE LEVY WITHIN LIMIT. If any such city shall return to the county auditor a levy greater than herein permitted, such county auditor shall extend only such amount of taxes as the limitations herein prescribed will permit.

[1935 c 134 s 5; 1973 c 123 art 5 s 7] (2066-11)

275.48 ADDITIONAL TAX LEVIES IN CERTAIN MUNICIPALITIES. Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the assessed valuation of any city, township or school district for any taxable year is reduced after the taxes for such year have been spread by the county auditor and whenever the mill rate as determined by the county auditor based upon the original assessed valuation is applied upon such reduced valuations and does not produce the full amount of taxes as actually levied and certified for such taxable year upon the original assessed valuations, such city, township or school district may include in its tax levy made following final determination and notice of such reduction in assessed valuation, an amount equal to the difference between the total amount of taxes actually levied and certified for such taxable year upon the original assessed valuation, not exceeding the maxi-

imum amount which could be raised upon such assessed valuation as reduced, within existing mill limitations, if any, and the amount of taxes collected for such taxable year upon such reduced valuations. The total tax levy authorized for a school district by this section shall be reduced by the total amount of any abatement adjustments received by the district pursuant to section 124.214, subdivision 2, in the same calendar year in which the levy is certified. Prior to September 15 of each year, the commissioner of education shall certify to each county auditor the amount of any abatement adjustments paid in that year to each school district in that county.

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.

[1943 c 523 s 1,2; 1973 c 123 art 5 s 7; 1975 c 432 s 82; 1978 c 764 s 112]

275.49 COMPUTATIONS TIED TO TAX VALUATION. For the purpose of computing the amount or rate of any salary, aid, tax, or debt authorized, required, or limited by any provision of any law or charter, where such authorization, requirement, or limitation is related in any manner to any value or valuation of taxable property within the state or within any of its taxing districts, such property shall include all property of any class exempted from taxation by Extra Session Laws 1967, Chapter 32 at its value or valuation in 1966 as determined in accordance with law.

[Ex1967 c 32 art 15 s 1]

275.50 LEVY LIMITS; DEFINITIONS. Subdivision 1. As used in sections 275.50 to 275.56, the terms defined herein have the meanings given to them.

Subd. 2. "Governmental subdivision" means any county, city, statutory city, or town having the powers of a statutory city pursuant to sections 368.01 or 368.61, or by special law. The term does not include school districts, towns without statutory city powers, or special taxing districts determined by the department of revenue.

Subd. 3. "Governing body" of a town means its board of supervisors.

Subd. 4. "Special assessments" means assessments made against real property for purposes of financing, wholly or in part, only those types of improvements enumerated in sections 429.021, subdivision 1 and 429.101, whether imposed pursuant to such sections or pursuant to home rule charter provisions. General tax levies spread upon real estate not specifically benefited by the improvements, and on the benefited real estate as part of the taxable valuation of the governmental subdivision, are not considered special assessments.

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1977 payable in 1978 and thereafter, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, but only to the extent of the increase in levy for such judgments and out of court settlements over levy year 1970, taxes payable in 1971;

(b) pay the costs of complying with any written lawful order initially issued prior to January 1, 1977 by the state of Minnesota, or the United States, or any agency or subdivision thereof, which is authorized by law, statute, special act or ordinance and is enforceable in a court of competent jurisdiction, or any stipulation agreement or permit for treatment works or disposal system for pollution abatement in lieu of a lawful order signed by the governmental subdivision and the state of Minnesota, or the United States, or any agency or subdivision thereof which is enforceable in a court of competent jurisdiction. The commissioner of revenue shall in consultation with other state departments and agencies, develop a suggested form for use by the state of Minnesota, its agencies and subdivisions in issuing orders pursuant to this subdivision;

(c) pay the costs to a governmental subdivision for their minimum required share of any program otherwise authorized by law, including the administrative costs of social services but not administrative costs of public assistance programs or of county welfare systems, for which matching funds have been appropriated by the state of Minnesota or the United States, but only to the extent that the costs to the

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governmental subdivision for the program exceed those expended in calendar year 1970, subject to rules promulgated by the commissioner of revenue pursuant to the administrative procedures act. Amounts levied pursuant to this clause which are in excess of the amount necessary to meet the minimum required share of a program shall be deducted from the general levy made in the following year;

(d) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law;

(e) pay the costs of principal and interest on bonded indebtedness, or, effective for taxes levied in 1973 and years thereafter, to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(f) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency;

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

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

(i) pay the amounts required to compensate for a decrease in revenues from public service enterprises, municipal liquor stores, licenses, permits, fines and forfeits and no other, to the extent that the aggregate of revenues from these sources in the calendar year preceding the year of levy are less than the aggregate of revenues from these sources in calendar year 1971. "Revenues" from a public service enterprise or a municipal liquor store shall mean the net income or loss of such public service enterprise or municipal liquor store, determined by subtracting total expenses from total revenues, and before any contribution to or from the governmental subdivision. "Fines" for a municipal court means the net amount remaining after subtracting total municipal court expenses from total collections of municipal court fines. A governmental subdivision shall qualify for this special levy only if the decrease in aggregate revenues as computed herein and divided by the population of the governmental subdivision in the preceding levy year is equal to or greater than two percent of the per capita levy limitation for the preceding levy year;

(j) pay the amounts required to compensate for a decrease in mobile homes property tax receipts to the extent that the governmental subdivision's portion of the total levy in the current levy year, pursuant to section 273.13, subdivision 3, as amended, is less than the distribution of the mobile homes tax to the governmental subdivision pursuant to section 273.13, subdivision 3, in calendar year 1971;

(k) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission in levy year 1971 or a subsequent levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(l) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(m) pay the increased cost of municipal services as the result of an annexation or consolidation ordered by the Minnesota municipal board in levy year 1971 or a subsequent levy year, but only to the extent and for the levy years as provided by the board in its order pursuant to section 414.01, subdivision 15. Special levies authorized by the board shall not exceed 50 percent of the levy limit base of the governmental subdivision and may not be in effect for more than three years after the board's order;

(n) pay the increased costs of municipal services provided to new private industrial and nonresidential commercial development, to the extent that the extension of such services are not paid for through bonded indebtedness or special assessments,

and not to exceed the amount determined as follows. The governmental subdivision may calculate the aggregate of:

(1) The increased expenditures necessary in preparation for the delivering of municipal services to new private industrial and nonresidential commercial development, but limited to one year's expenditures one time for each such development;

(2) The amount determined by dividing the overall levy limitation established pursuant to sections 275.50 to 275.56, and exclusive of special levies and special assessments, by the total taxable value of the governmental subdivision, and then multiplying this quotient times the total increase in assessed value of private industrial and nonresidential commercial development within the governmental subdivision. For the purpose of this clause, the increase in the assessed value of private industrial and nonresidential commercial development is calculated as the increase in assessed value over the assessed value of the real estate parcels subject to such private development as most recently determined before the building permit was issued. In the fourth levy year subsequent to the levy year in which the building permit was issued, the increase in assessed value of the real estate parcels subject to such private development shall no longer be included in determining the special levy.

The aggregate of the foregoing amounts, less any costs of extending municipal services to new private industrial and nonresidential commercial development which are paid by bonded indebtedness or special assessments, equals the maximum amount that may be levied as a "special levy" for the increased costs of municipal services provided to new private industrial and nonresidential commercial development. In the levy year following the levy year in which the special levy made pursuant to this clause is discontinued, one-half of the amount of that special levy made in the preceding year shall be added to the permanent levy base of the governmental subdivision;

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

(p) pay amounts required by law to be paid to reduce unfunded accrued liability of public pension funds, including interest thereon, in accordance with the actuarial standards and guidelines specified in sections 69.71 to 69.776 and 356.215 reduced for levy year 1977 and subsequent years by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

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

Subd. 6. The cost to a governmental unit of implementing section 18.023, including sanitation and reforestation, as defined in section 18.023, subdivision 1, is a "special levy" and is not subject to tax levy limitations including those contained in sections 275.50 to 275.56 and in Laws 1969, Chapter 593, as amended by Laws 1974, Chapter 108, commencing with the levy made in 1976, payable in 1977, and terminating with the levy made in 1978, payable in 1979. A governmental subdivision may make a supplementary levy in 1977, payable in 1978, for all costs of implementing section 18.023 incurred in calendar year 1977 for which a levy was not made in 1976, payable in 1977. For the purpose of calculating the tax levy limit base under section 275.51, for levy year 1977, taxes payable 1978, there shall be subtracted from the levy limit base of any governmental subdivision an amount equal to 112 percent of the amount levied under section 18.023 in levy year 1974, taxes payable 1975, and included in the levy limit base of the governmental subdivision as a result of Laws 1975, Chapter 437.

[*Ex*1971 c 31 art 26 s 1; 1973 c 123 art 5 s 7; 1973 c 582 s 3; 1973 c 650 art 4 s 1-3; 1973 c 717 s 25; 1974 c 198 s 1; 1974 c 428 s 5; 1975 c 271 s 6; 1975 c 437 art 4 s 1; 1977 c 90 s 11; 1977 c 423 art 5 s 1; 1978 c 767 s 12; 1978 c 773 s 5]

275.51 LEVY LIMITS. Subdivision 1. Notwithstanding any provisions of law or municipal charter to the contrary which authorize ad valorem levies in excess of the limitations established by sections 275.50 to 275.56, but subject to section 275.56, the

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provisions of this section shall apply to the levies by governmental subdivisions in the years 1975, 1976 and subsequent years for all purposes other than those for which special levies and special assessments are made.

Subd. 2. The property tax levy limitation for governmental subdivisions in 1971 is calculated as follows. There shall be calculated the aggregate of receipts by each governmental subdivision from:

(a) the total amount of property taxes levied before any reduction prescribed by sections 273.13 and 273.135 in respect to homestead property, by or for each governmental subdivision in 1970, or in the most recent preceding year when such taxes were levied for a period of 12 months if the governmental subdivision levied such taxes for a shorter period in 1970, for all purposes, except for special assessments and special levies;

(b) exempt property tax reimbursement payments, if any, estimated by the department of revenue to be due and payable for the year 1971 from the state pursuant to section 273.69, minus the allocation of these payments on a percentage distribution basis to the welfare aids and bonded indebtedness special levies in taxes payable year 1971;

(c) per capita aid payments estimated by the department of revenue to be due and payable for the year 1971 from the state pursuant to sections 297A.51 to 297A.60, minus the allocation of these payments on a percentage distribution basis to the welfare aids special levy in taxes payable year 1971.

The aggregate of the foregoing receipts shall be divided by the 1970 population of the governmental subdivision established pursuant to section 275.53. The resulting quotient (1970 payable 1971 levy limit base per capita) shall be increased pursuant to section 275.52, subdivision 2, to derive the 1971 payable 1972 levy limit base per capita. The 1971 payable 1972 levy limit base per capita shall then be multiplied by the 1971 population of the governmental subdivision established pursuant to section 275.53. From the resulting figure (1971 payable 1972 levy limit base) shall be deducted the amount estimated by the department of revenue of state formula aids to be paid pursuant to section 477A.01, as amended and the taconite production tax municipal aids to be paid pursuant to section 298.282, as amended, to the governmental subdivision during the calendar year 1972. The resulting figure is the amount of property taxes which the governmental subdivision may levy in 1971 for all purposes other than those for which special levies and special assessments are made.

Subd. 3. [Repealed, 1975 c 437 art 4 s 10]

Subd. 3a. [Repealed, 1975 c 437 art 4 s 10]

Subd. 3b. [Repealed, 1977 c 423 art 5 s 7]

Subd. 3c. [Repealed, 1977 c 423 art 5 s 7]

Subd. 3d. The property tax levy limitation for governmental subdivisions in 1977 payable in 1978 and subsequent years shall be calculated as follows:

(a) The sum of the following amounts shall be computed: (1) the property tax permitted to be levied in 1976 payable 1977 computed pursuant to Minnesota Statutes 1976, Section 275.51, Subdivision 3c, plus

(2) the amount of any state aids the governmental subdivision was entitled to receive in calendar year 1977 pursuant to sections 477A.01; 298.26; 298.28, subdivisions 1 and 1a; 298.281, subdivision 1; 298.282; and 294.26, plus

(3) the amount levied in 1976 payable 1977 pursuant to Minnesota Statutes 1976, Section 275.50, Subdivision 5, Clauses (a), (c), (d), (e), and (f), except for levies made to pay tort judgments and make settlements of tort claims or to pay the salaries and benefits of municipal and probate court judges, plus

(4) the amount levied in 1976 payable 1977 pursuant to Minnesota Statutes 1976, Section 275.50, Subdivision 5, Clause (g) for the administrative costs of public assistance programs or county welfare systems, plus

(5) one-half of the amount of the special levy authorized under section 275.50, subdivision 5, clause (n) shall be added to the permanent levy limit base of the governmental subdivision in the year following the year in which it has been discontinued as a special levy pursuant to the provisions of section 275.50, subdivision 5, clause (n).

(b) The sum computed in clause (a) shall be increased annually in the manner provided in section 275.52 to derive the levy limit base for successive years.

(c) For taxes levied in 1978 payable 1979 and subsequent years, the levy limit base is the levy limit base which was computed for the immediately preceding year under the provisions of this section increased according to the provisions of section 275.52. Any amount levied in 1976 payable 1977 under the provisions of section 275.50, subdivision 5, clauses (a), (c), (d), (e) or (f) to meet the costs of programs, services or legal requirements which cease to exist in a subsequent year shall be subtracted from the levy limit base in the year in which the programs, services or legal requirements for which the levy was made cease to exist.

(d) The levy limit base shall be reduced by the total amount of state formula aids pursuant to section 477A.01 and taconite taxes and aids pursuant to sections 294.26; 298.26; 298.28, subdivision 1; and 298.282, to be paid in the calendar year in which property taxes are payable. As provided in section 298.28, subdivision 1, for taxes payable in 1978 and 1979, two cents per taxable ton, and for taxes payable in 1980 and thereafter, one cent per taxable ton of the amount distributed under section 298.28, subdivision 1, clause (4)(c) shall not be deducted from the levy limit base of the counties that receive that aid. The resulting figure is the amount of property taxes which a governmental subdivision may levy for all purposes other than those for which special levies and special assessments are made.

Subd. 4. If in any year subsequent to 1973 the levy made by a governmental subdivision exceeds the limitation provided in sections 275.50 to 275.56, except when such excess levy is due to the rounding of the mill rates of the governmental subdivision in accordance with section 275.28, subsequent distributions required to be made by the commissioner of finance from any formula aids pursuant to section 477A.01, shall be reduced 33 cents for each full dollar the levy exceeds the limitation; provided that a governmental subdivision may determine to levy in excess of the limitation provided in sections 275.50 to 275.56 by not to exceed five percent by passing a resolution setting forth the amount by which the levy limit is proposed to be exceeded. Thereafter the resolution shall be published for two successive weeks in the official newspaper of the governmental subdivision or if there be no official newspaper, in a newspaper of general circulation therein, together with a notice fixing a date for a public hearing on the proposed increase which hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the governing body may determine to take no further action, or in the alternative, adopt a resolution authorizing the levy as originally proposed, or adopt a resolution approving a levy in such lesser amount as it so determines. The resolution authorizing a levy in excess of the limitation imposed by sections 275.50 to 275.56 shall be published in the official newspaper of the governmental subdivision or if there be no official newspaper, in a newspaper of general circulation therein. If within 30 days thereafter, a petition signed by voters equal in number to five percent of the votes cast in the governmental subdivision in the last general election or 2,000 voters, whichever is less, requesting a referendum on the proposed resolution is filed with the clerk or recorder of the governmental subdivision if the governmental subdivision is a city or town, or with the county auditor if the governmental subdivision is a county, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue is directed to prepare a suggested form of question to be presented at any such referendum. A levy approved at any such referendum held at a special or general election held prior to October 1 in any levy year increases the allowable levy in that same levy year and provides a permanent adjustment to the levy limit base per capita of the governmental subdivision for future levy years, and there shall be no reduction in distributions of formula aids to the governmental subdivision as a result of such levy. If no referendum is requested, the excess levy authorized by the resolution, if the resolution is adopted prior to October 1 in any year, may be levied in that same levy year and subsequent distributions required to be made by the commissioner of finance from any formula aids pursuant to section 477A.01, shall be reduced 15 cents for each full dollar the levy exceeds the limitation. The provisions of this subdivision shall apply to the levy of a metropolitan county before the reduction required pursuant to section 163.051, subdivision 5.

[Ex1971 c 31 art 26 s 2; 1973 c 123 art 5 s 7; 1973 c 492 s 14; 1973 c 582 s 3; 1973 c 650 art 4 s 4-8; 1974 c 198 s 2; 1975 c 437 art 4 s 2-5; 1977 c 423 art 5 s 2; 1978 c 767 s 13]

275.52 TAX LIMITATION INCREASES AND DECREASES. Subdivision 1. Any limitation prescribed by section 275.51 upon the amount of taxes which may be levied by a governmental subdivision may be increased in the manner and to the extent permitted by this section.

Subd. 2. The levy limit base, as adjusted for previous increases pursuant to this section, may be increased each year by the governing body of the governmental subdivision affected thereby in the amount not to exceed six percent of the previous year's levy limit base.

Subd. 3. If the population of any governmental subdivision increases from one year to the next, the current year's levy limit base shall, for purposes of sections 275.50 to 275.56, be increased by an amount equal to the levy limit base per capita for the previous year increased pursuant to subdivision 2 times the current year's population.

Subd. 4. The levy limit base of a governmental subdivision may be increased upon approval by the levy limit review board established in section 275.551, for the following reasons:

(a) Any governmental subdivision which spent money from its surplus funds for nonspecial levy purposes in calendar year 1971 may have its levy limit base increased by an amount not to exceed the amount of revenue it used from surplus funds for nonspecial levy purposes in calendar year 1971.

(b) Any governmental subdivision which has been required to provide new services because of changes in state law, whether or not the changed law directly mandates new services, may have its levy limit base increased by an amount not to exceed the amount required to finance the services, provided that the services may not be financed by special levies or special assessments.

(c) Any governmental subdivision which has been required to provide new or expanded services because of annexations, consolidations, mergers or new incorporations since 1970 may have its levy limit base increased by an amount not to exceed the amount required to finance the general operating costs involved in such services.

(d) Any city or township having statutory city powers which has a levy limit base per capita that is below 80 percent of the arithmetic average of the levy limit bases per capita for cities and townships having statutory city powers in the same county may have its levy limit base increased by an amount not to exceed the amount required to bring its levy limit base per capita up to 80 percent of the arithmetic average of levy limit bases per capita for all cities and townships having statutory city powers in the county which are governed by the provisions of sections 275.50 to 275.59. On or before July 1 of 1977 and each subsequent year, the commissioner of revenue shall certify the average levy limit base per capita for each county for purposes of this clause. Provided that if a city or township having statutory powers has received a levy limit base adjustment from the levy limit review board prior to June 1, 1977, that city or township may also qualify for a base adjustment in accordance with this clause.

Any governmental subdivision which desires to have its levy limit base adjusted under the provisions of this subdivision shall apply to the commissioner of revenue, who shall submit all applications to the levy limit review board established in section 275.551. Applications shall be in the form and accompanied by the data required by the levy limit review board. Adjustments authorized by the levy limit review board shall become a permanent part of the levy limit base for the governmental subdivision. The levy limit review board may authorize only one levy limit base adjustment for any governmental subdivision under this subdivision.

Subd. 5. For taxes levied in 1977 payable in 1978 or for taxes levied in 1978 payable in 1979 a city other than a city of the first class, town, or county not containing a city of the first class which, in the preceding levy year, levied at least 98 percent of its total limited levy amount, may determine to levy in excess of the limitation provided in sections 275.50 to 275.56 by not to exceed 10 percent of its levy limit base by passing a resolution setting forth the amount by which the levy limit is proposed to be exceeded. The resolution shall be published for four successive weeks in the official newspaper of the governmental subdivision or if there is no official newspaper, in a newspaper of general circulation therein, together with a notice fixing a date for a public hearing on the proposed increase which hearing shall be held not less than four weeks nor more than six weeks after the first publication of the resolution. Following

the public hearing, the governing body may determine to take no further action, or in the alternative, adopt a resolution authorizing the levy as originally proposed, or adopt a resolution approving a levy in such lesser amount as it so determines. The resolution shall be published in the official newspaper of the governmental subdivision or if there is no official newspaper, in a newspaper of general circulation therein. If within 30 days thereafter, a petition signed by voters equal in number to five percent of the votes cast in the governmental subdivision in the last general election or 2,000 voters, whichever is less, requesting a referendum on the proposed resolution is filed with the clerk or recorder of the governmental subdivision if the governmental subdivision is a city or town, or with the county auditor if the governmental subdivision is a county, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at any such referendum. A levy increased pursuant to this subdivision, whether not challenged or approved at a referendum held at a special or general election held prior to October 1 in any levy year, increases the allowable levy in that same levy year and provides a permanent adjustment to the levy limit base of the governmental subdivision for future levy years. There shall be no reduction in distributions of formula aids to the governmental subdivision as a result of the additional levy.

[*Ex1971 c 31 art 26 s 3; 1973 c 650 art 4 s 9,10; 1975 c 437 art 4 s 6; 1976 c 280 s 1; 1977 c 423 art 5 s 3-6*]

275.53 GOVERNING CENSUS. Subdivision 1. For the purpose of determining the amount of tax that a governmental subdivision may levy in accordance with a per capita limitation established by this chapter or the amount of aid that a city or township may receive pursuant to section 477A.01, the population of the governmental subdivision shall be that established by the last state or federal census, or by a special census taken within the entire governmental subdivision pursuant to sections 275.50 to 275.56 or to any other law, by a census taken pursuant to subdivision 2, or by a population estimate made by the metropolitan council, by an order of the Minnesota municipal board pursuant to section 414.01, subdivision 14, or by an estimate made pursuant to subdivision 3, whichever is the most recent as to the stated date of count or estimate, up to and including October 1 of the current levy year. Population changes established after October 1 of the current levy year shall not be used in determining the levy limitation of a governmental subdivision for the current levy year under sections 275.50 to 275.56.

Subd. 2. The governing body of a governmental subdivision may, in any year, pass a resolution requesting the secretary of state to take a special census of that governmental subdivision for the purpose of computing the amount of tax that it may levy. Upon being furnished a certified copy of the resolution, the secretary of state shall cause such a census to be taken under his immediate supervision and under such rules and regulations as he may prescribe. The results of the census shall be certified by governmental subdivision within three months after he has received a certified copy of the resolution by which the census was requested. The expense of taking the census shall be paid by the governmental subdivision in which the census is taken.

Subd. 3. (a) In lieu of passing a resolution pursuant to subdivision 2, the governing body of a governmental subdivision may pass by June 1 of any year a resolution containing an estimate of the current population of the subdivision. The resolution shall describe the criteria upon which the estimate is based, and shall state that the estimate is made for purposes of increasing that subdivision's tax levy pursuant to sections 275.50 to 275.56 or local government aids pursuant to section 477A.01. The resolution shall be in the form and accompanied by the data required by the state planning agency.

(b) The resolution shall then be submitted to the state planning agency. The agency shall determine, and inform the subdivision in writing within 30 days of receipt of the resolution, whether the criteria and process described therein do or do not provide a reasonable basis for the population estimate. The estimate prepared by the subdivision shall be reviewed by the state planning agency with reference to county population estimates prepared by the state demographer. The state demographer's county population estimates will be used as a county control.

(c) If the agency determines that the criteria and process used by the subdivision do not provide a reasonable basis for the population estimate, the resolution shall be

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of no effect. If the agency determines that the criteria do provide a reasonable basis for the population estimate, the resolution shall be published at least once in a legal newspaper of general circulation in said subdivision. Said estimate may be used for computing the amount of ad valorem taxes the subdivision may levy, unless within 30 days following the publication of the resolution, 10 percent or more of the registered voters of the subdivision, or if the subdivision does not require voter registration, then 10 percent or more of its voters, who voted at the subdivision's last election, sign a petition demanding a special census, and submit the petition to the governing body of the subdivision.

(d) Attached to the petition shall be an affidavit executed by the circulator or circulators thereof, stating that he or they personally circulated the petition, the number of signatures thereon, that all signatures were affixed in his or their presence and that he or they believe them to be genuine signatures of the persons whose names they purport to be. Each signature need not be notarized.

(e) Upon the receipt of a petition conforming to this subdivision, the governing body shall pass a resolution requesting the secretary of state to take a special census of the governmental subdivision. The census shall be taken and financed pursuant to the provisions of subdivision 2. Any population estimate made by the governing body of any governmental subdivision shall be superseded by any subsequent state or federal census taken pursuant to sections 275.50 to 275.56 or any other law, or by a population estimate made by the metropolitan council or the state demographer. The governing body of a governmental subdivision may not avail itself of the provisions of this subdivision during any year for which any state or federal census has been taken or for which the metropolitan council has made a population estimate of the subdivision.

[*Ex1971 c 31 art 26 s 4; 1973 c 650 art 4 s 11,12; 1975 c 46 s 5; 1975 c 271 s 6; 1975 c 437 art 4 s 7; 1977 c 423 art 6 s 1,2*]

275.54 CONSOLIDATION OF GOVERNMENTAL SUBDIVISIONS. Subdivision

1. If all or part of the area included within two or more governmental subdivisions is consolidated, merged, or otherwise combined to constitute a single governmental subdivision, and differing limitations upon the amount of tax levy per capita apply to the governmental subdivisions from which the consolidated, merged, or otherwise combined governmental subdivision was formed, the limitation applicable to the surviving entity for purposes of sections 275.50 to 275.56 shall be equal to the highest limitation applicable to any one of the constituent subdivisions prior to the consolidation, merger or other combination.

Subd. 2. If a function or service of one governmental subdivision is transferred to another governmental subdivision, the levy limitations established by Extra Session Laws 1971, Chapter 31, shall be adjusted by the commissioner of revenue in such manner so as to fairly and equitably reflect the reduced or increased property tax burdens of such subdivisions resulting from such transfer. The aggregate of the adjusted limitations shall not exceed the aggregate of such limitations prior to adjustment.

[*Ex1971 c 31 art 26 s 5; 1973 c 582 s 3*]

275.55 STATE REVIEW AND REGULATION OF LEVIES. The commissioner of revenue, or his designees, shall establish procedures by which levies of all governmental units shall be periodically reviewed. The commissioner shall be empowered to order withholding of state aids where such penalties are authorized by law, to issue, in accordance with chapter 15, rulings interpreting sections 275.50 to 275.56, and to take such other administrative actions as he deems necessary in order to carry out the provisions of sections 275.50 to 275.56. If the commissioner of revenue takes administrative action or any other action authorized by this section to enforce the provisions of sections 275.50 to 275.56, he shall give written notice of such action to the governmental subdivision affected. Such notice shall specify the actual or impending violations by the governmental subdivision of sections 275.50 to 275.56 or the rules and regulations of the department of revenue pertaining thereto, describe the corrective action required, including, in the case of an excess levy, reduction of the governmental subdivision's levy in the next succeeding levy year in an amount equal to the amount of the excess levy, set a reasonable period of time within which the governmental subdivision shall correct the specified actual or impending violations and caution the governmental subdivision that if the specified correction is not made within the time allowed, the state aids to the governmental subdivision pursuant to sections 477A.01

and 298.282, as amended, will be reduced as provided in section 275.51, subdivision 4. The time period first allowed for correction may be extended by the commissioner if he finds a reasonable basis for delay. County auditors, in addition to duties otherwise provided by law, shall cooperate with the commissioner in establishing such procedures and enforcing the provisions of sections 275.50 to 275.56.

[*Ex1971 c 31 art 26 s 6; 1973 c 582 s 3; 1973 c 650 art 4 s 13*]

275.551 LEVY LIMITATIONS REVIEW BOARD. Subdivision 1. A levy limitations review board is hereby created to resolve questions concerning administrative interpretation of sections 275.50 to 275.56 that require review and to hear appeals by governing bodies of governmental subdivisions who disagree with the administrative rulings issued by the commissioner of revenue pursuant to section 275.55.

The members of the review board shall be the commissioner of revenue, the chairman of the Minnesota municipal board and one public member appointed by the governor, by and with the approval of the senate. The first public member, however, shall be appointed for a term ending February 15, 1975.

The public member shall be a citizen of the state who is knowledgeable in finance and local government. The public member shall not, at the time he is a member of the board, hold any other public office, or be employed by or represent a governmental subdivision, or have any personal financial interest in any contract with a governmental subdivision, or serve in any capacity where a conflict of interest could arise.

Subd. 2. The membership term, compensation, removal, and filling of vacancies for the public member on the board shall be as provided in section 15.0575.

[*1973 c 582 s 3; 1973 c 650 art 4 s 14; 1975 c 271 s 6; 1976 c 134 s 63*]

275.552 CONTESTED CASES; HEARING, NOTICE, EVIDENCE, DECISIONS, ORDERS. The governing body of a governmental subdivision to whom a notice pursuant to section 275.55 is given may by a majority vote of the whole governing body decide to dispute the commissioner's administrative action. Notice of such decision must be given the commissioner within 30 days of the issuance of the commissioner's notice, or else the commissioner's decision is final and not subject to the review of the levy limitations review board. Upon receipt of a notice from a governmental subdivision within the time allowed, disputing the commissioner's administrative action, the commissioner shall conduct further investigation of the disputed issues of fact as he deems necessary. If the commissioner continues to adhere to his previous notice, the governing body of the governmental subdivision shall be entitled to a hearing before the levy limitations review board. The board shall set a time and place for the hearing and notice shall be given by mail to the governing body of the governmental subdivision. The board shall adopt rules governing the proceedings for hearings which shall afford all interested parties the opportunity to present evidence and arguments with respect to the contested issues of fact. The decision of the board shall be in writing, and shall state in detail the basis and reason for each conclusion upon each contested issue of fact. A copy of the decision and order together with the detailed reasons shall be delivered or mailed to the governmental subdivision or its attorney of record. The decision of the levy limitations review board under this section may be reviewed on certiorari by the district court of the county wherein the governmental subdivision, or any part thereof, is located.

[*1973 c 650 art 4 s 15*]

275.56 EFFECT UPON OTHER LEVY LIMITS. All special and general laws and charter provisions establishing per capita, mill, or other general limitations on tax levies of governmental subdivisions are hereby superseded to the extent that they authorize property taxation in excess of the limitations established by sections 275.50 to 275.56, but otherwise such levy limitations and those established for special purposes are in no way affected by sections 275.50 to 275.56.

[*Ex1971 c 31 art 26 s 7*]

275.561 LEVY LIMITATION. Nothing in Laws 1973, Chapter 583, shall be construed to permit any county to levy in excess of the levy limitation imposed by sections 275.50 to 275.56.

[*1973 c 583 s 38*]

275.57 TAX LEVY FOR REMOVAL OF PROPERTY CONDEMNED AS HAZARDOUS TO HEALTH, SAFETY OR WELFARE. The governing body of any county, city or town may levy a tax in such amount as may be required for the purpose of the demolition, or removal of real property within the boundaries of the municipality which has been condemned as being hazardous to the health, safety or welfare of the public by governmental authorities possessing condemnation powers. Such tax shall be in addition to any tax or levy limitations otherwise imposed by law or home rule charter, or Extra Session Laws 1971, Chapter 31. Nothing contained herein shall be construed to affect the responsibility of a property owner for the making of such demolition or removal, nor the right of a municipality to recover from the owner any costs incurred.

[*Ex1971 c 31 art 28 s 1; 1973 c 123 art 5 s 7*]

275.58 ELECTIONS TO INCREASE LEVY. Subdivision 1. Notwithstanding the provisions of sections 275.50 to 275.56, but subject to other law or charter provisions establishing per capita, mill or other limitations on the amount of taxes that may be levied, the levy of a governmental subdivision, as defined by section 275.50, subdivision 1, may be increased above the limitation imposed by sections 275.50 to 275.56 in any per capita or dollar amount which is approved by the majority of voters of the governmental subdivision voting on the question at a general or special election. When the governing body of the governmental subdivision resolves to increase the levy of the governmental subdivision pursuant to this section, it shall provide for submission of the proposition of an increase in the levy limit base per capita or the proposition of an additional levy, as the case may be, at a general or special election. Notice of such election shall be given in the manner required by law. If the proposition is for an adjustment to the governmental subdivision's levy limit base per capita, increasing the levy limit base per capita over the per capita amount established pursuant to section 275.51, subdivision 3, such notice shall state the purpose of such per capita adjustment and the per capita amount of such adjustment. If the proposition is for an additional levy, such notice shall state the purpose and maximum yearly amount of such additional levy.

Subd. 2. A levy limit base per capita adjustment approved pursuant to subdivision 1 at a general or special election held prior to October 1 in any levy year increases the levy limit base per capita in that same levy year by the approved per capita amount and provides a permanent adjustment to the levy limit base per capita of the governmental subdivision for future levy years. A levy limit base per capita adjustment approved pursuant to subdivision 1 at a general or special election held after September 30 in any levy year shall not increase the levy limit base per capita in that same levy year but shall provide a permanent adjustment to the levy limit base per capita of the governmental subdivision for future levy years.

Subd. 3. An additional levy approved pursuant to subdivision 1 at a general or special election held prior to October 1 in any levy year may be levied in that same levy year and in any levy years thereafter. An additional levy approved pursuant to subdivision 1 at a general or special election held after September 30 in any levy year shall not be levied in that same levy year, but may be levied in the subsequent levy year and in levy years thereafter.

Subd. 4. An additional levy approved by the majority of the voters of the governmental subdivision pursuant to subdivision 1 is over and above the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 and shall not be subject to the penalty provisions of section 275.51, subdivision 4. A levy limit base per capita adjustment approved by the majority of the voters of the governmental subdivision pursuant to subdivision 1 is a permanent adjustment to the levy limit base per capita established pursuant to section 275.51, subdivision 3, and shall not be subject to the penalty provisions of section 275.51, subdivision 4.

Subd. 5. Notwithstanding any statute, special law, ordinance or charter provision to the contrary, it shall require approval of a majority of those voting on the question to pass a referendum pursuant to subdivision 1.

Subd. 6. Notwithstanding any statute, special law, ordinance or charter provision to the contrary, the governing body of a governmental subdivision may call and hold special elections pursuant to this section.

[*1973 c 650 art 4 s 16*]

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275.59 GOVERNMENTAL SUBDIVISIONS UNDER 2,500 POPULATION; EXEMPTION FROM LEVY LIMITS. Commencing with levy year 1975 and thereafter, taxes payable in 1976 and thereafter, the provisions of sections 275.50 to 275.52 and 275.54 to 275.56 shall not apply to any city, statutory city or town with statutory city powers whose population according to the latest state or federal census is under 2,500.

[1973 c 123 art 5 s 7; 1973 c 650 art 4 s 17; 1975 c 437 art 4 s 8; 1977 c 423 art 6 s 3]