

MINNESOTA STATUTES 1979 SUPPLEMENT

TAXES; LEVY, EXTENSION 275.125

Subd. 4. **Exceptions.** The provisions of this section shall not apply to any property purchased from an authority which acquired such property with tax increment or bonds issued pursuant to Laws 1979, Chapter 322, Sections 10 to 12.

[1979 c 322 s 9]

CHAPTER 274. ASSESSMENTS; REVIEW, CORRECTION, EQUALIZATION

Sec.
274.18 Abstract of realty assessment roll to town clerks.

274.18 Abstract of realty assessment roll to town clerks.

On or before the first Tuesday of March, in each year, the county auditor shall make out and transmit to each town clerk in his county a certified copy or abstract of the real estate assessment roll of such town, as equalized by the county and state boards of equalization.

[1979 c 50 s 31]

CHAPTER 275. TAXES; LEVY, EXTENSION

Sec. 275.077	Errors by county auditor affecting township levy.	Sec. 275.50	Levy limits: definitions.
275.10	Repealed.	275.51	Levy limits.
275.125	Tax levy, school districts.	275.52	Tax limitation increases and decreases.
		275.53	Governing census.

275.077 Errors by county auditor affecting township levy.

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

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

[1979 c 16 s 1,2]

275.10 [Repealed, 1979 c 153 s 2]

275.125 Tax levy, school districts.

Subdivision 1. Except as may otherwise be provided in this section, the words and phrases defined in sections 124.01 and 124.212 when used in this section shall have the meanings ascribed to them in those sections.

Subd. 2a. (1) In 1979, a school district may levy for all general and special school purposes, an amount equal to the amount raised by 23 mills times the 1978 adjusted assessed valuation of the district.

(2) In 1980, a school district may levy for all general and special school purposes, an amount equal to the amount raised by 21 mills times the 1979 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 oth-

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erwise 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 1979, in any year when the amount of the maximum levy allowed by subdivision 2a, clause (1) or (2), for any district with 950 or more pupil units under section 124.17, subdivision 1, clauses (1) and (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, subdivision 1, clauses (1), (2), (4) and (5), 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 section 124.17, subdivision 1, clauses (1), (2), (4) and (5), 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 124.225, 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, 124.225, 124.32, 124.573, and 124.574, for the year to which the levy is attributable, the district may adjust its levies in the suc-

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ceeding years to make up this difference. The amount by which the district adjusts any levy in the succeeding years pursuant to this section shall be recognized as revenue in the school year when the levy which is so adjusted is recognized as revenue.

(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, 124.225, 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, 124.225, 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 state shall pay the amount under sections 124.20, 124.212, 124.225, 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, 124.225, 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, subdivision 1, clauses (1), (2), (4) and (5), 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, subdivision 1, clauses (1), (2), (4) and (5), 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, 124.225, 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, 124.225, 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.

(10) The provisions of clauses (2) to (9) shall govern 1979-1980 aids, the adjustment of levies, and statutory cross-references to the 1978 levy, for any district which levied pursuant to clause (1) in 1978 and which is not required to levy pursuant to clause (1) in 1979 or subsequent years.

Subd. 2c. (1) Beginning in 1979, in any year when the amount of the maximum levy limitation under subdivision 2a, clause (1) or (2), for any district with fewer than 950 pupil units under section 124.17, subdivision 1, clauses (1) and (2), exceeds the product of the district's foundation aid formula allowance for the year in which the levy is recognized as revenue times the estimated number of pupil units for that district identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), for that school year, the levy limitation for that district under 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 Minne-

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sota Statutes 1978, Section 275.125, subdivision 2a, clause (1), or the following difference but not to exceed the levy limitation 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 recognized as revenue, times the estimated number of pupil units for that district identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), for that school year, less

(b) the estimated amount of any payments which would reduce the district's foundation aid entitlement as provided in section 124.212, subdivision 5a in the school year in which the levy is recognized as revenue.

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

[For text of subs 3 to 5a, see M.S.1978]

Subd. 6. [Repealed, 1979 c 334 art 1 s 27]

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 1979 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 as levied for retirement in 1978 under this 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. 6b. (1) In 1979 any district which qualified in 1978 for an excess levy under Minnesota Statutes 1978, Section 275.125, Subdivision 6 or 7, may levy an amount equal to the product obtained by multiplying

(a) the lesser of

(i) one or

(ii) the ratio of the district's 1978 adjusted assessed valuation per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in 1979-1980, to the state average 1978 adjusted assessed valuation per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the state in 1979-1980, times

(b) the product obtained by multiplying

(i) the amount per pupil unit which the district was permitted to levy in 1978 under Minnesota Statutes 1978, Section 275.125, Subdivisions 6 and 7, times

(ii) the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (6), and (7), in the district in 1979-1980.

(2) In 1980 and each year thereafter, any district which qualified in 1979 for an excess levy under clause (1), shall be allowed to levy an amount equal to the product obtained by multiplying

(a) the lesser of

(i) one or

(ii) the ratio of the district's adjusted assessed valuation in the preceding year per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the school year when the levy is certified, to the state average adjusted assessed valuation in the preceding year per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), in the school year when the levy is certified, times

(b) the greater of

(i) the amount derived in clause (1), part (b), or

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(ii) the product obtained by multiplying the number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2) in the district in the school year when the levy is certified, times the quotient obtained by dividing the amount derived in clause (1), part (b), by the number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), in the district in 1979-1980.

Subd. 6c. (1) In 1979 any district may levy an amount equal to the lesser of

(a) the product obtained by multiplying

(i) the ratio of

(A) the quotient obtained by dividing the sum of the additional amounts of aid the district would receive if pupil units identified in section 124.17, subdivision 1, clauses (6) and (7) were used in addition to the pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the computation pursuant to section 124.212, subdivision 7c, clause (1), and if section 124.224 were effective in the 1980-1981 school year, by the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in 1980-1981, to

(B) \$55,000, times

(ii) the district's 1978 adjusted assessed valuation, or

(b) the additional amounts of aid the district would receive if pupil units identified in section 124.17, subdivision 1, clauses (6) and (7) were used in addition to the pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the computation pursuant to section 124.212, subdivision 7c, clause (1), and if section 124.224 were effective in the 1980-1981 school year.

(2) In 1980 and each year thereafter, any district which qualified for a levy under clause (1) may levy an amount equal to the lesser of

(a) the product obtained by multiplying

(i) the ratio of the foundation aid formula allowance for the school year to which the levy is attributable pursuant to section 121.904, subdivision 4, to \$1,265, times

(ii) the ratio of the amount derived in clause (1), part (a) (i) (A), to the equalizing factor for the school year to which the levy is attributable, times

(iii) the district's adjusted assessed valuation for the preceding year, or

(b) the product obtained by multiplying

(i) the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5) in the district in the school year to which the levy is attributable pursuant to section 121.904, subdivision 4, times

(ii) the ratio of the foundation aid formula allowance for the year to which the levy is attributable pursuant to section 121.904, subdivision 4, to \$1,265, times

(iii) the amount derived in clause (1), part (a) (i) (A).

Subd. 7. [Repealed, 1979 c 334 art 1 s 27]

Subd. 7a. (1) In 1979 each district which levies the maximum permissible amount pursuant to subdivisions 2a, clauses (1), (2) and (4), 6b, and 6c, may levy an additional amount which shall not exceed the lesser of (a) an amount equal to one-half mill times the district's 1978 adjusted assessed valuation or (b) the product obtained by multiplying \$27.50 times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in 1979-1980.

(2) In 1980 and each year thereafter, each district which levies the maximum permissible amount pursuant to subdivisions 2a, clauses (1), (2) and (4), 6b, and 6c, may levy an additional amount which shall not exceed the lesser of (a) an amount equal to one mill times the district's adjusted assessed valuation for the preceding year or (b) the product obtained by multiplying (i) the ratio of the equalizing factor to 1,000, times (ii) the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in the school year when the levy is certified.

(3) By August 1 before a district certifies any levy pursuant to this subdivision in 1979, or by the July 1 before a district certifies any levy pursuant to this subdivision in 1980, in any even-numbered year thereafter, or in any odd-numbered year thereafter

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when the district has not certified a levy pursuant to this subdivision in the preceding year, the board of the district shall hold a public hearing on the need for the proposed levy pursuant to this subdivision. At least three weeks published notice of the hearing in 10 point type, on 12 point body, with a larger headline, shall be given in the legal newspaper with the largest circulation in the district. The notice shall state the amount of the proposed levy in dollars and mills, the net unappropriated fund balance in the district's operating funds as of the June 30 before the levy is certified, and the tax impact of the proposed levy on homesteads with market values of \$30,000 and \$50,000. At the hearing, the district shall present its proposed revenue and expenditure budgets for the next two school years and the net unappropriated fund balances in all district funds as of the June 30 before the levy is certified, and the board shall hear all parties requesting to give testimony for and against the proposed levy. Upon petition within 20 days after the hearing of five percent of the number of voters who voted in the district at the preceding statewide general election, the board shall call a referendum on a reduction of the proposed levy. The petition shall state the number of mills on the district's adjusted assessed valuation by which it proposes to reduce the proposed levy. No petition or referendum shall provide for a reduction of a proposed levy pursuant to this subdivision to a rate less than one-half mill on the district's adjusted assessed valuation below the rate levied by the district pursuant to this subdivision in the preceding year. The referendum shall be held on a date set by the school board, but no later than September 20 in 1979 or the August 20 before the levy is certified in subsequent years. The question on the ballot shall state the maximum amount of the proposed levy, the amount of the proposed reduction of the levy and the amount of the levy if the reduction is approved, in mills on the district's adjusted assessed valuation and in dollars in the first year of the proposed levy. The district may levy the amount provided by the millage proposed by the school board, reduced by any reduction in millage approved at a referendum pursuant to this clause, applied to the preceding year's adjusted assessed valuation until the next even-numbered year. The district is not required to hold a public hearing or call a referendum on a levy pursuant to this subdivision in any odd-numbered year after 1979 which succeeds a year in which a levy is certified pursuant to this subdivision.

Subd. 7b. (1) It is the intention of the legislature that the revenue provided by the discretionary levy authorized in subdivision 7a and by the corresponding portion of foundation aid provided in section 124.212, subdivisions 7c, clause (5), and 7d, clause (5), be used to improve instructional programs in grades kindergarten through 12. If the board of any district with a reasonable general fund balance determines that all or part of this revenue is not needed for this purpose and if this determination is demonstrated by an increase in the district's general fund balance in any fiscal year starting in fiscal year 1981, the mill rate used to calculate the authorized discretionary levy and the corresponding portion of foundation aid shall be reduced as provided in this subdivision. For purposes of this subdivision, a "reasonable general fund balance" shall mean \$150 per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5).

(2) In any district where the maximum permissible levy pursuant to subdivision 7a in 1981 or in any year thereafter is determined according to clause (2), part (a), of that subdivision, and where the net unappropriated general fund balance has increased between the second June 30 before the levy is certified and the June 30 before the levy is certified, the maximum permissible levy pursuant to subdivision 7a in that year shall be reduced by an amount equal to the product obtained by multiplying

(a) the ratio of

(i) the quotient obtained by dividing the amount of that increase in the general fund balance by the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in the year when the levy is certified, to

(ii) the equalizing factor, times

(b) the district's adjusted assessed valuation for the preceding year.

No levy reduction pursuant to this clause, however, shall exceed an amount equal to the product obtained by multiplying

(a) the ratio of

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(i) the difference obtained by subtracting \$150 from the quotient obtained by dividing the amount of the net unappropriated general fund balance in the district as of the June 30 before the levy is certified, by the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in the year when the levy is certified, to

(ii) the equalizing factor, times

(b) the district's adjusted assessed valuation for the preceding year.

(3) In any district where the maximum permissible levy pursuant to subdivision 7a in 1981 or in any year thereafter is determined according to clause (2), part (b), of that subdivision, and where the net unappropriated general fund balance has increased between the second June 30 before the levy is certified and the June 30 before the levy is certified, the maximum permissible levy pursuant to subdivision 7a in that year shall be reduced by the amount of that increase in the general fund. No levy reduction pursuant to this clause, however, shall exceed an amount equal to the difference obtained by subtracting

(a) the product obtained by multiplying \$150 times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in the year when the levy is certified, from

(b) the amount of the net unappropriated general fund balance in the district as of the June 30 before the levy is certified.

Subd. 8. (1) In 1979, 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) \$2.50 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

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(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. The amount of any levy authorized by subdivision 7a 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 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 amount on the designated date: on or before March 15 of each year, 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 home-
stead credit as provided in section 273.135.

[For text of subs 9a and 10, see M.S.1978]

Subd. 11a. (a) A school district may levy an amount not to exceed the amount equal to \$80 per pupil unit or, in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year, \$85 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), and (5). No levy under this subdivision shall exceed ten 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 re-equip buildings and permanent attached fixtures, to pay leasing fees for computer systems hardware and related proprietary software, and to pay leasing fees for photocopy machines and telecommunications equipment. 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.

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(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.

[For text of subd 12, see M.S.1978]

Subd. 13. [Repealed, 1979 c 334 art 5 s 29]

[For text of subd 14, see M.S.1978]

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, 124.225 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.

[For text of subds 16 to 18, see M.S.1978]

Subd. 19. Beginning with the 1979 payable 1980 levy, any district which it is estimated will receive an amount of minimum foundation aid pursuant to section 124.212, subdivision 7c, clause (6) or its successor provision in the year to which the levy is attributable, shall reduce its levy limitation pursuant to subdivision 2a, clause (1) or (2), by the amount of minimum foundation aid which it is estimated that the district will receive in the year to which the levy is attributable.

Subd. 20. The computation of levy limitations pursuant to subdivisions 2c, 6c and 19 shall be based on estimates where necessary. If as a result of using estimates for these computations the amount of any levy is different from the amount which could actually have been levied if actual data had been available, levy limitations in the first year when the actual data is known shall be adjusted to reflect for this difference. The amount of any adjustment to levy limitations pursuant to this subdivision shall be recognized as revenue in the school year when the levy for which the levy limitation is so adjusted is recognized as revenue.

[1979 c 303 art 2 s 22; 1979 c 334 art 1 s 14-24; art 2 s 13; art 4 s 4; art 6 s 23]

275.50 Levy limits; definitions.

[For text of subds 1 to 4, see M.S.1978]

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1979 payable in 1980 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

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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 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 insolvency 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

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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

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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;

(r) pay the costs of financial assistance to local governmental units and certain administrative, engineering, and legal expenses pursuant to Laws 1979, Chapter 253, Section 3.

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 1980, payable in 1981.

[1979 c 253 s 2; 1979 c 257 s 3; 1979 c 303 art 2 s 23]

275.51 Levy limits.

[For text of subs 1 and 2, see M.S.1978]

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. To determine the levy limit base for taxes levied in 1979 payable 1980 and subsequent years, (a) the levy limit base used for taxes levied in 1979 payable in 1980 shall be increased by the excess of the amount levied in 1979 for refuse collection and street maintenance over the amount levied in 1978 payable 1979 for those purposes; and (b) in the case of a city of the first class located within the metropolitan area defined in section 473.121, subdivision 2, for the purpose of calculating the levy limit base to be used for taxes levied in 1979, payable 1980, the levy limit base used for taxes levied in 1978, payable 1979, shall be reduced by an amount sufficient to reduce the levy limitation for taxes levied in 1978 payable 1979 by 15 percent. 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.

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(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; 298.282 and state reimbursements for wetlands property tax exemptions provided in section 272.02, subdivision 1, clause (16); and the payments in lieu of taxes to a county pursuant to section 477A.12 which are required to be used to provide property tax levy reduction, 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.

[For text of subd 4, see M.S.1978]

[1979 c 303 art 2 s 24; art 8 s 5]

275.52 Tax limitation increases and decreases.

[For text of subds 1 to 3, see M.S.1978]

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 85 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 85 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 each 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, 1979, 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.

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[For text of subd 5, see M.S.1978]

[1979 c 303 art 2 s 25]

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 1a or 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. 1a. Beginning in 1980, the state demographer shall prepare an annual population estimate for each city and town having a population of 2,500 or more for which the metropolitan council does not prepare an annual population estimate.

[For text of subds 2 and 3, see M.S.1978]

[1979 c 303 art 2 s 26,27]

CHAPTER 276. COLLECTION, ACCOUNTING, DISTRIBUTION

Sec.
276.07 Undivided interest; payment and receipt.

276.07 Undivided interest; payment and receipt.

Any person holding an undivided interest in any property in this state listed for taxation, including mortgagees, lessees, and others, who by law or contract are required or entitled to pay taxes to protect any right, title, interest, claim, or lien held by them in, to, or upon undivided interests in land, may pay the taxes on such undivided interests, and on such payment the county treasurer may give his receipt for the amount so paid and specify the interest so paid on, and shall enter on his tax list the name of the person who paid such taxes and the interest paid, and shall report to the county auditor the payment of such taxes upon such undivided interests. Thereupon such undivided interests shall be exempt from proceedings to enforce the collection of the same tax against other undivided interests upon which such tax has not been paid, and the collection of such tax upon the undivided interests upon which the taxes have not been paid shall be proceeded with in the same manner as to such undivided interests as though it were a separate description.

[1979 c 50 s 33]

CHAPTER 279. DELINQUENT REAL ESTATE TAXES

Sec.
279.03 Interest on delinquent real estate taxes.

279.03 Interest on delinquent real estate taxes.

The rate of interest on delinquent real estate taxes is fixed at six percent per annum. All provisions of law providing for the calculation of interest at any different rate on delinquent taxes in any notice or proceeding in connection with the payment, collection, sale, or assignment of delinquent taxes, or redemption from such sale or assignment are hereby amended to correspond herewith. In calculating such interest for any frac-