

CHAPTER 275

TAXES; LEVY, EXTENSION

275.075	Omission by inadvertence; correction.	275.515	Exemption of certain town levies.
275.08	Auditor to fix rate.	275.52	Repealed.
275.125	Tax levy, school districts.	275.551	Repealed.
275.50	Levy limits; definitions.	275.552	Repealed.
275.51	Levy limits.	275.59	Repealed.

**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, inadvertence, or from the estimates as provided in section 275.08, 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, inadvertence, or from the estimates as provided in section 275.08, in addition to its current levy and in addition to and notwithstanding any limitations to the contrary.

*History: 1Sp1981 c 1 art 8 s 9*

**275.08 AUDITOR TO FIX RATE.**

Subdivision 1. **Generally.** 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.

Subd. 2. **Estimates.** If, by December 15 of any year, the county auditor has not received from another county auditor the mill rate or assessed value applicable to any taxing district lying in two or more counties, the county auditor who has not received the necessary information may levy taxes for the overlapping district by estimating the mill rate or the assessed value.

Subd. 3. **Assistance of county auditor.** A county auditor who has not furnished the mill rate or assessed value of property in the county by December 15 shall, on request, furnish the county auditor of a county in the overlapping district an estimate of the values or the mill rate. The auditor may request the assistance of the county assessor in determining the estimate.

Subd. 4. **Subsequent adjustment.** After the correct mill rate or assessed value has been certified, the amount of taxes over or under levied shall be computed and notice sent to each affected taxing district. If the estimated tax levy exceeds the correct tax levy based on actual assessed value and mill rate, the county treasurer shall remit any amount of excess which he collects to the affected taxing district. In the following levy year, the estimating county auditor shall adjust the levy of the affected taxing district to compensate for the amount of variance.

In the event that the estimated tax levy is less than the correct tax levy based on actual assessed value and mill rate, the auditor shall adjust the levy of the affected taxing district as provided in section 275.075.

*History: 1Sp1981 c 1 art 8 s 10*

**275.125 TAX LEVY, SCHOOL DISTRICTS.**

Subdivision 1. **Definitions.** Except as may otherwise be provided in this section, the words and phrases defined in sections 124.01, 124.212, 124.20 and 124.2121 to 124.2125 when used in this section shall have the meanings ascribed to them in those sections.

Subd. 2a. **Basic maintenance levy.** (1) Each year, a school district may levy for all general and special school purposes, an amount not to exceed the amount raised by the basic maintenance mill rate times the adjusted assessed valuation of the district for the preceding year.

(2) For purposes of this subdivision, the term "basic maintenance mill rate" shall have the meaning given it in section 124.2122.

Subd. 2b. [Repealed, 1981 c 358 art 1 s 49]

Subd. 2c. [Renumbered, 275.125, Subd. 2e]

Subd. 2d. **Referendum levy.** (1) The levy authorized by subdivision 2a 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.

(2) A referendum on the question of revoking the increased levy amount authorized pursuant to clause (1) of this subdivision 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. A levy approved by the voters of the district pursuant to clause (1) of this subdivision must be made 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.

(3) A petition authorized by clauses (1) or (2) shall be effective if signed by a number of qualified voters in excess of 15 percent, or ten 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.

(4) 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.

(5) 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. 2e. **Basic maintenance levy; districts off the formula.** (1) In any year when the amount of the maximum levy limitation under subdivision 2a for any district, exceeds the product of the district's foundation aid formula allowance for

# MINNESOTA STATUTES 1981 SUPPLEMENT

the year in which the levy is recognized as revenue times the estimated number of actual and AFDC pupil units for that district for that school year, the levy limitation for that district under subdivision 2a shall be limited to the greater of the dollar amount of the levy the district certified in 1977 under Minnesota Statutes 1978, Section 275.125, subdivision 2a, clause (1), or the following difference but not to exceed the levy limitation under subdivision 2a:

(a) the product of the district's foundation aid formula allowance for the school year in which the levy is recognized as revenue, times the estimated number of actual and AFDC pupil units for that district 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 124.2128, subdivision 4 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, for purposes of statutory cross-reference.

Subd. 2f. **Summer school levy.** A district may levy for summer school programs an amount equal to the following product:

(1) The district's summer school revenue allowance as defined in section 124.20 for the calendar year when the levy is certified, times

(2) the lesser of

(a) one or

(b) the ratio of

(i) the quotient derived by dividing the adjusted assessed valuation of the district in the third preceding year, by the number of actual and AFDC pupil units in the district in the preceding regular school year, to

(ii) the equalizing factor for the preceding regular school year.

*[For text of subs 3 to 5a, see M.S.1980]*

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 section 275.127 and chapter 422A may levy an amount per pupil unit which is equal to the amount levied in 1975 payable 1976, under section 275.127 and chapter 422A, 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, Section 275.127 and Chapter 422A.

Subd. 6b. **Grandfather levy.** (1) For purposes of this subdivision, the terms "grandfather guarantee" and "grandfather allowance" shall have the meanings given them in section 124.2123.

(2) Each year, any district which qualified in 1979 for an excess levy under this subdivision, 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 actual and AFDC pupil unit in the school year when the levy is certified, to the state average adjusted assessed valuation in the preceding year per actual and AFDC pupil unit in the school year when the levy is certified, times

(b) the greater of

(i) the district's grandfather guarantee, or

(ii) the product obtained by multiplying

(A) the number of actual pupil units in the district in the school year when the levy is certified, times

(B) the district's grandfather allowance.

(3) For purposes of computing levy limitations pursuant to this subdivision and the matching grandfather aid, the department shall use and shall not be required to subsequently adjust the state average adjusted assessed valuation per pupil unit determined as of the September 1 before the levy is certified.

Subd. 6c. **Replacement levy.** (1) For purposes of this subdivision, the term "replacement revenue" shall have the meaning given it in section 124.2124.

(2) Each year, any district which qualified for a levy under this subdivision in 1979 may levy an amount equal to

(a) the product obtained by multiplying

(i) the district's replacement revenue for the school year to which the levy is attributable, times

(ii) the lesser of

(A) one or

(B) the ratio of the district's adjusted assessed valuation for the preceding year per actual and AFDC pupil unit in the school year to which the levy is attributable, to the equalizing factor for the school year to which the levy is attributable.

Subd. 7a. **Discretionary levy.** (1) For purposes of this subdivision, the terms "discretionary allowance" and "discretionary mill rate" shall have the meanings given them in section 124.2125.

(2) In 1981 and each year thereafter, a district which levies the maximum permissible amount pursuant to subdivision 2a and subdivision 6b may levy an additional amount which shall not exceed the lesser of (a) an amount equal to the discretionary mill rate times the district's adjusted assessed valuation for the preceding year or (b) the product obtained by multiplying the applicable discretionary allowance times the actual and AFDC pupil units in the district in the school year when the levy is certified.

(3) In 1981 and each year thereafter, a district which levies the maximum permissible amount pursuant to subdivision 2a and subdivision 6b, and where the net unappropriated balance in all operating funds as of the preceding June 30 is less than \$165 per actual and AFDC pupil unit in the district in the school year when the levy is certified, may levy an amount which shall not exceed the lesser of (a) one mill times the district's adjusted assessed valuation for the preceding year or (b) the product obtained by multiplying the applicable discretionary allowance times the total number of pupil units in the district in the school year when the levy is certified, without holding a public hearing or conducting a referendum pursuant to clause (5).

# MINNESOTA STATUTES 1981 SUPPLEMENT

(4) The board is not required to hold a public hearing or conduct a referendum on the levy authorized by this subdivision in any year when it levies pursuant to clause (3) or when the board proposes to levy an amount not to exceed an amount equal to the preceding year's adjusted assessed valuation times the largest number of EARC mills previously levied by the district pursuant to this subdivision.

(5)(a) Except as provided in clause (3), the provisions of clause (5) shall apply to the levy authorization in this subdivision in any year when the board either proposes to levy pursuant to this subdivision for the first time or proposes to increase the number of mills which it levies against its adjusted assessed valuation pursuant to this subdivision to a number of mills greater than the largest number of mills previously levied against its adjusted assessed valuation pursuant to this subdivision.

(b) By July 15 in any year when clause (5) applies, the board of the district shall hold a public hearing on the need for the proposed levy or increase. At least three weeks published notice of the hearing in 10 point type or 5.0 agate type, 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 or increase in dollars, in EARC mills and in auditor's mills and the estimated net unappropriated fund balance in the district's operating funds as of the June 30 before the levy or increase is certified.

(c) At the hearing, the district shall present its proposed revenue and expenditure budgets for the next two school years, the estimated net unappropriated fund balances in all district funds as of the June 30 before the levy or increase is certified, and the estimated amount in dollars, in EARC mills and in auditor's mills of any reduction of the proposed levy which may be required by subdivision 7c. At the hearing, the board shall also hear all parties requesting to give testimony for and against the proposed levy or increase. Upon receipt of a petition within 30 days after the hearing, the board shall call a referendum on the proposed levy or increase. A petition shall be effective if signed by a number of qualified voters in the district equal to the greater of 50 voters or 15 percent of the number of voters who voted in the district at the most recent regular school board election.

(d) The referendum shall be held on a date set by the school board, but no later than the September 20 before the levy is certified.

The ballot shall state substantially the following, as appropriate:

The board of ..... School District No. .... has proposed (a discretionary levy in a maximum amount of ..... EARC mills which would raise) (to increase a discretionary levy from ..... EARC mills to ..... EARC mills. This increase would provide an additional) \$. .... in the first year levied.

...	Yes	Shall the (increase in the) discretionary levy proposed by the Board of ..... School District No. .... be approved?
...	No	

(e) The approval of a majority of those voting on the question is required to pass the referendum.

(f) If a petition is not received or if the proposed levy or increase is approved at a referendum, the district may levy the amount provided by the number of mills proposed by the school board, in the year when the hearing or referendum is held

# MINNESOTA STATUTES 1981 SUPPLEMENT

and in succeeding years. If a proposed first time levy is not approved, except as provided in clause (3), the district may not levy pursuant to this subdivision in the year when the referendum is held and shall be required to comply with the provisions of clause (5) before levying pursuant to this subdivision in a subsequent year. If a proposed increase is not approved, the district may levy an amount not to exceed the amount provided by the largest number of EARC mills previously levied by the district pursuant to this subdivision, applied to the preceding year's adjusted assessed valuation.

Subd. 7b. [Repealed, 1981 c 358 art 1 s 49]

Subd. 7c. **Discretionary levy fund balance provision.** Beginning with the 1981 levy, for a district where the net unappropriated operating fund balance as of the June 30 before the levy is certified exceeds \$500 per actual and AFDC pupil unit in the year when the levy is certified, the discretionary levy limitation shall be reduced by the amount of the excess times the lesser of one or the ratio of the district's EARC valuation for the preceding year per actual and AFDC pupil unit in the school year when the levy is certified, to the equalizing factor. Beginning with the 1982-1983 school year, the discretionary aid for the year when that levy is used shall be reduced by any amount of the excess which is not subtracted from the levy.

Subd. 8. (1) In 1981 a district which has established a community education advisory council pursuant to section 121.88, may levy an amount of money raised by the greater of (A) \$3.40 per capita, or (B) 110 percent of the amount certified pursuant to this subdivision in 1980. 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 1980 shall not reflect reductions pursuant to subdivision 9.

(2) Except as provided in clauses (3) and (4), in 1982, and each year thereafter, a district which has established a community education advisory council pursuant to section 121.88, may levy the amount raised by .9 mill times the most recent adjusted assessed valuation of the district, but no more than \$5 times the population of the district. This amount shall be reduced to \$4.25 per capita for districts which will qualify for aid in fiscal year 1984 equal to 75 cents per capita pursuant to section 124.271, subdivision 2a, clause (b).

(3) Districts which received total revenue in fiscal year 1983 from community education aid and levy in excess of \$5 times the population of the district, may levy the amount of the fiscal year 1983 revenue less \$5 times the population of the district in addition to the amount in clause (2).

(4) Districts which will qualify for aid pursuant to section 124.271, subdivision 2a, clause (c) may levy the amount of their fiscal year 1983 revenue from community education aid and levy minus \$7,000.

(5) A school district may 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 levy pursuant to this subdivision.

# MINNESOTA STATUTES 1981 SUPPLEMENT

(6) 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. Levy reductions; taconite.** (1) Reductions in levies pursuant to 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 294.26; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; 477A.15; 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, or recognized revenue pursuant to section 477A.15; 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 or revenue recognized pursuant to section 477A.15 in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year less the product of the same dollar amount of payments or revenue 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, to an amount less than the amount raised by a levy of ten 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 2d 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, and the community service levy authorized by subdivision 8, the commissioner shall ascertain from each affected school district the amount it proposes to levy for capital expenditures pursuant to subdivision 11a and for community services pursuant to subdivision 8. The reduction of the capital expenditure levy and the community services 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 294.26; 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 124.2128, subdivision 5, 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

# MINNESOTA STATUTES 1981 SUPPLEMENT

to section 124.2128, subdivision 5, 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. Statutory operating debt levy.** (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 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.

*[For text of subd 10, see M.S.1980]*

**Subd. 11a. Capital expenditure levy.** (a) Each year a school district may levy an amount not to exceed the amount equal to \$90 per pupil unit, or \$95 per pupil unit 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. No levy under this clause shall exceed seven mills times the adjusted assessed valuation of the taxable property in the district for the preceding year.

(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,



# MINNESOTA STATUTES 1981 SUPPLEMENT

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. The proceeds of the tax may also be used to make capital improvements to schoolhouses to be leased pursuant to section 123.36, subdivision 10.

(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.

(f) Each year, subject to the seven mill limitation of clause (a) of this subdivision, a school district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program may levy an additional amount equal to \$5 per pupil unit for capital expenditures for equipment for these programs.

(g) For purposes of computing allowable levies under this subdivision and subdivision 11b, pupil units shall include those units identified in section 124.17, subdivision 1, clauses (1) and (2), and 98.5 percent of the units identified in Minnesota Statutes 1980, Section 124.17, Subdivision 1, Clauses (4) and (5) for 1980-1981.

**Subd. 11b. Special purpose capital expenditure levy.** In 1981 and each year thereafter, in addition to the levy authorized in subdivision 11a, a school district may levy an amount not to exceed the amount equal to \$25 per pupil unit. No levy under this clause shall exceed two mills times the adjusted assessed valuation of the property in the district for the preceding year. The proceeds of the tax shall be placed in the district's capital expenditure fund and may be used only for the following:

(a) for energy audits on district owned buildings conducted pursuant to chapter 116H, and for funding those energy conservation and renewable energy measures which the energy audits indicate will reduce the use of nonrenewable sources of energy to the extent that the projected energy cost savings will amortize the cost of the conservation measures within a period of ten years or less;

(b) for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped persons;

(c) for capital expenditures to bring district facilities into compliance with the uniform fire code adopted pursuant to chapter 299F.

*[For text of subd 12, see M.S.1980]*

Subd. 14. *[Repealed, 1981 c 358 art 5 s 47]*

*[For text of subds 14a to 18, see M.S.1980]*

Subd. 19. **Levy reduction; minimum aid.** Any district which it is estimated will receive an amount of minimum foundation aid pursuant to section 124.2126 or its successor provision in the year to which the levy is attributable, shall reduce its levy limitation pursuant to subdivision 2a 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. **Estimates.** The computation of levy limitations pursuant to this section 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.

**History:** 1981 c 224 s 38; 1981 c 358 art 1 s 31-42; art 4 s 10; art 6 s 32,33

### 275.50 LEVY LIMITS; DEFINITIONS.

*[For text of subd 1, see M.S.1980]*

Subd. 2. "Governmental subdivision" means any county, home rule charter city, statutory city, town or special taxing district determined by the department of revenue. The term does not include school districts or the metropolitan transit commission created pursuant to section 473.404.

*[For text of subs 3 and 4, see M.S.1980]*

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1981 payable in 1982, "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 for which matching funds have been appropriated by the state of Minnesota or the United States, excluding the administrative costs of public assistance programs, to the extent of the increase in

# MINNESOTA STATUTES 1981 SUPPLEMENT

levy for the taxes payable year 1982 over the amount levied for the local share of the program for the taxes payable year 1971. This clause shall apply only to those programs or projects for which matching funds have been designated by the state of Minnesota or the United States on or before September 1, 1981 and only when the receipt of these matching funds is contingent upon the initiation or implementation of the project or program during 1982 or those programs or projects approved by the commissioner;

(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, and the costs of purchase or delivery of social services. Except for the costs of general assistance medical care under section 256D.03 and the costs of hospital care pursuant to section 261.21, the aggregate amounts levied pursuant to this clause are subject to a maximum increase of 18 percent over the amount levied for these purposes for the taxes payable year 1981;

(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 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;

(j) 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;

(k) 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;

(l) 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

# MINNESOTA STATUTES 1981 SUPPLEMENT

975

TAXES; LEVY, EXTENSION 275.50

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;

(m) 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;

(n) 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;

(o) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 326.216 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;

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

# MINNESOTA STATUTES 1981 SUPPLEMENT

(q) 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;

(r) compensate for revenue lost as a result of abatements or court action pursuant to sections 270.07, 270.17 or 278.01 due to a reassessment ordered by the commissioner of revenue pursuant to section 270.16.

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 1982, payable in 1983.

**History:** 1981 c 224 s 39; 1981 c 261 s 19; 1Sp1981 c 4 art 1 s 130,131; <sup>ch 1</sup> art 5 s 3,4

## 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 provisions of this section shall apply to the levies by governmental subdivisions for the taxes payable year 1982 for all purposes other than those for which special levies and special assessments are made. Any law or special act enacted in 1981 which authorizes a property tax levy in excess of the limitation imposed by this section is exempt from the provisions of this section.

Subd. 3d. [Repealed, 1Sp1981 c 1 art 5 s 13]

Subd. 3e. The property tax levy limitation for any governmental subdivision for the taxes payable year 1982 shall be calculated as follows:

(a) If the governmental subdivision was subject to the provisions of Minnesota Statutes 1980, Sections 275.50 to 275.56, the amounts levied by the governmental subdivision for the taxes payable year 1981 pursuant to Minnesota Statutes 1980, Section 275.50, Subdivision 5, Clause (i) and Subdivision 6 are added to the amount actually levied by the governmental subdivision for the taxes payable year 1981 pursuant to the levy limitation calculated under Minnesota Statutes 1980, Section 275.51.

(b) If the governmental subdivision was not subject to the provisions of Minnesota Statutes 1980, Sections 275.50 to 275.56, the total amount actually levied by the governmental subdivision for the taxes payable year 1981 is reduced by the amounts levied for those purposes described in Minnesota Statutes 1980, Section 275.50, Subdivision 5, Clauses (e), (f), (g), and (h).

(c) The total property tax levy of a governmental subdivision for the taxes payable year 1981 described in clause (b) shall be the amount certified on the abstracts of tax lists submitted pursuant to section 275.29. For a governmental subdivision within the metropolitan area defined by section 473F.02, subdivision 2, the property tax levy for payable 1981 includes the tax on distribution value for the taxes payable year 1981 pursuant to section 473F.12.

(d) The amount determined in clause (a) or (b) is divided by the total number of homesteads within the governmental subdivision reported on the 1980 abstracts of tax lists and multiplied by the total number of homesteads within the governmental subdivision reported on the 1981 abstracts of tax lists, both of which are submitted pursuant to section 275.29. If the resulting figure is less than the amount determined in clause (a) or (b), the resulting figure is increased to the

# MINNESOTA STATUTES 1981 SUPPLEMENT

977

TAXES; LEVY, EXTENSION 275.515

amount calculated in clause (a) or (b) and shall be used to make the calculation required by clause (e). If the resulting figure is equal to or greater than the amount determined in clause (a) or (b), the resulting figure shall be used to make the calculation required by clause (e).

(e) The result of the calculation in clause (d) is multiplied by 108 percent. The resulting figure is the maximum amount that the governmental subdivision may levy for the taxes payable year 1982 for all purposes except special levies and special assessments.

(f) To the extent the levy of the metropolitan council or a regional development commission for taxes payable in 1981 was less than its levy limitation for that year, it may apply to the commissioner to have its levy limitation increased by the amount by which the 1981 levy limitation exceeded the 1981 levy. The adjustment shall be added to the amount calculated in clause (a).

(g) If the sum of a governmental subdivision's levies for the principal and interest on bonded indebtedness or certificates of indebtedness pursuant to section 275.50, subdivision 5, clauses (e), (f), (g) and (h) for the taxes payable year 1982 is less than 108 percent of the total amount that it levied for those purposes for the taxes payable year 1981, the governmental subdivision may choose to levy for these purposes within its levy limitation in lieu of the special levy provisions of section 275.50, subdivision 5, clauses (e), (f), (g) and (h). If the governmental subdivision chooses to levy for these purposes within its levy limitation, it shall notify the commissioner of revenue of its intent by October 1, 1981. The amount levied by the governmental subdivision for the taxes payable year 1981 for the purposes described in section 275.50, subdivision 5, clauses (e), (f), (g) and (h) will then be added to the amount calculated in clause (a) or (b).

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.

*[For text of subd 5, see M.S.1980]*

**History:** *1Sp1981 c 1 art 5 s 5-7*

## **275.515 EXEMPTION OF CERTAIN TOWN LEVIES.**

The levy limit contained in section 275.51, subdivision 3e, shall not apply to any levies adopted by a town at a special town meeting called and conducted according to the provisions of sections 365.52 and 365.53, not exceeding the amount of the levy adopted at the annual town meeting. If a special meeting is called for the purpose of reconsidering and determining the levy to be certified on October 10, the notice of the special meeting shall include the total levy amount to be considered, the amount of the proposed levy which exceeds the levy limits imposed by section 275.51, subdivision 3e, and the extent to which the state credits applied to the property tax are applicable to the proposed levy.

**History:** *1Sp1981 c 1 art 5 s 8*

## **275.52 [Repealed, 1Sp1981 c 1 art 5 s 13]**

NOTE: Subdivision 2 was also amended by Laws 1981, Chapter 205, Section 1 to read as follows:

"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, in the case of a home rule charter or statutory city other than a city of the first class, a county not containing a city of the first class, or a town exercising the powers of a statutory city pursuant to section 368.01 or a special law, eight percent, or in the case of any other governmental subdivision, six percent of the previous year's levy limit base."

# MINNESOTA STATUTES 1981 SUPPLEMENT

**275.53** Subdivision 1. [Repealed, 1Sp1981 c 1 art 5 s 13]

Subd. 1a. [Repealed, 1980 c 487 s 23; 1Sp1981 c 1 art 5 s 13]

Subd. 2. [Repealed, 1Sp1981 c 1 art 5 s 13]

Subd. 3. [Repealed, 1Sp1981 c 1 art 5 s 13]

Subd. 4. [Repealed, 1Sp1981 c 1 art 5 s 13]

NOTE: Subdivisions 1, 3 and 4 were also amended by Laws 1981, Chapter 356, Sections 189 to 191 to read as follows:

"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 federal census, by a census taken pursuant to subdivision 2, or by a population estimate made by the metropolitan council, or by the population estimate of the commissioner of energy, planning and development made pursuant to section 4.12, subdivision 7, clause (10), whichever is the most recent as to the stated date of count or estimate, up to and including July 1 of the current levy year. Population changes established after July 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. 3. (a) In any year in which the population estimate for a governmental subdivision provided by the commissioner of energy, planning and development pursuant to subdivision 4 increases the amount of tax that the governmental subdivision may levy pursuant to sections 275.50 to 275.56, the governing body of the governmental subdivision shall publish notice of the estimate and the fact that it may result in an increased tax levy at least once in a legal newspaper of general circulation in the subdivision by August 1.

(b) Within 30 days following the publication of the notice, ten percent or more of the registered voters of the subdivision, or, if the subdivision does not require voter registration, then ten percent or more of its voters, who voted at the subdivision's last election, may sign and submit to the governing body of this subdivision a petition demanding a special census.

(c) 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.

(d) Upon the receipt of a petition conforming to this subdivision, the governing body shall contract for the taking of a special census pursuant to the provisions of subdivision 2."

"Subd. 4. In any year in which the annual population estimate of the commissioner of energy, planning and development is the population of a governmental subdivision pursuant to subdivision 1, the governing body of the governmental subdivision may challenge the accuracy of the estimate by notifying the commissioner of its objections to the estimate by June 1. If the governing body of the governmental subdivision and the commissioner agree on a revised population estimate by July 1, the revised estimate shall become the annual population estimate of the commissioner for that governmental subdivision for that year."

**275.551** [Repealed, 1Sp1981 c 1 art 5 s 13]

**275.552** [Repealed, 1Sp1981 c 1 art 5 s 13]

**275.59** [Repealed, 1Sp1981 c 1 art 5 s 13]