

CHAPTER 477A

LOCAL GOVERNMENT AID

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477A.011 DEFINITIONS.

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

Subd. 2. **Municipality.** Municipality means a statutory or home rule charter city or a town.

Subd. 3. **Population.** Population means the population established by the most recent federal census, by a special census conducted under contract with the United States bureau of the census, by a population estimate made by the metropolitan council, or by a population estimate of the state demographer made pursuant to section 116J.42, subdivision 7, clause (10), whichever is the most recent as to the stated date of the count or estimate.

Subd. 4. **Equalized municipal mill rate.** For any calendar year, a municipality's equalized municipal mill rate means its municipal mill rate for taxes payable in that year multiplied by its aggregate sales ratio for the previous year as prepared by the department of revenue pursuant to section 124.2131.

Subd. 5. **Average equalized municipal mill rate.** For any calendar year aid distribution, a municipality's average equalized municipal mill rate means the arithmetic average of its equalized municipal mill rate for the three calendar years previous to the aid distribution year.

Subd. 6. **Consumer price index increase.** For any calendar year aid distribution, the consumer price index increase means the percentage increase in the revised consumer price index for all urban consumers for the Minneapolis - St. Paul metropolitan area prepared by the United States department of labor for the 12 month period ending in June of the previous year.

Subd. 7. **Local revenue base.** For the 1982 aid distribution, a municipality's local revenue base means its local revenue base for the 1981 aid distribution calculated pursuant to Minnesota Statutes 1980, Section 477A.01, less any amount added to the local revenue base for the costs of principal and interest on bonded debt incurred for the purpose of providing capital replacement for streets, curbs, gutters, storm sewers, and bridges, increased in the manner prescribed by clauses (a) and (b). For all subsequent calendar year aid distributions, a municipality's local revenue base means its local revenue base for the previous year aid distribution calculated pursuant to sections 477A.011 to 477A.014 increased by:

- (a) a percentage equal to the consumer price index increase; and
- (b) a percentage equal to the percentage increase in population over that used to compute the previous year aid distribution, if any.

The local revenue base for a statutory or home rule charter city or a town having the powers of a statutory city pursuant to section 368.01 or special law which has a population of 2,500 or more according to the most recent federal census and which does not have a local revenue base for the previous year aid distribution shall be established by adding the prior year's local government aid received pursuant to Minnesota Statutes 1980, Section 477A.01 or sections 477A.011 to 477A.014, and the property tax levy, exclusive of levies for bonded indebtedness, in the preceding year and multiplying that sum by a percentage equal to the consumer price index increase.

Subd. 8. **Previous year aid.** For the 1982 aid distribution, a municipality's previous year aid means its aid amount computed pursuant to Minnesota Statutes 1980, Sections 477A.01 and 477A.03, notwithstanding the amount withheld pursuant to section 16A.15 because funds in the state treasury were insufficient. For 1983 and all subsequent calendar year aid distributions, previous year aid means aid received pursuant to sections 477A.011 to 477A.014 in the previous calendar year.

Subd. 9. **Minimum increase.** For any calendar year aid distribution, a municipality's minimum increase shall mean:

(a) \$5 per capita if its average equalized municipal mill rate is greater than 20 mills;

(b) \$3 per capita if its average equalized municipal mill rate is greater than 10 mills but not greater than 20 mills;

(c) \$1 per capita if its average equalized municipal mill rate is not greater than 10 mills and if it is a statutory or a home rule charter city, or town which falls under the provisions of section 477A.013, subdivision 2.

(d) \$0 if its average equalized municipal mill rate is not greater than 10 mills and if it is a town which does not fall under the provisions of section 477A.013, subdivision 2.

Subd. 10. **Maximum increase.** For any calendar year aid distribution, a municipality's maximum increase shall mean the following percentage of its previous year aid:

- (a) 12 percent if its previous year aid is greater than \$100 per capita;
- (b) 15 percent if its previous year aid is greater than \$75 per capita but not greater than \$100 per capita;
- (c) 17 percent if its previous year aid is greater than \$50 per capita but not greater than \$75 per capita;
- (d) 20 percent if its previous year aid is not greater than \$50 per capita.

Subd. 11. **Equalized assessed value.** For any calendar year aid distribution, a municipality's equalized assessed value means its previous year taxable valuation, adjusted for the contributions and distributions required by chapter 473F in the case of a city or town located within the metropolitan area and less the captured value in any tax increment district, divided by the municipality's aggregate sales ratio covering the period ending two years prior to the year of aid distribution.

History: 1981 c 356 s 248; 1981 c 358 art 1 s 48; 1Sp1981 c 1 art 6 s 1

477A.012 COUNTY GOVERNMENT DISTRIBUTIONS.

In each calendar year, every county government except that of a county containing a city of the first class shall receive a distribution equal to its previous year aid.

History: 1Sp1981 c 1 art 6 s 2

477A.013 MUNICIPAL GOVERNMENT DISTRIBUTIONS.

Subdivision 1. **Municipalities under 2,500 population.** In each calendar year, each municipality which is not covered by the provisions of subdivision 2 shall receive a distribution equal to its previous year aid plus its minimum increase.

Subd. 2. **Municipalities over 2,500 population.** In each calendar year, each statutory and home rule charter city, and each town having the powers of a statutory city pursuant to section 368.01 or special law, which has a population of 2,500 or more according to the latest federal census shall receive a distribution equal to the amount obtained by subtracting the product of 10 mills and the municipality's equalized assessed value from the local revenue base. This amount shall then be adjusted, so that it is neither less than the sum of its previous year aid and its minimum increase, nor greater than the sum of its previous year aid and its maximum increase.

History: 1Sp1981 c 1 art 6 s 3

477A.014 COMMISSIONER'S RESPONSIBILITIES.

Subdivision 1. **Calculations and payments.** The commissioner of revenue shall make all necessary calculations and make payments pursuant to sections 477A.012, 477A.013 and 477A.03 directly to the affected taxing authorities annually.

Subd. 2. **Errors.** A taxing authority may object to the commissioner of revenue with respect to the amount of the distribution it has been certified to receive pursuant to subdivision 1. No objection shall be raised later than 60 days after the taxing authority has received notice from the commissioner of the amount which it has been certified to receive.

Subd. 3. **Aid amount correction.** If, due to an error in the factors used to calculate a taxing authority's aid pursuant to section 477A.012 or 477A.013 the amount indicated in the certification of the commissioner to the taxing authority for a year is less than the amount to which it is entitled pursuant to this section,

the commissioner of revenue shall additionally distribute the amount necessary to make the full correct distribution to the taxing authority. The additional distribution shall be paid from the general fund and shall not diminish the distributions made to other taxing authorities under this section.

History: *1Sp1981 c 1 art 6 s 4*

477A.015 PAYMENT DATES.

The commissioner of revenue shall make the payments of local government aid to affected taxing authorities in six installments on July 15, August 15, September 15, October 15, November 15, and December 15 annually.

For calendar year 1981 only, the commissioner shall make the payments in seven installments computed as follows: one-fourth of the calendar year 1981 aids shall be paid on March 15; the remaining amounts shall be divided into six equal payments to be made on July 15, August 15, September 15, October 15, November 15, and December 15.

History: *1Sp1981 c 3 s 11*

477A.016 NEW TAXES PROHIBITED.

No county, city, town or other taxing authority shall increase a present tax or impose a new tax on sales or income.

History: *1Sp1981 c 1 art 6 s 5*

477A.02 MS 1978 [Expired]

477A.03 APPROPRIATION.

Subdivision 1. **Annual appropriation.** A sum sufficient to discharge the duties imposed by sections 477A.011 to 477A.014 is annually appropriated from the general fund to the commissioner of revenue.

Subd. 2. **Limitation on appropriation; proportionate reduction.** The amount appropriated under subdivision 1 shall not exceed \$240,725,464 for calendar year 1982 and shall not exceed \$270,561,978 for calendar year 1983. If the limitations contained in this subdivision result in a reduction in the amounts determined pursuant to sections 477A.012 and 477A.013, each governmental unit receiving local government aid shall have its distribution proportionally reduced, but no local government unit shall receive less aid than its previous year aid.

History: *1975 c 437 art 3 s 7; 1977 c 423 art 6 s 12; 1979 c 303 art 6 s 4; 1Sp1981 c 1 art 6 s 6; 3Sp1981 c 2 art 4 s 12*

477A.04 ASSESSMENT DISPERSION PENALTY.

Subdivision 1. To encourage the proper assessment of property an assessment dispersion penalty shall be imposed on assessment districts as provided in subdivision 2. Each city or town which employs a local assessor, either singly or jointly with other cities or towns, shall be considered an assessment district for purposes of this section. Any two or more cities or towns which enter into an agreement pursuant to section 471.59, for the assessment of property in the contracting units, shall for purposes of this section be a single assessment district. The balance of each county, including any city or town which contracts with the county for assessment of property therein, shall be deemed a single assessment district for purposes of this section.

The coefficient of dispersion shall be determined by the equalization aid review committee of the department of revenue. The coefficient of dispersion shall be determined on the assessor's market value before the limitation provided

in section 273.11, subdivision 2. The population shall be the number of persons residing in the assessment district according to the 1970 federal census.

Subd. 2. Beginning in calendar year 1984 and subsequent years, an assessment district shall be penalized according to the following schedule:

(a) \$1 per capita if the coefficient of dispersion in assessments for the preceding year is more than ten percent but less than 12.5 percent;

(b) \$3 per capita if the coefficient of dispersion in assessments for the preceding year is at least 12.5 percent but no more than 15 percent;

(c) \$5 per capita if the coefficient of dispersion in assessments for the preceding year is greater than 15 percent.

Subd. 3. The amount of penalty resulting from this section shall be deducted from the local government aid payments provided in sections 477A.011 to 477A.014.

History: 1977 c 423 art 6 s 13; 1979 c 303 art 2 s 36; 1Sp1981 c 1 art 6 s 7,8; 1982 c 523 art 35 s 2

477A.11 NATURAL RESOURCES LANDS, PAYMENTS IN LIEU; DEFINITIONS.

Subdivision 1. For the purpose of Laws 1979, Chapter 303, Article 8, Sections 1 to 5, the terms defined in this section have the meanings given them.

Subd. 2. "Commissioner" means the commissioner of natural resources.

Subd. 3. "Acquired natural resources land" means any land presently administered by the commissioner in which the state acquired by purchase, condemnation, or gift, a fee title interest in lands which were previously privately owned.

Subd. 4. "Other natural resources land" means any other land presently owned in fee title by the state and administered by the commissioner, or any tax-forfeited land, other than platted lots within a city, which is owned by the state and administered by the commissioner or by the county in which it is located.

History: 1979 c 303 art 8 s 1

477A.12 ANNUAL APPROPRIATIONS; LANDS ELIGIBLE; CERTIFICATION OF ACREAGE.

There is annually appropriated to the commissioner of natural resources from the general fund for payment to counties within the state an amount equal to \$3 multiplied by the number of acres of acquired natural resources land, 75 cents multiplied by the number of acres of county-administered other natural resources land, and 37.5 cents multiplied by the number of acres of commissioner-administered other natural resources land located in each county as of July 1 of each year. Lands for which payments in lieu are made pursuant to section 97.49, subdivision 7, and Laws 1973, Chapter 567, shall not be eligible for payments under this section. Each county auditor shall certify to the department of natural resources during July of each year the number of acres of county-administered other natural resources land within his county. The department of natural resources may, in addition to the certification of acreage, require descriptive lists of land so certified. The commissioner of natural resources shall determine and certify the number of acres of acquired natural resources land and commissioner-administered natural resources land within each county.

History: 1979 c 303 art 8 s 2

477A.13 TIME OF PAYMENT, DEDUCTIONS.

Payments to the counties shall be made from the general fund during the month of July of the year next following certification. There shall be deducted

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from amounts paid any amounts paid to a county or township during the preceding year pursuant to sections 84A.51, 89.036, 97.49, subdivision 3, and 272.68, subdivision 3 with respect to the lands certified pursuant to section 477A.12.

History: 1979 c 303 art 8 s 3; 1Sp1981 c 3 s 12

477A.14 USE OF FUNDS.

Forty percent of the total payment to the county shall be deposited in the county general revenue fund to be used to provide property tax levy reduction. The remainder shall be distributed by the county in the following priority:

(a) 37.5 cents for each acre of county-administered other natural resources land shall be deposited in a resource development fund to be created within the county treasury for use in resource development, forest management, game and fish habitat improvement, and recreational development and maintenance of county-administered other natural resources land. Any county receiving less than \$5,000 annually for the resource development fund may elect to deposit that amount in the county general revenue fund;

(b) From the funds remaining, each organized township shall receive 30 cents per acre of acquired natural resources land and 7.5 cents per acre of other natural resources land located within its boundaries. Payments for natural resources lands not located in an organized township shall be deposited in the county general revenue fund. Payments to counties and townships pursuant to this paragraph shall be used to provide property tax levy reduction. Provided that, if the total payment to the county pursuant to section 477A.12 is not sufficient to fully fund the distribution provided for in this clause, the amount available shall be distributed to each township and the county general revenue fund on a pro rata basis; and

(c) Any remaining funds shall be deposited in the county general revenue fund. Provided that, if the distribution to the county general revenue fund exceeds \$35,000, the excess shall be used to provide property tax levy reduction.

History: 1979 c 303 art 8 s 4

477A.15 TACONITE AID REIMBURSEMENT.

Any school district in which is located property which had been entitled to a reduction of tax pursuant to Minnesota Statutes 1978, Section 273.135, Subdivision 2, Clause (c), shall receive in 1981 and subsequent years an amount equal to the amount it received in 1980 pursuant to Minnesota Statutes 1978, Section 298.28, Subdivision 1, Clause (3)(b). Payments shall be made pursuant to this section by the commissioner of revenue to the taxing jurisdictions on July 15 of 1981 and each year thereafter.

History: 1980 c 607 art 7 s 6.