

## CHAPTER 477A

### LOCAL GOVERNMENT AID

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#### 477A.011 DEFINITIONS.

*[For text of subs 1 to 3, see M.S.1982]*

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

*[For text of subs 4 and 5, see M.S.1982]*

Subd. 6. **Implicit price deflator increase.** For any calendar year aid distribution, the implicit price deflator increase means the percentage increase in the implicit price deflator for government purchases of goods and services for state and local government prepared by the bureau of economic analysis of the United States department of commerce for the 12-month period ending in June of the previous year.

Subd. 7. **Local revenue base.** For the 1984 aid distribution, a municipality's local revenue base means the sum of:

(a) (1) in the case of a municipality which had a local revenue base for the 1981 aid distribution, the 1981 aid distribution base 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, multiplied by a factor of 1.208, and multiplied by a factor equal to the estimated 1981 population divided by the 1980 census population, provided that the latter factor is greater than 1.0; or

(2) in the case of a municipality which did not have a local revenue base for the 1981 aid distribution, the local government aid distribution certified for 1983 pursuant to sections 477A.011 to 477A.014, plus the property tax levy, exclusive of levies for bonded indebtedness for taxes payable in 1983;

(b) the total amount certified in calendar year 1983 pursuant to Minnesota Statutes 1982, section 273.138; and

(c) the total amount certified in calendar year 1983 pursuant to Minnesota Statutes 1982, section 273.139, including any amount received by a district as defined by section 273.73, subdivision 9, or which qualifies for exemption pursuant to 273.78, which lies totally within the municipality, and including any amount which would have been received in 1983 pursuant to section 273.139 by a district as defined by section 273.73, subdivision 9, lying totally within the municipality, for a project approved by the Minnesota housing finance agency or the United States department of housing and urban development prior to March 1, 1983, had

the project been completed and subject to taxation based upon full market value for taxes payable in 1983.

Any municipality whose payable 1983 levy exceeded its payable 1979 levy by a factor of ten, primarily because of a loss in state administered aids, may apply to the commissioner of revenue to have its local revenue base computed as if it did not have a local revenue base for the 1981 distribution. Applications shall be in the form and accompanied by the data required by the commissioner.

For 1985 and all subsequent calendar year aid distributions the local revenue base means the adjusted local revenue base used in the previous year aid distribution.

**Subd. 7a. Adjusted local revenue base.** Adjusted local revenue base means the local revenue base increased by:

(a) a percentage equal to the implicit price deflator increase; and

(b) a percentage equal to the percentage increase in population over that used to compute the previous year aid distribution, if any, or a percentage equal to the percentage increase in number of households over that used to compute the previous year aid distribution, if any, whichever is higher.

For the purposes of the 1984 aid distribution, the 1981 estimates of population and number of households shall be considered as the estimates used in the previous year aid distribution.

For the 1984 and 1985 aid distributions, the adjusted local revenue base of a city that issued general obligation bonds in 1982 to pay for the construction or reconstruction of water wells which replaced a municipal water supply found to be an environmental health hazard by the state department of health shall be increased by one-fourth of the amount of the bonds issued. This increase shall be disregarded in computing the local revenue base for the succeeding year aid distribution.

**Subd. 8.** [Repealed, 1983 c 342 art 5 s 16]

**Subd. 9.** [Repealed, 1983 c 342 art 5 s 16]

**Subd. 10. Maximum aid amount.** For the 1984 aid distribution, a municipality's maximum aid amount shall be 106 percent of the amount it was certified to receive in 1983 pursuant to sections 477A.011 to 477A.03, plus any amounts certified in 1983 pursuant to Minnesota Statutes 1982, sections 273.138 and 273.139, including any amount certified by a district as defined by section 273.73, subdivision 9, or which qualifies for exemption pursuant to section 273.78, which lies totally within the municipality, and including any amount which would have been received in 1983 pursuant to section 273.139 by a district as defined by section 273.73, subdivision 9, lying totally within the municipality, for a project approved by the Minnesota housing finance agency or the United States department of housing and urban development prior to March 1, 1983, had the project been completed and subject to taxation based upon full market value for taxes payable in 1983.

For any subsequent calendar year aid distribution, a municipality's maximum aid amount shall be 106 percent of the amount received in the previous year pursuant to sections 477A.011 to 477A.03.

*[For text of subd 11, see M.S.1982]*

**History:** 1983 c 342 art 5 s 5-9

**477A.012 COUNTY GOVERNMENT DISTRIBUTIONS.**

In each calendar year, every county government shall receive a distribution equal to 60 percent of the aid amount certified for 1983 pursuant to sections 477A.011 to 477A.03.

**History:** 1983 c 342 art 5 s 10

**477A.013 MUNICIPAL GOVERNMENT DISTRIBUTIONS.**

**Subdivision 1. Towns.** In each calendar year, each town which has an average equalized mill rate of at least two mills shall receive a distribution equal to 50 percent of the amount received in 1983 pursuant to Minnesota Statutes 1982, sections 273.138, 273.139, and 477A.011 to 477A.03.

**Subd. 2. Cities and towns.** In each calendar year, each statutory and home rule charter city shall receive a distribution equal to the amount obtained by subtracting ten mills multiplied by the municipality's equalized assessed value from the adjusted local revenue base.

An aid amount shall be computed in the same manner for all towns which have an average equalized mill rate of at least two mills. A town's final aid amount shall be determined by either the subdivision 1 or the subdivision 2 calculation, whichever is greater.

**Subd. 3. Aid limitation.** The aid amount determined pursuant to subdivision 2 shall be limited so that it is not greater than the municipality's maximum aid amount.

**History:** 1983 c 342 art 5 s 11

**477A.0131 MAXIMUM AID REDUCTION.**

**Subdivision 1.** No home rule charter or statutory city shall receive a distribution in any calendar year pursuant to sections 477A.011 to 477A.03 that is less than the sum of the amounts certified in the previous calendar year pursuant to sections 477A.011 to 477A.03, section 273.139, and section 273.138, by more than an amount equal to three-fourths of one mill times the unit's equalized assessed value.

**Subd. 2.** Of the \$246,200,000 appropriated for distribution to cities for calendar year 1984, an amount not to exceed \$6,400,000 may be used for the purposes of this section. Payments shall be made in the manner prescribed in section 477A.015. In the event that this appropriation is not sufficient, aid amounts determined pursuant to this section shall be proportionally reduced.

**History:** 1983 c 342 art 5 s 12

**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. In addition, the commissioner shall notify the authorities of their aid amounts, as well as the computational factors used in making the calculations for their authority, and those statewide total figures that are pertinent, before August 15 of the year preceding the aid distribution year.

*[For text of subds 2 and 3, see M.S.1982]*

**History:** 1983 c 342 art 5 s 13

**477A.017 UNIFORM FINANCIAL ACCOUNTING AND REPORTING SYSTEM.**

Subdivision 1. **Purpose.** Sections 477A.011 to 477A.03 are designed to provide property tax relief to local units of government. In order for the legislature to determine the amounts of relief necessary each year, the legislature must have uniform and current financial information from the governmental units which receive aid distributions. This section is intended to provide that information.

Subd. 2. **State auditor's duties.** The state auditor shall prescribe uniform financial accounting and reporting standards in conformity with national standards to be applicable to cities of more than 2,500 population and uniform reporting standards to be applicable to cities of less than 2,500 population.

Subd. 3. **Conformity.** Other law to the contrary notwithstanding, in order to receive distributions under sections 477A.011 to 477A.03, counties and cities must conform to the standards set in subdivision 2 in making all financial reports required to be made to the state auditor after June 30, 1984.

**History:** 1983 c 342 art 5 s 14

**477A.018 CITY LODGING TAX.**

Subdivision 1. **Authorization.** Notwithstanding section 477A.016 or any other law, a statutory or home rule charter city may by ordinance impose a tax of up to three percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or other use of space by a transient, other than the renting or leasing of it for a continuous period of 30 days or more.

Subd. 2. **Existing taxes.** No statutory or home rule charter city may impose a tax under this section upon transient lodging that, when combined with any tax authorized by special law or enacted prior to 1972, exceeds a rate of three percent.

Subd. 3. **Disposition of proceeds.** Ninety-five percent of the gross proceeds from any tax imposed under subdivision 1 shall be used by the statutory or home rule charter city to fund a local convention or tourism bureau for the purpose of marketing and promoting the city as a tourist or convention center. This subdivision shall not apply to any statutory or home rule charter city that has a lodging tax authorized by special law or enacted prior to 1972 at the time of enactment of this section.

**History:** 1983 c 342 art 13 s 1

**477A.019 COLLECTION.**

The statutory or home rule charter city may agree with the commissioner of revenue that a tax imposed pursuant to section 477A.018 shall be collected by the commissioner together with the tax imposed by Minnesota Statutes, chapter 297A, and subject to the same interest, penalties and other rules and that its proceeds, less the cost of collection, shall be remitted to the city.

**History:** 1983 c 342 art 13 s 2

**477A.03 APPROPRIATION.**

*[For text of subd 1, see M.S.1982]*

Subd. 2. **Limitation on appropriation; proportionate reduction.** The amount appropriated under subdivision 1 for distributions to towns pursuant to section 477A.013 shall not exceed \$8,750,000 and the amount appropriated for distribution

to cities pursuant to section 477A.013 shall not exceed \$246,200,000 for calendar year 1984. If the limitations contained in this subdivision result in a reduction in the amounts determined pursuant to section 477A.013, subdivision 2, each city receiving local government aid shall have its distribution reduced in proportion to the amounts determined pursuant to section 477A.013, subdivision 2, before the limitation of section 477A.013, subdivision 3, is taken into account. If the limitations contained in this subdivision result in a reduction in the amounts determined pursuant to section 477A.013, subdivision 1, each town receiving local government aid shall have its distribution reduced in proportion to the amounts determined pursuant to section 477A.013, subdivision 1 or 2, before the limitation of section 477A.013, subdivision 3, is taken into account.

**History:** 1983 c 342 art 5 s 15

#### **477A.04 ASSESSMENT DISPERSION PENALTY.**

*[For text of subd 1, see M.S.1982]*

Subd. 2. Beginning in calendar year 1986 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.

*[For text of subd 3, see M.S.1982]*

**History:** 1983 c 222 s 42