

CHAPTER 275

TAXES; LEVY, EXTENSION

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275.01 LEVY IN SPECIFIC AMOUNTS.

All taxes shall be levied or voted in specific amounts and the rates percent shall be determined from the amount of property as equalized by the state board of equalization each year, except such general taxes as may be definitely fixed by law.

History: (2055) *RL s 866*

275.011 MILL RATE LEVY LIMITATIONS; CONVERSION FROM MILLS TO DOLLARS.

Subdivision 1. The property tax levied for any purpose subject to a mill rate limitation imposed by statute or special law, excluding levies subject to mill rate limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, must not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of the applicable mill rate limitation imposed by statute or special law multiplied by the total assessed valuation of all taxable property subject to the tax as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, the product of (1) the property tax levy limitation for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property subject to the tax divided by the assessment year 1987 total market valuation of all taxable property subject to the tax; and

(c) for taxes payable in 1990 and subsequent years, the product of (1) the property tax levy limitation for the previous year determined pursuant to this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property subject to the tax for the current assessment year divided by the total market valuation of all taxable property subject to the tax for the previous assessment year.

For the purpose of determining the property tax levy limitation for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property subject to the tax without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

Subd. 2. A mill rate levy limitation imposed by statute or special law that is presently in effect, excluding those mill rate levy limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, shall be construed to allow no more and no less property taxes than the amount determined under this section.

Subd. 3. **County capital improvement mill limits.** For purposes of determining the mill rate limits applicable to county capital improvement programs under section 373.40, the mill rate limit applicable to the county must be divided by 0.45 and multiplied by the county's assessed value for taxes payable in 1988. The resulting dollar amount must be used in determining the limitation under the procedures provided by this section.

History: 1988 c 719 art 5 s 36

275.02 STATE LEVY, EXCEPTIONS; CERTIFICATION OF TAX RATE.

The state tax shall be levied on all taxable property in the state. The rate of the tax shall be certified by the state auditor to each county auditor on or before November 15 annually.

History: (2056) RL s 867; 1935 c 282; Ex1959 c 70 art 2 s 1; 1965 c 45 s 49; 1984 c 593 s 33

275.03 COUNTY TAXES.

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

History: (2057) RL s 868

275.035 [Repealed, 1988 c 719 art 6 s 21]

275.04 [Repealed, 1965 c 45 s 73]

275.05 [Repealed, 1965 c 45 s 73]

275.06 [Repealed, 1965 c 45 s 73]

275.065 PROPOSED PROPERTY TAXES; NOTICE.

Subdivision 1. **Proposed levy.** On or before August 1, each taxing authority shall adopt a proposed budget and certify to the county auditor the proposed property tax levy for taxes payable in the following year. For purposes of this section, "taxing authority" shall include all home rule and statutory cities with a population of over 2,500, counties, school districts, the metropolitan council, and the metropolitan regional transit commission.

Subd. 2. **Tax rate computations.** (a) The county auditor shall compute each taxing authority's tax capacity rate that when applied to the net tax capacity of the taxing district as of January 2 of the current year, excluding new construction, additions to structures, or property added to or deleted from the assessment rolls since the previous year's assessment, yields the taxing authority the same levy as the taxing authority levied the previous year. This tax capacity rate is the "no-increase tax rate."

(b) The county auditor shall compute a tax capacity rate that when applied to the net tax capacity of the taxing authority as of January 2 of the current year, including new construction, additions to structures, or property added to or deleted from the assessment rolls since the previous year's assessment, yields the authority's proposed levy for taxes levied in the current year. This tax capacity rate is the "proposed tax rate."

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(c) The county auditor shall notify the taxing authority of its no-increase tax capacity rate and its proposed tax capacity rate on or before August 8. The taxing authority may amend its proposed levy but must certify to the county auditor by August 15 its final proposed levy and the date the taxing authority will hold a public hearing to adopt its budget and property tax levy.

(d) The county auditor shall recompute the taxing authority's proposed tax capacity rate to reflect any adjustments made by the taxing authority under paragraph (c), and notify the taxing authority of the proposed tax capacity rate and the percent, if any, by which the recomputed proposed tax capacity rate exceeds the no-increase tax capacity rate. That percent is the percentage increase in property taxes proposed by the taxing authority.

Subd. 3. Notice of proposed property taxes. (a) If there is a percentage increase in property taxes proposed by the taxing authority, on or before September 15, the county auditor shall compute for each parcel of property on the assessment rolls within the taxing authority the proposed property tax for taxes levied in the current year. In the case of cities under 2,500 population, and all special taxing districts except the metropolitan council and the metropolitan regional transit commission, the auditor shall use the taxing district's previous year tax capacity rate for use in computing the total property tax. The county auditor shall prepare and deliver by first class mail to each taxpayer at the address listed on the city's current year's assessment roll, a notice of the taxpayer's proposed property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) A notice in substantially the following form shall be sufficient.

NOTICE OF PROPOSED PROPERTY TAXES

DO NOT PAY - THIS IS NOT A BILL

This notice shows the amount your next property tax bill will be if proposed budgets are approved by the local government districts you live in. It also shows the amount of your next property tax bill if the local government districts you live in do not change their budgets from this year.

Name of property owner	Description of property	Market value of property	Class of property
John Q. and Mary W. Smith	Lot 1, Block 1 Pleasant Acres sub-division Middletown, Minnesota	\$65,000	residential homestead

Based on their proposed budgets, next year the governing bodies of the county, city, school district, and special tax districts you live in are proposing to collect from you the amount of property tax shown below. At the meetings listed below, the governing bodies will discuss and vote on the amount of their budgets for next year. The larger the amount of the budget, the more property tax you will pay. You can attend the meetings and express your opinions about the amount of the budget before the budget is voted on.

These local governments collect property tax from you	Amount of your tax next year if they do not change their budgets	Amount of your tax next year if they adopt their proposed budgets	Time and place of meetings on proposed budgets
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	from this year		
County: Spruce	\$218.55	\$257.75	September 1, 1988, 7:30 pm Room 123, Spruce Co. Courthouse
City or Town: Middletown	\$168.63	\$184.09	October 1, 1988, 8:00 pm Middletown Town Hall
Public School: Ind. Dist. 123 set by school board	\$47.56	\$146.88	September 25, 1988,
set by state law	\$300.00	\$300.00	Cafeteria, Middletown Town Hall
Special Tax Districts Metropolitan Council	\$25.00	\$50.00	October 5, 1988, 3:00 pm Board Room, Tri-County Hospital
Metropolitan Regional Transit Board	\$10.00	\$12.00	October 12, 1988, 6:00 pm Common Room, Tri-County Library
Tax before State payments:	\$769.74	\$950.72	
Payments by State: (subtract: \$215.00) (subtract: \$235.00)			

Your tax if budget is not changed: \$554.74

Your tax if proposed budget is adopted: \$715.72

Subd. 4. Costs. The taxing authority shall pay the county for the reasonable cost of the county auditor's services and for the costs of preparing and mailing the notice required in this section.

Subd. 5. Public advertisement. (a) On or before September 15, the taxing authority shall advertise in a qualified newspaper a notice of its intent to adopt a budget and property tax levy at a public hearing.

The advertisement must be no less than one-quarter page in size of a standard-size or a tabloid-size newspaper, and the headline in the advertisement shall be in a type no smaller than 18-point. The advertisement must not be placed in the part of the newspaper where legal notices and classified advertisements appear. The advertisement must be published in a newspaper of general paid circulation in the city. Whenever possible, the advertisement must appear in a newspaper that is published at least five days a week, unless the only newspaper in the city is published less than

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five days a week. The newspaper selected must be one of general interest and readership in the community, and not one of limited subject matter.

(b) If the taxing authority proposes a percentage increase in property taxes, the advertisement must be in the following form:

“NOTICE OF TAX INCREASE

The ...(name of taxing authority)... has tentatively adopted a measure to increase its property tax levy by ...(percentage of increase over no-increase rate)... percent.

All concerned citizens are invited to attend a public hearing on the tax increase to be held on ...(date and time)... at ...(meeting place)....

A FINAL DECISION on the proposed tax increase and the budget will be made at this hearing.”

Subd. 6. **Public hearing; adoption of budget and levy.** Prior to October 25, the governing body of the city shall hold a public hearing to adopt its final budget and property tax levy for taxes payable in the following year. The hearing must be held not less than two days or more than five days after the day the notice is first published.

At the hearing the taxing authority may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy. The property tax levy adopted may not exceed the final proposed levy determined under subdivision 2, paragraph (c).

At the hearing the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. The governing body shall adopt its final property tax levy prior to adopting its final budget.

The hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No hearing may be held on a Sunday. The school board and county board shall not schedule public meetings on days scheduled for the hearing by the governing body of the city.

If the hearing is recessed, the taxing authority shall publish a notice in a qualified newspaper of general paid circulation in the city. The notice must state the time and place for the continuation of the hearing and must be published at least two days but not more than five days prior to the date the hearing will be continued.

Subd. 7. **Certification of compliance.** At the time the taxing authority certifies its tax levy under section 275.07, it shall certify to the commissioner of revenue its compliance with this section. The certification must contain copies of the advertisement required under subdivision 5, the resolution adopting the final property tax levy under subdivision 6, and any other information required by the commissioner of revenue. If the commissioner determines that the taxing authority has failed to substantially comply with the requirements of this section, the commissioner of revenue shall notify the county auditor. When fixing rates under section 275.08 for a taxing authority that has not complied with this section, the county auditor must use the no-increase tax rate.

History: 1988 c 719 art 5 s 30

NOTE: This section is effective for taxes levied in 1989, payable in 1990, and thereafter. See Laws 1988, chapter 719, article 5, section 86.

275.07 CITY, TOWN AND SCHOOL DISTRICT TAXES.

Subdivision 1. The taxes voted by cities, towns, counties, school districts, and special districts shall be certified by the proper authorities to the county auditor on or before October 25 in each year. The taxes certified shall not be adjusted by the aid received under section 273.1398, subdivisions 2 and 3. If a city, town, county, school

district, or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year. If the local unit notifies the commissioner of revenue before October 25 of its inability to certify its levy by that date, and the commissioner is satisfied that the delay is unavoidable and is not due to the negligence of the local unit's officials or staff, the commissioner shall extend the time within which the local unit shall certify its levy up to 15 calendar days beyond the date of request for extension.

Subd. 2. In school districts lying in more than one county, the clerk shall certify the tax levied to the auditor of the county in which the administrative offices of the school district are located.

Subd. 3. The county auditor shall adjust each local government's levy certified under subdivision 1 by the amount of transition aid certified by section 273.1398, subdivision 2. If a local government's transition aid was further allocated between portions of its levy pursuant to section 273.1398, subdivision 2, paragraph (b)(2), the levy or fund to which the transition aid was allocated is the levy or fund which must be adjusted.

History: (2058) *RL s 869; 1973 c 123 art 5 s 7; 1977 c 423 art 4 s 5; 1978 c 764 s 101; 1987 c 268 art 6 s 36; art 7 s 40; 1988 c 719 art 5 s 31,32*

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: *1947 c 71 s 1; 1973 c 123 art 5 s 7; 1Sp1981 c 1 art 8 s 9*

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.

History: *1979 c 16 s 1,2*

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. 1a. For taxes payable in 1989, the county auditor shall compute the gross tax capacity for each parcel according to the rates specified in section 273.13. The gross tax capacity will be the appropriate rate multiplied by the parcel's market value. For

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taxes payable in 1990 and subsequent years, the county auditor shall compute the net tax capacity for each parcel according to the rates specified in section 273.13. The net tax capacity will be the appropriate rate multiplied by the parcel's market value.

Subd. 1b. The amounts certified under section 275.07 after adjustment under section 275.07, subdivision 3, by an individual local government unit shall be divided by the total gross tax capacity of all taxable properties within the local government unit's taxing jurisdiction for tax payable in 1989 and by the total net tax capacity of all taxable properties within the local government unit's taxing jurisdiction, for taxes payable in 1990 and thereafter. The resulting ratio, the local government's tax capacity rate, multiplied by each property's gross tax capacity for taxes payable in 1989 and net tax capacity for taxes payable in 1990 and subsequent years shall be each property's total tax for that local government unit before reduction by any credits.

Subd. 1c. After the tax capacity rate of a local government has been determined pursuant to subdivision 1b, the auditor shall adjust the local government's tax capacity rate within each unique taxing jurisdiction as defined in section 273.1398, subdivision 1, in which the local government exercises taxing authority. The adjustment shall equal the unique taxing jurisdiction's disparity reduction aids allocated to the local government pursuant to section 273.1398, subdivision 3, divided by the total tax capacity of all taxable property within the unique taxing jurisdiction. The adjustment shall reduce the tax capacity rate of the local government within the unique taxing jurisdiction for which the adjustment was calculated.

Subd. 2. **Estimates.** If, by December 15 of any year, the county auditor has not received from another county auditor the tax capacity rate or gross tax capacity 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 tax capacity rate or the gross tax capacity.

Subd. 3. **Assistance of county auditor.** A county auditor who has not furnished the tax capacity rate or gross tax capacity 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 tax capacities or the tax capacity rate. The auditor may request the assistance of the county assessor in determining the estimate.

Subd. 4. **Subsequent adjustment.** After the correct tax capacity rate or gross tax capacity 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 gross tax capacity and tax capacity rate, the county treasurer shall remit any amount of excess collected 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 gross tax capacity and tax capacity rate, the auditor shall adjust the levy of the affected taxing district as provided in section 275.075.

History: (2059) *RL s 870; 1Sp1981 c 1 art 8 s 10; 1986 c 444; 1988 c 719 art 5 s 33-35,84*

275.081 [Repealed, 1988 c 719 art 5 s 81]

275.082 [Repealed, 1988 c 719 art 5 s 81]

275.09 Subdivision 1. [Repealed, 1984 c 593 s 46]

Subd. 2. [Repealed, 1984 c 593 s 46]

Subd. 3. [Repealed, 1983 c 342 art 3 s 9]

Subd. 3. [Repealed, 1983 c 342 art 3 s 9; 1984 c 593 s 46]

Subd. 4. [Repealed, 1984 c 593 s 46]

275.091 [Repealed, 1984 c 593 s 46]

275.092 LOCAL ACTS LIMITING COUNTY LEVY OR APPROPRIATION.

Any special act for a single county relating to a limitation on the authority of a county board to levy taxes or make an appropriation for a particular purpose, however stated in mills, dollars, or a per capita amount, which is inconsistent with Laws 1973, chapter 583, sections 1 to 35 is superseded.

History: 1973 c 583 s 36

275.10 [Repealed, 1979 c 153 s 2]

275.11 TAX LEVY FOR GENERAL PURPOSES LIMITED.

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

Subd. 2. In any city or statutory city, except those organized according to chapter 8, Laws of 1895, the limitation provided in subdivision 1 shall be adjusted as follows:

If the Revised Consumer Price Index, as published by the United States Department of Labor, Bureau of Labor Statistics, for the city of Minneapolis (or if no such index is published for the city of Minneapolis, for the nearest city to Minneapolis for which such index is published), as of December 15 of any year (or for the date nearest to December 15 if no such index is published as of December 15), shall be above 102 (using the average for the years 1947-1949 as a base), the maximum levy limit shall, subject to the restrictions of this subdivision, be increased by 3-1/3 percent for each of the first 6 points that said index may be increased and by one percent for each additional point increased above 6. A fractional point increase shall be disregarded if less than one-half point and treated as one point if one-half point, or more. In any city where more than 25 percent of the gross tax capacity consists of iron ore and in any statutory city, the levy permitted by this paragraph shall be in addition to any statutory or charter limitations. In any other city, the levy authorized by this paragraph shall be made within charter limitations.

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

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

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

History: (2061) 1921 c 417 s 1; 1929 c 206 s 1; 1941 c 543 s 1; 1951 c 539 s 1; 1953 c 577 s 1; 1957 c 710 s 1; 1961 c 500 s 1; 1973 c 123 art 5 s 7; 1973 c 389 s 1; 1978 c 719 s 1; 1980 c 607 art 2 s 17; 1988 c 719 art 5 s 84

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

275.121 [Local]

275.122 MS 1969 [Expired]

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

275.124 REPORT OF CERTIFIED LEVY.

Prior to February 1 of each year, each county auditor shall report to the commissioner of education on forms furnished by the commissioner, the amount of the certified levy made by each school district within the county which has taxable property and any other information concerning these levies that is deemed necessary by the commissioner.

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

275.125 TAX LEVY, SCHOOL DISTRICTS.

Subdivision 1. **Definitions.** The terms defined in section 120.02 and in chapters 124 and 124A have the same meaning when they are used in this section, unless otherwise clearly indicated.

Subd. 1a. [Repealed, 1982 c 548 art 7 s 13]

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

Subd. 2a. [Renumbered 124A.03 subdivision 1]

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

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

Subd. 2d. [Renumbered 124A.03 subd 2]

Subd. 2e. [Renumbered 124A.03 subd 3]

Subd. 2f. [Repealed, 3Sp1981 c 2 art 2 s 19]

Subd. 2g. [Repealed, 1984 c 463 art 2 s 8]

Subd. 2h. [Repealed, 1984 c 463 art 2 s 8]

Subd. 2i. [1984 c 463 art 2 s 8]

Subd. 2j. [Repealed, 1984 c 463 art 2 s 8 subd 2; 1Sp1985 c 12 art 1 s 37]

Subd. 2k. [Renumbered 124A.03 subd 4]

Subd. 2l. [Renumbered 124A.03 subd 5]

Subd. 3. [Repealed, 1987 c 398 art 1 s 27]

Subd. 4. **Miscellaneous levy authorizations.** A school district may levy the amounts necessary to make payments for bonds issued and for interest thereon, including the bonds and interest thereon, issued as authorized by Minnesota Statutes 1974, section 275.125, subdivision 3, clause (7)(C); the amounts necessary for repayment of debt service loans and capital loans; the amounts necessary to pay the district's obligations under section 6.62; the amount authorized for liabilities of dissolved districts pursuant to section 122.45; the amounts necessary to pay the district's obligations under section 268.06, subdivision 25; the amounts necessary to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.08; the amounts necessary to pay the district's obligations under section 127.05; the amounts authorized by section 122.531; and the amounts necessary to pay the district's obligations under section 122.533.

Subd. 4a. **Down payment levy.** A school district may levy the amount authorized for a down payment levy according to section 124.82.

Subd. 5. **Basic transportation levy.** Each year, a school district may levy for school transportation services an amount not to exceed the amount raised by the basic transportation tax capacity rate times the adjusted gross tax capacity of the district for the preceding year. The commissioner of revenue shall establish the basic transportation tax capacity rate and certify it to the commissioner of education by September 1 of each year for levies payable in the following year. The basic transportation tax capacity rate shall be a rate, rounded up to the nearest hundredth of a mill, that, when applied to the adjusted gross tax capacity of taxable property for all districts, raises the amount specified in this subdivision. The basic transportation tax capacity rate for transportation for the 1990 fiscal year shall be the rate that raises \$72,681,200. The basic transportation tax capacity rate certified by the commissioner of revenue must not be changed due to changes or corrections made to a district's adjusted gross tax capacity after the tax capacity rate has been certified.

Subd. 5a. **Extra transportation levy.** When the transportation patterns of a district change as a result of leasing a school in another district, the district may, upon approval of the commissioner, levy for any increase in transportation cost above the cost that would occur without the leasing of the school. The commissioner shall approve a specific dollar amount which may be levied because of these increased costs. The levy authorized by this subdivision may be computed on the basis of estimated increased costs. In the first year a district makes the levy authorized by this subdivi-

sion, the commissioner may authorize a levy sufficient to pay for estimated increased costs resulting from leasing for two years. The amount provided by this levy shall not be included in the computation of the actual net operating cost per pupil transported in future years.

Subd. 5b. Transportation levy off-formula adjustment. In any fiscal year, if the basic transportation levy under subdivision 5 in a district attributable to a particular fiscal year exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8i, 8j, and 8k, the district's levy limitation shall be adjusted as provided in this subdivision. In the year following each fiscal year, the district's transportation levy shall be reduced by an amount equal to the difference between (1) the amount of the basic transportation levy under subdivision 5, and (2) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8i, 8j, and 8k, and the amount of any subtraction made from special state aids pursuant to section 124.2138, subdivision 2, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.

Subd. 5c. Nonregular transportation levy. A school district may also make a levy for unreimbursed nonregular transportation costs pursuant to this subdivision. The amount of the levy shall not exceed the product of:

(a) the district's unreimbursed nonregular transportation revenue determined pursuant to section 124.225, subdivision 8j, clause (a), times

(b) the lesser of

(i) one, or

(ii) the ratio of the district's adjusted gross tax capacity for the preceding year per total pupil unit in the school year to which the levy is attributable, to \$83,800.

Subd. 5d. [Repealed, 1987 c 398 art 2 s 14]

Subd. 5e. Excess transportation levy. A school district may make a levy for excess transportation costs according to this subdivision. The amount of the levy shall be the result of the following computation:

(a) Multiply the base cost computed using data for the current school year according to section 124.225, subdivision 1, paragraph (i), by the sum of the number of secondary FTE pupils transported to and from school in the current year who live more than one mile but less than two miles from the public school which they could attend or the nonpublic school actually attended, plus the number of FTE pupils residing less than one mile from school who were transported to and from school in the current year due to extraordinary traffic hazards.

(b) Add to the result in paragraph (a) the actual cost in the current year of other related services that are necessary because of extraordinary traffic hazards.

Subd. 5f. Bus purchase levy. A school district may levy the amount necessary to eliminate any projected deficit in the reserved fund balance account for bus purchases in its transportation fund as of June 30 of the school year beginning in the calendar year following the calendar year the levy is certified.

Subd. 5g. Contracted services levy. A school district may levy an amount equal to the aid subtraction computed according to section 124.225, subdivision 8k, for the school year beginning in the year the levy is certified.

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

Subd. 6a. Minneapolis civil service retirement levy. (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 Minnesota Statutes 1974, 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 Minnesota Statutes 1974, 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. [Repealed, 1983 c 314 art 1 s 23]

Subd. 6c. [Repealed, 1983 c 314 art 1 s 23]

Subd. 6d. [Repealed, 1983 c 314 art 1 s 23]

Subd. 6e. **Desegregation levy.** Each year, school district No. 625, St. Paul, may levy an amount not to exceed one mill times the adjusted gross tax capacity of the district. Notwithstanding section 121.904, the entire amount of this levy shall be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155.

Subd. 6f. **Exceptional need levy.** To obtain exceptional need revenue, a district may levy an amount not to exceed the lesser of its exceptional need revenue or the result of the following computation:

(a) Divide the adjusted gross tax capacity for the year preceding the year the levy is certified, by the actual pupil units for the year to which the levy is attributable.

(b) Divide the result in paragraph (a) by the ratio of the formula allowance, established in section 124A.22, subdivision 2, to the general education tax capacity rate, established in section 124A.23, subdivision 1, for the year to which the levy is attributable.

(c) Multiply the result in paragraph (b) by the district's exceptional need revenue for the year to which the levy is attributable.

Subd. 6h. **Minneapolis health insurance subsidy levy.** Each year special school district No. 1, Minneapolis, may make an additional levy not to exceed the amount raised by .1 mill times the adjusted gross tax capacity of the property in the district for the preceding year. In addition, in 1987 the district may levy an amount not to exceed the amount raised by .1 mill times the adjusted gross tax capacity of the property in the district for the preceding year for health insurance subsidies for fiscal year 1988. The proceeds may be used only to subsidize health insurance costs for eligible teachers as provided in this section.

"Eligible teacher" means a retired teacher who was a basic member of the Minneapolis teachers retirement fund association, who retired before May 1, 1974, and who is not eligible to receive the hospital insurance benefits of the federal Medicare program of the Social Security Act without payment of a monthly premium. The district shall notify eligible teachers that a subsidy is available. An eligible teacher may submit to the school district a copy of receipts for health insurance premiums paid during the previous 12-month period. The school district shall disburse the health insurance premium subsidy to each eligible teacher in a timely and efficient manner. An eligible teacher may receive a subsidy up to an amount equal to the lesser of 90 percent of the cost of the eligible teacher's health insurance or up to 90 percent of the cost of the number two qualified plan of health coverage for individual policies made available by the Minnesota comprehensive health association under chapter 62E.

If funds remaining from the previous year's health insurance subsidy levy, minus the previous year's required subsidy amount, are sufficient to pay the estimated current year subsidy, the levy must be discontinued until the remaining funds are estimated by the school board to be insufficient to pay the subsidy.

Subd. 6i. **Rule compliance levy.** Each year a district that is required to implement a plan according to the requirements of Minnesota Rules, parts 3535.0200 to 3535.2200, may levy an amount not to exceed one mill times the adjusted gross tax capacity of the district. Independent school district No. 625, St. Paul, may levy according to this subdivision and subdivision 6e. Notwithstanding section 121.904, the entire amount of this levy shall be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155.

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

Subd. 7a. [Repealed, 1983 c 314 art 1 s 23]

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

Subd. 7c. [Repealed, 1983 c 314 art 1 s 23]

Subd. 7d. [Renumbered 124A.06, subd 3a; 124A.08, subd 3a; 124A.10, subd 3a; 124A.12, subd 3a; 124A.14, subd 5a]

Subd. 7e. [Renumbered 124A.08, subd 5]

Subd. 8. **Community education levy.** (a) Each year, a district without a youth development plan that has established a community education advisory council under section 121.88, may levy the amount raised by .8 mill times the most recent adjusted gross tax capacity of the district, but no more than the greater of

(1) \$7,340, or

(2) \$5.50 times the population of the district.

(b) Each year, a district with an approved youth development plan, or a district that intends to approve a youth development plan for the 1988-1989 school year, that has established a community education advisory council under section 121.88, may levy the amount raised by .8 mill times the most recent adjusted gross tax capacity of the district, but no more than the greater of

(1) \$8,000, or

(2) \$6 times the population of the district.

(c) In addition to the levy authorized in paragraph (a) or (b), each year a district may levy an additional amount for community education programs equal to the amount authorized under Minnesota Statutes 1986, section 275.125, subdivision 8, clause (2).

(d) A district having an approved adult basic and continuing education program, according to section 124.26, may levy an amount not to exceed the amount raised by .1 mill times the adjusted gross tax capacity of the district for the preceding year.

(e) A district having an approved program and budget may levy for a handicapped adult program: The levy amount may not exceed the lesser of: (1) the actual expenditures for approved programs for the fiscal year beginning in the calendar year after the levy is certified minus the amount of state aid paid for the same year, or (2) \$30,000 for one program. In the case of a program offered by a group of districts, the levy amount shall be divided among the districts according to the agreement submitted to the department. The proceeds of the levy shall be used only for a handicapped adult program.

(f) The levies authorized in this subdivision shall be used for community education, including nonvocational adult programs, recreation and leisure time activity programs, and programs authorized by sections 121.85 to 121.882. 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.

(g) 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. 8a. [Repealed, 1987 c 398 art 1 s 27]

Subd. 8b. **Early childhood family education levy.** A district may levy for its early childhood family education program. The amount levied shall not exceed the lesser of:

(a) .5 mill times the adjusted gross tax capacity of the district for the year preceding the year the levy is certified, or

(b) the maximum revenue as defined in section 124.2711, subdivision 1, for the school year for which the levy is attributable.

Subd. 8c. Special education levy. Each year, a district, excluding intermediate school district Nos. 287, 916, and 917, may levy an amount that may not exceed 66 percent of salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under sections 124.32, subdivisions 1b and 10, and 124.574, subdivision 2b, plus 61 percent of salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under section 124.273, subdivision 1b, for the year to which the levy is attributable.

For purposes of this subdivision, a special education cooperative or an intermediate school district each year shall allocate an amount equal to 66 percent of salaries paid to essential personnel in that intermediate district or cooperative minus the amount of state aid and any federal aid, if applicable, paid to that intermediate district or cooperative for salaries of these essential personnel under sections 124.32, subdivisions 1b and 10, and 124.574, subdivision 2b, plus 61 percent of salaries paid to essential personnel in that intermediate district or cooperative minus the amount of state aid and any federal aid, if applicable, paid to that intermediate district or cooperative for salaries of these essential personnel under section 124.273, subdivision 1b, for the year to each of the participating districts of the cooperative or the intermediate district. The participating districts may make a levy in the amount of the costs allocated to them by the cooperative or intermediate district.

Special education cooperatives and intermediate school districts that allocate unreimbursed portions of salaries of special education essential personnel among participating districts, for purposes of the participating districts making a levy under this subdivision, shall provide information to the department of education on the amount of unreimbursed costs of salaries they allocated to the participating districts.

Subd. 8d. Program improvement levy. In the year a district receives a grant under section 129B.11, it must levy the lesser of .5 mills times the adjusted gross tax capacity of the district or an amount equal to its share of the grant. If a group of districts receives a grant, the group shall determine the proportionate share of the grant for each district.

Subd. 8e. Interdistrict cooperation levy. This subdivision does not apply to special school district No. 1, independent school district No. 11, 625, or 709, or to a district that is a member of intermediate school district No. 287, 916, or 917. A district may levy each year under this subdivision if it:

(1) is a member of an education district, under sections 122.91 to 122.96, and the education district of which the district is a member does not receive revenue under section 124.2721; or

(2) has a cooperation agreement with other districts to expand curricular offerings in mathematics in grades 10 to 12, science in grades 10 to 12, foreign languages for two years, computer usage, or other programs recommended by the state board.

The levy must not exceed the amount raised by one mill times the adjusted gross tax capacity of the district for the preceding year. A district that is a member of a secondary vocational cooperative that levies under section 124.575, may levy the difference between the amount raised by one mill times the adjusted gross tax capacity of the district for the preceding year and the amount levied under section 124.575. The proceeds of the levy may be used only to pay for instructional and administrative costs incurred in providing the curricular offerings under this section. A district may not spend more than five percent of the amount of the levy for administration.

Subd. 9. Levy reductions; taconite. (1) Reductions in levies pursuant to subdivision 10, 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 pay-

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TAXES; LEVY, EXTENSION 275.125

ments pursuant to sections 298.018; 298.23 to 298.28, except an amount distributed under section 298.28, subdivision 4, paragraph (c), clause (ii); 298.34 to 298.39; 298.391 to 298.396; 298.405; and any law imposing a tax upon severed mineral values, 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 and chapters 124 and 124A 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 Minnesota Statutes 1986, sections 124A.03, subdivision 2, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, and 124A.14, subdivision 5a, to the total levy allowed the district under this section and Minnesota Statutes 1986, sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 124A.20, subdivision 2, for levies certified in 1986.

(3) No reduction pursuant to this subdivision shall reduce the levy made by the district pursuant to section 124A.23, to an amount less than the amount raised by a levy of 12.5 mills times the adjusted gross tax capacity of that district for the preceding year as determined by the commissioner. The amount of any increased levy authorized by referendum pursuant to section 124A.03, subdivision 2, shall not be reduced pursuant to this subdivision. The amount of any levy authorized by subdivision 4, to make payments for bonds issued and for interest thereon, shall not be reduced pursuant to this subdivision.

(4) Before computing the reduction pursuant to this subdivision of the capital expenditure levy authorized by section 124.244, subdivision 2, and subdivisions 11c, 12, and 12a, and the community education levy authorized by subdivisions 8 and 8b, the commissioner shall ascertain from each affected school district the amount it proposes to levy for capital expenditures pursuant to section 124.244, subdivision 2, and subdivisions 11c, 12, and 12a, and for community education pursuant to subdivisions 8 and 8b. The reduction of the capital expenditure levy and the community education 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 298.018; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values; and not deducted from general education aid pursuant to section 124A.035, subdivision 5, clause (2), and not applied to reduce levies pursuant to this subdivision shall be paid by the district to the St. Louis county auditor in the following amount by March 15 of each year, the amount required to be subtracted from the previous fiscal year's general education aid pursuant to section 124A.035, subdivision 5, which is in excess of the general education aid earned for that fiscal year. The county auditor shall deposit any amounts received pursuant to this clause in the St. Louis county treasury 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 gross tax capacity of the district for the preceding year; 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 gross tax capacity of the district for the preceding year. When the sum of the cumulative levies made pursuant to this subdivision and transfers made according to section 121.912, subdivision 4 equals 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 section 124A.23, subdivision 2 in that same year.

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

Subd. 9b. Operating debt levy. (1) Each year, a district may make an additional levy to eliminate a deficit in the net unappropriated operating funds of the district, determined as of June 30, 1983, and certified and adjusted by the commissioner. This levy may in each year be an amount not to exceed the amount raised by a levy of 1.5 mills times the adjusted gross tax capacity of the district for the preceding year as determined by the commissioner. However, the total amount of this levy for all years it is made shall not exceed the lesser of (a) the amount of the deficit in the net unappropriated operating funds of the district as of June 30, 1983, or (b) the amount of the aid reduction, according to Laws 1981, Third Special Session chapter 2, article 2, section 2, but excluding clauses (l), (m), (n), (o), and (p), and Laws 1982, Third Special Session chapter 1, article 3, section 6, to the district in fiscal year 1983. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

(2) 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 that levies pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivisions 2 and 2a, in that same year.

Subd. 9c. 1985 operating debt levy. (1) Each year, a district may levy to eliminate a deficit in the net unappropriated balance in the general fund of the district, determined as of June 30, 1985, and certified and adjusted by the commissioner. Each year this levy may be an amount not to exceed the amount raised by a levy of 1.5 mills times the adjusted gross tax capacity of the district for the preceding year. However, the total amount of this levy for all years it is made shall not exceed the amount of the deficit in the net unappropriated balance in the general fund of the district as of June 30, 1985. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

(2) A district, if eligible, may levy under this subdivision or subdivision 9b but not both.

(3) 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.

(4) Any district that levies pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivision 2 in that same year.

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

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

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

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

Subd. 11a. [Repealed, 1987 c 398 art 6 s 20]

Subd. 11b. [Repealed, 1Sp1986 c 1 art 9 s 64]

Subd. 11c. **Hazardous substance capital expenditure levy.** Each year, a district with a hazardous substance plan approved by the commissioner of education under section 124.245, subdivision 3a, may levy an amount equal to the following product:

(a) the district's hazardous substance revenue as defined in section 124.245, subdivision 3b, for the year to which the levy is attributable, times

(b) the lesser of one, or the ratio of:

(i) the quotient derived by dividing the adjusted gross tax capacity of the district for the year preceding the year the levy is certified by the total pupil units in the district for the school year to which the levy is attributable, to

(ii) 50 percent of the equalizing factor for the school year to which the levy is attributable.

The proceeds of the tax shall be placed in the district's capital expenditure fund and may be used only for expenditures necessary for the removal or encapsulation of asbestos from school buildings or property, asbestos related repairs, cleanup and disposal of polychlorinated biphenyls found in school buildings or property, or the cleanup, removal, disposal, and repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01.

Subd. 11d. **Extra capital expenditure levy for leasing buildings.** When a district finds it economically advantageous to rent or lease a building for a secondary vocational cooperative program and it determines that the capital expenditure facilities revenues authorized under section 124.243 are insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use. The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building for approved purposes. The proceeds of this levy must not be used for leasing or renting a facility owned by a district or for custodial or other maintenance services.

Subd. 12. [Repealed, 1987 c 398 art 6 s 20]

Subd. 12a. **Energy conservation levy.** The school district may annually levy, without the approval of a majority of the voters in the district, an amount sufficient to repay the annual principal and interest of the loan made pursuant to sections 116J.37 and 298.292 to 298.298.

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

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

Subd. 14a. **Levy for local share of technical institute construction.** (a) The definitions in section 136C.02 apply to this subdivision.

(b) A district maintaining a technical institute may levy for its local share of the cost of construction of facilities for the technical institute as provided in this subdivision.

(c) The construction must be authorized by a specific legislative act pursuant to section 136C.07, subdivision 5, after January 1, 1980. The specific legislative act must

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require that part of the cost of construction for post-secondary vocational purposes shall be financed by the state and that part of the cost of construction for post-secondary vocational purposes shall be financed by the school district operating the technical institute.

(d) The district may levy an amount equal to the local share of the cost of construction for post-secondary vocational purposes, minus the amount of any unappropriated net balance in the district's post-secondary vocational technical building construction fund. A district may levy the total amount authorized by this subdivision in one year, or a proportionate amount of the total authorized amount each year for up to three successive years.

(e) By the July 1 before a district certifies the first levy pursuant to this subdivision for the local share of any construction project, at least three weeks published notice of the proposed levy shall be given in the legal newspaper with the largest circulation in the district. The notice shall state the purpose of the proposed levy, the duration of the proposed levy and the amount of the proposed levy in dollars and mills. Upon petition within 20 days after the notice of the greater of (a) 50 voters, or (b) 15 percent of the number of voters who voted in the district at the most recent regular school board election, the board shall call a referendum on the proposed levy. The referendum shall be held on a date set by the school board, but no later than the August 20 before the levy is certified. The question on the ballot shall state the amount of the proposed levy in mills on the district's adjusted gross tax capacity and in dollars in the first year of the proposed levy.

(f) For the purposes of this subdivision, "construction" includes the acquisition and betterment of land, buildings and capital improvements for technical institutes.

(g) A district may not levy for the cost of a construction project pursuant to this subdivision if it issues any bonds to finance any costs of the project.

Subd. 15. Adjustments. 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 commissioner of revenue under section 124.2131, subdivisions 2 to 11, 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 section 124A.23, subdivision 2. If the amount of any aid would have been increased in a prior year as a result of a decision of the tax court or a redetermination by the commissioner, the amount of the increase shall be added to the amount of current aid for the same purposes.

Subd. 16. [Repealed, 1Sp1986 c 1 art 9 s 64]

Subd. 17. Applicability. Notwithstanding any other charter provision, general or special laws to the contrary, every school district in the state shall abide by the terms and provisions of this section and chapter 124A.

Subd. 18. Notice of certified levies. By November 1 of each year each district shall notify the commissioner of education of the levies certified in compliance with the levy limitations of this section and chapter 124A. The commissioner of education shall prescribe the form of this notification.

Subd. 19. [Renumbered 124A.03, subd 6]

Subd. 20. Estimates. The computation of levy limitations pursuant to this section and chapter 124A 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.

Subd. 21. Reporting. For each tax settlement, the county auditor shall report to each school district by fund, the school district tax settlement revenue defined in

section 121.904, subdivision 4a, clause (a), and the amount levied pursuant to subdivision 9a on the form specified in section 276.10. The county auditor shall send to the school district a copy of the spread levy report specified in section 275.124.

Subd. 22. [Repealed, 1988 c 719 art 5 s 81]

History: *Ex*1971 c 31 art 20 s 8; 1973 c 683 s 18,19; 1974 c 521 s 29-31; 1975 c 432 s 74-81; 1976 c 2 s 97; 1976 c 134 s 78; 1976 c 271 s 80-90; 1977 c 307 s 29; 1977 c 423 art 3 s 12; 1977 c 447 art 1 s 19,20; art 2 s 8; art 4 s 5; art 5 s 12; art 6 s 8-10; art 7 s 26; 1978 c 764 s 103-111; 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; 1980 c 509 s 112; 1980 c 607 art 7 s 9; 1980 c 609 art 1 s 9-13; art 2 s 3,4; art 4 s 15-18,22; art 5 s 19; 1981 c 224 s 38; 1981 c 356 s 248; 1981 c 358 art 1 s 31-42,48; art 4 s 10; art 6 s 32,33; 3Sp1981 c 2 art 2 s 10; art 4 s 7; 1982 c 548 art 1 s 12-14; art 2 s 4-6; art 3 s 26; art 6 s 19-22; art 7 s 6; 1983 c 216 art 1 s 45; 1983 c 314 art 1 s 18-21,22; art 2 s 3-6; art 3 s 13-15; art 4 s 6; art 6 s 24-29; art 7 s 34; 1983 c 323 s 2-4; 1984 c 463 art 1 s 11; art 2 s 6,7; art 4 s 5,6; art 5 s 36; art 6 s 6-11; art 7 s 20; 1984 c 502 art 7 s 7-9; 1984 c 583 s 32; 1985 c 23 s 16,17; 1985 c 248 s 70; 1Sp1985 c 12 art 2 s 11-13; art 3 s 19; art 4 s 7,8; art 6 s 15-18; 1986 c 441 s 1; 1986 c 444; 1Sp1986 c 1 art 4 s 27; art 9 s 19-22; 1Sp1986 c 3 art 2 s 36; 1987 c 258 s 12; 1987 c 268 art 6 s 39; art 7 s 41-43; art 9 s 8; 1987 c 384 art 1 s 26; art 2 s 68,69; 1987 c 398 art 1 s 21; art 2 s 8-12; art 3 s 36; art 4 s 14; art 6 s 12-15; art 7 s 39; art 8 s 38; 1Sp1987 c 4 art 1 s 5; 1988 c 486 s 83-89,101 subd 2; 1988 c 718 art 2 s 6; art 6 s 20,21; art 8 s 20,21; 1988 c 719 art 5 s 84

NOTE: The amendment to subdivision 9, clause (2), by Laws 1987, chapter 268, article 9, section 8, is effective for taxable years beginning after December 31, 1989. See Laws 1987, chapter 268, article 9, section 44.

NOTE: Subdivision 11c is repealed effective for the 1989-1990 school year. See Laws 1988, chapter 718, article 8, section 27.

275.126 [Repealed, 1975 c 306 s 34]

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

275.128 EXPENSES FOR ASBESTOS AND POLYCHLORINATED BIPHENYLS.

Notwithstanding any law to the contrary, a district that incurred expenses for removal of asbestos, asbestos encapsulation, or cleanup or disposal of polychlorinated biphenyls may use the revenue authorized by sections 123.36, subdivision 13; 124.244; 124.245; and 275.125, subdivision 11c, to meet contractual obligations or to reimburse the fund from which expenses were paid, regardless of when the revenue was received by the district.

History: 1983 c 314 art 6 s 31; 1988 c 486 s 90

275.13 MS 1969 [Expired]

275.14 CENSUS.

For the purposes of sections 275.11 to 275.16, the population of a city shall be that established by the last federal census, by a special census taken by the United States Bureau of the Census, by an estimate made by the metropolitan council, or by the state demographer made according to section 116K.04, subdivision 4, whichever has the latest stated date of count or estimate, before July 2 of the current levy year. The population of a school district must be determined by the most recent federal census.

In any year in which no federal census is taken pursuant to law in any school district affected by sections 275.11 to 275.16 a population estimate may be made and submitted to the state demographer for approval as hereinafter provided. The school board of a school district, in case it desires a population estimate, shall pass a resolution by September 1 containing a current estimate of the population of the school district and shall submit the resolution to the state demographer. The resolution shall describe the criteria on which the estimate is based and shall be in a form and accompanied by the data prescribed by the state demographer. The state demographer shall determine whether or not the criteria and process described in the resolution provide a reasonable basis for the population estimate and shall inform the school district of that determina-

tion within 30 days of receipt of the resolution. If the state demographer determines that the criteria and process described in the resolution do not provide a reasonable basis for the population estimate, the resolution shall be of no effect. If the state demographer determines that the criteria and process do provide a reasonable basis for the population estimate, the estimate shall be treated as the population of the school district for the purposes of sections 275.11 to 275.16 until the population of the school district has been established by the next federal census or until a more current population estimate is prepared and approved as provided herein, whichever occurs first. The state demographer shall establish guidelines for acceptable population estimation criteria and processes. The state demographer shall issue advisory opinions upon request in writing to cities or school districts as to proposed criteria and processes prior to their implementation in an estimation. The advisory opinion shall be final and binding upon the demographer unless the demographer can show cause why it should not be final and binding.

In the event that a census tract employed in taking a federal or local census overlaps two or more school districts, the county auditor shall, on the basis of the best information available, allocate the population of said census tract to the school districts involved.

The term "council," as used in sections 275.11 to 275.16, means any board or body, whether composed of one or more branches, authorized to make ordinances for the government of a city within this state.

History: (2064) 1921 c 417 s 4; 1951 c 447 s 1; 1961 c 593 s 1; 1971 c 16 s 1; 1971 c 783 s 1; 1973 c 123 art 5 s 7; 1980 c 487 s 3; 1985 c 65 s 1

275.15 NOT TO INCREASE LEVIES.

Sections 275.11 to 275.16 shall not authorize, nor be construed as, in any instance, authorizing the levy of total amounts of taxes in any year in excess of the amount allowed by law at the time of the passage of these sections, but shall be considered an additional limitation.

History: (2065) 1921 c 417 s 5

275.16 COUNTY AUDITOR TO FIX AMOUNT OF LEVY.

If any such municipality shall return to the county auditor a levy greater than permitted by sections 275.11 to 275.16, such county auditor shall extend only such amount of taxes as the limitations herein prescribed will permit; provided, if such levy shall include any levy for the payment of bonded indebtedness or judgments, such levies for bonded indebtedness or judgments shall be extended in full, and the remainder of the levies shall be reduced so that the total thereof, including levies for bonds and judgments, shall not exceed such amount as the limitations herein prescribed will permit.

History: (2066) 1921 c 417 s 6; 1941 c 543 s 4

- 275.161** [Repealed, 1984 c 593 s 46]
- 275.17** [Local]
- 275.18** [Local]
- 275.19** [Local]
- 275.20** [Local]
- 275.21** [Local]
- 275.22** [Repealed, 1967 c 584 s 1]
- 275.23** [Repealed, 1984 c 593 s 46]
- 275.24** [Repealed, 1976 c 44 s 70]
- 275.25** [Repealed, 1969 c 9 s 100]

275.26 EXCESSIVE LEVY; INJUNCTION.

When any county board shall levy taxes for any purpose in excess of the amount allowed by law, any taxpayer thereby affected, personally and for all other interested taxpayers in the county, may bring an action against the treasurer, the auditor, and the board of such county, to enjoin the collection of such taxes, and for an order requiring the defendants, or either of them, to correct the levy, and for such other order as may be proper for the correction and adjustment of such taxes and levy, notwithstanding that such taxpayers have a speedy and adequate remedy in the ordinary course of law. When so corrected and adjusted, the taxes may be collected as other taxes.

History: (2069) RL s 873; 1986 c 444

275.27 CONTRACTS IN EXCESS VOID; LIABILITY OF OFFICERS.

It shall be unlawful for the authorities of any county, town, city, or school district, unless expressly authorized by law, to contract any debt or incur any pecuniary liability for the payment of either the principal or the interest of which, during the current or any subsequent year, it shall be necessary to levy a rate of taxes higher than the maximum prescribed by law. Every such contract shall be null and void in regard to any obligation thereby sought to be imposed upon such corporation; but every officer, agent, or member thereof who participates in or authorizes the making of such contract shall be individually liable for its performance. Every such officer or agent who is present when such contract is made or authorized shall be deemed to participate in or authorize the making thereof, as the case may be, unless the officer or agent enter or cause to be entered a dissent therefrom in the records of such corporation.

History: (2070) RL s 874; 1973 c 123 art 5 s 7; 1986 c 444

275.28 TAX LISTS.

Subdivision 1. Auditor to make. The county auditor shall make out the tax lists according to the prescribed form, and to correspond with the assessment districts. The rate percent necessary to raise the required amount of the various taxes shall be calculated on the gross tax capacity of property as determined by the state board of equalization, but, in calculating such rates, no rate shall be used resulting in a fraction other than a decimal fraction, or less than one-tenth of a mill; and, in extending any tax, whenever it amounts to the fractional part of a cent, it shall be made one cent. The tax lists shall also be made out to correspond with the assessment books in reference to ownership and description of property, with columns for the valuation and for the various items of tax included in the total amount of all taxes set down opposite each description; and opposite each description which has been sold for taxes, and which is subject to redemption, but not redeemed, shall be placed the words "sold for taxes." The amount of all special taxes shall be entered in the proper columns, but the general taxes may be shown by entering the rate percent of each tax at the head of the proper columns, without extending the same, in which case a schedule of the rates percent of such taxes shall be made on the first page of each tax list. If the auditor shall fail to enter on any such list before its delivery to the treasurer any tax levied, such tax may be subsequently entered. The tax lists shall be deemed completed, and all taxes extended thereon, as of October 16 annually.

Subd. 2. Certificate of auditor. The auditor shall make in each assessment book or list a certificate in the following form:

I, A.B., auditor of county, and the state of Minnesota, do hereby certify that the following is a correct list of the taxes levied on the real and personal property in the (town or district, as the case may be) of for the year 19.. (being the same year the property was assessed and the tax levied), to become payable in the year 19..

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

.....

County Auditor.

Subd. 3. **Designation of year of tax.** Beginning with property taxes payable in 1980, taxes on real and personal property shall be related to and designated by the year in which they become payable but the liens shall relate back to the assessment date preceding except as otherwise provided.

Subd. 4. **Unit card ledger counties.** In any county in this state in which the county auditor has elected to come under the provisions of section 273.03, subdivision 2, the auditor shall cause to be prepared a record to be known as "Real estate assessment and tax list for the year" In addition to the information provided for in subdivision 1, to be shown in tax lists, there shall also be included the amount of market value of land, building, and machinery, if any, and the total market value assessed against each parcel of real estate contained in such lists.

In such counties the auditor shall make in each list a certificate in the following form:

"I,, auditor of county and State of Minnesota, do hereby certify that the following is a correct list of the taxes levied on the real property, based on the total market value indicated therein, in the (town or district, as the case may be) of for the year 19.. .

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

.....

County Auditor."

History: (2071, 2072) *RL s 875,876; 1963 c 39 s 1,2; 1963 c 781 s 5; 1965 c 545 s 1; 1969 c 323 s 1; 1973 c 458 s 1; 1975 c 339 s 8; 1980 c 607 art 2 s 18; 1986 c 444; 1988 c 719 art 5 s 84*

275.29 ABSTRACTS TO COMMISSIONER OF REVENUE.

On or before January 1, in each year, the county auditor shall make and transmit to the commissioner of revenue, in such form as may be prescribed by the commissioner of revenue, complete abstracts of the tax lists of the county, showing the number of acres of land assessed; its value, including the structures thereon; the value of town and city lots, including structures; the total value of all taxable personal property in the several assessment districts; the aggregate amount of all taxable property in the county, and the total amount of taxes levied therein for state, county, town, and all other purposes for that year.

History: (2073) *RL s 877; 1974 c 86 s 1; 1975 c 46 s 4*

- 275.30 [Repealed, 1974 c 14 s 1]
- 275.31 [Repealed, 1980 c 437 s 19]
- 275.32 [Repealed, 1980 c 437 s 19]
- 275.33 [Repealed, 1980 c 437 s 19]
- 275.34 [Repealed, 1980 c 437 s 19]
- 275.35 [Repealed, 1980 c 437 s 19]
- 275.36 [Repealed, 1976 c 44 s 70]
- 275.37 [Repealed, 1953 c 29 s 1]
- 275.38 [Expired]
- 275.39 [Repealed, 1976 c 271 s 98 subd 1]
- 275.40 MS 1967 [Expired]
- 275.41 [Repealed, 1976 c 271 s 98 subd 1]
- 275.42 [Repealed, 1976 c 271 s 98 subd 1]
- 275.43 [Repealed, 1965 c 45 s 73]
- 275.44 [Repealed, 1984 c 593 s 46]
- 275.45 [Repealed, 1984 c 593 s 46]
- 275.46 [Repealed, 1984 c 593 s 46]

275.47 [Repealed, 1984 c 593 s 46]

275.48 ADDITIONAL TAX LEVIES IN CERTAIN MUNICIPALITIES.

When by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the gross tax capacity of a city, township or school district for a taxable year is reduced after the taxes for the year have been spread by the county auditor, and when the tax capacity rate determined by the county auditor based on the original gross tax capacity is applied on the reduced gross tax capacity and does not produce the full amount of taxes actually levied and certified for that taxable year on the original gross tax capacity, the city, township or school district may include an additional amount in its tax levy made following final determination and notice of the reduction in gross tax capacity. The amount shall equal the difference between the total amount of taxes actually levied and certified for that taxable year upon the original gross tax capacity, not exceeding the maximum amount which could be raised on the gross tax capacity as reduced, within existing tax capacity rate limitations, if any, and the amount of taxes collected for that taxable year on the reduced gross tax capacity. The total tax levy authorized for a school district by this section shall be reduced by the total amount of any abatement adjustments received by the district pursuant to section 124.214, subdivision 2, in the same calendar year in which the levy is certified. As part of the certification required by section 275.125, subdivision 10, the commissioner of education shall certify the amount of the abatement levy limitation adjustment for each school district headquartered in that county.

Except for school districts, the amount of taxes so included shall be levied separately and shall be levied in addition to all limitations imposed by law; and further shall not result in any penalty in the nature of a reduction in state aid of any kind.

History: 1943 c 523 s 1,2; 1973 c 123 art 5 s 7; 1975 c 432 s 82; 1978 c 764 s 112; 1982 c 548 art 6 s 23; 1988 c 719 art 5 s 84

275.49 [Repealed, 1988 c 719 art 5 s 81]

275.50 LEVY LIMITS; DEFINITIONS.

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

Subd. 2. **Governmental subdivision.** (a) "Governmental subdivision" means a county, a home rule charter city, or a statutory city, except a home rule charter or statutory city that has a population of less than 2,500 according to the most recent federal census.

(b) "Governmental subdivision" also includes any home rule charter or statutory city or town that receives a distribution from the taconite municipal aid account in the levy year.

Subd. 3. [Repealed, 1988 c 719 art 5 s 81]

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

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1988 payable in 1989 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) 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 as defined in section 256D.02, subdivision 4, 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 in the previous year. Effective with taxes levied in 1989, the portion of this special levy for income maintenance programs identified in section 273.1398, subdivision 1, paragraph (i), is eliminated;

(b) pay the costs of principal and interest on bonded indebtedness except on bonded indebtedness issued under section 471.981, subdivisions 4 to 4c or 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;

(c) 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; and to pay the cost for certificates of indebtedness issued pursuant to sections 298.28 and 298.282;

(d) 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;

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

(f) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission 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;

(g) 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;

(h) 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 356.216 reduced 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;

(i) to compensate the state for the cost of a reassessment ordered by the commissioner of revenue pursuant to section 270.16; and

(j) pay the debt service on tax increment financing revenue bonds to the extent that revenue to pay the bonds or to maintain reserves for the bonds is insufficient as a result of the provisions of Laws 1988, chapter 719, article 5.

Subd. 6. [Repealed, 1983 c 342 art 3 s 9]

Subd. 7. [Repealed, 1988 c 719 art 5 s 81]

Subd. 8. [Repealed, 1988 c 719 art 5 s 81]

History: *Ex1971 c 31 art 26 s 1; 1973 c 123 art 5 s 7; 1973 c 582 s 3; 1973 c 650 art 4 s 1-3; 1973 c 717 s 25; 1974 c 198 s 1; 1974 c 428 s 5; 1975 c 271 s 6; 1975 c 437 art*

4 s 1; 1977 c 90 s 11; 1977 c 423 art 5 s 1; 1978 c 767 s 12; 1978 c 773 s 5; 1979 c 253 s 2; 1979 c 257 s 3; 1979 c 303 art 2 s 23; 1980 c 607 art 2 s 19; 1981 c 224 s 39; 1981 c 261 s 19; 1981 c 365 s 9; 1Sp1981 c 1 art 5 s 3,4; 1Sp1981 c 4 art 1 s 130,131; 3Sp1981 c 2 art 4 s 9; 1982 c 507 s 20; 1982 c 523 art 35 s 1; 1982 c 641 art 2 s 1; 1983 c 184 s 1; 1983 c 342 art 3 s 1-3; 1984 c 522 s 5; 1Sp1985 c 14 art 4 s 78; 1986 c 425 s 29; 1986 c 441 s 2; 1987 c 268 art 6 s 40; 1987 c 289 s 2; 1987 c 344 s 2; 1987 c 380 art 2 s 2; 1988 c 719 art 5 s 37,38,84

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 all purposes other than those for which special levies and special assessments are made.

Subd. 2. MS 1978 [Expired]

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

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

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

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

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

Subd. 3e. [Repealed, 1983 c 342 art 3 s 9]

Subd. 3f. **Levy limit base.** (a) The property tax levy limit base for governmental subdivisions for taxes levied in 1988 shall be equal to the total actual levy for taxes payable in 1988 plus the amount of any payments the governmental subdivision was certified to receive in 1988 under sections 477A.011 to 477A.014 and minus any special levies claimed for taxes payable in 1988 pursuant to Laws 1987, chapter 268, article 5, section 12, subdivision 4, clauses (1), (2), (3), and (4). A county's levy limit base will be increased by the amount of any increase in its levy under section 134.07 over that levied under section 134.07 for taxes payable in 1988 which is required under section 134.341. For governmental subdivisions located in the seven-county metropolitan area, the total actual levy for taxes payable in 1988 shall include the fiscal disparities distribution levy pursuant to Minnesota Statutes 1986, section 473F.08, subdivision 7a.

(b) For taxes levied in 1989 and subsequent years, a governmental subdivision's levy limit base is equal to its adjusted levy limit base for the preceding year not including the adjustment made under subdivision 3h, paragraph (c), plus for taxes levied in 1989 the administrative reimbursement aid received in 1988.

Subd. 3g. **Base adjustments.** Any governmental subdivision which reduced any of its unreserved, undesignated fund balances because of spending for nonspecial levy purposes in calendar year 1981 may apply to the commissioner of revenue to have its levy limit base increased for the taxes payable year 1984 by no more than the amount of the reduction in the fund balances.

Applications shall be in the form and accompanied by the data required by the commissioner. If approved by the commissioner, the subdivision may then pass a resolution stating the amount by which the levy limit base is proposed to be increased. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the governmental subdivision or if there is no official newspaper, in a newspaper of general circulation in the governmental subdivision, together with a notice fixing a date for a public hearing on the proposed increase. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the governing body may determine to take no further action or, in the alternative, adopt a resolution authorizing the increase as originally proposed or approving an increase in the lesser amount it determines. The resolution authorizing an increase shall be published in the official newspaper of the governmental subdivision or if there is no official newspaper, in a newspaper of general

circulation in the governmental subdivision. If within 30 days thereafter a petition signed by voters equal in number to five percent of the votes cast in the governmental subdivision in the last general election or 2,000 voters, whichever is less, requesting a referendum on the proposed resolution is filed with the clerk or recorder of the governmental subdivision if the governmental subdivision is a city or town, or with the county auditor if the governmental subdivision is a county, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum. The referendum must be held at a special or general election prior to October 1, 1983.

Subd. 3h. Adjusted levy limit base. For taxes levied in 1988 and thereafter, the adjusted levy limit base is equal to the levy limit base computed pursuant to subdivision 3f, increased by:

(a) a percentage equal to four percent for taxes levied in 1988 and three percent for taxes levied in 1989 and subsequent years; and

(b) a percentage equal to the greater of the percentage increases in population or in number of households, if any, for the most recent 12-month period for which data is available, using figures derived pursuant to subdivision 6.

For taxes levied in 1989 and subsequent years, to the resulting product must be added the estimated reduction in a county's income maintenance aids as defined in section 273.1398, subdivision 1, pursuant to section 273.1398, subdivision 2, paragraph (d). The department of human services shall annually estimate the increase in income maintenance aids referred to in section 273.1398, subdivision 2, paragraph (d), and certify it by county to the department of revenue by July 15 of the levy year preceding that in which the aids are payable. If the actual increase in a county's income maintenance aid referred to in section 273.1398, subdivision 2, paragraph (d), is less than or greater than the amount added to a county's adjusted levy limit base in the prior year, its adjusted levy limit base for the subsequent year will be increased or decreased by the appropriate amount.

Subd. 3i. Levy limitation. The levy limitation for a governmental subdivision shall be equal to the adjusted levy limit base determined pursuant to subdivision 3h, reduced by the local government aid that the governmental subdivision has been certified to receive pursuant to sections 477A.011 to 477A.014.

This amount is the amount of property taxes which a governmental subdivision may levy for all purposes other than those for which special levies and special assessments are made.

Subd. 3j. Appeals. A governmental subdivision subject to the limitations in this section may appeal to the commissioner of revenue for an adjustment in its levy limit base under this section. If the governmental subdivision can provide evidence satisfactory to the commissioner that its levy for taxes payable in 1988 had been reduced because it had made expenditures from reserve funds, the commissioner may permit the governmental subdivision to increase its levy limit base under this section by the amount determined by the commissioner. The commissioner's decision is final.

Subd. 4. If 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 tax capacity 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 sections 477A.011 to 477A.014, shall be reduced 33 cents for each full dollar the levy exceeds the limitation.

Subd. 5. [Repealed, 1983 c 342 art 3 s 9]

Subd. 6. Population and household estimates. For the purpose of determining the amount of tax that a governmental subdivision may levy in accordance with limitation established by this chapter, the population or the number of households of the governmental subdivision shall be that established by the last federal census, by a census taken

pursuant to section 275.14, or by an estimate made by the metropolitan council, or by the state demographer made pursuant to section 116K.04, subdivision 4, 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.

History: *Ex1971 c 31 art 26 s 2; 1973 c 123 art 5 s 7; 1973 c 492 s 14; 1973 c 582 s 3; 1973 c 650 art 4 s 4-8; 1974 c 198 s 2; 1975 c 437 art 4 s 2-5; 1977 c 423 art 5 s 2; 1978 c 767 s 13; 1979 c 303 art 2 s 24; art 8 s 5; 1980 c 607 art 4 s 5; art 10 s 4; 1Sp1981 c 1 art 5 s 5-7; art 6 s 8; 3Sp1981 c 2 art 4 s 10,11; 1983 c 289 s 115 subd 2; 1983 c 342 art 3 s 4-8; 1984 c 522 s 6; 1984 c 558 art 4 s 10; 1984 c 593 s 35,36; 1Sp1985 c 14 art 20 s 3; 1986 c 441 s 3,4; 1987 c 268 art 6 s 41; art 9 s 9; 1988 c 719 art 5 s 39-42,84*

275.515 [Repealed, 3Sp1981 c 2 art 4 s 16]

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

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]

275.54 CONSOLIDATION OF GOVERNMENTAL SUBDIVISIONS.

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

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

History: *Ex1971 c 31 art 26 s 5; 1973 c 582 s 3*

275.55 STATE REVIEW AND REGULATION OF LEVIES.

The commissioner of revenue, or designees, shall establish procedures by which levies of all governmental units shall be periodically reviewed. The commissioner shall be empowered to order withholding of state aids where such penalties are authorized by law, to issue, in accordance with chapter 14, rulings interpreting sections 275.50 to 275.56, and to take such other administrative actions as the commissioner deems necessary in order to carry out the provisions of sections 275.50 to 275.56. If the commissioner of revenue takes administrative action or any other action authorized by this section to enforce the provisions of sections 275.50 to 275.56, the commissioner shall give written notice of such action to the governmental subdivision affected. Such notice shall specify the actual or impending violations by the governmental subdivision of sections 275.50 to 275.56 or the rules of the department of revenue pertaining thereto, describe the corrective action required, including, in the case of an excess levy, reduction of the governmental subdivision's levy in the next succeeding levy year in an amount equal to the amount of the excess levy, set a reasonable period of time within which the governmental subdivision shall correct the specified actual or impending violations and caution the governmental subdivision that if the specified correction is not made within the time allowed, the state aids to the governmental subdivision

pursuant to sections 477A.011 to 477A.014 and 298.282, as amended, will be reduced as provided in section 275.51, subdivision 4. The time period first allowed for correction may be extended by the commissioner if there is a reasonable basis for delay. County auditors, in addition to duties otherwise provided by law, shall cooperate with the commissioner in establishing such procedures and enforcing the provisions of sections 275.50 to 275.56.

History: *Ex1971 c 31 art 26 s 6; 1973 c 582 s 3; 1973 c 650 art 4 s 13; 1Sp1981 c 1 art 6 s 8; 1982 c 424 s 130; 1985 c 248 s 70; 1986 c 444*

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

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

275.56 EFFECT UPON OTHER LEVY LIMITS.

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

History: *Ex1971 c 31 art 26 s 7*

275.561 LEVY LIMITATION.

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

History: *1973 c 583 s 38*

275.57 TAX LEVY FOR REMOVAL OF PROPERTY CONDEMNED AS HAZARDOUS TO HEALTH, SAFETY OR WELFARE.

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

History: *Ex1971 c 31 art 28 s 1; 1973 c 123 art 5 s 7*

275.58 ELECTIONS TO INCREASE LEVY.

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

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

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

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

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

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

History: 1973 c 650 art 4 s 16

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