

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 under a special law that is not codified in Minnesota Statutes or a city charter provision and that is subject to a mill rate limitation imposed by the special law or city charter provision, 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 special law or city charter provision 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 a special law or city charter provision 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; 1989 c 277 art 4 s 21,22; 1989 c 329 art 13 s 8

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.** Notwithstanding any law or charter to the contrary, on or before September 1, each taxing authority, other than a school district, shall adopt a proposed budget and each taxing authority shall certify to the county auditor the proposed or, in the case of a town, the final property tax levy for taxes payable in the following year. If the board of estimate and taxation or any similar board that establishes maximum tax levies for taxing jurisdictions within a first class city certifies the maximum property tax levies for funds under its jurisdiction by charter to the county auditor by September 1, the city shall be deemed to have certified its levies for those taxing jurisdictions. For purposes of this section, "taxing authority" includes all home rule and statutory cities, towns, counties, school districts, and special taxing districts. The commissioner of revenue shall determine what constitutes a special taxing district for purposes of this section. Intermediate school districts that levy a tax under chapter 136D, joint powers boards established under sections 124.491 to 124.496, and common school districts No. 323, Franconia, and No. 815, Prinsburg, are special taxing districts for purposes of this section.

Subd. 1a. **Overlapping jurisdictions.** In the case of a taxing authority lying in two or more counties, the home county auditor shall certify the proposed levy to the other county auditor by September 20 for taxes levied in 1990, and thereafter, and the proposed local tax rate by September 5 for taxes levied in 1991, and thereafter, for counties

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containing a city of the first class. The home county auditor must estimate the levy or rate in preparing the notices required in subdivision 3, if the other county has not certified the appropriate information. If requested by the home county auditor, the other county auditor must furnish an estimate to the home county auditor.

Subd. 1b. **Certification of population; pupils.** (a) On or before September 1, the state demographer shall certify to the county auditor the population of each taxing authority and the change in population as required in subdivision 3, paragraph (d), clause (3).

(b) On or before September 1, the commissioner of education shall certify to the county auditor the number of pupils in average daily membership in the school district and the change in the number of pupils in average daily membership as required in subdivision 3, paragraph (d), clause (3).

Subd. 2. [Repealed, 1Sp1989 c 1 art 9 s 85]

Subd. 3. **Notice of proposed property taxes.** (a) The county auditor shall prepare and the county treasurer shall deliver on or before November 10 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

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

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year as required in paragraph (d) or (e) and, for a town, the amount of its final levy. It must clearly state that each taxing authority, other than a town or special taxing district, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail. It must state the time and place for the continuation of the hearing if the hearing is not completed on the original date.

(d) Except as provided in paragraph (e), for taxes levied in 1990 and 1991, the notice must state by county, city or town, and school district:

(1) the total proposed or, for a town, final property tax levy for taxes payable the following year after reduction for state aid;

(2) the percentage increase or decrease from the actual property tax levy for taxes payable in the current year; and

(3) for counties, cities, and towns, the increase or decrease in population from the second previous calendar year to the immediately prior calendar year, and for school districts, the increase or decrease in the number of pupils in average daily membership from the second previous school year to the immediately prior school year as determined by the commissioner of education. The data used to determine the increase or decrease in population under this clause must be the data used for purposes of the population adjustment to the levy limit base of the county, city, or town under section 275.51, subdivision 6.

For purposes of this paragraph, "proposed property taxes after reduction for state aid" means the taxing authority's levy certified under section 275.07, subdivision 1.

(e) In the case of a county containing a city of the first class, or taxing authority lying wholly within a county or counties containing a city of the first class, for taxes levied in 1991, and thereafter, and for all counties for taxes levied in 1992 and thereafter, the notice must state for each parcel:

(1) the market value of the property as defined under section 272.03, subdivision 8, for property taxes payable in the following year and for taxes payable the current year;

(2) by county, city or town, school district, the sum of the special taxing districts, and as a total of the taxing authorities, including special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year; and

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(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(f) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified; and

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified.

Subd. 4. Costs. If the reasonable cost of the county auditor's services and the cost of preparing and mailing the notice required in this section exceed the amount distributed to the county by the commissioner of revenue to administer this section, the taxing authority must reimburse the county for the excess cost. The excess cost must be apportioned between taxing jurisdictions as follows:

(1) one-third is allocated to the county;

(2) one-third is allocated to cities and towns within the county; and

(3) one-third is allocated to school districts within the county.

The amounts in clause (2) must be further apportioned among the cities and towns in the proportion that the population of the city and town bears to the population of all the cities and towns within the county. The amount in clause (3) must be further apportioned among the school districts in the proportion that the number of pupils in the school district bears to the number of pupils in all school districts within the county.

Subd. 5. [Repealed, 1Sp1989 c 1 art 9 s 85]

Subd. 5a. Public advertisement. (a) A city, county, or school district shall advertise in a newspaper a notice of its intent to adopt a budget and property tax levy or in the case of a school district, a property tax levy, at a public hearing. The notice must be published not less than two days nor more than six days before the hearing.

The advertisement must be at least one-eighth page in size of a standard-size or a tabloid-size newspaper, and the headlines in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than 24-point. The text of the advertisement must be no smaller than 18-point, except that the property tax amounts and percentages may be in 14-point type. 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 an official newspaper of general circulation in the taxing authority. The newspaper selected must be one of general interest and readership in the community, and not one of limited subject matter. The advertisement must appear in a newspaper that is published at least once per week.

(b) The advertisement must be in the following form; except that the notice for a school district must not include references to budget hearings or to adoption of a budget:

"NOTICE OF

PROPOSED PROPERTY TAXES

(City/County/School District) of

The governing body of will soon hold budget hearings and vote on the property taxes for (city/county services that will be provided in 199_/school district services that will be provided in 199_ and 199_).

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The property tax amounts below compare current (city/county/school district) property taxes and the property taxes that would be collected in 199_ if the budget now being considered is approved.

199_	Proposed 199_	199_ Increase
Property Taxes	Property Taxes	or Decrease
\$.....	\$.....%

NOTICE OF PUBLIC HEARING:

All concerned citizens are invited to attend a public hearing and express their opinions on the proposed (city/county/school district) budget and property taxes. The hearing will be held on (Month/Day/Year) at (Time) at (Location, Address).

A continuation of the hearing, if necessary, will be held on (Month/Day/Year) at (Time) at (Location, Address).

Written comments may be directed to (Address)."

Subd. 6. Public hearing; adoption of budget and levy. Between November 15 and December 20, the governing bodies of the city and county shall each hold a public hearing to adopt its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold a public hearing to adopt its property tax levy for taxes payable in the following year.

At the hearing, the taxing authority, other than a school district, may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy, and the school district may amend the proposed property tax levy and must adopt a final property tax levy.

The property tax levy certified under section 275.07 by a city, county, or school district must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

(1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 124A.03, subdivision 2, or 124.82, subdivision 3, after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters under section 275.58 after the proposed levy was certified;

(3) the amount of a levy to pay principal and interest on bonds issued or approved by the voters under section 475.58 after the proposed levy was certified;

(4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a;

(5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a; and

(6) the amount of an increase in levy limits certified to the taxing authority by the commissioner of revenue or the commissioner of education after the proposed levy was certified.

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, other than the governing body school districts, 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 county auditor shall provide for the coordination of hearing dates for all taxing authorities within the county.

By August 1, the county auditor shall notify the clerk of each school district within the county of the dates that the county board has designated for its hearing and any continuation under subdivision 3. By August 15, each school board shall certify to the county auditors of the counties in which the school district is located the dates on which it elects to hold its hearings and any continuations under subdivision 3. If a school board does not certify the dates by August 15, the auditor will assign the hearing date. The dates elected or assigned must not conflict with the county hearing dates. By August 20, the county auditor shall notify the clerks of the cities within the county of the dates on which the county and school districts have elected to hold their hearings. At the time a city certifies its proposed levy under subdivision 1 it shall certify the dates on which it elects to hold its hearings and any continuations under subdivision 3. The city must not select dates that conflict with those elected by or assigned to the counties and school districts in which the city is located.

The hearing dates so elected or assigned must be designated on the notices required under subdivision 3.

This subdivision does not apply to towns and special taxing districts.

Subd. 6a. Approval of commissioner. (a) A taxing authority may appeal to the commissioner of revenue for authorization to levy an amount over the amount of the proposed levy. The taxing authority must provide evidence satisfactory to the commissioner that it has incurred costs for the purposes specified in paragraph (b). The commissioner may approve an increase in the taxing authority's levy of up to the amount of costs incurred or a lesser amount determined by the commissioner. The commissioner's decision is final.

(b) A levy addition may be made under paragraph (a) for the following costs incurred after the proposed levy is certified: (1) the unreimbursed costs to satisfy judgments rendered against the taxing authority by a court of competent jurisdiction in a tort action in excess of \$50,000 or ten percent of the current year's proposed certified levy whichever is less; and (2) the costs incurred in clean up of a natural disaster. For purposes of this subdivision, "natural disaster" includes the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from causes such as earthquake, fire, flood, windstorm, wave action, oil spill, water contamination, air contamination, or drought.

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 the information required by the commissioner of revenue to determine compliance with this section. 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. The decision of the commissioner is final. When fixing rates under section 275.08 for a taxing authority that has not complied with this section, the county auditor must use the taxing authority's previous year's levy.

History: 1988 c 719 art 5 s 30; 1Sp1989 c 1 art 2 s 11; art 9 s 31-38; 1990 c 604 art 3 s 23-26

275.07 CITY, TOWN, COUNTY, AND SCHOOL DISTRICT TAXES.

Subdivision 1. The taxes voted by cities, counties, school districts, and special districts shall be certified by the proper authorities to the county auditor on or before five working days after December 20 in each year. A town must certify the levy adopted by the town board to the county auditor by September 1 each year. If the town board modifies the levy at a special town meeting after September 1, the town board must recertify its levy to the county auditor on or before five working days after December 20. The taxes certified shall not be adjusted by the aid received under sections 273.1398, subdivi-

visions 2 and 3, and 477A.013, subdivision 5. 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.

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, except for the equalization levies defined in section 273.1398, subdivision 2a, paragraph (a), by the amount of homestead and agricultural credit aid certified by section 273.1398, subdivision 2, reduced by the amount under section 273.1398, subdivision 5a; fiscal disparity homestead and agricultural credit aid under section 273.1398, subdivision 2b; and equalization aid certified by section 477A.013, subdivision 5.

Subd. 4. **Report to commissioner.** On or before September 15 for taxes levied in 1990, and thereafter, the county auditor shall report to the commissioner of revenue the proposed levy certified by local units of government under section 275.065, subdivision 1. On or before January 15, for taxes levied in 1989 and thereafter, the county auditor shall report to the commissioner of revenue the final levy certified by local units of government under subdivision 1. The levies must be reported in the manner prescribed by the commissioner. The reports must show a total levy and the amount of each special levy.

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; 1989 c 277 art 2 s 37; 1Sp1989 c 1 art 3 s 23; art 4 s 1,2; art 9 s 39,40; 1990 c 480 art 7 s 17; 1990 c 604 art 3 s 27,28; art 4 s 5*

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 0.12089 percent of taxable market value, the excess shall be added to the township levy for the second and later subsequent levy years, not to exceed an additional levy of 0.12089 percent of taxable market value 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; 1989 c 277 art 4 s 23*

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 class rates specified in section 273.13. The gross tax capacity will be the appropriate class rate multiplied by the parcel's market value. For taxes payable in 1990 and subsequent years, the county auditor shall compute the net tax capacity for each parcel according to the class rates specified in section 273.13. The net tax capacity will be the appropriate class 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 local tax 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 local tax rate of a local government has been determined pursuant to subdivision 1b, the auditor shall adjust the local government's local tax 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 local tax rate of the local government within the unique taxing jurisdiction for which the adjustment was calculated.

Subd. 1d. If, after computing each local government's adjusted local tax rate within a unique taxing jurisdiction pursuant to subdivision 1c, the auditor finds that the total adjusted local tax rate of all local governments combined is less than 90 percent of gross tax capacity for taxes payable in 1989 and 90 percent of net tax capacity for taxes payable in 1990 and thereafter, the auditor shall increase each local government's adjusted local tax rate proportionately so the total adjusted local tax rate of all local governments combined equals 90 percent. The total amount of the increase in tax resulting from the increased local tax rates must not exceed the amount of disparity aid allocated to the unique taxing district under section 273.1398. The auditor shall certify to the department of revenue the difference between the disparity aid originally allocated under section 273.1398, subdivision 3, and the amount necessary to reduce the total adjusted local tax rate of all local governments combined to 90 percent. Each local government's disparity reduction aid payment under section 273.1398, subdivision 6, must be reduced accordingly.

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

Subd. 3. **Assistance of county auditor.** A county auditor who has not furnished the local tax rate or gross tax capacity of property in the county by January 15 shall, on request, furnish the county auditor of a county in the overlapping district an estimate of the tax capacities or the local tax rate. The auditor may request the assistance of the county assessor in determining the estimate.

Subd. 4. **Subsequent adjustment.** After the correct local tax rate or net 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 net tax capacity and local tax 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 net tax capacity and local tax 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; 1989 c 1 s 2; 1989 c 329 art 13 s 20; 1Sp1989 c 1 art 2 s 11; art 9 s 41,42*

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 net 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; 1989 c 329 art 13 s 20

NOTE: This section is repealed by Laws 1989, First Special Session chapter 1, article 5, section 51, effective for taxes levied in 1992, payable in 1993 and thereafter. See Laws 1989, First Special Session chapter 1, article 5, section 52, as amended by Laws 1990, chapter 604, article 3, section 47.

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 April 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; 1Sp1989 c 1 art 9 s 43

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) 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; the amounts necessary to pay the district's obligations under section 122.533; and for severance pay required by this section and section 122.535, subdivision 6.

(b) An education district that negotiates a collective bargaining agreement for teachers under section 122.937 may certify to the department of education the amount necessary to pay all of the member districts' obligations and the education district's obligations under section 268.06, subdivision 25.

The department of education must allocate the levy amount proportionately among the member districts based on adjusted net tax capacity. The member districts must levy the amount allocated.

(c) Each year, a member district of an education district that levies under this subdivision must transfer the amount of revenue certified under paragraph (b) to the education district board according to this subdivision. By June 20 and November 30 of each year, an amount must be transferred equal to:

(1) 50 percent times

(2) the amount certified in paragraph (b) minus homestead and agricultural credit aid allocated for that levy according to section 273.1398, subdivision 6.

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 rate times the adjusted net tax capacity of the district for the preceding year. The basic transportation tax rate for fiscal year 1991 is 2.04 percent. Beginning in 1990, the commissioner of revenue shall establish the basic transportation tax rate and certify it to the commissioner of education by July 1 of each year for levies payable in the following year. The basic transportation tax rate shall be a rate, rounded up to the nearest hundredth of a percent, that, when applied to the adjusted net tax capacity of taxable property for all districts, raises the amount specified in this subdivision. The basic transportation tax rate for transportation shall be the rate that raises \$66,700,000 for fiscal year 1992 and subsequent fiscal years. The basic transportation tax rate certified by the commissioner of revenue must not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax 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 subdivision, 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. (a) In the 1989 and 1990 fiscal years, if the basic transportation levy under subdivision 5 in a district attributable to the 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 second 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.

(b) For 1991 and later fiscal years, in a district if the basic transportation levy under subdivision 5 attributable to that fiscal year is more than the difference between (1) the district's transportation revenue under section 124.225, subdivision 7c, and (2) the sum of the district's maximum nonregular levy under subdivision 5c and the district's contracted services aid reduction under section 124.225, subdivision 8k, and the

amount of any reduction due to insufficient appropriation under section 124.225, subdivision 8a, the district's transportation levy in the second year following each fiscal year must be reduced by the amount of the excess.

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 be the result of the following computation:

(a) multiply

(1) the amount of the district's nonregular transportation revenue under section 124.225, subdivision 7c, that is more than the product of \$30 times the district's actual pupil units, by

(2) 60 percent;

(b) subtract the result in clause (a) from the district's total nonregular transportation revenue;

(c) multiply the result in clause (b) by the lesser of one or the ratio of (i) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable, to (ii) \$7,258.

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 lesser of (1) the regular transportation allowance for the fiscal year to which the levy is attributable, or (2) the base cost for the fiscal year to which the levy is attributable, by the number of weighted FTE pupils transported in the excess category in the district in the current school year.

(b) Add to the result in paragraph (a) the actual cost in the fiscal year to which the levy is attributable of other related services that are necessary because of extraordinary traffic, drug, or crime 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. 5h. **Transportation levy for post-secondary agreements.** A school district may levy an amount equal to the actual cost of transportation of secondary pupils enrolled in courses provided under an agreement authorized by section 123.33, subdivision 7, to and from a pupil's home and a secondary school or a post-secondary institution, between a secondary school and a post-secondary institution, or between post-secondary institutions.

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, independent school district No. 625, St. Paul, may levy an amount not to exceed a gross tax rate of .80 percent times the adjusted gross tax capacity of the district for taxes payable in 1990 or a net tax rate of 1.0 percent times the adjusted net tax capacity of the district for taxes payable in 1991 and thereafter. 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. [Repealed, 1989 c 329 art 1 s 18]

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 a net tax rate of .10 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter of the property in the district for the preceding year. 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. To obtain a subsidy, an eligible teacher must submit to the school district a copy of receipts for health insurance premiums paid. The school district shall disburse the health insurance premium subsidy to each eligible teacher according to a schedule determined by the district, but at least annually. 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 a net tax rate of 2.0 percent times the adjusted net tax capacity of the district for taxes payable in 1991 and thereafter. 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. [Repealed, 1989 c 329 art 4 s 20]

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) a net tax rate of .54 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter 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 net 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. (a) 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.

(b) A district may levy each year under this subdivision if it:

(1) is a member of an education district, under sections 122.91 to 122.95, and the education district of which the district is a member does not receive revenue under section 124.2721; or

(2) has a written 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.

(c) The levy must not exceed \$50 times the actual pupil units, the cost of the agreement to expand curricular offerings, or \$50,000, whichever is the smallest.

(d) A district that is a member of a secondary vocational cooperative that levies under section 124.575, may levy the difference between (1) the smallest amount under paragraph (c), and (2) the amount levied under section 124.575.

(e) 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 payments 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 a net tax rate of 6.82 percent times the adjusted net tax capacity for taxes payable in 1990 and thereafter 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 facilities levy authorized by section 124.243, the capital expenditure equipment levy authorized by section 124.244, the health and safety levy authorized by section 124.83, and subdivision 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 under each section or subdivision. The reduction 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 each year 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 be an amount which is equal to the amount raised by a levy of a net tax rate of 1.66 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 1991 and thereafter; 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 a net tax rate of 1.66 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 1991 and thereafter. 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 a net tax rate of 1.85 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter 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 a net tax rate of 1.85 percent times the adjusted net tax capacity for taxes payable in 1991 and thereafter 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. By August 15, the commissioner shall notify the school districts of their levy limits. 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 may 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 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. [Repealed, 1988 c 718 art 8 s 27]

Subd. 11d. **Extra capital expenditure levy for leasing buildings.** When a district finds it economically advantageous to rent or lease a building for any instructional purposes 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. 11e. **Extra capital expenditure levy for cooperating districts.** A district that has an agreement according to section 122.535 or 122.541 may levy for the repair costs, as approved by the department of education, of a building located in another district that is a party to the agreement.

Subd. 11f. **Levy for certain lease purchases.** A district may annually levy the amount needed to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payment agreement authorized by Minnesota Statutes 1989 Supplement, section 465.71, if:

(1) the agreement was approved by the commissioner before July 1, 1990, according to Minnesota Statutes 1989 Supplement, section 275.125, subdivision 11d; or

(2) the district levied in 1989 for the payments.

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 college construction.** (a) The definitions in section 136C.02 apply to this subdivision. "Construction" includes acquisition and betterment of land, buildings, and capital improvements for technical colleges.

(b) A district maintaining a technical college may levy for its share of the cost of construction of technical college facilities 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 act must require the state to pay part of the cost of technical college construction and the district to pay part of the cost.

(d) The district may levy an amount equal to the local share of the cost of technical college construction minus the amount of any unreserved net balance in the district's technical college 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 August 1 before a district certifies the first levy pursuant to this subdivision, 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 and duration of the proposed levy and the amount of the proposed levy in dollars and in terms of the local tax rate. 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 September 20 before the levy is certified. The question on the ballot shall state the amount of the proposed levy in terms of the local tax rate and in dollars in the first year of the proposed levy.

(f) 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. Levy information. By September 15 of each year each district shall notify the commissioner of education of the proposed levies in compliance with the levy limitations of this section and chapters 124, 124A, and 124B. By January 15 of each year each district shall notify the commissioner of education of the final levies certified. The commissioner of education shall prescribe the form of these notifications and may request any additional information necessary to compute certified levy amounts.

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: *Ex1971 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*

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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; 1989 c 15 s 1; 1989 c 222 s 32-35; 1989 c 246 s 2; 1989 c 293 s 76; 1989 c 329 art 2 s 4-7,9; art 5 s 14; art 6 s 48,49; art 13 s 9-17; art 13 s 20; 1Sp1989 c 1 art 2 s 11; art 6 s 9-11; art 9 s 44,45; 1990 c 426 art 2 s 1; 1990 c 562 art 2 s 8,9; art 5 s 9,10; art 6 s 33; art 7 s 10; art 10 s 6-12; 1990 c 596 s 3; 1990 c 604 art 3 s 29

NOTE: Subdivision 11d was also amended by Laws 1989, chapter 222, section 36, to read as follows:

"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 the district making the levy or for custodial or other maintenance services."

275.126 [Repealed, 1975 c 306 s 34]

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

275.128 [Repealed, 1989 c 329 art 9 s 34]

275.13 MS 1969 [Expired]

275.14 CENSUS.

For the purposes of sections 275.124 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 as certified by the department of education from 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 275.124 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 July 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 determination 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 275.124 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 275.124 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; 1989 c 329 art 4 s 16; 1Sp1989 c 1 art 5 s 9; art 9 s 46

NOTE: The amendments to this section by Laws 1989, First Special Session chapter 1, article 5, section 9, are effective for taxes levied in 1992, payable in 1993 and thereafter. See Laws 1989, First Special Session chapter 1, article 5, section 52, as amended by Laws 1990, chapter 604, article 3, section 47.

275.15 NOT TO INCREASE LEVIES.

Sections 275.124 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; 1Sp1989 c 1 art 5 s 10

NOTE: This section, as amended by Laws 1989, First Special Session chapter 1, article 5, section 10, is effective for taxes levied in 1992, payable in 1993 and thereafter. See Laws 1989, First Special Session chapter 1, article 5, section 52, as amended by Laws 1990, chapter 604, article 3, section 47.

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 275.124 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; 1Sp1989 c 1 art 5 s 11

NOTE: This section, as amended by Laws 1989, First Special Session chapter 1, article 5, section 11, is effective for taxes levied in 1992, payable in 1993 and thereafter. See Laws 1989, First Special Session chapter 1, article 5, section 52, as amended by Laws 1990, chapter 604, article 3, section 47.

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 net 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 a gross local tax rate of .01 percent or a net local tax rate of .01 percent; 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. 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 fails to enter on any such list before its delivery to the treasurer any tax levied, the tax may be subsequently entered. The tax lists shall be deemed completed, and all taxes extended thereon, as of January 1 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; 1989 c 277 art 4 s 24; 1989 c 329 art 15 s 20; 1Sp1989 c 1 art 2 s 11; art 9 s 47*

275.29 ABSTRACTS TO COMMISSIONER OF REVENUE.

Not later than March 31, 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; 1Sp1989 c 1 art 9 s 48*

- 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 net 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 local tax rate determined by the county auditor based on the original net tax capacity is applied on the reduced net tax capacity and does not produce the full amount of taxes actually levied and certified for that taxable year on the original net 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 net 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 net tax capacity, not exceeding the maximum amount which could be raised on the net tax capacity as reduced, within existing local tax rate limitations, if any, and the amount of taxes collected for that taxable year on the reduced net 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; 1989 c 329 art 13 s 20; 1Sp1989 c 1 art 2 s 11

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, and a town with a population of over 5,000 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 net tax capacity of the governmental subdivision, are not considered special assessments.

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1990 payable in 1991 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) for taxes levied in 1990, payable in 1991 and subsequent years, 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. The aggregate amounts levied under this clause for the costs of purchase or delivery of social services and income maintenance programs, other than those identified in section 273.1398, subdivision 1, paragraph (i), are subject to a maximum increase over the amount levied for the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties. For purposes of this clause, "income maintenance programs" include income maintenance programs in section 273.1398, subdivision 1, paragraph (i), to the extent the county provides benefits under those programs over the statutory mandated standards. Effective with taxes levied in 1990, the portion of this special levy for human service 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;

(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;

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(k) pay the cost of hospital care under section 261.21;

(l) pay the unreimbursed costs incurred in the previous year to satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, provided that an appeal for the unreimbursed costs under this clause was approved by the commissioner of revenue under section 275.51, subdivision 3;

(m) pay the expenses reasonably and necessarily incurred in preparing for or repairing the effects of natural disaster including the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from natural causes such as earthquake, fire, flood, wind storm, wave action, oil spill, water contamination, air contamination, or drought in accordance with standards formulated by the emergency services division of the state department of public safety, provided that an appeal for the expenses incurred under this clause were approved by the commissioner of revenue under section 275.51, subdivision 3;

(n) pay a portion of the losses in tax receipts to a city due to tax abatements or court actions in the year preceding the current levy year, provided that an appeal for the tax losses was approved by the commissioner of revenue under section 275.51, subdivision 3. This special levy is limited to the amount of the losses times the ratio of the nonspecial levies to total levies for taxes payable in the year the abatements were granted. County governments are not authorized to claim this special levy;

(o) pay the operating cost of regional library services authorized under section 134.34, subject to a maximum increase over the previous year of the greater of (1) 103 percent multiplied by one plus the percentage increase determined for the governmental subdivision under section 275.51, subdivision 3h, clause (b), or (2) six percent. If a governmental subdivision elected to include some or all of its levy for libraries within its adjusted levy limit base in the prior year, but elects to claim the levy as a special levy in the current levy year, the allowable increase is determined by applying the greater percentage determined under clause (1) or (2) to the total amount levied for libraries in the prior levy year. After levy year 1989, the increase must not be determined using a base amount other than the amount that could have been levied as a special levy in the prior year. This limit may be redistributed according to the provisions of section 134.342. In no event shall the special levy be less than the minimum levy required under sections 134.33 and 134.34, subdivisions 1 and 2;

(p) pay the amount of the county building fund levy permitted under section 373.40, subdivision 6;

(q) pay the county's share of the costs levied in 1989, 1990, and 1991 for the Minnesota cooperative soil survey under Minnesota Statutes 1988, section 40.07, subdivision 15;

(r) for taxes levied in 1989, payable in 1990 only, pay the cost incurred for the minimum share required by counties levying for the first time under section 134.34 as required under section 134.341. For taxes levied in 1990, and thereafter, counties levying under this provision must levy under clause (o), and their allowable increase must be determined with reference to the amount levied in 1989 under this paragraph;

(s) for taxes levied in 1989, payable in 1990 only, provide an amount equal to 50 percent of the estimated amount of the reduction in aids to a county under sections 273.1398, subdivision 2, paragraph (d), and 477A.012, subdivision 3, for aids payable in 1990;

(t) for taxes levied in 1990 only by a county in the eighth judicial district, provide an amount equal to the amount of the levy, if any, that is required under Laws 1989, chapter 335, article 3, section 54, subdivision 8, as amended by Laws 1990, chapter 604, article 9, section 14;

(u) for taxes levied in 1989, payable in 1990 only, pay the costs not reimbursed by the state or federal government:

(i) for the costs of purchase or delivery of social services. The aggregate amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties.

(ii) for payments made to or on behalf of recipients of aid under any public assistance program authorized by law. The aggregate amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent and must be used only for the public assistance programs.

If the amount levied under this paragraph (u) in 1989 is less than the actual expenditures needed for these programs for 1990, the difference between the actual expenditures and the amount levied may be levied in 1990 as a special levy. If the amount levied in 1989 is greater than the actual expenditures needed for these programs for 1990, the difference between the amount levied and the actual expenditures shall be deducted from the 1990 levy limit, payable in 1991;

(v) pay an amount of up to 25 percent of the money sought for distribution and approved under section 115A.557, subdivision 3, paragraph (b), clause (3);

(w) pay the unreimbursed costs of per diem jail or correctional facilities services paid by the county in the previous 12-month period ending on July 1 of the current year provided that the county is operating under a department of corrections directive that limits the capacity of a county jail as authorized in section 641.01 or 641.262, or a correctional facility as defined in section 241.021, subdivision 1, paragraph (5);

(x) for taxes levied in 1990 and 1991, payable in 1991 and 1992 only, pay the operating or maintenance costs of a county jail as authorized in section 641.01 or 641.262, or of a correctional facility as defined in section 241.021, subdivision 1, paragraph (5), to the extent that the county can demonstrate to the commissioner of revenue that the amount has been included in the county budget as a direct result of a rule, minimum requirement, minimum standard, or directive of the department of corrections. If the county utilizes this special levy, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.51, shall be deducted from the levy limit base under section 275.51, subdivision 3f, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination;

(y) for taxes levied in 1990, payable in 1991 only, pay an amount equal to the unreimbursed county costs paid in 1989 and 1990 for the purpose of grasshopper control; and, for taxes levied in 1991 payable in 1992 only, pay an amount equal to the unreimbursed county costs paid in 1991 for the purpose of grasshopper control;

(z) for a county, provide an amount needed to fund comprehensive local water implementation activities under sections 103B.3361 to 103B.3369 as provided in this clause.

A county may levy an amount not to exceed the water implementation local tax rate times the adjusted net tax capacity of the county for the preceding year. The water implementation local tax rate shall be set by August 1 each year by the commissioner of revenue for taxes payable in the following year. As used in this paragraph, the "adjusted net tax capacity of the county" means the net tax capacity of the county as equalized by the commissioner of revenue based upon the results of an assessment/sales ratio study. That rate shall be the rate, rounded up to the nearest one-thousandth of a percent, that, when applied to the adjusted net tax capacity for all counties, raises the amount specified in this clause. The water implementation local tax rate for taxes levied in 1990 shall be the rate that raises \$1,500,000 and the rate for taxes levied in 1991 shall be the rate that raises \$1,500,000. A county must levy a tax at the rate established under this clause to qualify for a grant from the board of water and soil resources under section 103B.3369, subdivision 5;

(aa) pay the unreimbursed county costs for court-ordered family-based services

and court-ordered out-of-home placement for children to the extent that the county can demonstrate to the commissioner of revenue that the estimated amount included in the county's budget for the following levy year is for the purposes specified under this clause. For purposes of this special levy, costs for "family-based services" and "out-of-home placement" means costs resulting from court-ordered targeted family services designed to avoid out-of-home placement and from court-ordered out-of-home placement under the provisions of sections 260.172 and 260.191, which are unreimbursed by the state or federal government, insurance proceeds, or parental or child obligations. Any amount levied under this clause must only be used by the county for the purposes specified in this clause.

If the county uses this special levy and the county levied an amount in the previous levy year, for the purposes specified under this clause, under another special levy or under the levy limitation in section 275.51, the following adjustments must be made:

(i) The amount levied in the previous levy year for the purposes specified under this clause under the levy limitation in section 275.51 must be deducted from the levy limit base under section 275.51, subdivision 3f, when determining the current year levy limitation.

(ii) The amount levied in the previous levy year, for the purposes specified under clause (a) or (u) must be deducted from the previous year's amount used to calculate the maximum amount allowable under clause (a) in the current levy year; and

(bb) pay the amounts allowed as special levies under Laws 1989, First Special Session chapter 1, article 5, section 50, and subdivisions 5a and 5b.

Subd. 5a. **Special levies; local.** "Special levies" also includes those portions of ad valorem taxes levied by the following governmental subdivisions for the years and purposes given in the cited laws:

(1) Goodhue county for the county historical society as provided in Laws 1990, chapter 604, article 3, section 50;

(2) the city of Windom for a municipal hospital as provided in Laws 1990, chapter 604, article 3, section 51;

(3) Koochiching county for ambulance service as provided in Laws 1990, chapter 604, article 3, section 52;

(4) Douglas county for solid waste management as provided in Laws 1990, chapter 604, article 3, section 53;

(5) the city of Bemidji and Beltrami county to pay bonds for an airport terminal as provided in Laws 1990, chapter 604, article 3, section 57;

(6) Ramsey county to pay bonds for a facility for the arts and sciences as provided in Laws 1990, chapter 604, article 3, section 58;

(7) the city of Rosemount for an armory as provided in Laws 1990, chapter 604, article 3, section 59;

(8) the cities of Maple Grove, Brooklyn Park, Brooklyn Center, and Coon Rapids for peace officer salaries and benefits as provided in Laws 1990, chapter 604, article 3, section 60; and

(9) a city described in and for debt service as provided in Laws 1990, chapter 604, article 3, section 61.

Subd. 5b. **Special levies; local; 1991 only.** For taxes levied in 1990 only, payable in 1991 only, special levies also includes those portions of ad valorem taxes levied by the following governmental subdivision for the purposes given in the cited laws:

(1) the city of Bayport for operating costs of a city library as provided in Laws 1990, chapter 604, article 3, section 49;

(2) Mille Lacs county for expenditures made from reserve funds as provided in Laws 1990, chapter 604, article 3, section 54;

(3) Becker county for expenditures made from reserve funds as provided in Laws 1990, chapter 604, article 3, section 55; and

(4) Goodhue county for a levy limit base reduction as provided in Laws 1990, chapter 604, article 3, section 56.

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; 1989 c 329 art 13 s 20; 1989 c 356 s 43; 1Sp1989 c 1 art 5 s 12; art 19 s 2; 1990 c 426 art 1 s 37; 1990 c 480 art 7 s 18; 1990 c 604 art 3 s 30,49-61,64; art 9 s 1*

NOTE: This section is repealed by Laws 1989 First Special Session chapter 1, article 5, section 51, effective for taxes levied in 1992, payable in 1993 and thereafter. See Laws 1989, First Special Session chapter 1, article 5, section 52, as amended by Laws 1990, chapter 604, article 3, section 47.

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 with additions and subtractions as specified in paragraphs (b) and (c).

(b) The amounts to be added to the actual 1988 levy are (1) the amount of local government aid the governmental subdivision was certified to receive in 1988 under sections 477A.011 to 477A.014, (2) its 1988 taconite aids under sections 298.28 and 298.282, and (3) its 1988 wetlands and native prairie reimbursements under Minnesota Statutes 1986, sections 273.115, subdivision 3, and 273.116, subdivision 3.

(c) The amounts to be subtracted from the actual 1988 levy are (1) 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); and (2) for a governmental subdivision participating in a regional library system receiving grants from the department of education under section 134.34, the amount levied for taxes payable in 1988 for the operating costs of a public library service.

(d) 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, provided that for taxes levied in 1989, the amount of the administrative reimbursement aid received in 1988 shall be added to the base.

(e) For taxes levied by a county in 1989, the levy limit base determined under paragraph (d) shall be reduced by an amount equal to 90 percent of the cost of public defender services for felonies and gross misdemeanors and the costs of law clerks in the

county that are assumed by the state during calendar year 1990, less 103 percent of one-half the amount of fees collected by the courts in the county during calendar year 1988. For taxes levied in 1990, the levy limit base determined under paragraph (d) shall first be increased by the product of (1) the amount deducted under this paragraph for taxes levied in 1989 and (2) the adjustments under subdivision 3h, paragraphs (a) and (b) for taxes levied in 1989, and then shall be reduced by an amount equal to the cost of public defender services for felonies and gross misdemeanors and the cost of law clerks in the county that are assumed by the state during calendar year 1991, less the amount of fees collected by the courts in the county during calendar year 1989, computed at the rate of \$30 for civil and probate filings and \$20 for marriage dissolutions.

(f) For taxes levied in 1989 by a county that is located in the eighth judicial district, the levy limit base determined under paragraphs (d) and (e) shall be further reduced by an amount equal to 90 percent of the cost of operation of the trial courts in the county during calendar year 1990 that are assumed by the state and for which an appropriation is provided, less 103 percent of the sum of (1) the remaining one-half of the amount of fees and (2) 100 percent of the amount of fines collected by the courts in the county during calendar year 1988.

(g) By October 15, 1989, the board of public defense shall determine and certify to the commissioner of revenue the pro rata share for each county of the state-financed public defense services described in paragraph (e) during the six-month period beginning July 1, 1990. By October 15, 1989, the supreme court shall determine and certify to the department of revenue for each county the pro rata share for each county of the cost of providing law clerks during the three-month period beginning October 1, 1990, plus, for each county located in the eighth judicial district, the cost of operation of the trial courts during calendar year 1990.

By July 15, 1990, the board of public defense shall determine and certify to the department of revenue the pro rata share for each county of the state-financed public defense services described in paragraph (e) during calendar year 1991. By July 15, 1990, the supreme court shall determine and certify to the department of revenue for each county the pro rata share for each county of the cost of providing law clerks during calendar year 1991 plus, for each county located in the eighth judicial district, the cost of operation of the trial courts during the first six months of 1991.

(h) For taxes levied in a county in 1991, the levy limit base shall be reduced by an amount equal to the cost in the county of court reporters, judicial officers, and district court referees and the expenses of law clerks and court reporters as authorized in sections 484.545, subdivision 3, and 486.05, subdivisions 1 and 1a, as certified by the supreme court pursuant to section 477A.012, subdivision 4.

(i) If a governmental subdivision received an adjustment to its levy limit base for taxes levied in 1988 under section 275.51, subdivision 3j, its levy limit base for taxes levied in 1989 must be reduced by the lesser of (1) the adjustment under section 275.51, subdivision 3j, or (2) the difference between its (i) levy limit for taxes levied in 1988 and its (ii) total actual levy for taxes levied in 1988 minus any special levies claimed for taxes levied in 1988 under section 275.50, subdivision 5.

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 1989 and thereafter, the adjusted levy limit base is equal to the levy limit base computed pursuant to subdivision 3f, increased by:

(a) three percent for taxes levied in 1989 and subsequent years;

(b) a percentage equal to (1) one-half of the greater of the percentage increases in population or in number of households, if any, for cities and towns and (2) the lesser of the percentage increase in population or the number of households, if any, for counties, using figures derived pursuant to subdivision 6;

(c) the amount of a permanent increase in the levy limit base approved at a general or special election held during the 12-month period ending four working days after December 20 of the levy year under section 275.58, subdivisions 1 and 2;

(d) for levy year 1989, for a county which incurred costs since October 1978, for the litigation of federal land claims under United States Code, title 18, section 1162; United States Code, title 25, section 331; and United States Code, title 28, section 1360; an amount of up to the actual costs incurred by the county for this purpose. This adjustment shall not exceed \$250,000;

(e) for levy year 1989, an amount of \$1,724,000 for Ramsey county for implementing the local government pay equity act under sections 471.991 to 471.999. Furthermore, in levy years 1990 and 1991, an additional amount of \$862,000 shall be added to Ramsey county's adjusted levy limit base under this clause for each of the two years; and

(f) for levy year 1989, an amount equal to the decrease in a county's 50 percent share of the powerline taxes extended between taxes payable years 1988 and 1989 under section 273.42, subdivision 1. The adjustment shall be determined by the department of revenue.

For taxes levied in 1989, the adjusted levy limit base is reduced by an amount equal to the estimated amount of the reduction in aids to a county under sections 273.1398, subdivision 2, paragraph (d), and 477A.012, subdivision 3, for aids payable in 1990.

For taxes levied in 1990, the adjusted levy limit base of a city is reduced by an amount equal to the percent of the city's revenue base used in determining aid reductions under section 477A.013, subdivision 7. For taxes levied in 1990, the adjusted levy limit base of a county is reduced by one-half of the amount equal to the percent of the county's revenue base used in determining aid reductions under section 477A.012, subdivision 5.

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:

(1) the local government aid that the governmental subdivision has been certified

to receive pursuant to sections 477A.011 to 477A.014, excluding the aid received pursuant to section 477A.013, subdivision 5; and

(2) taconite aids under sections 298.28 and 298.282 including any aid received in the levy year that was required to be placed in a special fund for expenditure in the next succeeding year.

As provided in section 298.28, one cent per taxable ton of the amount distributed under section 298.28, subdivision 5, paragraph (d), must not be deducted from the levy limit base of a county that receives the aid.

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.

For taxes levied in 1989 and later years, the levy limit for a county calculated under clause (1) must be decreased by an additional amount equal to the difference between what would have been a county's production year 1986 payable 1987 distribution under Minnesota Statutes 1984, section 298.28, based on 1986 production and its actual distribution for production year 1986, payable 1987.

Subd. 3j. Appeals. (a) A county may appeal to the commissioner of revenue for an adjustment in its levy limit base. If the county can provide evidence satisfactory to the commissioner that its levy for taxes payable in 1989 under Minnesota Statutes 1988, section 275.50, subdivision 5, paragraph (a), included a levy for the cost of administration of the programs listed in that paragraph, the commissioner may permit the county to increase its levy limit base under this section by the amount determined by the commissioner to have been levied for that purpose, provided that the total adjustment shall not be in excess of three percent of the total expense for income maintenance programs within the county. The commissioner's decision is final.

(b) A governmental subdivision subject to the limitations in this section may appeal to the commissioner of revenue for authorization to levy for the special levies as contained in section 275.50, subdivision 5, clauses (l), (m), and (n). If the governmental subdivision can provide evidence satisfactory to the commissioner that it incurred costs for the specified purposes of those levies, the commissioner may allow the governmental subdivision to levy under section 275.50, subdivision 5, clause (l), (m), or (n), by the amount determined by the commissioner. The commissioner's decision is final.

(c) A county may appeal to the commissioner of revenue for an adjustment to its levy limit base for taxes levied in 1989. If the county can provide evidence satisfactory to the commissioner that the percentage adjustments to the costs, fees, or fines described in subdivision 3f, paragraph (e) or (f), do not provide accurate adjustments for that county, the commissioner may permit the county to increase its levy limit base by the amount determined by the commissioner. The commissioner's decision is final.

(d) A county may appeal to the commissioner of revenue for an increase in its levy base for the 12 or 15 percent limit under section 275.50, subdivision 5, clause (u), item (i), for the portion of the amount of its payable 1989 special levy under Minnesota Statutes 1988, section 275.50, subdivision 5, clause (a), for the income maintenance programs that was actually used to finance social services and social services administration subject to the 18 percent limit under Minnesota Statutes 1988, section 275.50, subdivision 5, clause (a), for payable 1989. If the county can provide evidence satisfactory to the commissioner in support of this claim, the commissioner may permit the county to increase its levy base for the 12 or 15 percent limit under section 275.50, subdivision 5, clause (u), item (i), in the amount determined by the commissioner. The commissioner's decision is final.

(e) A county may appeal to the commissioner of revenue for an adjustment in its special levy for 1990 under section 275.50, subdivision 5, clause (u), item (ii), if the difference between the county share of costs not reimbursed by the state or federal government of payments made in 1989 to or on behalf of recipients of aid under any public assistance program authorized by law and the amount levied in 1988 to pay those costs

is greater than 30 percent of the 1989 costs. The adjustment may not exceed the amount of the difference between the county share of these costs and the amount levied in 1988 to pay these costs.

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 local tax 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, or homestead and agricultural credit aid under section 273.1398, or taconite aids under sections 298.28 and 298.282 shall be reduced 33 cents for each full dollar the levy exceeds the limitation. If a penalty under this subdivision or section 275.55, subdivision 1, is assessed against taconite aids, then the amount of the penalty must be distributed as provided in section 298.28, subdivision 11, paragraph (a).

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, for the calendar year preceding the current levy year. If the area included in a governmental subdivision has increased due to annexation in the 12 months prior to the most recent population estimate for the calendar year preceding the current levy year and the adjusted levy limit base is modified under section 275.54, subdivision 3, the percentage increases in population and households determined in subdivision 3h are to be based on the change in population and number of households in the area included in the governmental subdivision before the annexation.

Subd. 7. **Levy limit certification.** The commissioner of revenue must certify the levy limitations under sections 275.50 to 275.58 to each governmental subdivision by October 23 for levy year 1989 and August 1 of levy year 1990 and thereafter.

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; 1Sp1989 c 1 art 2 s 11; art 5 s 13-18; art 9 s 49; 1990 c 480 art 7 s 19-21; 1990 c 604 art 3 s 31,32; art 9 s 2*

NOTE: This section is repealed by Laws 1989, First Special Session chapter 1, article 5, section 51, effective for taxes levied in 1992, payable in 1993 and thereafter. See Laws 1989, First Special Session chapter 1, article 5, section 52, as amended by Laws 1990, chapter 604, article 3, section 47. 47.

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 AND ANNEXATION 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.

Subd. 3. **Adjustments after annexation.** If the area included within the governmental subdivision is increased due to annexation in the 12 months prior to the most recent population estimate for the calendar year preceding the current levy year and the state demographer prepares a population estimate for the annexed area under section 116K.04, subdivision 4, paragraph (11), the governmental subdivision's adjusted levy limit base under section 275.51, subdivision 3h, must be adjusted in the following manner:

(a) A percentage will be calculated equal to the percentage increase in population in the governmental subdivision due to annexation determined by dividing the population of the annexed area by the population of the governmental subdivision excluding the annexed area, using population estimates for the calendar year preceding the current levy year.

(b) The governmental subdivision's adjusted levy limit base under section 275.51, subdivision 3h, after giving effect to paragraphs (a) and (b) of subdivision 3h, but before any other paragraphs in section 275.51, subdivision 3h, shall be increased by the percentage calculated in paragraph (a) of this subdivision.

For purposes of section 275.51, subdivision 3f, the term "adjusted levy limit base" includes the adjustment made under this subdivision for the preceding year.

History: *Ex 1971 c 31 art 26 s 5; 1973 c 582 s 3; 1990 c 480 art 7 s 22*

NOTE: This section is repealed by Laws 1989, First Special Session chapter 1, article 5, section 51, effective for taxes levied in 1992, payable in 1993 and thereafter. See Laws 1989, First Special Session chapter 1, article 5, section 52, as amended by Laws 1990, chapter 604, article 3, section 47.

275.55 STATE REVIEW AND REGULATION OF LEVIES.

Subdivision 1. **Review; penalties for violations.** 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, or homestead and agricultural credit aid pursuant to section 273.1398, or taconite aids pursuant to sections 298.28 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.

Subd. 2. Excess levies for 1992. Notwithstanding the provisions of subdivision 1, for a home rule charter city, statutory city, or town that exceeds its payable 1992 levy limitation determined under section 275.51, a penalty shall be imposed consisting of a reduction in state aids payable to the city or town in 1992. Notwithstanding the provisions of subdivision 1, for a county that exceeds its payable 1992 levy limitation determined under section 275.51, a penalty shall be imposed consisting of a reduction in state aids payable to the county in 1992. The amount of the penalty imposed on the county, city, or town and the state aids affected shall be as determined under section 275.51, subdivision 4.

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; 1990 c 604 art 3 s 33*

NOTE: This section is repealed by Laws 1989, First Special Session chapter 1, article 5, section 51, effective for taxes levied in 1992, payable in 1993 and thereafter. See Laws 1989, First Special Session chapter 1, article 5, section 52, as amended by Laws 1990, chapter 604, article 3, section 47.

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, local tax rate, or other general limitations on tax levies of governmental subdivisions are 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; 1989 c 277 art 4 s 25; 1Sp1989 c 1 art 2 s 11*

NOTE: This section is repealed by Laws 1989, First Special Session chapter 1, article 5, section 51, effective for taxes levied in 1992, payable in 1993 and thereafter. See Laws 1989, First Special Session chapter 1, article 5, section 52, as amended by Laws 1990, chapter 604, article 3, section 47.

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*

NOTE: This section is repealed by Laws 1989, First Special Session chapter 1, article 5, section 51, effective for taxes levied in 1992, payable in 1993 and thereafter. See Laws 1989, First Special Session chapter 1, article 5, section 52, as amended by Laws 1990, chapter 604, article 3, section 47.

275.57 [Repealed, 1989 c 277 art 2 s 77]

275.58 ELECTIONS TO INCREASE LEVY.

Subdivision 1. Subject to the provisions of sections 275.50 to 275.56, and to other law or charter provisions establishing per capita, mill, local tax rate, 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 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 the 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, the notice shall

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state the purpose of the per capita adjustment and the per capita amount of the adjustment. If the proposition is for an additional levy, the notice shall state the purpose and maximum yearly amount of the additional levy.

Subd. 2. A levy limit base per capita adjustment approved pursuant to subdivision 1 at a general or special election held prior to five working days after December 20 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 on or after five working days after December 20 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 five working days after December 20 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 on or after five working days after December 20 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. [Repealed, 1989 c 277 art 2 s 77]

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; 1989 c 277 art 4 s 26; 1Sp1989 c 1 art 2 s 11; art 5 s 19; art 9 s 50,51

NOTE: This section is repealed by Laws 1989 First Special Session chapter 1, article 5, section 51, effective for taxes levied in 1992, payable in 1993 and thereafter. See Laws 1989, First Special Session chapter 1, article 5, section 52, as amended by Laws 1990, chapter 604, article 3, section 47.

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