

CHAPTER 477A

LOCAL GOVERNMENT AID

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477A.011 DEFINITIONS.

[For text of subds 1 to 33, see M.S.1996]

Subd. 34. City revenue need. (a) For a city with a population equal to or greater than 2,500, "city revenue need" is the sum of (1) 3.462312 times the pre-1940 housing percentage; plus (2) 2.093826 times the commercial industrial percentage; plus (3) 6.862552 times the population decline percentage; plus (4) .00026 times the city population; plus (5) 152.0141.

(b) For a city with a population less than 2,500, "city revenue need" is the sum of (1) 1.795919 times the pre-1940 housing percentage; plus (2) 1.562138 times the commercial industrial percentage; plus (3) 4.177568 times the population decline percentage; plus (4) 1.04013 times the transformed population; minus (5) 107.475.

(c) The city revenue need cannot be less than zero.

(d) For calendar year 1995 and subsequent years, the city revenue need for a city, as determined in paragraphs (a) to (c), is multiplied by the ratio of the annual implicit price deflator for government consumption expenditures and gross investment for state and local governments as prepared by the United States Department of Commerce, for the most recently available year to the 1993 implicit price deflator for state and local government purchases.

[For text of subd 35, see M.S.1996]

Subd. 36. City aid base. (a) Except as provided in paragraphs (b), (c), and (d), "city aid base" means, for each city, the sum of the local government aid and equalization aid it was originally certified to receive in calendar year 1993 under Minnesota Statutes 1992, section 477A.013, subdivisions 3 and 5, and the amount of disparity reduction aid it received in calendar year 1993 under Minnesota Statutes 1992, section 273.1398, subdivision 3.

(b) For aids payable in 1996 and thereafter, a city that in 1992 or 1993 transferred an amount from governmental funds to its sewer and water fund, which amount exceeded its net levy for taxes payable in the year in which the transfer occurred, has a "city aid base" equal to the sum of (i) its city aid base, as calculated under paragraph (a), and (ii) one-half of the difference between its city aid distribution under section 477A.013, subdivision 9, for aids payable in 1995 and its city aid base for aids payable in 1995.

(c) The city aid base for any city with a population less than 500 is increased by \$40,000 for aids payable in calendar year 1995 and thereafter, and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by \$40,000 for aids payable in calendar year 1995 only, provided that:

- (i) the average total tax capacity rate for taxes payable in 1995 exceeds 200 percent;
- (ii) the city portion of the tax capacity rate exceeds 100 percent; and
- (iii) its city aid base is less than \$60 per capita.

(d) The city aid base for a city is increased by \$20,000 in 1998 and thereafter and the maximum amount of total aid it may receive under section 477A.013, subdivision 9, paragraph (c), is also increased by \$20,000 in calendar year 1998 only, provided that:

- (i) the city has a population in 1994 of 2,500 or more;
- (ii) the city is located in a county, outside of the metropolitan area, which contains a city of the first class;
- (iii) the city's net tax capacity used in calculating its 1996 aid under section 477A.013 is less than \$400 per capita; and

(iv) at least four percent of the total net tax capacity, for taxes payable in 1996, of property located in the city is classified as railroad property.

[For text of subd 37, see M.S.1996]

History: 1997 c 231 art 2 s 49,69

477A.0122 FAMILY PRESERVATION AID.

[For text of subd 1, see M.S.1996]

Subd. 2. Definitions. For purposes of this section, the following definitions apply:

(a) "Children in out-of-home placement" means the total unduplicated number of children in out-of-home care as reported according to section 257.0725.

(b) "Family preservation programs" means family-based services as defined in section 256F.03, subdivision 5, families first services, parent and child education programs, and day treatment services provided in cooperation with a school district or other programs as defined by the commissioner of human services.

(c) "Income maintenance caseload" means average monthly number of AFDC or Minnesota family investment program-statewide cases for the calendar year.

By July 1, 1994, the commissioner of human services shall certify to the commissioner of revenue the number of children in out-of-home placement in 1991 and 1992 for each county and the income maintenance caseload for each county for the most recent year available. By July 1 of each subsequent year, the commissioner of human services shall certify to the commissioner of revenue the income maintenance caseload for each county for the most recent calendar year available.

[For text of subs 3 to 6, see M.S.1996]

History: 1997 c 85 art 4 s 36

477A.03 APPROPRIATION.

[For text of subd 2, see M.S.1996]

Subd. 3. Inflation adjustment. In 1996 and thereafter, the amount paid under each section to be adjusted for inflation shall be increased by an amount equal to:

(a) the amount certified to be paid under that section in the previous year multiplied by

(b) one plus the percentage increase in the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the Bureau of Economic Analysis of the United States Department of Commerce for the 12-month period ending March 31 of the previous year. The percentage increase used in this subdivision shall be no less than 2.5 percent and no greater than 5.0 percent.

History: 1997 c 231 art 2 s 69

477A.05 LOCAL PERFORMANCE AID.

Subdivision 1. Qualification. By May 25 of each year, the commissioner shall send a local performance aid qualification form to each county and city in the state. Jurisdictions that are eligible to receive the aid must return the completed form by June 30 in order to receive aid in the following calendar year. For each determinant specified in subdivision 2, the form shall have a space for the jurisdiction to indicate that it has satisfied the conditions of the determinant. For counties, the form must be signed by the chair of the county board. For cities, the form must be signed by the mayor, if the city has a mayor, and the chair of the city council. Applications may be filed jointly by jurisdictions planning to spend the aid jointly.

Subd. 2. Eligibility determinant. For calendar year 1998 and subsequent calendar years, a jurisdiction is eligible to receive local performance aid if the jurisdiction affirms that (1) the aid will result in a reduction in property taxes at least equal to the amount of aid received, and (2) the jurisdiction will spend the aid on programs for which it has developed a system of performance measures and that these measures will allow for the measurement of continuous improvement and will be regularly compiled and presented to the county board or

the city council at least once a year. The jurisdiction must identify the program or programs that are to be funded with the aid. A jurisdiction is eligible for aid if it affirms that it is in the process of developing and implementing a system of performance measures for the program or programs for which the aid is being sought; however, aid amounts under this section may not be spent on the program or programs until the performance measurement system has been instituted, unless the aid is being used to establish the performance measurement system.

Subd. 3. Determination of aid amount. The commissioner shall sum the populations of all jurisdictions that have met the conditions specified in subdivision 2. The commissioner shall determine a per capita aid amount by dividing the aggregate aid available under subdivision 5 by the sum of the populations for all qualifying jurisdictions, separately for counties and cities. Each jurisdiction shall then be eligible for aid equal to the jurisdictions' population times the per capita aid amount. For purposes of this subdivision, population means the most recent population established under section 477A.011, subdivision 3, in the year in which the aid is determined.

Subd. 4. Notification and payment. Jurisdictions shall be notified of their aid under this section at the same time as the notification for aid under section 477A.014, subdivision 1. Payments of aid under this section shall be made on the dates prescribed in section 477A.015.

Subd. 5. Appropriation. (a) For payments to counties under this section, there is annually appropriated from the general fund to the commissioner of revenue an amount equal to the sum of \$558,625 plus the amount by which county aids were reduced under Laws 1996, chapter 471, article 3, section 49, adjusted for inflation as provided under section 477A.03, subdivision 3. For payments to cities under this section, there is annually appropriated from the general fund to the commissioner of revenue an amount equal to the sum of \$441,735 plus the amount by which city aids were reduced under Laws 1996, chapter 471, article 3, section 49, adjusted for inflation as provided under section 477A.03, subdivision 3.

(b) For aids payable in 1998 under this section, an additional amount of \$560,000 for counties and \$440,000 for cities is appropriated from the general fund to the commissioner of revenue.

History: 1997 c 231 art 11 s 7