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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 1368

February 26, 2007

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The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to property taxation; increasing the appropriation for county program
1.3 aid; amending Minnesota Statutes 2006, section 477A.03, subdivision 2b.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2006, section 477A.03, subdivision 2b, is amended to
1.6 read:

1.7 Subd. 2b. **Counties.** (a) For aids payable in calendar year ~~2005 and thereafter~~ 2008,
1.8 the total aids paid to counties under section 477A.0124, subdivision 3, are limited to
1.9 ~~\$100,500,000~~ \$110,500,000. For aids payable in 2009 and thereafter, the total aids paid to
1.10 counties under section 477A.0124, subdivision 3, are limited to the amount paid under
1.11 that subdivision in the previous year, adjusted for inflation as provided in paragraph (c).
1.12 Each calendar year, \$500,000 shall be retained by the commissioner of revenue to make
1.13 reimbursements to the commissioner of finance for payments made under section 611.27.
1.14 ~~For calendar year 2004, the amount shall be in addition to the payments authorized~~
1.15 ~~under section 477A.0124, subdivision 1.~~ For calendar year ~~2005~~ 2008 and subsequent
1.16 years, the amount shall be deducted from the appropriation under this paragraph. The
1.17 reimbursements shall be to defray the additional costs associated with court-ordered
1.18 counsel under section 611.27. Any retained amounts not used for reimbursement in a year
1.19 shall be included in the next distribution of county need aid that is certified to the county
1.20 auditors for the purpose of property tax reduction for the next taxes payable year.

1.21 (b) ~~For aids payable in 2005, the total aids under section 477A.0124, subdivision~~
1.22 ~~4, are limited to \$105,000,000.~~ For aids payable in ~~2006 and thereafter~~ 2008, the total
1.23 aid under section 477A.0124, subdivision 4, is limited to ~~\$105,132,923~~ \$115,132,923.
1.24 For aids payable in 2009 and thereafter, the total aids paid to counties under section

2.1 477A.0124, subdivision 4, are limited to the amount paid under that subdivision in the
2.2 previous year, adjusted for inflation as provided in paragraph (c). The commissioner
2.3 of finance shall bill the commissioner of revenue for the cost of preparation of local
2.4 impact notes as required by section 3.987, not to exceed \$207,000 in fiscal year 2004 and
2.5 thereafter. The commissioner of education shall bill the commissioner of revenue for the
2.6 cost of preparation of local impact notes for school districts as required by section 3.987,
2.7 not to exceed \$7,000 in fiscal year 2004 and thereafter. The commissioner of revenue
2.8 shall deduct the amounts billed under this paragraph from the appropriation under this
2.9 paragraph. The amounts deducted are appropriated to the commissioner of finance and the
2.10 commissioner of education for the preparation of local impact notes.

2.11 (c) In 2009 and thereafter, the amounts paid under paragraphs (a) and (b) are
2.12 increased by an amount equal to:

2.13 (1) the amount certified to be paid under that paragraph in the previous year,
2.14 multiplied by

2.15 (2) the percentage increase in the implicit price deflator for state and local
2.16 government consumption expenditures and gross investment, prepared by the Bureau of
2.17 Economic Analysis of the United States Department of Commerce for the 12-month
2.18 period ending March 31 of the previous year. The percentage increase used must be no
2.19 less than 2.5 percent and no greater than 5.0 percent.

2.20 **EFFECTIVE DATE.** This section is effective for aids payable in 2008 and
2.21 thereafter.