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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **1816**

March 7, 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 levy limits; limiting the amount that political subdivisions may levy for
1.3 roads, streets, and bridges; amending Minnesota Statutes 2006, section 275.62,
1.4 subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 275.

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

1.6 Section 1. Minnesota Statutes 2006, section 275.62, subdivision 1, is amended to read:

1.7 Subdivision 1. **Report on taxes levied.** The commissioner of revenue shall establish
1.8 procedures for the annual reporting of local government levies. Each local governmental
1.9 unit shall submit a report to the commissioner by December 30 of the year in which the
1.10 tax is levied. The report shall include, but is not limited to, information on the amount of
1.11 the tax levied by the governmental unit for the following purposes:

1.12 (1) social services and related programs, which include taxes levied for the purposes
1.13 defined in Minnesota Statutes 1991 Supplement, section 275.50, subdivision 5, clauses
1.14 (a), (j), and (v);

1.15 (2) the amounts levied for each of the purposes listed in section 275.70, subdivision
1.16 5; ~~and~~

1.17 (3) the amount levied for transportation purposes under section 2; and

1.18 (4) other levies, which include the taxes levied for all purposes not included in
1.19 clause (1), (2), or (3).

1.20 **EFFECTIVE DATE.** This section is effective for taxes payable in 2008 and
1.21 thereafter.

1.22 Sec. 2. **[275.705] LIMIT ON LEVIES FOR TRANSPORTATION PURPOSES.**

2.1 Subdivision 1. **Transportation levy limit; spending limit.** Notwithstanding any
2.2 other provisions of law or municipal charter to the contrary, the amount that any county,
2.3 statutory or home rule charter city, or township may levy and spend for transportation
2.4 purposes, except to fund transit capital and operation expenses, is limited to the amount
2.5 allowed under this section.

2.6 Subd. 2. **Transportation levy base.** (a) For taxes levied in 2007, payable in 2008,
2.7 the transportation levy base for a local governmental unit is equal to the amount it spent
2.8 on operations, maintenance, and capital projects for roads, streets, and bridges in calendar
2.9 year 2006, less the sum of any federal, state, or local revenues, including own-source
2.10 revenues, received in calendar year 2006 that were dedicated, by law or contract, to
2.11 spending on roads, streets, or bridges. The local governmental unit shall supply the
2.12 necessary information to the commissioner of revenue for determining this amount.

2.13 (b) For taxes levied in 2008, payable in 2009 and thereafter, the transportation levy
2.14 base for a local governmental unit is equal to its transportation levy under this section in
2.15 the previous year.

2.16 Subd. 3. **Transportation levy limit.** Beginning with taxes levied in 2007, payable
2.17 in 2008, the transportation levy limit for a local governmental unit is equal to its
2.18 transportation levy base multiplied by the implicit price deflator as defined in section
2.19 275.70, subdivision 2.

2.20 Subd. 4. **Transportation spending limit.** The maximum amount that a local
2.21 governmental unit subject to this section may spend in any calendar year for operations,
2.22 maintenance, and capital projects for roads, streets, and bridges is limited to the sum of
2.23 (1) the levy imposed under this section for that payable year, plus (2) any unspent sums
2.24 from a levy under this section in a previous year, plus (3) the sum of any federal, state,
2.25 or local revenues, including own-source revenues, received in the current calendar year,
2.26 or unspent sums from a previous calendar year, that are dedicated by law or contract
2.27 to spending on roads, streets, or bridges.

2.28 **EFFECTIVE DATE.** This section is effective for taxes payable in 2008 and
2.29 thereafter.