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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 1403

March 5, 2009

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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 aid and credits; modifying the local government aid appropriation and
1.3 reinstating offsets; amending Minnesota Statutes 2008, sections 477A.014, by
1.4 adding subdivisions; 477A.03, subdivisions 2a, 5.

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

1.6 Section 1. Minnesota Statutes 2008, section 477A.014, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 4a. **Costs.** The director of the Office of Strategic and Long-Range Planning
1.9 shall annually bill the commissioner of revenue for one-half of the costs incurred by the
1.10 state demographer in the preparation of materials required by section 4A.02. The state
1.11 auditor shall bill the commissioner of revenue for the costs of best practices reviews
1.12 and the services provided by the Government Information Division and the parts of
1.13 the constitutional office that are related to the government information function, and
1.14 for the services provided by the Tax Increment Financing Investment and Finance
1.15 Division required by section 469.3201, not to exceed \$614,000 each fiscal year. The
1.16 commissioner of administration shall bill the commissioner of revenue for the costs of
1.17 the local government records program and the intergovernmental information systems
1.18 activity, not to exceed \$205,800 each fiscal year. The commissioner of finance shall bill
1.19 the commissioner of revenue for the costs of administering the local government pay
1.20 equity function, not to exceed \$55,000 each fiscal year.

1.21 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
1.22 2010 and thereafter.

2.1 Sec. 2. Minnesota Statutes 2008, section 477A.014, is amended by adding a
2.2 subdivision to read:

2.3 Subd. 5a. **Deduction from aid payments.** The commissioner of revenue shall
2.4 deduct the amounts certified under subdivision 4a from the aid payments to be made to
2.5 appropriate local units of government in the next aid payment year.

2.6 Sec. 3. Minnesota Statutes 2008, section 477A.03, subdivision 2a, is amended to read:

2.7 Subd. 2a. **Cities.** For aids payable in 2009 ~~and thereafter~~, the total aid paid under
2.8 section 477A.013, subdivision 9, is \$526,148,487. For aids payable in 2010 and thereafter,
2.9 the total amount paid under section 477A.013, subdivision 9, is the amount paid in 2009,
2.10 subject to adjustment in subdivision 5, plus \$874,800.

2.11 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
2.12 2010 and thereafter.

2.13 Sec. 4. Minnesota Statutes 2008, section 477A.03, subdivision 5, is amended to read:

2.14 Subd. 5. **Aid adjustments.** For aids payable in 2010, the aid amounts for aids
2.15 payable in 2009 contained in subdivisions 2a and 2b are increased by two percent. For
2.16 aids payable in 2011 and thereafter, the aids amounts contained in subdivisions 2a and
2.17 2b are equal to ~~104~~ 106.08 percent of the amounts for aids payable in ~~2010~~ 2009 under
2.18 this section.

2.19 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
2.20 2010 and thereafter.