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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-SIXTH
SESSION**

HOUSE FILE No. 3804

April 26, 2010

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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 taxation; property; levy limits; modifying the adjustment for inflation;
1.3 amending Minnesota Statutes 2008, section 275.71, subdivision 4.

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

1.5 Section 1. Minnesota Statutes 2008, section 275.71, subdivision 4, is amended to read:

1.6 Subd. 4. **Adjusted levy limit base.** For taxes levied in 2008 through 2010, the
1.7 adjusted levy limit base is equal to the levy limit base computed under subdivision 2
1.8 or section 275.72, multiplied by:

1.9 (1) one plus ~~the lesser of 3.9 percent or~~ the percentage growth in the implicit price
1.10 deflator, but the percentage shall not be less than zero or exceed 3.9 percent;

1.11 (2) one plus a percentage equal to 50 percent of the percentage increase in the number
1.12 of households, if any, for the most recent 12-month period for which data is available; and

1.13 (3) one plus a percentage equal to 50 percent of the percentage increase in the
1.14 taxable market value of the jurisdiction due to new construction of class 3 property, as
1.15 defined in section 273.13, subdivision 4, except for state-assessed utility and railroad
1.16 property, for the most recent year for which data is available.

1.17 **EFFECTIVE DATE.** This section is effective for taxes levied in 2010 and thereafter.