

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 1011

(SENATE AUTHORS: SAXHAUG, Tomassoni and Bakk)

DATE	D-PG	OFFICIAL STATUS
02/23/2015	389	Introduction and first reading Referred to Taxes

1.1 A bill for an act
 1.2 relating to taxation; property; adjusting distribution levies for the Iron Range
 1.3 fiscal disparities program; amending Minnesota Statutes 2014, section 276A.06,
 1.4 subdivisions 3, 5.

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

1.6 Section 1. Minnesota Statutes 2014, section 276A.06, subdivision 3, is amended to read:

1.7 Subd. 3. **Apportionment of levy.** The county auditor shall apportion the levy of
 1.8 each governmental unit in the county in the manner prescribed by this subdivision. The
 1.9 auditor shall:

1.10 (1) by August 20 of 2014 and each subsequent year, determine the preliminary
 1.11 areawide portion of the levy for each governmental unit by multiplying the local tax
 1.12 rate of the governmental unit for the preceding levy year times the distribution value set
 1.13 forth in subdivision 2, clause (2);

1.14 (2) by September 5 of each year, adjust the preliminary areawide portion of the
 1.15 levy for each governmental unit by the adjustment percentage, if any, determined under
 1.16 subdivision 5, paragraph (b);

1.17 ~~(2)~~ (3) by September 5 of 2014 and each subsequent year, determine the areawide
 1.18 portion of the levy for each governmental unit by multiplying the adjusted preliminary
 1.19 areawide portion of the levy for each governmental unit times a fraction, the numerator of
 1.20 which is the difference between the sum of the adjusted preliminary areawide levies for all
 1.21 governmental units in the area minus the school fund allocation and the denominator is the
 1.22 sum of the adjusted preliminary areawide levy for all governmental units in the area; and

2.1 ~~(3)~~ (4) by September 5 of 2014 and each subsequent year, determine the local
2.2 portion of the current year's levy by subtracting the resulting amount from clause ~~(1)~~ (2)
2.3 from the governmental unit's current year's levy.

2.4 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2017.

2.5 Sec. 2. Minnesota Statutes 2014, section 276A.06, subdivision 5, is amended to read:

2.6 Subd. 5. **Areawide tax rate.** (a) On or before August 25, 1997, and of each
2.7 subsequent year, the county auditor shall certify to the administrative auditor the
2.8 preliminary portion of the levy of each governmental unit determined pursuant to
2.9 subdivision 3, clause (1). The administrative auditor shall then determine the areawide
2.10 tax rate sufficient to yield an amount equal to the sum of the levies from the preliminary
2.11 areawide net tax capacity.

2.12 (b) The areawide tax rate may not deviate from the previous year's areawide rate by
2.13 more than three percentage points. If the areawide tax rate determined under paragraph
2.14 (a) does not fall within that range, the auditor must determine the percentage increase or
2.15 reduction to each jurisdiction's distribution levy necessary so that the areawide rate falls
2.16 within the range and recalculate the areawide rate accordingly.

2.17 (c) On or before September 1, the administrative auditor shall certify the areawide
2.18 tax rate to each of the county auditors.

2.19 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2017.