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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 3548

02/12/2024 Authored by Smith, Hicks and Liebling The bill was referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; state aids to local governments; creating a minimum city aid
1.3 distribution; amending Minnesota Statutes 2023 Supplement, sections 477A.013,
1.4 subdivision 9; 477A.03, subdivision 2a.

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

1.6 Section 1. Minnesota Statutes 2023 Supplement, section 477A.013, subdivision 9, is
1.7 amended to read:

1.8 Subd. 9. City aid distribution. (a) In calendar year 2024 and thereafter, if a city's
1.9 certified aid for the previous year is less than its current unmet need, the city shall receive
1.10 an aid distribution equal to the sum of (1) its certified aid in the previous year, and (2) the
1.11 city formula aid under subdivision 8.

1.12 (b) For aids payable in 2024 and thereafter, if a city's certified aid for the previous year
1.13 is equal to or greater than its current unmet need, the total aid for a city is equal to the greater
1.14 of (1) its unmet need, or (2) the amount it was certified to receive in the previous year minus
1.15 the lesser of (i) \$10 multiplied by its population, or (ii) five percent of its net levy in the
1.16 year prior to the aid distribution. No city may have a total aid amount less than \$0.

1.17 (c) Notwithstanding paragraphs (a) and (b), the aid distribution under this subdivision
1.18 to a city of the first class must not be less than \$150 multiplied by the city's population.

1.19 EFFECTIVE DATE. This section is effective for aids payable in calendar year 2025
1.20 and thereafter.

2.1 Sec. 2. Minnesota Statutes 2023 Supplement, section 477A.03, subdivision 2a, is amended
2.2 to read:

2.3 Subd. 2a. **Cities.** ~~For aids payable in 2021 through 2023, the total aid payable under~~
2.4 ~~section 477A.013, subdivision 9, is \$564,398,012.~~ For aids payable in 2024 and thereafter,
2.5 the total aid payable under section 477A.013, subdivision 9, is \$644,398,012. For aids
2.6 payable in 2025 and thereafter, the total aid payable under section 477A.013, subdivision
2.7 9, is \$657,681,729.

2.8 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2025
2.9 and thereafter.