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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. **1459**

03/04/2015 Authored by Drazkowski and Davids
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; providing that statements of proposed taxes be
1.3 mailed in October; modifying other deadlines within the property tax system;
1.4 amending Minnesota Statutes 2014, sections 275.065, subdivisions 1, 1a, 1c, 3;
1.5 276A.03; 276A.04; 276A.05, subdivisions 1, 2, 5; 276A.06, subdivisions 3, 5;
1.6 473.249, subdivision 2; 473.446, subdivision 8; 473.711, subdivision 5; 473F.05;
1.7 473F.06; 473F.07, subdivisions 1, 2, 5; 473F.08, subdivisions 3, 5.

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

1.9 Section 1. Minnesota Statutes 2014, section 275.065, subdivision 1, is amended to read:

1.10 Subdivision 1. **Proposed levy.** (a) Notwithstanding any law or charter to the
1.11 contrary, on or before ~~September 30~~ August 31, each county ~~and each~~, home rule charter
1.12 or statutory city, town, and special taxing district shall certify to the county auditor the
1.13 proposed property tax levy for taxes payable in the following year.

1.14 (b) ~~Notwithstanding any law or charter to the contrary, on or before September 15,~~
1.15 ~~each town and each special taxing district shall adopt and certify to the county auditor a~~
1.16 ~~proposed property tax levy for taxes payable in the following year. For towns, the final~~
1.17 ~~certified levy shall also be considered the proposed levy.~~

1.18 (c) On or before ~~September~~ August 30, each school district that has not mutually
1.19 agreed with its home county to extend this date shall certify to the county auditor the
1.20 proposed property tax levy for taxes payable in the following year. Each school district
1.21 that has agreed with its home county to delay the certification of its proposed property
1.22 tax levy must certify its proposed property tax levy for the following year no later than
1.23 ~~October~~ September 7. The school district shall certify the proposed levy as:

2.1 (1) a specific dollar amount by school district fund, broken down between
 2.2 voter-approved and non-voter-approved levies and between referendum market value
 2.3 and tax capacity levies; or

2.4 (2) the maximum levy limitation certified by the commissioner of education
 2.5 according to section 126C.48, subdivision 1.

2.6 ~~(d)~~ (c) If the board of estimate and taxation or any similar board that establishes
 2.7 maximum tax levies for taxing jurisdictions within a first class city certifies the maximum
 2.8 property tax levies for funds under its jurisdiction by charter to the county auditor by the
 2.9 date specified in paragraph (a), the city shall be deemed to have certified its levies for
 2.10 those taxing jurisdictions.

2.11 ~~(e)~~ (d) For purposes of this section, "special taxing district" means a special taxing
 2.12 district as defined in section 275.066. Intermediate school districts that levy a tax
 2.13 under chapter 124 or 136D, joint powers boards established under sections 123A.44 to
 2.14 123A.446, and Common School Districts No. 323, Franconia, and No. 815, Prinsburg, are
 2.15 also special taxing districts for purposes of this section.

2.16 ~~(f)~~ (e) At the meeting at which a taxing authority, other than a town, adopts its
 2.17 proposed tax levy under this subdivision, the taxing authority shall announce the time and
 2.18 place of its subsequent regularly scheduled meetings at which the budget and levy will be
 2.19 discussed and at which the public will be allowed to speak. The time and place of those
 2.20 meetings must be included in the proceedings or summary of proceedings published in the
 2.21 official newspaper of the taxing authority under section 123B.09, 375.12, or 412.191.

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

2.23 Sec. 2. Minnesota Statutes 2014, section 275.065, subdivision 1a, is amended to read:

2.24 Subd. 1a. **Overlapping jurisdictions.** In the case of a taxing authority lying in two
 2.25 or more counties, the home county auditor shall certify the proposed levy and the proposed
 2.26 local tax rate to the other county auditor by ~~October~~ September 5, unless the home county
 2.27 has agreed to delay the certification of its proposed property tax levy, in which case the
 2.28 home county auditor shall certify the proposed levy and the proposed local tax rate to the
 2.29 other county auditor by ~~October~~ September 10. The home county auditor must estimate
 2.30 the levy or rate in preparing the notices required in subdivision 3, if the other county has
 2.31 not certified the appropriate information. If requested by the home county auditor, the
 2.32 other county auditor must furnish an estimate to the home county auditor.

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

3.1 Sec. 3. Minnesota Statutes 2014, section 275.065, subdivision 1c, is amended to read:

3.2 Subd. 1c. **Levy; shared, merged, consolidated services.** If two or more taxing
 3.3 authorities are in the process of negotiating an agreement for sharing, merging, or
 3.4 consolidating services between those taxing authorities at the time the proposed levy is to
 3.5 be certified under subdivision 1, each taxing authority involved in the negotiation shall
 3.6 certify its total proposed levy as provided in that subdivision, including a notification to the
 3.7 county auditor of the specific service involved in the agreement which is not yet finalized.
 3.8 The affected taxing authorities may amend their proposed levies under subdivision 1 until
 3.9 ~~October~~ September 10 for levy amounts relating only to the specific service involved.

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

3.11 Sec. 4. Minnesota Statutes 2014, section 275.065, subdivision 3, is amended to read:

3.12 Subd. 3. **Notice of proposed property taxes.** (a) The county auditor shall prepare
 3.13 and the county treasurer shall deliver after ~~November~~ October 10 and on or before
 3.14 ~~November 24~~ October 17 each year, by first class mail to each taxpayer at the address
 3.15 listed on the county's current year's assessment roll, a notice of proposed property taxes.
 3.16 Upon written request by the taxpayer, the treasurer may send the notice in electronic form
 3.17 or by electronic mail instead of on paper or by ordinary mail.

3.18 (b) The commissioner of revenue shall prescribe the form of the notice.

3.19 (c) The notice must inform taxpayers that it contains the amount of property taxes
 3.20 each taxing authority proposes to collect for taxes payable the following year. In the case of
 3.21 a town, or in the case of the state general tax, the final tax amount will be its proposed tax.
 3.22 The notice must clearly state for each city that has a population over 500, county, school
 3.23 district, regional library authority established under section 134.201, and metropolitan
 3.24 taxing districts as defined in paragraph (i), the time and place of a meeting for each taxing
 3.25 authority in which the budget and levy will be discussed and public input allowed, prior to
 3.26 the final budget and levy determination. The taxing authorities must provide the county
 3.27 auditor with the information to be included in the notice on or before the time it certifies its
 3.28 proposed levy under subdivision 1. The public must be allowed to speak at that meeting,
 3.29 which must occur after ~~November 24~~ 14 and must not be held before 6:00 p.m. It must
 3.30 provide a telephone number for the taxing authority that taxpayers may call if they have
 3.31 questions related to the notice and an address where comments will be received by mail,
 3.32 except that no notice required under this section shall be interpreted as requiring the
 3.33 printing of a personal telephone number or address as the contact information for a taxing
 3.34 authority. If a taxing authority does not maintain public offices where telephone calls can

4.1 be received by the authority, the authority may inform the county of the lack of a public
4.2 telephone number and the county shall not list a telephone number for that taxing authority.

4.3 (d) The notice must state for each parcel:

4.4 (1) the market value of the property as determined under section 273.11, and used
4.5 for computing property taxes payable in the following year and for taxes payable in the
4.6 current year as each appears in the records of the county assessor on ~~November~~ October
4.7 1 of the current year; and, in the case of residential property, whether the property is
4.8 classified as homestead or nonhomestead. The notice must clearly inform taxpayers of the
4.9 years to which the market values apply and that the values are final values;

4.10 (2) the items listed below, shown separately by county, city or town, and state
4.11 general tax, agricultural homestead credit under section 273.1384, voter approved school
4.12 levy, other local school levy, and the sum of the special taxing districts, and as a total
4.13 of all taxing authorities:

4.14 (i) the actual tax for taxes payable in the current year; and

4.15 (ii) the proposed tax amount.

4.16 If the county levy under clause (2) includes an amount for a lake improvement
4.17 district as defined under sections 103B.501 to 103B.581, the amount attributable for that
4.18 purpose must be separately stated from the remaining county levy amount.

4.19 In the case of a town or the state general tax, the final tax shall also be its proposed
4.20 tax unless the town changes its levy at a special town meeting under section 365.52. If a
4.21 school district has certified under section 126C.17, subdivision 9, that a referendum will
4.22 be held in the school district at the November general election, the county auditor must
4.23 note next to the school district's proposed amount that a referendum is pending and that, if
4.24 approved by the voters, the tax amount may be higher than shown on the notice. In the
4.25 case of the city of Minneapolis, the levy for Minneapolis Park and Recreation shall be
4.26 listed separately from the remaining amount of the city's levy. In the case of the city of
4.27 St. Paul, the levy for the St. Paul Library Agency must be listed separately from the
4.28 remaining amount of the city's levy. In the case of Ramsey County, any amount levied
4.29 under section 134.07 may be listed separately from the remaining amount of the county's
4.30 levy. In the case of a parcel where tax increment or the fiscal disparities areawide tax
4.31 under chapter 276A or 473F applies, the proposed tax levy on the captured value or the
4.32 proposed tax levy on the tax capacity subject to the areawide tax must each be stated
4.33 separately and not included in the sum of the special taxing districts; and

4.34 (3) the increase or decrease between the total taxes payable in the current year and
4.35 the total proposed taxes, expressed as a percentage.

5.1 For purposes of this section, the amount of the tax on homesteads qualifying under
5.2 the senior citizens' property tax deferral program under chapter 290B is the total amount
5.3 of property tax before subtraction of the deferred property tax amount.

5.4 (e) The notice must clearly state that the proposed or final taxes do not include
5.5 the following:

5.6 (1) special assessments;

5.7 (2) levies approved by the voters after the date the proposed taxes are certified,
5.8 including bond referenda and school district levy referenda;

5.9 (3) a levy limit increase approved by the voters by the first Tuesday after the first
5.10 Monday in November of the levy year as provided under section 275.73;

5.11 (4) amounts necessary to pay cleanup or other costs due to a natural disaster
5.12 occurring after the date the proposed taxes are certified;

5.13 (5) amounts necessary to pay tort judgments against the taxing authority that become
5.14 final after the date the proposed taxes are certified; and

5.15 (6) the contamination tax imposed on properties which received market value
5.16 reductions for contamination.

5.17 (f) Except as provided in subdivision 7, failure of the county auditor to prepare or
5.18 the county treasurer to deliver the notice as required in this section does not invalidate the
5.19 proposed or final tax levy or the taxes payable pursuant to the tax levy.

5.20 (g) If the notice the taxpayer receives under this section lists the property as
5.21 nonhomestead, and satisfactory documentation is provided to the county assessor by the
5.22 applicable deadline, and the property qualifies for the homestead classification in that
5.23 assessment year, the assessor shall reclassify the property to homestead for taxes payable
5.24 in the following year.

5.25 (h) In the case of class 4 residential property used as a residence for lease or rental
5.26 periods of 30 days or more, the taxpayer must either:

5.27 (1) mail or deliver a copy of the notice of proposed property taxes to each tenant,
5.28 renter, or lessee; or

5.29 (2) post a copy of the notice in a conspicuous place on the premises of the property.

5.30 The notice must be mailed or posted by the taxpayer by ~~November~~ October 27 or
5.31 within three days of receipt of the notice, whichever is later. A taxpayer may notify the
5.32 county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises
5.33 to which the notice must be mailed in order to fulfill the requirements of this paragraph.

5.34 (i) For purposes of this subdivision and subdivision 6, "metropolitan special taxing
5.35 districts" means the following taxing districts in the seven-county metropolitan area that
5.36 levy a property tax for any of the specified purposes listed below:

6.1 (1) Metropolitan Council under section 473.132, 473.167, 473.249, 473.325,
6.2 473.446, 473.521, 473.547, or 473.834;

6.3 (2) Metropolitan Airports Commission under section 473.667, 473.671, or 473.672;
6.4 and

6.5 (3) Metropolitan Mosquito Control Commission under section 473.711.

6.6 For purposes of this section, any levies made by the regional rail authorities in the
6.7 county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter
6.8 398A shall be included with the appropriate county's levy.

6.9 (j) The governing body of a county, city, or school district may, with the consent
6.10 of the county board, include supplemental information with the statement of proposed
6.11 property taxes about the impact of state aid increases or decreases on property tax
6.12 increases or decreases and on the level of services provided in the affected jurisdiction.
6.13 This supplemental information may include information for the following year, the current
6.14 year, and for as many consecutive preceding years as deemed appropriate by the governing
6.15 body of the county, city, or school district. It may include only information regarding:

6.16 (1) the impact of inflation as measured by the implicit price deflator for state and
6.17 local government purchases;

6.18 (2) population growth and decline;

6.19 (3) state or federal government action; and

6.20 (4) other financial factors that affect the level of property taxation and local services
6.21 that the governing body of the county, city, or school district may deem appropriate to
6.22 include.

6.23 The information may be presented using tables, written narrative, and graphic
6.24 representations and may contain instruction toward further sources of information or
6.25 opportunity for comment.

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

6.27 Sec. 5. Minnesota Statutes 2014, section 276A.03, is amended to read:

6.28 **276A.03 NET TAX CAPACITY OF COMMERCIAL-INDUSTRIAL**
6.29 **PROPERTY.**

6.30 By ~~August 5~~ July 15 of ~~1996~~ and each subsequent year, the assessors within each
6.31 county in the area shall determine and certify to the county auditor the net tax capacity in
6.32 that year of commercial-industrial property subject to taxation within each municipality in
6.33 the county, determined without regard to section 469.177, subdivision 3. ~~By August 5 of~~
6.34 ~~1996 only, the assessor within each county in the area shall also determine and certify to~~

7.1 ~~the county auditor the net tax capacity for the 1995 assessment of commercial-industrial~~
 7.2 ~~property subject to taxation within each municipality within the county determined~~
 7.3 ~~without regard to section 469.177, subdivision 3.~~

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

7.5 Sec. 6. Minnesota Statutes 2014, section 276A.04, is amended to read:

7.6 **276A.04 INCREASE IN NET TAX CAPACITY.**

7.7 By July ~~15~~ 5 of 1997 and each subsequent year, the auditor of each county in
 7.8 the area shall determine the amount, if any, by which the net tax capacity determined
 7.9 in the preceding year pursuant to section 276A.03, of commercial-industrial property
 7.10 subject to taxation within each municipality in the county exceeds the net tax capacity
 7.11 in 1995 of commercial-industrial property subject to taxation within that municipality,
 7.12 including the total net tax capacity of property that becomes taxable under section 298.25.
 7.13 If a municipality is located in two or more counties within the area, the auditors of
 7.14 those counties shall certify the data required by section 276A.03 to the county auditor
 7.15 responsible for allocating the levies of that municipality between or among the affected
 7.16 counties. That county auditor shall determine the amount of the net excess, if any, for the
 7.17 municipality under this section, and certify that amount under section 276A.05. The
 7.18 increase in total net tax capacity determined by this section must be reduced by the amount
 7.19 of any decreases in the net tax capacity of commercial-industrial property resulting from
 7.20 any court decisions, court-related stipulation agreements, or abatements for a prior year,
 7.21 and only in the amount of such decreases made during the 12-month period ending on
 7.22 May 1 of the current assessment year, where the decreases, if originally reflected in the
 7.23 determination of a prior year's net tax capacity under section 276A.03, would have
 7.24 resulted in a smaller contribution from the municipality in that year. An adjustment for the
 7.25 decreases shall be made only if the municipality made a contribution in a prior year based
 7.26 on the higher net tax capacity of the commercial-industrial property.

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

7.28 Sec. 7. Minnesota Statutes 2014, section 276A.05, subdivision 1, is amended to read:

7.29 Subdivision 1. **Areawide net tax capacity.** Each county auditor shall certify the
 7.30 determinations under sections 276A.03 and 276A.04 to the administrative auditor on or
 7.31 before ~~August 1~~ July 20 of each year. The administrative auditor shall determine an amount
 7.32 equal to 40 percent of the sum of the amounts certified pursuant to section 276A.04. The
 7.33 resulting amount shall be known as the "areawide net tax capacity for(year)."

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

8.2 Sec. 8. Minnesota Statutes 2014, section 276A.05, subdivision 2, is amended to read:

8.3 Subd. 2. **Population and fiscal capacity certifications.** The commissioner of
8.4 revenue shall certify to the administrative auditor, on or before ~~August 10~~ July 20 of each
8.5 year, the population of each municipality for the preceding year, the proportion of that
8.6 population which resides within the area, the average fiscal capacity of municipalities for
8.7 the preceding year, and the fiscal capacity of each municipality for the preceding year.

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

8.9 Sec. 9. Minnesota Statutes 2014, section 276A.05, subdivision 5, is amended to read:

8.10 Subd. 5. **Certification.** The product of the procedure prescribed by subdivision
8.11 4 shall be known as the "areawide net tax capacity for(year) attributable to
8.12(municipality)." The administrative auditor shall certify the product to the auditor of
8.13 the county in which the municipality is located on or before ~~August 15~~ July 31.

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

8.15 Sec. 10. Minnesota Statutes 2014, section 276A.06, subdivision 3, is amended to read:

8.16 Subd. 3. **Apportionment of levy.** The county auditor shall apportion the levy of
8.17 each governmental unit in the county in the manner prescribed by this subdivision. The
8.18 auditor shall:

8.19 (1) by ~~August 20~~ 5 of ~~2014~~ and each subsequent year, determine the preliminary
8.20 areawide portion of the levy for each governmental unit by multiplying the local tax
8.21 rate of the governmental unit for the preceding levy year times the distribution value set
8.22 forth in subdivision 2, clause (2);

8.23 (2) by ~~September 5~~ August 20 of ~~2014~~ and each subsequent year, determine the
8.24 areawide portion of the levy for each governmental unit by multiplying the preliminary
8.25 areawide portion of the levy for each governmental unit times a fraction, the numerator
8.26 of which is the difference between the sum of the preliminary areawide levies for all
8.27 governmental units in the area minus the school fund allocation and the denominator is the
8.28 sum of the preliminary areawide levy for all governmental units in the area; and

8.29 (3) by ~~September 5~~ August 20 of ~~2014~~ and each subsequent year, determine the local
8.30 portion of the current year's levy by subtracting the resulting amount from clause (1) from
8.31 the governmental unit's current year's levy.

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

9.1 Sec. 11. Minnesota Statutes 2014, section 276A.06, subdivision 5, is amended to read:

9.2 Subd. 5. **Areawide tax rate.** On or before August ~~25, 1997,~~ and 10 of each
 9.3 ~~subsequent~~ year, the county auditor shall certify to the administrative auditor the
 9.4 preliminary portion of the levy of each governmental unit determined pursuant to
 9.5 subdivision 3, clause (1). The administrative auditor shall then determine the areawide
 9.6 tax rate sufficient to yield an amount equal to the sum of the levies from the preliminary
 9.7 areawide net tax capacity. On or before ~~September 1~~ August 15, the administrative auditor
 9.8 shall certify the areawide tax rate to each of the county auditors.

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

9.10 Sec. 12. Minnesota Statutes 2014, section 473.249, subdivision 2, is amended to read:

9.11 Subd. 2. **Deadlines; estimates.** The commissioner of revenue shall certify the
 9.12 council's levy limitation under this section to the council by ~~August 1~~ July 15 of the levy
 9.13 year. The council must certify its proposed property tax levy to the commissioner of
 9.14 revenue by ~~September 1~~ August 7 of the levy year. The commissioner of revenue shall
 9.15 annually determine whether the ad valorem property tax certified by the Metropolitan
 9.16 Council for levy following the adoption of its proposed budget is within the levy limitation
 9.17 imposed by this section. The determination shall be completed prior to ~~September 10~~
 9.18 August 15 of each year. If current information regarding gross tax capacity in any county
 9.19 is not transmitted to the commissioner in a timely manner, the commissioner may estimate
 9.20 the current gross tax capacity within that county for purposes of making the calculation.

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

9.22 Sec. 13. Minnesota Statutes 2014, section 473.446, subdivision 8, is amended to read:

9.23 Subd. 8. **State review.** The commissioner of revenue shall certify the council's levy
 9.24 limitation under this section to the council by ~~August 1~~ July 15 of the levy year. The
 9.25 council must certify its proposed property tax levy under this section to the commissioner
 9.26 of revenue by ~~September 1~~ August 7 of the levy year. The commissioner of revenue
 9.27 shall annually determine whether the property tax for transit purposes certified by the
 9.28 council for levy following the adoption of its proposed budget is within the levy limitation
 9.29 imposed by subdivisions 1 and 1b. The commissioner shall also annually determine
 9.30 whether the transit tax imposed on all taxable property within the metropolitan transit area
 9.31 but outside of the metropolitan transit taxing district is within the levy limitation imposed
 9.32 by subdivision 1a. The determination must be completed prior to ~~September 10~~ August
 9.33 15 of each year. If current information regarding market valuation in any county is not

10.1 transmitted to the commissioner in a timely manner, the commissioner may estimate the
 10.2 current market valuation within that county for purposes of making the calculations.

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

10.4 Sec. 14. Minnesota Statutes 2014, section 473.711, subdivision 5, is amended to read:

10.5 Subd. 5. **State review.** The commission must certify its property tax levy to the
 10.6 commissioner of revenue by August 1 of the levy year. The commissioner of revenue shall
 10.7 annually determine whether the property tax certified by the metropolitan mosquito control
 10.8 commission for levy following the adoption of its budget is within the levy limitation
 10.9 imposed by subdivision 2. The determination must be completed prior to ~~September 10~~
 10.10 August 15 of each year. If current information regarding market valuation in any county is
 10.11 not transmitted to the commissioner in a timely manner, the commissioner may estimate
 10.12 the current market valuation within that county for purposes of making the calculation.

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

10.14 Sec. 15. Minnesota Statutes 2014, section 473F.05, is amended to read:

10.15 **473F.05 NET TAX CAPACITY.**

10.16 On or before ~~August 5~~ July 15 of each year, the assessors within each county in the
 10.17 area shall determine and certify to the county auditor the net tax capacity in that year of
 10.18 commercial-industrial property subject to taxation within each municipality in the county,
 10.19 determined without regard to section 469.177, subdivision 3.

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

10.21 Sec. 16. Minnesota Statutes 2014, section 473F.06, is amended to read:

10.22 **473F.06 INCREASE IN NET TAX CAPACITY.**

10.23 On or before July ~~15~~ 5 of each year, the auditor of each county in the area
 10.24 shall determine the amount, if any, by which the net tax capacity determined in the
 10.25 preceding year under section 473F.05, of commercial-industrial property subject to
 10.26 taxation within each municipality in the auditor's county exceeds the net tax capacity in
 10.27 1971 of commercial-industrial property subject to taxation within that municipality. If
 10.28 a municipality is located in two or more counties within the area, the auditors of those
 10.29 counties shall certify the data required by section 473F.05 to the county auditor who is
 10.30 responsible under other provisions of law for allocating the levies of that municipality
 10.31 between or among the affected counties. That county auditor shall determine the amount

11.1 of the net excess, if any, for the municipality under this section, and certify that amount
 11.2 under section 473F.07. Notwithstanding any other provision of sections 473F.01 to
 11.3 473F.13 to the contrary, in the case of a municipality which is designated on July 24,
 11.4 1971, as a redevelopment area under section 401(a)(4) of the Public Works and Economic
 11.5 Development Act of 1965, Public Law 89-136, the increase in its net tax capacity of
 11.6 commercial-industrial property for purposes of this section shall be determined in each
 11.7 year by using as a base the net tax capacity of commercial-industrial property in that
 11.8 municipality in the 1989 assessment year, rather than the net tax capacity of such property
 11.9 in 1971. The increase in total net tax capacity determined by this section shall be reduced
 11.10 by the amount of any decreases in net tax capacity of commercial-industrial property
 11.11 resulting from any court decisions, court related stipulation agreements, or abatements
 11.12 for a prior year, and only in the amount of such decreases made during the 12-month
 11.13 period ending on May 1 of the current assessment year, where such decreases, if originally
 11.14 reflected in the determination of a prior year's net tax capacity under section 473F.05,
 11.15 would have resulted in a smaller contribution from the municipality in that year. An
 11.16 adjustment for such decreases shall be made only if the municipality made a contribution
 11.17 in a prior year based on the higher net tax capacity of the commercial-industrial property.

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

11.19 Sec. 17. Minnesota Statutes 2014, section 473F.07, subdivision 1, is amended to read:

11.20 Subdivision 1. **Areawide net tax capacity.** Each county auditor shall certify the
 11.21 determinations under sections 473F.05 and 473F.06 to the administrative auditor on or
 11.22 before ~~August 1~~ July 20 of each year.

11.23 The administrative auditor shall determine an amount equal to 40 percent of the sum
 11.24 of the amounts certified under section 473F.06. The resulting amount shall be known as
 11.25 the "areawide net tax capacity for(year)."

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

11.27 Sec. 18. Minnesota Statutes 2014, section 473F.07, subdivision 2, is amended to read:

11.28 Subd. 2. **Certification by commissioner.** The commissioner of revenue shall certify
 11.29 to the administrative auditor, on or before ~~August 10~~ July 20 of each year, the population
 11.30 of each municipality for the preceding year, the proportion of that population which resides
 11.31 within the area, the average fiscal capacity of all municipalities in the area for the preceding
 11.32 year, and the fiscal capacity of each municipality in the area for the preceding year.

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

12.1 Sec. 19. Minnesota Statutes 2014, section 473F.07, subdivision 5, is amended to read:

12.2 Subd. 5. **Certification to county auditor.** The result of the procedure prescribed by
 12.3 subdivision 4 shall be known as the "areawide net tax capacity for(year) attributable
 12.4 to(municipality)." The administrative auditor shall certify such product to the
 12.5 auditor of the county in which the municipality is located on or before ~~August 15~~ July 31.

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

12.7 Sec. 20. Minnesota Statutes 2014, section 473F.08, subdivision 3, is amended to read:

12.8 Subd. 3. **Apportionment of levy.** The county auditor shall apportion the levy
 12.9 of each governmental unit in the auditor's county in the manner prescribed by this
 12.10 subdivision. The auditor shall:

12.11 (a) (1) by ~~August 20~~ 5, determine the areawide portion of the levy for each
 12.12 governmental unit by multiplying the local tax rate of the governmental unit for the
 12.13 preceding levy year times the distribution value set forth in subdivision 2, clause (b); and

12.14 ~~(b) (2) by September 5~~ August 20, determine the local portion of the current year's
 12.15 levy by subtracting the resulting amount from clause (a) from the governmental unit's
 12.16 current year's levy;

12.17 ~~(c) for determinations made under clause (a) in the case of school districts, for~~
 12.18 ~~taxes payable in 2002, exclude the general education tax rate and the portion of the~~
 12.19 ~~referendum tax rate attributable to the first \$415 per pupil unit from the local tax rate for~~
 12.20 ~~the preceding levy year;~~

12.21 ~~(d) for determinations made under clause (a) in the case of the Metropolitan Council,~~
 12.22 ~~for taxes payable in 2002, exclude the transit operating tax rate from the local tax rate~~
 12.23 ~~for the preceding levy year; and~~

12.24 ~~(e) for determinations made under clause (a) in the case of transit opt-out cities,~~
 12.25 ~~for taxes payable in 2002, exclude the opt-out transit rate from the local tax rate for the~~
 12.26 ~~preceding levy year.~~

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

12.28 Sec. 21. Minnesota Statutes 2014, section 473F.08, subdivision 5, is amended to read:

12.29 Subd. 5. **Areawide tax rate.** On or before August ~~25~~ 10 of each year, the
 12.30 county auditor shall certify to the administrative auditor that portion of the levy of
 12.31 each governmental unit determined under subdivisions 3, clause (a), 3a, and 3b. The
 12.32 administrative auditor shall then determine the areawide tax rate sufficient to yield an
 12.33 amount equal to the sum of such levies from the areawide net tax capacity. On or before

13.1 ~~September 1~~ August 15 of each year, the administrative auditor shall certify the areawide
13.2 tax rate to each of the county auditors.

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