

HOUSE RESEARCH

Bill Summary

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Subject: Makes technical corrections to various aid programs

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Overview

Provides technical corrections to drafting errors in the 2013 session bill related to city LGA and natural resource PILT payments

Section

- 1** **City formula aid.** Corrects a drafting error in calculating formula aid in Minnesota Statutes, section 477A.013, subdivision 8, which impacts the LGA losses to cities that currently get more aid than their “unmet need” under the formula. Without the fix, a city that should have its LGA gradually decreased to its “unmet need” amount will see no loss if the total LGA appropriation is frozen and will see its aid decrease more if the appropriation is increased. The fix will ensure that a city’s loss in any year is equal to the lesser of (1) \$10 per capita, or (2) 5 percent of the city’s levy in the previous year, as provided under subdivision 9 of the statute. Effective beginning with aids payable in 2019.
- 2** **General distribution (PILT).** Corrects a drafting error relating to state payment in lieu of tax (PILT) distributions to townships. The fix will state that each township will get 10 percent of the PILT payment associated with the tax-exempt natural resource land located in the township rather than 10 percent of the total PILT payment made to the county. Effective beginning with payments made after July 1, 2014.