

**SENATE  
STATE OF MINNESOTA  
NINETY-FIRST SESSION**

**S.F. No. 4092**

(SENATE AUTHORS: WEBER, Dahms, Simonson, Johnson and Eken)

DATE  
03/09/2020

D-PG

Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to taxes; modifying the funding level for local government aid for cities;  
1.3 amending Minnesota Statutes 2018, section 477A.03, by adding a subdivision;  
1.4 Minnesota Statutes 2019 Supplement, section 477A.03, subdivision 2a.

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

1.6 Section 1. Minnesota Statutes 2019 Supplement, section 477A.03, subdivision 2a, is  
1.7 amended to read:

1.8 Subd. 2a. **Cities.** ~~For aids payable in 2016 and 2017, the total aid paid under section~~  
1.9 ~~477A.013, subdivision 9, is \$519,398,012. For aids payable in 2018 and 2019, the total aid~~  
1.10 ~~paid under section 477A.013, subdivision 9, is \$534,398,012. For aids payable in 2020, the~~  
1.11 ~~total aid paid under section 477A.013, subdivision 9, is \$560,398,012. For aids payable in~~  
1.12 ~~2021 and thereafter, the total aid payable under section 477A.013, subdivision 9, is~~  
1.13 ~~\$564,398,012. For aids payable in 2022 and thereafter, the total aid paid under section~~  
1.14 ~~477A.013, subdivision 9, is equal to the total aid certified to be paid under that section in~~  
1.15 ~~the previous year multiplied by the inflation adjustment under subdivision 6.~~

1.16 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
1.17 and thereafter.

1.18 Sec. 2. Minnesota Statutes 2018, section 477A.03, is amended by adding a subdivision to  
1.19 read:

1.20 Subd. 6. **Inflation adjustment.** Beginning with aids payable in 2022 and thereafter, the  
1.21 inflation adjustment for aids paid under subdivision 2a is equal to one plus the sum of: (1)  
1.22 the percentage increase in the implicit price deflator for government purchases and gross

2.1 investment for state and local government purchases, as prepared by the United States  
2.2 Department of Commerce, for the 12 month period ending March 31 of the previous calendar  
2.3 year; and (2) the percentage increase in the total city population for the most recently  
2.4 available year, as of January 15 in the year in which the aid is certified. The inflation  
2.5 adjustment in this subdivision in any year shall not be less than 1.025 or greater than 1.05.

2.6 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
2.7 and thereafter.