

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

S.F. No. 5461

(SENATE AUTHORS: RARICK)

DATE
04/18/2024

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Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; fire protection and emergency medical services special taxing
1.3 districts; establishing a local government aid program; appropriating money;
1.4 proposing coding for new law in Minnesota Statutes, chapter 477A.

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

1.6 Section 1. [477A.41] FIRE PROTECTION AND EMS SPECIAL TAXING DISTRICT
1.7 AID.

1.8 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
1.9 the meanings given.

1.10 (b) "Area" means the most recent estimate of total acreage located in the boundaries of
1.11 the special taxing district service area available as of July 1 in the aid calculation year,
1.12 estimated or established by:

1.13 (1) the United States Bureau of the Census;

1.14 (2) the State Land Management Information Center; or

1.15 (3) the secretary of state.

1.16 (c) "Area factor" means the ratio of the total adjusted net tax capacity of all special taxing
1.17 districts to the total area of all special taxing districts, divided by the ratio of a special taxing
1.18 district's adjusted net tax capacity to its area.

1.19 (d) "Commissioner" means the commissioner of revenue.

1.20 (e) "Political subdivision" means a county, a statutory or home rule charter city, or a
1.21 township organized to provide town government.

2.1 (f) "Population" means the combined populations of all of the political subdivisions
2.2 participating in a special taxing district. The population of a political subdivision is the
2.3 population estimated or established as of July 15 in an aid calculation year by the most
2.4 recent federal census, by a special census conducted under contract with the United States
2.5 Bureau of the Census, by a population estimate made by the Metropolitan Council pursuant
2.6 to section 473.24, or by a population estimate of the state demographer made pursuant to
2.7 section 4A.02, whichever is the most recent as of the stated date of the count or estimate
2.8 for the preceding calendar year and which has been certified to the commissioner of revenue
2.9 on or before July 15 of the aid calculation year. A revision of an estimate or count is effective
2.10 for these purposes only if it is certified to the commissioner on or before July 15 of the aid
2.11 calculation year. Clerical errors in the certification or use of the estimates and counts
2.12 established as of July 15 in the aid calculation year are subject to correction within the time
2.13 periods allowed under section 477A.014.

2.14 (g) "Population factor" means the ratio of the total adjusted net capacity of all special
2.15 taxing districts to the total population of all special taxing districts, divided by the ratio of
2.16 a special taxing district's adjusted net tax capacity to the special taxing district's population.

2.17 (h) "Special taxing district" means a special taxing district that was established for the
2.18 purpose of providing fire or ambulance services, or both, and that was formed under any
2.19 of the following:

2.20 (1) section 144F.01;

2.21 (2) Laws 1987, chapter 402, section 2, as amended;

2.22 (3) Laws 1993, chapter 375, article 5, section 39, as amended; or

2.23 (4) Laws 2009, chapter 88, section 46, as amended.

2.24 (i) "Special taxing district service area" means the geographic area that is served by the
2.25 special taxing district as defined by its bylaws.

2.26 Subd. 2. **Population need aid.** A special taxing district's population need aid equals the
2.27 product of:

2.28 (1) the population basic allowance;

2.29 (2) the special taxing district's population; and

2.30 (3) the greater of: (i) one; or (ii) the special taxing district's population factor.

2.31 Subd. 3. **Area need aid.** A special taxing district's area need aid equals the greater of:

2.32 (1) the area basic allowance;

3.1 (2) the special taxing district's area; and

3.2 (3) the greater of: (i) one; or (ii) the special taxing district's area factor.

3.3 **Subd. 4. Fire protection and EMS special taxing district aid amount.** (a) A special
3.4 taxing district's fire protection and EMS special taxing district aid is the sum of its population
3.5 need aid calculated under subdivision 2 and its area need aid calculated under subdivision
3.6 3.

3.7 (b) Notwithstanding paragraph (a), a special taxing district's aid award under this section
3.8 must not exceed ... percent of the special taxing district's levy certified for that year.

3.9 **Subd. 5. Commissioner responsibilities; payment.** (a) The commissioner must calculate
3.10 the population basic allowance so that the total amount of aid distributed under subdivision
3.11 2 must be equal to ... percent of the amount appropriated for aid in that year. The
3.12 commissioner must calculate the area basic allowance so that the total amount of aid
3.13 distributed under subdivision 3 must be equal to ... percent of the amount appropriated for
3.14 aid in that year.

3.15 (b) The commissioner has the authority to request, in the form and manner determined
3.16 by the commissioner, from the board or governing body of a special taxing district and from
3.17 the county, whatever information is necessary to identify:

3.18 (1) the property that is located within the special taxing district;

3.19 (2) the population of the special taxing district;

3.20 (3) the area within the special taxing district; and

3.21 (4) any other information necessary to calculate aid payments under this section.

3.22 (c) The commissioner shall make all necessary calculations and make payments under
3.23 this chapter directly to the special taxing districts annually. The commissioner shall notify
3.24 the special taxing districts of their aid amounts, the computational factors used in making
3.25 the calculations, and those statewide total figures that are pertinent, before August 1 of the
3.26 year preceding the aid distribution year.

3.27 (d) For the purposes of this subdivision, aid is determined for a special taxing district
3.28 based on its special taxing district status as of June 30 of the year preceding the aid
3.29 distribution year. If the effective date for a special taxing district organization is on or before
3.30 June 30 of the year preceding the aid distribution year, such change in boundaries or form
3.31 of government shall be recognized for aid determinations for the aid distribution year. If
3.32 the effective date for a special taxing district is after June 30 of the year preceding the aid

4.1 distribution year, such change in boundaries or form of government shall not be recognized
4.2 for aid determinations until the following year.

4.3 (e) The commissioner shall make the aid payments to affected taxing authorities on
4.4 December 26 annually.

4.5 Subd. 6. **Appropriation.** \$..... is annually appropriated from the general fund to the
4.6 commissioner of revenue to make payments under this section.

4.7 **EFFECTIVE DATE.** This section is effective beginning for aids payable in 2025.