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**Catalog of Budget Activities**  
**Tax Aids & Credits**

**January 12, 2015**

**Fiscal Analysis Department**  
**Minnesota House of Representatives**

***The House Fiscal Analysis Department*** is a team of eleven analysts who provide professional, non-partisan, and confidential services for all members of the House of Representatives, as well as providing legislative support services to the House finance and tax committees on fiscal issues. The Department researches, prepares and distributes publications providing information on state budget issues and government finance.

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**Purpose** This catalog seeks to provide a quick reference for specific budget activity—past expenditures, current appropriations and projected spending—in the area of Tax Aids & Credits, under the purview of the Tax Committee. Bills that seek to make changes in spending or changes to related tax program parameters would be referred to the Tax Committee.

**Format and Definitions**

Each budget activity entry includes the following information

- Title and Legal citation
- An eight-year fiscal summary (dollars in thousands) for FYs 2012-2019, updated from the November 2014 Forecast Consolidated Fund Statement
- Annual percentage change in spending
- Appropriation type, Fund type
- Brief description of how the budget activity functions

<b>Example:</b>							
<b>Title of Budget Activity</b> [ <i>Minnesota Statutes or Session Law citation</i> ]							
<b>Dollars in Thousands</b>							
<b>FY 2012 Actual</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Actual</b>	<b>FY 2015 Forecast</b>	<b>FY 2016 Projected</b>	<b>FY 2017 Projected</b>	<b>FY 2018 Planning</b>	<b>FY 2019 Planning</b>
<b>\$194,500</b>	<b>\$164,417</b>	<b>\$160,642</b>	<b>\$160,642</b>	<b>\$165,820</b>	<b>\$165,747</b>	<b>\$165,704</b>	<b>\$165,704</b>
<b>3.9%</b>	<b>-15.4%</b>	<b>-2.3%</b>	<b>0.0%</b>	<b>3.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Appropriation Type:</b> Statutory, Direct, Open or Standing				<b>Fund:</b> General or Special			
<b>Description:</b> The description includes one or more of the following bits of information: what the activity does, which agency administers it, who receives it, how the program or activity is managed, or program statistics (when available).							

**Types of Appropriations**

The following definitions are commonly used in the Governor’s Biennial Budget documents and in current accounting practices.

A. "**Statutory Appropriation**" refers to the spending authority that is codified in state statute, rather than session laws. This authority to spend state resources is ongoing and independent from the passage of an appropriations bill each biennium. Typically, statutory appropriations are made in dedicated receipt activities, but they are also applicable to situations where state resources are perpetually made available for spending.

The Governor's biennial budget document specifically highlights a section for "Statutory Appropriations" and the figures contained within are generally based upon anticipated receipts within an agency's budget. These codified appropriations are processed in the accounting system annually based on agency estimates -- without further legislative action.

B. "**Direct Appropriation**" is an appropriation made in biennial or annual budget bills and is valid for a limited period of time, usually within the biennium.

C. "**Open Appropriation**" refers to the authority to spend an unspecified amount of resources to meet a program's objective or a constitutional requirement. These resources are typically made available when an agency provides a forecast of the estimated need. (An example would be the Property Tax Refund for Homeowners, page 10.)

The Governor's biennial budget document specifically identifies "Open Appropriations". Approved funding uses agency estimates and documentation that establishes the funds in the accounting system. Rather than canceling at year-end, any excess dollars are processed as a reduction in the appropriation.

D. "**Standing Appropriation**" is the authority to spend a pre-determined dollar annual amount for an activity for a specific period of time or indefinitely. (Example: MS 477A.03, Subd. 2b. " For aids payable in 2014 and thereafter, the total aid payable under section [477A.0124, subdivision 3](#), is \$100,795,000.")

## TAX EXPENDITURE TYPES

*Tax refunds* are direct payments from the state to taxpayers to lessen their personal tax burden. *Property tax refunds* are direct payments from the state to certain homeowners and renters to offset their property tax liabilities.

*Local aids* are state payments to local jurisdictions, including school districts, intended to replace tax levy income. *Property tax aids* are state payments to local taxing jurisdictions intended to replace property tax levy income.

**Tax credits** directly reduce a taxpayer's tax liability. **Property tax credits** reduce property tax liabilities for individual taxpayers; local taxing jurisdictions receive state payment for these credits.

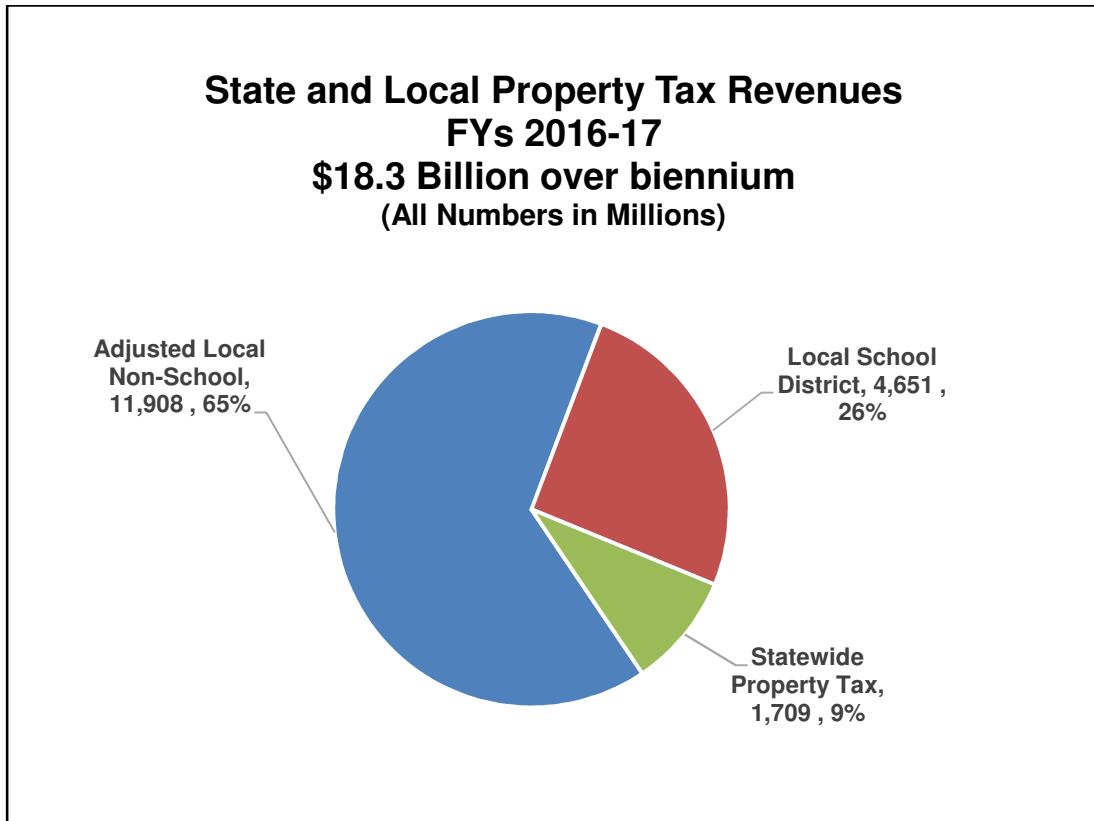
**In all cases**, whether using a tax refund, a tax aid or a tax credit, the effect is that property taxpayers pay less than what the taxes would be otherwise, and the state makes up the difference.

**Other expenditures** are direct appropriations with a tax-related purpose, usually to a state agency or local government, and usually administrative in nature.

## **Overview: House Committee on Taxes**

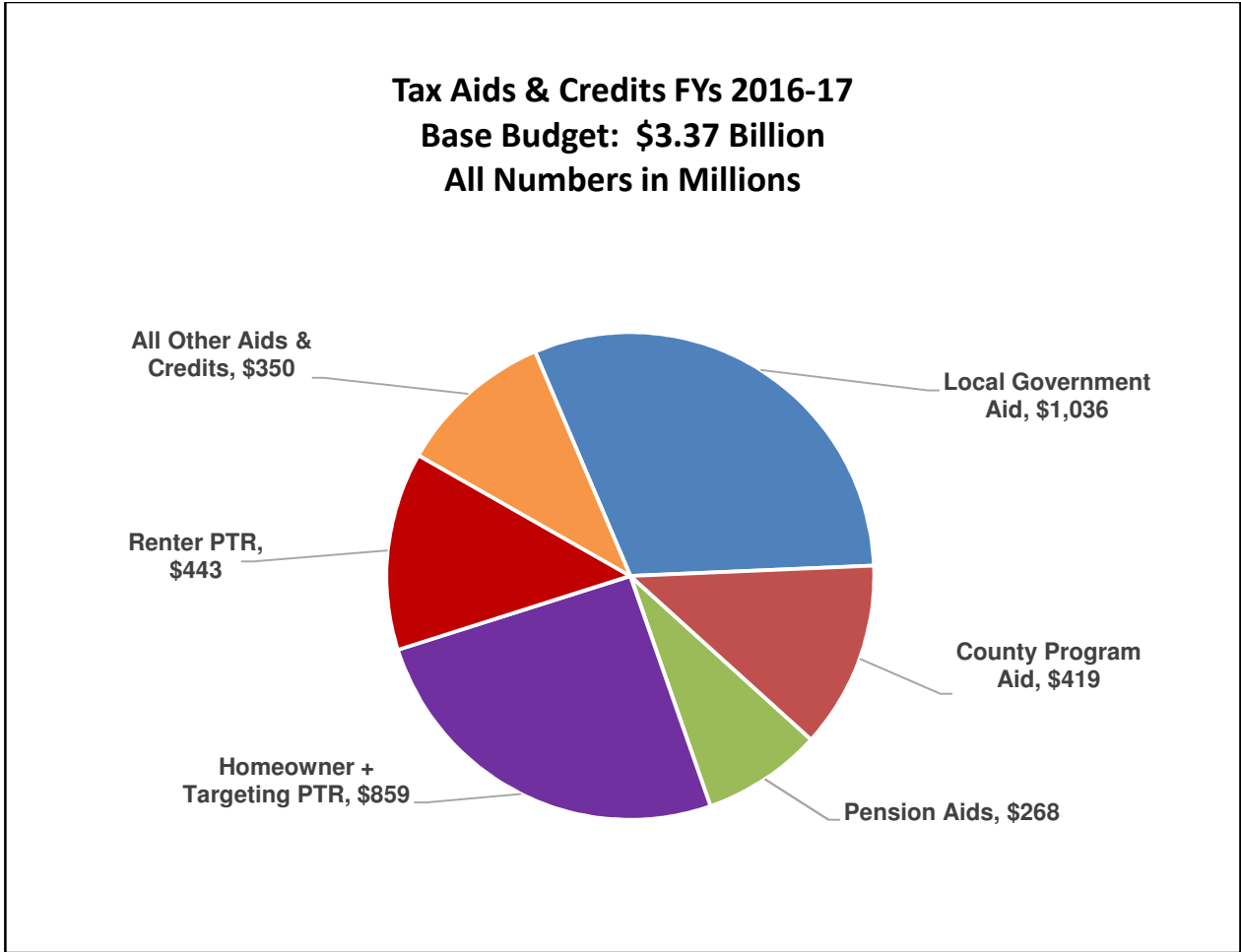
The House Committee on Taxes has the dual responsibility of overseeing state tax revenues and certain state appropriations from the general fund that support state aids and credits. Because most of these expenditures seek to mitigate the impact of local property taxes, a review of all property tax revenue is helpful.

For the FY 2016-2017 biennium, Minnesota's state and local property tax revenues are projected to be \$18.3 billion. Of this amount, local government revenues (counties, cities, towns, special districts) are estimated at \$11.9 billion or 65.2%, school district revenues at \$4.6 billion or 25.5%, and statewide property tax revenues at \$1.7 billion or 9.4%.



**End of 2014 Session, Price of Government projection**

Likewise, projected FY 2016-2017 expenditures for Tax Aids and Credits total just under \$3.4 billion, with \$1.7 billion in major property tax aids, \$1.3 billion in property tax refunds, \$336 million in other property tax aids/credits and \$14 million in other appropriations.



**November 2014 Forecast**

<i>Property tax aids represent</i>	<b>43.1%</b>
<i>Property tax refunds (PTR) represent</i>	<b>38.6%</b>
<i>Pension aids represent</i>	<b>7.9%</b>
<i>All Other (including PILT) represent</i>	<b><u>10.4%</u></b>
<b>Total</b>	<b>100.0%</b>



## List of House Tax Committee Budget Items

Currently, forty budget activities are reflected as general fund items on the expenditures portion of the House Taxes Aids and Credits spreadsheet. These programs are administered in whole or in part by the Department of Revenue. Other programs are funded with special revenues or administered locally as noted. Additional detail for each program can be found beginning on page 10 of this catalog.

### Refunds

Homeowners Property Tax Refund  
Renters Property Tax Refund  
Targeting Refund  
Sustainable Forest Land Credits  
Political Contribution Refund  
Tax Refund Interest

### Taconite Tax Relief

#### Aids & Credits

Taconite Reimbursement  
Supplemental Homestead Aid  
Taconite Replacement Aids

### Property Tax Credits

Agricultural Market Value Credit  
Agricultural Preservation Credit  
Border City Disparity Credit  
Disaster Credit  
Wetlands Reimbursement Credit  
Senior Deferral Reimbursement  
\*Agriculture Preservation Credit (SR)  
Bovine TB Property Tax Credit

### Local Aids

Local Government Aid (LGA)  
County Program Aid  
Township Aid  
Transition Aids (utility, production)  
Public Defender /Local Impact Notes  
Disparity Reduction Aid  
County Casino & AIS Aids  
Mahnomen Reimbursement Aid  
Council on Results-Performance Aid  
Flood or Disaster reimbursements

### Local Pension Aids

Aid to Police & Fire  
Police/Fire Retirement Aid Supplmt  
Police/Fire Amortization Aid  
Redistributed Amortization Aid (TRFA)  
Police/Fire Suppl'tl Amortization  
Firefighters Relief Reimbursements  
Public Employees Retirement Assoc.

### Other Expenditures

Payment-in-Lieu of Taxes (PILT)  
Dept. of Natural Resources lands  
Various debt service or stipend aids

## Local Revenue Sharing - \*Fiscal Disparities

\* Agriculture Preservation Credit is currently funded by special revenues; general funds added in FY 2018. Fiscal Disparities revenue sharing is enabled by state statute (MS 473F), but revenue distributions are administered locally.



**Description:** The Targeting Property Tax Refund provides property tax relief to owners of residential homestead property when there is a relatively large, one-year increase (greater than 12 percent and over \$100) in property taxes. Unlike the regular property tax refund program, eligibility for this additional refund is independent of income. The refund equals 60% of the property tax increase in excess of 12%, up to a maximum of \$1,000. In fiscal year 2013, over 35,000 homeowners received an average refund of \$111.

**Sustainable Forest Incentive Act Payments** [*Minnesota Statutes*, section 290C.07 & 290C.08]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$3,200	\$3,372	\$5,202	\$5,260	\$5,430	\$5,610	\$5,800	\$5,990
% Chg	5.4%	54.3%	1.1%	3.2%	3.3%	3.4%	3.3%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** Sustainable Forest Incentive Act payments provide reimbursements to private landowners who practice long-term forest management investment in accordance with the Sustainable Forest Incentive Act (2001). The current, per-acre payment is \$7.00. The program has undergone several changes in recent years. In FY 2014, the \$100,000 payment limit per taxpayer per year was eliminated and land over 60,000 acres that is subject to a single conservation easement was excluded from the program.

**Tax Refund Interest** [*Minnesota Statutes*, 289A.56, subd. 2]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$24,047	\$14,328	\$14,516	\$14,000	\$15,000	\$15,000	\$16,000	\$16,000
% Chg	(40.4%)	1.3%	(3.6%)	7.1%	0%	6.7%	0.0%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** This account contains interest expenses that must be paid on an overpayment refunded or credited to taxpayers, from the date of payment of the tax until the date the refund is paid or credited. When the amount of tax exceeds the tax shown on the original return by \$10, the amount refunded bears 3% interest (CY 2013) from 90 days after (1) the due date of the return of the taxpayer, or (2) the date on which the original return is filed, whichever is later, until the date the refund is paid to the taxpayer. When the amount to be refunded is less than \$10, no interest is paid. In FY 2011, budget constraints caused in a 6-month delay of payments, shifting a total of \$236 million in refunds plus interest from FY 2011 to FY 2012.

**Political Contribution Refund** [Minnesota Statutes § 290.06, subd. 23(g)]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$0	(\$2)	\$3,673	\$4,000	\$4,500	\$5,500	\$4,500	\$5,500
% Chg	--	--	8.9%	12.5%	22.2%	(18.2%)	22.2%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** This state program allows a taxpayer to claim a refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to a political party. The maximum refund for an individual must not exceed \$50 and for a married couple, filing jointly, must not exceed \$100. In calendar year 2009, over 114,000 individuals received an average political contribution refund of \$50. Due to budget constraints, these refunds were temporarily suspended for fiscal years 2010 through 2013, then resumed in FY 2014.

**LOCAL AIDS** \*\*\*\*\*

**Local Government Aid, LGA** [Minnesota Statutes, 477A.03, subd. 2 & 2a, 477A.013, subd. 9]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$425,329	\$425,178	\$427,439	\$507,618	\$516,926	\$519,398	\$519,398	\$519,398
% Chg	(11.5%)	(0.2%)	0.0%	0.5%	(0.2%)	0.0%	0.0%

**Appropriation Type:** Statutory & Standing

**Fund:** General

**Description:** Local Government Aid (LGA) provides general-purpose aid to cities that is distributed by a formula that 1) reflects a city's aid from the previous year, plus 2) its factor for unmet need times its aid gap percentage. Data used in calculating LGA payments must be current by January 1 in the year for which the aid is awarded. Local Government Aid (LGA) provides general-purpose funding annually to 770 of Minnesota's 853 cities; 608 of these LGA-receiving cities have a population less than 2,500. Since its inception in 1971, the LGA program has undergone many changes, the most recent by the 2014 Legislature in conjunction with the Minnesota League of Cities.

**County Program Aid, CPA** [Minnesota Statutes, 477A.03, subd. 2 & 2b, 477A.0124, subd. 3-4]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$161,106	\$161,106	\$165,570	\$206,235	\$209,969	\$208,563	\$208,454	\$208,454
% Chg	(15.4%)	(2.3%)	0.0%	0.0%	0.0%	0.0%	0.0%

**Appropriation Type:** Statutory & Standing

**Fund:** General

**Description:** County Program Aid (CPA) provides general-purpose aid to Minnesota's 87 counties based on the needs of the populations they serve relative to the size of their tax bases. Funding is distributed through two main formulas, roughly equal in size. The need aid formula is based on each county's relative share of needy populations; the tax base equalization is based on the size of each county's tax base relative to its population. Appropriations payable for CY 2015 and annually thereafter are limited to \$100.795 million for need aid and \$104.909 million for equalization aid for a total of \$205.7 million. Of the total annual appropriation, up to \$714,000 is retained by the Commissioner of Revenue to pay for 1) public defender costs pursuant to Minnesota Statutes 611.27 and 2) the cost of local impact notes as required by section 3.987.

**County Transition Aid\*** [Minnesota Statutes, 477A.03, subd. 2, 477A.0124, subd. 5.]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected*	FY 2017 Projected*	FY 2018 Planning*	FY 2019 Planning*
\$464	\$464	\$464	\$464	\$464	\$464	\$464	\$464
% Chg	0%	0%	0%	0%	0%	0%	0%

**Appropriation Type:** Statutory, Standing                      **Fund:** General

**Description:** County Transition Aid provides state aid to seven counties (Aitkin, Chippewa, Cook, Kanabec, Kittson, Traverse, and Wilkin) that suffered extreme reductions in aid attributable to the 2003 consolidation of five aid programs into County Program Aid. This provision was due to sunset in calendar year 2007 (FY 2008), but instead was reinstated and made permanent by the 2008 Legislature (Ch 366). \*For FY 2016 and beyond, county transition aid amounts are incorporated into the County Program Aid appropriation.

**Casino Aid to Counties** [Minnesota Statutes, 270C.19, subd. 4]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$704	\$852	\$1,260	\$1,260	\$1,260	\$1,260	\$1,260	\$1,260
% Chg	21.0%	47.9%	0.0%	0.0%	0.0%	0.0%	0.0%

**Appropriation Type:** Statutory, Open                                      **Fund:** General

**Description:** Casino Aid is state aid paid to counties with a tribal casino. Using provisions of a tribal tax agreement, the state collects excise taxes (tobacco, alcoholic beverage, and motor fuels) on casino-related activities and then pays the county ten percent of those revenues. Because the tribal government receives one-half of the casino aid payment, the county, in effect, receives 5 percent of these shared taxes. Currently, 17 casinos representing eleven tribes are operating in twelve counties.

**County Aquatic Invasive Species Prevention Aid** [Minnesota Statutes, 477A.19, 84D.02]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$0	\$0	\$0	\$4,500	\$10,000	\$10,000	\$10,000	\$10,000
% Chg	-	-	-	0.0%	0.0%	0.0%	0.0%

**Appropriation Type:** Statutory, Standing                      **Fund:** General

**Description:** Beginning in CY 2014/FY 2015, the 2014 Legislature established a county aid program to help prevent the spread of aquatic invasive species through Minnesota waterways. Funds are distributed using a formula, half of which is based on each county’s share of public watercraft trailer launches and half based on the number of public parking spaces for watercraft trailers at these sites. Eighty-three of Minnesota’s 87 counties will receive this aid, the outliers being Dodge, Fillmore, Pipestone and Rock Counties.

**Township Aid** [Minnesota Statutes, 477A.03 subd 2c, 477A.013, subd. 1]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$0	\$0	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
% Chg	-	-	-	-	(0.0%)	(0.0%)	(0.0%)

**Appropriation Type:** Statutory & Standing                      **Fund:** General

**Description:** Township Aid provides general purpose aid to Minnesota's 1,783 townships. Payments are distributed using a formula that includes agricultural property valuation, town acreage and population.

**Mahnomen Aid** [2008 Minnesota Laws, Chapter 154, Article 1, sec 4, amended by 2013 Laws, Chapter 143, Article 2, sec 33]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$600	\$600	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
% Chg	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Appropriation Type:** Standing    **Fund:** General

**Description:** Created in 2006 and made permanent in 2008, Mahnomen Aid provides partial replacement aid to local governments in Mahnomen County. In 2006, the United States Department of the Interior, Bureau of Indian Affairs, placed revenue producing land (a tribal casino) in Mahnomen into trust, thus removing it from the property tax rolls and causing a void of over \$932,000 in tax revenues. The original \$600,000 payment—\$450,000 for Mahnomen County, \$80,000 for the City

of Mahnomon, and \$70,000 for Mahnomon Independent School District No. 432—was doubled to \$1.2 million per year by the 2013 Legislature .

**Disparity Reduction Aid** [Minnesota Statutes, 273.1398, subd. 3, 6 & 8]

**Disparity Reduction Aid – School**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$7,575	\$9,858	\$8,319	\$7,893	\$7,878	\$7,878	\$7,878	\$7,878
% Chg	17.1%	(1.5%)	26.0%	(14.8%)	0.1%	0.0%	0.0%

**Disparity Reduction Aid – Non-School**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$10,138	\$10,300	\$10,281	\$10,141	\$10,141	\$10,141	\$10,141	\$10,141
% Chg	(0.7%)	0.5%	1.6%	(0.4%)	0.0%	0.0%	0.0%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** Disparity Reduction Aid is state aid paid to more than 900 local governments, including counties, townships and school districts, to provide relief to high tax rate areas. The program was created in 1988 and unlike other aids that provide non-property tax revenues to local governments, disparity reduction aid is applied directly to local tax rates. A local tax rate is determined by subtracting the disparity reduction aid (DRA) from the initial tax rate, up to the amount that the total local tax rate does not fall below 90 percent.

**Utility Transition Aid** [Minnesota Statutes, 477A.16]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$1,508	\$979	\$779	\$3	\$350	\$1	\$0	\$0
% Chg	(35.1%)	(20.0%)	(99.6%)	11,577%	(100.0%)	(100.0%)	--

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** Created in 2008, Utility Transition Aid provided partial relief to 14 cities and 29 towns where changes in Minnesota Rules Ch. 8100 (governing utility property valuation) resulted in a reduction in tax capacity that was greater than 4 percent. Today, the aid continues for three remaining cities and towns until the valuation of public utility property exceeds its assessment year 2007 valuation under the old system. The Department of Revenue advises that, due to decreases in utility property values, some cities and towns may regain their eligibility in CY 2015.

**Production Property Transition Aid** [Minnesota Statutes, 477A.18]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
-	-	-	-	\$0	\$160	\$128	\$96
% Chg	-	-	-	-	-	(20.0%)	(25.0%)

**Appropriation Type:** Standing, Open

**Fund:** General

**Description:** Production Property Transition Aid was created in 2014 as temporary assistance for cities estimated to lose five percent or more of their tax base resulting from a change in the way that certain structures in the production of bio-fuels, alcoholic beverages and dairy products are valued for property tax purposes. The aid will be available in CY 2016/FY 2017 and will gradually phase-out over the next four years.

**Volunteer First Responder Retention Stipend Aid** [2014 Minnesota Laws, Ch 308, Art 1, sec. 1]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
-	-	-	-	\$1,580	\$1,650	\$1,730	\$0
% Chg	-	-	-	-	4.4%	4.8%	(100.0%)

**Appropriation Type:** Standing, Open

**Fund:** General

**Description:** Volunteer First Responder Retention Stipend Aid was created in 2014 as a three-year pilot program to provide a \$500 stipend to volunteer firefighters, volunteer ambulance attendants and volunteer emergency medical responders who serve qualified entities in the 14-county pilot area. An estimated 3,160 participants from 123 fire departments will be eligible beginning in calendar 2015.

**Public Defender Cost** [Minnesota Statutes, section 477A.03, subd. 2b, and 611.27.]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$459	\$486	\$432	\$500	\$500	\$500	\$500	\$500
% Chg	5.8%	(11.1%)	15.7%	0%	0%	0%	0%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** This budget activity represents set-aside moneys to pay for public defense services for correctional facility inmates. Under prior law, 1.5 percent of the criminal justice aid was designated for this purpose. However, since the CY 2005 consolidation of county aids, these funds (up to \$500,000 per year) are now deducted from the need aid portion of the County Program Aid appropriation.



**Local Impact Note Cost** [Minnesota Statutes, 477A.03, subd. 2b, 477A.0124, subd. 4]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$199	\$207	\$194	\$214	\$214	\$214	\$214	\$214
% Chg	4.0%	(6.2%)	10.3%	0%	0%	0%	0%

**Appropriation Type:** Statutory, Standing                      **Fund:** General

**Description:** This budget activity provides annual funding of up to \$207,000 for the Commissioner of Minnesota Management and Budget (MMB) and up to \$7,000 for the Commissioner of Education to pay for administrative costs incurred from completing local fiscal impact notes on legislation considered by the Minnesota Legislature. These funds are subtracted from the equalization aid portion of the County Program Aid formula.

**Performance Measurement Reimbursement** [Minnesota Statutes, 6.91]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$613	\$479	\$419	\$385	\$387	\$390	\$392	\$394
% Chg	(21.9%)	(12.5%)	(8.1%)	0.5%	0.8%	0.5%	0.5%

**Appropriation Type:** Standing, Open                              **Fund:** General

**Description:** Performance Measurement was created in 2010 as an incentive for counties and cities to establish and monitor performance standards of their public services. Program participants are eligible for reimbursement of 14 cents per capita, up to a maximum of \$25,000 and are exempt from limits on property taxes. In 2011, the number of participating jurisdictions was robust (38 counties and 113 cities); in 2014, the number has declined to nineteen counties and 3 cities.

**Minneapolis Debt Service Aid** [Minnesota Statutes, 477A.085]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
-	-	-	-	\$0	\$3,700	\$3,700	\$3,700
% Chg	-	-	-	-	-	0.0%	0.0%

**Appropriation Type:** Standing, Open                              **Fund:** General

**Description:** Created by the 2013 Legislature and effective tax years 2016 and beyond, Minneapolis Debt Service Aid provides annual payments equal to 40 percent of the annual levy designated for Minneapolis’ library referendum bonds.

**Bloomington Infrastructure Projects** [Minnesota Statutes, 473.08, subd 3a]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
-	-	-	-	\$0	\$3,700	\$3,700	\$3,700
% Chg	-	-	-	-	-	0.0%	0.0%

**Appropriation Type:** Standing, Open

**Fund:** General

**Description:** Effective for taxes payable in 2015 through 2018, the Bloomington Infrastructure Projects account will assume payments on behalf of the City of Bloomington to retire a loan that was made for infrastructure improvements as part of the original Mall of America project.

**Debt Service Aid – Lewis & Clark Joint Powers Board** [Minnesota Statutes, 477A.20]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
-	-	-	-	\$2,200	\$2,200	\$2,200	\$2,200
% Chg	-	-	-	-	0.0%	0.0%	0.0%

**Appropriation Type:** Standing, Open

**Fund:** General

**Description:** Debt Service Aid for the Lewis and Clark Joint Powers Board was created in 2014 to assist with financing of up to \$45 million in local bonds for the construction of the Lewis and Clark Regional Water System Project. The aid payment is an amount equal to the principal plus interest on the bonds due in the upcoming year minus 1) 1.5 percent of the combined adjusted net tax capacity of Rock and Nobles Counties and 2) 50 percent of any federal grants and aids received for the project. If the amount of federal grants and aids received for the project exceed the local payment obligation (excluding state aid), then the Joint Powers Board must repay the excess to the Commissioner of Revenue. Total annual debt service for this Regional Water System Project is estimated at \$3.43 million, of which \$2.2 million will be state-paid debt service aid beginning in FY 2016, and lasting through 2038 or until the bonds are fully paid off.

**PROPERTY TAX CREDITS** \*\*\*\*\*

**Agricultural Market Value Credit** [Minnesota Statutes, 273.1384, subd. 2, 4 & 5]

**Agricultural Market Value Credit – School**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$5,078	\$6,470	\$5,337	\$5,032	\$8,148	\$8,495	\$8,495	\$8,495
% Chg	27.4%	(17.5%)	23.4%	(15.7%)	0.0%	0.0%	0.0%

**Agricultural Market Value Credit – Non School**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$18,068	\$18,103	\$17,829	\$17,633	\$29,833	\$29,833	\$29,833	\$29,833
% Chg	0.2%	(1.5%)	(1.1%)	69.2%	0.0%	0.0%	0.0%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** This budget activity reflects reimbursements to taxing jurisdictions for property tax credits issued to owners of agricultural property minus the value of the house, garage and 1 acre of land. In tax year 2014 (FY 2015) applicants receive tax credits equal to 0.3 percent of the market value of the parcel up to a maximum of \$345 subject to a phase-back of the credit beginning at \$115,000 in market value. The phase-back rate, equal to .05 percent of market value above \$115,000, reduces the credit amount to a maximum of \$230 for farms valued at \$345,000 and above.

Beginning in tax year 2015 (FY 2016), the calculation is modified to 0.3 percent of market value on the first \$115,000, with an additional credit of 0.1 percent of market value above \$115,000. The phase-back is eliminated. The maximum credit of \$490 (an increase of \$145) begins for farms valued at \$260,000 or above.

**For School Districts,** reimbursement is provided for the amount of the Agricultural Market Value Credit deducted from each school district’s tax revenues in proportion to each district’s share of the gross tax, excluding school referendums.

**For Non-School** entities (local governments), reimbursement is provided for the amount of the Agricultural Market Value Credit deducted from each local government’s tax revenues in proportion to the local government’s share of the gross tax.

In CY 2013, there were over 94,000 agricultural homesteads in Minnesota.

**Agriculture Preservation Credit – [Minnesota Statutes, 40A.151, subd. 2, 40A.152, and 473H.10, subd 3(e)]**

**Agricultural Preservation Credit – Special Revenue**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$528	\$691	\$687	\$804	\$830	\$830	\$355	\$300

**Agricultural Preservation Credit – General Fund**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$0	\$0	\$0	\$0	\$0	\$0	\$475	\$530
% Chg	-	-	-	-	-	-	11.6%

**Appropriation Type:** Statutory, Open

**Fund:** Special Revenue (if needed, General Fund)

**Description:** The Agriculture Preservation credit (previously listed as the Minnesota Conservation Tax Credit) reflects state aid payments to counties, cities and other localities to reimburse tax revenues forgone due to taxpayer participation in the Agricultural Land Preservation and Conservation

Assistance Program. Under this program, a property tax credit of \$1.50 per acre is awarded to certain landowners who enter their property into an agricultural preserve restrictive covenant under chapter 40A. The origin of these funds is a \$5 county conservation fee on mortgage and deed registrations for the metropolitan counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington, and the greater Minnesota counties of Waseca, Winona and Wright. Beginning in FY 2018, additional general fund revenues will be needed to make payments as required by current law.

**Border City Disparity Reduction Credit – [Minnesota Statutes, section 273.1398, subd 3,4, 8.]**

**Border City Disparity Reduction Credit – School**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$1,064	\$1,674	\$1,403	\$1,784	\$2,210	\$2,253	\$2,253	\$2,253
% Chg	57.3%	(16.2%)	27.2%	23.9%	1.9%	0.0%	0.0%

**Border City Disparity Reduction Credit – Non School**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$5,067	\$5,485	\$5,459	\$6,831	\$8,447	\$8,47	\$8,447	\$8,447
% Chg	8.2%	(0.5%)	25.1%	23.7%	0.0%	0.0%	0.0%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** Border City Disparity Reduction credits provide reimbursement for property tax credits issued to qualified commercial/industrial properties located in an enterprise zone of one of five designated border cities: Breckenridge, Dilworth, East Grand Forks, Moorhead, and Ortonville. This property tax credit, which reduces the effective tax rate to 1.6 percent, does not apply to the debt service levy or to school district taxes, other than the state equalized levies.

**For School Districts,** reimbursement is provided for the amount of the Border City Disparity Credit deducted from each school district’s tax revenues in proportion to each district’s share of the gross tax, excluding school referendums.

**For Non-School** entities (local governments), reimbursement is provided for the amount of the Border City Disparity Credit deducted from each local government’s tax revenues in proportion to the local government’s share of the gross tax.

**Senior Deferral Reimbursement [Minnesota Statutes, section 290B.09, subd 2]**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$1,202	\$9041,400	\$1,525	\$1,220	\$1,310	\$1,510	\$1,730	\$1,990
% Chg	16.5%	8.9%	(20.0%)	7.4%	15.3%	14.6%	15.0%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** Senior Deferral Reimbursement allows certain seniors, age 65 years and over and who have a total household income of \$60,000 or less, to defer the amount of their homestead property taxes that exceeds three percent of their household income to a later time. The state pays the amount of the deferred tax, including special assessments and other charges that appear on the property tax statement, to the county where the property is located. In 2013, 344 homes owned by seniors were enrolled in this program with an average deferred amount of about \$4,250. Deferred payments to the seven metropolitan counties accounted for 90 percent of the total in that year.

**Disaster Credits** [*Minnesota Statutes, section 273.1231- 273.1235*]

**Disaster Credit – School**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$143	\$159	\$148	\$15	\$23	\$25	\$25	\$25
% Chg	11.2%	(6.9%)	(89.9%)	53.3%	8.7%	0.0%	0.0%

**Disaster Credit & Disaster Assistance City Tax Base Replacement – Non School**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$506	\$332	\$704	\$0	\$100	\$100	\$100	\$100
% Chg	(42.1%)	140.3%	(100.0%)	-	0.0%	0.0%	0.0%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** Disaster Credits are reimbursements for property tax credits to counties within a disaster or an emergency area. Specifically, counties must re-adjust property valuations to reflect damages and subsequent losses in market value caused by the event, creating a void in anticipated property tax revenues for the year. The commissioner of revenue is required to reimburse affected taxing jurisdictions when ad valorem taxes or other aids are distributed.

**Local Option Disaster Abatement Reimbursement** [*Minnesota Statutes, section 273.1233*]

**(Flood) Local Option Disaster Abatement Reimbursement – School**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$117	\$113	\$237	\$103	\$26	\$20	\$20	\$20
% Chg	(3.4%)	109.7%	(56.5%)	(74.8%)	(23.1%)	0.0%	0.0%

**(Flood) Local Option Disaster Abatement Reimbursement – Non School**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$291	\$1,326	\$313	\$151	\$80	\$79	\$79	\$79
% Chg	355.7%	(76.4%)	(51.8%)	(47.0%)	(1.3%)	0.0%	0.0%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** Local Option Disaster Abatement Reimbursements are payments for property tax abatements to counties within a disaster or an emergency area. Specifically, counties must re-adjust property valuations to reflect damages and subsequent losses of 50 percent or more in market value caused by the event, creating a void in anticipated property tax revenues for the year. The commissioner of revenue is required to reimburse affected taxing jurisdictions when ad valorem taxes or other aids are distributed. Recent abatements have been associated with flooding in various parts of the state.

**Prior Year Credits** [Minnesota Statutes, section 273 various parts]

**Prior Year Credits – School**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
(\$20)	\$187	\$5	\$18	\$2	\$0	\$0	\$0
% Chg	-	(97.3%)	260.0%	(88.9%)	(100.0%)	--	--

**Prior Year Credits – Non School**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$646	\$561	\$55	\$132	\$40	\$40	\$40	\$40
% Chg	(12.7%)	(90.2%)	140.0%	(69.7%)	0.0%	0.0%	0.0%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** This budget activity accounts for reimbursements for a variety of property tax credits (mostly market value credits) that are attributable to previous year tax liabilities.

**TACONITE TAX RELIEF AREA AIDS & CREDITS \*\*\*\*\***

**Taconite Reimbursement Aid -** [Minnesota Statutes 477A.15]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$561	\$561	\$561	\$561	\$561	\$561	\$561	\$561
% Chg	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** Taconite Reimbursement Aid provides a reimbursement to Deer River School District #317 in Itasca County as compensation for the mining occupation tax distribution received prior to a change in law in 1978. In FY 2013, this payment was 5.2 percent of total school district revenues.

**Supplemental Taconite Homestead Credit – Non-School** [Minnesota Statutes, sec. 273.1391]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$5765	\$5,300	\$5,279	\$5,305	\$5,358	\$5,412	\$5,466	\$5,520
% Chg	(8.1%)	(0.4%)	0.5%	1.0%	1.0%	1.0%	1.0%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** Supplemental Taconite Homestead Aid provides reimbursements to local governments in the Iron Range for tax credits issued under the homestead property tax relief program. In tax year 2014, with 87 percent of homesteads receiving the maximum amount, the average credit was \$281.

**Taconite Replacement Aid –** [Minnesota Statutes, section 298.285.]

**Taconite Replacement Aid – IRRR (Non-School)**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$2,285	\$2,889	\$3,445	\$3,829	\$4,006	\$4,162	\$4,221	\$4,223
% Chg	26.4%	19.2%	11.1%	4.6%	3.9%	1.4%	0.0%

**Taconite Replacement Production Tax**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$4,406	\$4,668	\$5,126	\$4,855	\$4,813	\$4,777	\$4,777	\$4,797
% Chg	5.9%	9.8%	(5.3%)	(0.9%)	(0.7%)	0.0%	0.4%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** Taconite Replacement Aids provide state aid (an amount equal to 22 cents per taxable ton of iron ore concentrates per production year) to local governments in the Iron Range to replenish their taconite municipal aid accounts.

**LOCAL PENSION AIDS \*\*\*\*\***

**Aid to Police & Fire** [Minnesota Statutes, section 69.021]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$82,338	\$80,696	\$89,572	\$93,631	\$97,373	\$100,767	\$104,934	\$109,518
% Chg	(2.0%)	11.0%	4.5%	4.0%	3.5%	4.1	4.4%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** Police and Fire Aid is a combination of three pension aid provisions that provide payments to certain counties, municipalities, independent nonprofit firefighting corporations, and other entities to supplement their budgets. The commissioner of revenue determines which local governments are qualified to receive state aid based upon personnel and equipment certifications, financial compliance reports and other relevant information. Funding for Fire State Aid comes from the dedicated proceeds of the state insurance premium tax (generally 2 percent) on fire insurance. Police State Aid is financed by the dedicated proceeds of a 2 percent automobile insurance premium tax. Funding for the Insurance Surcharge Aid comes from a 2 percent surcharge on fire insurance written on property located in a first class city and allocated to the applicable city.

Table 1 of this document (on page 30) provides additional detail regarding these aid distributions.

**Police and Fire Retirement Aid Supplement** [*Minnesota Statutes, section 423A.022*]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
-	-	\$15,498	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500
% Chg	-	-	0.0%	0.0%	0.0%	0.0%	0.0%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** Established in 2013, Police and Fire Retirement Aid Supplement provides payments to help amortize the unfunded liability of certain police officers and firefighters. Beginning in calendar year 2013 (FY 2014), a supplemental annual appropriation of \$15.5 million is allocated as follows: \$9.0 million to PERA Amortization Aid, \$5.5 million to municipalities with a public employee and fire plan, and \$1.0 million to the State Patrol Retirement Fund. The aid program will end when assets equal 90 percent of the accrued liabilities of each the State Patrol or the public employees police and fire retirement plans, whichever occurs last.

**Local Police/Fire Amortization Aid** [*Minnesota Statutes, section 423A.02, subd 1-5.*]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$1,753	\$1,753	\$2,729	\$2,729	\$2,729	\$2,729	\$2,729	\$2,729
% Chg	139.8%	55.7%	0.0%	0.0%	0.0%	0.0%	0.0%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** Established in 1980, Local Police and Fire Amortization Aid provides payments to local governments to help amortize the unfunded liability of local police and salaried firefighters' relief associations. Aid eligibility terminates when a local relief association or consolidated account becomes fully funded (assets equal to actuarial liability).



**Redistributed Amortization Aid – TRFA** [*Minnesota Statutes, section 423A.02, subd 3.*]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$2,077	\$0	\$2,094	\$2,094	\$2,094	\$2,094	\$2,094	\$2,094
% Chg	(100.0%)	-	0.0%	0.0%	0.0%	0.0%	0.0%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** This budget activity reflects a redistribution of residual amortization aid to the Minneapolis Teachers Retirement Fund Association and to the St. Paul Teachers Retirement Fund Association to help pay for the unfunded actuarial accrued liabilities of the respective funds.

**Firefighters Relief Reimbursements** [*Minnesota Statutes, section 424A.10, subd 3.*]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$671	\$608	\$558	\$559	\$600	\$600	\$600	\$600
% Chg	(9.4%)	(8.2%)	0.2%	7.3%	0.0%	0.0%	0.0%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** Established in 1988, this budget activity reimburses volunteer firefighter relief associations for prior calendar year payments of state-mandated supplemental benefits (10 percent of service pension, up to \$1,000, and 20 percent of survivor benefits, up to \$2,000).

**PERA Pension Aid** [*Minnesota Statutes, section 273.1385.*]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$14,328	\$14,316	\$14,187	\$14,148	\$14,148	\$14,148	\$14,148	\$14,148
% Chg	(0.1%)	(0.9%)	(0.3%)	0.0%	0.0%	0.0%	0.0%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** PERA (Public Employees Retirement Association) Pension Aid reflects payments to each city, county, town, and other non-school jurisdictions in an amount equal to 0.35 percent of the fiscal year 1997 payroll for employees who were members of the general plan of the Public Employees Retirement Association. In calendar year 2013, 1,114 local governments received an aid payment. The aid provided under this section terminates on June 30, 2020.

**OTHER EXPENDITURES \*\*\*\*\***

**Payments in Lieu of Taxes (PILT) for Lands Owned by the Department of Natural Resources**

[Minnesota Statutes, section 477A.1 (DNR).]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$25,863	\$25,349	\$30,970	\$31,436	\$31,661	\$31,886	\$39,192	\$39,417
% Chg	(2.0%)	22.2%	1.5%	0.7%	0.7%	22.9%	0.6%

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** PILT payments reimburse counties and towns for lost revenues attributable to the removal of tax-generating properties from their property tax rolls to support preservation of natural resources lands. The commissioner of revenue provides payment in-lieu of tax (PILT) payments to local governments for this land. In 2013, 8.5 million acres of land in 87 counties were enrolled in the PILT program. The 2013 Legislature modified the per acre payment rates for certain land types to simplify the overall PILT rate structure, and made other changes by recommendation of the PILT Advisory Group in its 2012 Report to the Legislature. DOR advises that the projected increase in PILT payments beginning in FY 2018 is due to the reassessment of PILT property values, which is done every six years.

**Greater Minnesota Internship Program [Minnesota Statutes, section 290.06, subd. 36(e).]**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$0	\$0	\$0	\$0	\$20	\$20	\$20	\$20
% Chg	-	-	-	-	0.0%	0.0%	0.0%

**Appropriation Type:** Statutory, Open

**Fund:** General

Beginning in FY 2016, \$20,000 per year (one percent of total annual, authorized credits) is appropriated to the Commissioner of Revenue for transfer to the Office of Higher Education to pay for the administration of the Greater Minnesota Internship Program. The program, in coordination with public and private nonprofit institutions, provides tax credits to employers who hire interns.

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**LOCAL REVENUE - TAX RELIEF AREA REVENUE DISTRIBUTION**

**NOTE: No state dollars contribute to this activity.**

**Fiscal Disparities Distribution Levy** [*Minnesota Statutes, section 473F*]

Dollars in Thousands							
CY 2010 Actual	CY 2011 Actual	CY 2012 Actual	CY 2013 Actual	CY 2014 Actual	CY 2015 Projected	CY 2016 Forecast	CY 2017 Forecast
\$523,498	\$551,752	\$562,394	579,020	600,726	NA	NA	NA
% Chg	5.4%	1.9%	3.0%	3.7%	-	-	-

Source: House Research Simulations Final Pay 2010- Final Pay 2014

The fiscal disparities program is a system that shares a portion of the revenues generated by the commercial-industrial property tax base among all local governments within a defined geographic area. Minnesota has two fiscal disparities programs currently operating in the state: one in the seven-county area of the Twin Cities and the other in the Iron Range of northern Minnesota.

Fiscal disparities distribution levies are disbursed on a formula primarily based on real property market value and population. The contribution to the “pool” is 40 percent of the growth since 1971 in commercial and industrial tax capacity.

2010 Minnesota Laws, Chapter 389, Article 1, sections 28 and 32, required the Commissioner of Revenue to conduct a study of the metropolitan fiscal disparities program. Topics analyzed included how the benefits of economic growth are shared within the region, program impacts on tax rates, program impacts on homestead property tax burdens, and impacts on properties with regional benefits. The report was issued February 15, 2012 and is available at <http://www.revenue.state.mn.us/propertytax/Pages/fiscal-disparities-study.aspx>.

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**BUDGET ACTIVITIES REPORTED IN PREVIOUS YEARS**

**Additional P&F Amortization Aid** [*Minnesota Statutes, section 423A.02, subd 1b.*]

**Description:** Additional Police & Fire Amortization Aid provided payments to municipalities to help reduce unfunded accrued liabilities for their police and salaried firefighters' relief association pension funds. Revenues, which are one-half of excess police state aids, depend on the size of the employer pension contribution for the previous year and the tax on auto casualty insurance claims. Since fiscal year 2010, there have been no excess police state aids to distribute.

**Homestead Market Value Credit** [Minnesota Statutes, 273.1384, subd. 1, 4 & 5]

**Homestead Market Value Credit – School**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$56,679	\$22,028	\$17	\$0	\$0	\$0	\$0	\$0
% Chg	21.9%	3.1%	(61.5%)	(100.0%)	--	--	--

**Homestead Market Value Credit – Non-School**

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$97,282	\$0	\$0	\$0	\$0	\$0	\$0	\$0
% Chg	(50.3%)	1.2%	(100.0%)	--	--	--	--

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** The entire Homestead Market Value Credit program was eliminated in FY 2013, with the credit for homeowners converted into a homestead market value exclusion. The former program consisted of reimbursements to taxing districts for property tax credits issued to residential homeowners. Under this program, homeowners received tax credits equal to 0.4 percent of the market value of the parcel up to a maximum of \$304, subject to a phase-out of the credit beginning at \$76,000 in market value. The phase-out rate is equal to .09 percent of market value above \$76,000 with no credit for homes valued at \$414,000 and above.

**For School Districts,** reimbursement was provided for the amount of the Homestead Market Value Credit deducted from each school district’s tax revenues in proportion to each district’s share of the gross tax, excluding school referendums. Minnesota’s 337 independent school districts –no charter schools—received this reimbursement.

**For Non-School** entities (local governments), reimbursement was provided for the amount of the Homestead Market Value Credit deducted from each local government’s tax revenues in proportion to the local government’s share of the gross tax. Over the CY 2003 to 2010 period (save 2007), budget constraints prevented a full reimbursement of the credit to local governments.

In CY 2010, over 1.34 million homesteads participated with an average credit of \$218 for homes in greater Minnesota and \$181 for homes in the metro area. For FY 2011 the Legislature significantly reduced the Homestead Market Value Credit to local governments, from \$203.4 million to \$95 million.

**Bovine Tuberculosis Property Tax Credit** [Minnesota Statutes, section 273.113]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$420	\$0	\$34	\$22	\$0	\$0	\$0	\$0
% Chg	(100.0%)	-	(35.3%)	(100.0%)	--	--	--

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** Created in 2008, the Bovine Tuberculosis Property Tax Credit provided a property tax credit to livestock owners who suffered productivity losses of their land due to bovine tuberculosis eradication procedures. The credit was calculated as the greater of \$5 per acre on the first 160 acres of the property, or \$25 times the highest number of animals tested on the property for whole-herd bovine tuberculosis tests. The credit could exceed the property tax payable on the land. This credit expired in CY 2012 after the state was certified tuberculosis-free by the state Board of Animal Health.

**Wetlands Reimbursement Credit** [*Minnesota Statutes*, section 275.295, subd 2 & 3]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
% Chg	(100.0%)	-	-	-	-	-	-

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** The Wetlands Reimbursement Credit made payments to counties for lost revenue resulting from the exemption of land in a wetland preservation area. Payments were based on tax revenue that would have been received if the wetlands had a net tax capacity of 50 cents per acre. In CY 2011, three counties (Cass Dodge and Traverse) participated in the program. The 2011 Legislature repealed this credit beginning in FY 2013.

**Local Police/Fire Supplemental Amortization Aid** [*Minnesota Statutes*, section 423A.02, subd 1a.]

Dollars in Thousands							
FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Forecast	FY 2016 Projected	FY 2017 Projected	FY 2018 Planning	FY 2019 Planning
\$524	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0
% Chg	90.8%	(100.0%)	-	-	-	-	-

**Appropriation Type:** Statutory, Open

**Fund:** General

**Description:** Established in 1984, Local Police & Fire Supplemental Amortization Aid provided supplemental state aid to amortize the unfunded liability of local police and salaried fire fighters relief associations. Equal to amortization aid, the supplemental amortization aid terminates when a relief association or consolidation account becomes fully funded.

**Payments in Lieu of Taxes (PILT) for Lands Owned by the Department of Transportation**

[*Minnesota Statutes*, section 477A.12 (DOT).]

This PILT for Department of Transportation lands reimbursed counties and towns for lost revenues attributable to the removal of tax-generating properties from their property tax inventories for highway right-of-way lands. The commissioner of revenue provides payment in-lieu of tax (PILT) payments to local governments for this land.

APPENDICES

Table 1: Pension Aids

State Aid Supporting Local Government Pensions  
 FYs 2012-2019  
 November 2014 Forecast

1/6/14

House Committee	Budget Activity	All Numbers in Thousands							
		Actual FY 2012	Actual FY 2013	Estimated FY 2014	Forecast FY 2015	Forecast FY 2016	Forecast FY 2017	Plan Estim FY 2018	Plan Estim FY 2019
<b>Tax Aids/Cred</b>	<b>Local Aids to Police &amp; Fire</b>	\$ 82,338	\$ 80,108	\$ 89,572	\$ 93,631	\$ 97,373	\$ 100,767	\$ 104,934	\$ 109,518
	Police - 408 depts in CY 13/FY 14	\$ 59,306	\$ 54,468	\$ 60,514	\$ 63,278	\$ 67,020	\$ 70,414	\$ 74,581	\$ 79,165
	Fire - 766 depts in CY 13/FY 14	\$ 20,533	\$ 22,862	\$ 25,391	26,686	26,686	\$ 26,686	26,686	\$ 26,686
	Insurance Surcharge (FF Relief in 1st class cities)	\$ 2,499	\$ 2,778	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667	\$ 3,667
<b>Tax Aids/Cred</b>	<b>Police &amp; Fire Retirement Aid Supplement</b>			15,500	15,500	15,500	15,500	15,500	15,500
<b>Tax Aids/Cred</b>	<b>Local Police and Fire Amort</b>	\$ 4,003	\$ 5,438	\$ 5,381	\$ 5,382	\$ 5,423	\$ 5,423	\$ 5,423	\$ 5,423
	P/F Amortization	\$ 731	\$ 1,753	\$ 2,729	\$ 2,729	\$ 2,729	\$ 2,729	\$ 2,729	\$ 2,729
	Redistribution of Amort Aid/St Paul TRA	\$ 2,077	\$ 2,077	\$ 2,094	\$ 2,094	\$ 2,094	\$ 2,094	\$ 2,094	\$ 2,094
	P/F Supplemental Amort	\$ 524	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Firefighter Relief Reimbursements *	\$ 671	\$ 608	\$ 558	\$ 559	\$ 600	\$ 600	\$ 600	\$ 600
<b>Tax Aids/Cred</b>	<b>PERA Pension Aid</b>	\$ 14,328	\$ 14,316	\$ 14,187	\$ 14,148	\$ 14,148	\$ 14,148	\$ 14,148	\$ 14,148
	<b>Subtotal - Tax Aids &amp; Credits</b>	\$ 100,669	\$ 99,862	\$ 124,640	\$ 128,661	\$ 132,444	\$ 135,838	\$ 140,005	\$ 144,589
<b>State Gov</b>	<b>Mpls TRA 1993 Aid</b>	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
	<b>Mpls TRA 1997 Aid</b>	\$ 12,954	\$ 12,954	\$ 12,954	\$ 12,954	\$ 12,954	\$ 12,954	\$ 12,954	\$ 12,954
	<b>St Paul TRA 1997 Aid</b>	\$ 2,827	\$ 2,827	\$ 2,827	\$ 2,827	\$ 2,827	\$ 2,827	\$ 2,827	\$ 2,827
	<b>St. Paul Teachers</b>			\$ -	\$ -	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
	<b>PERA/Mpls Empl Retrmt Fnd (MERF)</b>	\$ 22,750	\$ 22,750	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000
	<b>Duluth TRA 1997</b>	\$ 346	\$ 346	\$ 346	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Duluth Teachers</b>			\$ 6,000	\$ 6,000	\$ -	\$ -	\$ -	\$ -
	<b>TRA/Duluth Teachers merger</b>				\$ 14,377	\$ 14,377	\$ 14,377	\$ 14,377	\$ 14,377
	<b>Subtotal - State Government</b>	\$ 41,377	\$ 41,377	\$ 48,627	\$ 62,658	\$ 63,658	\$ 63,658	\$ 63,658	\$ 63,658
	<b>TOTAL</b>	\$ 142,046	\$ 141,239	\$ 173,267	\$ 191,319	\$ 196,102	\$ 199,496	\$ 203,663	\$ 208,247

Source : General Fund Fund Balance Analysis, February and November 2014 Forecasts, Minnesota Management & Budget

Notes: <sup>1</sup> Excludes Legislators and Constitutional Officers

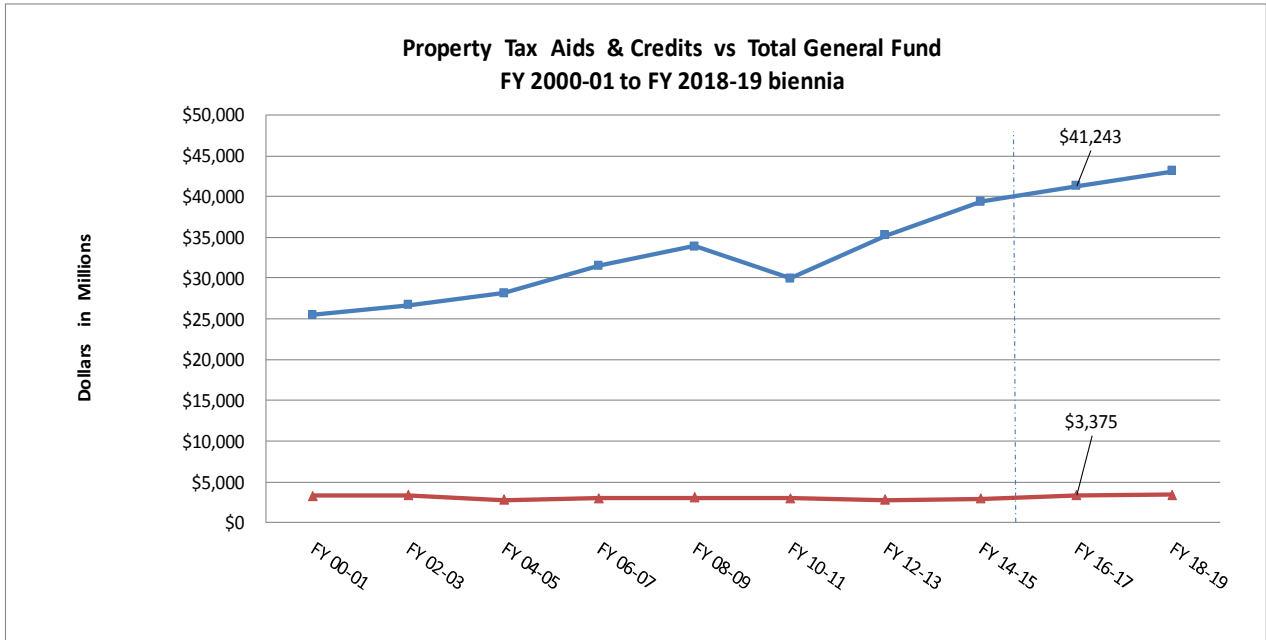
<sup>2</sup> Other forms of state aid (including education aids and Local Government Aid) that also supplement local pensions at the discretion of the local authorities, are not reflected here.

<sup>3</sup> Pension aids are distributed to local governments by October 1 of each year except for PERA (by Sept 1) and Insurance Surcharge (twice per year- July 31 and December 31).

\* There were 357 firefighter reimbursement payments made in CY 2013.

House Fiscal document, January 6, 2015. All funds are general fund dollars.

**Table 2: Twenty Years of Tax Aids & Credits Expenditures**



**Property Tax Aids & Credits Spending (Nov 2014 Forecast)**

	Dollars in Thousands									
	Actual FY 00-01	Actual FY 02-03	Actual FY 04-05	Actual FY 06-07	Actual FY 08-09	Actual FY 10-11	Actual FY 12-13	Estimated FY 14-15	Forecast FY 16-17	Planning FY 18-19
<b>Total GF</b>	\$25,438	26,648	\$28,128	\$31,490	\$33,866	\$29,962	\$35,222	\$39,338	\$41,243	\$43,050
<b>Tax Aids &amp; Credits*</b>	\$3,306	3,379	\$2,800	\$3,023	\$3,070	\$3,016	\$2,806	\$2,964	\$3,375	\$3,467
<b>% of Total GF</b>	<b>13.0%</b>	<b>12.7%</b>	<b>10.0%</b>	<b>9.6%</b>	<b>9.1%</b>	<b>10.1%</b>	<b>8.0%</b>	<b>7.5%</b>	<b>8.2%</b>	<b>8.1%</b>

\* Payment-in-lieu of taxes (PILT) distributions are included for all years.

House Fiscal document, January 9, 2015. All funds are general fund dollars.

## **Reports and Studies due to the Legislature during the FY 2015-2016 biennium**

### **Report on Class 4d (low-income housing) tier structure**

Chapter 143 (2013 Legislative Session) requires the Commissioners of Revenue and Housing Finance to report to the Legislature by January 31, 2015, on the implementation and effect of the tier structure changes to class 4, low-income housing.

### **North Dakota oil production impact on MN**

Chapter 308 (2014 Legislative Session) appropriates \$250,000 in FY 2015 to the Commissioner of Employment and Economic Development to study and analyze the effects of current and projected North Dakota oil production and its impacts on Minnesota's economy. A presentation of the study is required to the House and Senate committees with jurisdiction over economic development and workforce issues by February 15, 2015.

### **Property tax on Energy Producing Systems**

Chapter 308 (2014 Legislative Session) appropriates \$150,000 in FY 2015 to the Commissioner of Revenue to study the taxation of electric energy producing systems in the state, including traditional and renewable energy sources. A presentation of the study is required to the House and Senate Tax Committees by February 15, 2015.

### **Homeowner Property Tax Refund Notification of Potential Eligibility**

Chapter 143 (2013 Legislative Session) requires the Commissioner of Revenue, prior to September 1, 2014, to notify homeowners who are potentially eligible for a homestead credit refund of at least \$1,000, but who have failed to participate in the program. The Commissioner must estimate the refund using current data from income tax returns and homestead property tax information from county auditors. A report on this outreach effort and its program outcomes is due to the Legislature on March 15, 2015 and again on February 1, 2016.

### **Mineral Taxation**

The Legislative Auditor is currently studying Minerals Taxation, including relevant laws, data analysis and the distribution of tax revenues. A report release date is projected for mid-April 2015.

### **Workforce Housing Grant Pilot**

Chapter 308 (2014 Legislative Session) requires the Commissioner of Employment and Economic Development (DEED) to establish a workforce housing grant program to make grants to cities to support the development of market-rate rental housing. Grants of up to \$400,000 may be awarded to qualifying cities located in Roseau and Pennington Counties. In addition, any city receiving a grant must submit a report to the House and Senate Committees with jurisdiction over taxes and workforce development by January 15, 2016.



**Table 3: 2015 Session - Tax Aids and Credits Spreadsheet FYs 2014-2017**

**2015 Legislature - November 2014 Forecast**

**Tax Refunds, Aids & Credits**

All Numbers in Thousands

General Fund Expenditures	November 2014 Fcst			November 2014 Fcst		
	FY2014	FY2015	FY2014-15	FY2016	FY2017	FY2016-17
<b><u>REFUNDS</u></b>						
Homeowners property tax refund	\$287,212	\$416,800	<b>\$704,012</b>	\$415,900	\$426,700	<b>\$842,600</b>
Renters property tax refund	188,274	225,800	<b>414,074</b>	218,700	224,600	<b>443,300</b>
Targeting	881	1,821	<b>2,702</b>	8,710	7,380	<b>16,090</b>
Forest Land Credits (SFIA)	5,202	5,260	<b>10,462</b>	5,430	5,610	<b>11,040</b>
<b>Subtotal - Property Tax Refunds</b>	<b>481,569</b>	<b>649,681</b>	<b>1,131,250</b>	<b>648,740</b>	<b>664,290</b>	<b>1,313,030</b>
Political Contribution Refund	3,673	4,000	<b>7,673</b>	4,500	5,500	<b>10,000</b>
Tax Refund Interest	14,516	14,000	<b>28,516</b>	15,000	15,000	<b>30,000</b>
<b><u>LOCAL AIDS</u></b>						
Local Government Aid (LGA)	427,439	507,618	<b>935,057</b>	516,926	519,398	<b>1,036,324</b>
12, SS1, Ch 1 Flood Disaster Assistance	0	80	<b>80</b>	0	0	<b>0</b>
<b>Subtotal- Local Government Aid (LGA)</b>	<b>427,439</b>	<b>507,698</b>	<b>935,137</b>	<b>516,926</b>	<b>519,398</b>	<b>1,036,324</b>
County Program Aid	165,570	206,235	<b>371,805</b>	209,969	208,563	<b>418,532</b>
County Transition Aid			-			-
<b>Subtotal- County Program Aid (CPA)</b>	<b>165,570</b>	<b>206,235</b>	<b>371,805</b>	<b>209,969</b>	<b>208,563</b>	<b>418,532</b>
2014, CH 308 - County AIS Prevention Aid		4,500	<b>4,500</b>	10,000	10,000	<b>20,000</b>
2014, CH 308 Debt Service Aid - Lewis & Clark Jt Pwrs Bd				2,200	2,200	<b>4,400</b>
Township Aid	0	10,000	<b>10,000</b>	10,000	10,000	<b>20,000</b>
Public Defender Cost	222	500	<b>722</b>	500	500	<b>1,000</b>
Local Impact Notes (DOF/MDE)	214	0	<b>214</b>	214	214	<b>428</b>
Ch 366 Utility Transition Aid (cities and towns)	779	3	<b>782</b>	350	1	<b>351</b>
Production Property Transition Aid				0	160	<b>160</b>
<i>DRA School</i>	8,319	7,893	<b>16,212</b>	7,878	7,878	<b>15,756</b>
<i>DRA Non-School</i>	<u>10,281</u>	<u>10,141</u>	<b>20,422</b>	<u>10,141</u>	<u>10,141</u>	<b>20,282</b>
<b>Disparity Reduction Aid (DRA)</b>	<b>18,600</b>	<b>18,034</b>	<b>36,634</b>	<b>18,019</b>	<b>18,019</b>	<b>36,038</b>
Payments to Counties with Indian Casinos	1,260	1,260	<b>2,520</b>	1,260	1,260	<b>2,520</b>
<b><u>PROPERTY TAX CREDITS</u></b>						
Res MVC School***	17	0	<b>17</b>	0	0	-
Res MVC Non-School	0	0	-	0	0	-
<b>Residential Market Value Homestead Credit</b>	<b>17</b>	<b>0</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>-</b>
Agr MVC School	5,337	5,032	<b>10,369</b>	8,148	8,495	<b>16,643</b>
Agr MVC Non-School	17,829	17,633	<b>35,462</b>	29,833	29,833	<b>59,666</b>
2014, CH 308 - Agric Market Value Hmstd Credit incrs	-	18,300	<b>18,300</b>	-	-	-
<b>Agricultural Market Value Credit</b>	<b>23,166</b>	<b>22,665</b>	<b>45,831</b>	<b>37,981</b>	<b>38,328</b>	<b>76,309</b>
Agriculture Preservation Credit						
<i>Border City School</i>	1,403	1,784	<b>3,187</b>	2,210	2,253	<b>4,463</b>
<i>Border City Non-School</i>	5,459	6,831	<b>12,290</b>	8,447	8,447	<b>16,894</b>
<b>Border City Disparity Credit</b>	<b>6,862</b>	<b>8,615</b>	<b>15,477</b>	<b>10,657</b>	<b>10,700</b>	<b>21,357</b>
<i>Disaster Credit -School</i>	148	15	<b>163</b>	23	25	<b>48</b>
<i>Disaster Credit- Non-School</i>	<u>704</u>	<u>0</u>	<b>704</b>	<u>100</u>	<u>100</u>	<b>200</b>
<b>Disaster Credit</b>	<b>852</b>	<b>15</b>	<b>867</b>	<b>123</b>	<b>125</b>	<b>248</b>
<i>Prior Year Credit -School</i>	5	18	<b>23</b>	2	0	<b>2</b>

**Table 3: 2015 Session - Tax Aids and Credits Spreadsheet (continued)****2015 Legislature - November 2014 Forecast****Tax Refunds, Aids & Credits**

All Numbers in Thousands

General Fund Expenditures	November 2014 Fcst			November 2014 Fcst		
	FY2014	FY2015	FY2014-15	FY2016	FY2017	FY2016-17
<i>Prior Year Credit- Non-School</i>	55	132	187	40	40	80
<b>Prior Year Credits</b>	60	150	210	42	40	82
Wetlands Reimbursement Credit	0	0	-	0	0	-
Senior Deferral Reimbursement	1,525	1,220	2,745	1,310	1,510	2,820
Bovine TB Property Tax Credit (School)	0	0	-	0	0	-
Bovine TB Property Tax Credit (Non-School)	22	0	22	0	0	-
<b>Bovine TB Property Tax Credit</b>	22	0	22	0	0	0
Mahnomen City Reimbursement Aid	160	160	320	160	160	320
Ch 154 Mahnomen County Aid	900	900	1,800	900	900	1,800
Ch 154 Mahnomen ISD #432 Aid	140	140	280	140	140	280
<b>Mahnomen Reimbursement Aid</b>	1,200	1,200	2,400	1,200	1,200	2,400
<b><u>Taconite Tax Relief Area Aids &amp; Credits</u></b>						
Taconite Reimbursement (School)	561	561	1,122	561	561	1,122
Supplemental Homestead (Non-School)	5,279	5,305	10,584	5,358	5,412	10,770
Replacement Taconite Prod Tax IRRR (Non-School)	3,445	3,829	7,274	4,006	4,162	8,168
Replacement Taconite Prod Tax Econ Dev (Non-School)						
Replacement Taconite Prod Tax	5,126	4,855	9,981	4,813	4,777	9,590
Subtotal Repl Taconite Production Tax	8,571	8,684	17,255	8,819	8,939	17,758
<b><u>LOCAL PENSION AIDS</u></b>						
Aid to Police & Fire	89,572	93,631	183,203	97,373	100,767	198,140
2013, CH 143 Police & Fire Retirement Aid Supplement	15,498	15,500	30,998	15,500	15,500	31,000
Police/Fire Additional Amortization Aid	0	0	-	0	0	-
Police/Fire Amortization Aid (Open)	2,729	2,729	5,458	2,729	2,729	5,458
Redirected Amortization Aid - TRFA + St Paul	2,094	2,094	4,188	2,094	2,094	4,188
Police/Fire Supplemental Amortization Aid (Open)	0	0	-	0	0	-
Firefighters Relief Reimbursements	558	559	1,117	600	600	1,200
Public Employees Retirement Assoc. (PERA) Aid	14,187	14,148	28,335	14,148	14,148	28,296
Subtotal Local Pension Aids	124,638	128,661	253,299	132,444	135,838	268,282
2014, CH 308 - Fire/EMS Volunteer Retention Stipend Aid				1,580	1,650	3,230
<b><u>Other Expenditures</u></b>						
PILT for DNR Owned Lands	30,970	31,436	62,406	31,661	31,886	63,547
2014, CH 308 - PILT Wildlife Mgmt Lands Correction	0	0	-	0	0	-
<b><u>Other Aids and One-Time Appropriations</u></b>						
Ch 389, Council on Results Perform Measuremt	419	385	804	387	390	777
10, SS2 Disaster Assistance City Tax Base Rplcmt Aid						
Local Option Disaster Credit			-			-
SS2 Flood Local Option Abatement reimb (non school)	313	151	464	80	79	159
SS2 Flood Local Option Abatement reimb (school)	237	103	340	26	20	46
Moose Lake Assessment Reimbursement	2,000	0	2,000	0	0	-
Bloomington Infrastructure Projects	0	0	-	4,820	4,860	9,680
City of Minneapolis Library debt service	0	0	-	0	3,700	3,700
Greater MN Intern, DOR transf to OHE	0	0	-	20	20	40
<b>Property Tax Aids and Credits, GF Total</b>	<b>\$1,320,534</b>	<b>\$1,643,362</b>	<b>\$2,963,896</b>	<b>\$1,674,747</b>	<b>\$1,700,363</b>	<b>\$3,375,110</b>