

Minnesota House Fiscal Analysis

Catalog of Budget Activities

Tax Aids & Credits

November 2022



The House Fiscal Analysis Department is a team of twelve 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 2018-2025, updated from the End of 2022 Session General Fund Analysis and in some cases, Consolidated Fund Statement
- Annual percentage change in spending
- Appropriation type, Fund type
- Brief description of how the budget activity functions

Example:

Title of Budget Activity [*Minnesota Statutes or Session Law citation*]

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Forecast	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$194,500	\$164,417	\$160,642	\$160,642	\$165,820	\$165,747	\$165,704	\$165,704
3.9%	-15.4%	-2.3%	0.0%	3.2%	0.0%	0.0%	0.0%

Appropriation Type: Statutory, Direct, Open or Standing **Fund:** General or Special

Description: 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 Minnesota Statutes, rather than in 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 (b). " For aids payable in 2021 and thereafter, the total aid under section 477A.0124, subdivision 4, is \$145,873,444").

Types of Expenditures for Property Tax Relief

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 revenue.

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.

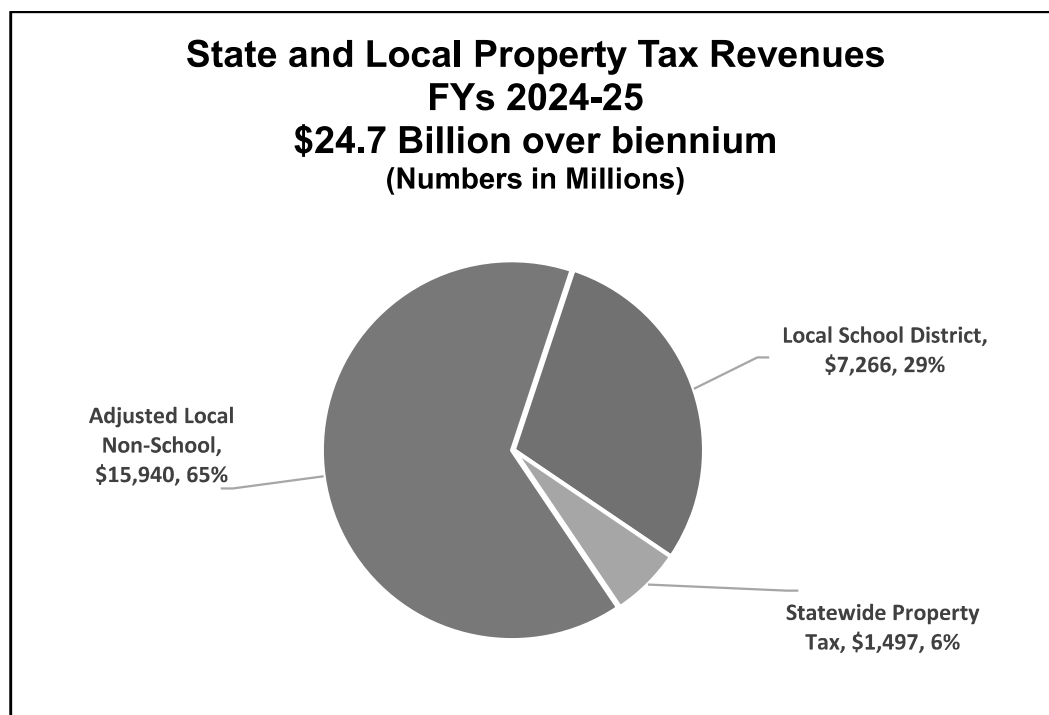
In all cases, whether using a tax refund, a tax aid or a tax credit, the effect is that property taxpayers pay less than what the taxes would be otherwise, and the state makes up the difference.

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 and Property Tax Division

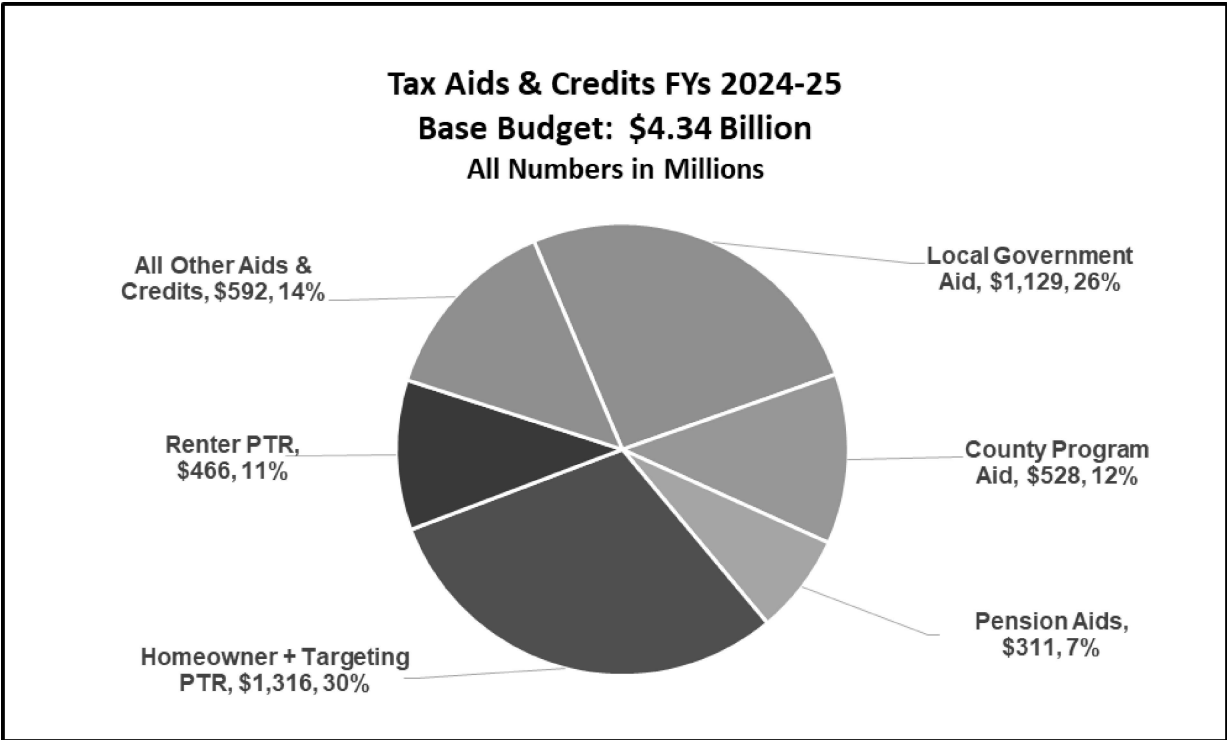
The House Committee on Taxes and the Property Tax Division has the dual responsibility of overseeing state tax revenues and certain state appropriations from the general fund that support state aids and credits. Because most of these expenditures seek to mitigate the impact of local property taxes, a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

For the FY 2024-2025 biennium, Minnesota's state and local property tax revenues are projected to be \$24.2 billion. Of this amount, local government revenues (counties, cities, towns, special districts) are estimated at \$15.3 billion or 63.4%, school district revenues at \$7.4 billion or 30.4%, and statewide property tax revenues at \$1.5 billion or 6.2%.



End of 2022 Legislative session, Price of Government projection, June 2022

Likewise, projected FY 2024-2025 expenditures for Tax Aids and Credits total just over \$4.3 billion, with \$1.97 billion in major property tax aids, \$1.78 billion in property tax refunds, \$592 million in other property tax aids/credits and other appropriations.



End of 2022 Session General Fund Balance, MMB, 7/14/22.

<i>Property tax refunds (Homeowner + Renter PTR)</i>	<i>41.0%</i>
<i>Property tax aids (LGA + CPA)</i>	<i>38.2%</i>
<i>Pension aids</i>	<i>7.2%</i>
<i>All Other (including PILT)</i>	<i><u>13.6%</u></i>
<i>Total</i>	<i>100.0%</i>

For additional detail on Tax Aids & Credits, past and present, see pages 33-35.

List of House Tax Committee Budget Items

Currently, forty-four budget activities are reflected as general fund spending items 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

Homestead Credit 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
School Bldg Bond Agricultural Credit
Agricultural Preservation Credit
Border City Disparity Credit
Disaster Credit
Senior Deferral Reimbursement

*Agriculture Preservation Credit (SR)

Local Revenue Sharing - *Fiscal Disparities

Local Aids

Local Government Aid (LGA)
County Program Aid
Riparian Protection & AIS Aids
Casino/Indian Family Placement Aids
Local Homeless Prevention Aid
Township Aid
Transition Aids (utility, production)
Disparity Reduction Aid
Mahnomen & Wadena County Aids
Flood or Disaster reimbursements
Administrative & Performance Aids

Local Pension Aids

Aid to Police & Fire
Police/Fire Retirement Aid Supplement
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
Various one-time appropriations

* 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.

TAX REFUNDS *******Property Tax – Homestead Credit Refund** [*Minnesota Statutes*, section 290A.04, subd. 2 and 290A.23]

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$447,754	\$478,550	\$531,467	\$576,390	\$588,100	\$610,900	\$640,200	\$665,300
% Chg	6.9%	11.1%	8.5%	2.0%	3.9%	4.8%	3.9%

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

Description: The Homestead Credit Refund provides property tax relief (in the form of direct payment) to homeowners based on their net property taxes relative to income. For taxes paid in 2021, a claimants' household income could not exceed \$119,790 for filers with no dependents and the maximum allowable refund was \$2,930. Known as the "circuit breaker" program, for property taxes paid in 2022 (claims filed in 2023 and then paid in FY 2024), approximately 580,800 homeowners are anticipated to receive an average refund of \$1,111. Of this group, about 46% are believed to be senior or disabled filers. Taxpayers have up to two years to claim a refund: for 2021, the filing deadline is August 15, 2023.

Property Tax - Renters Refund [*Minnesota Statutes*, section 290A.04, subd. 2(a), and 290A.23]

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$222,588	\$223,726	\$229,888	\$225,736	\$223,500	\$225,900	\$231,600	\$234,700
% Chg	0.5%	2.8%	(1.8%)	(1.0%)	1.1%	2.5%	1.3%

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

Description: The Renters Property Tax Refund provides property tax relief (in the form of direct payment) to renters whose rent and "implicit property taxes" are high relative to their incomes. For taxes paid in 2021, a claimants' household income could not exceed \$64,920 for filers with no dependents and the maximum allowable refund was \$2,280. Known as the "renter's credit" program, for rent paid in 2022 (which reflects property tax as a percentage of rent at a 17% threshold), approximately 320,500 renters are anticipated to receive an average refund of \$726. Of this group, about 30% are believed to be senior or disabled filers. Taxpayers have up to two years to claim a refund: for 2021, the filing deadline is August 15, 2023.

Property Tax - Special Refund [*Minnesota Statutes*, section 290A.04, subd. 2(h) and 290A.23]

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$3,629	\$7,940	\$10,722	\$10,877	\$3,010	\$6,500	\$5,300	\$5,400
% Chg	118.8%	35.0%	1.4%	(72.3%)	115.9%	(18.5%)	1.9%

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

Description: The Special or 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% and greater than \$100, up to a maximum refund of \$1,000. In 2021, about 31,000 homeowners received an average refund of \$97. Taxpayers have up to two years to claim a refund: for 2021, the filing deadline is August 15, 2023.

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

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$10,800	\$10,867	\$11,876	\$12,508	\$13,110	\$13,830	\$14,390	\$14,970
% Chg	0.6%	9.3%	5.3%	4.8%	5.5%	4.0%	4.0%

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

Description: Sustainable Forest Incentive Act (SFIA) payments provide reimbursements to private landowners who practice long-term forest management investment in accordance with the Sustainable Forest Incentive Act (2001). Since 2011, the program has undergone several changes. Most recently, the 2017 Legislature tied SFIA payment rates to the length of conservation covenants required by the Act. The flat rate of \$7 per acre in pay year 2018 became a payment range in pay year 2019, starting with \$3.38 per acre for certain 8-year covenants, then scaling up to \$15.54 per acre for 50-year covenants. In addition, lands over 60,000 acres with a single conservation easement that were deemed ineligible in 2014 and excluded from the program were reinstated, effective retroactively to payment year 2014. In 2021, 1,055,000 acres of forest land were enrolled, and the average payment was \$4,499.

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

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$10,637	\$14,486	\$25,738	\$16,180	\$14,850	\$12,750	\$12,850	\$12,950
% Chg	36.2%	77.7%	(37.1%)	(8.2%)	(14.1%)	0.8%	0.8%

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 (2022) 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.

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

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$3,695	\$2,808	\$2,707	\$3,220	\$2,700	\$3,500	\$3,000	\$3,500
% Chg	(24.0%)	(3.6%)	19.0%	(16.1%)	29.6%	(14.3%)	16.7%

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 2020, over 43,700 claimants received an average political contribution refund of \$74 (individuals/couples combined). Claims made for 2022 must be filed by April 15, 2023.

LOCAL AIDS *****

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

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$519,468	\$611,583	\$457,137	\$561,353	\$564,398	\$569,914	\$564,398	\$564,398
% Chg	17.7%	(25.3%)	22.8%	0.5%	1.0%	(1.0%)	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. LGA provides general-purpose funding annually to 744 of Minnesota's 854 cities; 608 of these LGA-receiving cities have a population less than 2,500. In CY 2022, LGA represented 12.5 percent of city spending statewide. The distribution of payments was 34 percent to metro cities and 66 percent to non-metro cities. Since its inception in 1971, the LGA program has undergone many changes, the most recent by the 2019 Legislature, which added \$26 million to the appropriation in pay 2020, and by the 2021 Legislature which provided a one-time, hold harmless supplement of \$5 million in pay 2022.

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

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$208,457	\$234,091	\$233,958	\$260,216	\$263,971	\$264,012	\$264,374	\$263,954
% Chg	12.3%	(0.1%)	11.2%	1.4%	0.0%	0.1%	(0.2%)

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: 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. Annual appropriations payable for CY 2021 (through 2024) is \$118.795 million for need aid (which includes \$3 million per year for Beltrami County until pay 2024) and \$145.873 million for equalization aid for a total of \$264 million. In 2020, CPA represented 3.6 percent of total county spending.

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.

Public Defense Board, Public Defender Aid [*Minnesota Statutes*, section 477A.03, subd. 2b(a), and 611.27.]

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$0	\$0	\$0	\$0	\$500*	\$500	\$500	\$500
% Chg	142.4%	74.8%	0%	0%	0%	0%	0%

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

Description: This budget activity represents set-aside moneys to pay for county public defense services for correctional facility inmates. Previously, 1.5 percent of the criminal justice aid was designated for this purpose. However, since the consolidation of county aids, these funds (up to \$500,000 per year) are deducted from the need aid portion of the County Program Aid appropriation. Beginning in FY 2018, the actual reimbursement cost of Public Defender Aid was shifted from the Department of Revenue to the Board of Public Defense.

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

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$214	\$214	\$214	\$214	\$214	\$214	\$214	\$214
% Chg	0%	0%	0%	0%	0%	0%	0%

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

Description: This budget activity provides annual funding of up to \$207,000 for the Legislative Budget Office 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 and transferred to each agency and appropriated for this purpose.

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

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$9,997	\$10,191*	\$9,997	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
% Chg	1.9%	(1.9%)	0.0%	0.0%	0.0%	0.0%	0.0%

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

Description: Township Aid provides general purpose aid to Minnesota's 1,780 townships. Payments are distributed using a formula that includes agricultural property valuation, town acreage and population. In 2022, the average Township Aid payment was \$5,618. In 2020, Township Aid represented 3.1 percent of township expenses statewide. Note: Spending in FY 2019 that exceeds the \$10 million appropriation threshold includes an adjustment for an error in the 2018 aid calculation (see MS 477A.014, subd 3).

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 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$32,130	\$35,783	\$35,940	\$36,090	\$36,581	\$36,806	\$40,567	\$40,792
% Chg	11.4%	0.4%	0.4%	1.4%	0.6%	10.2%	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 2021, 8.5 million acres of land in all 87 counties were enrolled in the PILT program. Nineteen counties received payments of \$500,000 or more.

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. The increase in PILT payments in FY 2018 was due to the reassessment of PILT property values, which is done every six years; the increase in FY 2019 reflects recent law changes that boosted the per acre payment by 50 cents for lands administered by counties or by the Department of Natural Resources.

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

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
% Chg	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

Description: Created in 2014, this county aid program helps to mitigate the spread of aquatic invasive species through 1,023 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 receive this aid, the outliers being Dodge, Fillmore, Pipestone and Rock Counties.

Riparian Protection Aid [Minnesota Statutes, 103F.48, 477A.21]**Riparian Protection Aid – Counties**

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
942	\$1,000	\$745	\$745	\$745	\$745	\$745	\$745
% Chg	6.2%	(25.5%)	0.0%	0.0%	0.0%	0.0%	0.0%

Riparian Protection Aid – Board of Water & Soil Resources (BWSR)

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$7,058	\$9,000	\$7,255	\$7,255	\$7,255	\$7,255	\$7,255	\$7,255
% Chg	27.5%	(19.4%)	0.0%	0.0%	0.0%	0.0%	0.0%

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

Description: Riparian Protection Aid is state aid paid to 1) counties or local watershed districts that are certified as responsible for riparian protection and water quality practices required by state law, or 2) the Board of Water and Soil Resources (BWSR) for implementation in areas lacking an affirmed jurisdiction authority. Minnesota's Riparian Buffer Law (2015) requires landowners to set aside land along public waters and drainage systems with the goal of protecting water resources from erosion and runoff pollution. The law imposed a deadline for compliance by November 1, 2017 for buffers on public waters and by Nov 1, 2018 for buffers along public drainage systems.

A total of \$8 million is appropriated each year for this program. Aid amounts, determined by using a county's or a watershed district's proportion of class 2a (agricultural) acreage, miles of public waters and miles of public drainage ditches, can range from a minimum of \$50,000 to a maximum of \$200,000 annually. In 2022, 14 watershed districts and 75 counties received a distribution. In 2020, ten counties (Clay, Kittson, Marshall, Norman, Otter Tail, Polk, Redwood, Renville, Roseau and Stearns) qualified for the \$200,000 per year maximum.

Indian Family Out-of-Home Placement Aid [Minnesota Statutes, 477A.0126, subd 7]

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
0	\$5,000	\$5,000	\$5,000	\$4,337	\$3,549	\$5,000	\$5,000
% Chg	0.0%	0.0%	0.0%	(13.3%)	(18.2%)	40.9%	0.0%

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

Description: Created in 2017 tax act, Indian Family Out-of-Home Placement Aid provides funding to counties and tribes to assist with foster care services for children as required by the Indian Child Welfare Act (ICWA). \$5.0 million is appropriated each year, with \$4.6 million proportionally distributed to counties based on the previous year's out-of-home placement costs and the number of days foster care maintenance payments were made in the preceding year, and 2) \$400,000 distributed to tribes (White Earth and Leech Lake) reflecting the greater of 5 percent of the federal reimbursement for out-of-home placement costs in the previous year, or \$200,000.

The commissioner of revenue calculates the amount of reimbursement aid for each county and tribe, and distributes the payments in accordance with M.S. 477A.015 to all counties in compliance with ICWA and the Minnesota Indian Family Preservation Act (MIFPA). In FY 2022, after failing to “substantially comply” with program requirements for two consecutive years (as determined by the commissioner of human services), distributions were reduced by 50 percent for 24 counties. With similar reductions expected to continue, the 2022 Legislature enacted a transfer of the aid reductions in payable year 2023/FY 2024 and beyond to the University of Minnesota's Tribal Training and Certification Partnership in Duluth, for enhanced training for county workers and state guardians ad litem. (See Session Law 2022, CH 98, Art 8, sections 33-34.)

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

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$1,543	\$1,597	\$1,614	\$1,135	\$1,400	\$1,614	\$1,614	\$1,614
% Chg	3.5%	1.1%	(29.7%)	23.3%	15.3%	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. In 2022, thirteen counties received payments generated from revenues collected from 15 casinos operated by ten tribes.

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

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$105	\$85	\$56	\$24	\$0	\$0	\$0	-
% Chg	(19.0%)	(34.1%)	(57.1%)	(100.0%)	-	-	-

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, which began in FY 2017, will gradually phase-out over the ensuing four years. Currently, with three cities participating, the average aid payment is \$28,000.

Local Homeless Prevention Aid to Counties [Minnesota Statutes, 477A.30]

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$0	\$0	\$0	\$0	\$0	\$0	\$20,000	\$20,000
% Chg	-	-	-	-	-	-	0.0%

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

Description: Created in 2021, Local Homeless Prevention Aid provides payments to support programs that seek to prevent families from losing their housing and to provide housing to families experiencing homelessness. Distributions to counties, based on population and a three-year average of students experiencing homelessness, will be made for six years, from CY 2023/FY 2024 to CY 2028/FY 2029.

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

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$0	\$5	\$5	\$3	\$11	\$9	\$8	\$12
% Chg	-	-	(40.0%)	266%	(18.2%)	(11.1%)	50.0%

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 average payment is \$1,696. The Department of Revenue advises

that, due to decreases in utility property values, some cities and towns may regain their eligibility in future years.

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

Disparity Reduction Aid – School

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$7,947	\$7,988	\$7,971	\$8,074	\$8,029	\$8,023	\$8,023	\$8,023
% Chg	0.5%	(0.2%)	1.3%	(0.6%)	(0.1%)	0.0%	0.0%

Disparity Reduction Aid – Non-School

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$10,088	\$10,121	\$10,105	\$10,194	\$10,110	\$10,110	\$10,110	\$10,110
% Chg	0.3%	(0.2%)	0.9%	(0.8%)	0.0%	0.0%	0.0%

Appropriation Type: Statutory, Open

Fund: General

Description: Disparity Reduction Aid (DRA) is state aid paid to 943 taxing jurisdictions, including counties, townships, school districts and special districts, which have a local tax rate greater than 90 percent of their net tax capacity. 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. The base year (1989) used to calculate DRA distributions is overdue for update; in 2021, one in three of taxing areas with a tax rate above 90 percent (a total of 2,832) received this aid, with an average aid payment of \$19,229.

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 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
% Chg	0.0%	0.0%	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 Mahnomen, and \$70,000 for Mahnomen Independent School District No. 432—was doubled to \$1.2 million per year by the 2013 Legislature .

Performance Measurement Reimbursement [Minnesota Statutes, 6.91]

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$457	\$423	\$466	\$458	\$497	\$497	\$497	\$497
% Chg	(7.4%)	10.2%	(1.7%)	8.5%	0.0%	0.0%	0.0%

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); the most recent 2020-2022 period includes 28 counties and 26 cities.

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

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$4,120	\$4,120	\$4,120	\$3,610	\$3,374	\$0	\$0	\$0
% Chg	10.8%	0.0%	(12.4%)	(6.5%)	(100.0%)	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. The City of Minneapolis reports that the library debt service payments will end sooner than anticipated, in FY 2022 (three years early).

PROPERTY TAX CREDITS *******Agricultural Market Value Credit** [Minnesota Statutes, 273.1384, subd. 2, 4 & 5]**Agricultural Market Value Credit – School**

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$8,709	\$8,556	\$8,635	\$8,429	\$7,794	\$7,411	\$7,376	\$7,376
% Chg	(1.8%)	0.9%	(2.4%)	(7.5%)	(4.9%)	(0.5%)	0.0%

Agricultural Market Value Credit – Non School

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$29,395	\$29,147	\$28,912	\$28,448	\$28,849	\$27,543	\$27,543	\$27,543
% Chg	(0.8%)	(0.8%)	(1.6%)	1.4%	(4.5%)	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. Filers receive tax credits equal 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 maximum credit of \$490 (an increase of \$145) is 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 2021, over 91,000 agricultural homesteads in Minnesota received the credit; the average was \$401.

School Building Bond Agricultural Credit *[Minnesota Statutes, 273.1387]*

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
0	\$32,429	\$37,852	\$55,838	\$62,109	\$69,716	\$83,045	\$86,893
% Chg	--	16.7%	47.5%	11.2%	12.2%	19.1%	4.6%

Appropriation Type: Statutory, Open

Fund: General

Description: Created in 2017, the School Building Bond Agricultural Credit reduces property taxes imposed on agricultural land due to school district building projects. Eligible properties include class 2a, 2b and 2c property less the house, garage and surrounding one acre. In 2019, the credit was equal to 40 percent of the property's eligible next tax capacity multiplied by the school debt tax rate (the amount of a school district's levy –both voter approved and board approved– dedicated to retiring capital debt). The credit is subtracted from the gross taxes on a property, to determine net property taxes. In 2020, the credit increased to 50 percent; in 2021, to 55 percent; in 2022, to 60 percent; and in 2023, 70 percent.

In 2021, the credit paid for 5.7 percent of school debt service levies statewide and 526,000 parcels received the credit.

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

Agricultural Preservation Credit – General Fund – School

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$197	\$117	\$85	\$47	\$5	\$0	\$0	\$0
% Chg	(40.6%)	(27.4%)	(44.7%)	(89.4%)	(100.0%)	--	--

Agricultural Preservation Credit – General Fund – Non-school

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$410	\$234	\$202	\$117	\$0	\$0	\$0	\$0
% Chg	(42.9%)	(13.7%)	(42.1%)	(100.0%)	--	--	--

Agricultural Preservation Credit – Special Revenue

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$105	\$274	\$287	\$423	\$343	\$340	\$340	\$340

Appropriation Type: Statutory, Open **Fund:** Special Revenue (if needed, General Fund)

Description: The Agriculture Preservation 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 registrations and deed transfers for the metropolitan counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington, and the greater Minnesota counties of Waseca, Winona and Wright. In 2021, over 3,000 parcels received the credit, with an average amount of \$154.

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

Border City Disparity Reduction Credit – School

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$2,546	\$2,540	\$2,534	\$2,918	\$3,236	\$3,287	\$3,380	\$3,485
% Chg	(0.2%)	(0.2%)	15.2%	10.9%	1.6%	2.8%	3.1%

Border City Disparity Reduction Credit – Non School

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$9,091	\$9,409	\$9,959	\$10,468	\$10,848	\$11,027	\$11,360	\$11,694
% Chg	3.5%	5.8%	5.1%	3.6%	1.7%	3.0%	2.9%

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

Description: To help diffuse property tax differences between Minnesota and neighboring states, Border City Disparity Reduction credits are 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 reduces a qualifying property's effective tax rate to 1.6 percent. In 2021, the average tax decrease was \$6,909.

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.

Disaster Credits [Minnesota Statutes, section 273.1231- 273.1235]

Disaster Credit – School

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$63	\$7	\$28	\$4	\$437	\$49	\$28	\$31
% Chg	(88.9%)	300%	(85.7%)	(10,825%)	(88.8%)	8.7%	0.0%

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

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$212	\$0	\$72	\$4	\$1,453	\$5	\$94	\$94
% Chg	(100.0%)	-	(97.2%)	72,550%	(99.7%)	1780%	0.0%

Appropriation Type: Statutory, Open

Fund: General

Description: Disaster Credits are reimbursements for property tax credits to counties within a declared disaster or 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. During the 2020-2021 period, 105 parcels received a disaster credit.

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

Prior Year Credits – School

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
(\$74)	\$0	\$38	\$34	\$104	\$3	\$0	\$0
% Chg	(100%)	-	(10.5%)	205.9%	(97.1%)	(100%)	--

Prior Year Credits – Non School

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$60	\$77	\$148	\$653	\$65	\$0	\$0	\$0
% Chg	28.3%	92.2%	341.2%	(90.0%)	(100.0%)	-	-

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.

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

Senior Deferral Reimbursement – Reimbursements to Counties for loans

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$1,236	\$1,831	\$1,311	\$1,479	\$1,814	\$1,814	\$1,853	\$1,893
% Chg	48.1%	(28.4%)	12.8%	22.7%	0%	-	-

Senior Deferral Reimbursement – Loan repayments

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
(\$1,257)	(\$2,107)	(\$1,037)	(\$1,454)	(\$1,236)	(\$1,375)	(\$1,375)	(\$1,375)
% Chg	(67.6%)	50.8%	(40.2%)	15.0%	(11.2%)	0%	-

Appropriation Type: Statutory, Open

Fund: General

Description: Senior Property Tax 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 2021, 375 homes owned by seniors were enrolled in this program with an average deferred tax amount of about \$4,500. Deferred payments to the seven metropolitan counties accounted for 90 percent of the total.

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

(Flood) Local Option Disaster Abatement Reimbursement – School

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$3	\$1	\$0	\$1,396	\$45	\$23	\$25	\$25
% Chg	(66.7%)	(100%)	-	(96.8%)	(48.9%)	8.7%	0%

(Flood) Local Option Disaster Abatement Reimbursement – Non School

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$0	\$0	\$0	\$337	\$4	\$75	\$75	\$75
% Chg	-	-	-	(98.8%)	1775%	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.

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

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

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 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 2021, this payment was 3.3 percent of total school district revenues.

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

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$5,304	\$5,353	\$5,394	\$5,394	\$5,408	\$5,462	\$5,516	\$5,571
% Chg	0.9%	0.8%	0.0%	0.3%	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 2021, 19,000 homesteads participated (with 87 percent receiving the maximum amount), and the average credit was \$285.

State Taconite Aid – [Minnesota Statutes, section 298.285.]

State Taconite Aid – IRRRB (Non-School)

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$2,957	\$3,214	\$3,721	\$3,796	\$3,643	\$3,755	\$4,041	\$4,272
% Chg	8.7%	15.8%	2.0%	(4.0%)	3.1%	7.6%	5.7%

State Taconite Aid Local Distribution

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$4,263	\$4,161	\$4,298	\$4,281	\$4,135	\$4,055	\$4,126	\$4,200
% Chg	(2.4%)	3.3%	(2.6%)	(0.4%)	(1.9%)	1.8%	1.8%

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

Description: State Taconite Aid provides a distribution (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, and to taxpayers within the Taconite Assistance Area for property tax relief. In 2021, this aid accounted for 7.2% of total production tax distributions.

LOCAL PENSION AIDS *******Police State Aid** [*Minnesota Statutes, 477C*]

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$72,559	\$76,273	\$81,241	\$84,184	\$82,181	\$85,920	\$89,790	\$93,830
% Chg	5.1%	6.5%	3.6%	(2.4%)	4.5%	4.5%	4.5%

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

Description: Police State Aid provides payments to local governments that employ police officers. The commissioner of revenue determines which local governments are qualified to receive state aid based upon personnel certifications, financial compliance reports and other relevant information. Police State Aid (392 local jurisdictions) is financed by the proceeds of a tax on automobile insurance premiums. Annual aid payments are determined by the number of months worked by each licensed officer employed by the local government. In 2021, on average, this aid paid for 54 percent of a police department's pension obligations.

Fire State Aid [*Minnesota Statutes, 477B*]

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$28,757	\$29,572	\$30,445	\$32,500	\$34,191	\$35,240	\$36,270	\$37,330
% Chg	2.8%	3.0%	6.7%	5.2%	3.1%	2.9%	2.9%

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

Description: Fire State Aid provides payments to fire relief associations. The commissioner of revenue determines which fire relief associations are qualified to receive state aid based upon personnel certifications, financial compliance reports and other relevant information. Funding for Fire State Aid (758 fire relief associations) comes from the proceeds of the state insurance premium tax (generally 2 percent) on fire insurance.

Fire Insurance Surcharge Aid [*Minnesota Statutes, 297*]

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$3,936	\$4,213	\$3,775	\$4,611	\$5,404	\$5,566	\$5,733	\$5,905
% Chg	7.0%	(10.4%)	22.1%	17.2%	3.0%	3.0%	3.0%

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

Description: Fire Insurance Surcharge Aid provides payments to fire relief associations located in a first class city. The commissioner of revenue determines which fire relief associations are qualified to receive state aid based upon financial compliance reports and other relevant information. Funding for the Insurance Surcharge Aid comes from a 2 percent surcharge on fire insurance written on property located in the cities of Minneapolis, St. Paul, Duluth and Rochester, with receipts allocated to each applicable city.

Table 1 of this document (on page 33) provides additional detail regarding these aid distributions.

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

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$15,498	\$15,498	\$15,495	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500
% Chg	0.0%	0.0%	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. A supplemental annual appropriation of \$15.5 million is allocated as follows: \$9.0 million to the Public Employees Retirement Association (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 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$2,729	\$2,729	\$2,729	\$2,729	\$2,729	\$2,729	\$2,729	\$2,729
% Chg	0.0%	0.0%	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). In 2021, three entities received this aid.

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

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$2,094	\$2,094	\$2,094	\$2,094	\$2,094	\$2,094	\$2,094	\$2,094
% Chg	0.0%	0.0%	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 Supplemental Benefits Reimbursements [*Minnesota Statutes*, section 424A.10, subd 3.]

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$629	\$705	\$606	\$637	\$637	\$637	\$634	\$634
% Chg	12.1%	(14.0%)	5.1%	0.0%	(0.6%)	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). In 2021, 327 fire relief associations received this aid.

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

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$14,065	\$13,921	\$13,900	\$0	\$0	\$0	\$0	\$0
% Chg	(1.0%)	(0.2%)	(100.0%)	-	-	-	-

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 for increased employer contributions to PERA enacted in 1997. The aid is an amount equal to 0.35 percent of the fiscal year 1997 payroll for employees who were members of the PERA general plan.

The aid provided under this section of law terminated on June 30, 2020.

OTHER EXPENDITURES *****

Wadena County Aid [2017 Minnesota Laws SS1, Chapter 11, Article 4, sec 32, and 2019 Minnesota Laws SS1, Chapter 6, Article 5.]

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$600	\$600	\$600	\$600	\$0	\$0	\$0	\$0
% Chg	0.0%	0.0%	0.0%	(100.0%)	-	-	-

Appropriation Type: Standing

Fund: General

Description: Wadena County Aid of \$600,000 in each FY 2018 -2021 reimburses a portion of unusually high health care costs.

One-time Local Aids [2019 Minnesota Laws SS1, Chapter 6, Article 5 and 2021 Minnesota Laws SS1, Chapter 14, various articles.]

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$0	\$0	\$4,447	\$0	\$6,414	\$0	\$0	\$0
% Chg	-	-	(100.0%)	-	(100.0%)	-	-

Appropriation Type: Standing

Fund: General

Description: One-time local grants provide aid for a variety of non-recurring purposes as follows:

One-time Local Government Grants

County	Purpose	FY 2020	FY 2021	FY 2022
Beltrami County	Out-of-Home placement costs	\$3,000,000	0	0
Mahnomen County for distribution to: \$250,000 to Mahnomen Health Center \$250,000 for White Earth Band of Ojibwe	Health care services Child welfare services	500,000	0	0
Otter Tail County	Debt service on residential treatment building in Fergus Falls	500,000	0	0

One-time Local Government Grants (continued)

City	Purpose	FY 2020	FY 2021	FY 2022
Lilydale	Infrastructure upgrades and associated bond payments related to Highway 13 construction	\$275,000	0	0
Austin	Reimbursement of 2016 state fire aid and 2016 supplemental police and fire aid	129,000	0	0
Flensburg	Compensation for lost local government aid and small cities assistance	38,400	0	0
Mazeppa \$2,600 to City of Mazeppa and \$2,400 for Wabasha County	Compensation for property tax abatements and other costs from fire damage on March 11, 2018	5,000	0	0
Melrose	Extension of reimbursement grants used for fire damage on Sept 8, 2016; payments from Commissioner of Public Safety available until June 30, 2021	0	0	643,729
Virginia	Repayment of debt service for costs of utility relocation for U.S. Highway 53; payment to be made by Aug 1, 2021	0	0	5,400,000
Floodwood	Assistance with infrastructure projects	0	0	250,000
Alexandria	Fire remediation grant	0	0	120,000
TOTAL - All Grants to Local Governments		\$4,447,400	\$0	\$6,413,729

Tribal Nations Grants [2020 Minnesota Laws, Chapter 71, Art 1, sec 10(f).]

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$0	\$0	\$11,000	\$0	\$0	\$0	\$0	\$0
% Chg	-	-	(100.0%)	-	-	-	-

Appropriation Type: Standing**Fund:** General

Description: One-time grants of \$1 million went to each of eleven tribes to help pay for emergency response activities in response to the COVID-19 pandemic.

Local Government Assistance to Counties [2021 Minnesota Laws, SS1 Chapter 14, Article 7, section 7.]

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$0	\$0	\$0	\$0	\$29,355	\$0	\$0	\$0
% Chg	-	-	-	-	(100.0%)	-	-

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

Description: This one-time assistance was distributed to thirteen counties to provide property tax refunds plus interest resulting from the overvaluation of certain utility property (Enbridge) for multiple tax years.

Frontline Worker Aid [2022 Minnesota Laws, Chapter 50.]

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$0	\$0	\$0	\$0	\$500,000	\$0	\$0	\$0
% Chg	-	-	-	-	(100.0%)	-	-

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

Description: Effective for fiscal year 2022 only, this provision distributed one-time payments to eligible frontline workers for their service during the Coronavirus pandemic. Workers from fifteen employment sectors who satisfied specific employment criteria, application requisites and verification requirements, were eligible. Each payment, based on available appropriations and the number of applications received from eligible frontline workers, must be the same and not exceed \$1,500.

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 2015 Actual	CY 2016 Actual	CY 2017 Actual	CY 2018 Actual	CY 2019 Actual	CY 2020 Final	CY 2021 Estimated	CY 2022 Projected
607,314	575,901	617,825	632,288	663,351	699,997	716,310	742,352
1.9%	3.0%	3.7%	1.1%	4.9%	5.5%	2.3%	3.6%

Source: House Research Simulations Final Pay 2015-2021, Actual (Projected) Pay 2022.

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 [Study of the Metropolitan Area Fiscal Disparities Program - Full Report \(except Appendix F\) \(state.mn.us\)](http://state.mn.us)

Small Business Assistance to Bars, Restaurants [2020 Minnesota Laws, SS7 Chapter 2; 2021 Minnesota Laws, SS1, Chapter 12, Art 5.]

Dollars in Thousands							
FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Projected	FY 2023 Projected	FY 2024 Planning	FY 2025 Planning
\$0	\$0	\$0	\$88,000	\$0	\$0	\$0	\$0
% Chg	-	-	-	-	-	-	-

Appropriation Type: Standing

Fund: General Fund Redirected to CRF

Description: This one-time appropriation of \$88 million in FY 2021 provided direct relief payments to eligible Minnesotan small businesses dealing with the ongoing effects of the COVID-19 pandemic. \$250,000 was allowed for agency administrative costs. A total of \$66.88 million was used for grants to eligible small businesses and program administration, while the remaining \$20.86 million was cancelled back to the general fund.

In May 2021, all general fund spending related to the COVID-19 pandemic (including this activity) was redirected to the federal Coronavirus Relief Fund (CRF).

BUDGET ACTIVITIES REPORTED IN PREVIOUS YEARS

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

Effective for taxes payable in 2015 through 2018, the Bloomington Infrastructure Projects account made 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.

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

The Volunteer First Responder Retention Stipend Aid program ended in 2017. It 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. 3,107 participants from 123 fire departments received a stipend in calendar 2016.

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

The Greater Minnesota Internship Program, which provided tax credits to employers who hired interns, was repealed on July 1, 2017. Previously, \$20,000 per year (one percent of total annual, authorized credits) was appropriated to the Commissioner of Revenue for transfer to the Office of Higher Education to pay for program administration.

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

The 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 and ending with no credit for homes valued at \$414,000 and above.

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

In FY 2016, County Transition Aid was merged into the County Program Aid appropriation (see p. 12). Awarded to seven counties (Aitkin, Chippewa, Cook, Kanabec, Kittson, Traverse, and Wilkin), the aid continues to buffer negative impacts of the 2003 consolidation of five aid programs into County Program Aid. This provision was made permanent by the 2008 Legislature (Ch 366).

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

Debt Service Aid for the Lewis and Clark Regional Water System Project in southwestern Minnesota was repealed on July 1, 2017 because alternative funding of \$11.8 million in state bond proceeds was secured in October, 2016. The aid provisions, created in 2014 to assist with financing of up to \$45 million in local bonds for the project, were never used.

APPENDICES

Table 1: Pension Aids

State Aid Supporting Selected State & Local Government Pensions
FYs 2020-2025
End of Session 2022

10/27/22

House Committee	Budget Activity	All Numbers in Thousands							
		Actual	Actual	Actual	Actual	Projected	Forecast	Plan Estim	Plan Estim
		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Tax Aids & Credits	Local Aids to Police & Fire	\$ 105,252	\$ 110,058	\$ 115,461	\$ 121,295	\$ 121,776	\$ 126,726	\$ 131,793	\$ 137,065
	Police - 396 depts in CY 2019	\$ 72,559	\$ 76,273	\$ 81,241	\$ 84,184	\$ 82,181	\$ 85,920	\$ 89,790	\$ 93,830
	Fire - 761 fire assoc's in CY 2019	\$ 28,757	\$ 29,572	\$ 30,445	\$ 32,500	\$ 34,191	\$ 35,240	\$ 36,270	\$ 37,330
	Insurance Surcharge (FF Relief in 1st class cities) ^{1,3}	\$ 3,936	\$ 4,213	\$ 3,775	\$ 4,611	\$ 5,404	\$ 5,566	\$ 5,733	\$ 5,905
	Police & Fire Retirement Aid Supplement	15,498	15,498	15,495	15,500	15,500	15,500	15,500	15,500
	Local Police and Fire Amort	\$ 5,452	\$ 5,528	\$ 5,429	\$ 5,460	\$ 5,460	\$ 5,460	\$ 5,457	\$ 5,457
	P/F Amortization / TRA + St Paul	\$ 2,729	\$ 2,729	\$ 2,729	\$ 2,729	\$ 2,729	\$ 2,729	\$ 2,729	\$ 2,729
	Redirected Amort Aid / TRA + St Paul	\$ 2,094	\$ 2,094	\$ 2,094	\$ 2,094	\$ 2,094	\$ 2,094	\$ 2,094	\$ 2,094
	Firefighter Relief Reimbursements - 360 assoc	\$ 629	\$ 705	\$ 606	\$ 637	\$ 637	\$ 637	\$ 634	\$ 634
	PERA Pension Aid - 1,111 jurisdictions in 2019	\$ 14,065	\$ 13,921	\$ 13,900	\$ -	\$ -	\$ -	\$ -	\$ -
	Subtotal - Tax Aids & Credits	\$ 140,267	\$ 145,005	\$ 150,285	\$ 142,255	\$ 142,736	\$ 147,686	\$ 152,750	\$ 158,022
State Government	Mpls TRA 1993 Aid	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
	Mpls TRA 1997 Aid	\$ 27,331	\$ 27,331	\$ 27,331	\$ 27,331	\$ 27,331	\$ 27,331	\$ 27,331	\$ 27,331
	St Paul TRA 1997 Aid	\$ 2,827	\$ 2,827	\$ 2,827	\$ 2,827	\$ 2,827	\$ 2,827	\$ 2,827	\$ 2,827
	St. Paul Teachers	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
	St. Paul Direct Aid	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
	PERA/Mpls Empl Retmnt Fnd (MERF)	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000
	PERA/Police and Fire	\$ -	\$ 4,500	\$ 4,500	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000
	Consolidated Leg & Constitutional Officers	\$ 8,961	\$ 8,909	\$ 8,850	\$ 8,761	\$ 8,721	\$ 8,895	\$ 9,073	\$ 9,255
	Judges Retirement Plan	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
	Subtotal - State Government	\$ 70,619	\$ 80,067	\$ 80,008	\$ 84,419	\$ 84,379	\$ 84,553	\$ 84,731	\$ 84,913
	TOTAL	\$ 210,886	\$ 225,072	\$ 230,293	\$ 226,674	\$ 227,115	\$ 232,239	\$ 237,481	\$ 242,935

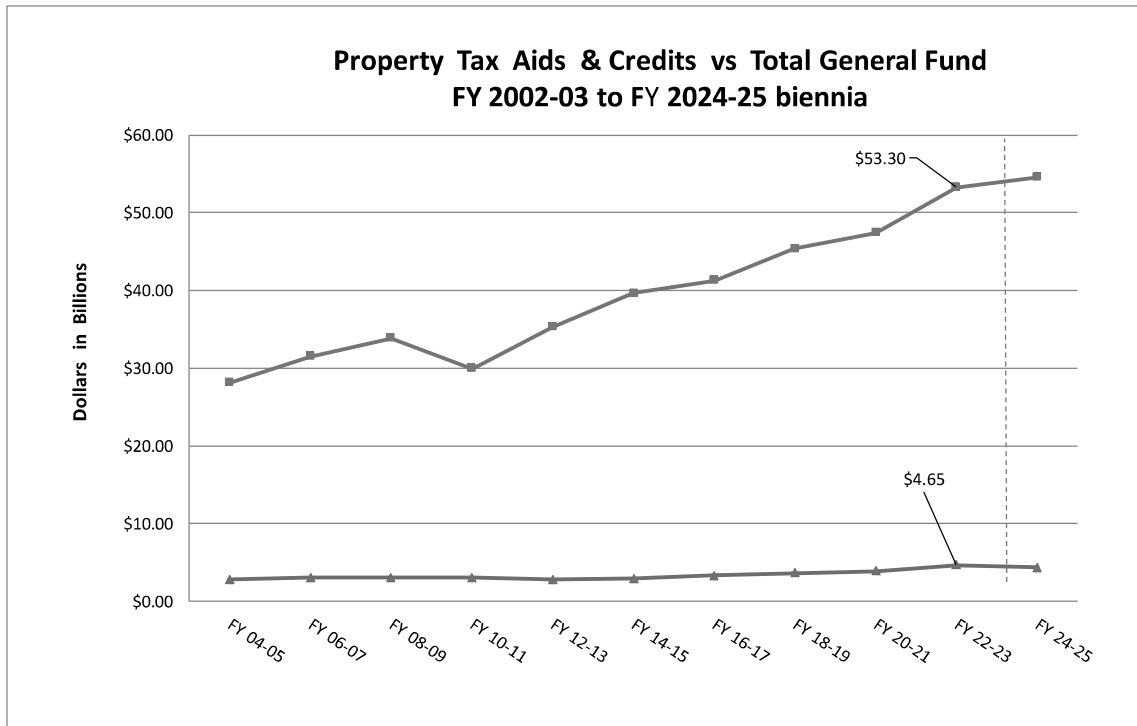
Sources: General Fund Fund Balance Analysis, End of 2022 Legislative Session, and FY 2022-23 Biennial Budget Agency Profile, Minnesota Management & Budget.

Notes: ¹ Reductions in Fire Insurance Aid for FYs 2020-21 reflect a correction to overstated premiums, which resulted in artificially high aid payments to the City of Rochester.

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

³ Pension aids issued by the Department of Revenue are distributed to local governments by October 1 of each year except for Insurance Surcharge (twice per year- July 31 and Dec.

House Fiscal document, October 27, 2022. All funds are general fund dollars.

Table 2: Twenty Years of Tax Aids & Credits Expenditures**Property Tax Aids & Credits Spending (End of 2022 Session)**

	Dollars in Billions										Projected FY 22-23	Planning FY 24-25
	Actual FY 04-05	Actual FY 06-07	Actual FY 08-09	Actual FY 10-11	Actual FY 12-13	Actual FY 14-15	Actual FY 16-17	Actual FY 18-19	Actual FY 20-21			
Total GF	\$28.13	\$31.49	\$33.87	\$29.96	\$35.32	\$39.64	\$41.25	\$45.40	\$47.42	\$53.30	\$54.55	
Tax Aids & Credits*	\$2.80	\$3.02	\$3.07	\$3.02	\$2.78	\$2.93	\$3.32	\$3.65	\$3.89	\$4.65	\$4.34	
% of Total GF	10.0%	9.6%	9.1%	10.1%	7.9%	7.4%	8.1%	8.0%	8.2%	8.7%	8.0%	

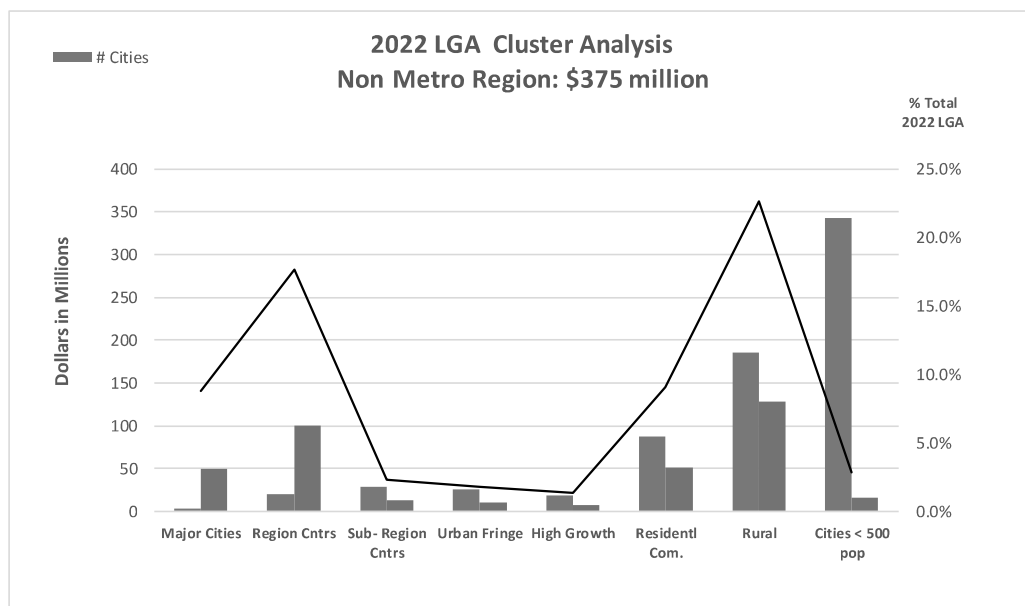
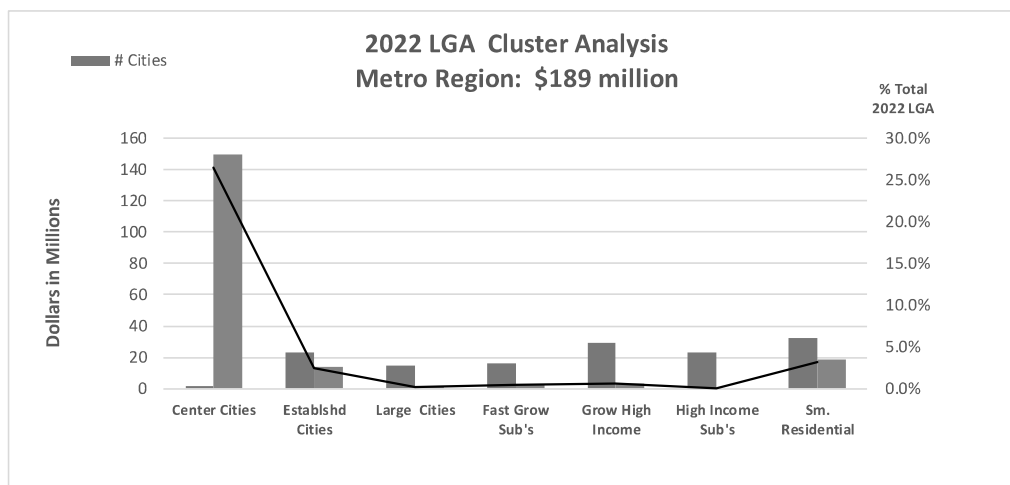
* Payment-in-lieu of taxes (PILT) distributions are included for all years.

House Fiscal document, October 27, 2022. All funds are general fund dollars.

**Table 3: 2022 Local Government Aid
Distribution by Region**

**2022 Local Government Aid
Cluster Analysis by Region**

	# Cities	\$ Millions	%
Summary			
Metro Region	142	\$189.2	33.5%
Non Metro Region	<u>716</u>	<u>\$375.2</u>	66.5%
Metro + Non-Metro	858	\$564.4	100.0%



Note: CY 2022 reflects a base estimate of \$564.4 million; it does not reflect the one-time, hold harmless appropriation of \$5.1 million (2021).

Table 4: 2022 Session - Tax Aids and Credits Tracking, FYs 2022-2025**2022 Legislature - End of Session 2022****Tax Refunds, Aids & Credits -****All Numbers in Thousands****Note:** Positive numbers are program expenditures; negative numbers are cost savings. Numbers in brackets [] are for information purposes only and are not reflected in spreadsheet totals.

	Feb 2022 fest	EOS 2022			EOS 2022		
	FY2020-21	FY2022	FY2023	FY2022-23	FY2024	FY2025	FY2024-25
General Fund Expenditures							
<u>REFUNDS</u>	\$1,657,309	\$845,270	\$873,380	\$1,718,650	\$907,340	\$936,820	\$1,844,160
Homestead Credit property tax refund	1,107,857	\$588,100	\$610,900	\$1,199,000	\$640,200	\$665,300	\$1,305,500
Renters property tax refund	455,624	223,500	225,900	449,400	231,600	234,700	466,300
Targeting	21,599	3,010	6,500	9,510	5,300	5,400	10,700
Forest Land Credits (SFIA)	24,384	13,110	13,830	26,940	14,390	14,970	29,360
Subtotal - Property Tax Refunds	1,609,464	827,720	857,130	1,684,850	891,490	920,370	1,811,860
Political Contribution Refund	5,927	2,700	3,500	6,200	3,000	3,500	6,500
Tax Refund Interest	41,918	14,850	12,750	27,600	12,850	12,950	25,800
<u>LOCAL AIDS</u>	1,692,272	918,751	923,951	1,842,702	944,008	943,817	1,887,825
Local Government Aid (LGA)	1,018,490	564,398	569,914	1,134,312	564,398	564,398	1,128,796
21, SS1, CH 14, Local Government Aid one-time supplement		0	0	-	0	0	-
Subtotal- Local Government Aid (LGA)	1,018,490	564,398	569,914	1,134,312	564,398	564,398	1,128,796
County Program Aid	494,174	263,971	264,012	527,983	264,374	263,954	528,328
Public Defense Bd, Public Defender Aid	0	500	500	1,000	500	500	1,000
Local Impact Notes (LBO/MDE)	0	214	214	428	214	214	428
Subtotal- County Program Aid (CPA)	494,174	264,685	264,726	529,411	265,088	264,668	529,756
Township Aid	19,997	10,000	10,000	20,000	10,000	10,000	20,000
Payment in Lieu of Taxes (PILT) for DNR Owned Lands	72,030	36,581	36,806	73,387	40,567	40,792	81,359
Aquatic Invasive Species Prevention Aid	20,000	10,000	10,000	20,000	10,000	10,000	20,000
Riparian Protection Aid to BWSR	1,490	745	745	\$1,490	745	745	\$1,490
Riparian Protection Aid to Counties	14,510	7,255	7,255	14,510	7,255	7,255	14,510
Subtotal- Riparian Protection Aid	16,000	8,000	8,000	\$16,000	8,000	8,000	\$16,000
Indian Family Out-of-Home Placement Aid	10,000	4,337	3,549	\$7,886	5,000	5,000	\$10,000
Casino Aid to Counties	2,749	1,400	1,614	3,014	1,614	1,614	3,228
Local Homeless Prevention Aid					20,000	20,000	40,000
Production Property Transition Aid	80	0	0	0	0	0	0
Utility Transition Aid (cities and towns)	8	11	9	20	8	12	20
DRA School	16,045	8,029	8,023	16,052	8,023	8,023	16,046
DRA Non-School	20,299	10,110	10,110	20,220	10,110	10,110	20,220
Disparity Reduction Aid (DRA)	36,344	18,139	18,133	36,272	18,133	18,133	36,266
Mahnomen City Reimbursement Aid	320	160	160	320	160	160	320
Mahnomen County Aid	1,800	900	900	1,800	900	900	1,800
Mahnomen ISD #432 Aid	280	140	140	280	140	140	280
Mahnomen Reimbursement Aid	2,400	1,200	1,200	2,400	1,200	1,200	2,400
<u>PROPERTY TAX CREDITS</u>	195,317	113,010	118,987	231,997	132,704	136,991	269,695
Agr MVC School	17,064	7,794	7,411	15,205	7,376	7,376	14,752
Agr MVC Non-School	57,360	28,849	27,543	56,392	27,543	27,543	55,086
Agricultural Market Value Credit	74,424	36,643	34,954	71,597	34,919	34,919	69,838
School Building Bond Agricultural Credit	93,690	62,109	69,716	\$131,825	83,045	86,893	\$169,938
Agriculture Preservation Credit -School (w/o State Con Fnd)	132	5	0	5	0	0	-
Agriculture Preservtn Credit -NonSchool (w/o State Con Fnd)	319	0	0	-	0	0	-
Border City Disparity -School	5,452	3,236	3,287	6,523	3,380	3,485	6,865
Border City Disparity -Non-School	20,427	10,848	11,027	21,875	11,360	11,694	23,054
Border City Disparity Credit	25,879	14,084	14,314	28,398	14,740	15,179	29,919

Table 4: 2022 Session - Tax Aids and Credits Tracking (continued)**2022 Legislature - End of Session 2022****Tax Refunds, Aids & Credits -**

All Numbers in Thousands

Note: Positive numbers are program expenditures; negative numbers are cost savings. Numbers in brackets [] are for information purposes only and are not reflected in spreadsheet totals.

	Feb 2022 fest FY2020-21	FY2022	EOS 2022 FY2023	FY2022-23	FY2024	EOS 2022 FY2025	FY2024-25
General Fund Expenditures							
Prior Year Credit -School	72	104	3	107	0	0	-
Prior Year Credit- Non-School	801	65	0	65	0	0	-
Prior Year Credits	873	169	3	172	-	-	-
TACONITE TAX RELIEF AREA AIDS & CREDITS	28,006	13,747	13,832	27,579	14,244	14,604	28,848
State Taconite Aid to IRRR (Non-School)	7,517	3,643	3,755	7,398	4,041	4,272	8,313
State Taconite Aid Local Distribution	8,579	4,135	4,055	8,190	4,126	4,200	8,326
Subtotal State Taconite Aid	16,096	7,778	7,809	15,587	8,167	8,472	16,639
Taconite Reimbursement (School)	1,122	561	561	1,122	561	561	1,122
Supplemental Taconite Homestead Credit (Non-School)	10,788	5,408	5,462	10,870	5,516	5,571	11,087
LOCAL PENSION AIDS	292,540	142,736	147,686	290,422	152,750	158,022	310,772
Police Aid (includes only local; DNR & DPS aid in State Gov)	165,425	82,181	85,920	168,101	89,790	93,830	183,620
Fire Aid	62,945	34,191	35,240	69,431	36,270	37,330	73,600
Fire Insurance Surcharge Aid	8,386	5,404	5,566	10,970	5,733	5,905	11,638
Police & Fire Retirement Aid Supplement	30,995	15,500	15,500	31,000	15,500	15,500	31,000
Police/Fire Amorization Aid (Open)	5,458	2,729	2,729	5,458	2,729	2,729	5,458
Redirected Amortization Aid - St Paul + TRFA	4,188	2,094	2,094	4,188	2,094	2,094	4,188
Firefighters Supplemental Benefits Reimbursements	1,243	637	637	1,274	634	634	1,268
Public Employees Retirement Assoc. (PERA) Aid	13,900	0	0	-	0	0	-
OTHER AIDS & ONE-TIME APPROPRIATIONS	16,237	541,611	681	542,292	751	754	1,505
Disaster Credit -School	32	437	49	486	28	31	59
Disaster Credit- Non-School	74	1,453	5	1,458	94	94	188
Disaster Credit	106	1,890	54	1,944	122	125	247
Local Option Disaster Credits	-	-	-	-	-	-	-
Local Option Disaster Abatement reimb (school)	337	45	23	68	25	25	50
Local Option Disaster Abatement reimb (non school)	1,396	4	75	79	75	75	150
Local Option Disaster Abatement Reimbursement	1,733	49	98	147	100	100	200
Border City Reimbursement	97	32	32	64	32	32	64
Performance Measuremt Reimbursement	924	497	497	994	497	497	994
City of Minneapolis Library debt service	7,730	3,374	0	3,374	0	0	-
Wadena County Aid (2 years only)	1,200	-	-	-	-	-	-
Local Government grants (19 SS1 CH 6, and 21 SS1 CH 14)	4,447	6,414	0	6,414	0	0	-
21 SS1, CH 14 Local gov't assistance to counties- one time	-	29,355	-	29,355	-	-	-
20 CH 71 - Tribal Nations Grants	11,000	0	0	-	0	0	-
20, SS7, CH 2 - Small Business Assistance to Bars, Restaurants, Breweries, Fitness Centers, etc.	-	0	0	-	0	0	-
22 CH 50 - Frontline Worker Aid	-	500,000	0	500,000	0	0	-
Property Tax Aids and Credits, GF TOTAL	\$3,892,681	\$2,575,125	\$2,078,517	\$4,653,642	\$2,151,797	\$2,191,008	\$4,342,805