

REMAINING ISSUES (Not primarily cost items)

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Senate Offer

Monday, July 11, 2005

10:00 a.m.

A. Net Revenues as per budget sheet

B. Tax Relief Account – approximately \$47 million

\$35 million Market Value Credit

LGA:

\$6m Small Cities

\$1.5m Taconite Aid Offset

\$3.5m Regional Center Over-Population Threshold

\$775k Hutchinson, Osseo, Champlin

LGA appropriation inflated IPD 2 ½ floor, 5% ceiling

Revenue need measure inflated 2 additional yrs. eff. Pay 07

4D Valuation

C. Revenue neutral Senate AMT/MJSD, House Working Family
Credit/Dependent Care Credit – internal to income tax

Lightly Shading Indicates Items Specified in Agreement

Tax Revenue Gains

	7-11-05 Offer		
	FY 06	FY 07	FY 06-07
Tax Deferred Wages on Non-Residents	2,000	2,100	4,100
Quarterly Withholding for NR partnerships and S	13,200	850	14,050
Contractor Withholding at 2%	1,800	1,800	3,600
American Job Creation Act Upfront Payment on Leased Vehicles	8,580	12,185	20,765
Rental Vehicle Tax	18,921	19,749	38,670
Cigarettes at Wholesale Payment Shift	4,790	13,800	18,590
Compliance Impact	5,400	0	5,400
Out of State Vendors	2,250	2,700	4,950
Gas Pipelines	680	2,730	3,410
Reverse Sprint Case	9,110	11,720	20,830
Alcoholic Beverages	1,500	1,560	3,060
Insurance Stop Loss	23,650	60,300	83,950
Tax Shelter Compliance	1,400	3,700	5,100
	55,100	1,700	56,800
Total Revenue Gains--Gross	148,381	134,894	283,275

Revenue Reductions

Organ Donation Expenses	(102)	(107)	(209)
Exempt National Guard for MN Active Service	(42)	(42)	(84)
Subtraction for Active Duty Military Out of State	(960)	(970)	(1,930)
Military Family Tax Relief Act	(680)	(330)	(1,010)
K-12 Credit	(695)	(730)	(1,425)
RAIN	0	(4,047)	(4,047)
10% Credit for Historic Structures	(1,640)	(2,200)	(3,840)
HSAs	(5,200)	(3,000)	(8,200)
Working Families Tax Relief Act	(3,980)	(70)	(4,050)
WFC	0	0	0
Dependent Care Credit	0	0	0
Exempt Disaster Mitigation Grants	0	(30)	(30)
Change in Income Tax Revenue due to K-12 Levies	0	(6,100)	(6,100)
Exemption for Ready to Eat Meat/Seafood	(325)	(795)	(1,120)
Exempt Certain Solar Energy	(40)	(50)	(90)
Exempt TV and Movie Inputs	(450)	(490)	(940)
Public Safety Radio	(1,540)	(1,510)	(3,050)
Catholic Charities Food Exemption	(58)	(8)	(66)
Commuter Rail Construction Exemption	0	(1,000)	(1,000)
Waste Recovery Facilities:			
Olmstead County	0	(745)	(745)
Red Wing	0	(70)	(70)
Minneapolis	(70)	(190)	(260)
Turkey Litter	(800)	0	(800)
Laurentian Energy Biomass	(134)	(300)	(434)
Thief River Falls Arena	(350)	0	(350)
Crown Hydro	(145)	(20)	(165)
Chatfield	(160)	0	(160)
U of M AHC (Feb. 03 Forecast Levels for FY 06-07)	(1,557)	(1,549)	(3,106)
MERC (Feb. 03 Forecast Levels for FY 06-07)	(598)	(595)	(1,194)
Insurance Premiums to 1.5%	(1,000)	(3,500)	(4,500)
Single Sales	0	(2,300)	(2,300)
Total Revenue Reductions	(20,526)	(30,748)	(51,275)

Net Revenues:

(Gross Revenue - Reductions)	127,855	104,146	232,000
Target			232,000
			0

	<u>FY 06</u>	<u>FY 07</u>	<u>FY 06-07</u>
Tax Revenue Changes in Enacted Bills			
Streamlines Sales Tax	9,800	31,520	41,320
Great River School Abatement	(15)	0	(15)
Change in Liquor Tax Payment	(25)	0	(25)
Change in Fur Tax Payments	(25)	0	(25)
Total Change Enacted Bills	9,735	31,520	41,255

Net Revenues + Changes from Enacted Bills	137,590	135,666	273,255
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Tax Bill Expenditure Changes

Rent Credit at Current Law	0	0	0
PCR at Current Law			0
Utility Personal Property			
Faribault	0	0	0
Cannon Falls	0	0	0
Shakopee	0	0	0
Poultry Litter	0	0	0
Repeal Property Tax Exemption for Biotech Zones	0	(14)	(14)
Repeal JOBZ Aid	0	0	0
PTR Increase from K-12 Levies	0	3,695	3,695
4D Valuation Change	0	0	0
LMV for Small Resorts	0	0	0
Class 1c Resorts: 1st Tier to \$450K	0	47	47
LMV at 2005 Level	0	0	0
LGA	0	45,000	45,000
Market Value Credit Reimbursement	(17,800)	(17,500)	(35,300)
Taxpayer Assistance Grants (to be in base)	125	125	250
PILT	21	21	42
Total Tax Bill Expenditure Changes	(17,654)	31,374	13,720

Tax Expenditure Changes in Enacted Bills:

WBL LGA	105	0	105
Sauk Watershed Levy	0	7	7
Met Council Bus Bonds	0	0	0
Senior Deferral Special Assessments	0	19	19
MVC for Fractional Homesteads Change	0	(500)	(500)
County Court Aid Transfer	66	133	199
Reduce District Court Base Budget	(66)	(133)	(199)
Total Enacted Tax Expenditure Changes	105	(474)	(369)

Total Open Tax and Enacted

Tax Expenditure Changes	(17,549)	30,900	13,351
Target			13,014
Amount Over (under) Target			337

HOUSE OFFER 7/11/2005, 10:00am

Property Tax Aids and Credits - Expenditures

shaded items are enacted, agreed to by working group or in Governor's agreement

FY06-07

Utility personal property tax exemption - Faribault	0
Utility personal property tax exemption - Cannon Falls	0
Utility personal property tax exemption - Shakopee	0
Utility personal property tax exemption poultry litter biomass facility - Benson (extension)	0
Class 1c resorts . reduces 1st tier class rate to .55% up to \$300k, next \$1.5 mil is 1%, eliminates box	31
4d. House : reduces class rate to 1.0%	0
Sauk River Watershed Levy . 0.01% of market value increase	7
Met Council Bus Bonds - \$64 mil	0
Property tax exclusion for disabled veterans or spouse (up to \$100,000 of market value is excluded from taxation)	(1,300)
Repeals property tax exemption for Biotech Zones	(14)
Education Finance Bill increase in K-12 levies - PTR increase	3,695
LGA . White Bear Lake in FY06, increases LGA funding by \$45 mil in FY07 & after	45,105
Transfer to County Aid from Courts (Washington & Anoka)	199
Reduction to District Court base budget	(199)
Repeals JOBZ Aid	0
Extends reductions to MV credit for cities in FY06-07	(35,300)
Change MV credit calculation for fractional hmstds	(500)
Include special assessments & charges for Senior Deferral	19
Taxpayer Assistance Grants	250
Increases PILT payments for LUP lands . House: \$0.75/acre.	42
Border Cities : Allocates money to Western border city enterprise zones	1,500
Disaster Grants - Otter Tail County	500

*Effective Pay 2007

Amount Over or (Under) Base 14,035

Base 2,960,815

Total Spending 2,974,850

Spending Target	2,973,829
Amount Over or (Under) Target	1,021

House Offer -- 7/11/05 (10 am)

TOTAL REVENUE CHANGES -- Above forecast

Income and Corporate Tax

FY06-07

AMT full deduction for charitable contributions -- Senate: eff. 2005	(6,300)
Subtract expenses related to organ donation (up to \$10,000) -- House	(209)
Exempt National Guard pay for active service in Minnesota	(84)
Military pay -- Subtract active duty military service out of state	(1,930)
K-12 Credit -- Starting 2006 repeal family cap & repeal need to allocate costs to specific child; phaseout at \$1/\$4 for all	(1,750)
Long-term care insurance credit -- eliminate deduction offset	(630)
10% investment credit for dairy farms -- House language	(1,900)
Require quarterly withholding for nonres partnerships & S-corps	14,050
Require 2% withholding on payments to self-employed construction subcontractors - compromise language	3,600

Federal Conformity

Military Family Tax Relief Act of 2003	(1,010)
Medicare Act of 2003 -- Health Savings Accounts only	(8,200)
Working Families Tax Relief Act of 2005 -- \$250 teacher expenses	(2,400)
Working Families Tax Relief Act of 2005 -- All other provisions	(1,650)
American Job Creation Act of 2004 (selected items)	20,765
Public Law 109-7 -- Exempt disaster mitigation grants	(30)
Change in income tax revenue due to property tax increases	(6,100)
Phase in single sales apportionment (GOV: Phase in over 8 years)	(2,300)
FOC definition change (Governor)	3,100

Sales Tax

Require up-front payment of sales tax on leased vehicles (10/1/05)	38,670
Rental vehicles tax rate -- Repeal 12/31/05 expiration date for special 12.7% sales tax rate	18,590
Collect cigarette sales tax at wholesale (\$0.20/pack) -- payment shift	5,400
-- compliance impa	4,950
Require state vendors to collect sales tax	3,410
Define industrial production to exclude gas pipelines	20,830
Ready-to-eat meats & seafood -- Repeal 12/31/05 expiration date	(1,120)
Exempt artistic events at MNSCU & private colleges	(137)
Exempt certain solar energy systems (eff. 8/1/05)	(90)
Exempt milk sold in vending machines	(264)
Reverse Sprint case: tax telecom. wire, fiber, poles, conduit	3,060
Exempt inputs for public safety radio systems (capped total)	(3,050)
Exempt construction materials for waste recovery facilities	
Olmstead County	(745)
Red Wing	(70)
Minneapolis	(260)

Other Taxes

Border city -- retailer credit for cigarette tax differential	(3,500)
Academic Health Center -- additional cigarette tax dedication	(1,000)
Alcoholic beverages -- Enact 2.5% gross receipts tax (eff. 1/1/06, when sales tax rate on alcohol falls from 9% to 6.5%)	83,950
Life insurance -- Reduce premiums tax to 1.5% (phase-in over 4 years)	(4,500)
Insurance -- Subject stop-loss policies to premiums tax eff. 1/1/06	5,100
Estate tax--Qualified Terminal Interest Property (QTIP) (eff 1/1/07)	0
International Trade Zone (modified language)	0
Tax Shelter Compliance	56,800

TOTAL	233,046
TARGET	<u>232,000</u>
Amount over target	1,046

Rev.

Target number does not include cigarette & tobacco fee revenue, SSTP, or other enacted provisions.

Shaded items are either enacted, agreed to by the working group, or in Governor's agreement.



1 Sec. ... Minnesota Statutes 2004, section 270.30, is
2 amended by adding a subdivision to read:

3 Subd. 5a. [NONGAME WILDLIFE CHECKOFF.] A tax preparer must
4 give written notice of the option to contribute to the nongame
5 wildlife management account in section 290.431 to corporate
6 clients that file an income tax return and to individual clients
7 who file an income tax return or property tax refund claim
8 form. This notification must be included with information sent
9 to the client at the same time as the preliminary worksheets or
10 other documents used in preparing the client's return and must
11 include a line for displaying contributions.

12 [EFFECTIVE DATE.] This section is effective for returns
13 prepared for taxable years beginning after December 31, 2004.

289A.11 Filing requirements for sales and use tax returns.

Subdivision 1. **Return required.** Except as provided in section 289A.18, subdivision 4, for the month in which taxes imposed by chapter 297A are payable, or for which a return is due, a return for the preceding reporting period must be filed with the commissioner in the form and manner the commissioner prescribes. A person making sales at retail at two or more places of business may file a consolidated return subject to rules prescribed by the commissioner. In computing the dollar amount of items on the return, the amounts are rounded off to the nearest whole dollar, disregarding amounts less than 50 cents and increasing amounts of 50 cents to 99 cents to the next highest dollar.

Notwithstanding this subdivision, a person who is not required to hold a sales tax permit under chapter 297A and who makes annual purchases, for use in a trade or business, of less than \$18,500, or a person who is not required to hold a sales tax permit and who makes purchases for personal use, that are subject to the use tax imposed by section 297A.63, may file an annual use tax return on a form prescribed by the commissioner. If a person who qualifies for an annual use tax reporting period is required to obtain a sales tax permit or makes use tax purchases, for use in a trade or business, in excess of \$18,500 during the calendar year, the reporting period must be considered ended at the end of the month in which the permit is applied for or the purchase in excess of \$18,500 is made and a return must be filed for the preceding reporting period.

Sec ____: APPROPRIATION

\$400,000 in fiscal year 2006 and \$100,000 in fiscal year 2007 and each year thereafter is appropriated to the commissioner of revenue to for the purpose of developing and maintaining a new web-based filing and payment mechanism of individual use tax payments under this section.

Possible Individual Use Tax Compromise

Senate Proposal

- Add line and instructions to M-1 form (individual income tax form)
- Add lines and instruction to M-14 form (quarterly estimate tax payment)
- Require establishment of Use Tax Enforcement Unit

Potential New Cost: \$2 Million in next biennium
Potential New revenue: \$200,000 – 400,000 next biennium
ROR: .10 - .20

DOR Proposal

By **January 1, 2006**, DOR will establish a web-based application for individual use tax filing and payment system (modeled on current paper UT1) that:

- is for **individuals only**
- asks for name, address (**zip**), **social security number**, amount of purchase
- from information entered, **calculates both state and local** use tax
- provides **three payment options**
 - check (generates paper voucher)
 - electronic fund transfer (requires bank information)
 - **credit card** (directs to current easy pay site)
- is not bound by the \$18,500 periodic payment requirement
- can be use intermittently (as many or few times as necessary)

Potential New Cost: \$500,000 in next biennium
Potential New Revenues: \$150,000 - \$300,000 (75% of above)
ROR : .30 - .60

Traditional publicity on new use tax option (news releases, preparer information, Revenue web-site, info in M1 instructions). We would maintain the UT1 Form (including relevant 2005 changes) for those individuals that desire a purely paper option.

Legislation Needs:

- Eliminate, for individuals only, the \$18,500 threshold that triggers periodic payment requirements (Attached)
- Appropriation to cover development/support cost (Attached).



1 Section 1. Minnesota Statutes 2004, section 270C.27, as
2 added by Laws 2005, chapter 151, article 1, section 24, is
3 amended to read:

4 270C.27 [CIVIL DAMAGES FOR FAILURE TO RELEASE LIEN.]

5 Subdivision 1. [IN GENERAL.] (a) A taxpayer may bring a
6 civil action for damages against the commissioner in district
7 court when an employee or the department has knowingly or
8 negligently:

9 (1) failed to release a lien as required by section
10 270C.63, subdivision ~~11~~ 15; or

11 (2) failed to release a lien within 30 days after
12 satisfaction of the liability on which the lien is based.

13 (b) An action under paragraph (a), clause (2), must be
14 preceded by 30 days' written notice by the taxpayer to the
15 commissioner and the taxpayer's rights advocate that the lien
16 has not been released. An action under paragraph (a) must be
17 commenced within two years after the date the right of action
18 accrued.

19 Subd. 2. [DAMAGES.] On a finding of liability on the part
20 of the defendant in an action brought under subdivision 1, the
21 defendant is liable to the plaintiff in an amount equal to the
22 sum of actual, direct economic damages sustained by the
23 plaintiff due to the actions of the defendant, plus the costs of
24 the action. Damages must be paid in accordance with section

1 3.736, subdivision 7.

2 Subd. 3. [MITIGATION OF DAMAGES.] Damages awarded must be
3 reduced by the amount of the damages that could reasonably have
4 been mitigated by the plaintiff.

5 [EFFECTIVE DATE.] This section is effective August 1, 2005.

6 Sec. 2. Minnesota Statutes 2004, section 272.02,
7 subdivision 73, as added by Laws 2005, chapter 151, article 5,
8 section 6, is amended to read:

9 Subd. 73. [PROPERTY SUBJECT TO TACONITE PRODUCTION TAX OR
10 NET PROCEEDS TAX.] (a) Real and personal property described in
11 section 298.25 is exempt to the extent the tax on taconite and
12 iron sulphides under section 298.24 is described in section
13 298.25 as being in lieu of other taxes on such property. This
14 exemption applies for taxes payable in each year that the tax
15 under section 298.24 is payable with respect to such property.

16 (b) Deposits of mineral, metal, or energy resources the
17 mining of which is subject to taxation under section 298.015 are
18 exempt. ~~This exemption applies for taxes payable in each year~~
19 ~~that the tax under section 298.015 is payable with respect to~~
20 ~~such property.~~

21 [EFFECTIVE DATE.] This section is effective the day
22 following final enactment.

23 Sec. 3. Minnesota Statutes 2004, section 273.13,
24 subdivision 25, as amended by Laws 2005, chapter 151, article 3,
25 section 12, is amended to read:

26 Subd. 25. [CLASS 4.] (a) Class 4a is residential real
27 estate containing four or more units and used or held for use by
28 the owner or by the tenants or lessees of the owner as a
29 residence for rental periods of 30 days or more. Class 4a also
30 includes hospitals licensed under sections 144.50 to 144.56,
31 other than hospitals exempt under section 272.02, and contiguous
32 property used for hospital purposes, without regard to whether
33 the property has been platted or subdivided. The market value
34 of class 4a property has a class rate of 1.25 percent.

35 (b) Class 4b includes:

36 (1) residential real estate containing less than four units

1 that does not qualify as class 4bb, other than seasonal
2 residential recreational property;

3 (2) manufactured homes not classified under any other
4 provision;

5 (3) a dwelling, garage, and surrounding one acre of
6 property on a nonhomestead farm classified under subdivision 23,
7 paragraph (b) containing two or three units; and

8 (4) unimproved property that is classified residential as
9 determined under subdivision 33.

10 The market value of class 4b property has a class rate of
11 1.25 percent.

12 (c) Class 4bb includes:

13 (1) nonhomestead residential real estate containing one
14 unit, other than seasonal residential recreational property; and

15 (2) a single family dwelling, garage, and surrounding one
16 acre of property on a nonhomestead farm classified under
17 subdivision 23, paragraph (b).

18 Class 4bb property has the same class rates as class 1a
19 property under subdivision 22.

20 Property that has been classified as seasonal residential
21 recreational property at any time during which it has been owned
22 by the current owner or spouse of the current owner does not
23 qualify for class 4bb.

24 (d) Class 4c property includes:

25 (1) except as provided in subdivision 22, paragraph (c),
26 real property devoted to temporary and seasonal residential
27 occupancy for recreation purposes, including real property
28 devoted to temporary and seasonal residential occupancy for
29 recreation purposes and not devoted to commercial purposes for
30 more than 250 days in the year preceding the year of
31 assessment. For purposes of this clause, property is devoted to
32 a commercial purpose on a specific day if any portion of the
33 property is used for residential occupancy, and a fee is charged
34 for residential occupancy. In order for a property to be
35 classified as class 4c, seasonal residential recreational for
36 commercial purposes, at least 40 percent of the annual gross

1 lodging receipts related to the property must be from business
2 conducted during 90 consecutive days and either (i) at least 60
3 percent of all paid bookings by lodging guests during the year
4 must be for periods of at least two consecutive nights; or (ii)
5 at least 20 percent of the annual gross receipts must be from
6 charges for rental of fish houses, boats and motors,
7 snowmobiles, downhill or cross-country ski equipment, or charges
8 for marina services, launch services, and guide services, or the
9 sale of bait and fishing tackle. For purposes of this
10 determination, a paid booking of five or more nights shall be
11 counted as two bookings. Class 4c also includes commercial use
12 real property used exclusively for recreational purposes in
13 conjunction with class 4c property devoted to temporary and
14 seasonal residential occupancy for recreational purposes, up to
15 a total of two acres, provided the property is not devoted to
16 commercial recreational use for more than 250 days in the year
17 preceding the year of assessment and is located within two miles
18 of the class 4c property with which it is used. Class 4c
19 property classified in this clause also includes the remainder
20 of class 1c resorts provided that the entire property including
21 that portion of the property classified as class 1c also meets
22 the requirements for class 4c under this clause; otherwise the
23 entire property is classified as class 3. Owners of real
24 property devoted to temporary and seasonal residential occupancy
25 for recreation purposes and all or a portion of which was
26 devoted to commercial purposes for not more than 250 days in the
27 year preceding the year of assessment desiring classification as
28 class 1c or 4c, must submit a declaration to the assessor
29 designating the cabins or units occupied for 250 days or less in
30 the year preceding the year of assessment by January 15 of the
31 assessment year. Those cabins or units and a proportionate
32 share of the land on which they are located will be designated
33 class 1c or 4c as otherwise provided. The remainder of the
34 cabins or units and a proportionate share of the land on which
35 they are located will be designated as class 3a. The owner of
36 property desiring designation as class 1c or 4c property must

1 provide guest registers or other records demonstrating that the
2 units for which class 1c or 4c designation is sought were not
3 occupied for more than 250 days in the year preceding the
4 assessment if so requested. The portion of a property operated
5 as a (1) restaurant, (2) bar, (3) gift shop, and (4) other
6 nonresidential facility operated on a commercial basis not
7 directly related to temporary and seasonal residential occupancy
8 for recreation purposes shall not qualify for class 1c or 4c;

9 (2) qualified property used as a golf course if:

10 (i) it is open to the public on a daily fee basis. It may
11 charge membership fees or dues, but a membership fee may not be
12 required in order to use the property for golfing, and its green
13 fees for golfing must be comparable to green fees typically
14 charged by municipal courses; and

15 (ii) it meets the requirements of section 273.112,
16 subdivision 3, paragraph (d).

17 A structure used as a clubhouse, restaurant, or place of
18 refreshment in conjunction with the golf course is classified as
19 class 3a property;

20 (3) real property up to a maximum of one acre of land owned
21 by a nonprofit community service oriented organization; provided
22 that the property is not used for a revenue-producing activity
23 for more than six days in the calendar year preceding the year
24 of assessment and the property is not used for residential
25 purposes on either a temporary or permanent basis. For purposes
26 of this clause, a "nonprofit community service oriented
27 organization" means any corporation, society, association,
28 foundation, or institution organized and operated exclusively
29 for charitable, religious, fraternal, civic, or educational
30 purposes, and which is exempt from federal income taxation
31 pursuant to section 501(c)(3), (10), or (19) of the Internal
32 Revenue Code of 1986, as amended through December 31, 1990. For
33 purposes of this clause, "revenue-producing activities" shall
34 include but not be limited to property or that portion of the
35 property that is used as an on-sale intoxicating liquor or 3.2
36 percent malt liquor establishment licensed under chapter 340A, a

1 restaurant open to the public, bowling alley, a retail store,
2 gambling conducted by organizations licensed under chapter 349,
3 an insurance business, or office or other space leased or rented
4 to a lessee who conducts a for-profit enterprise on the
5 premises. Any portion of the property which is used for
6 revenue-producing activities for more than six days in the
7 calendar year preceding the year of assessment shall be assessed
8 as class 3a. The use of the property for social events open
9 exclusively to members and their guests for periods of less than
10 24 hours, when an admission is not charged nor any revenues are
11 received by the organization shall not be considered a
12 revenue-producing activity;

13 (4) postsecondary student housing of not more than one acre
14 of land that is owned by a nonprofit corporation organized under
15 chapter 317A and is used exclusively by a student cooperative,
16 sorority, or fraternity for on-campus housing or housing located
17 within two miles of the border of a college campus;

18 (5) manufactured home parks as defined in section 327.14,
19 subdivision 3;

20 (6) real property that is actively and exclusively devoted
21 to indoor fitness, health, social, recreational, and related
22 uses, is owned and operated by a not-for-profit corporation, and
23 is located within the metropolitan area as defined in section
24 473.121, subdivision 2;

25 (7) a leased or privately owned noncommercial aircraft
26 storage hangar not exempt under section 272.01, subdivision 2,
27 and the land on which it is located, provided that:

28 (i) the land is on an airport owned or operated by a city,
29 town, county, Metropolitan Airports Commission, or group
30 thereof; and

31 (ii) the land lease, or any ordinance or signed agreement
32 restricting the use of the leased premise, prohibits commercial
33 activity performed at the hangar.

34 If a hangar classified under this clause is sold after June
35 30, 2000, a bill of sale must be filed by the new owner with the
36 assessor of the county where the property is located within 60

1 days of the sale;

2 (8) a privately owned noncommercial aircraft storage hangar
3 not exempt under section 272.01, subdivision 2, and the land on
4 which it is located, provided that:

5 (i) the land abuts a public airport; and

6 (ii) the owner of the aircraft storage hangar provides the
7 assessor with a signed agreement restricting the use of the
8 premises, prohibiting commercial use or activity performed at
9 the hangar; and

10 (9) residential real estate, a portion of which is used by
11 the owner for homestead purposes, and that is also a place of
12 lodging, if all of the following criteria are met:

13 (i) rooms are provided for rent to transient guests that
14 generally stay for periods of 14 or fewer days;

15 (ii) meals are provided to persons who rent rooms, the cost
16 of which is incorporated in the basic room rate;

17 (iii) meals are not provided to the general public except
18 for special events on fewer than seven days in the calendar year
19 preceding the year of the assessment; and

20 (iv) the owner is the operator of the property.

21 The market value subject to the 4c classification under this
22 clause is limited to five rental units. Any rental units on the
23 property in excess of five, must be valued and assessed as class
24 3a. The portion of the property used for purposes of a
25 homestead by the owner must be classified as class 1a property
26 under subdivision 22.

27 Class 4c property has a class rate of 1.5 percent of market
28 value, except that (i) each parcel of seasonal residential
29 recreational property not used for commercial purposes has the
30 same class rates as class 4bb property, (ii) manufactured home
31 parks assessed under clause (5) have the same class rate as
32 class 4b property, (iii) commercial-use seasonal residential
33 recreational property has a class rate of one percent for the
34 first \$500,000 of market value, which includes any market value
35 receiving the one percent rate under subdivision 22, and 1.25
36 percent for the remaining market value, (iv) the market value of

1 property described in clause (4) has a class rate of one
2 percent, (v) the market value of property described in clauses
3 (2) and (6) has a class rate of 1.25 percent, and (vi) that
4 portion of the market value of property in clause ~~(8)~~ (9)
5 qualifying for class 4c property has a class rate of 1.25
6 percent.

7 [EFFECTIVE DATE.] This section is effective for taxes
8 payable in 2006 and subsequent years.

9 Sec. 4. [REVISOR INSTRUCTION.]

10 Notwithstanding any law to the contrary, if a provision of
11 a section of Minnesota Statutes repealed by Laws 2005, chapter
12 151, article 1, is amended or repealed during the 2005 First
13 Special Session, the amendment or repealer shall supersede the
14 provisions of Laws 2005, chapter 151, article 1, and the revisor
15 shall codify the amendment or repealer consistent with the
16 recodification of the affected section by Laws 2005, chapter
17 151, article 1. In addition, the revisor shall code new
18 sections or subdivisions enacted during the 2005 First Special
19 Session consistent with the recodification of Laws 2005, chapter
20 151, article 1.

21 [EFFECTIVE DATE.] This section is effective August 1, 2005.

1 moves to amend H. F. No., as follows:

2 Page .., after line .., insert:

3 "Sec. ... Laws 1991, chapter 291, article 8, section 27,
4 is amended by adding a subdivision to read:

5 Subd. 3a. [LIMITATIONS ON USE.] Notwithstanding any other
6 provision of this section, the city may use up to \$1,500,000
7 annually, of the revenues collected from the taxes
8 imposed in subdivisions 1 and 2 to fund operation, maintenance,
9 and improvements for the Riverfront 2000 and related

10 facilities. This amount may only be used if sufficient revenues
11 will remain to meet the annual debt obligations for the bonds
12 paid from these revenue sources. This authority to spend money
13 for operation, maintenance, and improvements shall expire April
14 1, 2007, unless approved by the voters at a special or general
15 election held by December 31, 2006.

16 [EFFECTIVE DATE.] This section is effective upon compliance
17 by the governing body of the city of Mankato with Minnesota
18 Statutes, section 645.021, subdivision 3.

19 Sec. ... Laws 1991, chapter 291, article 8, section 27,
20 subdivision 4, is amended to read:

21 Subd. 4. [EXPIRATION OF TAXING AUTHORITY AND EXPENDITURE
22 LIMITATION.] The authority granted by subdivisions 1 and 2 to
23 the city to impose a sales tax and an excise tax shall expire
24 ~~when-the-principal-and-interest-on~~ on December 31, 2005, unless

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1 sufficient revenues are not available to defease any bonds or
2 obligations issued to finance construction of Riverfront 2000
3 and related facilities have-been-paid-or-at-an-earlier-time-as
4 the-city-shall,-by-ordinance,-determine.--The-total-capital,
5 administrative,-and-operating-expenditures-payable-from-bond
6 proceeds-and-revenues-received-from-the-taxes-authorized-by
7 subdivisions-1-and-2,-excluding-investment-earnings-on-bond
8 proceeds-and-revenues,-shall-not-exceed-\$25,000,000-for
9 Riverfront-2000-and-related-facilities. If sufficient funds are
10 not available to defease the bonds, the tax will expire December
11 31, 2018, but all revenues from taxes imposed after December 31,
12 2015, must be used to defease the bonds. The city may by
13 ordinance, terminate the tax at an earlier date.

14 [EFFECTIVE DATE.] This section is effective upon compliance
15 by the governing body of the city of Mankato with Minnesota
16 Statutes, section 645.021, subdivision 3."

1 moves to amend H. F. No., as follows:

2 Page ..., after line ..., insert:

3 "Sec. ... [CITY OF WINONA; TAXES AUTHORIZED.]

4 Subdivision 1. [SALES AND USE TAX

5 AUTHORIZED.] Notwithstanding Minnesota Statutes, section
6 477A.016, or any other provision of law, ordinance, or city
7 charter, if approved by the voters pursuant to Minnesota
8 Statutes, section 297A.99, the city of Winona may impose by
9 ordinance a sales and use tax of one-half of one percent for the
10 purposes specified in subdivision 3. The provisions of
11 Minnesota Statutes, section 297A.99, govern the imposition,
12 administration, collection, and enforcement of the tax
13 authorized under this subdivision.

14 Subd. 2. [EXCISE TAX AUTHORIZED.] Notwithstanding
15 Minnesota Statutes, section 477A.016, or any other contrary
16 provision of law, ordinance, or city charter, the city of Winona
17 may impose by ordinance, for the purposes specified in
18 subdivision 3, an excise tax of up to \$20 per motor vehicle, as
19 defined by ordinance, purchased or acquired from any person
20 engaged within the city in the business of selling motor
21 vehicles at retail.

22 Subd. 3. [USE OF REVENUES.] Revenues received from the
23 taxes authorized by subdivisions 1 and 2 must be used to pay all
24 or part of the capital costs of transportation contained in the

1 Minnesota Department of Transportation's Winona Intermodal study
2 dated June 2002 and in the resolution approved by the city
3 council on January 3, 2005, including securing or paying debt
4 service on bonds issued under subdivision 4, for the
5 transportation, cultural, or library projects and to pay the
6 cost of collecting and administering the tax. Authorized costs
7 include, but are not limited to, acquiring property and paying
8 construction and engineering costs related to the projects.

9 Subd. 4. [BONDS.] The city of Winona, if approved by
10 voters pursuant to Minnesota Statutes, section 297A.99, may
11 issue general obligation bonds of the city, in one or more
12 series, in the aggregate principal amount not to exceed
13 \$20,000,000 to pay capital and administrative costs of the
14 transportation, cultural, or library projects. The debt
15 represented by the bonds is not included in computing any debt
16 limitations applicable to the city, and the levy of taxes
17 required by Minnesota Statutes, section 475.61, to pay the
18 principal of and interest on the bonds is not subject to any
19 levy limitation or included in computing or applying any levy
20 limitation applicable to the city.

21 Subd. 5. [TERMINATION OF TAXES.] The taxes imposed under
22 subdivisions 1 and 2 expire at the later of 15 years after the
23 imposition of the tax or when the Winona city council determines
24 that sufficient funds have been received from the taxes to
25 prepay or retire at maturity the principal, interest, and
26 premium due on any bonds issued for the projects under
27 subdivision 4. Any funds remaining after expiration of the
28 taxes and retirement of the bonds may be placed in a capital
29 project fund of the city. The taxes imposed under subdivisions
30 1 and 2 may expire at an earlier time if the city so determines
31 by ordinance.

32 [EFFECTIVE DATE.] This section is effective the day after
33 compliance by the governing body of the city of Winona with
34 Minnesota Statutes, section 645.021, subdivision 3."

1 moves to amend H. F. No., as follows:

2 Page ..., after line ..., insert:

3 "Sec. ... Laws 2002, chapter 377, article 11, section 2,
4 subdivision 1, is amended to read:

5 Subdivision 1. [SALES AND USE TAX.] (a) Notwithstanding
6 Minnesota Statutes, section 477A.016, or any other provision of
7 law, ordinance, or city charter, the following cities may, by
8 ordinance, impose a sales and use tax of one-half of one percent
9 for the purposes specified in subdivision 2:

10 (1) the city of St. Cloud, pursuant to the approval of the
11 city voters at the general election held on November 7, 2000;

12 (2) the city of Sartell, pursuant to the approval of the
13 city voters at an election held in November 1999; and

14 (3) each of the cities of Sauk Rapids, Waite-Park, St.
15 Joseph, and St. Augusta, pursuant to the approval of the voters
16 of that city at the next general election following the date of
17 final enactment of this act, as provided for in subdivision 3;
18 and

19 (4) the city of Waite Park pursuant to the approval of the
20 voters at the general election held November 4, 2003.

21 (b) The provisions of Minnesota Statutes, section 297A.99,
22 govern the imposition, administration, collection, and
23 enforcement of the taxes authorized under this subdivision.

24 (c) The tax in Sartell must be used for the purposes listed

1 in subdivision 2, notwithstanding other purposes listed in the
2 referendum, and are not subject to the requirements of Minnesota
3 Statutes, section 297A.99, subdivision 3.

4 [EFFECTIVE DATE.] This section is effective the day after
5 compliance by the governing body of the city of Waite Park with
6 Minnesota Statutes, section 645.021, subdivision 3.

7 Sec. ... Laws 2002, chapter 377, article 11, section 2,
8 subdivision 4, is amended to read:

9 Subd. 4. [IMPOSITION AND TERMINATION OF TAX.] The tax
10 authorized by each city under subdivision 1 shall be imposed
11 beginning January 1, 2003, or on the first day of a calendar
12 quarter after the city has been approved at a referendum and
13 authorized by city ordinance, and shall expire ~~December-31-2005~~
14 March 31, 2007, unless another local sales tax is imposed under
15 another law, in which case this tax will expire when the other
16 tax is imposed. The tax may expire at an earlier time if the
17 city so determines by ordinance.

18 [EFFECTIVE DATE.] This section is effective the day
19 following final enactment.

20 Sec. ... [ST. CLOUD AREA CITIES; SALES AND USE TAX
21 AUTHORIZED.]

22 Subdivision 1. [SALES AND USE TAX
23 AUTHORIZED.] Notwithstanding Minnesota Statutes, sections
24 297A.99, subdivision 3, paragraph (d), and 477A.016, or any
25 other provision of law, ordinance, or city charter, the
26 following cities may, by ordinance, impose a sales and use tax
27 of one-half of one percent for the purposes specified in
28 subdivision 2:

29 (1) the cities of St. Cloud and St. Joseph, pursuant to the
30 approval of the city voters at the general election held on
31 November 2, 2004; and

32 (2) the cities of St. Augusta, Sartell, Sauk Rapids, and
33 Waite Park pursuant to the approval of the voters of that city
34 at the next general election.

35 The provisions of Minnesota Statutes, section 297A.99,
36 except subdivision 3, paragraph (d), govern the imposition,

1 administration, collection, and enforcement of the tax
2 authorized under this section, unless specifically provided for
3 otherwise in another subdivision.

4 Subd. 2. [USE OF REVENUES.] (a) Revenues received from the
5 tax authorized by subdivision 1 by the city of St. Cloud must be
6 used for the cost of collecting and administering the tax and to
7 pay all or part of the capital or administrative costs of the
8 development, acquisition, construction, improvement, and
9 securing and paying debt service on bonds or other obligations
10 issued to finance the following regional projects as approved by
11 the voters and specifically detailed in the referendum
12 authorizing the tax:

13 (1) St. Cloud Regional Airport;
14 (2) regional transportation improvements;
15 (3) community and aquatics centers;
16 (4) regional public libraries; and
17 (5) acquisition and improvement of regional park land and
18 open space.

19 (b) Revenues received from the tax authorized by
20 subdivision 1 by the cities of St. Joseph, Waite Park, Sartell,
21 Sauk Rapids, and St. Augusta must be used for the cost of
22 collecting and administering the tax and to pay all or part of
23 the capital or administrative costs of the development,
24 acquisition, construction, improvement, and securing and paying
25 debt service on bonds or other obligations issued to fund the
26 projects specifically approved by the voters at the referendum
27 authorizing the tax. The portion of revenues from the city
28 going to fund the regional airport or regional library located
29 in the city of St. Cloud will be as required under the
30 applicable joint powers agreement.

31 (c) The use of revenues received from the taxes authorized
32 in subdivision 1 for projects allowed under paragraphs (a) and
33 (b) are limited to the amount authorized for each project under
34 the enabling referendum.

35 Subd. 3. [ST. CLOUD BONDING AUTHORIZED.] (a) The city of
36 St. Cloud may issue general obligation bonds of up to

1 \$30,000,000 to pay for the costs of the regional public library
2 pursuant to the approval of the projects by the city voters at
3 the election held on November 2, 2004.

4 (b) Each city may issue general obligation bonds for
5 another project authorized under subdivision 2 without separate
6 bonding approval at a referendum only if the issuance of bonds
7 for that project was included in the authorizing question. The
8 amount of bonds issued for a project is limited to the maximum
9 amount of local sales tax revenues that may be spent on the
10 project under the authorizing question.

11 (c) The debt represented by the bonds authorized under this
12 subdivision must not be included in computing any debt
13 limitations applicable to the city, and the levy of taxes
14 required by Minnesota Statutes, section 475.61, to pay the
15 principal or any interest on the bonds must not be subject to
16 any levy limitations or be included in computing or applying any
17 levy limitation applicable to the city.

18 Subd. 4. [TERMINATION OF TAX.] The tax imposed in the
19 cities of St. Joseph, St. Cloud, St. Augusta, Sartell, Sauk
20 Rapids, and Waite Park under subdivision 1 expires when the city
21 council determines that sufficient funds have been collected
22 from the tax to retire or redeem the bonds and obligations
23 authorized under subdivision 2, paragraph (a), but no later than
24 December 31, 2018

25 [EFFECTIVE DATE.] This section is effective for the city
26 that approves it the day after compliance by the governing body
27 of each city with Minnesota Statutes, section 645.021,
28 subdivision 3, for sales and purchases made on and after January
29 1, 2006. Agreements and contracts for spending may not be
30 entered into and spending may not occur for the purposes
31 authorized in subdivision 2 nor may bonds be issued under
32 subdivision 3 until January 1, 2006."

1 moves to amend H. F. No., as follows:

2 Page .., after line .., insert:

3 "Sec. ... Laws 1998, chapter 389, article 8, section 43,
4 subdivision 3, is amended to read:

5 Subd. 3. [USE OF REVENUES.] Revenues received from the
6 taxes authorized by subdivisions 1 and 2 must be used by the
7 city to pay for the cost of collecting and administering the
8 taxes and to pay for the following projects:

9 (1) transportation infrastructure improvements including
10 ~~both~~ regional highway and airport improvements;

11 (2) improvements to the civic center complex;

12 (3) a municipal water, sewer, and storm sewer project
13 necessary to improve regional ground water quality; and

14 (4) construction of a regional recreation and sports center
15 and ~~associated~~ other higher education facilities available for
16 both community and student use, ~~located at or adjacent to the~~
17 ~~Rochester center.~~

18 The total amount of capital expenditures or bonds for these
19 projects that may be paid from the revenues raised from the
20 taxes authorized in this section may not exceed

21 ~~\$71,500,000~~ \$111,500,000. The total amount of capital

22 expenditures or bonds for the project in clause (4) that may be
23 paid from the revenues raised from the taxes authorized in this
24 section may not exceed ~~\$20,000,000~~ \$28,000,000.

1 [EFFECTIVE DATE.] This section is effective the day
2 following final enactment.

3 Sec. Laws 1998, chapter 389, article 8, section 43,
4 subdivision 4, is amended to read:

5 Subd. 4. [BONDING AUTHORITY.] (a) The city may issue bonds
6 under Minnesota Statutes, chapter 475, to finance the capital
7 expenditure and improvement projects. An election to approve
8 the up to \$71,500,000 in bonds under Minnesota Statutes, section
9 475.58, may be held in combination with the election to
10 authorize imposition of the tax under subdivision 1. Whether to
11 permit imposition of the tax and issuance of bonds may be posed
12 to the voters as a single question. The question must state
13 that the sales tax revenues are pledged to pay the bonds, but
14 that the bonds are general obligations and will be guaranteed by
15 the city's property taxes. An election to approve up to an
16 additional \$40 million of bonds under Minnesota Statutes,
17 section 475, may be held in combination with the election to
18 authorize extension of the tax under subdivision 5, paragraph
19 (b).

20 The city may enter into an agreement with Olmsted County
21 under which the city and the county agree to jointly undertake
22 and finance certain roadway infrastructure improvements. The
23 agreement may provide that the city will make available to the
24 county a portion of the sales tax revenues collected pursuant to
25 the authority granted in this section and the bonding authority
26 provided in this subdivision. The county may, pursuant to the
27 agreement, issue its general obligation bonds in a principal
28 amount not exceeding the amount authorized by its agreement with
29 the city payable primarily from the sales tax revenues from the
30 city under the agreement. The county's bonds must be issued in
31 accordance with the provisions of Minnesota Statutes, chapter
32 475, except that no election is required for the issuance of the
33 bonds and the bonds shall not be included in the net debt of the
34 county.

35 (b) The issuance of bonds under this subdivision is not
36 subject to Minnesota Statutes, section 275.60.

1 (c) The bonds are not included in computing any debt
2 limitation applicable to the city, and the levy of taxes under
3 Minnesota Statutes, section 475.61, to pay principal of and
4 interest on the bonds is not subject to any levy limitation.
5 The aggregate principal amount of bonds, plus the aggregate of
6 the taxes used directly to pay eligible capital expenditures and
7 improvements may not exceed \$71,500,000, plus an amount equal to
8 the costs related to issuance of the bonds.

9 (d) The taxes may be pledged to and used for the payment of
10 the bonds and any bonds issued to refund them, only if the bonds
11 and any refunding bonds are general obligations of the city.

12 [EFFECTIVE DATE.] This section is effective the day
13 following final enactment.

14 Sec. ... Laws 1998, chapter 389, article 8, section 43,
15 subdivision 5, is amended to read:

16 Subd. 5. [TERMINATION OF TAXES.] (a) The taxes imposed
17 under subdivisions 1 and 2 expire at the later of (1) April 1,
18 2007, or (2) when the city council determines that sufficient
19 funds have been received from the taxes to finance the projects
20 and to first \$71,500,000 of capital expenditures and bonds for
21 the projects authorized in subdivision 3, including the amount
22 to prepay or retire at maturity the principal, interest, and
23 premium due on any bonds issued for the projects under
24 subdivision 4, unless the taxes are extended as allowed in
25 paragraph (b). Any funds remaining after completion of the
26 project and retirement or redemption of the bonds may be placed
27 in the general fund of the city shall also be used to fund the
28 projects under subdivision 3. The taxes imposed under
29 subdivisions 1 and 2 may expire at an earlier time if the city
30 so determines by ordinance.

31 (b) Notwithstanding Minnesota Statutes, sections 477A.016
32 and 297A.99, or any other contrary provision of law, ordinance,
33 or city charter, the city of Rochester may, by ordinance, extend
34 the taxes authorized in subdivisions 1 and 2 beyond April 1,
35 2007, if approved by the voters of the city at a special
36 election in 2005 or the general election in 2006. The question

1 put to the voters must indicate that an affirmative vote would
2 allow up to an additional \$40,000,00 of sales tax revenues be
3 raised and up to \$40,000,000 of bonds to be issued above the
4 amount authorized in the June 23, 1998, referendum for the
5 projects specified in subdivision 3. If the taxes authorized in
6 subdivisions 1 and 2 are extended under this paragraph, they
7 expire when the city council determines that sufficient funds
8 have been received from the taxes to finance the projects and to
9 prepay or retire at maturity the principal, interest, and
10 premium due on any bonds issued for the projects under
11 subdivision 4. Any funds remaining after completion of the
12 project and retirement or redemption of the bonds may be placed
13 in the general fund of the city.

14 [EFFECTIVE DATE.] This section is effective the day after
15 compliance by the governing body of the city of Rochester with
16 Minnesota Statutes, section 645.021, subdivision 3."

1 Senator moves to amend S.F. No. as follows:

2 Page ..., after line ..., insert:

3 "Sec. ... Laws 2005, chapter 155, article 3, section 7, is
4 amended to read:

5 [501B.895] [PUBLIC HEALTH CARE PROGRAMS AND CERTAIN
6 TRUSTS.]

7 (a) It is the public policy of this state that individuals
8 use all available resources to pay for the cost of long-term
9 care services, as defined in section 256B.0595, before turning
10 to Minnesota health care program funds, and that trust
11 instruments should not be permitted to shield available
12 resources of an individual or an individual's spouse from such
13 use.

14 (b) When a state or local agency makes a determination on
15 an application by the individual or the individual's spouse for
16 payment of long-term care services through a Minnesota public
17 health care program pursuant to chapter 256B, any irrevocable
18 inter-vivos trust or any legal instrument, device, or
19 arrangement similar to an irrevocable inter-vivos trust created
20 on or after July 1, 2005, containing assets or income of an
21 individual or an individual's spouse, including those created by
22 a person, court, or administrative body with legal authority to
23 act in place of, at the direction of, upon the request of, or on
24 behalf of the individual or individual's spouse, ~~becomes~~ shall
25 be treated as if it were revocable for the sole purpose of that
26 determination. For purposes of this section, any inter-vivos
27 trust and any legal instrument, device, or arrangement similar
28 to an inter-vivos trust:

29 (1) shall be deemed to be located in and subject to the
30 laws of this state; and

31 (2) is created as of the date it is fully executed by or on
32 behalf of all of the settlors or others.

33 (c) For purposes of this section, a legal instrument,
34 device, or arrangement similar to an irrevocable inter-vivos
35 trust means any instrument, device, or arrangement which
36 involves a grantor who transfers or whose property is

1 transferred by another including, but not limited to, any court,
2 administrative body, or anyone else with authority to act on
3 their behalf or at their direction, to an individual or entity
4 with fiduciary, contractual, or legal obligations to the grantor
5 or others to be held, managed, or administered by the individual
6 or entity for the benefit of the grantor or others. These legal
7 instruments, devices, or other arrangements are irrevocable
8 inter-vivos trusts for purposes of this section.

9 (d) In the event of a conflict between this section and the
10 provisions of an irrevocable trust created on or after July 1,
11 2005, this section shall control.

12 (e) This section does not apply to trusts that qualify as
13 supplemental needs trusts under section 501B.89 or to trusts
14 meeting the criteria of United States Code, title 42, section
15 1396p (d)(4)(a) and (c) for purposes of eligibility for medical
16 assistance.

17 (f) This section applies to all trusts first created on or
18 after July 1, 2005, as permitted under United States Code, title
19 42, section 1396p, and to all interests in real or personal
20 property regardless of the date on which the interest was
21 created, reserved, or acquired."

22 Renumber the sections in sequence and correct the internal
23 references

24 Amend the title accordingly

1 Senator moves to amend H.F. No. 785 as follows:

2 Page .., after line .., insert:

3 "Sec. ... Minnesota Statutes 2004, section 469.1082, is
4 amended by adding a subdivision to read:

5 Subd. 8. [NINE-MEMBER BOARDS AUTHORIZED.] In addition to
6 the board options under section 469.095, a county economic
7 development authority may have a nine-member board. If the
8 authority has a nine-member board, at least two members must be
9 county commissioners appointed by the county board. Of the
10 county economic development authority board members initially
11 appointed, two each shall be appointed for terms of one, two, or
12 three years, respectively, and one each for terms of four, five,
13 or six years, respectively. Thereafter, all authority members
14 shall be appointed for six-year terms."

15 Renumber the sections in sequence and correct the internal
16 references

17 Amend the title accordingly

1 Senator moves to amend H.F. No. 785, the unofficial
2 engrossment, as follows:

3 Page ..., after line ..., insert:

4 "Sec. ... Minnesota Statutes 2004, section 297I.05,
5 subdivision 4, is amended to read:

6 Subd. 4. [MUTUAL PROPERTY AND CASUALTY COMPANIES WITH
7 TOTAL ASSETS LESS THAN \$1,600,000,000 ON DECEMBER 31, 1989.] A
8 tax is imposed on:

9 (1) mutual insurance companies that sell both property and
10 casualty companies insurance that had total assets greater than
11 \$5,000,000 at the end of the calendar year but that had total
12 assets less than \$1,600,000,000 on December 31, 1989; and

13 (2) a mutual insurance company created pursuant to Laws
14 1983, chapter 287, article 2, that sells only casualty insurance.

15 The rate of tax is equal to:

16 ~~{1} two percent of gross premiums less return premiums on~~
17 ~~all direct business received by the insurer or agents of the~~
18 ~~insurer in Minnesota for life insurance, in cash or otherwise,~~
19 ~~during the year, and~~

20 {2} 1.26 percent of gross premiums less return premiums on
21 all other direct business received by the insurer or agents of
22 the insurer in Minnesota, in cash or otherwise, during the year.

23 [EFFECTIVE DATE.] This section is effective for premiums
24 received after December 31, 2005."

25 Renumber the sections in sequence and correct the internal
26 references

27 Amend the title accordingly

A handwritten mark consisting of a circle with a stylized letter 'A' inside, located in the upper right quadrant of the page.

1 Sec. ... [EFFECTIVE DATE; RELATIONSHIP TO OTHER
2 APPROPRIATIONS.]

3 Appropriations in this act are effective retroactively from
4 July 1, 2005, and supersede and replace funding authorized by
5 order of the Ramsey County District Court in Case No.
6 C9-05-5928, as well as by Laws 2005, First Special Session
7 chapter 2, which provided temporary funding through July 14,
8 2005.



1 Senator moves to amend S.F. No. as follows:

2 Page .., after line .., insert:

3 "Sec. .. [VETERANS SERVICES; APPROPRIATION.]

4 \$125,000 is appropriated in fiscal year 2006 from the
5 general fund to the commissioner of veterans services for a
6 grant to the Vinland Center. This is a onetime appropriation
7 and does not become part of the base."



1 Senator moves to amend S.F. No. as follows:

2 Page ..., line..., insert:

3 "Sec. ... Minnesota Statutes 2004, section 297I.01, as
4 amended by Laws 2005, chapter 151, article 8, section 16, is
5 amended by adding a subdivision to read:

6 Subd. 13a. [REINSURANCE.] "Reinsurance" is insurance
7 whereby an insurance company, for a consideration, agrees to
8 indemnify another insurance company as defined under section
9 297I.05, subdivision 6a, paragraph (b), to the extent taxable
10 under section 297I.05, against all or part of the loss which the
11 latter may sustain under the policy or policies which it has
12 issued.

13 [EFFECTIVE DATE.] This section is effective ~~the-day~~
14 ~~following-final-enactment~~ July 3, 2005."

15 Renumber the sections in sequence and correct the internal
16 references

17 Amend the title accordingly



1 Sec. ... Minnesota Statutes 2004, section 290.01,
2 subdivision 19b, is amended to read:

3 Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For
4 individuals, estates, and trusts, there shall be subtracted from
5 federal taxable income:

6 (1) interest income on obligations of any authority,
7 commission, or instrumentality of the United States to the
8 extent includable in taxable income for federal income tax
9 purposes but exempt from state income tax under the laws of the
10 United States;

11 (2) if included in federal taxable income, the amount of
12 any overpayment of income tax to Minnesota or to any other
13 state, for any previous taxable year, whether the amount is
14 received as a refund or as a credit to another taxable year's
15 income tax liability;

16 (3) the amount paid to others, less the amount used to
17 claim the credit allowed under section 290.0674, not to exceed
18 \$1,625 for each qualifying child in grades kindergarten to 6 and
19 \$2,500 for each qualifying child in grades 7 to 12, for tuition,
20 textbooks, and transportation of each qualifying child in
21 attending an elementary or secondary school situated in
22 Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin,
23 wherein a resident of this state may legally fulfill the state's
24 compulsory attendance laws, which is not operated for profit,

1 and which adheres to the provisions of the Civil Rights Act of
2 1964 and chapter 363A. For the purposes of this clause,
3 "tuition" includes fees or tuition as defined in section
4 290.0674, subdivision 1, clause (1). As used in this clause,
5 "textbooks" includes books and other instructional materials and
6 equipment purchased or leased for use in elementary and
7 secondary schools in teaching only those subjects legally and
8 commonly taught in public elementary and secondary schools in
9 this state. Equipment expenses qualifying for deduction
10 includes expenses as defined and limited in section 290.0674,
11 subdivision 1, clause (3). "Textbooks" does not include
12 instructional books and materials used in the teaching of
13 religious tenets, doctrines, or worship, the purpose of which is
14 to instill such tenets, doctrines, or worship, nor does it
15 include books or materials for, or transportation to,
16 extracurricular activities including sporting events, musical or
17 dramatic events, speech activities, driver's education, or
18 similar programs. For purposes of the subtraction provided by
19 this clause, "qualifying child" has the meaning given in section
20 32(c)(3) of the Internal Revenue Code;
21 (4) income as provided under section 290.0802;
22 (5) to the extent included in federal adjusted gross
23 income, income realized on disposition of property exempt from
24 tax under section 290.491;
25 (6) to the extent included in federal taxable income,
26 postservice benefits for youth community service under section
27 124D.42 for volunteer service under United States Code, title
28 42, sections 12601 to 12604;
29 (7) to the extent not deducted in determining federal
30 taxable income by an individual who does not itemize deductions
31 for federal income tax purposes for the taxable year, an amount
32 equal to 50 percent of the excess of charitable contributions
33 allowable as a deduction for the taxable year under section
34 170(a) of the Internal Revenue Code over \$500 ;
35 (8) for taxable years beginning before January 1, 2008, the
36 amount of the federal small ethanol producer credit allowed

1 under section 40(a)(3) of the Internal Revenue Code which is
2 included in gross income under section 87 of the Internal
3 Revenue Code;

4 (9) for individuals who are allowed a federal foreign tax
5 credit for taxes that do not qualify for a credit under section
6 290.06, subdivision 22, an amount equal to the carryover of
7 subnational foreign taxes for the taxable year, but not to
8 exceed the total subnational foreign taxes reported in claiming
9 the foreign tax credit. For purposes of this clause, "federal
10 foreign tax credit" means the credit allowed under section 27 of
11 the Internal Revenue Code, and "carryover of subnational foreign
12 taxes" equals the carryover allowed under section 904(c) of the
13 Internal Revenue Code minus national level foreign taxes to the
14 extent they exceed the federal foreign tax credit;

15 (10) in each of the five tax years immediately following
16 the tax year in which an addition is required under subdivision
17 19a, clause (7), an amount equal to one-fifth of the delayed
18 depreciation. For purposes of this clause, "delayed
19 depreciation" means the amount of the addition made by the
20 taxpayer under subdivision 19a, clause (7), minus the positive
21 value of any net operating loss under section 172 of the
22 Internal Revenue Code generated for the tax year of the
23 addition. The resulting delayed depreciation cannot be less
24 than zero; and

25 (11) job opportunity building zone income as provided under
26 section 469.316;

27 (12) an amount, not to exceed \$10,000, equal to qualified
28 expenses related to a qualified donor's donation, while living,
29 of one or more of the qualified donor's organs to another person
30 for human organ transplantation. For purposes of this clause,
31 "organ" means all or part of an individual's liver, pancreas,
32 kidney, intestine, lung, or bone marrow; "human organ
33 transplantation" means the medical procedure by which transfer
34 of a human organ is made from the body of one person to the body
35 of another person; "qualified expenses" means unreimbursed
36 expenses for both the individual and the qualified donor for (i)

1 travel, (ii) lodging, and (iii) lost wages net of sick pay,
2 except that such expenses may be subtracted under this clause
3 only once; and "qualified donor" means the individual or the
4 individual's dependent, as defined in section 152 of the
5 Internal Revenue Code. An individual may claim the subtraction
6 in this clause for each instance of organ donation for
7 transplantation during the taxable year in which the qualified
8 expenses occur.

9 [EFFECTIVE DATE.] This section is effective for the tax
10 years beginning after December 31, 2004.

Senate Offer

Monday, July 11, 2005

2:00 p.m.

- A. Net Revenues as per budget sheet
- B. Tax Relief Account – approximately \$47 million

\$35 million Market Value Credit

LGA:

\$6m Small Cities

\$1.5m Taconite Aid Offset

\$3.5m Regional Center Over-Population Threshold

\$775k Hutchinson, Osseo, Champlin

LGA appropriation inflated IPD 2 ½ floor, 5% ceiling

Revenue need measure inflated 2 additional yrs. eff. Pay 07

AGREE

Lightly Shading Indicates Items Specified in Agreement

Tax Revenue Gains

	7-11-05 Offer 2PM		
	FY 06	FY 07	FY 06-07
Tax Deferred Wages on Non-Residents	2,000	2,100	4,100
Quarterly Withholding for NR partnerships and S	13,200	850	14,050
Contractor Withholding at 2%	1,800	1,800	3,600
American Job Creation Act	8,580	12,185	20,765
Upfront Payment on Leased Vehicles	18,921	19,749	38,670
Rental Vehicle Tax	4,790	13,800	18,590
Cigarettes at Wholesale			
Payment Shift	5,400	0	5,400
Compliance Impact	2,250	2,700	4,950
Out of State Vendors	680	2,730	3,410
Gas Pipelines	9,110	11,720	20,830
* Reverse Sprint Case	1,500	1,560	3,060
Alcoholic Beverages	23,650	60,300	83,950
Insurance Stop Loss	1,400	3,700	5,100
Tax Shelter Compliance	55,100	1,700	56,800
* CUNA <i>with Amend</i>	90	240	330
<i>LLNA INTERACTION</i>	<i>1,480</i>		
Total Revenue Gains--Gross	148,471	135,134	283,605

Revenue Reductions

Organ Donation Expenses <i>New Lang</i>	(102)	(107)	(209) ²¹³
Exempt National Guard for MN			
Active Service	(42)	(42)	(84)
Subtraction for Active Duty			
Military Out of State	(960)	(970)	(1,930)
Military Family Tax Relief Act	(680)	(330)	(1,010)
K-12 Credit	(695)	(730)	(1,425)
RAIN	0	(3,847)	(3,847)
10% Credit for Historic Structures	(1,640)	(2,200)	(3,840)
HSA's	(5,200)	(3,000)	(8,200)
Working Families Tax Relief Act	(3,980)	(70)	(4,050)
WFC	0	0	0
Dependent Care Credit	0	0	0
Exempt Disaster Mitigation Grants	0	(30)	(30)
Change in Income Tax			
Revenue due to K-12 Levies	0	(6,100)	(6,100)
Exemption for Ready to Eat Meat/Seafood	(325)	(795)	(1,120)
Exempt Certain Solar Energy	(40)	(50)	(90)
Exempt TV and Movie Inputs	(450)	(490)	(940)
Public Safety Radio <i>uncapped</i>	(1,540)	(1,510)	(3,050)
Catholic Charities Food Exemption	(58)	(8)	(66)
Commuter Rail Construction Exemption	0	(1,000)	(1,000)
Waste Recovery Facilities:			
Olmstead County	0	(745)	(745)
Red Wing	0	(70)	(70)
Minneapolis	(70)	(190)	(260)
Turkey Litter	(800)	0	(800)
Laurentian Energy Biomass	(134)	(300)	(434)
Thief River Falls Arena	(350)	0	(350)
Crown Hydro	(145)	(20)	(165)
Chatfield	(160)	0	(160)
U of M AHC (Feb. 03 Forecast Levels for FY 06-07)	(1,557)	(1,549)	(3,106)
MERC (Feb. 03 Forecast Levels for FY 06-07)	(598)	(595)	(1,194)
Meeker Coop Refund	(200)	0	(200)
Insurance Premiums to 1.5%	(1,000)	(3,500)	(4,500)
Single Sales	0	(2,300)	(2,300)
Total Revenue Reductions	(20,726)	(30,548)	(51,275)

Net Revenues:

(Gross Revenue - Reductions)	127,745	104,586	232,330
Target			232,000
			330

	FY 06	FY 07	FY 06-07
Tax Revenue Changes in Enacted Bills			
Streamlines Sales Tax	9,800	31,520	41,320
Great River School Abatement	(15)	0	(15)
Change in Liquor Tax Payment	(25)	0	(25)
Change in Fur Tax Payments	(25)	0	(25)
Total Change Enacted Bills	9,735	31,520	41,255

Net Revenues + Changes from Enacted Bills	137,480	136,106	273,585
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Tax Bill Expenditure Changes

Rent Credit at Current Law	0	0	0
PCR at Current Law	0	0	0
Utility Personal Property			
Faribault	0	0	0
Cannon Falls	0	0	0
Shakopee	0	0	0
Poultry Litter	0	0	0
Repeal Property Tax Exemption for Biotech Zones	0	(14)	(14)
Repeal JOBZ Aid	0	0	0
PTR Increase from K-12 Levies	0	3,695	3,695
4D Class Rate Change <i>3/4</i>	0	0	0
LMV for Small Resorts	0	0	0
Class 1c Resorts: 1st Tier to \$450K <i>500</i>	0	47	47
LMV 2 Year Delay of Sunset	0	29	29
LGA	0	45,000	45,000
Market Value Credit Reimbursement	(17,800)	(17,500)	(35,300)
Taxpayer Assistance Grants (to be in base)	125	125	250
Correction to State Depts. Bill/Inland Center	275 <i>125</i>	0	275 <i>125</i>
PILT	21	21	42
Total Tax Bill Expenditure Changes	(17,379)	31,403	14,024

Tax Expenditure Changes in Enacted Bills:

WBL LGA	105	0	105
Sauk Watershed Levy	0	7	7
Met Council Bus Bonds	0	0	0
Senior Deferral Special Assessments	0	19	19
MVC for Fractional Homesteads Change	0	(500)	(500)
County Court Aid Transfer	66	133	199
Reduce District Court Base Budget	(66)	(133)	(199)
Total Enacted Tax Expenditure Changes	105	(474)	(369)

Total Open Tax and Enacted

Tax Expenditure Changes	(17,274)	30,929	13,655
Target			13,014
Amount Over (under) Target			641 <i>491</i>

House Offer -- 7/11/05 (6:30 pm)

TOTAL REVENUE CHANGES -- Above forecast

Shaded items are either enacted, agreed to by the working group, or in Governor's Agreement

Revenue Increases	House FY06-07
Require quarterly withholding for nonres partnerships & S-corps	14,050
Require 2% withholding on payments to self-employed construction subcontractors - compromise language	3,600
Fed Conformity -- American Job Creation Act of 2004 (selected items)	20,765
Income tax interaction -- LGA increase (lower property taxes raises inc taxes)	1,480
Require up-front payment of sales tax on leased vehicles (10/1/05)	38,670
Rental vehicles tax rate -- Repeal 12/31/05 expiration date for special 12.7% sales tax rate	18,590
Collect cigarette sales tax at wholesale (\$0.20/pack) -- payment shift	5,400
-- compliance impact	4,950
Require state vendors to collect sales tax	3,410
Define industrial production to exclude gas pipelines	20,830
Reverse Sprint case: tax telecom. wire, fiber, poles, conduit	3,060
Alcoholic beverages -- Enact 2.5% gross receipts tax (eff. 1/1/06, when sales tax rate on alcohol falls from 9% to 6.5%)	83,950
CUNA	330
Insurance -- Subject stop-loss policies to premiums tax eff. 1/1/06	5,100
Tax Shelter Compliance	56,800
FOC definition change (<u>Governor</u>)	3,100

Revenue Reductions

Subtract expenses related to organ donation (up to \$10,000) -- <u>compromise language</u>	(213)
Exempt National Guard pay for active service in Minnesota	(84)
Military pay -- Subtract active duty military service out of state	(1,930)
K-12 Credit -- Starting 2005 repeal family cap & repeal need to allocate costs to specific child; phaseout at \$1/\$2 for >1 child ["Option 4"]	(1,425)
Federal Conformity	
Military Family Tax Relief Act of 2003	(1,010)
Medicare Act of 2003 -- Health Savings Accounts only	(8,200)
Working Families Tax Relief Act of 2005 -- \$250 teacher expenses	(2,400)
Working Families Tax Relief Act of 2005 -- All other provisions	(1,650)
Public Law 109-7 -- Exempt disaster mitigation grants	(30)
Change in income tax revenue due to property tax increases	(6,100)
Phase in single sales apportionment (GOV: Phase in over 8 years)	(2,300)
Ready-to-eat meats & seafood -- Repeal 12/31/05 expiration date	(1,120)
Exempt certain solar energy systems (eff. 8/1/05)	(90)
Exempt inputs for public safety radio systems (capped total)	(3,050)
Life insurance -- Reduce premiums tax to 1.5% (GOV -- phase in over 4 years)	(4,500)
International Trade Zone (modified language) -- cost in FY 2008-09	0
Meeker County JOBZ refunds	(200)
Redwood Falls JOBZ refunds (only camera equipment)	(50)
AMT full deduction for charitable contributions -- Senate: eff. 2005	(6,300)
Long-term care insurance credit -- eliminate deduction offset	(630)
10% investment credit for dairy farms -- <u>House language</u>	(1,900)
Exempt artistic events at MNSCU & private colleges	(137)
Exempt milk sold in vending machines	(264)
Border city -- retailer credit for cigarette tax differential	(3,050)
Academic Health Center & MERC -- fixed \$21.38 million for AHC & \$8.22 for MERC starting FY 2007	(1,250)
Estate tax--Qualified Terminal Interest Property (QTIP) (eff 1/1/07)	0
<u>Exempt construction materials</u>	
Olmsted County waste recovery	(745)
Red Wing waste recovery	(70)
Minneapolis waste recovery	(260)

TOTAL 235,127

Revenue change target: 232,000

Amount over target: 3,127

Target number excludes cigarette & tobacco fee revenue, SSTP & other enacted revenue provisions.

HOUSE OFFER 7/11/05, 6:30pm

Property Tax Aids and Credits - Expenditures

shaded items are enacted, agreed to by working group or in Governor's agreement

	House FY06-07
Utility personal property tax exemption - Faribault	\$0
Utility personal property tax exemption - Cannon Falls	0
Utility personal property tax exemption - Shakopee	0
Utility personal property tax exemption poultry litter biomass facility - Benson (extension)	0
Class 1c resorts , reduces 1st tier class rate to .55% up to \$500k, next \$1.7 mil is 1%, above \$2.2 mil is 4c, eliminates box	52
4d , reduces class rate to 0.75%	840
Sank River Watershed Levy , 0.01% of market value increase	7
Met Council Bus Bonds - \$64 mil	0
Repeals property tax exemption for Biotech Zones	(14)
Education Finance Bill increase in K-12 levies - PTR increase	3,695
PTR savings - Increase in LGA	(880)
LGA , White Bear Lake in FY06, increases LGA funding by \$45 mil in FY07 & after	45,105
Transfer to County Aid from Courts (Washington & Anoka)	199
Reduction to District Court base budget	(199)
Repeals JOBZ Aid	0
Extends reductions to MV credit for cities in FY06-07	(35,300)
Change MV credit calculation for fractional hmstds	(500)
Include special assessments & charges for Senior Deferral	19
Taxpayer Assistance Grants (in base)	250
Increases PILT payments for LUP lands , \$0.75/acre.	42
One-time appropriation for the Vinland Center	125
Border Cities : Allocates money to Western border city enterprise zones	1,500
Disaster Grants - Otter Tail County	500
Property tax exclusion for disabled veterans or spouse (up to \$100,000 of market value is excluded from taxation)	(1,300)
Appropriation for DOR administration	2,000
<hr/>	
Amount Over or (Under) Base	\$16,141
Base	2,960,815
Total Spending	2,976,956
Spending Target	2,973,829
Amount Over or (Under) Target	3,127

Senate Offer

Monday, July 11, 2005

8:00 p.m.

- A. Net Revenues as per budget sheet
- B. Tax Relief Account – approximately \$47 million

\$35 million Market Value Credit

LGA:

\$6m Small Cities

\$1.5m Taconite Aid Offset

\$3.5m Regional Center Over-Population Threshold

\$775k Hutchinson, Osseo, Champlin

LGA appropriation inflated IPD 2 ½ floor, 5% ceiling

Revenue need measure inflated 2 additional yrs. eff. Pay 07

Tax Revenue Gains

	7-11-05 Offer 8PM		
	<u>FY 06</u>	<u>FY 07</u>	<u>FY 06-07</u>
Tax Deferred Wages on Non-Residents	0	0	0
Quarterly Withholding for NR partnerships and S	13,200	850	14,050
Contractor Withholding at 2%	1,800	1,800	3,600
American Job Creation Act	8,580	12,185	20,765
Upfront Payment on Leased Vehicles	18,921	19,749	38,670
Rental Vehicle Tax	4,790	13,800	18,590
Cigarettes at Wholesale			
Payment Shift	5,400	0	5,400
Compliance Impact	2,250	2,700	4,950
Out of State Vendors	680	2,730	3,410
Gas Pipelines	9,110	11,720	20,830
Reverse Sprint Case	1,500	1,560	3,060
Alcoholic Beverages	23,650	60,300	83,950
Insurance Stop Loss	1,400	3,700	5,100
Tax Shelter Compliance	55,100	1,700	56,800
Income Tax Effects of LGA			1,480
CUNA	90	240	330

Total Revenue Gains--Gross	146,471	133,034	280,985
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Revenue Reductions

Organ Donation Expenses	(104)	(109)	(213)
Exempt National Guard for MN Active Service	(42)	(42)	(84)
Subtraction for Active Duty Military Out of State	(960)	(970)	(1,930)
Military Family Tax Relief Act	(680)	(330)	(1,010)
K-12 Credit	(695)	(730)	(1,425)
RAIN	0	(468)	(468)
AMT/Charitable Contributions	(1,000)	(1,000)	(2,000)
Redwood Falls JOBZ/Airplanes	0	(50)	(50)
MnsCu Exemption for Artistic Events	(67)	(68)	(135)
10% Credit for Historic Structures	0	(2,200)	(2,200)
HSAs	(5,200)	(3,000)	(8,200)
Working Families Tax Relief Act	(3,980)	(70)	(4,050)
WFC	0	0	0
Dependent Care Credit	0	0	0
Exempt Disaster Mitigation Grants	0	(30)	(30)
Change in Income Tax Revenue due to K-12 Levies	0	(6,100)	(6,100)
Exemption for Ready to Eat Meat/Seafood	(325)	(795)	(1,120)
Exempt Certain Solar Energy	(40)	(50)	(90)
Exempt TV and Movie Inputs	0	0	0
Public Safety Radio	(1,540)	(1,510)	(3,050)
Catholic Charities Food Exemption	(58)	(8)	(66)
Commuter Rail Construction Exemption	0	(1,000)	(1,000)
Waste Recovery Facilities:			
Olmstead County	0	(745)	(745)
Red Wing	0	(70)	(70)
Minneapolis	(70)	(190)	(260)
Turkey Litter	(800)	0	(800)
Laurentian Energy Biomass	(134)	(300)	(434)
Thief River Falls Arena	(350)	0	(350)
Crown Hydro	(145)	(20)	(165)
Chatfield	(160)	0	(160)
U of M AHC (Feb. 03 Forecast Levels for FY 06-07)	(1,557)	(1,549)	(3,106)
MERC (Feb. 03 Forecast Levels for FY 06-07)	(598)	(595)	(1,194)
Cargo	0	0	0
Meeker Coop Refund	(200)	0	(200)
Insurance Premiums to 1.5%	(1,000)	(3,500)	(4,500)
Single Sales	0	(2,300)	(2,300)
Total Revenue Reductions	(19,705)	(27,799)	(47,505)

Net Revenues:

(Gross Revenue - Reductions)	126,766	105,235	232,000
Target			232,000
Amount Over (Under) Target			0

	<u>FY 06</u>	<u>FY 07</u>	<u>FY 06-07</u>
Tax Revenue Changes in Enacted Bills			
Streamlines Sales Tax	9,800	31,520	41,320
Great River School Abatement	(15)	0	(15)
Change in Liquor Tax Payment	(25)	0	(25)
Change in Fur Tax Payments	(25)	0	(25)
Total Change Enacted Bills	9,735	31,520	41,255
Net Revenues + Changes from Enacted Bills	136,501	136,755	273,255

Tax Bill Expenditure Changes

Rent Credit at Current Law	0	0	0
PCR at Current Law	0	0	0
Utility Personal Property			
Fairbault	0	0	0
Cannon Falls	0	0	0
Shakopee	0	0	0
Poultry Litter	0	0	0
Repeal Property Tax Exemption for Biotech Zones	0	(14)	(14)
Repeal JOBZ Aid	0	0	0
PTR Increase from K-12 Levies	0	3,695	3,695
4D Class Rate Change	0	840	840
LMV for Small Resorts	0	0	0
Class 1c Resorts: 1st Tier to \$500K	0	52	52
LMV 2 Year Delay of Sunset	0	29	29
LGA	0	45,000	45,000
Market Value Credit Reimbursement	(17,800)	(17,500)	(35,300)
Taxpayer Assistance Grants (to be in base)	125	125	250
PTR Savings from LGA	0	(880)	(880)
PILT	21	21	42
Correction to State Depts. Bill/Vinland Center	125	0	125
Elementary/Middle School IB Pilot	150	150	300
DOR Appropriation	50	50	100
Total Tax Bill Expenditure Changes	(17,329)	31,568	14,239

Tax Expenditure Changes in Enacted Bills:

WBL LGA	105	0	105
Sauk Watershed Levy	0	7	7
Met Council Bus Bonds	0	0	0
Senior Deferral Special Assessments	0	19	19
MVC for Fractional Homesteads Change	0	(500)	(500)
County Court Aid Transfer	66	133	199
Reduce District Court Base Budget	(66)	(133)	(199)
Total Enacted Tax Expenditure Changes	105	(474)	(369)

Total Open Tax and Enacted

Tax Expenditure Changes	(17,224)	31,094	13,870
Target			13,014
Amount Over (under) Target			856

House Offer -- 7/11/05 (8:30 pm)

TOTAL REVENUE CHANGES -- Above forecast

Shaded items are either enacted, agreed to by the working group, or in Governor's Agreement.

	House FY06-07
Revenue Increases	
Require quarterly withholding for nonres partnerships & S-corps	14,050
Require 2% withholding on payments to self-employed construction subcontractors - compromise language	3,600
Fed Conformity -- American Job Creation Act of 2004 (selected items)	20,765
Income tax interaction -- LGA increase (lower property taxes raises inc taxes)	1,480
Require up-front payment of sales tax on leased vehicles (10/1/05)	38,670
Rental vehicles tax rate -- Repeal 12/31/05 expiration date for special 12.7% sales tax rate	18,590
Collect cigarette sales tax at wholesale (\$0.20/pack) -- payment shift	5,400
-- compliance impact	4,950
Require state vendors to collect sales tax	3,410
Define industrial production to exclude gas pipelines	20,830
Reverse Sprint case: tax telecom. wire, fiber, poles, conduit	3,060
Alcoholic beverages -- Enact 2.5% gross receipts tax (eff. 1/1/06, when sales tax rate on alcohol falls from 9% to 6.5%)	83,950
CUNA	330
Insurance -- Subject stop-loss policies to premiums tax eff. 1/1/06	5,100
Tax Shelter Compliance	56,800
FOC definition change (<u>Governor</u>)	3,100
Revenue Reductions	
Subtract expenses related to organ donation (up to \$10,000) -- <u>compromise language</u>	(213)
Exempt National Guard pay for active service in Minnesota	(84)
Military pay -- Subtract active duty military service out of state	(1,930)
K-12 Credit -- Starting 2005 repeal family cap & repeal need to allocate costs to specific child; phaseout at \$1/\$2 for >1 child ["Option 4"]	(1,425)
Federal Conformity	
Military Family Tax Relief Act of 2003	(1,010)
Medicare Act of 2003 -- Health Savings Accounts only	(8,200)
Working Families Tax Relief Act of 2005 -- \$250 teacher expenses	(2,400)
Working Families Tax Relief Act of 2005 -- All other provisions	(1,650)
Public Law 109-7 -- Exempt disaster mitigation grants	(30)
Change in income tax revenue due to property tax increases	(6,100)
Phase in single sales apportionment (GOV: Phase in over 8 years)	(2,300)
Ready-to-eat meats & seafood -- Repeal 12/31/05 expiration date	(1,120)
Exempt certain solar energy systems (eff. 8/1/05)	(90)
Exempt inputs for public safety radio systems (capped total)	(3,050)
Life insurance -- Reduce premiums tax to 1.5% (GOV -- phase in over 4 years)	(4,500)
International Trade Zone (modified language) -- cost in FY 2008-09	0
Meeker County JOBZ refunds	(200)
Redwood Falls JOBZ refunds (only camera equipment)	(50)
AMT full deduction for charitable contributions -- Scaled 2005, full 2006	(4,910)
Long-term care insurance credit -- eliminate deduction offset	(630)
10% investment credit for dairy farms -- <u>House language</u>	(1,900)
Exempt artistic events at MNSCU & private colleges	(137)
Border city -- retailer credit for cigarette tax differential	(3,050)
Academic Health Center & MERC -- fixed \$21.38 million for AHC & \$8.22 for MERC starting FY 2007	(1,250)
Estate tax--Qualified Terminal Interest Property (QTIP) (eff 1/1/07)	0
Catholic Charities food exemption	(66)
Exempt construction materials	
Olmsted County waste recovery	(745)
Red Wing waste recovery	(70)
Minneapolis waste recovery	(260)
Turkey litter	(800)
Laurentian Energy biomass	(434)
Crown Hydro	(165)
Chatfield	(160)
TOTAL	235,156

Revenue change target: 232,000

Amount over target: 3,156

Target number excludes cigarette & tobacco fee revenue, SSTP & other enacted revenue provisions.

HOUSE OFFER 7/11/05, 8:30pm

Property Tax Aids and Credits - Expenditures

shaded items are enacted, agreed to by working group or in Governor's agreement

	House FY06-07
Utility personal property tax exemption - Faribault	\$0
Utility personal property tax exemption - Cannon Falls	0
Utility personal property tax exemption - Shakopee	0
Utility personal property tax exemption poultry litter biomass facility - Benson (extension)	0
Utility personal property tax exemption (biomass) for Mpls - Sears site	
Class 1c resorts. reduces 1st tier class rate to .55% up to \$500k, next \$1.7 mil is 1%, above \$2.2 mil is 4c, eliminates box	52
4d. reduces class rate to 0.75%	840
Sauk River Watershed Levy. 0.01% of market value increase	7
Met Council Bus Bonds - \$64 mil	0
Repeals property tax exemption for Biotech Zones	(14)
Education Finance Bill increase in K-12 levies - PTR increase	3,695
PTR savings - Increase in LGA	(880)
LGA. White Bear Lake in FY06, increases LGA funding by \$45 mil in FY07 & after	45,105
Transfer to County Aid from Courts (Washington & Anoka)	199
Reduction to District Court base budget	(199)
Repeals JOBZ Aid	0
Extends reductions to MV credit for cities in FY06-07	(35,300)
Change MV credit calculation for fractional hmstds	(500)
Include special assessments & charges for Senior Deferral	19
Taxpayer Assistance Grants (in base)	250
Increases PILT payments for LUP lands. \$0.75/acre.	42
One-time appropriation for the Vinland Center	125
Border Cities: Allocates money to Western border city enterprise zones	1,500
Disaster Grants - Otter Tail County	500
Appropriation for DOR administration	700
LMV - 2yr Delay	29
<hr/>	
Amount Over or (Under) Base	\$16,170
Base	2,960,815
Total Spending	2,976,985
Spending Target	2,973,829
Amount Over or (Under) Target	3,156

9AM

Tax Revenue Gains

	FY 06	7-11-05 Offer FY 07	9 PM FY 06-07
Tax Deferred Wages on Non-Residents	0	0	0
Quarterly Withholding for NR partnerships and S	13,200	850	14,050
Contractor Withholding at 2%	1,800	1,800	3,600
American Job Creation Act Upfront Payment on Leased Vehicles	8,580	12,185	20,765
Rental Vehicle Tax	18,921	19,749	38,670
Cigarettes at Wholesale Payment Shift	4,790	13,800	18,590
Compliance Impact	5,400	0	5,400
Out of State Vendors	2,250	2,700	4,950
Gas Pipelines	680	2,730	3,410
Reverse Sprint Case	9,110	11,720	20,830
Alcoholic Beverages	1,500	1,560	3,060
Insurance Stop Loss	23,650	60,300	83,950
Tax Shelter Compliance	1,400	3,700	5,100
Income Tax Effects of LGA	55,100	1,700	56,800
CUNA	90	240	330
Total Revenue Gains--Gross	146,471	133,034	280,985

Revenue Reductions

Organ Donation Expenses	(104)	(109)	(213)
Exempt National Guard for MN Active Service	(42)	(42)	(84)
Subtraction for Active Duty Military Out of State	(960)	(970)	(1,930)
Military Family Tax Relief Act	(680)	(330)	(1,010)
K-12 Credit	(695)	(730)	(1,425)
RAIN	0	0	0
AMT/Charitable Contributions	(1,350)	(2,468)	(3,818)
Redwood Falls JOBZ/Airplanes	0	(50)	(50)
MnsCu Exemption for Artistic Events	(67)	(68)	(135)
10% Credit for Historic Structures	0	(2,200)	(2,200)
HSAs	(5,200)	(3,000)	(8,200)
Working Families Tax Relief Act	(3,980)	(70)	(4,050)
WFC	0	0	0
Dependent Care Credit	0	0	0
Exempt Disaster Mitigation Grants	0	(30)	(30)
Change in Income Tax Revenue due to K-12 Levies	0	(6,100)	(6,100)
Exemption for Ready to Eat Meat/Seafood	(325)	(795)	(1,120)
Exempt Certain Solar Energy	(40)	(50)	(90)
Exempt TV and Movie Inputs	0	0	0
Public Safety Radio	(1,540)	(1,510)	(3,050)
Catholic Charities Food Exemption	(58)	(8)	(66)
Commuter Rail Construction Exemption	0	0	0
Waste Recovery Facilities:			
Olmstead County	0	(745)	(745)
Red Wing	0	(70)	(70)
Minneapolis	(70)	(190)	(260)
Turkey Litter	(800)	0	(800)
Laurentian Energy Biomass	(134)	(300)	(434)
Thief River Falls Arena	0	0	0
Crown Hydro	(145)	(20)	(165)
Chatfield	(160)	0	(160)
U of M AHC (Feb. 03 Forecast Levels for FY 06-07)	(1,557)	(1,549)	(3,106)
MERC (Feb. 03 Forecast Levels for FY 06-07)	(598)	(595)	(1,194)
Cargo	0	0	0
Meeker Coop Refund	(200)	0	(200)
Insurance Premiums to 1.5%	(1,000)	(3,500)	(4,500)
Single Sales	0	(2,300)	(2,300)
Total Revenue Reductions	(19,705)	(27,799)	(47,505)

Net Revenues:

(Gross Revenue - Reductions)	126,766	105,235	232,000
Target			232,000
Amount Over (Under) Target			0

FY 06

FY 07

FY 06-07

Tax Revenue Changes in**Enacted Bills**

Streamlines Sales Tax	9,800	31,520	41,320
Great River School Abatement	(15)	0	(15)
Change in Liquor Tax Payment	(25)	0	(25)
Change in Fur Tax Payments	(25)	0	(25)
Total Change Enacted Bills	9,735	31,520	41,255

Net Revenues + Changes

from Enacted Bills	136,501	136,755	273,255
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Tax Bill Expenditure Changes

Rent Credit at Current Law	0	0	0
PCR at Current Law	0	0	0
Utility Personal Property			
Faribault	0	0	0
Cannon Falls	0	0	0
Shakopee	0	0	0
Poultry Litter	0	0	0
Repeal Property Tax Exemption for Biotech Zones	0	(14)	(14)
Repeal JOBZ Aid	0	0	0
PTR Increase from K-12 Levies	0	3,695	3,695
4D Class Rate Change	0	840	840
LMV for Small Resorts	0	0	0
Class 1c Resorts: 1st Tier to \$500K	0	52	52
LMV 2 Year Delay of Sunset	0	29	29
LGA	0	45,000	45,000
Market Value Credit Reimbursement	(17,800)	(17,500)	(35,300)
Taxpayer Assistance Grants (to be in base)	125	125	250
PTR Savings from LGA	0	(880)	(880)
PILT	21	21	42
Correction to State Depts. Bill/Vinland Center	125	0	125
Elementary/Middle School IB Pilot	0	0	0
DOR Appropriation	250	250	500
Total Tax Bill Expenditure Changes	(17,279)	31,618	14,339

Tax Expenditure Changes in**Enacted Bills:**

WBL LGA	105	0	105
Sauk Watershed Levy	0	7	7
Met Council Bus Bonds	0	0	0
Senior Deferral Special Assessments	0	19	19
MVC for Fractional Homesteads Change	0	(500)	(500)
County Court Aid Transfer	66	133	199
Reduce District Court Base Budget	(66)	(133)	(199)
Total Enacted Tax Expenditure Changes	105	(474)	(369)

Total Open Tax and Enacted

Tax Expenditure Changes	(17,174)	31,144	13,970
Target			13,014
Amount Over (under) Target			956

House Research Department
7/10/05
Run: LGA45altcl

Current Law LGA vs. Current law with \$45 million increase

The attached run shows projected 2006 LGA payments to individual cities under current law, including changes made in the omnibus tax bill that passed the House during the regular 2005 session, and the distribution if the appropriation is increased by \$45 million and no other changes are made. The printout also shows certified 2005 LGA amounts

Note: Because of caps limiting LGA increases to individual cities, only 305 cities are eligible for receiving any of the extra \$45 million under current law. The increases to cities that are currently not at the caps will be unusually high in 2006 but these cities would lose much of this money in subsequent years as the money is redistributed back to the cities based on the actual formula distribution.

The columns contain the following information:

- **Column 1:** Certified Pay 2005 LGA
- **Column 2:** Projected Pay 2006 LGA under current law
- **Column 3:** Projected Pay 2006 LGA under current law with the extra \$45 million
- **Column 4:** Amount of the extra \$45 million going to each city
- **Column 5:** Per capita amount of the extra \$45 million going to each city
- **Column 6:** The percent of the extra \$45 million going to each city

For further information contact: Pat Dalton 651-296-7434

Run:LGA45altcl

2006 LGA: Current Law v. Curr. Law with extra \$45 million and no other changes

Cityname:	Certified 2005 LGA)	Curr. law 2006 LGA	Prop.2006 LGA+\$45m	LGA gain from \$45 mill.	Per capita gain from \$45 mill.	Pct. of \$45 million.
	(1)	(2)	(3)	(4=3-2)	(5=4/pop)	(6=4/\$45mill)
Metro						
 ral Cities						
Minneapolis	80,338,989	78,489,574	95,586,006	17,096,432	44.72	37.99%
St. Paul	53,151,835	52,033,667	59,544,561	7,510,894	26.12	16.69%
 Group Total	133,490,824	130,523,241	155,130,567	24,607,326	36.73	54.68%
Large Cities						
Apple Valley	0	0	0	0	0.00	0.00%
Blaine	0	0	0	0	0.00	0.00%
Bloomington	0	0	0	0	0.00	0.00%
Brooklyn Park	0	0	0	0	0.00	0.00%
Burnsville	0	0	0	0	0.00	0.00%
Coon Rapids	450,000	450,000	450,000	0	0.00	0.00%
Eagan	0	0	0	0	0.00	0.00%
Eden Prairie	0	0	0	0	0.00	0.00%
Edina	0	0	0	0	0.00	0.00%
Maple Grove	0	0	0	0	0.00	0.00%
Minnetonka	0	0	0	0	0.00	0.00%
Plymouth	0	0	0	0	0.00	0.00%
 Group Total	450,000	450,000	450,000	0	0.00	0.00%
Older Cities						
oka	1,318,898	1,308,167	1,593,109	284,942	15.59	0.63%
Brooklyn Center	543,183	581,839	708,573	126,734	4.34	0.28%
Columbia Heights	1,058,473	791,663	964,101	172,438	9.22	0.38%
Crystal	932,018	285,587	347,793	62,206	2.70	0.14%
Hastings	195,530	89,503	108,999	19,496	0.99	0.04%
Hopkins	50,000	50,000	50,000	0	0.00	0.00%
New Brighton	0	0	0	0	0.00	0.00%
New Hope	423,067	322,859	393,183	70,324	3.36	0.16%
Richfield	1,593,091	1,034,193	1,259,458	225,265	6.53	0.50%
Shoreview	0	0	0	0	0.00	0.00%
South St. Paul	1,718,103	1,763,521	2,147,647	384,126	18.92	0.85%
West St. Paul	271,258	240,214	292,537	52,323	2.66	0.12%
White Bear Lake	0	483,500	483,500	0	0.00	0.00%
 Group Total	8,103,621	6,951,046	8,348,900	1,397,854	4.73	3.11%
Diversified Cities						
Arden Hills	0	0	0	0	0.00	0.00%
Coates	0	0	0	0	0.00	0.00%
Forest Lake	0	0	0	0	0.00	0.00%
Fridley	293,654	0	0	0	0.00	0.00%
om Lake	0	0	0	0	0.00	0.00%
den Valley	0	0	0	0	0.00	0.00%
Lilydale	0	0	0	0	0.00	0.00%
Long Lake	152,945	145,369	145,369	0	0.00	0.00%
Maple Plain	238,373	311,568	311,568	0	0.00	0.00%
Maplewood	0	0	0	0	0.00	0.00%
Oak Park Heights	0	0	0	0	0.00	0.00%

**2006 LGA: Current Law v.
Curr. Law with extra \$45 million
and no other changes**

Cityname:	Certified 2005 LGA)	Curr. law 2006 LGA	Prop.2006 LGA+\$45m	LGA gain from \$45 mill.	Per capita gain from \$45 mill.	Pct. of \$45 million.
	(1)	(2)	(3)	(4=3-2)	(5=4/pop)	(6=4/\$45mill)
Osseo	426,648	504,516	506,039	1,523	0.61	0.00%
Roseville	0	0	0	0	0.00	0.00%
St. Louis Park	0	0	0	0	0.00	0.00%
Wayzata	0	0	0	0	0.00	0.00%
Group Total	1,111,620	961,453	962,976	1,523	0.01	0.00%
High Growth Cities						
Andover	0	0	0	0	0.00	0.00%
Carver	82,643	124,856	152,052	27,196	15.10	0.06%
Centerville	0	0	0	0	0.00	0.00%
Champlin	0	0	0	0	0.00	0.00%
Chanhassen	0	0	0	0	0.00	0.00%
Chaska	292,556	50,000	50,000	0	0.00	0.00%
Cologne	87,308	82,397	94,753	12,356	11.15	0.03%
Cottage Grove	0	0	0	0	0.00	0.00%
East Bethel	0	0	0	0	0.00	0.00%
Elko	0	0	0	0	0.00	0.00%
Farmington	0	0	0	0	0.00	0.00%
Greenfield	0	0	0	0	0.00	0.00%
Ham Lake	0	0	0	0	0.00	0.00%
Hugo	0	0	0	0	0.00	0.00%
Inver Grove Heights	0	0	0	0	0.00	0.00%
Lakeville	0	0	0	0	0.00	0.00%
Lino Lakes	0	0	0	0	0.00	0.00%
Mahtomedi	0	0	0	0	0.00	0.00%
Medina	0	0	0	0	0.00	0.00%
Mendota Heights	0	0	0	0	0.00	0.00%
New Market	3,416	2,867	2,867	0	0.00	0.00%
Oak Grove	200,000	200,000	200,000	0	0.00	0.00%
Oakdale	0	0	0	0	0.00	0.00%
Prior Lake	0	0	0	0	0.00	0.00%
Ramsey	0	0	0	0	0.00	0.00%
Rogers	0	0	0	0	0.00	0.00%
Rosemount	0	0	0	0	0.00	0.00%
Savage	0	0	0	0	0.00	0.00%
Shakopee	0	0	0	0	0.00	0.00%
St. Bonifacius	150,238	228,723	228,723	0	0.00	0.00%
St. Francis	200,000	200,000	200,000	0	0.00	0.00%
Vadnais Heights	0	0	0	0	0.00	0.00%
Victoria	0	0	0	0	0.00	0.00%
Waconia	0	0	0	0	0.00	0.00%
Woodbury	0	0	0	0	0.00	0.00%
Group Total	1,016,161	888,843	928,395	39,552	0.07	0.09%
High Income Cities						
Afton	0	0	0	0	0.00	0.00%
Birchwood Village	0	0	0	0	0.00	0.00%
Corcoran	0	0	0	0	0.00	0.00%
Deephaven	0	0	0	0	0.00	0.00%

Run:LGA45altcl

2006 LGA: Current Law v. Curr. Law with extra \$45 million and no other changes

Cityname:	Certified 2005 LGA)	Curr. law 2006 LGA	Prop.2006 LGA+\$45m	LGA gain from \$45 mill.	Percapita gain from \$45 mill.	Pct. of \$45 million.
	(1)	(2)	(3)	(4=3-2)	(5=4/pop)	(6=4/\$45mill)
Dellwood	0	0	0	0	0.00	0.00%
ant	0	0	0	0	0.00	0.00%
Greenwood	0	0	0	0	0.00	0.00%
Independence	0	0	0	0	0.00	0.00%
Lake Elmo	0	0	0	0	0.00	0.00%
Lakeland	83,957	79,790	79,790	0	0.00	0.00%
Lakeland Shores	0	0	0	0	0.00	0.00%
Minnetonka Beach	0	0	0	0	0.00	0.00%
Minnetrista	0	0	0	0	0.00	0.00%
North Oaks	0	0	0	0	0.00	0.00%
Orono	0	0	0	0	0.00	0.00%
Pine Springs	0	0	0	0	0.00	0.00%
Shorewood	0	0	0	0	0.00	0.00%
Sunfish Lake	0	0	0	0	0.00	0.00%
Tonka Bay	0	0	0	0	0.00	0.00%
Woodland	0	0	0	0	0.00	0.00%
Group Total	83,957	79,790	79,790	0	0.00	0.00%
Small Cities						
Bayport	226,519	329,896	329,896	0	0.00	0.00%
Belle Plaine	352,128	345,663	420,954	75,291	15.05	0.17%
Bethel	23,917	23,051	23,051	0	0.00	0.00%
cle Pines	0	0	0	0	0.00	0.00%
Dayton	0	0	0	0	0.00	0.00%
Excelsior	129,285	117,145	117,145	0	0.00	0.00%
Falcon Heights	162,057	170,113	207,167	37,054	6.64	0.08%
Hamburg	42,205	39,752	47,419	7,667	14.07	0.02%
Hampton	25,960	36,750	36,750	0	0.00	0.00%
Hilltop	104,039	118,097	143,821	25,724	32.94	0.06%
Jordan	268,622	262,483	319,657	57,174	12.96	0.13%
Lake St. Croix Beach	32,102	30,419	30,419	0	0.00	0.00%
Landfall	65,519	95,428	95,428	0	0.00	0.00%
Lauderdale	296,712	345,438	345,438	0	0.00	0.00%
Lexington	353,057	412,654	426,977	14,323	6.45	0.03%
Little Canada	0	0	0	0	0.00	0.00%
Loretto	8,005	7,104	7,104	0	0.00	0.00%
Marine on St. Croix	0	0	0	0	0.00	0.00%
Mayer	25,576	40,574	49,412	8,838	11.33	0.02%
Medicine Lake	0	0	0	0	0.00	0.00%
Mendota	1,136	830	830	0	0.00	0.00%
Miesville	0	0	0	0	0.00	0.00%
Mound	0	0	0	0	0.00	0.00%
Mounds View	122,217	0	0	0	0.00	0.00%
v Germany	9,653	10,955	13,341	2,386	6.90	0.01%
New Prague	601,746	638,119	777,112	138,993	25.78	0.31%
New Trier	503	419	419	0	0.00	0.00%
Newport	406,367	551,767	555,447	3,680	1.00	0.01%
North St. Paul	1,028,564	788,109	886,606	98,497	8.03	0.22%
Norwood Young Am	169,228	169,968	206,990	37,022	11.31	0.08%

**2006 LGA: Current Law v.
Curr. Law with extra \$45 million
and no other changes**

Cityname:	Certified 2005 LGA)	Curr. law 2006 LGA	Prop.2006 LGA+\$45m	LGA gain from \$45 mill.	Percapita gain from \$45 mill.	Pct. of \$45 million.
	(1)	(2)	(3)	(4=3-2)	(5=4/pop)	(6=4/\$45mill)
Randolph	5,189	4,752	4,752	0	0.00	0.00%
Robbinsdale	1,427,653	1,031,015	1,061,484	30,469	2.17	0.07%
Spring Lake Park	0	0	0	0	0.00	0.00%
Spring Park	82,774	78,802	78,802	0	0.00	0.00%
St. Anthony Village	0	0	0	0	0.00	0.00%
St. Marys Point	0	0	0	0	0.00	0.00%
St. Paul Park	276,183	195,157	237,666	42,509	8.41	0.09%
Stillwater	955,355	812,202	989,114	176,912	10.61	0.39%
Vermillion	4,488	4,185	4,185	0	0.00	0.00%
Watertown	130,019	151,147	184,069	32,922	9.09	0.07%
Willernie	32,258	43,356	48,682	5,326	9.48	0.01%
Group Total	7,369,036	6,855,350	7,650,137	794,787	5.06	1.77%
Region total	151,625,219	146,709,723	173,550,765	26,841,042	10.13	59.65%

Run:LGA45altcl

2006 LGA: Current Law v. Curr. Law with extra \$45 million and no other changes

Cityname:	Certified 2005 LGA)	Curr. law 2006 LGA	Prop.2006 LGA+\$45m	LGA gain from \$45 mill.	Per capita gain from \$45 mill.	Pct. of \$45 million.
	(1)	(2)	(3)	(4=3-2)	(5=4/pop)	(6=4/\$45mill)
Non-metro						
ur Cities						
Duluth	25,653,880	25,244,744	26,726,920	1,482,176	17.22	3.29%
Rochester	6,329,526	5,320,830	5,935,257	614,427	6.60	1.37%
St. Cloud	10,402,747	10,829,852	11,876,847	1,046,995	16.66	2.33%
Group Total	42,386,153	41,395,426	44,539,024	3,143,598	12.99	6.99%
Regional Centers						
Albert Lea	5,343,836	5,445,398	5,625,751	180,353	9.97	0.40%
Austin	6,725,283	6,821,010	7,003,283	182,273	7.70	0.41%
Bemidji	3,301,787	3,301,289	3,507,650	206,361	16.18	0.46%
Brainerd	3,739,034	3,851,177	4,019,392	168,215	12.21	0.37%
Cloquet	2,491,350	2,212,877	2,446,241	233,364	20.29	0.52%
Fairmont	3,417,145	3,594,250	3,594,250	0	0.00	0.00%
Faribault	5,745,241	6,035,455	6,054,946	19,491	0.88	0.04%
Fergus Falls	3,677,628	3,796,398	3,963,136	166,738	12.10	0.37%
Hibbing	6,689,124	6,734,494	7,115,165	380,671	22.66	0.85%
Hutchinson	1,980,268	2,097,780	2,449,116	351,336	25.94	0.78%
Little Falls	1,989,706	2,118,741	2,213,749	95,008	11.55	0.21%
Mankato	7,444,154	6,859,286	7,994,915	1,135,629	33.55	2.52%
Marshall	2,295,529	2,373,382	2,610,094	236,712	18.51	0.53%
Moorhead	7,585,565	8,059,758	8,059,758	0	0.00	0.00%
ow Ulm	3,683,598	3,887,230	4,102,449	215,219	15.60	0.48%
Northfield	2,881,921	2,875,279	3,316,024	440,745	24.14	0.98%
Owatonna	4,428,487	4,518,527	5,055,281	536,754	22.96	1.19%
Red Wing	1,261,378	1,422,278	1,586,800	164,522	10.16	0.37%
Virginia	3,404,879	3,185,052	3,656,840	471,788	52.53	1.05%
Willmar	4,158,237	4,248,453	4,383,805	135,352	7.28	0.30%
Winona	9,064,527	8,943,721	9,530,908	587,187	21.73	1.30%
Worthington	2,635,882	2,738,033	2,854,616	116,583	10.32	0.26%
Group Total	93,944,559	95,119,868	101,144,169	6,024,301	15.78	13.39%
Sub-regional Cent						
Aitkin	459,644	522,959	522,959	0	0.00	0.00%
Alexandria	1,484,263	1,609,392	1,791,523	182,131	17.92	0.40%
Appleton	783,408	849,142	849,142	0	0.00	0.00%
Baudette	291,808	278,375	304,654	26,279	24.38	0.06%
Baxter	0	0	0	0	0.00	0.00%
Cambridge	519,566	532,659	648,681	116,022	18.40	0.26%
Deerwood	45,103	41,492	41,492	0	0.00	0.00%
Detroit Lakes	1,006,736	935,308	1,139,035	203,727	26.39	0.45%
Grand Marais	219,186	204,709	204,709	0	0.00	0.00%
and Rapids	1,202,352	1,254,450	1,527,691	273,241	33.19	0.61%
ockley	228,832	225,183	267,145	41,962	31.15	0.09%
International Falls	2,804,816	2,990,707	2,990,707	0	0.00	0.00%
Long Prairie	659,845	707,239	707,239	0	0.00	0.00%
Mahnomen	290,591	311,039	320,295	9,256	7.70	0.02%
Mora	568,167	609,201	609,201	0	0.00	0.00%
Motley	98,318	117,888	117,888	0	0.00	0.00%

2006 LGA: Current Law v. Curr. Law with extra \$45 million and no other changes

Cityname:	Certified 2005 LGA)	Curr. law 2006 LGA	Prop.2006 LGA+\$45m	LGA gain from \$45 mill.	Percapita gain from \$45 mill.	Pct. of \$45 million.
	(1)	(2)	(3)	(4=3-2)	(5=4/pop)	(6=4/\$45mill)
Park Rapids	563,630	560,590	682,696	122,106	35.62	0.27%
Pequot Lakes	96,145	89,623	89,623	0	0.00	0.00%
Perham	403,107	492,680	492,773	93	0.03	0.00%
Pine City	516,237	469,542	571,816	102,274	32.54	0.23%
Pine River	219,315	218,740	249,453	30,713	32.33	0.07%
Princeton	587,965	682,840	741,202	58,362	13.77	0.13%
Roseau	474,030	546,379	566,889	20,510	7.39	0.05%
Spicer	124,270	117,284	117,284	0	0.00	0.00%
Waite Park	269,561	73,881	89,973	16,092	2.40	0.04%
Walker	123,945	113,446	118,760	5,314	4.82	0.01%
Warroad	430,311	488,586	488,586	0	0.00	0.00%
Group Total	14,471,151	15,043,334	16,251,416	1,208,082	12.99	2.68%
Urban Fringe						
Albertville	0	0	0	0	0.00	0.00%
Becker	0	0	0	0	0.00	0.00%
Big Lake	499,628	454,432	553,416	98,984	12.84	0.22%
Breezy Point	0	0	0	0	0.00	0.00%
Isanti	434,633	442,631	539,044	96,413	23.17	0.21%
North Branch	258,558	252,209	307,144	54,935	5.84	0.12%
Rockville	78,842	44,561	54,268	9,707	3.74	0.02%
Sartell	126,909	39,402	47,984	8,582	0.74	0.02%
St. Michael	0	0	0	0	0.00	0.00%
Zimmerman	206,610	275,814	315,997	40,183	11.10	0.09%
Group Total	1,605,180	1,509,049	1,817,853	308,804	5.06	0.69%
High Income Cities						
Avon	176,586	222,925	236,586	13,661	10.66	0.03%
Buffalo	1,246,419	1,216,259	1,414,568	198,309	16.36	0.44%
Byron	226,933	188,259	229,265	41,006	9.77	0.09%
Cannon Falls	552,413	547,759	667,071	119,312	30.77	0.27%
Clearwater	94,285	111,169	135,383	24,214	24.61	0.05%
Courtland	44,323	54,375	54,375	0	0.00	0.00%
Crosslake	0	0	0	0	0.00	0.00%
Delano	170,688	154,198	187,785	33,587	8.16	0.07%
Dundas	75,865	74,623	90,878	16,255	23.94	0.04%
East Gull Lake	0	0	0	0	0.00	0.00%
Elk River	686,820	686,820	686,820	0	0.00	0.00%
Hanover	89,692	187,245	187,245	0	0.00	0.00%
Hermantown	510,102	326,414	349,571	23,157	2.78	0.05%
La Prairie	55,181	62,912	71,243	8,331	13.61	0.02%
Mantorville	201,846	202,002	235,898	33,896	28.87	0.08%
Medford	144,011	172,402	181,148	8,746	8.12	0.02%
Monticello	0	0	0	0	0.00	0.00%
Nisswa	0	0	0	0	0.00	0.00%
North Mankato	1,434,157	1,689,556	1,826,599	137,043	11.03	0.30%
Oronoco	70,381	66,073	66,073	0	0.00	0.00%
Otsego	123,264	0	0	0	0.00	0.00%
Rice	52,170	83,051	83,051	0	0.00	0.00%

Run:LGA45altcl

2006 LGA: Current Law v. Curr. Law with extra \$45 million and no other changes

Cityname:	Certified 2005 LGA)	Curr. law 2006 LGA	Prop.2006 LGA+\$45m	LGA gain from \$45 mill.	Per capita gain from \$45 mill.	Pct. of \$45 million.
	(1)	(2)	(3)	(4=3-2)	(5=4/pop)	(6=4/\$45mill)
Sauk Rapids	1,824,714	1,809,893	2,060,944	251,051	21.48	0.56%
Augusta	180,109	213,580	213,580	0	0.00	0.00%
St. Stephen	82,641	87,948	101,763	13,815	16.33	0.03%
Wyoming	0	0	0	0	0.00	0.00%
Group Total	8,042,600	8,157,463	9,079,846	922,383	7.89	2.05%
Moderate Growth						
Annandale	330,623	279,406	340,265	60,859	22.44	0.14%
Brownsville	57,575	62,079	66,950	4,871	9.46	0.01%
Buffalo Lake	191,792	187,538	228,387	40,849	53.96	0.09%
Center City	52,157	48,930	48,930	0	0.00	0.00%
Chatfield	586,105	666,773	666,773	0	0.00	0.00%
Chisago City	246,130	259,353	315,845	56,492	19.08	0.13%
Cohasset	0	0	0	0	0.00	0.00%
Cokato	481,294	433,668	528,129	94,461	34.72	0.21%
Cold Spring	457,981	509,849	548,019	38,170	10.93	0.08%
Cottonwood	248,874	245,550	281,467	35,917	31.34	0.08%
Dassel	283,542	314,622	329,267	14,645	11.46	0.03%
Dodge Center	644,143	727,205	727,205	0	0.00	0.00%
Emily	0	0	0	0	0.00	0.00%
Eyota	270,276	313,870	313,870	0	0.00	0.00%
Foley	551,954	603,806	603,806	0	0.00	0.00%
ylord	631,241	682,962	682,962	0	0.00	0.00%
Glencoe	1,028,007	1,079,711	1,179,807	100,096	17.77	0.22%
Glyndon	193,510	218,993	218,993	0	0.00	0.00%
Goodhue	143,549	166,849	166,849	0	0.00	0.00%
Goodview	111,132	86,103	104,858	18,755	5.63	0.04%
Harris	98,870	123,870	123,870	0	0.00	0.00%
Henderson	225,330	218,950	266,641	47,691	50.57	0.11%
Holdingford	126,216	117,720	136,108	18,388	25.22	0.04%
Howard Lake	356,669	417,925	417,925	0	0.00	0.00%
Isle	50,012	65,586	79,872	14,286	18.58	0.03%
Kasson	694,861	820,854	820,854	0	0.00	0.00%
Kenyon	388,930	449,116	449,116	0	0.00	0.00%
La Crescent	425,249	485,835	580,285	94,450	18.62	0.21%
Lake City	892,332	839,647	1,022,537	182,890	34.73	0.41%
Lake Shore	0	0	0	0	0.00	0.00%
Le Center	495,671	530,356	530,356	0	0.00	0.00%
Le Sueur	852,886	889,717	977,813	88,096	20.94	0.20%
Lester Prairie	280,368	325,398	325,398	0	0.00	0.00%
Lewiston	274,160	317,774	317,774	0	0.00	0.00%
Lindstrom	131,854	132,041	160,802	28,761	8.03	0.06%
Lonsdale	205,374	277,118	290,374	13,256	7.13	0.03%
Madison Lake	124,234	117,636	122,562	4,926	5.57	0.01%
Maple Lake	289,618	329,305	329,305	0	0.00	0.00%
Nicollet	153,875	168,486	168,486	0	0.00	0.00%
Pine Island	505,045	569,508	569,508	0	0.00	0.00%
Plainview	530,556	544,670	614,713	70,043	21.45	0.16%
Redwood Falls	992,048	1,047,689	1,159,222	111,533	20.77	0.25%

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	(1)	(2)	(3)	(4=3-2)	(5=4/pop)	(6=4/\$45mill)
Richmond	211,148	243,257	246,484	3,227	2.51	0.01%
Rockford	320,653	274,810	334,669	59,859	16.01	0.13%
Rush City	400,840	433,668	433,668	0	0.00	0.00%
Rushford	399,279	452,543	452,543	0	0.00	0.00%
Sandstone	575,258	624,110	624,110	0	0.00	0.00%
Sauk Centre	979,135	1,020,164	1,117,514	97,350	24.20	0.22%
St. Charles	551,502	604,077	604,077	0	0.00	0.00%
St. Clair	133,017	146,102	150,967	4,865	5.91	0.01%
St. Joseph	674,450	668,057	773,509	105,452	20.60	0.23%
Stacy	140,245	155,744	155,744	0	0.00	0.00%
Stewartville	617,964	674,941	736,710	61,769	10.93	0.14%
Stockton	65,023	76,450	76,450	0	0.00	0.00%
Taylor Falls	121,286	170,985	178,666	7,681	7.60	0.02%
Wanamingo	191,430	200,119	219,230	19,111	18.59	0.04%
Waverly	72,496	67,454	67,454	0	0.00	0.00%
Winsted	545,222	552,320	635,836	83,516	37.07	0.19%
Zumbrota	475,276	422,629	514,685	92,056	31.09	0.20%
Group Total	21,078,267	22,463,898	24,138,219	1,674,321	12.25	3.72%
Established Cities						
Ada	544,155	539,118	578,436	39,318	23.59	0.09%
Adams	167,665	166,183	184,757	18,574	23.72	0.04%
Adrian	355,116	367,009	381,766	14,757	11.96	0.03%
Albany	416,015	462,048	462,048	0	0.00	0.00%
Alden	135,856	127,962	155,572	27,610	42.22	0.06%
Amboy	111,986	105,534	121,205	15,671	27.88	0.03%
Argyle	166,049	166,847	175,323	8,476	12.77	0.02%
Arlington	549,663	606,109	607,991	1,882	0.90	0.00%
Atwater	251,428	241,869	277,481	35,612	33.41	0.08%
Aurora	638,263	601,107	604,227	3,120	1.74	0.01%
Babbitt	198,293	185,422	185,422	0	0.00	0.00%
Bagley	396,372	389,119	433,588	44,469	36.04	0.10%
Balaton	170,893	164,473	183,031	18,558	31.03	0.04%
Barnesville	397,531	426,066	426,066	0	0.00	0.00%
Barnum	102,497	108,350	112,927	4,577	8.23	0.01%
Battle Lake	103,075	96,485	103,433	6,948	8.91	0.02%
Belgrade	141,933	141,281	163,483	22,202	31.01	0.05%
Benson	888,094	829,741	946,447	116,706	34.58	0.26%
Bird Island	355,021	358,075	385,823	27,748	23.52	0.06%
Biwabik	382,998	360,169	360,169	0	0.00	0.00%
Blackduck	163,142	169,451	176,783	7,332	9.99	0.02%
Blooming Prairie	555,723	612,984	612,984	0	0.00	0.00%
Blue Earth	1,082,763	1,182,380	1,182,380	0	0.00	0.00%
Bovey	314,823	296,892	296,892	0	0.00	0.00%
Braham	319,646	353,075	353,075	0	0.00	0.00%
Breckenridge	1,103,739	1,143,569	1,161,134	17,565	4.99	0.04%
Brewster	89,308	100,846	100,846	0	0.00	0.00%
Brooten	153,790	144,667	166,010	21,343	33.51	0.05%
Browerville	157,735	172,369	172,369	0	0.00	0.00%

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	(1)	(2)	(3)	(4=3-2)	(5=4/pop)	(6=4/\$45mill)
Browns Valley	306,617	289,140	289,140	0	0.00	0.00%
ownsdales	125,031	134,214	134,214	0	0.00	0.00%
Brownnton	183,734	187,750	209,559	21,809	26.63	0.05%
Buhl	417,674	391,845	391,845	0	0.00	0.00%
Butterfield	134,294	134,271	144,394	10,123	18.61	0.02%
Caledonia	693,221	730,144	730,144	0	0.00	0.00%
Canby	646,409	634,283	686,063	51,780	27.90	0.12%
Carlton	201,429	206,622	219,320	12,698	15.43	0.03%
Cass Lake	359,133	338,580	338,580	0	0.00	0.00%
Chisholm	2,265,172	2,226,120	2,406,177	180,057	37.27	0.40%
Clara City	356,958	371,134	401,585	30,451	22.51	0.07%
Claremont	151,240	144,186	171,199	27,013	44.43	0.06%
Clarissa	196,239	185,179	185,179	0	0.00	0.00%
Clarkfield	333,160	314,440	353,972	39,532	43.73	0.09%
Clarks Grove	111,034	117,034	117,034	0	0.00	0.00%
Clearbrook	127,750	129,846	143,570	13,724	24.55	0.03%
Cleveland	95,263	105,790	115,526	9,736	13.73	0.02%
Coleraine	401,854	378,103	378,103	0	0.00	0.00%
Cook	119,099	138,841	139,926	1,085	1.81	0.00%
Cosmos	133,068	125,327	146,047	20,720	35.48	0.05%
Crookston	2,668,625	2,790,160	2,835,565	45,405	5.60	0.10%
Crosby	700,927	678,982	810,222	131,240	56.76	0.29%
nube	121,195	114,122	134,547	20,425	40.05	0.05%
Dawson	521,095	530,296	576,974	46,678	30.99	0.10%
Deer River	237,824	250,041	267,953	17,912	19.30	0.04%
Dilworth	491,183	469,845	562,882	93,037	29.97	0.21%
Eagle Bend	172,840	163,031	163,031	0	0.00	0.00%
Eagle Lake	277,879	310,349	310,349	0	0.00	0.00%
East Grand Forks	2,224,117	2,456,817	2,456,817	0	0.00	0.00%
Eden Valley	198,471	204,581	221,171	16,590	18.66	0.04%
Edgerton	254,926	264,742	279,273	14,531	14.20	0.03%
Elbow Lake	352,142	374,142	410,943	36,801	28.93	0.08%
Elgin	150,329	179,143	179,143	0	0.00	0.00%
Ellendale	97,793	99,070	115,293	16,223	27.31	0.04%
Ellsworth	136,937	142,234	151,837	9,603	18.05	0.02%
Elmore	203,107	194,402	217,914	23,512	33.54	0.05%
Ely	1,453,678	1,486,476	1,562,801	76,325	21.11	0.17%
Evansville	107,254	102,606	123,451	20,845	37.36	0.05%
Eveleth	1,730,128	1,757,618	1,816,325	58,707	15.68	0.13%
Fairfax	381,464	388,527	415,474	26,947	20.76	0.06%
Fertile	208,644	216,438	222,292	5,854	6.68	0.01%
Floodwood	154,327	144,844	144,844	0	0.00	0.00%
Fosston	443,710	471,854	471,854	0	0.00	0.00%
zee	285,481	309,018	309,018	0	0.00	0.00%
Fulda	377,204	392,165	400,813	8,648	6.62	0.02%
Gibbon	189,917	196,022	216,417	20,395	25.65	0.05%
Gilbert	738,413	693,196	693,196	0	0.00	0.00%
Glenville	131,514	142,114	142,114	0	0.00	0.00%
Glenwood	691,836	694,331	771,917	77,586	29.23	0.17%

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	(1)	(2)	(3)	(4=3-2)	(5=4/pop)	(6=4/\$45mill)
Good Thunder	124,460	118,220	142,546	24,326	41.73	0.05%
Graceville	196,528	185,443	198,943	13,500	22.69	0.03%
Grand Meadow	207,593	224,306	233,993	9,687	10.32	0.02%
Granite Falls	611,901	639,376	700,153	60,777	19.57	0.14%
Greenbush	185,336	174,655	200,460	25,805	34.27	0.06%
Grove City	153,720	144,947	164,720	19,773	31.89	0.04%
Hallock	374,076	379,187	396,750	17,563	15.26	0.04%
Halstad	147,403	144,538	164,403	19,865	32.67	0.04%
Hancock	171,229	186,017	188,123	2,106	3.00	0.00%
Harmony	326,267	321,013	368,188	47,175	41.64	0.10%
Hawley	332,119	363,117	363,117	0	0.00	0.00%
Hayfield	320,783	339,729	362,579	22,850	16.75	0.05%
Hector	293,904	296,761	346,429	49,668	43.30	0.11%
Hendricks	175,842	171,315	199,042	27,727	39.95	0.06%
Henning	191,443	192,780	206,347	13,567	17.33	0.03%
Heron Lake	225,485	228,581	246,376	17,795	23.20	0.04%
Hills	117,740	120,645	123,285	2,640	4.62	0.01%
Hoffman	134,740	141,765	141,765	0	0.00	0.00%
Hokah	184,520	174,052	174,052	0	0.00	0.00%
Houston	284,205	291,853	319,605	27,752	27.29	0.06%
Hoyt Lakes	340,941	317,053	317,053	0	0.00	0.00%
Ivanhoe	193,843	182,881	199,715	16,834	25.82	0.04%
Jackson	972,127	1,018,326	1,056,236	37,910	10.89	0.08%
Janesville	501,129	554,789	554,789	0	0.00	0.00%
Jasper	156,303	159,315	165,556	6,241	10.51	0.01%
Kandiyohi	77,933	80,435	85,883	5,448	10.01	0.01%
Karlstad	202,127	200,981	217,727	16,746	22.03	0.04%
Kasota	95,372	99,939	99,939	0	0.00	0.00%
Keewatin	443,537	417,141	417,141	0	0.00	0.00%
Kerkhoven	156,277	147,240	170,959	23,719	31.67	0.05%
Kiester	162,967	153,913	159,907	5,994	11.37	0.01%
Kimball	104,506	119,348	124,565	5,217	8.39	0.01%
Lafayette	114,640	121,280	123,021	1,741	3.27	0.00%
Lake Benton	224,393	211,796	211,796	0	0.00	0.00%
Lake Crystal	616,099	691,479	691,479	0	0.00	0.00%
Lake Park	163,295	171,530	171,530	0	0.00	0.00%
Lakefield	628,141	604,834	655,199	50,365	29.40	0.11%
Lamberton	257,341	255,256	282,641	27,385	33.15	0.06%
Lanesboro	219,160	206,026	206,026	0	0.00	0.00%
Le Roy	209,687	231,955	237,080	5,125	5.60	0.01%
Litchfield	1,459,956	1,613,189	1,613,189	0	0.00	0.00%
Littlefork	170,085	179,735	179,735	0	0.00	0.00%
Lüverne	1,170,064	1,209,065	1,244,534	35,469	7.71	0.08%
Lyle	136,574	140,378	142,674	2,296	4.06	0.01%
Mabel	209,963	197,641	235,852	38,211	50.28	0.08%
Madelia	606,980	647,531	647,531	0	0.00	0.00%
Madison	689,895	714,430	726,395	11,965	6.87	0.03%
Mapleton	380,540	416,071	416,071	0	0.00	0.00%
Marble	278,426	262,714	262,714	0	0.00	0.00%

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	(1)	(2)	(3)	(4=3-2)	(5=4/pop)	(6=4/\$45mill)
Mazeppa	139,726	134,351	162,343	27,992	35.48	0.06%
Montosh	167,029	172,101	174,853	2,752	4.47	0.01%
Melrose	631,484	652,573	706,315	53,742	16.92	0.12%
Menahga	278,469	283,232	306,531	23,299	18.97	0.05%
Milaca	547,985	599,435	599,435	0	0.00	0.00%
Minneota	383,011	400,903	415,864	14,961	10.60	0.03%
Minnesota Lake	161,963	152,514	152,514	0	0.00	0.00%
Montevideo	1,527,776	1,643,081	1,672,876	29,795	5.47	0.07%
Montgomery	629,405	688,776	720,695	31,919	10.82	0.07%
Montrose	190,555	237,255	237,255	0	0.00	0.00%
Moose Lake	359,857	386,857	386,857	0	0.00	0.00%
Morgan	291,627	274,453	307,043	32,590	37.42	0.07%
Morris	1,643,200	1,738,170	1,738,170	0	0.00	0.00%
Morristown	168,708	186,468	186,468	0	0.00	0.00%
Mountain Iron	526,247	606,349	606,349	0	0.00	0.00%
Mountain Lake	697,515	743,576	743,576	0	0.00	0.00%
Nashwauk	503,507	474,546	474,546	0	0.00	0.00%
New London	217,960	240,014	240,014	0	0.00	0.00%
New Richland	274,411	298,048	298,048	0	0.00	0.00%
New York Mills	324,676	328,440	352,676	24,236	20.63	0.05%
Olivia	760,657	824,817	824,817	0	0.00	0.00%
Onamia	162,380	176,039	176,039	0	0.00	0.00%
Ortonville	769,408	721,955	816,424	94,469	46.17	0.21%
Osakis	416,297	408,829	446,897	38,068	23.88	0.08%
Parkers Prairie	217,395	243,274	246,437	3,163	3.10	0.01%
Paynesville	518,892	565,438	565,438	0	0.00	0.00%
Pelican Rapids	532,711	590,813	590,813	0	0.00	0.00%
Pennock	83,925	93,178	93,178	0	0.00	0.00%
Pierz	201,755	225,804	225,804	0	0.00	0.00%
Pipestone	1,338,078	1,430,240	1,430,240	0	0.00	0.00%
Preston	445,824	445,039	492,630	47,591	34.44	0.11%
Proctor	736,380	804,565	804,565	0	0.00	0.00%
Randall	82,067	90,267	90,267	0	0.00	0.00%
Raymond	174,194	177,321	187,200	9,879	12.43	0.02%
Red Lake Falls	523,797	521,640	558,302	36,662	22.90	0.08%
Renville	409,506	411,315	475,315	64,000	49.57	0.14%
Rock Creek	93,615	110,615	110,615	0	0.00	0.00%
Rollingstone	88,614	102,369	102,369	0	0.00	0.00%
Royalton	106,248	122,108	122,108	0	0.00	0.00%
Rushford Village	63,335	60,188	61,772	1,584	2.16	0.00%
Sacred Heart	192,677	181,659	199,444	17,785	33.49	0.04%
Scanlon	225,101	212,457	212,457	0	0.00	0.00%
Sabeka	195,414	183,650	183,672	22	0.03	0.00%
Sarburn	298,035	292,046	329,277	37,231	35.63	0.08%
Silver Bay	421,578	395,268	395,268	0	0.00	0.00%
Silver Lake	147,316	155,694	182,039	26,345	33.65	0.06%
Slayton	702,026	710,416	745,786	35,370	17.19	0.08%
Sleepy Eye	1,157,619	1,090,595	1,224,643	134,048	37.15	0.30%
Spring Grove	360,086	378,253	385,226	6,973	5.33	0.02%

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	(1)	(2)	(3)	(4=3-2)	(5=4/pop)	(6=4/\$45mill)
Spring Valley	723,552	767,593	803,613	36,020	13.99	0.08%
Springfield	719,586	781,355	781,355	0	0.00	0.00%
St. James	1,183,744	1,244,671	1,244,671	0	0.00	0.00%
St. Peter	1,912,613	2,047,099	2,047,099	0	0.00	0.00%
Staples	886,269	891,618	938,933	47,315	15.19	0.11%
Starbuck	323,239	306,140	362,239	56,099	42.15	0.12%
Stephen	138,040	149,640	149,640	0	0.00	0.00%
Stewart	166,445	156,814	156,814	0	0.00	0.00%
Thief River Falls	1,994,298	2,168,816	2,168,816	0	0.00	0.00%
Tracy	829,779	825,464	903,721	78,257	35.36	0.17%
Trimont	203,687	192,052	220,118	28,066	38.82	0.06%
Truman	353,389	364,336	373,389	9,053	7.41	0.02%
Twin Valley	242,341	240,115	255,479	15,364	18.40	0.03%
Two Harbors	1,095,684	1,065,857	1,216,401	150,544	41.05	0.33%
Tyler	314,080	330,904	330,904	0	0.00	0.00%
Ulen	126,984	131,879	131,879	0	0.00	0.00%
Verndale	115,862	116,639	128,697	12,058	21.19	0.03%
Wabasha	624,120	608,361	705,156	96,795	36.54	0.22%
Wabasso	150,168	148,485	175,346	26,861	40.95	0.06%
Wadena	995,210	1,060,865	1,060,865	0	0.00	0.00%
Walnut Grove	188,691	200,501	206,720	6,219	8.77	0.01%
Warren	408,816	433,891	433,891	0	0.00	0.00%
Waseca	2,091,431	2,170,171	2,318,868	148,697	15.35	0.33%
Waterville	482,895	479,820	554,324	74,504	40.10	0.17%
Watkins	153,187	174,387	174,387	0	0.00	0.00%
Welcome	190,236	202,379	213,655	11,276	16.53	0.03%
Wells	767,645	819,381	819,381	0	0.00	0.00%
West Concord	204,784	204,246	244,499	40,253	48.38	0.09%
Westbrook	252,975	238,243	263,599	25,356	34.03	0.06%
Wheaton	522,900	532,881	571,123	38,242	24.80	0.08%
Windom	1,016,514	1,063,381	1,117,485	54,104	11.99	0.12%
Winnebago	506,581	510,327	536,937	26,610	18.36	0.06%
Winthrop	396,131	376,043	436,162	60,119	44.24	0.13%
Group Total	90,548,423	93,255,134	97,423,124	4,167,990	12.20	9.26%
Small Rural Cities						
Akeley	65,648	61,817	61,817	0	0.00	0.00%
Alberta	19,071	22,279	24,314	2,035	14.96	0.00%
Aldrich	3,247	3,547	3,547	0	0.00	0.00%
Alpha	30,739	31,525	33,631	2,106	17.12	0.00%
Altura	41,183	38,665	38,665	0	0.00	0.00%
Alvarado	30,229	32,529	32,529	0	0.00	0.00%
Arco	22,274	21,635	23,874	2,239	23.57	0.00%
Ashby	95,407	98,118	102,863	4,745	10.01	0.01%
Askov	55,136	52,240	61,690	9,450	25.47	0.02%
Audubon	60,606	74,403	74,403	0	0.00	0.00%
Avoca	26,404	27,177	28,354	1,177	8.59	0.00%
Backus	27,091	25,300	30,635	5,335	16.83	0.01%
Badger	90,181	88,376	96,186	7,810	16.65	0.02%

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	(1)	(2)	(3)	(4=3-2)	(5=4/pop)	(6=4/\$45mill)
Barrett	58,083	54,726	65,049	10,323	29.92	0.02%
Berry	2,507	2,382	2,888	506	24.10	0.00%
Beardsley	67,818	65,640	71,475	5,835	23.34	0.01%
Beaver Bay	28,807	26,981	26,981	0	0.00	0.00%
Beaver Creek	50,236	47,273	47,273	0	0.00	0.00%
Bejou	18,423	17,457	18,714	1,257	13.97	0.00%
Bellechester	15,645	16,736	17,585	849	4.94	0.00%
Bellingham	68,640	64,750	70,281	5,531	28.36	0.01%
Beltrami	22,522	22,361	24,552	2,191	23.31	0.00%
Belview	101,069	94,921	106,703	11,782	29.60	0.03%
Bena	21,932	22,386	22,686	300	2.61	0.00%
Bertha	140,975	132,887	137,113	4,226	9.03	0.01%
Big Falls	66,726	62,729	68,189	5,460	20.68	0.01%
Bigelow	37,907	42,145	42,145	0	0.00	0.00%
Bigfork	95,625	90,064	90,064	0	0.00	0.00%
Bingham Lake	27,919	30,473	32,119	1,646	9.74	0.00%
Biscay	5,788	7,222	7,222	0	0.00	0.00%
Blomkest	18,852	17,626	20,136	2,510	13.72	0.01%
Bluffton	14,499	17,577	17,577	0	0.00	0.00%
Bock	8,316	9,377	9,377	0	0.00	0.00%
Borup	12,209	12,809	12,809	0	0.00	0.00%
Rowlus	26,491	27,205	29,211	2,006	7.78	0.00%
By River	2,058	2,358	2,358	0	0.00	0.00%
Boyd	82,230	77,530	77,530	0	0.00	0.00%
Brandon	85,534	85,980	94,539	8,559	19.63	0.02%
Bricelyn	107,489	113,685	118,707	5,022	13.87	0.01%
Brook Park	21,969	20,710	21,269	559	3.54	0.00%
Brooks	16,961	18,795	18,795	0	0.00	0.00%
Brookston	7,955	7,492	7,850	358	3.73	0.00%
Bruno	22,049	20,791	20,791	0	0.00	0.00%
Buckman	11,876	13,746	14,213	467	2.14	0.00%
Burtrum	20,722	21,500	21,500	0	0.00	0.00%
Callaway	34,251	33,950	36,963	3,013	14.35	0.01%
Calumet	149,713	141,079	141,079	0	0.00	0.00%
Campbell	47,610	45,909	50,410	4,501	19.83	0.01%
Canton	85,392	80,602	88,251	7,649	23.11	0.02%
Carlos	43,113	40,704	40,704	0	0.00	0.00%
Cedar Mills	2,856	4,056	4,056	0	0.00	0.00%
Ceylon	129,700	122,364	140,680	18,316	47.95	0.04%
Chandler	53,978	55,538	63,787	8,249	32.22	0.02%
Chickamaw Beach	0	0	0	0	0.00	0.00%
Chokio	128,737	121,551	121,551	0	0.00	0.00%
Clear Lake	43,475	40,705	40,705	0	0.00	0.00%
Clear Lake ments	32,220	32,895	36,095	3,200	17.68	0.01%
Climax	48,915	46,094	48,806	2,712	11.44	0.01%
Clinton	172,415	162,802	162,802	0	0.00	0.00%
Clitherall	12,908	13,148	13,148	0	0.00	0.00%
Clontarf	11,188	12,838	12,838	0	0.00	0.00%
Cobden	2,255	2,380	2,380	0	0.00	0.00%

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	(1)	(2)	(3)	(4=3-2)	(5=4/pop)	(6=4/\$45mill)
Comfrey	118,794	110,990	110,990	0	0.00	0.00%
Comstock	13,262	13,962	13,962	0	0.00	0.00%
Conger	26,709	25,109	25,109	0	0.00	0.00%
Correll	8,862	8,776	9,545	769	17.09	0.00%
Cromwell	19,947	21,821	26,574	4,753	24.25	0.01%
Currie	61,612	59,201	68,591	9,390	44.71	0.02%
Cuyuna	14,064	13,071	13,071	0	0.00	0.00%
Cyrus	64,683	62,788	67,929	5,141	17.91	0.01%
Dakota	19,081	27,472	28,480	1,008	3.05	0.00%
Dalton	41,302	40,680	45,472	4,792	18.43	0.01%
Danvers	7,988	7,458	7,911	453	4.44	0.00%
Darfur	21,691	24,191	24,191	0	0.00	0.00%
Darwin	13,292	15,792	15,792	0	0.00	0.00%
De Graff	13,548	14,903	14,903	0	0.00	0.00%
Deer Creek	48,129	52,629	52,629	0	0.00	0.00%
Delavan	52,017	48,812	55,745	6,933	33.66	0.02%
Delhi	14,406	14,552	15,656	1,104	15.77	0.00%
Denham	0	0	0	0	0.00	0.00%
Dennison	17,829	16,712	17,178	466	2.74	0.00%
Dent	21,695	24,695	24,695	0	0.00	0.00%
Dexter	67,607	64,739	76,402	11,663	34.81	0.03%
Donaldson	3,876	4,553	5,194	641	20.68	0.00%
Donnelly	37,553	40,656	40,656	0	0.00	0.00%
Doran	10,456	11,406	11,406	0	0.00	0.00%
Dover	73,100	84,634	84,634	0	0.00	0.00%
Dovray	10,098	10,557	11,098	541	8.59	0.00%
Dumont	23,581	22,223	22,223	0	0.00	0.00%
Dundee	16,366	17,839	17,839	0	0.00	0.00%
Dunnell	52,812	54,049	58,161	4,112	21.76	0.01%
Easton	40,948	38,470	38,470	0	0.00	0.00%
Echo	88,490	83,347	83,347	0	0.00	0.00%
Effie	2,253	3,753	3,753	0	0.00	0.00%
Eitzen	26,820	26,490	32,260	5,770	24.66	0.01%
Elba	10,023	11,892	11,892	0	0.00	0.00%
Elizabeth	26,227	25,815	28,109	2,294	13.18	0.01%
Elkton	14,658	13,804	13,858	54	0.36	0.00%
Elmdale	6,038	5,751	5,753	2	0.02	0.00%
Elrosa	15,501	18,145	18,247	102	0.65	0.00%
Elysian	69,131	63,984	63,984	0	0.00	0.00%
Emmons	80,104	75,416	82,385	6,969	16.40	0.02%
Erhard	18,567	19,567	19,567	0	0.00	0.00%
Erskine	88,546	83,831	102,091	18,260	42.76	0.04%
Evan	8,419	9,354	9,354	0	0.00	0.00%
Farwell	17,797	16,806	16,833	27	0.53	0.00%
Federal Dam	1,847	1,710	1,710	0	0.00	0.00%
Felton	33,854	31,963	31,963	0	0.00	0.00%
Fifty Lakes	0	0	0	0	0.00	0.00%
Finlayson	28,066	32,067	37,235	5,168	16.05	0.01%
Fisher	51,595	59,254	59,254	0	0.00	0.00%

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Flensburg	22,068	20,801	20,863	62	0.26	0.00%
Frederice	11,183	10,560	10,560	0	0.00	0.00%
Frederick	0	0	0	0	0.00	0.00%
Foreston	48,313	54,798	54,798	0	0.00	0.00%
Fort Ripley	0	0	0	0	0.00	0.00%
Fountain	40,796	46,290	53,195	6,905	18.81	0.02%
Foxhome	21,628	22,629	23,132	503	3.84	0.00%
Franklin	146,916	138,378	138,378	0	0.00	0.00%
Freeborn	47,325	46,021	54,800	8,779	29.56	0.02%
Freeport	82,308	77,525	77,525	0	0.00	0.00%
Frost	52,440	49,260	56,177	6,917	28.58	0.02%
Funkley	43	41	41	0	0.00	0.00%
Garfield	21,127	26,186	26,186	0	0.00	0.00%
Garrison	0	0	0	0	0.00	0.00%
Garvin	45,589	42,957	42,957	0	0.00	0.00%
Gary	62,643	59,095	59,095	0	0.00	0.00%
Geneva	59,028	61,150	66,328	5,178	11.31	0.01%
Genola	1,002	1,052	1,281	229	3.37	0.00%
Georgetown	9,055	9,127	10,955	1,828	15.36	0.00%
Ghent	53,177	54,634	58,778	4,144	13.37	0.01%
Gilman	1,042	1,938	1,938	0	0.00	0.00%
Gonvick	70,057	65,933	65,933	0	0.00	0.00%
Gordonsville	24,672	23,259	23,259	0	0.00	0.00%
Granada	75,285	78,465	78,465	0	0.00	0.00%
Grasston	19,378	18,260	18,260	0	0.00	0.00%
Green Isle	41,018	38,366	38,366	0	0.00	0.00%
Greenwald	12,476	14,976	14,976	0	0.00	0.00%
Grey Eagle	77,505	72,940	72,940	0	0.00	0.00%
Grygla	39,639	37,107	37,389	282	1.21	0.00%
Gully	10,983	11,636	11,636	0	0.00	0.00%
Hackensack	7,147	6,454	6,454	0	0.00	0.00%
Hadley	9,388	11,685	12,588	903	13.89	0.00%
Halma	8,538	8,116	9,104	988	13.53	0.00%
Hammond	23,108	25,438	25,438	0	0.00	0.00%
Hanley Falls	68,860	65,035	77,936	12,901	41.48	0.03%
Hanska	98,672	96,659	107,672	11,013	25.49	0.02%
Harding	689	656	656	0	0.00	0.00%
Hardwick	41,243	42,268	43,474	1,206	5.58	0.00%
Hartland	48,140	50,280	57,295	7,015	24.70	0.02%
Hatfield	2,898	3,478	3,598	120	2.73	0.00%
Hayward	30,609	28,599	31,443	2,844	12.00	0.01%
Hazel Run	12,862	13,362	13,362	0	0.00	0.00%
Heidelberg	92	66	66	0	0.00	0.00%
Henderson	56,975	56,944	64,975	8,031	25.10	0.02%
Henriette	5,262	6,062	6,062	0	0.00	0.00%
Herman	137,824	129,787	129,787	0	0.00	0.00%
Hewitt	50,529	51,257	54,429	3,172	11.84	0.01%
Hill City	55,450	51,960	61,032	9,072	18.67	0.02%
Hillman	2,842	3,242	3,242	0	0.00	0.00%

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	(1)	(2)	(3)	(4=3-2)	(5=4/pop)	(6=4/\$45mill)
Hitterdal	46,819	43,990	45,485	1,495	7.99	0.00%
Holland	42,337	41,869	44,996	3,127	15.03	0.01%
Hollandale	36,818	35,830	43,634	7,804	25.59	0.02%
Holloway	18,281	17,203	17,203	0	0.00	0.00%
Holt	11,321	11,821	11,821	0	0.00	0.00%
Humboldt	10,051	10,360	10,360	0	0.00	0.00%
Ihlen	17,130	16,153	18,280	2,127	21.06	0.00%
Iona	38,514	36,358	37,376	1,018	6.32	0.00%
Iron Junction	7,614	8,149	8,149	0	0.00	0.00%
Ironton	130,712	122,944	122,944	0	0.00	0.00%
Jeffers	105,194	104,879	110,694	5,815	15.18	0.01%
Jenkins	4,756	4,254	4,254	0	0.00	0.00%
Johnson	4,990	5,690	5,690	0	0.00	0.00%
Kelliher	78,645	82,093	82,093	0	0.00	0.00%
Kellogg	65,842	69,473	77,348	7,875	17.62	0.02%
Kennedy	58,998	57,972	66,143	8,171	35.22	0.02%
Kenneth	13,257	12,520	12,520	0	0.00	0.00%
Kensington	48,154	48,896	51,870	2,974	11.01	0.01%
Kent	19,555	18,467	20,455	1,988	16.71	0.00%
Kerrick	4,497	4,215	4,215	0	0.00	0.00%
Kettle River	29,133	27,187	27,187	0	0.00	0.00%
Kilkenny	34,452	32,551	34,942	2,391	15.23	0.01%
Kinbrae	607	563	563	0	0.00	0.00%
Kingston	9,123	8,732	8,732	0	0.00	0.00%
Kinney	76,224	71,575	71,575	0	0.00	0.00%
La Salle	13,668	15,268	15,268	0	0.00	0.00%
Lake Bronson	59,888	59,326	63,398	4,072	17.33	0.01%
Lake Henry	4,810	6,269	6,422	153	1.84	0.00%
Lake Lillian	44,500	41,775	41,775	0	0.00	0.00%
Lake Wilson	62,026	61,723	65,574	3,851	14.81	0.01%
Lancaster	72,755	68,326	77,855	9,529	27.15	0.02%
Laporte	9,387	8,910	9,555	645	4.81	0.00%
Lastrup	2,761	2,554	2,554	0	0.00	0.00%
Lengby	26,498	25,020	26,026	1,006	12.27	0.00%
Leonard	2,511	2,786	2,786	0	0.00	0.00%
Leonidas	42,724	40,294	40,294	0	0.00	0.00%
Lewisville	50,937	55,437	55,437	0	0.00	0.00%
Lismore	65,846	62,028	69,944	7,916	35.34	0.02%
Long Beach	0	0	0	0	0.00	0.00%
Longville	0	0	0	0	0.00	0.00%
Louisburg	5,816	6,668	6,668	0	0.00	0.00%
Lowry	52,981	49,767	49,767	0	0.00	0.00%
Lucan	55,505	52,355	52,355	0	0.00	0.00%
Lynd	59,559	56,382	62,892	6,510	19.15	0.01%
Magnolia	24,792	27,173	27,173	0	0.00	0.00%
Manchester	8,544	9,034	9,034	0	0.00	0.00%
Manhattan Beach	0	0	0	0	0.00	0.00%
Mapleview	63,245	59,661	59,661	0	0.00	0.00%
Marietta	63,748	60,089	60,089	0	0.00	0.00%

**2006 LGA: Current Law v.
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and no other changes**

Run:LGA45altcl

Cityname:	Certified 2005 LGA)	Curr. law 2006 LGA	Prop.2006 LGA+\$45m	LGA gain from \$45 mill.	Percapita gain from \$45 mill.	Pct. of \$45 million.
	(1)	(2)	(3)	(4=3-2)	(5=4/pop)	(6=4/\$45mill)
Maynard	131,892	124,371	132,058	7,687	20.66	0.02%
Grath	2,496	3,096	3,096	0	0.00	0.00%
McGregor	85,622	84,196	98,622	14,426	36.43	0.03%
McKinley	63,789	59,976	59,976	0	0.00	0.00%
Meadowlands	11,647	10,795	11,563	768	7.31	0.00%
Meire Grove	11,090	10,552	10,552	0	0.00	0.00%
Mentor	16,599	19,450	19,450	0	0.00	0.00%
Middle River	51,298	56,629	56,629	0	0.00	0.00%
Milan	100,136	94,384	95,068	684	2.21	0.00%
Millerville	1,127	1,207	1,207	0	0.00	0.00%
Millville	17,364	19,191	19,664	473	2.58	0.00%
Milroy	48,204	47,772	58,178	10,406	40.65	0.02%
Miltona	19,887	24,213	28,986	4,773	16.63	0.01%
Minneiska	7,554	7,065	7,065	0	0.00	0.00%
Minnesota City	25,955	28,955	28,955	0	0.00	0.00%
Mizpah	3,971	4,171	4,171	0	0.00	0.00%
Morton	116,815	116,560	129,783	13,223	30.75	0.03%
Murdock	60,676	57,140	64,977	7,837	26.21	0.02%
Myrtle	8,837	9,662	9,662	0	0.00	0.00%
Nashua	63	43	43	0	0.00	0.00%
Nassau	11,207	12,461	12,461	0	0.00	0.00%
Nelson	16,836	20,136	20,136	0	0.00	0.00%
strand	20,170	18,913	18,913	0	0.00	0.00%
veis	57,431	53,847	53,847	0	0.00	0.00%
New Auburn	75,895	86,657	86,657	0	0.00	0.00%
New Munich	49,853	53,853	53,853	0	0.00	0.00%
Newfolden	70,703	66,418	75,203	8,785	24.54	0.02%
Nielsville	18,724	19,315	20,695	1,380	15.51	0.00%
Nimrod	2,151	2,214	2,697	483	6.90	0.00%
Norcross	20,938	19,711	19,711	0	0.00	0.00%
Northome	59,298	56,687	62,998	6,311	27.80	0.01%
Northrop	35,206	38,423	40,176	1,753	7.07	0.00%
Odessa	47,220	44,573	44,573	0	0.00	0.00%
Odin	18,929	20,058	20,058	0	0.00	0.00%
Ogema	31,275	29,488	30,790	1,302	9.64	0.00%
Ogilvie	109,036	104,221	114,063	9,842	20.46	0.02%
Okabena	44,966	42,359	49,973	7,614	42.30	0.02%
Oklee	112,542	106,130	110,872	4,742	11.68	0.01%
Ormsby	20,906	22,754	23,379	625	4.14	0.00%
Orr	49,708	46,440	46,440	0	0.00	0.00%
Oslo	83,095	77,944	77,944	0	0.00	0.00%
Ostrander	33,353	32,874	40,035	7,161	35.10	0.02%
Ottertail	0	0	0	0	0.00	0.00%
sade	13,506	16,499	16,499	0	0.00	0.00%
Pease	12,436	13,398	15,916	2,518	14.99	0.01%
Pemberton	18,861	22,690	26,451	3,761	15.10	0.01%
Perley	18,044	18,635	20,194	1,559	13.80	0.00%
Peterson	34,809	38,209	39,659	1,450	5.62	0.00%
Pillager	90,158	103,273	103,273	0	0.00	0.00%

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	(1)	(2)	(3)	(4=3-2)	(5=4/pop)	(6=4/\$45mill)
Plato	28,816	26,648	26,648	0	0.00	0.00%
Plummer	47,941	44,945	44,945	0	0.00	0.00%
Porter	44,972	42,413	42,413	0	0.00	0.00%
Prinsburg	89,163	83,810	83,810	0	0.00	0.00%
Quamba	7,256	9,062	9,062	0	0.00	0.00%
Racine	38,814	42,745	48,833	6,088	15.98	0.01%
Ranier	20,600	20,181	23,533	3,352	18.32	0.01%
Regal	510	881	1,060	179	5.11	0.00%
Remer	50,003	46,721	47,314	593	1.63	0.00%
Revere	23,991	22,621	24,703	2,082	20.21	0.00%
Richville	7,280	9,083	9,083	0	0.00	0.00%
Riverton	7,406	6,904	6,904	0	0.00	0.00%
Ronneby	2,461	2,972	3,061	89	4.24	0.00%
Roosevelt	8,147	9,147	9,147	0	0.00	0.00%
Roscoe	16,021	17,621	17,621	0	0.00	0.00%
Rose Creek	66,528	62,720	63,432	712	2.05	0.00%
Rothsay	97,264	104,841	104,841	0	0.00	0.00%
Round Lake	71,779	78,554	78,554	0	0.00	0.00%
Rushmore	80,258	84,558	89,403	4,845	13.13	0.01%
Russell	92,192	86,523	86,523	0	0.00	0.00%
Ruthfon	68,435	68,373	75,342	6,969	25.91	0.02%
Rutledge	2,307	2,275	2,275	0	0.00	0.00%
Sabin	61,082	66,382	66,382	0	0.00	0.00%
Sanborn	111,655	110,684	119,665	8,981	21.90	0.02%
Sargeant	6,284	7,784	7,784	0	0.00	0.00%
Seaforth	16,378	15,417	17,080	1,663	24.10	0.00%
Sedan	4,617	5,617	5,617	0	0.00	0.00%
Shafer	55,712	53,422	59,571	6,149	11.54	0.01%
Shelly	60,351	58,494	62,441	3,947	15.30	0.01%
Shevlin	14,259	15,599	15,599	0	0.00	0.00%
Skyline	3,411	3,222	3,222	0	0.00	0.00%
Sobieski	3,704	6,104	6,104	0	0.00	0.00%
Solway	6,392	6,021	6,021	0	0.00	0.00%
South Haven	24,184	25,368	30,894	5,526	29.39	0.01%
Spring Hill	2,967	2,718	2,718	0	0.00	0.00%
Squaw Lake	8,693	9,443	9,443	0	0.00	0.00%
St. Anthony	4,888	5,199	5,199	0	0.00	0.00%
St. Hilaire	40,893	44,173	44,173	0	0.00	0.00%
St. Leo	12,511	13,311	13,311	0	0.00	0.00%
St. Martin	17,287	19,618	22,787	3,169	11.44	0.01%
St. Rosa	1,341	1,192	1,192	0	0.00	0.00%
St. Vincent	13,402	13,962	13,962	0	0.00	0.00%
Steen	17,925	19,675	19,675	0	0.00	0.00%
Storden	74,121	69,591	78,292	8,701	33.08	0.02%
Strandquist	13,893	14,443	14,443	0	0.00	0.00%
Strathcona	3,288	3,103	3,103	0	0.00	0.00%
Sturgeon Lake	16,651	24,751	24,751	0	0.00	0.00%
Sunburg	20,765	24,261	24,261	0	0.00	0.00%
Swanville	70,217	69,397	76,232	6,835	19.09	0.02%

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Taconite	118,255	111,332	111,332	0	0.00	0.00%
amarack	3,415	3,167	3,167	0	0.00	0.00%
Paopi	4,650	5,100	5,100	0	0.00	0.00%
Taunton	20,077	22,807	22,807	0	0.00	0.00%
Tenney	1,352	1,266	1,266	0	0.00	0.00%
Tenstrike	2,137	2,070	2,070	0	0.00	0.00%
Thomson	12,152	11,334	11,334	0	0.00	0.00%
Tintah	9,557	9,896	10,932	1,036	15.01	0.00%
Tower	109,452	102,002	102,002	0	0.00	0.00%
Trail	2,883	2,702	2,702	0	0.00	0.00%
Trommald	8,969	8,426	8,426	0	0.00	0.00%
Trosky	8,015	9,215	9,215	0	0.00	0.00%
Turtle River	0	0	0	0	0.00	0.00%
Twin Lakes	34,067	32,117	32,117	0	0.00	0.00%
Underwood	71,656	67,578	77,205	9,627	28.57	0.02%
Upsala	59,988	56,353	67,094	10,741	25.04	0.02%
Urbank	4,349	4,616	4,616	0	0.00	0.00%
Utica	24,821	23,608	26,704	3,096	13.70	0.01%
Vergas	23,535	33,124	33,124	0	0.00	0.00%
Vernon Center	56,411	57,191	68,219	11,028	31.51	0.02%
Vesta	75,381	72,281	85,401	13,120	40.62	0.03%
Viking	23,672	22,336	22,336	0	0.00	0.00%
ard	36,993	34,811	38,781	3,970	16.82	0.01%
Vining	10,442	9,842	11,312	1,470	21.62	0.00%
Wahkon	12,383	11,538	11,538	0	0.00	0.00%
Waldorf	54,346	51,127	51,127	0	0.00	0.00%
Walters	24,130	22,789	22,789	0	0.00	0.00%
Waltham	33,790	33,371	35,871	2,500	12.95	0.01%
Wanda	16,018	18,628	18,981	353	3.97	0.00%
Warba	12,115	11,561	14,008	2,447	13.16	0.01%
Watson	49,801	50,076	55,107	5,031	25.03	0.01%
Waubun	63,052	70,052	70,052	0	0.00	0.00%
Wendell	43,165	40,632	43,229	2,597	14.51	0.01%
West Union	2,962	3,512	3,512	0	0.00	0.00%
Westport	1,955	2,405	2,405	0	0.00	0.00%
Whalan	10,734	10,081	10,081	0	0.00	0.00%
Wilder	13,095	13,841	14,890	1,049	14.99	0.00%
Williams	33,636	32,408	37,532	5,124	25.12	0.01%
Willow River	36,469	34,622	34,622	0	0.00	0.00%
Wilmont	70,417	74,414	77,416	3,002	9.29	0.01%
Wilton	525	1,243	1,243	0	0.00	0.00%
Winger	40,447	38,036	38,036	0	0.00	0.00%
Winton	31,547	29,743	29,743	0	0.00	0.00%
f Lake	743	1,243	1,243	0	0.00	0.00%
Wolverton	22,722	21,221	25,523	4,302	31.17	0.01%
Wood Lake	110,313	103,924	114,008	10,084	24.01	0.02%
Woodstock	32,497	30,619	34,897	4,278	35.36	0.01%
Wrenshall	56,414	53,215	53,215	0	0.00	0.00%
Wright	8,966	8,522	8,522	0	0.00	0.00%

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Wykoff	118,939	112,059	124,345	12,286	27.55	0.03%
Zemple	592	532	532	0	0.00	0.00%
Zumbro Falls	28,873	32,010	32,010	0	0.00	0.00%
Group Total	13,016,535	12,904,305	13,613,784	709,479	9.28	1.58%
Region total	285,092,868	289,848,477	308,007,435	18,158,958	12.53	40.35%
State Total	436,718,087	436,558,200	481,558,200	45,000,000	10.98	100.00%

HOUSE OFFER 7/12/05, 1:20am

Property Tax Aids and Credits - Expenditures

shaded items are enacted, agreed to by working group or in Governor's agreement

	House FY06-07
Utility personal property tax exemption - Faribault	\$0
Utility personal property tax exemption - Cannon Falls	0
Utility personal property tax exemption - Shakopee	0
Utility personal property tax exemption poultry litter biomass facility - Benson (extension)	0
Utility personal property tax exemption (biomass) for Mpls - Sears site	0
Class 1c resorts . reduces 1st tier class rate to .55% up to \$500k, next \$1.7 mil is 1%, above \$2.2 mil is 4c, eliminates box	52
4d . reduces class rate to 0.75%	840
Sauk River Watershed Levy . 0.01% of market value increase	7
Met Council Bus Bonds - \$64 mil	0
Repeals property tax exemption for Biotech Zones	(14)
Education Finance Bill increase in K-12 levies - PTR increase	3,695
PTR savings - Increase in LGA	(880)
LGA . White Bear Lake in FY06, increases LGA funding by \$45 mil in FY07 & after	45,105
Transfer to County Aid from Courts (Washington & Anoka)	199
Reduction to District Court base budget	(199)
Repeals JOBZ Aid	0
LMV - 2yr delay	29
Extends reductions to MV credit for cities in FY06-07	(35,300)
Change MV credit calculation for fractional hmstds	(500)
Include special assessments & charges for Senior Deferral	19
Taxpayer Assistance Grants (in base)	250
Increases PILT payments for LUP lands . \$0.75/acre.	42
One-time appropriation for the Vinland Center	125
Border Cities : Allocates money to Western border city enterprise zones	1,500
Disaster Grants - Otter Tail County	500
Appropriation for DOR administration	700
<hr/>	
Amount Over or (Under) Base	\$16,170
Base	<u>2,960,815</u>
Total Spending	2,976,985
Spending Target	2,973,829
Amount Over or (Under) Target	3,156

House Offer -- 7/11/05 1:20am
TOTAL REVENUE CHANGES -- Above forecast

Shaded items are either enacted, agreed to by the working group, or in Governor's Agreement

	House FY06-07
Revenue Increases	
Require quarterly withholding for nonres partnerships & S-corps	14,050
Require 2% withholding on payments to self-employed construction subcontractors - compromise language	3,600
Fed Conformity -- American Job Creation Act of 2004 (selected items)	20,765
Income tax interaction -- LGA increase (lower property taxes raises inc taxes)	1,480
Require up-front payment of sales tax on leased vehicles (10/1/05)	38,670
Rental vehicles tax rate -- Repeal 12/31/05 expiration date for special 12.7% sales tax rate	18,590
Collect cigarette sales tax at wholesale (\$0.20/pack) -- payment shift	5,400
-- compliance impact	4,950
Require state vendors to collect sales tax	3,410
Define industrial production to exclude gas pipelines	20,830
Reverse Sprint case: tax telecom. wire, fiber, poles, conduit	3,060
Alcoholic beverages -- Enact 2.5% gross receipts tax (eff. 1/1/06, when sales tax rate on alcohol falls from 9% to 6.5%)	83,950
CUNA	330
Insurance -- Subject stop-loss policies to premiums tax eff. 1/1/06	5,100
Tax Shelter Compliance	56,800
FOC definition change (<u>Governor</u>)	3,100
Revenue Reductions	
Subtract expenses related to organ donation (up to \$10,000) -- <u>compromise language</u>	(213)
Exempt National Guard pay for active service in Minnesota	(84)
Military pay -- Subtract active duty military service out of state	(1,930)
K-12 Credit -- Starting 2005 repeal family cap & repeal need to allocate costs to specific child; phaseout at \$1/\$2 for >1 child ["Option 4"]	(1,425)
Federal Conformity	
Military Family Tax Relief Act of 2003	(1,010)
Medicare Act of 2003 -- Health Savings Accounts only	(8,200)
Working Families Tax Relief Act of 2005 -- \$250 teacher expenses	(2,400)
Working Families Tax Relief Act of 2005 -- All other provisions	(1,650)
Public Law 109-7 -- Exempt disaster mitigation grants	(30)
Change in income tax revenue due to property tax increases	(6,100)
Phase in single sales apportionment (GOV: Phase in over 8 years)	(2,300)
Ready-to-eat meats & seafood -- Repeal 12/31/05 expiration date	(1,120)
Exempt certain solar energy systems (eff. 8/1/05)	(90)
Exempt inputs for public safety radio systems (capped total)	(3,050)
Life insurance -- Reduce premiums tax to 1.5%, accelerate phase-in	(8,650)
International Trade Zone (modified language) -- cost in FY 2008-09	0
Meeker County JOBZ refunds	(200)
Redwood Falls JOBZ refunds (only camera equipment)	(50)
AMT full deduction for charitable contributions -- Scaled 2005, full 2006	(6,300)
Exempt artistic events at MNSCU & private colleges	(137)
Academic Health Center & MERC -- fixed \$21.38 million for AHC & \$8.22 for MERC starting FY 2007	(1,250)
Estate tax--Qualified Terminal Interest Property (QTIP) (eff 1/1/07)	0
Catholic Charities food exemption	(66)
Exempt construction materials	
Olmsted County waste recovery	(745)
Red Wing waste recovery	(70)
Minneapolis waste recovery	(260)
Turkey litter	(800)
Laurentian Energy biomass	(434)
Crown Hydro	(165)
Chatfield	(160)
TOTAL	235,196

Revenue change target: 232,000
Amount over target: **3,196**

Target number excludes cigarette & tobacco fee revenue, SSTP & other enacted revenue provisions.

**Tax Working Group – 2005
Roll Call**

Date: July 11, 2006

Issue: Governor FOC Proposal

Senate

	Yes	No	Absent	Pass
Senator Belanger	X			
Senator Betzold		X		
Senator Moua		N		
Senator Skoe		N		
Senator Pogemiller		N		
Total	1	4		

House

	Yes	No	Absent	Pass
Representative Abrams	X			
Representative Brod	X			
Representative Lanning	X			
Representative Lenczewski	X			
Representative Simpson	X			
Total	5	0		

Tax Revenue Gains

	7-12-05 Offer 2 AM		
	FY 06	FY 07	FY 06-07
Tax Deferred Wages on Non-Residents	0	0	0
Quarterly Withholding for NR partnerships and S	13,200	850	14,050
Contractor Withholding at 2%	1,800	1,800	3,600
American Job Creation Act	8,580	12,185	20,765
Upfront Payment on Leased Vehicles	18,921	19,749	38,670
Rental Vehicle Tax	4,790	13,800	18,590
Cigarettes at Wholesale			
Payment Shift	5,400	0	5,400
Compliance Impact	2,250	2,700	4,950
Out of State Vendors	680	2,730	3,410
Gas Pipelines	9,110	11,720	20,830
Reverse Sprint Case	1,500	1,560	3,060
Alcoholic Beverages	23,650	60,300	83,950
Insurance Stop Loss	1,400	3,700	5,100
Tax Shelter Compliance	55,100	1,700	56,800
Income Tax Effects of LGA			1,480
CUNA	90	240	330
Total Revenue Gains--Gross	146,471	133,034	280,985

Revenue Reductions

Organ Donation Expenses	(104)	(109)	(213)
Exempt National Guard for MN Active Service	(42)	(42)	(84)
Subtraction for Active Duty Military Out of State	(960)	(970)	(1,930)
Military Family Tax Relief Act	(680)	(330)	(1,010)
K-12 Credit	(695)	(730)	(1,425)
RAIN	0	0	0
AMT/Charitable Contributions	(1,350)	(2,468)	(3,818)
Redwood Falls JOBZ/Airplanes	0	(50)	(50)
MnsCu Exemption for Artistic Events	(68)	(68)	(137)
10% Credit for Historic Structures	0	0	0
HSA's	(5,200)	(3,000)	(8,200)
Working Families Tax Relief Act	(3,980)	(70)	(4,050)
WFC	0	0	0
Dependent Care Credit	0	0	0
Exempt Disaster Mitigation Grants	0	(30)	(30)
Change in Income Tax Revenue due to K-12 Levies	0	(6,100)	(6,100)
Exemption for Ready to Eat Meat/Seafood	(325)	(795)	(1,120)
Exempt Certain Solar Energy	(40)	(50)	(90)
Exempt TV and Movie Inputs	0	0	0
Public Safety Radio	(1,540)	(1,510)	(3,050)
Catholic Charities Food Exemption	(58)	(8)	(66)
Commuter Rail Construction Exemption	0	0	0
Waste Recovery Facilities:			
Olmstead County	0	(745)	(745)
Red Wing	0	(70)	(70)
Minneapolis	(70)	(190)	(260)
Turkey Litter	(800)	0	(800)
Laurentian Energy Biomass	(134)	(300)	(434)
Thief River Falls Arena	0	0	0
Crown Hydro	(145)	(20)	(165)
Chatfield	(160)	0	(160)
U of M AHC (Feb. 03 Forecast Levels for FY 06-07)	(1,557)	(1,549)	(3,106)
MERC (Feb. 03 Forecast Levels for FY 06-07)	(598)	(595)	(1,194)
Cargo	0	0	0
Meeker Coop Refund	(200)	0	(200)
Insurance Premiums to 1.5% Single Sales	(1,000)	(3,500)	(4,500)
	0	(2,300)	(2,300)
Total Revenue Reductions	(19,706)	(25,600)	(45,307)

Net Revenues:

(Gross Revenue - Reductions)	126,765	107,434	234,198
Target			232,000
Amount Over (Under) Target			2,198

FY 06 **FY 07** **FY 06-07**

Tax Revenue Changes in Enacted Bills

Streamlines Sales Tax	9,800	31,520	41,320
Great River School Abatement	(15)	0	(15)
Change in Liquor Tax Payment	(25)	0	(25)
Change in Fur Tax Payments	(25)	0	(25)
Total Change Enacted Bills	9,735	31,520	41,255

Net Revenues + Changes from Enacted Bills	136,500	138,954	275,453
--	----------------	----------------	----------------

Tax Bill Expenditure Changes

Rent Credit at Current Law	0	0	0
PCR at Current Law	0	0	0
Utility Personal Property			
Faribault	0	0	0
Cannon Falls	0	0	0
Shakopee	0	0	0
Poultry Litter	0	0	0
Repeal Property Tax Exemption for Biotech Zones	0	(14)	(14)
Repeal JOBZ Aid	0	0	0
PTR Increase from K-12 Levies	0	3,695	3,695
4D Class Rate Change	0	840	840
LMV for Small Resorts	0	0	0
Class 1c Resorts: 1st Tier to \$500K	0	52	52
LMV 2 Year Delay of Sunset	0	29	29
LGA	0	45,000	45,000
Market Value Credit Reimbursement	(17,800)	(17,500)	(35,300)
Taxpayer Assistance Grants (to be in base)	125	125	250
PTR Savings from LGA	0	(880)	(880)
PILT	21	21	42
Correction to State Depts. Bill/Vinland Center	125	0	125
Taconite	0	450	450
Ottertail Disaster Grants	500	0	500
Elementary/Middle School IB Pilot	0	0	0
DOR Appropriation	350	350	700
Total Tax Bill Expenditure Changes	(16,679)	32,168	15,489

Tax Expenditure Changes in Enacted Bills:

WBL LGA	105	0	105
Sauk Watershed Levy	0	7	7
Met Council Bus Bonds	0	0	0
Senior Deferral Special Assessments	0	19	19
MVC for Fractional Homesteads Change	0	(500)	(500)
County Court Aid Transfer	66	133	199
Reduce District Court Base Budget	(66)	(133)	(199)
Total Enacted Tax Expenditure Changes	105	(474)	(369)

Total Open Tax and Enacted

Tax Expenditure Changes Target	(16,574)	31,694	15,120
Amount Over (under) Target			2,106

**Tax Working Group – 2005
Roll Call**

Date: July 11, 2006

Issue: House LGA Proposal

Senate

	Yes	No	Absent	Pass
Senator Belanger	X			
Senator Betzold		X		
Senator Moua		N		
Senator Skoe	X			
Senator Pogemiller		N		
Total	2	3		

House

	Yes	No	Absent	Pass
Representative Abrams	X			
Representative Brod	X			
Representative Lanning	X			
Representative Lenczewski		N		
Representative Simpson	X			
Total	4	1		

**Tax Working Group – 2005
Roll Call**

Date: July 11, 2006

Issue: Senate 2am Offer

Senate

	Yes	No	Absent	Pass
Senator Belanger		X		
Senator Betzold	X			
Senator Moua	X			
Senator Skoe	X			
Senator Pogemiller	X			
Total	4	1		

House

	Yes	No	Absent	Pass
Representative Abrams		X		
Representative Brod		X		
Representative Lanning		X		
Representative Lenczewski	X			
Representative Simpson		N		
Total	1	4		

Low-Income Housing Provisions

	Senate (H.F. No. 785 – Unofficial Engrossment, Article 8)	House (H.F. No. 785 – Third Engrossment, Article 2)
Qualifying Properties <i>all included</i> →	Includes categories covered in House proposal, referred to as “deemed” properties <u>plus</u> projects that are subject to rent and income restrictions under terms of financial assistance provided by a federal, state, local unit of government. These restrictions require the assisted units to be occupied by residents whose income, at the time of initial occupancy, does not exceed 60 percent of the greater of area or state median income, adjusted for family size. Restricts the rent to 30 percent of the 60 percent income requirements.	At least 75 percent of the units must be: (1) subject to a housing assistance payments contract under Section 8 of the U.S. Housing Act of 1937, as amended; (2) rent-restricted and income-restricted units of a qualified low-income housing project receiving tax credits under section 42(g) of the Internal Revenue Code; or (3) financed by the Rural Housing Service of the U.S. Department of Agriculture and receive payments under the rental assistance program under Section 521(a) of the Housing Act of 1949.
Class Rate	0.55% 0.75%	1%
Duration	Not limited.	Must be re-certified as qualifying every five years.
Valuation	Based on restricted use (i.e., income and rent limits) capitalizing net operating income prior to payment of debt service.	Based on normal approach to value using unrestricted rates.
Petition Challenging Assessments	Property tax petitions involving qualified low-income rental housing property may include all qualifying parcels within the same county owned by the petitioner. Under current law, multiple parcels in a petition must all be within the same city or township.	No provision.
Application Date	February 28 or later date determined by MHFA.	March 31 or later date determined by MHFA.
Application Fee	Must be imposed by MHFA to cover costs.	May be imposed by MHFA to cover costs – up to \$10/unit
Process for Determining Qualification	MHFA allowed to deem units qualified under simplified procedure.	No provision.

effective for payable 2006

also: House language on institution of purely public charity

add valuation of low income houses to assessment study

DOR Administrative Costs
Provisions already agreed to by Tax Working group
 July 11, 2005 12:30 PM

From Department Fiscal Notes dated 6/22/2005

\$ in 1000s

Provision	FY 06	FY 07	FY 08	FY 09
Agreed to				
Streamline Sales Tax Full Participation	\$ 446	\$ 803	\$ 801	\$ 833
Tax Shelter - VCI	84	582	573	523
Out-of State Tobacco Deliver Restrictions	0	66	62	62
Individual Use Tax (Compromise)	400	100	100	100
Health Impact Fee ¹	259	240	240	240
Early Payment of Electronic PTR Filings	0	(66)	(143)	(220)
Still Under Consideration	200	150	150	150
Tax reform Commission, Fee Report, Fee in Incidence Report, Pollution Control Equipment				
TOTAL	\$ 1,389	\$ 1,875	\$ 1,786	\$ 1,688

¹ Not in original fiscal note.

SF 69, Sec. 97 expands the definition of "in the line of duty" to include military service, when related to police officers and/or firefighters. This will allow the spouses of police officers and firefighters who dually serve in the military to receive police/fire survivors' benefits if their spouses die during active military service.

Sec. 97. Minnesota Statutes 2004, section 353.657,
310.7 subdivision 1, is amended to read:

310.8 Subdivision 1. [GENERALLY.] In the event a member of the
310.9 police and fire fund dies from any cause before retirement or
310.10 after becoming disabled and receiving disability benefits, the
310.11 association shall grant survivor benefits to a surviving
spouse,
310.12 as defined in section 353.01, subdivision 20, and who was
310.13 married to the member for a period of at least one year, except
310.14 that if death occurs in the line of duty no time limit is
310.15 required. For purposes of this section, line of duty also
310.16 includes active military service, as defined in section 190.05,
310.17 subdivision 5. The association shall also grant survivor
310.18 benefits to a dependent child or children, as defined in
section

310.19 353.01, subdivision 15.

310.20 Notwithstanding the definition of surviving spouse, a
310.21 former spouse of the member, if any, is entitled to a portion
of
310.22 the monthly surviving spouse benefit if stipulated under the
310.23 terms of a marriage dissolution decree filed with the
310.24 association. If there is no surviving spouse or child or
310.25 children, a former spouse may be entitled to a lump-sum refund
310.26 payment under section 353.32, subdivision 1, if provided for in
310.27 a marriage dissolution decree but not a monthly surviving
spouse
310.28 benefit despite the terms of a marriage dissolution decree
filed
310.29 with the association.

310.30 The spouse and child or children are entitled to monthly
310.31 benefits as provided in the following subdivisions.

310.32 [EFFECTIVE DATE.] This section is effective immediately and
310.33 applies to members of the police and fire fund at any time on
or
310.34 after September 11, 2001.

1 A bill for an act

2 relating to education; providing for an elementary and
3 middle school years international baccalaureate pilot
4 program; appropriating money.

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

6 Section 1. [ELEMENTARY AND MIDDLE SCHOOL YEARS EDUCATION
7 INTERNATIONAL BACCALAUREATE (IB) PILOT PROGRAM.]

8 Subdivision 1. [DEFINITIONS.] The definitions in this
9 subdivision apply to this section.

10 (a) "International baccalaureate" or "IB" means an academic
11 curriculum for elementary and middle school years approved by
12 the International Baccalaureate Organization.

13 (b) "School district" means Special School District No. 6,
14 South St. Paul.

15 (c) "Pilot program" means a research and evaluation project
16 introducing the elementary and middle school years IB program
17 and measuring the effect of this integrated curriculum on
18 student learning.

19 (d) "Commissioner" means the commissioner of the Department
20 of Education.

21 (e) "Instructional year" is one year of full-time
22 instruction under the IB program for a given grade level.

23 Subd. 2. [LEGISLATIVE FINDING.] (a) The IB program is an
24 internationally recognized program of academic studies
25 emphasizing a rigorous curriculum, advanced student performance,

1 and development of critical thinking and application skills.

2 (b) Minnesota has nine IB programs at the secondary level,
3 but as yet no district has adopted this program as the basis for
4 its elementary course of studies for all students.

5 (c) Special School District No. 6, South St. Paul, has had
6 an established and successful secondary IB diploma program for
7 over ten years and is interested in becoming a pilot site for
8 implementation of the elementary and middle school years IB
9 programs as a means of advancing student performance.

10 Subd. 3. [PURPOSE.] The purpose of this section is to
11 provide funding for a five-year pilot program in a district with
12 an established IB program to assess the benefits of implementing
13 IB primary-level and intermediate-level programs across an
14 entire district and to measure its effectiveness in improving
15 student performance and academic achievement.

16 Subd. 4. [PILOT PROJECT PLAN.] (a) The school district
17 must file a plan with the commissioner for introducing the
18 elementary and middle school years IB programs into general use
19 in the district, including a detailed cost analysis, schedule of
20 preparatory activities, in-service for teachers, and curriculum
21 and instructional materials. The plan must include the costs
22 for startup and annual operation, instructional goals,
23 implementation plan, learning outcomes, and timelines for
24 achieving this implementation.

25 (b) Upon approval of the implementation and evaluation plan
26 and budget by the school board and the commissioner, the
27 commissioner shall authorize payment of funds to the district in
28 an amount up to the annual limit of the appropriation.

29 (c) Funds received under this section from any source may
30 not be used for unrelated curriculum, instruction or operating
31 expense purposes, or capital improvements.

32 (d) The pilot program must begin no later than the
33 beginning of the 2006-2007 school year and be completed by the
34 end of the 2010-2011 school year.

35 Subd. 5. [REPORTING REQUIREMENTS.] (a) By September 1 of
36 each instructional year following introduction of the curriculum

1 and for the duration of the pilot program, the school district
2 must report to the commissioner and the public on the funds
3 expended, performance level achieved by students in the program,
4 and overall progress made toward accomplishing the goals of the
5 program.

6 (b) At the completion of the final year of the pilot
7 program, a comprehensive assessment of the success of the
8 project will be prepared with the assistance of the Department
9 of Education and provided to the house of representatives and
10 senate committees having jurisdiction over kindergarten through
11 grade 12 education.

12 Sec. 2. [APPROPRIATION.]

13 Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums
14 indicated in this section are appropriated to the Department of
15 Education in the fiscal years indicated.

16 ~~* Subd. 2. [ELEMENTARY AND MIDDLE SCHOOL YEARS INTERNATIONAL~~
17 ~~BACCALAUREATE (IB) PILOT PROGRAM.]~~ For the elementary and middle
18 school years IB pilot program:

19	<u>\$750,000</u>	<u>.....</u>	<u>2006</u>
20	<u>\$400,000</u>	<u>.....</u>	<u>2007</u>

Y20F
D

- SA LOUIS PK
- SO SA PAUL

21 Of this amount, up to \$750,000 may be used for
22 preinstructional startup costs, including staff, training,
23 curriculum materials, and preparation costs.

24 Up to \$400,000 may be used for operating costs for school
25 instructional years one through five.

26 Any balance remaining in the first year does not cancel but
27 is available in the second year.

28 Costs for testing, other assessment, and preparation of the
29 annual report must be paid from school district funds.

30 At the conclusion of the pilot program, the school district
31 must decide whether to continue the IB program and to pay all
32 costs for continuing the curriculum.

LP - ^{FR:} Sen Metzen - is there any
chance of getting this in Bill - got taken
out of K12 this am. - VIP to
Marko / Metzen - ??

1 moves to amend H. F. No., as follows:

2 Page ..., after line ..., insert:

3 "[EFFECTIVE DATE.] Subdivision 1. [GENERAL.] This section
4 is effective for tax years beginning after December 31, 2004,
5 except the changes in clause (2) are effective for tax years
6 beginning after December 31, 2003, and the changes in clause (10)
7 are effective as provided in subdivision 2.

8 Subd. 2. [CONTINGENCY.] The changes in clause (10) are
9 effective for tax years beginning after December 31, 2004, only
10 if the commissioner of finance determines that there will not be
11 a positive balance in the tax relief account at the close of the
12 fiscal year 2004-2005 biennium after taking into account (i) the
13 transfer in article x, section x, and (ii) the cost of not
14 requiring the addition in clause (10) in fiscal years 2006 and
15 2007."

16 Page ..., after line ..., insert:

17 "Sec. .. [TRANSFER.]

18 (a) Up to \$20,000,000 is transferred from the tax relief
19 account to the general fund when accounts for the fiscal year
20 2004-2005 biennium are closed.

21 (b) If the commissioner of finance determines when accounts
22 for the fiscal year 2004-2005 biennium are closed that there is
23 a balance in the tax relief account after the transfer in
24 paragraph (a) of at least the cost of not requiring the addition

1 in article .., section.., clause (10), in fiscal years 2006 and
2 2007, that amount is transferred from the tax relief account to
3 the general fund."

1 Sec. ... [TAX STUDY COMMISSION.]

2 Subdivision 1. [COMMISSION ESTABLISHED.] A tax study
3 commission is established in the legislative branch to study the
4 Minnesota tax and revenue system and to make recommendations to
5 the legislature.

6 Subd. 2. [MEMBERSHIP.] (a) The commission consists of
7 seven members, appointed as follows:

8 (1) the chair of the senate Tax Committee and five
9 additional members appointed by the senate Committee on
10 Committees, including two members of the senate majority party,
11 two members of a senate minority party, and one nonlegislator;

12 (2) the chair of the house Tax Committee and three
13 additional members appointed by the speaker of the house of
14 representatives, including two members of the house of
15 representatives, and one nonlegislator; and

16 (3) two members of the house of representatives appointed
17 by the minority leader of the house of representatives.

18 Subd. 3. [CHAIR; INITIAL MEETING.] The first meeting of
19 the commission shall be October 1, 2005. The members appointed
20 by the senate will select the chair for a one-year term
21 beginning October 1, 2005, and the members appointed by the
22 house of representatives will select the chair for a one-year
23 term beginning October 1, 2006.

24 Subd. 4. [DUTIES; REPORT.] (a) The commission shall study

1 and evaluate all aspects of the Minnesota state and local tax
2 and revenue system with a goal of making long-term improvements
3 in the system for the citizens of the state, given standard
4 principles of good tax policy and the background of expected
5 demographic and economic changes in the state, nation, and world.

6 (b) In particular, the commission shall examine:

7 (1) the mix of state revenues between tax revenues and fees
8 and charges for services used or benefits received;

9 (2) the implications of likely demographic and economic
10 changes, affecting both (i) the demands for state and local
11 government services and (ii) taxes, fees, and other revenues;
12 and

13 (3) the extent to which the existing tax system, existing
14 fees, and the commission's proposal satisfy the following basic
15 tax policy principles:

16 (i) equity or fairness, including measures based on ability
17 to pay, equal treatment of equals, and payment for benefits
18 received;

19 (ii) neutrality or efficiency, the extent to which the
20 effects on private market decisions, including business location
21 and job creation decisions, are minimized;

22 (iii) revenue adequacy, the extent to which the revenues
23 are stable and predictable and grow with increases in income or
24 economic activity;

25 (iv) competitiveness, the extent to which negative effects
26 on the state's attractiveness as a location for investment,
27 working, and living are minimized;

28 (v) simplicity, the extent to which it is easy to
29 understand;

30 (vi) ease of compliance and administration, the extent to
31 which taxpayers and individuals subject to fees can easily
32 comply and the government can easily administer the tax or fee;
33 and

34 (vii) visibility or accountability, the extent to which the
35 taxes, fees, or other charges are clear and apparent to their
36 payers as a cost of government and that the government officials

1 imposing the tax or fee are accountable, through election or
2 otherwise, to the principal payers of the tax.

3 (c) The commission shall report to the legislature on
4 September 30 of 2006 and 2007 on its work for the previous
5 year. Each report must include the commission's evaluation and
6 recommendations for reform and improvement of the tax or taxes
7 reviewed, its rationale for any proposed changes, and a draft
8 bill implementing the commission's recommendation for
9 introduction in the legislature.

10 Subd. 5. [PER DIEM AND EXPENSES.] Legislative staff and
11 the Department of Revenue staff must provide research, bill
12 drafting, and other services to the commission upon its
13 request. The commission may contract with consultants for
14 research and other services and enter into other contracts
15 necessary to carry out its duties. Expenditures for these
16 purposes must be paid for out of existing house and senate
17 budgets. These contracts are not subject to the requirements of
18 Minnesota Statutes, chapter 16C.

19 Subd. 6. [FEE REPORTING.] (a) The commissioner of each
20 state agency that imposes any fee on individuals or businesses
21 in this state must report to the tax reform committee by January
22 15, 2006, on the type and amount of fees imposed, amount and
23 type of fee increases since January 1, 2003, the revenues
24 derived from each fee for each of the most recent four fiscal
25 years, and the use of the revenues from the fees. The
26 commissioners must also provide any supplementary information
27 requested by the commission.

28 (b) By January 15, 2006, the commissioner of education
29 shall provide the commission with data on total annual fees
30 collected under Minnesota Public School Fee Law, Minnesota
31 Statutes, sections 123B.34 to 123B.39, in fiscal years 2002 to
32 2005. The report must detail all different types of fees
33 charged to Minnesota students under the law. The report must
34 report total fees statewide as well as by school district and
35 charter school. The commissioner must also provide any
36 supplementary information requested by the commission.

1 (c) Each home rule charter or statutory city must report to
2 the commission, in a manner prescribed by the commission, by
3 January 15, 2006, on the type and amount of fees it imposes,
4 amount and type of fee increases since January 1, 2003, the
5 revenues derived from each fee for each of the most recent four
6 calendar years, and the use of the revenues from the fees. Each
7 home rule charter or statutory city must also provide any
8 supplementary information requested by the commission.

9 (d) The commission must include the information received
10 under this subdivision in its initial report to the legislature.

11 Subd. 7. [EXPIRATION.] The commission terminates after
12 transmitting its final report to the legislature in 2007.

13 [EFFECTIVE DATE.] This section is effective the day
14 following final enactment.



From: Sen. Sheila Kiscaden
To: Rep. Ron Abrams; Sen. Larry Pogemiller
Subject: Technical Correction for State Government Finance Bill

Sunday, July 10 5:30 PM

Dear Ron and Larry:

This is a request to help fix an unintended glitch in the State Government Finance Bill.

In the State Government Finance bill, Rep. Seifert and I proposed to fund the Vinland Center with proceeds from the sale of the Support our Troops license plates. We had not fully realized that there would be no funding in the first year of the biennium for Vinland. Vinland has received state funding for several years and has strong legislative support. We had not intended to cut their funding for 2006.

If it is possible to do so, we would appreciate having \$275,000 of one time money earmarked for Vinland Center for 2006.

Let us know if you have questions. I am at the Capitol today and tomorrow and will be stopping in your committee meeting. Rep. Seifert is available by cell phone 507-829-7683. My cell is 507-288-5980.

Thanks for your consideration.
Sheila Kiscaden

CC: Rep. Marty Seifert



1 moves to amend, as follows:

2 Page .., after line .., insert:

3 "Sec. ... Minnesota Statutes 2004, section 477A.03,
4 subdivision 2b, as amended by Laws 2005, chapter 151, article 4,
5 section 12, is amended to read:

6 Subd. 2b. [COUNTIES.] (a) For aids payable in calendar
7 year 2005 and thereafter, the total aids paid to counties under
8 section 477A.0124, subdivision 3, are limited to \$100,500,000.

9 Each calendar year, \$500,000 shall be retained by the
10 commissioner of revenue to make reimbursements to the
11 commissioner of finance for payments made under section 611.27.

12 For calendar year 2004, the amount shall be in addition to the
13 payments authorized under section 477A.0124, subdivision 1. For
14 calendar year 2005 and subsequent years, the amount shall be

15 deducted from the appropriation under this paragraph. The
16 reimbursements shall be to defray the additional costs
17 associated with court-ordered counsel under section 611.27. Any

18 retained amounts not used for reimbursement in a year shall be
19 included in the next distribution of county need aid that is
20 certified to the county auditors for the purpose of property tax

21 reduction for the next taxes payable year.
22 (b) For aids payable in 2005 and-2006, the total aids under
23 section 477A.0124, subdivision 4, are limited to \$105,000,000.

24 For aids payable in ~~2007~~ 2006 and thereafter, the total aid

1 under section 477A.0124, subdivision 4, is limited to
2 \$105,132,923. The commissioner of finance shall bill the
3 commissioner of revenue for the cost of preparation of local
4 impact notes as required by section 3.987, not to exceed
5 \$207,000 in fiscal year 2004 and thereafter. The commissioner
6 of education shall bill the commissioner of revenue for the cost
7 of preparation of local impact notes for school districts as
8 required by section 3.987, not to exceed \$7,000 in fiscal year
9 2004 and thereafter. The commissioner of revenue shall deduct
10 the amounts billed under this paragraph from the appropriation
11 under this paragraph. The amounts deducted are appropriated to
12 the commissioner of finance and the commissioner of education
13 for the preparation of local impact notes.

14 [EFFECTIVE DATE.] This section is effective for aids
15 payable in ~~2007~~ 2006 and thereafter."

16 Renumber the sections in sequence

17 Correct internal references

18 Amend the title accordingly

1 Senator moves to amend S.F. No. as follows:

2 Page ..., after line ..., insert:

3 "Sec. ... Laws 2005, chapter 155, article 3, section 7, is
4 amended to read:

5 [501B.895] [PUBLIC HEALTH CARE PROGRAMS AND CERTAIN
6 TRUSTS.]

7 (a) It is the public policy of this state that individuals
8 use all available resources to pay for the cost of long-term
9 care services, as defined in section 256B.0595, before turning
10 to Minnesota health care program funds, and that trust
11 instruments should not be permitted to shield available
12 resources of an individual or an individual's spouse from such
13 use.

14 (b) When a state or local agency makes a determination on
15 an application by the individual or the individual's spouse for
16 payment of long-term care services through a Minnesota public
17 health care program pursuant to chapter 256B, any irrevocable
18 inter-vivos trust or any legal instrument, device, or
19 arrangement similar to an irrevocable inter-vivos trust created
20 on or after July 1, 2005, containing assets or income of an
21 individual or an individual's spouse, including those created by
22 a person, court, or administrative body with legal authority to
23 act in place of, at the direction of, upon the request of, or on
24 behalf of the individual or individual's spouse, ~~becomes~~ shall
25 be treated as if it were revocable for the sole purpose of that
26 determination. For purposes of this section, any inter-vivos
27 trust and any legal instrument, device, or arrangement similar
28 to an inter-vivos trust:

29 (1) shall be deemed to be located in and subject to the
30 laws of this state; and

31 (2) is created as of the date it is fully executed by or on
32 behalf of all of the settlors or others.

33 (c) For purposes of this section, a legal instrument,
34 device, or arrangement similar to an irrevocable inter-vivos
35 trust means any instrument, device, or arrangement which
36 involves a grantor who transfers or whose property is

1 transferred by another including, but not limited to, any court,
2 administrative body, or anyone else with authority to act on
3 their behalf or at their direction, to an individual or entity
4 with fiduciary, contractual, or legal obligations to the grantor
5 or others to be held, managed, or administered by the individual
6 or entity for the benefit of the grantor or others. These legal
7 instruments, devices, or other arrangements are irrevocable
8 inter-vivos trusts for purposes of this section.

9 (d) In the event of a conflict between this section and the
10 provisions of an irrevocable trust created on or after July 1,
11 2005, this section shall control.

12 (e) This section does not apply to trusts that qualify as
13 supplemental needs trusts under section 501B.89 or to trusts
14 meeting the criteria of United States Code, title 42, section
15 1396p (d)(4)(a) and (c) for purposes of eligibility for medical
16 assistance.

17 (f) This section applies to all trusts first created on or
18 after July 1, 2005, as permitted under United States Code, title
19 42, section 1396p, and to all interests in real or personal
20 property regardless of the date on which the interest was
21 created, reserved, or acquired."

22 Renumber the sections in sequence and correct the internal
23 references

24 Amend the title accordingly

Meeker County Utility JobZ proposal (Senate):

- Allow no more than \$200,000 sales and use tax exemption on equipment purchased for use outside the JobZ zone.
- Disallow any sales and use tax exemptions as to equipment purchased for resale.
- Disallow utilities from qualifying for JOBZ designations in the future.

July 11, 2005

3:00 P.M.



EHLERS
& ASSOCIATES INC

July 8, 2005

Senator Steve Dille
Room 103 State Office Building
St. Paul MN 55101

RE: Litchfield JOBZ - Meeker Cooperative Light and Power Association

Dear Senator Dille:

As discussed, I was working on behalf of the City of Litchfield in preparing and analyzing their JOBZ applications. Meeker Cooperative was the first application received by the City. Upon review of the program and discussions with a DEED representative (who is no longer employed with DEED), it was my understanding that all taxable purchases were exempt from sales tax under the program (not only purchases consumed in the JOBZone). I conferred with Meeker Cooperative on this and they were of the same understanding from their discussions with the DEED representative. Based upon this, we used all taxable purchases in estimating their benefits through the JOBZ Calculator.

I truly understand that this was a new program that we were all working through and that some misinterpretations happen on everyone's side. However, I believe that Meeker Cooperative has a differing situation when it comes to JOBZ benefits than other private companies. It makes sense that they be able to use their poles and lines as a taxable purchase even though they are not consumed in the JOBZone because:

1. They are a Cooperative and any savings realized through JOBZ goes back to the members of the Cooperative in the form of lower power rates
2. They do not pay corporate franchise taxes and therefore do not receive this exemption as other companies do (usually the highest level of exemption/savings)

Please contact me at 651-697-8506 if you have any questions.

Sincerely,

Stacie Kvilvang
Ehlers & Associates

cc: Tim Mergen – Meeker Cooperative Light & Power Association
file

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May 10, 2004

The Honorable Carol Molnau
Lt. Governor
Department of Transportation
MS 100, Transportation Building
St. Paul, Minnesota 55155

Re: I-394 Third Avenue Distributor (TAD) Parking Garages in
Minneapolis

Dear Ms. Molnau:

We understand that the tax bill currently under consideration by the Minnesota Senate includes language that would transfer ownership of the I-394 TAD Garages from the Minnesota Department of Transportation (Mn/DOT) to the City of Minneapolis. We feel it is important to point out some of the issues involved with ownership of the TAD garages.

The land on which the TAD garages are built is Interstate Highway right-of-way. Regardless of ownership of the garages, title to the land cannot be transferred to the City. All Interstate System right-of-way is owned by the states, and the only exceptions are for very unique circumstances (e.g., Indian reservations), in which case a sufficient interest was acquired by the states to ensure that the investment (use for highway purposes) was protected in perpetuity. The only way that "ownership" of the garages might be transferred is if the City became an air space leaseholder. However, if that were to happen, the City would still be bound by all of the same Federal requirements and limitations with respect to operations and use, as is the State.

For any air space lease to occur the State would have to develop a formal air space lease policy that satisfied Federal requirements, the opportunity to lease the air space would have to be made available on a competitive basis, and fair market value would have to be received. In addition, a commercial advertising sign placed on the structure would not be permitted

because it is within the highway right-of-way and prohibited by Federal law. All subleases would be held to the same requirements as the primary leaseholder. Any revenues generated by the leaseholder would have to be dedicated for Title 23 purposes.

In 1989, FHWA approved a Maintenance and Operation Plan for the TAD Garages. The purpose of the Maintenance and Operation Plan was to support and encourage the use of High Occupancy Vehicles (HOVs) in the I-394 travel area and assure that the TAD Garages are maintained and operated safely and efficiently. The Federal Highway Administration will continue to hold Mn/DOT responsible for operation and maintenance of the garages and the right-of-way including any lease of air space. A finding that the garages are not being maintained and operated in accordance with the Plan or that the lease of the air space is not in accordance with Federal Law could result in a loss of Federal funding on future federal-aid projects.

Although air space rights can be conveyed to the City of Minneapolis via a lease they cannot be conveyed with the intent to circumvent Federal requirements.

If you have any questions, please contact me at (651-291-6102) or Robin Schroeder at (651-291-6105).

Sincerely yours,

Alan R. Steger
Division Administrator

cc: 2 MnDOT
1 Betsy Parker (and email copy)
1 Bob McFarlin (and email copy)
1 Doug Differt (and email copy)
1 Graczyk
1 File
1 Reading File
1 ERF

JIM RAMSTAD
THIRD DISTRICT, MINNESOTA

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Congress of the United States
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mn03@mail.house.gov
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July 7, 2005

The Honorable Tim Pawlenty
Governor
State of Minnesota
130 State Capitol
75 Dr. Martin Luther King Jr. Boulevard
Saint Paul, Minnesota 55155

Sent via fax and mail

Dear Governor:

I am writing on behalf of several constituents and pending legislation regarding the federally funded I-394 corridor and the related TAD garages.

The City of Minneapolis currently manages the three TAD garages on behalf of the federal, state and city governments. The operation of the garages is governed by an "Operating and Management agreement" to which all three parties are signatories. The construction was paid for by the three parties (90% federal, 5% state and 5% city).

This agreement stipulates the City of Minneapolis is the responsible party for all operational, maintenance and legal liability issues until 2039. The excess cash flow, as defined in the agreement, must be deposited in the state "Trunk Highway fund". The city has represented that all future operations will be in accordance with the agreement currently in force.

The city has formally requested the transfer of title from MnDOT to the City of Minneapolis, in part, for adjacent economic development purposes. Further, the city has offered to repay MnDOT all state funds expended on construction.

The city and a designated private developer have spent 6 years and \$3.5 million engineering and designing a project that will benefit the state and city in terms of real property and sales tax generation where there is currently none. The private sector has offered to fund the entire project with no taxpayer funds expended.

Many thanks for your consideration and please let me know if I can ever be helpful in any way.

Sincerely,

JIM RAMSTAD
Member of Congress

cc: Hon. Ron Abrams