

repealed.

Sec. 8. This act is effective the day following its final enactment.

Approved April 17, 1975.

CHAPTER 46—H.F.No.136

An act relating to taxation; changing date and method of distribution of homestead credit aid and certain other aids; providing for certification of homestead credit on abstract of tax list; defining census for purpose of levy limitation; providing for payment date of certain taconite taxes and taconite and taconite railroad tax aids; amending Minnesota Statutes 1974, Sections 124.03, Subdivision 3; 270.11, Subdivision 2; 273.13, Subdivision 15a; 275.29; 275.53, Subdivision 1; 294.26; 298.27; 298.28, Subdivision 1; 298.281, Subdivision 1; 298.282, Subdivision 4; and 298.32.

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

Section 1. Minnesota Statutes 1974, Section 124.03, Subdivision 3, is amended to read:

Subd. 3. **TAXATION; DISTRIBUTION OF HOMESTEAD CREDIT AID.** (a) The county auditor shall compute the tax levy that would be produced by applying a rate of 8.3 ~~1/3~~ mills to the valuation determined on the ~~January 2, 1971~~ assessment and 2.76 ~~2/3~~ mills on the January 2, 1972 assessment and subsequent assessments on all the agricultural lands and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, within the several school districts for which the tax levy is required to be certified to him. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue by November 15 of each year for verification.

(b) If the commissioner of revenue agrees with the computation, he shall deliver to the commissioner of finance his certificate to that effect. In the event that the commissioner deems the computation to be erroneous, he may make the necessary corrections and deliver to the commissioner of finance his certificate reflecting the amounts he deems to be correct. The county auditor or any school district aggrieved thereby may appeal the commissioner's revised certification to the Minnesota tax court in accordance with chapter 271.

(c) ~~On or before May 31, 1972, the commissioner of finance shall issue his warrant upon the state treasurer in favor of the school district in an amount equal to one half the amount certified by the commissioner shown to be due to the district. On or before October 31, 1972, the commissioner of finance shall issue his warrant upon the~~

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state treasurer in favor of the school district distributing the remainder of the amount certified by the commissioner shown to be due to the school district for the year 1972. The commissioner of finance in the same manner shall make distribution for the year 1973 in the same manner with respect to amounts shown to be due in accordance with the commissioner's certification. For the year 1974 and subsequent years, the commissioner of finance shall issue his warrant in an amount equal to one-half the amount certified on or before July 15, but no earlier than July 1. The remainder shall be distributed as provided herein. For the year 1975 and subsequent years, the commissioner of revenue shall pay to the school district the amount certified by the commissioner to be due to the district. One half of the amount due shall be paid on or before July 15, but no earlier than July 1, and the remainder shall be paid on or before November 15.

(d) In the event that a final judicial determination is not in agreement with the amount certified by the commissioner, the commissioner of ~~finance-revenue~~ shall either increase or decrease the amount of the following payment required to be made to the school district in accordance with such judicial determination.

(e) There is hereby appropriated to the school districts entitled to such payments from the general fund, an amount sufficient to make the payments.

(f) The county auditor shall reduce the dollars levied for school maintenance by each district by the amount determined in (a) and (b). The amounts paid to the county treasurer pursuant to (c) shall be transmitted by the county treasurer to the school district at the same time the real estate settlement is made.

Sec. 2. Minnesota Statutes 1974, Section 270.11, Subdivision 2, is amended to read:

Subd. 2. **COUNTY AUDITOR'S REPORTS OF ASSESSMENT FILED WITH COMMISSIONER.** The commissioner of revenue ~~shall~~ may require the auditor of each county in the state to file with him, on or before August 1, each year, complete abstracts of all real and personal property in the county, as equalized by the county board of equalization, and itemized by assessment districts, accompanied by a printed or typewritten copy of the proceedings of the county board of equalization, and it shall be the duty of the county auditor to so report to the commissioner of revenue.

The final abstract of assessments after adjustments by the state board of equalization and inclusion of any omitted property shall be submitted to the commissioner of revenue on or before January 1 of each calendar year.

Sec. 3. Minnesota Statutes 1974, Section 273.13, Subdivision 15a, is amended to read:

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Subd. 15a. **GENERAL FUND, REPLACEMENT OF REVENUE.** (1) Payment from the general fund shall be made, as provided herein, for the purpose of replacing revenue lost as a result of the reduction of property taxes provided in subdivisions 6, 7, and 14a.

(2) Each county auditor shall certify, not later than May 1 of each year commencing in 1968 to the commissioner of revenue the amount of reduction resulting from subdivisions 6 and 7 in his county, and not later than May 1 of each year commencing in 1970, the amount of reduction resulting from subdivision 14a. In 1975 and subsequent years, this certification shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review such certifications to determine their accuracy. He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections. The commissioner of revenue, after such review, shall submit to the commissioner of finance, on or before July 1 the amount of the first half payment payable hereunder and on or before October 15 the amount of the second half payment. Not later than October 15 of each year the county auditor may amend the certification to include additional reductions in the property taxes payable in that year, resulting from the reclassifications of real property from nonhomestead property to homestead property that were not reflected in the original certification.

(3) The commissioner of finance shall pay out of the general fund to each county treasurer one half of the amount certified under clause (2) not later than July 15 and the remaining half not later than November 15 of each year commencing in 1969. Any additional amounts included in an amended certification shall be paid to the county treasurer not later than November 15 of each year. Based on current year tax data reported in the abstracts of tax lists, the commissioner of revenue shall annually determine the taxing district distribution of the amounts certified under clause (2). On or before July 15, 1975, and each year thereafter, the commissioner of revenue shall pay to each taxing district one half of their distribution. The remaining one half shall be paid on or before November 15, 1975 and each year thereafter.

(4) On or before November 15, 1971, the state auditor shall pay out of the general fund one third of the remaining one half to be distributed for 1971. The balance shall be paid out in two equal installments on or before January 15, 1972, and March 15, 1972.

(5) The county treasurer shall distribute the funds received by him under clauses (3) and (4) as if they had been collected as a part of the property tax reduced by subdivisions 6, 7, and 14a.

Sec. 4. Minnesota Statutes 1974, Section 275.29, is amended to
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read:

275.29 ABSTRACTS TO STATE OFFICIALS. On or before January first, in each year, the county auditor shall make and transmit to ~~the state auditor and~~ the commissioner of revenue, in such form as may be prescribed by the commissioner of revenue, complete abstracts of the tax lists of the county, showing the number of acres of land assessed; its value, including the structures thereon; the value of town and city lots, including structures; the total value of all taxable personal property in the several assessment districts; the aggregate amount of all taxable property in the county, and the total amount of taxes levied therein for state, county, town, and all other purposes for that year.

Sec. 5. Minnesota Statutes 1974, Section 275.53, Subdivision 1, is amended to read:

275.53 GOVERNING CENSUS. Subdivision 1. For the purpose of determining the amount of tax that a governmental subdivision may levy in accordance with a per capita limitation established by this chapter, the population of the governmental subdivision shall be that established by the last state or federal census, or by a special census taken within the entire governmental subdivision pursuant to sections 275.50 to 275.56 or to any other law, by a census taken pursuant to subdivision 2, or by a population estimate made by the metropolitan council, by an order of the Minnesota municipal commission pursuant to section 414.01, subdivision 14, or by an estimate made pursuant to subdivision 3, whichever is the most recent as to the stated date of count or estimate, up to and including October 1 of the current levy year. Population changes established after October 1 of the current levy year shall not be used in determining the levy limitation of a governmental subdivision for the current levy year under sections 275.50 to 275.56.

Sec. 6. Minnesota Statutes 1974, Section 294.26, is amended to read:

294.26 DIVISION OF PROCEEDS OF TAX. The proceeds of the taxes collected under sections 294.21 to 294.28 shall be distributed ~~by the state treasurer, upon certificate of~~ in accordance with the determination made by the commissioner of revenue, to the general fund of the state and to the various taxing districts in which such railway operations are conducted, in the following proportions: 22 percent thereof to the city or town; 50 percent thereof to the school district; 22 percent thereof to the county; six percent thereof to the state. If such railroad operation, or different steps therein, are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities or towns among such subdivisions, and the part going to school districts among such districts, and the part going to counties among such counties, upon the basis of attributing 40 percent of the proceeds of the tax to the termi-

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nal facilities at each end of the railway line of a taconite railroad company, and the remaining 20 percent thereof to the railway trackage connecting such terminals, and with respect to each such portion giving due consideration to the relative extent of such portion of the operation performed in each such taxing district. If any part of such facilities are located outside the limits of any organized city or town, 70 percent of the portion of the tax which would be distributed to any such governmental unit, if it existed and the facilities were located therein, shall be added to the portion distributed to the school district, and 30 percent thereof shall be added to the portion distributed to the county in which such facilities are located; also, if the amount otherwise distributable to any city or town hereunder would exceed \$75 per capita of the population thereof, the amount of such excess shall be added to the portions distributed to the school district and county in which such facilities are located in the proportions above set forth. The commissioner's order making such apportionment shall be subject to review by the tax court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner. The amount so distributed shall be divided among the various funds of the taxing district in the same proportion as the general ad valorem property tax thereof.

There is hereby appropriated to such persons, city, town, school district, or county as are entitled to such payment, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the payment authorized herein. The commissioner of revenue shall make such payments on March 15 and September 15 annually.

Sec. 7. Minnesota Statutes 1974, Section 298.27, is amended to read:

298.27 COLLECTION AND PAYMENT OF TAX. The taxes provided by sections 298.24 and 298.241 shall be collected and paid in the same manner ~~and at the same time~~ as provided by law for the payment of the occupation tax, except that the report required by section 298.05 shall be filed on or before February 15 together with a remittance equal to 90 percent of the estimated tax required to be paid hereunder on or before April 15. On or before February 25, the commissioner of revenue shall make distribution of such estimated payment in the manner provided by section 298.28. The commissioner of revenue shall determine the amount of tax due on or before March 15. The tax found to be due shall be paid on or before April 15 following the production year. Reports shall be made and hearings held upon the determination of the tax at ~~the same times and in the same manner as provided by law for the occupation tax~~ in accordance with procedures established by the commissioner of revenue. The commissioner of revenue shall have authority to make reasonable regulations as to the form and manner of filing reports necessary for the determination of the tax hereunder; and by such regulations may require the production of such information as may be reasonably necessary or convenient for

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the determination and apportionment of the tax. All the provisions of the occupation tax law with reference to the assessment, determination, and collection of the occupation tax, including all provisions ~~for penalties and~~ for appeals from or review of the orders of the commissioner of revenue relative thereto, are hereby made applicable to the taxes imposed by sections 298.24 and 298.241, except in so far as inconsistent herewith. If any person subject to sections 298.24 and 298.241 shall fail to make the report provided for in this section at the time and in the manner herein provided, the commissioner of revenue shall in such case, upon such information as he may possess or obtain, ascertain the kind and amount of ore mined or produced and thereon find and determine the amount of the tax due from such person. There shall be added to the amount of tax due a penalty for failure to report on or before February 15, which penalty shall equal ten percent of the tax imposed and be treated as a part thereof.

If any person required to make an estimated tax payment at the time and in the manner herein provided, and fails to do so, there shall be imposed a penalty equal to ten percent of the amount so due, which penalty shall be treated as part of the tax due.

In the case of any underpayment of the estimated tax payment required herein, there may be added and be treated as part of the tax due a penalty equal to ten percent of the amount so underpaid.

If any portion of the tax provided for in sections 298.24 and 298.241 is not paid before the fifteenth day of April of the year in which due and payable, a penalty of ten percent of such unpaid portion shall immediately accrue, and thereafter one percent per month shall be added to such tax and penalty while such tax remains unpaid.

Sec. 8. Minnesota Statutes 1974, Section 298.28, Subdivision 1, is amended to read:

298.28 DIVISION OF PROCEEDS. Subdivision 1. The proceeds of the tax collected under section 298.24 shall ~~be distributed by the state treasurer~~, upon certificate of the commissioner of revenue to the general fund of the state ~~and~~, be paid by the commissioner of revenue to the various taxing districts in which the lands from which taconite was mined or quarried were located in the following manner and proportions: 11 1/2 percent thereof to the city, or town; 27 percent thereof to the school district; 11 1/2 percent thereof to the county; three percent thereof to the state and 47 percent thereof, less any amount required to be distributed under subdivision 1a to the taconite property tax relief account in the apportionment fund in the state treasury. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions as provided above, and the part going to school districts among such districts, and the part going to counties among such counties, upon the basis of attributing 40 percent

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of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. His order making such apportionment shall be subject to review by the tax court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner. The amount so distributed shall be divided among the various funds of the state, or of the taxing districts in the same proportion as the general ad valorem tax thereof. If in any year the state shall not spread any general ad valorem tax levy against real property, the state's proportion of the tax shall be paid into the general fund. The amount distributed to any city and one-third in 1971 and that portion not deducted from state aids in section 124.212, subdivision 8, thereafter of the amount distributed to any school district under the provisions hereof shall be included in computing the permissible levies of such city or school district under sections 275.11 or 275.125, provided, in computing the deduction from permissible levies of cities by reason hereof effect shall be given to the cost of living adjustment allowed by section 275.11, subdivision 2, regardless of whether or not more than 25 percent of the assessed valuation consists of iron ore. On or before October 10 of each calendar year each producer of taconite or iron sulphides subject to taxation under section 298.24 (hereinafter called "taxpayer") shall file with the commissioner of revenue and with the county auditor of each county in which such taxpayer operates, and with the chief clerical officer of each school district or city which is entitled to participate in the distribution of the tax, an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. Such estimate shall list the taxing districts entitled to participate in the distribution of such tax, and the amount of the estimated tax which would be distributable to each such district in such next ensuing calendar year on the basis of the last percentage distribution certified by the commissioner of revenue. If there be no such prior certification, the taxpayer shall set forth its estimate of the proper distribution of such tax under the law, which estimate may be corrected by the commissioner if he deems it improper, notice of such correction being given by him to the taxpayer and the public officers receiving such estimate. The officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district except in the case of school districts one-third in 1971 and that portion not deducted from state aids in section 124.212, subdivision 8, thereafter of the indicated amount is to be used in computing, pursuant to sections 275.11 or 275.125, the permissible tax levy of such city or school district in the year in which such estimate is made, and payable in the next ensuing calendar year. Such taxpayer shall then pay, at the times payments are required to be made pursuant to section 298.27, as

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the amount of tax payable under section 298.24, the greater of (a) the amount shown by such estimate, or (b) the amount due under said section as finally determined by the commissioner of revenue pursuant to law. If, as a result of the payment of the amount of such estimate, the taxpayer has paid in any calendar year an amount of tax in excess of the amount due in such year under section 298.24, after application of credits for any excess payments made in previous years, all as determined by the commissioner of revenue, the taxpayer shall be given credit for such excess amount against any taxes which, under said section, may become due from the taxpayer in subsequent years. In any calendar year in which a general property tax levy subject to sections 275.11 or 275.125 has been made, if the taxes distributable to any such city or school district are greater than the amount estimated to be paid to any such city or school district in such year, the excess of such distribution shall be held in a special fund by the city or school district and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections 275.11 or 275.125, of such city or school district payable in such year. If the amounts distributable to any such city or school district, after final determination by the commissioner of revenue under section 298.28 are less than the amounts indicated by such estimates, such city or school district may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections 275.11 or 275.125 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

There is hereby appropriated to such taxing districts as are stated herein and to the taconite property tax relief account in the apportionment fund in the state treasury, from any fund or account in the state treasury to which the money was credited, an amount sufficient to make the payment or transfer. The payment of the amount appropriated to such taxing districts shall be made by the commissioner of revenue on or before May 15 annually.

Sec. 9. Minnesota Statutes 1974, Section 298.281, Subdivision 1, is amended to read:

298.281 DIVISION OF PROCEEDS. Subdivision 1. Commencing in 1972 with respect to the tax imposed under section 298.241 on production in 1971, one-half cent per ton and each year thereafter, one cent per ton of the tax collected under section 298.241 plus any escalation thereon as provided in said section shall be ~~distributed~~ paid on or before May 15 annually by ~~the state treasurer, upon certificate of the~~ commissioner of revenue, to the county from which the taconite was mined or quarried and deposited in the county road and bridge fund. If the mining, quarrying and concentrating, of different steps in either thereof, are carried on in more than one county, the commissioner shall apportion equitably the proceeds going to each county in the same manner and proportion as the proceeds of the tax collected under section 298.24 are apportioned among the counties under section

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298.28, subdivision 1. The amount distributed under this section to any county having a population in excess of 100,000 shall not exceed \$2 per capita based upon the resident population of such county according to the latest federal census. The excess, if any, which would otherwise be available to such county in the absence of this limitation, shall be distributed as provided in subdivision 4. There is hereby appropriated annually to such county or counties from any fund or account in the state treasury to which the proceeds of the tax collected under section 298.241 was credited, an amount sufficient to make the payment or transfer provided for herein.

Sec. 10. Minnesota Statutes 1974, Section 298.282, Subdivision 4, is amended to read:

Subd. 4. On or before August 15, 1972, and on or before August 15 of each year thereafter, the commissioner of finance shall issue his warrant in favor of the treasurer of each qualifying municipality in the amount determined by the commissioner of revenue to be due and payable to such qualifying municipality in such year. In 1975 and subsequent years, such payment shall be made by the commissioner of revenue on or before September 15.

Sec. 11. Minnesota Statutes 1974, Section 298.32, is amended to read:

298.32 OCCUPATION TAX ON TACONITE, DISTRIBUTION. For the year 1958 and each year thereafter until June 30, 1969, there is hereby appropriated from the general fund, for the purposes hereinafter set forth, 50 percent of all amounts paid and credited into said fund from the proceeds of taxes paid upon the mining and production of taconite and taconite concentrates under the provisions of law relating to occupation taxes on the business of mining or producing iron ore; for the year beginning July 1, 1969, and each year thereafter there is appropriated from the general fund for the purposes set forth, 25 percent of all amounts paid and credited into said fund from the proceeds of taxes paid upon the mining and production of taconite and taconite concentrates under the provisions of law relating to occupation taxes on the business of mining and producing iron ore; provided, the amount so appropriated shall in no event exceed five cents per ton of taconite concentrates produced by reason of which such taxes were paid. The amounts so appropriated shall be distributed among and paid to the various governmental subdivisions in which the taconite operations, by reason of which such taxes were paid, were conducted in the following proportion: 25 percent thereof to the city or town; 50 percent thereof to the school district; 25 percent thereof to the county. The amounts so appropriated shall be paid annually on or before July 15 by the state treasurer upon certificate of the commissioner of revenue, who shall make such apportionment. Any adjustments to prior years apportionments shall be reflected by the commissioner in the July 15 apportionment. If the mining and concentration of such taconite and taconite concentrates or different steps in either thereof are carried on

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in more than one such taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities or towns among such subdivisions, and the part going to school districts among such districts, and the part going to counties among such counties, upon the basis of attributing 40 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each taxing district. His order making such apportionment shall be subject to review by the tax court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner. The amount so distributed shall be divided among the various funds of the taxing districts in the same proportion as the general ad valorem tax levy thereof. The amount distributed to any city and one-third in 1971 and that portion not deducted from state aids in section 124.212, subdivision 8, thereafter of the amount distributed to any school district under the provisions hereof shall not be included in computing the permissible levies of such city or school district under sections 275.11 or 275.125, as amended, so long as such levies are based upon a population not exceeding the population used as the basis for spreading the tax levy in the year 1956. In the event that as a result of taking any census the population basis for computing the limit of levies under such sections is increased above the population used as a basis for spreading the tax levy in the year 1956, or in the event that the basis of sections 275.11 or 275.125 is changed to a basis other than population, the amount of the tax distributed pursuant hereto shall be included in computing the permissible levies under either of said sections.

Sec. 12. This act is effective on the day following its final enactment.

Approved April 17, 1975.

CHAPTER 47—H.F.No.227

[Coded]

An act relating to taxation; treatment of certain employee retirement plans; eliminating any question of disqualification of the plans and related trusts because of increased contribution limits under the Internal Revenue Code of 1954, as amended; otherwise preserving Minnesota tax treatment of the plans; amending Minnesota Statutes 1974, Section 290.01, by adding a subdivision.

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

Section 1. Minnesota Statutes 1974, Section 290.01, is amended by adding a subdivision to read:

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