

# TAX AIDS & CREDITS

Program: PROPERTY TAX REFUND (PTR)

Narrative

## Purpose

To provide general property tax relief to homeowners and renters based on an income definition of ability to pay.

## Funding Source

State General Fund

## Program Description

The property tax refund program is designed to target state paid financial assistance to low to moderate income households which have high property taxes relative to their income. In addition to the regular refunds provided to homeowners and renters the legislature has provided additional "targeted" refunds to specified property owners who may be uniquely impacted by high property taxes due to certain economic conditions or other related state property tax policies.

## Current Law

	Actual	Actual	Estimated	Estimated	Estimated
Property Tax Refunds:	F.Y. 2009	F.Y. 2010	F.Y. 2011	F.Y. 2012	F.Y. 2013
Homeowners	\$ 252,191	\$ 295,400	\$ 309,300	\$ 330,594	\$ 340,814
Renters	\$ 171,799	\$ 186,000	\$ 144,800	\$ 199,300	\$ 202,100
Targeting	\$ 7,581	\$ 6,088	\$ 3,630	\$ 3,960	\$ 6,050
Total	\$ 431,571	\$ 487,488	\$ 457,730	\$ 533,854	\$ 548,964

**Legal Citation:** M.S. 290A.23.003; M.S. 290A.23.001; 2010 Minn. Laws, First Special Session, Chapter 1, Article 13

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# TAX AIDS & CREDITS

Program: Forest Land Credit Program

Narrative

## Purpose

To provide aid payments to enrolled owners of forested land as an incentive to practice long-term sustainable forest management.

## Funding Source

State General Fund

## Program Description

If an owner of forested land meets all of the qualifications for enrollment in the Sustainable Forest Incentive Act, and they record a covenant with the county recorder's office pledging not to develop the land, the state will provide a payment-per-acre to the owner for those enrolled acres. The Department of revenue determines the statewide payment-per-acre rate using three formulas based on the average property tax for timberland, of which the highest per-acre rate is chosen with the minimum incentive amount being \$7.00.

## Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
Forest Land Tax Credit	\$ 6,098	\$ 6,983	\$ 3,675	\$ 8,847	\$ 9,751
Total	\$ 6,098	\$ 6,983	\$ 3,675	\$ 8,847	\$ 9,751

**Legal Citation:** M.S. 290C.08.002; 2010 Minn. Laws, First Special Session, Chapter 1, Article 13

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# TAX AIDS & CREDITS

Program: Senior Deferral Reimbursement

Narrative

## Purpose

To provide a state reimbursement to counties for property tax deferrals granted to qualified homeowners age 65 or older.

## Funding Source

State General Fund

## Program Description

Passed in 1997 and effective for taxes payable in 1999 and following years, this reimbursement to counties began in FY2000. The reimbursement equals the property taxes deferred each year, less property tax refunds and revenue recapture.

## Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
Senior Deferral Reimbursement	\$ 504	\$ 608	\$ 790	\$ 918	\$ 1,067
Total	\$ 504	\$ 608	\$ 790	\$ 918	\$ 1,067

**Legal Citation:** M.S. 290B.09.002

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# TAX AIDS & CREDITS

Program: Mahnomen Property Tax Reimbursement

Narrative

## Purpose

To provide payment for property tax revenue loss due to the placement of the Shooting Star Casino land into trust status.

## Funding Source

State General Fund

## Program Description

The payment was first made in calendar year 2006 and became permanent in 2008. Payments are made to Mahnomen County (\$450,000), the city of Mahnomen (\$80,000), and Mahnomen School District #432 (\$70,000).

## Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
Mahnomen Property Tax Reimburse	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600
Total	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600

**Legal Citation:** 2008 Minn. Laws, Chapter 154, Article 1.

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# TAX AIDS & CREDITS

Program: Local Government Aid (LGA)

Narrative

## Purpose

To provide general support aid and property tax relief to municipal governments.

## Funding Source

State General Fund

## Program Description

Local Government Aid (LGA) is a general purpose aid to cities that can be used for any lawful expenditure. It is also intended to be used for property tax relief. The formula for cities has changed many times since enacted in 1971. In general, the formula attempts to target aid to those cities with the lowest tax capacity and highest need.

## Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
Local Government Aid (LGA)	\$ 430,638	\$ 481,529	\$ 426,535	\$ 527,100	\$ 527,100
Total	\$ 430,638	\$ 481,529	\$ 426,535	\$ 527,100	\$ 527,100

**Legal Citation:** M.S. 477A.03.002; **2010 Minn. Laws**, Regular Session, Chapter 215, Article 13; **2010 Minn. Laws**, First Special Session, Chapter 1, Article 13

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## TAX AIDS & CREDITS

Program: Taconite State Aid

Narrative

### Purpose

To provide additional revenue for funding various distributions of the taconite production tax.

### Funding Source

State General Fund

### Program Description

The state contribution is equal to 22 cents per taxable ton of iron ore concentrates to be distributed as if the aid were production tax revenues.

### Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
Taconite State Aid	\$ 8,527	\$ 7,757	\$ 7,750	\$ 8,500	\$ 8,500
Total	\$ 8,527	\$ 7,757	\$ 7,750	\$ 8,500	\$ 8,500

**Legal Citation:** M.S. 298.285

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# TAX AIDS & CREDITS

Program: Taconite Aid Reimbursement

Narrative

## Purpose

To provide property tax relief to school districts who no longer receive the defunct taconite occupation tax reduction.

## Funding Source

State General Fund

## Program Description

Taconite Aid Reimbursement is provided to school district #317 in Itasca County in order to reimburse the district for the "occupation tax" tax reduction received under M.S. §273.135 Subd. 2(c) before the law was changed in 1978. The affected school districts should receive a reimbursement equal to the amount the district received in 1980, according to M.S. §477A.15, so this payment has remained constant at \$561,050 over the years.

## Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
Taconite Aid Reimbursement	\$ 561	\$ 561	\$ 561	\$ 561	\$ 561
Total	\$ 561	\$ 561	\$ 561	\$ 561	\$ 561

**Legal Citation:** M.S. 477A.015

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## TAX AIDS & CREDITS

Program: County Program Aid

Narrative

### Purpose

To provide general purpose aid to counties in recognition of their revenue needs and tax base to better equalize revenue capacity.

### Funding Source

State General Fund

### Program Description

County Program Aid (or CPA) under M.S. 477A.0124, consists of three components: (1) a county need aid component that recognizes revenue need based on a measure of population over age 65, a measure of part I crimes, and a measure of households receiving food stamps; (2) a county tax-base equalization aid component that factors measures of population and net tax capacity, and (3) a county transition aid component that targets specific transitional adjustments. Other individualized aid amounts are occasionally targeted to specific counties.

### Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
County Program Aid	\$ 160,696	\$ 194,883	\$ 164,887	\$ 197,455	\$ 197,455
Total	\$ 160,696	\$ 194,883	\$ 164,887	\$ 197,455	\$ 197,455

**Legal Citation:** M.S. 477A. 0124; **2010 Minn. Laws**, Regular Session, Chapter 215, Article 13; **2010 Minn. Laws**, First Special Session, Chapter1, Article 13

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# TAX AIDS & CREDITS

Program: Indian Casino Aid

Narrative

## Purpose

To provide a state aid to counties where an Indian reservation is located in the county, the tribes operate a casino, and state taxes are collected under a tax agreement with the tribe.

## Funding Source

State General Fund

## Program Description

This aid provides state tax relief to counties containing an Indian reservation where the tribe operates a casino and has an agreement with the state to collect taxes. If the total payment exceeds \$1.1 million, reductions will be made first to counties that do not have a per capita income less than 80% of the same state level or have 30% or more of total market value of real property that is tax exempt. The aid is equal to 10% of the state share of the taxes collected from the Indian reservation under a tax agreement, up to a maximum of \$1.1 million per year.

## Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
Indian Casino Aid	\$ 669	\$ 754	\$ 754	\$ 754	\$ 754
Total	\$ 669	\$ 754	\$ 754	\$ 754	\$ 754

**Legal Citation:** M.S. 270C.19

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## TAX AIDS & CREDITS

Program: Local Performance Aid

Narrative

### Purpose

To provide payment to counties and cities for participation in the local performance measurement programs established by the Council on Local Results and Innovation.

### Funding Source

State General Fund

### Program Description

The payment to counties and cities was created as part of the 2010 Property Tax Reform, Accountability, Value, and Efficiency provisions. Payment for participation in the performance measurement programs is 14 cents per capita, up to a maximum amount of \$25,000.

### Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
Local Performance Aid	\$ -	\$ -	\$ -	\$ 940	\$ 880
Total	\$ -	\$ -	\$ -	\$ 940	\$ 880

**Legal Citation:** 2010 Minn. Laws, Regular Session, Chapter 289, Article 2

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## TAX AIDS & CREDITS

Program: DNR PILT

Narrative

### Purpose

To provide compensation for the property taxes lost to local government when the Department of Natural Resources (DNR) acquires natural resource land for the state.

### Funding Source

State General Fund

### Program Description

To reduce the potential fiscal impacts of state-owned land, the state makes payments in lieu of taxes (PILT), under M.S. 477A.11 to 477A.15, to primarily the counties for certain DNR natural resource lands, county-administered other natural resource land, land utilization project land, and commissioner-administered natural land. While the actual PILT payments are paid to the local governments by the Department of Revenue, the funds themselves are transferred from the DNR.

### Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
DNR PILT	\$ 21,026	\$ 21,824	\$ 21,584	\$ 26,612	\$ 26,923
Total	\$ 21,026	\$ 21,824	\$ 21,584	\$ 26,612	\$ 26,923

**Legal Citation:** M.S. 477A.12

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## TAX AIDS & CREDITS

Program: Residential Homestead Market Value Credit

Narrative

### Purpose

To provide a tax reduction for owner's of property classified as a residential homestead based.

### Funding Source

State General Fund

### Program Description

The residential market value homestead credit was designed to reduce the tax on any property that is classified as 1a, 1b or 2a homestead property. For class 2a property, only the taxable market value of the house, garage and immediately surrounding one acre of land (or HGA) qualifies for the credit. The credit is equal to 0.40% of the taxable market value on the first \$76,000 of value, minus 0.09% of each dollar over \$76,000, but may never be less than zero.

### Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
Residential Hmstd Market Value Cr	\$ 256,202	\$ 238,340	\$ 147,592	\$ 254,845	\$ 245,769
Prior Year Credits	\$ 912	\$ 1,035	\$ 1,061	\$ 1,112	\$ 1,070
Total	\$ 257,114	\$ 239,375	\$ 158,653	\$ 255,957	\$ 246,839

**Legal Citation:** M.S. 273.1384.005; M.S. 273.1398.008; 2010 Minn. Laws, Regular Session, Chapter 215, Article 13; 2010 Minn. Laws, First Special Session, Chapter1, Article 13

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## TAX AIDS & CREDITS

Program: Agricultural Homestead Market Value Credit

Narrative

### Purpose

To provide a credit to reduce the tax for owner's of property classified as an agricultural homestead.

### Funding Source

State General Fund

### Program Description

The agricultural market value homestead credit (under **M.S.** 273.1384, subd. 2) was designed to reduce the tax on agricultural homestead land beyond the house, garage and immediately surrounding one acre of land (or HGA). (The HGA receives the residential market value credit.) The credit is equal to 0.30% of the non-HGA market value on the first \$115,000 of value, minus 0.05% of each dollar over \$115,000, up to a maximum reduction of \$115. (The credit, therefore, hits a maximum of \$345 for a parcel with \$115,000 of agricultural homestead land and reduces to \$230 for agricultural land of \$345,000 or more.)

### Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
Agricultural Hmstd Market Value Credit	\$ 25,049	\$ 23,786	\$ 23,290	\$ 24,168	\$ 23,266
Total	\$ 25,049	\$ 23,786	\$ 23,290	\$ 24,168	\$ 23,266

**Legal Citation:** **M.S.** 273.1384.005; **2010 Minn. Laws**, Regular Session, Chapter 215, Article 13; **2010 Minn. Laws**, First Special Session, Chapter1, Article 13

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## TAX AIDS & CREDITS

Program: Supplemental Taconite Homestead Credit

Narrative

### Purpose

Provides credits that are equivalent to the regular taconite credits to certain areas that are outside the taconite relief area but face similar issues.

### Funding Source

State General Fund

### Program Description

The supplemental (taconite) homestead credit (under M.S. 273.1391) was created by the 1980 Legislature. The credit is equal to either 57% or 66% of the tax depending on its location. The maximum amount of this credit is \$289.80 for those receiving the 57% credit and \$315.10 for those receiving the 66% credit.

### Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
Supplemental Taconite Homestead Credit	\$ 5,211	\$ 5,178	\$ 5,230	\$ 5,282	\$ 5,335
Total	\$ 5,211	\$ 5,178	\$ 5,230	\$ 5,282	\$ 5,335

**Legal Citation:** M.S. 298.282

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## TAX AIDS & CREDITS

Program: Public Employees Retirement Association Aid

Narrative

### Purpose

To provide a state aid to cities, counties, towns and other non-school jurisdictions to offset an employer contribution rate increase for the Public Employees Retirement Association (PERA).

### Funding Source

State General Fund

### Program Description

PERA aid is paid to any county, city, town or special taxing district with an account or accounts in the Public Employees Retirement Association (PERA). It is intended to offset the cost of the increase to the PERA employer contribution rates that were effective beginning in fiscal year 1998. The aid is equal to 0.7% of the jurisdiction's fiscal year 1997 PERA payroll. The amounts will remain the same from year to year, but could potentially decrease in the future if the current PERA payroll drops significantly below the fiscal year 1997 level.

### Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
PERA Aid	\$ 14,520	\$ 14,390	\$ 14,390	\$ 14,390	\$ 14,390
Total	\$ 14,520	\$ 14,390	\$ 14,390	\$ 14,390	\$ 14,390

**Legal Citation:** M.S. 273.1385.001

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## TAX AIDS & CREDITS

Program: Police and Fire State Aids

Narrative

### Purpose

To support retirement pensions of local peace officers and fire fighters.

### Funding Source

State General Fund

### Program Description

Police State Aid: The initial revenue source for this aid is derived mainly from auto insurance premium tax, but the available aid is limited to the employers' actual pension obligation each year. Because the revenue usually exceeds the employers' obligations, an "excess police state-aid holding account" is used to allocate the excess revenue to an ambulance account or to additional amortization aid.

Fire State Aid: The initial revenue source for this aid is derived mainly from fire insurance premium tax ("fire, lightning, sprinkler leakage and extended coverage premiums"). An additional amount of fire aid also is allocated from the annual appropriation for amortization aid.

Insurance Surcharge Aid: This is a state aid to firefighters' relief associations in cities of the first class. The funding is a two percent surcharge on insurance premiums on fire, lightning, and sprinkler leakage in first class cities.

Amortization State Aid: An annual appropriation was provided in 1997 to fund this aid to police or salaried firefighters' pension associations that have an unfunded actuarial accrued liability. Certain reductions to the aid to the Minneapolis association are made annually, depending in part on investment returns.

### Current Law

	Actual	Actual	Estimated	Estimated	Estimated
Police and Fire State Aids	F.Y. 2009	F.Y. 2010	F.Y. 2011	F.Y. 2012	F.Y. 2013
Police State Aid	\$ 60,827	\$ 57,471	\$ 59,930	\$ 62,713	\$ 65,625
Fire State Aid	\$ 23,727	\$ 20,522	\$ 21,143	\$ 21,776	\$ 22,406
Insurance Surcharge	\$ 2,250	\$ 2,499	\$ 2,499	\$ 2,499	\$ 2,499
Amortization State Aid	\$ 2,092	\$ 3,626	\$ 3,626	\$ 3,626	\$ 3,626
Firefighter Relief Association	\$ 609	\$ 609	\$ 609	\$ 609	\$ 609
Supplemental Amortization State Aid	\$ 572	\$ 829	\$ 829	\$ 829	\$ 829
Total	\$ 90,077	\$ 85,556	\$ 88,636	\$ 90,952	\$ 95,594

**Legal Citation:** M.S. 069.031.003; M.S. 2971.10; M.S. 424A.10.003; M.S. 423A.02.001; M.S. 423A.02.001

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## TAX AIDS & CREDITS

Program: Disparity Reduction Aid and Credit

Narrative

### Purpose

To provide a property tax relief for high tax rate areas and certain border cities.

### Funding Source

State General Fund

### Program Description

Disparity Reduction Aid (DRA) was created by the 1988 Legislature (**M.S.** 273.1398, subdivision 3) to provide relief for high tax rate areas as part of the conversion from mill rates and assessed values to net tax capacities. It was first payable to taxing jurisdictions in 1989. DRA applies only to local net tax capacity rates; it has no effect on the state tax rate or any referendum market value rates.

The Disparity Reduction Credit (DRC) reduces property tax burden for commercial/industrial, public utility and apartment property to 2.3% of taxable market value. The credit provides additional property tax relief to the border cities of Breckenridge, Dilworth, East Grand Forks, and Moorhead.

### Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
Disparity Reduction Aid	\$ 18,094	\$ 16,729	\$ 19,369	\$ 21,094	\$ 19,624
Disparity Reduction Credit	\$ 5,316	\$ 5,482	\$ 5,881	\$ 6,357	\$ 6,490
Border City Reimbursement	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13
Total	\$ 23,423	\$ 22,224	\$ 25,262	\$ 27,464	\$ 26,127

**Legal Citation:** M.S. 273.1398.008; M.S. 469.1735.004

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# TAX AIDS & CREDITS

Program: Wetlands Reimbursement Credit

Narrative

## Purpose

To provide payment of revenue loss associated with exemptions due to the creation of Wetland Preservation Areas.

## Funding Source

State General Fund

## Program Description

This provision was adopted in 1991 but was first utilized for taxes payable in 2004 and currently applies to a very limited number of parcels.

## Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
Wetlands Reimbursement Credit	\$ 8	\$ 6	\$ 6	\$ 6	\$ 6
Total	\$ 8	\$ 6	\$ 6	\$ 6	\$ 6

**Legal Citation:** M.S. 275.295

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# TAX AIDS & CREDITS

Program: Disaster Credits

Narrative

## Purpose

To provide a property tax credit for homestead property damaged by a disaster.

## Funding Source

State General Fund

## Program Description

The disaster credit reduces the property tax of the homestead in the following payable year after damage suffered within a declared disaster or emergency area. The property is reassessed after the damage, and the difference between the original and reassessed value is multiplied by the ratio of the number of full months remaining in the year divided by 12 months. This product is then multiplied by the prevailing local tax rate to obtain the credit amount. The state reimburses local governments for the credit. The credit program first became effective in 1984.

A county board may grant an abatement of net tax for taxes payable in the year in which the destruction occurred if 50% of the homestead dwelling or other building was destroyed. The county may also grant a credit for taxes payable in the year following the destruction for homestead property that does not qualify for the disaster credit and non-homestead property. The state reimburses the local jurisdictions for abatements and credits for property located in a declared disaster or emergency area.

## Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
Disaster Credit	\$ 763	\$ 217	\$ 69	\$ 3	\$ 0
Local Option Abatement Reimburse	\$ 249	\$ 0	\$ 0	\$ 0	\$ 0
Local Option Disaster Credit	\$ 0	\$ 133	\$ 2	\$ 0	\$ 0
Total	\$ 1,012	\$ 350	\$ 71	\$ 3	\$ 0

**Legal Citation:** M.S. 273.1234.003; M.S. 273.1233

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## TAX AIDS & CREDITS

Program: Bovine TB Credit

Narrative

### Purpose

To provide a property tax credit for farmers with cattle herds that have faced eradication or other controls in a zone designated to control and eliminate the spread of bovine tuberculosis.

### Funding Source

State General Fund

### Program Description

The bovine tuberculosis credit (under **M.S. 273.113**) was designed to reduce the property tax for those farm parcels located within what was originally identified as a the Bovine Tuberculosis Modified Accredited Zone. The credit equals the greater of \$5 per acre for the first 160 acres, or \$5 per acre times five acres times the highest number of animals tested as part of a whole herd test during 2006-2008. (In the first year the credit equaled the tax on class 2a or 2b agricultural land.) The credit expires when the state is declared bovine TB free.

### Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
Bovine TB Credit	\$ -	\$ 324	\$ 494	\$ 517	\$ 500
Total	\$ -	\$ 324	\$ 494	\$ 517	\$ 500

**Legal Citation:** M.S. 273.113; 2009 Minn. Laws, Chapter 88. Article 2

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## TAX AIDS & CREDITS

Program: Utility Valuation Transition Aid

Narrative

### Purpose

To compensate cities and towns for reductions in their tax base due to the implementation of a new rule pertaining to the assessment of utility property.

### Funding Source

State General Fund

### Program Description

A city or town is eligible for aid if the difference between their net tax capacity under the old rules for assessment year 2007 versus under the new rule exceeds 4 percent. The aid was first paid in calendar year 2009 to 43 cities and townships. The aid will continue for each qualifying municipality until the current valuation of public utility property exceeds its 2007 valuation under the old utility assessment rules.

### Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
Utility Valuation Transition Aid	\$ -	\$ 2,102	\$ 3,024	\$ 1,508	\$ 924
Total	\$ -	\$ 2,102	\$ 3,024	\$ 1,508	\$ 924

**Legal Citation:** M.S. 477A.16

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## TAX AIDS & CREDITS

Program: Public Defender Costs and Local Impact Notes

Narrative

### Purpose

To provide aid to help pay for the services of the lawyers and staff needed for public legal defense; to provide funding for the preparation of local impact notes.

### Funding Source

State General Fund

### Program Description

After a set amount is made available for County Program Aid, a reduction of \$500,000 is made available to the State of Minnesota Board of Public Defense to help cover the costs of attorney and staff services needed to provide criminal and juvenile public legal defense services to indigent clients. These funds may be used at the board's discretion; however, at the end of the fiscal year any funds not used are to be applied to the next fiscal year's County Program Aid.

A reduction of \$214,000 is also made available to Minnesota Management and Budget and the Department of Education for their work in preparing Local Impact Notes.

### Current Law

	Actual F.Y. 2009	Actual F.Y. 2010	Estimated F.Y. 2011	Estimated F.Y. 2012	Estimated F.Y. 2013
Public Defender Costs	\$ 495	\$ 493	\$ 500	\$ 500	\$ 500
Local Impact Notes	\$ 214	\$ 214	\$ 214	\$ 214	\$ 214
Total	\$ 709	\$ 707	\$ 714	\$ 714	\$ 714

**Legal Citation:** M.S. 477A.03

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## TAX AIDS & CREDITS

Program: Political Contribution Refund Program

Narrative

### Purpose

The Political Contribution Refund Program (PCR) was enacted in 1990 to provide state funding to candidates for state wide office and the Minnesota legislature who agree to be bound by campaign spending limits. By limiting refunds to \$50 per eligible voter, it is designed to make candidates less dependent on large dollar contributions and encourage more people to participate in the political process.

### Funding Source

State General Fund

### Program Description

Under the current PCR program, political contributions made by Minnesotans to qualifying political candidates up to a total of \$50 per person (or \$100 per couple) in any calendar year can be refunded to the contributor. Political candidates are provided with special forms to document their contributions. This documentation is sent to the Department of Revenue, and a refund check is sent to the original donor. In essence, the contributor is donating state general fund money to a political candidate. The program is supported through an open appropriation from the general fund.

### Current Law

	Actual	Actual	Estimated	Estimated	Estimated
	F.Y. 2009	F.Y. 2010	F.Y. 2011	F.Y. 2012	F.Y. 2013
Political Contribution Refund	\$ 5,715	\$ 1,720	\$ 10	\$ 5,400	\$ 6,400
Total	\$ 5,715	\$ 1,720	\$ 10	\$ 5,400	\$ 6,400

**Legal Citation:** M.S. 290.06.23G; 2010 Minn. Laws, First Special Session, Chapter1, Article 13

### Contact

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