Overview

Abolishes the metropolitan council's levy authority for transit operations and debt service, and the transit levy authority of the opt-out municipalities. Makes a permanent reduction in each municipality's homestead and agricultural credit aid equal to the amount of tax relief provided by the elimination of the transit levy. Provides for a state appropriation to the metropolitan council to provide transit services approximately equal to the council's projected transit levy plus the projected opt-out transit levy for taxes payable in 2001 under current law. Requires the metropolitan council to make grants to opt-out municipalities at least equal to the amount of tax revenues received by the opt-out municipality in 2000, increased by the percentage growth in the council's total resources available for transit.

Section

1 Financial assistance. Requires the metropolitan council to make grants to eligible municipalities that provide their own transit services annually (i.e., the opt-out municipalities) at least equal to the amount of any grants received by the municipality in 2000 plus the municipality's transit tax levy for taxes payable in 2000, increased by the percentage increase in the council's available funds for non-debt transit services in the current year compared to its available funds for non-debt transit services in 2000. For the current year, available funds are legislative appropriations; for 2000, available funds are legislative appropriations plus the council's non-debt transit levy.

2 Local levy option. Abolishes the local (municipal) levy for transit services, other than to pay for bonds issued before May 1, 2000, for which property taxes have been pledged.

3 Transit levy after 2000. Abolishes the metropolitan council levy for transit operations and debt service, other than to pay for bonds issued before May 1, 2000, for which property taxes have been pledged.

4 HACA adjustments.

   Paragraph (a) provides for a permanent reduction in each municipality's homestead and
agricultural credit aid (HACA) equal to the metropolitan council's transit levy plus the opt-out transit levy (if any) within the municipality for taxes payable in 2000. Paragraph (b) provides for a permanent reduction in the metropolitan council's HACA amount equal to its HACA attributable to transit levies for taxes payable in 2000. Paragraph (c) provides for the permanent elimination of the HACA attributable to the payable 2000 opt-out transit levy for each opt-out municipality.

5 Fiscal disparities adjustment; payable 2001 only. Provides that the fiscal disparities distribution levy for the metropolitan council transit levy for taxes payable in 2001 will be apportioned among the municipalities within the council's transit district and area in proportion to each municipality's fiscal disparities distribution net tax capacity times the transit tax rate within the municipality in pay 2000.

6 Appropriation. Appropriates $118,100,000 to the metropolitan council to provide transit services for calendar year 2001. This amount is approximately equal to the council's projected levy (debt and non-debt) for taxes payable in 2001 under current law.

7 Effective date. Provides that the bill is effective beginning in calendar year 2001.