

1.1 Senator ..... moves to amend S.F. No. 1811 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 **"ARTICLE 1**  
1.4 **INCOME AND CORPORATE FRANCHISE TAXES**

1.5 Section 1. Minnesota Statutes 2022, section 13.4967, is amended by adding a subdivision  
1.6 to read:

1.7 Subd. 9. **New markets tax credit.** Disclosure of information regarding issuance of new  
1.8 market tax credit certificates is governed under section 270B.14, subdivision 2, paragraph  
1.9 (a), clause (4).

1.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1.11 Sec. 2. Minnesota Statutes 2022, section 41B.0391, subdivision 1, is amended to read:

1.12 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
1.13 the meanings given.

1.14 (b) "Agricultural assets" means agricultural land, livestock, facilities, buildings, and  
1.15 machinery used for farming in Minnesota.

1.16 (c) "Beginning farmer" means an individual who:

1.17 (1) is a resident of Minnesota;

1.18 (2) is seeking entry, or has entered within the last ten years, into farming;

1.19 (3) intends to farm land located within the state borders of Minnesota;

1.20 (4) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a  
1.21 family member of the owner of the agricultural assets from whom the beginning farmer is  
1.22 seeking to purchase or rent agricultural assets;

1.23 (5) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a  
1.24 family member of a partner, member, shareholder, or trustee of the owner of agricultural  
1.25 assets from whom the beginning farmer is seeking to purchase or rent agricultural assets;  
1.26 and

1.27 (6) meets the following eligibility requirements as determined by the authority:

1.28 (i) has a net worth that does not exceed the limit provided under section 41B.03,  
1.29 subdivision 3, paragraph (a), clause (2);

- 2.1 (ii) provides the majority of the day-to-day physical labor and management of the farm;
- 2.2 (iii) has, by the judgment of the authority, adequate farming experience or demonstrates  
2.3 knowledge in the type of farming for which the beginning farmer seeks assistance from the  
2.4 authority;
- 2.5 (iv) demonstrates to the authority a profit potential by submitting projected earnings  
2.6 statements;
- 2.7 (v) asserts to the satisfaction of the authority that farming will be a significant source  
2.8 of income for the beginning farmer;
- 2.9 (vi) is enrolled in or has completed within ten years of their first year of farming a  
2.10 financial management program approved by the authority or the commissioner of agriculture;
- 2.11 (vii) agrees to notify the authority if the beginning farmer no longer meets the eligibility  
2.12 requirements within the three-year certification period, in which case the beginning farmer  
2.13 is no longer eligible for credits under this section; and
- 2.14 (viii) has other qualifications as specified by the authority.
- 2.15 The authority may waive the requirement in item (vi) if the participant requests a waiver  
2.16 and has a four-year degree in an agricultural program or related field, reasonable agricultural  
2.17 job-related experience, or certification as an adult farm management instructor.
- 2.18 (d) "Family member" means a family member within the meaning of the Internal Revenue  
2.19 Code, section 267(c)(4).
- 2.20 (e) "Farm product" means plants and animals useful to humans and includes, but is not  
2.21 limited to, forage and sod crops, oilseeds, grain and feed crops, dairy and dairy products,  
2.22 poultry and poultry products, livestock, fruits, and vegetables.
- 2.23 (f) "Farming" means the active use, management, and operation of real and personal  
2.24 property for the production of a farm product.
- 2.25 (g) "Owner of agricultural assets" means an individual, trust, or pass-through entity that  
2.26 is the owner in fee of agricultural land or has legal title to any other agricultural asset. Owner  
2.27 of agricultural assets does not mean an equipment dealer, livestock dealer defined in section  
2.28 17A.03, subdivision 7, or comparable entity that is engaged in the business of selling  
2.29 agricultural assets for profit and that is not engaged in farming as its primary business  
2.30 activity. An owner of agricultural assets approved and certified by the authority under  
2.31 subdivision 4 must notify the authority if the owner no longer meets the definition in this

3.1 paragraph within the three year certification period and is then no longer eligible for credits  
3.2 under this section.

3.3 (h) "Resident" has the meaning given in section 290.01, subdivision 7.

3.4 (i) "Share rent agreement" means a rental agreement in which the principal consideration  
3.5 given to the owner of agricultural assets is a predetermined portion of the production of  
3.6 farm products produced from the rented agricultural assets and which provides for sharing  
3.7 production costs or risk of loss, or both.

3.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
3.9 31, 2022.

3.10 Sec. 3. Minnesota Statutes 2022, section 41B.0391, subdivision 2, is amended to read:

3.11 Subd. 2. **Tax credit for owners of agricultural assets.** (a) An owner of agricultural  
3.12 assets may take a credit against the tax due under chapter 290 for the sale or rental of  
3.13 agricultural assets to a beginning farmer in the amount allocated by the authority under  
3.14 subdivision 4. An owner of agricultural assets is eligible for allocation of a credit equal to:

3.15 (1) ~~five~~ eight percent of the lesser of the sale price or the fair market value of the  
3.16 agricultural asset, up to a maximum of ~~\$32,000~~ \$50,000;

3.17 (2) ten percent of the gross rental income in each of the first, second, and third years of  
3.18 a rental agreement, up to a maximum of \$7,000 per year; or

3.19 (3) 15 percent of the cash equivalent of the gross rental income in each of the first,  
3.20 second, and third years of a share rent agreement, up to a maximum of \$10,000 per year.

3.21 (b) A qualifying rental agreement includes cash rent of agricultural assets or a share rent  
3.22 agreement. The agricultural asset must be rented at prevailing community rates as determined  
3.23 by the authority.

3.24 (c) The credit may be claimed only after approval and certification by the authority, and  
3.25 is limited to the amount stated on the certificate issued under subdivision 4. An owner of  
3.26 agricultural assets must apply to the authority for certification and allocation of a credit, in  
3.27 a form and manner prescribed by the authority.

3.28 (d) An owner of agricultural assets or beginning farmer may terminate a rental agreement,  
3.29 including a share rent agreement, for reasonable cause upon approval of the authority. If a  
3.30 rental agreement is terminated without the fault of the owner of agricultural assets, the tax  
3.31 credits shall not be retroactively disallowed. In determining reasonable cause, the authority  
3.32 must look at which party was at fault in the termination of the agreement. If the authority

4.1 determines the owner of agricultural assets did not have reasonable cause, the owner of  
4.2 agricultural assets must repay all credits received as a result of the rental agreement to the  
4.3 commissioner of revenue. The repayment is additional income tax for the taxable year in  
4.4 which the authority makes its decision or when a final adjudication under subdivision 5,  
4.5 paragraph (a), is made, whichever is later.

4.6 (e) The credit is limited to the liability for tax as computed under chapter 290 for the  
4.7 taxable year. If the amount of the credit determined under this section for any taxable year  
4.8 exceeds this limitation, the excess is a beginning farmer incentive credit carryover according  
4.9 to section 290.06, subdivision 37.

4.10 (f) For purposes of the credit for the sale of agricultural land only, the family member  
4.11 definitional exclusions in subdivision 1, paragraph (c), clauses (4) and (5), do not apply.  
4.12 For a sale to a family member to qualify for the credit, the sales price of the agricultural  
4.13 land must equal or exceed the assessed value of the land as of the date of the sale. For  
4.14 purposes of this paragraph, "sale to a family member" means a sale to a beginning farmer  
4.15 in which the beginning farmer or the beginning farmer's spouse is a family member of:

4.16 (1) the owner of the agricultural land; or

4.17 (2) a partner, member, shareholder, or trustee of the owner of the agricultural land.

4.18 (g) For a sale to a socially disadvantaged farmer or rancher, the credit rate under paragraph  
4.19 (a), clause (1), is twelve percent rather than eight percent. For the purposes of this section,  
4.20 "socially disadvantaged farmer or rancher" has the meaning given in United States Code,  
4.21 title 7, section 2279(a)(5).

4.22 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
4.23 31, 2022.

4.24 Sec. 4. Minnesota Statutes 2022, section 41B.0391, subdivision 4, is amended to read:

4.25 Subd. 4. **Authority duties.** (a) The authority shall:

4.26 (1) approve and certify or recertify beginning farmers as eligible for the program under  
4.27 this section;

4.28 (2) approve and certify or recertify owners of agricultural assets as eligible for the tax  
4.29 credit under subdivision 2 subject to the allocation limits in paragraph (c);

4.30 (3) provide necessary and reasonable assistance and support to beginning farmers for  
4.31 qualification and participation in financial management programs approved by the authority;

5.1 (4) refer beginning farmers to agencies and organizations that may provide additional  
5.2 pertinent information and assistance; and

5.3 (5) notwithstanding section 41B.211, the Rural Finance Authority must share information  
5.4 with the commissioner of revenue to the extent necessary to administer provisions under  
5.5 this subdivision and section 290.06, subdivisions 37 and 38. The Rural Finance Authority  
5.6 must annually notify the commissioner of revenue of approval and certification or  
5.7 recertification of beginning farmers and owners of agricultural assets under this section.  
5.8 For credits under subdivision 2, the notification must include the amount of credit approved  
5.9 by the authority and stated on the credit certificate.

5.10 (b) The certification of a beginning farmer or an owner of agricultural assets under this  
5.11 section is valid for the year of the certification and the two following years, after which  
5.12 time the beginning farmer or owner of agricultural assets must apply to the authority for  
5.13 recertification.

5.14 (c) For credits for owners of agricultural assets allowed under subdivision 2, the authority  
5.15 must not allocate more than ~~\$5,000,000 for taxable years beginning after December 31,~~  
5.16 ~~2017, and before January 1, 2019, and must not allocate more than \$6,000,000 for taxable~~  
5.17 ~~years beginning after December 31, 2018~~ \$4,000,000 for each taxable year. The authority  
5.18 must allocate credits on a first-come, first-served basis beginning on January 1 of each year,  
5.19 except that recertifications for the second and third years of credits under subdivision 2,  
5.20 paragraph (a), clauses (1) and (2), have first priority. Any amount authorized but not allocated  
5.21 for taxable years ending before January 1, 2024, are canceled and are not allocated for future  
5.22 taxable years. For taxable years beginning after December 31, 2023, any amount authorized  
5.23 but not allocated in any taxable year does not cancel and is added to the allocation for the  
5.24 next taxable year.

5.25 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
5.26 31, 2022.

5.27 Sec. 5. Minnesota Statutes 2022, section 41B.0391, subdivision 6, is amended to read:

5.28 Subd. 6. **Report to legislature.** (a) No later than February 1, ~~2022~~ 2024, the Rural  
5.29 Finance Authority, in consultation with the commissioner of revenue, must provide a report  
5.30 to the chairs and ranking minority members of the legislative committees having jurisdiction  
5.31 over agriculture, economic development, rural development, and taxes, in compliance with  
5.32 sections 3.195 and 3.197, on the beginning farmer tax credits under this section issued in  
5.33 tax years beginning after December 31, 2017, and before January 1, ~~2022~~ 2024.

6.1 (b) The report must include background information on beginning farmers in Minnesota  
6.2 and any other information the commissioner and authority find relevant to evaluating the  
6.3 effect of the credits on increasing opportunities for and the number of beginning farmers.

6.4 (c) For credits issued under subdivision 2, paragraph (a), clauses (1) to (3), the report  
6.5 must include:

6.6 (1) the number and amount of credits issued under each clause;

6.7 (2) the geographic distribution of credits issued under each clause;

6.8 (3) the type of agricultural assets for which credits were issued under clause (1);

6.9 (4) the number and geographic distribution of beginning farmers whose purchase or  
6.10 rental of assets resulted in credits for the seller or owner of the asset;

6.11 (5) the number and amount of credits disallowed under subdivision 2, paragraph (d);

6.12 (6) data on the number of beginning farmers by geographic region in calendar years  
6.13 2017 through ~~2021~~ 2023, including:

6.14 (i) the number of beginning farmers by race and ethnicity, as those terms are applied in  
6.15 the 2020 United States Census; and

6.16 (ii) to the extent available, the number of beginning farmers who are members of a  
6.17 socially disadvantaged group, as defined in United States Code, title 7, section 2279(a)(6);  
6.18 and

6.19 (7) the number and amount of credit applications that exceeded the allocation available  
6.20 in each year.

6.21 (d) For credits issued under subdivision 3, the report must include:

6.22 (1) the number and amount of credits issued;

6.23 (2) the geographic distribution of credits;

6.24 (3) a listing and description of each approved financial management program for which  
6.25 credits were issued; and

6.26 (4) a description of the approval procedure for financial management programs not on  
6.27 the list maintained by the authority, as provided in subdivision 3, paragraph (a).

6.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

7.1 Sec. 6. Minnesota Statutes 2022, section 116J.401, subdivision 3, is amended to read:

7.2 Subd. 3. **Classification and release of data on individuals.** (a) Data collected on  
7.3 individuals pursuant to a program operated by the commissioner are private data on  
7.4 individuals as defined in section 13.02, subdivision 12, unless more restrictively classified  
7.5 by law.

7.6 (b) The commissioner may release to the Department of Revenue data on individuals to  
7.7 the extent required to administer the new markets tax credit under chapter 116X and sections  
7.8 290.0693 and 297I.20, subdivision 6.

7.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

7.10 Sec. 7. Minnesota Statutes 2022, section 116J.8737, subdivision 5, is amended to read:

7.11 Subd. 5. **Credit allowed.** (a) A qualified investor or qualified fund is eligible for a credit  
7.12 equal to 25 percent of the qualified investment in a qualified small business. Investments  
7.13 made by a pass-through entity qualify for a credit only if the entity is a qualified fund. The  
7.14 commissioner must not allocate to qualified investors or qualified funds more than the dollar  
7.15 amount in credits allowed for the taxable years listed in paragraph (i). For each taxable year,  
7.16 50 percent must be allocated to credits for qualified investments in qualified greater  
7.17 Minnesota businesses and minority-owned, women-owned, or veteran-owned qualified  
7.18 small businesses in Minnesota. Any portion of a taxable year's credits that is reserved for  
7.19 qualified investments in greater Minnesota businesses and minority-owned, women-owned,  
7.20 or veteran-owned qualified small businesses in Minnesota that is not allocated by September  
7.21 30 of the taxable year is available for allocation to other credit applications beginning on  
7.22 October 1. Any portion of a taxable year's credits that is not allocated by the commissioner  
7.23 does not cancel and may be carried forward to subsequent taxable years until all credits  
7.24 have been allocated.

7.25 (b) The commissioner may not allocate more than a total maximum amount in credits  
7.26 for a taxable year to a qualified investor for the investor's cumulative qualified investments  
7.27 as an individual qualified investor and as an investor in a qualified fund; for married couples  
7.28 filing joint returns the maximum is \$250,000, and for all other filers the maximum is  
7.29 \$125,000. The commissioner may not allocate more than a total of \$1,000,000 in credits  
7.30 over all taxable years for qualified investments in any one qualified small business.

7.31 (c) The commissioner may not allocate a credit to a qualified investor either as an  
7.32 individual qualified investor or as an investor in a qualified fund if, at the time the investment  
7.33 is proposed:

8.1 (1) the investor is an officer or principal of the qualified small business; or

8.2 (2) the investor, either individually or in combination with one or more members of the  
8.3 investor's family, owns, controls, or holds the power to vote 20 percent or more of the  
8.4 outstanding securities of the qualified small business.

8.5 A member of the family of an individual disqualified by this paragraph is not eligible for a  
8.6 credit under this section. For a married couple filing a joint return, the limitations in this  
8.7 paragraph apply collectively to the investor and spouse. For purposes of determining the  
8.8 ownership interest of an investor under this paragraph, the rules under section 267(c) and  
8.9 267(e) of the Internal Revenue Code apply.

8.10 (d) Applications for tax credits must be made available on the department's website by  
8.11 November 1 of the preceding year.

8.12 (e) Qualified investors and qualified funds must apply to the commissioner for tax credits.  
8.13 Tax credits must be allocated to qualified investors or qualified funds in the order that the  
8.14 tax credit request applications are filed with the department. The commissioner must approve  
8.15 or reject tax credit request applications within 15 days of receiving the application. The  
8.16 investment specified in the application must be made within 60 days of the allocation of  
8.17 the credits. If the investment is not made within 60 days, the credit allocation is canceled  
8.18 and available for reallocation. A qualified investor or qualified fund that fails to invest as  
8.19 specified in the application, within 60 days of allocation of the credits, must notify the  
8.20 commissioner of the failure to invest within five business days of the expiration of the  
8.21 60-day investment period.

8.22 (f) All tax credit request applications filed with the department on the same day must  
8.23 be treated as having been filed contemporaneously. If two or more qualified investors or  
8.24 qualified funds file tax credit request applications on the same day, and the aggregate amount  
8.25 of credit allocation claims exceeds the aggregate limit of credits under this section or the  
8.26 lesser amount of credits that remain unallocated on that day, then the credits must be allocated  
8.27 among the qualified investors or qualified funds who filed on that day on a pro rata basis  
8.28 with respect to the amounts claimed. The pro rata allocation for any one qualified investor  
8.29 or qualified fund is the product obtained by multiplying a fraction, the numerator of which  
8.30 is the amount of the credit allocation claim filed on behalf of a qualified investor and the  
8.31 denominator of which is the total of all credit allocation claims filed on behalf of all  
8.32 applicants on that day, by the amount of credits that remain unallocated on that day for the  
8.33 taxable year.



9.1 (g) A qualified investor or qualified fund, or a qualified small business acting on their  
9.2 behalf, must notify the commissioner when an investment for which credits were allocated  
9.3 has been made, and the taxable year in which the investment was made. A qualified fund  
9.4 must also provide the commissioner with a statement indicating the amount invested by  
9.5 each investor in the qualified fund based on each investor's share of the assets of the qualified  
9.6 fund at the time of the qualified investment. After receiving notification that the investment  
9.7 was made, the commissioner must issue credit certificates for the taxable year in which the  
9.8 investment was made to the qualified investor or, for an investment made by a qualified  
9.9 fund, to each qualified investor who is an investor in the fund. The certificate must state  
9.10 that the credit is subject to revocation if the qualified investor or qualified fund does not  
9.11 hold the investment in the qualified small business for at least three years, consisting of the  
9.12 calendar year in which the investment was made and the two following years. The three-year  
9.13 holding period does not apply if:

9.14 (1) the investment by the qualified investor or qualified fund becomes worthless before  
9.15 the end of the three-year period;

9.16 (2) 80 percent or more of the assets of the qualified small business is sold before the end  
9.17 of the three-year period;

9.18 (3) the qualified small business is sold before the end of the three-year period;

9.19 (4) the qualified small business's common stock begins trading on a public exchange  
9.20 before the end of the three-year period; or

9.21 (5) the qualified investor dies before the end of the three-year period.

9.22 (h) The commissioner must notify the commissioner of revenue of credit certificates  
9.23 issued under this section.

9.24 (i) The credit allowed under this subdivision is effective as follows:

9.25 (1) \$10,000,000 for taxable years beginning after December 31, 2020, and before January  
9.26 1, 2022; and

9.27 (2) \$5,000,000 for taxable years beginning after December 31, 2021, and before January  
9.28 1, ~~2023~~ 2027.

9.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
9.30 31, 2022.

10.1 Sec. 8. Minnesota Statutes 2022, section 116J.8737, subdivision 12, is amended to read:

10.2 Subd. 12. **Sunset.** This section expires for taxable years beginning after December 31,  
10.3 ~~2022~~ 2026, except that reporting requirements under subdivision 6 and revocation of credits  
10.4 under subdivision 7 remain in effect through ~~2024~~ 2028 for qualified investors and qualified  
10.5 funds, and through ~~2026~~ 2030 for qualified small businesses, reporting requirements under  
10.6 subdivision 9 remain in effect through ~~2022~~ 2026, and the appropriation in subdivision 11  
10.7 remains in effect through ~~2026~~ 2030.

10.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

10.9 Sec. 9. Minnesota Statutes 2022, section 116U.27, subdivision 1, is amended to read:

10.10 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
10.11 the meanings given.

10.12 (b) "Allocation certificate" means a certificate issued by the commissioner to a taxpayer  
10.13 upon receipt of an initial application for a credit for a project that has not yet been completed.

10.14 (c) "Application" means the application for a credit under subdivision 4.

10.15 (d) "Commissioner" means the commissioner of employment and economic development.

10.16 (e) "Credit certificate" means a certificate issued by the commissioner upon submission  
10.17 of the cost verification report in subdivision 4, paragraph (e).

10.18 (f) "Eligible production costs" means eligible production costs as defined in section  
10.19 116U.26, paragraph (b), clause (1), incurred in Minnesota that are directly attributable to  
10.20 the production of a film project in Minnesota.

10.21 (g) "Film" has the meaning given in section 116U.26, paragraph (b), clause (2).

10.22 (h) "Project" means a film:

10.23 (1) that includes the promotion of Minnesota;

10.24 (2) for which the taxpayer has expended at least \$1,000,000 in ~~the taxable year~~ a  
10.25 consecutive 12-month period beginning when expenditures are first paid in Minnesota for  
10.26 eligible production costs; and

10.27 (3) to the extent practicable, that employs Minnesota residents.

10.28 (i) "Promotion of Minnesota" or "promotion" means visible display of a static or animated  
10.29 logo, approved by the commissioner and lasting approximately five seconds, that promotes  
10.30 Minnesota within its presentation in the end credits before the below-the-line crew crawl  
10.31 for the life of the project.

11.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
11.2 31, 2022.

11.3 Sec. 10. Minnesota Statutes 2022, section 116U.27, subdivision 4, is amended to read:

11.4 Subd. 4. **Applications; allocations.** (a) To qualify for a credit under this section, a  
11.5 taxpayer must submit to the commissioner an application for a credit in the form prescribed  
11.6 by the commissioner, in consultation with the commissioner of revenue.

11.7 (b) Upon approving an application for a credit that meets the requirements of this section,  
11.8 the commissioner shall issue allocation certificates that:

11.9 (1) verify eligibility for the credit;

11.10 (2) state the amount of credit anticipated for the eligible project, with the credit amount  
11.11 up to 25 percent of eligible project costs; and

11.12 (3) state the taxable year in which the credit is allocated.

11.13 The commissioner must consult with the Minnesota Film and TV Board prior to issuing an  
11.14 allocation certificate.

11.15 (c) The commissioner must not issue allocation certificates for more than ~~\$4,950,000~~  
11.16 \$9,950,000 of credits each year. ~~If the entire amount is not allocated in that taxable year,~~  
11.17 ~~any remaining amount is available for allocation for the four following taxable years until~~  
11.18 ~~the entire allocation has been made~~ Any amount authorized but not allocated for taxable  
11.19 years ending before January 1, 2024, are canceled and are not allocated for future taxable  
11.20 years. For taxable years beginning after December 31, 2023, any amount authorized but not  
11.21 allocated in any taxable year does not cancel and is added to the allocation for the next  
11.22 taxable year. The commissioner must not award any credits for taxable years beginning  
11.23 after December 31, ~~2024~~ 2032, and any unallocated amounts cancel on that date.

11.24 (d) The commissioner must allocate credits on a first-come, first-served basis.

11.25 (e) Upon completion of a project, the taxpayer shall submit to the commissioner a report  
11.26 prepared by an independent certified public accountant licensed in the state of Minnesota  
11.27 to verify the amount of eligible production costs related to the project. The report must be  
11.28 prepared in accordance with generally accepted accounting principles. Upon receipt and  
11.29 review of the cost verification report, the commissioner shall determine the final amount  
11.30 of eligible production costs and issue a credit certificate to the taxpayer. The credit may not  
11.31 exceed the anticipated credit amount on the allocation certificate. If the credit is less than  
11.32 the anticipated amount on the allocation credit, the difference is returned to the amount

12.1 available for allocation under paragraph (c). To claim the credit under section 290.06,  
12.2 subdivision 39, or 297I.20, subdivision 4, a taxpayer must include a copy of the credit  
12.3 certificate as part of the taxpayer's return.

12.4 **EFFECTIVE DATE.** This section is effective for allocation certificates issued after  
12.5 December 31, 2022.

12.6 Sec. 11. Minnesota Statutes 2022, section 116U.27, subdivision 7, is amended to read:

12.7 Subd. 7. **Expiration.** Subdivisions 1 to 5 expire January 1, ~~2025~~ 2033, for taxable years  
12.8 beginning after December 31, ~~2024~~ 2032.

12.9 **EFFECTIVE DATE.** This section is effective for allocation certificates issued after  
12.10 December 31, 2022.

12.11 Sec. 12. **[116X.01] NEW MARKETS TAX CREDIT.**

12.12 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
12.13 the meanings given.

12.14 (b) "Applicable percentage" means zero percent for each of the first two credit allowance  
12.15 dates and ten percent for each of the final five credit allowance dates.

12.16 (c) "CDFI fund" means the Community Development Financial Institutions fund of the  
12.17 United States Department of the Treasury.

12.18 (d) "Commissioner" means the commissioner of employment and economic development.

12.19 (e) "Credit allowance date" means:

12.20 (1) the date on which a qualified equity investment is initially made; and

12.21 (2) each of the six anniversary dates thereafter.

12.22 (f) "Greater Minnesota allocation" means \$60,000,000 in qualified equity investment  
12.23 authority to be awarded for investment in qualified active low-income community businesses  
12.24 with principal business operations in a greater Minnesota county.

12.25 (g) "Greater Minnesota county" means any county located in Minnesota that is not a  
12.26 metropolitan county.

12.27 (h) "Internal Revenue Code" has the meaning given in section 290.01, subdivision 31.

12.28 (i) "Metropolitan allocation" means \$60,000,000 in qualified equity investment authority  
12.29 to be awarded for investment in qualified active low-income community businesses with  
12.30 principal business operations in a metropolitan county.

13.1 (j) "Metropolitan county" has the meaning given in section 473.121, subdivision 4.

13.2 (k) "Minnesota qualified community development entity" means a qualified community  
13.3 development entity that is or whose controlling entity is headquartered in this state.

13.4 (l) "Principal business operations" means the physical location of a business where at  
13.5 least 60 percent of a qualified active low-income community business' employees work.

13.6 An out-of-state business that has agreed to relocate employees or a Minnesota business that  
13.7 has agreed to hire employees using the proceeds of a qualified low-income community  
13.8 investment to establish principal business operations in Minnesota is deemed to have principal  
13.9 business operations in Minnesota if the business satisfies the requirements of this paragraph  
13.10 within 180 days of receiving the qualified low-income community investment or another  
13.11 date as agreed by the business and the commissioner.

13.12 (m) "Purchase price" means the amount paid to the qualified community development  
13.13 entity for a qualified equity investment.

13.14 (n) "Qualified active low-income community business" has the meaning given in section  
13.15 45D of the Internal Revenue Code, except that businesses or projects may not derive more  
13.16 than 15 percent or more of its annual revenue from the rental or sale of real estate. This  
13.17 exception does not apply if the business is controlled by or is under common control with  
13.18 another business, and the business is a primary tenant of real estate leased from that other  
13.19 business.

13.20 (o) "Qualified community development entity" has the meaning given in section 45D  
13.21 of the Internal Revenue Code, provided that the entity:

13.22 (1) has previously entered into an allocation agreement with the CDFI fund with respect  
13.23 to credits authorized by section 45D of the Internal Revenue Code; and

13.24 (2) includes the state within the service area set forth in the allocation agreement.

13.25 (p) "Qualified equity investment" means an equity investment in a qualified community  
13.26 development entity, if the equity investment:

13.27 (1) is acquired after the effective date of this section at its original issuance solely in  
13.28 exchange for cash, or if the investment met the requirements of this provision while under  
13.29 the possession of a prior holder;

13.30 (2) has at least 100 percent of its cash purchase price used by the qualified community  
13.31 development entity to make qualified low-income community investments in qualified  
13.32 active low-income community businesses that have their principal business operations in  
13.33 the state of Minnesota; and

14.1 (3) is:

14.2 (i) designated by the qualified community development entity as a qualified equity  
14.3 investment under this section; and

14.4 (ii) except for a Minnesota qualified community development entity, is at least 50 percent  
14.5 designated by the qualified community development entity as a qualified equity investment  
14.6 eligible for the federal credit under section 45D of the Internal Revenue Code.

14.7 (q) "Qualified low-income community investment" means any capital or equity investment  
14.8 in, or loan to, any qualified active low-income community business.

14.9 (r) "Tax credit" or "credit" means a credit against the tax imposed by chapter 290 or  
14.10 297I.

14.11 (s) "Taxpayer" means a taxpayer as defined in section 290.01, subdivision 6, or a taxpayer  
14.12 as defined in section 297I.01, subdivision 16.

14.13 Subd. 2. **Credit allowed; qualification; limitation.** (a) An entity is eligible for a credit  
14.14 against the tax imposed under chapter 290 or 297I, subject to the requirements of this section.  
14.15 The credit may be claimed against the tax imposed by chapter 290 or 297I, but not both.

14.16 (b) The credit equals the applicable percentage for each credit allowance date multiplied  
14.17 by the purchase price paid to the qualified community development entity for the qualified  
14.18 equity investment.

14.19 Subd. 3. **Requirements.** (a) A qualified community development entity that seeks to  
14.20 have an equity investment designated as a qualified equity investment and be eligible for  
14.21 the credit under this section must:

14.22 (1) have an allocation agreement, that is currently in effect, executed by the applicant  
14.23 or its controlling entity, and the CDFI fund;

14.24 (2) be certified as a qualified community development entity by the CDFI fund; and

14.25 (3) meet all requirements under section 45D of the Internal Revenue Code.

14.26 (b) An entity that seeks to be eligible for the credit under this section must:

14.27 (1) hold a qualified equity investment on a credit allowance date of that investment; and

14.28 (2) meet all requirements under section 45D of the Internal Revenue Code.

14.29 Subd. 4. **Application.** (a) A qualified community development entity that seeks to have  
14.30 an equity investment designated as a qualified equity investment under this section shall  
14.31 apply to the commissioner on a form provided by the commissioner that includes:

15.1 (1) the name, address, and tax identification number of the applicant, and evidence of  
15.2 the applicant's certification as a qualified community development entity by the CDFI fund;

15.3 (2) a copy of the allocation agreement executed by the applicant or its controlling entity,  
15.4 and the CDFI fund;

15.5 (3) a certificate executed by an executive officer of the applicant attesting that the  
15.6 allocation agreement remains in effect and has not been revoked or canceled by the CDFI  
15.7 fund;

15.8 (4) a description of the proposed amount, structure, and purchaser of the equity  
15.9 investment;

15.10 (5) for a qualified community development entity that is not a Minnesota qualified  
15.11 community development entity, the amount of qualified equity investment authority sought  
15.12 under the greater Minnesota allocation or the metropolitan allocation, as applicable, which  
15.13 collectively may not exceed the applicant or its controlling entity's available qualified equity  
15.14 investment authority under section 45D of the Internal Revenue Code multiplied by two;

15.15 (6) if required by clause (5), evidence of the applicant or its controlling entity's available  
15.16 qualified equity investment authority under section 45D of the Internal Revenue Code; and

15.17 (7) a nonrefundable application fee of \$5,000 paid to the commissioner to offset costs  
15.18 associated with personnel and administrative expenses related to administering the credit.

15.19 (b) The commissioner shall set a date to accept applications not less than 30 days but  
15.20 not more than 45 days after the date the CDFI fund announces allocation awards under a  
15.21 notice of funding availability that was published in the Federal Register in November 2022.

15.22 (c) A qualified community development entity may apply for both a greater Minnesota  
15.23 allocation and a metropolitan allocation.

15.24 Subd. 5. **Certification and timing of qualified equity investments.** (a) Within 30 days  
15.25 after receipt of an application, the commissioner shall grant or deny the application in full  
15.26 or in part. If the commissioner denies any part of the application, the commissioner shall  
15.27 inform the applicant of the grounds for the denial. If the applicant provides the information  
15.28 required by the commissioner or otherwise completes its application within 15 days of the  
15.29 notice of denial, the application is deemed complete as of the original date of submission.  
15.30 If the applicant fails to provide the requested information or complete its application within  
15.31 the 15-day period, the applicant may submit a new application.

15.32 (b) If the application is deemed complete, the commissioner shall certify the proposed  
15.33 equity investment as a qualified equity investment eligible for a credit under this section.

16.1 The commissioner shall provide written notice of the certification to the qualified community  
16.2 development entity. Once the qualified community development entity identifies the  
16.3 taxpayers who are allocated credits and their respective credit amounts, the qualified  
16.4 community development entity shall provide a notice of allocation to the commissioner.  
16.5 The commissioner shall provide a certification to the qualified community development  
16.6 entity and each taxpayer containing the credit amount and utilization schedule for which  
16.7 the taxpayer is eligible. If the taxpayer's eligibility to utilize the credits change due to a  
16.8 transfer of a qualified equity investment or a change in allocation pursuant to paragraph (c),  
16.9 the qualified community development entity shall notify the commissioner of the change.

16.10 (c) The aggregate amount of credits allowed to all certified qualified equity investments  
16.11 in greater Minnesota counties is \$30,000,000. The aggregate amount of credits allowed to  
16.12 all certified qualified equity investments in metropolitan counties is \$30,000,000. The  
16.13 commissioner shall certify applications for the greater Minnesota allocation and the  
16.14 metropolitan allocation in proportionate percentages based upon the ratio of the amount of  
16.15 qualified equity investments requested in applications for each allocation to the total amount  
16.16 of qualified equity investments requested in all applications for each allocation received on  
16.17 the same day.

16.18 (d) If a pending request cannot be fully certified, the commissioner shall certify the  
16.19 portion that may be certified unless the qualified community development entity elects to  
16.20 withdraw its request rather than receive a partial award of qualified equity investment  
16.21 authority.

16.22 (e) A qualified community development entity must make its qualified equity investment  
16.23 by January 1, 2026.

16.24 (f) An approved applicant may transfer all or a portion of its certified qualified equity  
16.25 investment authority to its controlling entity or any affiliate or partner of the controlling  
16.26 entity that is also a qualified community development entity if the applicant provides the  
16.27 information required in the application with respect to the transferee and the applicant  
16.28 notifies the commissioner in the notice required by paragraph (g). Within 90 days after  
16.29 receiving notice of certification under paragraph (b), the applicant or transferee shall:

16.30 (1) issue qualified equity investments in an amount equal to the total amount of certified  
16.31 qualified equity investment authority;

16.32 (2) receive cash in the amount of the certified qualified equity investment; and



17.1 (3) if the applicant or transferee is not a Minnesota qualified community development  
17.2 entity, designate 50 percent of the qualified equity investment authority as a qualified equity  
17.3 investment under section 45D of the Internal Revenue Code.

17.4 The entity to which the certified qualified equity investment authority is transferred is  
17.5 responsible for any assessment resulting from an audit by the commissioner of revenue.

17.6 (g) The qualified community development entity must provide the commissioner with  
17.7 evidence of the receipt of the cash investment and, if the qualified community development  
17.8 entity is not a Minnesota qualified community development entity, the designation of 50  
17.9 percent of the qualified equity investment as a qualified equity investment under section  
17.10 45D of the Internal Revenue Code within 95 days after receiving notice of certification. If  
17.11 the qualified community development entity does not receive the cash investment, issue the  
17.12 qualified equity investment within 90 days following receipt of the certification notice, and  
17.13 comply with paragraph (f), clause (3), if applicable, the certification is void. A voided  
17.14 certification must be returned to the commissioner and must first be awarded pro rata to  
17.15 applicants that received awards of qualified equity investment authority and complied with  
17.16 paragraph (f).

17.17 (h) The commissioner shall notify the commissioner of revenue of credits approved  
17.18 under this subdivision within 15 days of granting an application.

17.19 Subd. 6. **Examination.** The commissioner may conduct examinations to verify that the  
17.20 credits under this section have been received and applied according to the requirements of  
17.21 this section and to verify that no event has occurred that would result in a recapture of credits  
17.22 under subdivision 5.

17.23 Subd. 7. **Annual reporting by community development entities.** (a) Each qualified  
17.24 community development entity shall submit an annual report to the commissioner within  
17.25 120 days after the beginning of each calendar year during the compliance period. No annual  
17.26 report is due prior to the first anniversary of the initial credit allowance date. The report  
17.27 must include but is not limited to information with respect to all qualified low-income  
17.28 community investments made by the qualified community development entity, including:

17.29 (1) the date and amount of, and bank statements or wire transfer reports documenting,  
17.30 qualified low-income community investments;

17.31 (2) the name and address of each qualified active low-income community business  
17.32 funded by the qualified community development entity, the number of persons employed  
17.33 by the business at the time of the initial qualified low-income community investment, and  
17.34 a brief description of the business and its financing;

18.1 (3) the number of employment positions maintained by each qualified active low-income  
18.2 community business as of the date of the report or the end of the preceding calendar year  
18.3 and the average annual salaries of those positions;

18.4 (4) the total number of employment positions created and retained as a result of qualified  
18.5 low-income community investments and the average annual salaries of those positions;

18.6 (5) a certification by its chief executive officer or similar officer that no credits have  
18.7 been subject to recapture under subdivision 5;

18.8 (6) any changes with respect to the taxpayers entitled to claim credits with respect to  
18.9 qualified equity investments issued by the qualified community development entity since  
18.10 its last report pursuant to this section; and

18.11 (7) each qualified community development entity shall pay the commissioner an annual  
18.12 fee of \$1,500. The initial annual fee required of the qualified community development entity  
18.13 is due and payable to the commissioner along with the submission of documentation required  
18.14 under subdivision 4, paragraph (g). Each subsequent annual fee is required to be submitted  
18.15 with the annual report under paragraph (a).

18.16 (b) The qualified community development entity is not required to provide the annual  
18.17 report set forth in this section for qualified low-income community investments that have  
18.18 been redeemed or repaid.

18.19 Subd. 8. **Program report.** If the credit under this section has not been reviewed under  
18.20 the provisions of section 3.8855 by December 15, 2032, the commissioner, with input from  
18.21 the commissioner of revenue, shall report to the legislature no later than December 31, 2032,  
18.22 regarding the implementation of the credit under this section, including an evaluation of  
18.23 the credit using the components listed in section 3.885, subdivision 5.

18.24 Subd. 9. **Expiration.** This section expires for taxable years beginning after December  
18.25 31, 2031, except that the commissioner's authority to allow the credit under subdivision 2  
18.26 based on certificates that were issued under subdivision 4 before expiration remains in effect  
18.27 through the year following the year in which all certificates have either been canceled or  
18.28 resulted in issuance of credit certificates, or 2034, whichever is earlier.

18.29 Subd. 10. **Account created; appropriation.** The Minnesota new markets tax credit  
18.30 account is created in the special revenue fund in the state treasury. The account is  
18.31 administered by the commissioner. Application and reporting fees required under subdivision  
18.32 3, paragraph (a), clause (7), are appropriated to the commissioner for costs associated with

19.1 certifying applications and for personnel and administrative expenses related to administering  
19.2 the credit under this section.

19.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
19.4 31, 2023.

19.5 Sec. 13. Minnesota Statutes 2022, section 270B.14, subdivision 2, is amended to read:

19.6 Subd. 2. **Disclosure to Department of Employment and Economic Development.** (a)  
19.7 Data relating to individuals are treated as follows:

19.8 (1) Return information may be disclosed to the Department of Employment and Economic  
19.9 Development to the extent provided in clause (2) and for the purposes provided in clause  
19.10 (3).

19.11 (2) The data that may be disclosed is limited to the amount of gross income earned by  
19.12 an individual, the total amounts of earnings from each employer, and the employer's name.

19.13 (3) Data may be requested pertaining only to individuals who have claimed benefits  
19.14 under sections 268.03 to 268.23 and only if the individuals are the subject of investigations  
19.15 based on other information available to the Department of Employment and Economic  
19.16 Development. Data received may be used only as set forth in section 268.19, subdivision  
19.17 1, paragraph (b).

19.18 (4) Notwithstanding the limitation in paragraph (a), the commissioner may disclose  
19.19 return information to the Department of Employment and Economic Development to the  
19.20 extent required to administer the new markets tax credit in sections 290.0693 and 297I.20.

19.21 (b) Data pertaining to corporations or other employing units may be disclosed to the  
19.22 Department of Employment and Economic Development to the extent necessary for the  
19.23 proper enforcement of chapter 268.

19.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

19.25 Sec. 14. Minnesota Statutes 2022, section 289A.08, subdivision 7, as amended by Laws  
19.26 2023, chapter 1, section 2, is amended to read:

19.27 Subd. 7. **Composite income tax returns for nonresident partners, shareholders, and**  
19.28 **beneficiaries.** (a) The commissioner may allow a partnership with nonresident partners to  
19.29 file a composite return and to pay the tax on behalf of nonresident partners who have no  
19.30 other Minnesota source income. This composite return must include the names, addresses,

20.1 Social Security numbers, income allocation, and tax liability for the nonresident partners  
20.2 electing to be covered by the composite return.

20.3 (b) The computation of a partner's tax liability must be determined by multiplying the  
20.4 income allocated to that partner by the highest rate used to determine the tax liability for  
20.5 individuals under section 290.06, subdivision 2c. Nonbusiness deductions, standard  
20.6 deductions, or personal exemptions are not allowed.

20.7 (c) The partnership must submit a request to use this composite return filing method for  
20.8 nonresident partners. The requesting partnership must file a composite return in the form  
20.9 prescribed by the commissioner of revenue. The filing of a composite return is considered  
20.10 a request to use the composite return filing method.

20.11 (d) The electing partner must not have any Minnesota source income other than the  
20.12 income from the partnership, other electing partnerships, and other qualifying entities  
20.13 electing to file and pay the pass-through entity tax under subdivision 7a. If it is determined  
20.14 that the electing partner has other Minnesota source income, the inclusion of the income  
20.15 and tax liability for that partner under this provision will not constitute a return to satisfy  
20.16 the requirements of subdivision 1. The tax paid for the individual as part of the composite  
20.17 return is allowed as a payment of the tax by the individual on the date on which the composite  
20.18 return payment was made. If the electing nonresident partner has no other Minnesota source  
20.19 income, filing of the composite return is a return for purposes of subdivision 1.

20.20 (e) This subdivision does not negate the requirement that an individual pay estimated  
20.21 tax if the individual's liability would exceed the requirements set forth in section 289A.25.  
20.22 The individual's liability to pay estimated tax is, however, satisfied when the partnership  
20.23 pays composite estimated tax in the manner prescribed in section 289A.25.

20.24 (f) If an electing partner's share of the partnership's gross income from Minnesota sources  
20.25 is less than the filing requirements for a nonresident under this subdivision, the tax liability  
20.26 is zero. However, a statement showing the partner's share of gross income must be included  
20.27 as part of the composite return.

20.28 (g) The election provided in this subdivision is only available to a partner who has no  
20.29 other Minnesota source income and who is either (1) a full-year nonresident individual or  
20.30 (2) a trust or estate that does not claim a deduction under either section 651 or 661 of the  
20.31 Internal Revenue Code.

20.32 (h) A corporation defined in section 290.9725 and its nonresident shareholders may  
20.33 make an election under this paragraph. The provisions covering the partnership apply to  
20.34 the corporation and the provisions applying to the partner apply to the shareholder.

21.1 (i) Estates and trusts distributing current income only and the nonresident individual  
 21.2 beneficiaries of the estates or trusts may make an election under this paragraph. The  
 21.3 provisions covering the partnership apply to the estate or trust. The provisions applying to  
 21.4 the partner apply to the beneficiary.

21.5 (j) For the purposes of this subdivision, "income" ~~means the partner's share of federal~~  
 21.6 ~~adjusted gross income from the partnership modified by the additions provided in section~~  
 21.7 ~~290.0131, subdivisions 8 to 10, 16, and 17, and the subtractions provided in: (1) section~~  
 21.8 ~~290.0132, subdivisions 9, 27, 28, and 31, to the extent the amount is assignable or allocable~~  
 21.9 ~~to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The subtraction~~  
 21.10 ~~allowed under section 290.0132, subdivision 9, is only allowed on the composite tax~~  
 21.11 ~~computation to the extent the electing partner would have been allowed the subtraction. has~~  
 21.12 ~~the meaning given in section 290.01, subdivision 19, paragraph (h).~~

21.13 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 21.14 31, 2022.

21.15 Sec. 15. Minnesota Statutes 2022, section 289A.08, subdivision 7a, as amended by Laws  
 21.16 2023, chapter 1, section 3, is amended to read:

21.17 Subd. 7a. **Pass-through entity tax.** (a) For the purposes of this subdivision, the following  
 21.18 terms have the meanings given:

21.19 (1) "income" has the meaning given in ~~subdivision 7, paragraph (j), modified by the~~  
 21.20 ~~addition provided in section 290.0131, subdivision 5, and the subtraction provided in section~~  
 21.21 ~~290.0132, subdivision 3, except that the provisions that apply to a partnership apply to a~~  
 21.22 ~~qualifying entity and the provisions that apply to a partner apply to a qualifying owner. The~~  
 21.23 ~~income of both a resident and nonresident qualifying owner is allocated and assigned to~~  
 21.24 ~~this state as provided for nonresident partners and shareholders under sections 290.17,~~  
 21.25 ~~290.191, and 290.20~~ section 290.01, subdivision 19, paragraphs (i) and (j);

21.26 (2) "qualifying entity" means a partnership, limited liability company taxed as a  
 21.27 partnership or S corporation, or S corporation including a qualified subchapter S subsidiary  
 21.28 organized under section 1361(b)(3)(B) of the Internal Revenue Code that has at least one  
 21.29 qualifying owner. Qualifying entity does not include a ~~partnership, limited liability company,~~  
 21.30 ~~or corporation that has a partnership, limited liability company other than a disregarded~~  
 21.31 ~~entity, or corporation as a partner, member, or shareholder~~ publicly traded partnership, as  
 21.32 defined in section 7704 of the Internal Revenue Code; and

21.33 (3) "qualifying owner" means:

22.1 (i) a resident or nonresident individual or estate that is a partner, member, or shareholder  
22.2 of a qualifying entity; ~~or~~

22.3 (ii) a resident or nonresident trust that is a shareholder of a qualifying entity that is an  
22.4 S corporation; or

22.5 (iii) a disregarded entity that has a qualifying owner as its single owner.

22.6 (b) For taxable years beginning after December 31, 2020, ~~in which the taxes of a~~  
22.7 ~~qualifying owner are limited under section 164(b)(6)(B) of the Internal Revenue Code,~~ a  
22.8 qualifying entity may elect to file a return and pay the pass-through entity tax imposed under  
22.9 paragraph (c). The election:

22.10 (1) must be made on or before the due date or extended due date of the qualifying entity's  
22.11 pass-through entity tax return;

22.12 (2) must exclude partners, members, shareholders, or owners who are not qualifying  
22.13 owners;

22.14 ~~(2)~~ (3) may only be made by qualifying owners who collectively hold more than a 50  
22.15 percent of the ownership interest interests in the qualifying entity held by qualifying owners;

22.16 ~~(3)~~ (4) is binding on all qualifying owners who have an ownership interest in the  
22.17 qualifying entity; and

22.18 ~~(4)~~ (5) once made is irrevocable for the taxable year.

22.19 (c) Subject to the election in paragraph (b), a pass-through entity tax is imposed on a  
22.20 qualifying entity in an amount equal to the sum of the tax liability of each qualifying owner.

22.21 (d) The amount of a qualifying owner's tax liability under paragraph (c) is the amount  
22.22 of the qualifying owner's income multiplied by the highest tax rate for individuals under  
22.23 section 290.06, subdivision 2c. When making this determination:

22.24 (1) nonbusiness deductions, standard deductions, or personal exemptions are not allowed;  
22.25 and

22.26 (2) a credit or deduction is allowed only to the extent allowed to the qualifying owner.

22.27 (e) The amount of each credit and deduction used to determine a qualifying owner's tax  
22.28 liability under paragraph (d) must also be used to determine that qualifying owner's income  
22.29 tax liability under chapter 290.

22.30 (f) This subdivision does not negate the requirement that a qualifying owner pay estimated  
22.31 tax if the qualifying owner's tax liability would exceed the requirements set forth in section

23.1 289A.25. The qualifying owner's liability to pay estimated tax on the qualifying owner's  
23.2 tax liability as determined under paragraph (d) is, however, satisfied when the qualifying  
23.3 entity pays estimated tax in the manner prescribed in section 289A.25 for composite estimated  
23.4 tax.

23.5 (g) A qualifying owner's adjusted basis in the interest in the qualifying entity, and the  
23.6 treatment of distributions, is determined as if the election to pay the pass-through entity tax  
23.7 under paragraph (b) is not made.

23.8 (h) To the extent not inconsistent with this subdivision, for purposes of this chapter, a  
23.9 pass-through entity tax return must be treated as a composite return and a qualifying entity  
23.10 filing a pass-through entity tax return must be treated as a partnership filing a composite  
23.11 return.

23.12 (i) The provisions of subdivision 17 apply to the election to pay the pass-through entity  
23.13 tax under this subdivision.

23.14 (j) If a nonresident qualifying owner of a qualifying entity making the election to file  
23.15 and pay the tax under this subdivision has no other Minnesota source income, filing of the  
23.16 pass-through entity tax return is a return for purposes of subdivision 1, provided that the  
23.17 nonresident qualifying owner must not have any Minnesota source income other than the  
23.18 income from the qualifying entity, other electing qualifying entities, and other partnerships  
23.19 electing to file a composite return under subdivision 7. If it is determined that the nonresident  
23.20 qualifying owner has other Minnesota source income, the inclusion of the income and tax  
23.21 liability for that owner under this provision will not constitute a return to satisfy the  
23.22 requirements of subdivision 1. The tax paid for the qualifying owner as part of the  
23.23 pass-through entity tax return is allowed as a payment of the tax by the qualifying owner  
23.24 on the date on which the pass-through entity tax return payment was made.

23.25 (k) Once a credit is claimed by a qualifying owner under section 290.06, subdivision  
23.26 40, a qualifying entity cannot receive a refund for tax paid under this subdivision for any  
23.27 amounts claimed under that section by the qualifying owners. Once a credit is claimed under  
23.28 section 290.06, subdivision 40, any refund must be claimed in conjunction with a return  
23.29 filed by the qualifying owner.

23.30 (l) This section expires at the same time and on the same terms as section 164(b)(6)(B)  
23.31 of the Internal Revenue Code, except that the expiration of this section does not affect the  
23.32 commissioner's authority to audit or power of examination and assessments for credits  
23.33 claimed under this section.

24.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
24.2 31, 2021.

24.3 Sec. 16. Minnesota Statutes 2022, section 289A.382, subdivision 2, is amended to read:

24.4 Subd. 2. **Reporting and payment requirements for partnerships and tiered**  
24.5 **partners.** (a) Except for when an audited partnership makes the election in subdivision 3,  
24.6 and except for negative federal adjustments required under federal law taken into account  
24.7 by the partnership in the partnership return for the adjustment or other year, all final federal  
24.8 adjustments of an audited partnership must comply with paragraph (b) and each direct  
24.9 partner of the audited partnership, other than a tiered partner, must comply with paragraph  
24.10 (c).

24.11 (b) No later than 90 days after the final determination date, the audited partnership must:

24.12 (1) file a completed federal adjustments report, including all partner-level information  
24.13 required under section 289A.12, subdivision 3, with the commissioner;

24.14 (2) notify each of its direct partners of their distributive share of the final federal  
24.15 adjustments;

24.16 (3) file an amended composite report for all direct partners who were included in a  
24.17 composite return under section 289A.08, subdivision 7, in the reviewed year, and pay the  
24.18 additional amount that would have been due had the federal adjustments been reported  
24.19 properly as required; ~~and~~

24.20 (4) file amended withholding reports for all direct partners who were or should have  
24.21 been subject to nonresident withholding under section 290.92, subdivision 4b, in the reviewed  
24.22 year, and pay the additional amount that would have been due had the federal adjustments  
24.23 been reported properly as required; and

24.24 (5) file an amended pass-through entity tax report for all direct partners who were  
24.25 included in a pass-through entity tax return under section 289A.08, subdivision 7a, in the  
24.26 reviewed year, and pay the additional amount that would have been due had the federal  
24.27 adjustments been reported properly as required.

24.28 (c) No later than 180 days after the final determination date, each direct partner, other  
24.29 than a tiered partner, that is subject to a tax administered under this chapter, other than the  
24.30 sales tax, must:

24.31 (1) file a federal adjustments report reporting their distributive share of the adjustments  
24.32 reported to them under paragraph (b), clause (2); and



25.1 (2) pay any additional amount of tax due as if the final federal adjustment had been  
 25.2 properly reported, plus any penalty and interest due under this chapter, and less any credit  
 25.3 for related amounts paid or withheld and remitted on behalf of the direct partner under  
 25.4 paragraph (b), clauses (3) and (4).

25.5 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
 25.6 after December 31, 2020.

25.7 Sec. 17. Minnesota Statutes 2022, section 290.01, subdivision 7b, is amended to read:

25.8 Subd. 7b. **Resident trust.** (a) ~~Resident trust means~~ A trust, except a grantor type trust,  
 25.9 ~~which either~~ that became irrevocable on or before December 31, 1995, or was first  
 25.10 administered in Minnesota on or before December 31, 1995, is a resident trust only if two  
 25.11 or more of the following conditions are satisfied:

25.12 (1) a majority of the discretionary decisions of the trustees relative to the investment of  
 25.13 trust assets are made in Minnesota;

25.14 (2) a majority of the discretionary decisions of the trustees relative to the distributions  
 25.15 of trust income and principal are made in Minnesota; or

25.16 (3) the official books and records of the trust, consisting of the original minutes of trustee  
 25.17 meetings and the original trust instruments, are located in Minnesota.

25.18 (b) A trust, except a grantor type trust, that became irrevocable after December 31, 1995,  
 25.19 or was first administered in Minnesota after December 31, 1995, is a resident trust only if:

25.20 (1) either it:

25.21 (i) was created by a will of a decedent who at death was domiciled in this state; or

25.22 ~~(2)~~ (ii) is an irrevocable trust, the grantor of which was domiciled in this state at the time  
 25.23 the trust became irrevocable; and

25.24 (2) two or more of the following conditions are satisfied:

25.25 (i) a majority of the discretionary decisions of the trustees relative to the investment of  
 25.26 trust assets are made in Minnesota;

25.27 (ii) a majority of the discretionary decisions of the trustees relative to the distributions  
 25.28 of trust income and principal are made in Minnesota; or

25.29 (iii) the official books and records of the trust, consisting of the original minutes of  
 25.30 trustee meetings and the original trust instruments, are located in Minnesota.

26.1 (c) For the purpose of this subdivision, a trust is considered irrevocable to the extent the  
 26.2 grantor is not treated as the owner thereof under sections 671 to 678 of the Internal Revenue  
 26.3 Code. The term "grantor type trust" means a trust where the income or gains of the trust are  
 26.4 taxable to the grantor or others treated as substantial owners under sections 671 to 678 of  
 26.5 the Internal Revenue Code. ~~This paragraph applies to trusts, except grantor type trusts, that~~  
 26.6 ~~became irrevocable after December 31, 1995, or are first administered in Minnesota after~~  
 26.7 ~~December 31, 1995.~~

26.8 ~~(b) This paragraph applies to trusts, except grantor type trusts, that are not governed~~  
 26.9 ~~under paragraph (a). A trust, except a grantor type trust, is a resident trust only if two or~~  
 26.10 ~~more of the following conditions are satisfied:~~

26.11 ~~(1) a majority of the discretionary decisions of the trustees relative to the investment of~~  
 26.12 ~~trust assets are made in Minnesota;~~

26.13 ~~(2) a majority of the discretionary decisions of the trustees relative to the distributions~~  
 26.14 ~~of trust income and principal are made in Minnesota;~~

26.15 ~~(3) the official books and records of the trust, consisting of the original minutes of trustee~~  
 26.16 ~~meetings and the original trust instruments, are located in Minnesota.~~

26.17 ~~(e)~~ (d) For purposes of ~~paragraph~~ paragraphs (a) and (b), if the trustees delegate decisions  
 26.18 and actions to an agent or custodian, the actions and decisions of the agent or custodian  
 26.19 must not be taken into account in determining whether the trust is administered in Minnesota,  
 26.20 if:

26.21 (1) the delegation was permitted under the trust agreement;

26.22 (2) the trustees retain the power to revoke the delegation on reasonable notice; and

26.23 (3) the trustees monitor and evaluate the performance of the agent or custodian on a  
 26.24 regular basis as is reasonably determined by the trustees.

26.25 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 26.26 31, 2024.

26.27 Sec. 18. Minnesota Statutes 2022, section 290.01, subdivision 19, as amended by Laws  
 26.28 2023, chapter 1, section 4, is amended to read:

26.29 Subd. 19. **Net income.** (a) For a trust or estate taxable under section 290.03, and a  
 26.30 corporation taxable under section 290.02, the term "net income" means the federal taxable  
 26.31 income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through  
 26.32 the date named in this subdivision, incorporating the federal effective dates of changes to

27.1 the Internal Revenue Code and any elections made by the taxpayer in accordance with the  
27.2 Internal Revenue Code in determining federal taxable income for federal income tax  
27.3 purposes, and with the modifications provided in sections 290.0131 to 290.0136.

27.4 (b) For an individual, the term "net income" means federal adjusted gross income with  
27.5 the modifications provided in sections 290.0131, 290.0132, and 290.0135 to 290.0137.

27.6 (c) In the case of a regulated investment company or a fund thereof, as defined in section  
27.7 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment  
27.8 company taxable income as defined in section 852(b)(2) of the Internal Revenue Code,  
27.9 except that:

27.10 (1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal  
27.11 Revenue Code does not apply;

27.12 (2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue  
27.13 Code must be applied by allowing a deduction for capital gain dividends and exempt-interest  
27.14 dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code;  
27.15 and

27.16 (3) the deduction for dividends paid must also be applied in the amount of any  
27.17 undistributed capital gains which the regulated investment company elects to have treated  
27.18 as provided in section 852(b)(3)(D) of the Internal Revenue Code.

27.19 (d) The net income of a real estate investment trust as defined and limited by section  
27.20 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust  
27.21 taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

27.22 (e) The net income of a designated settlement fund as defined in section 468B(d) of the  
27.23 Internal Revenue Code means the gross income as defined in section 468B(b) of the Internal  
27.24 Revenue Code.

27.25 (f) The Internal Revenue Code of 1986, as amended through December 15, 2022, applies  
27.26 for taxable years beginning after December 31, 1996.

27.27 (g) Except as otherwise provided, references to the Internal Revenue Code in this  
27.28 subdivision and sections 290.0131 to 290.0136 mean the code in effect for purposes of  
27.29 determining net income for the applicable year.

27.30 (h) In the case of a partnership electing to file a composite return under section 289A.08,  
27.31 subdivision 7, income means the partner's share of federal adjusted gross income from the  
27.32 partnership modified by the additions provided in section 290.0131, subdivisions 8 to 10,  
27.33 16, and 17, and the subtractions provided in: (1) section 290.0132, subdivisions 9, 27, and

28.1 28, to the extent the amount is assignable or allocable to Minnesota under section 290.17;  
28.2 and (2) section 290.0132, subdivision 14. The subtraction allowed under section 290.0132,  
28.3 subdivision 9, is only allowed on the composite tax computation to the extent the electing  
28.4 partner would have been allowed the subtraction.

28.5 (i) In the case of a qualifying entity electing to pay the pass-through entity tax under  
28.6 section 289A.08, subdivision 7a, income means the qualifying owner's share of federal  
28.7 adjusted gross income from the qualifying entity modified by the additions provided in  
28.8 section 290.0131, subdivisions 5, 8 to 10, 16, and 17, and the subtractions provided in: (1)  
28.9 section 290.0132, subdivisions 3, 9, 27, and 28, to the extent the amount is assignable or  
28.10 allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The  
28.11 subtraction allowed under section 290.0132, subdivision 9, is only allowed on the  
28.12 pass-through entity tax computation to the extent the qualifying owners would have been  
28.13 allowed the subtraction.

28.14 (j) The income of a resident qualifying owner of a qualifying entity that is a partnership  
28.15 or limited liability company taxed as a partnership under the Internal Revenue Code is not  
28.16 subject to allocation outside this state as provided for resident individuals under section  
28.17 290.17, subdivision 1, paragraph (a). The income of a nonresident qualifying owner of a  
28.18 qualifying entity and the income of a resident qualifying owner of a qualifying entity that  
28.19 is an S corporation, including a qualified subchapter S subsidiary organized under section  
28.20 1361(b)(3)(B) of the Internal Revenue Code, are allocated and assigned to this state as  
28.21 provided for nonresident partners and shareholders under sections 290.17, 290.191, and  
28.22 290.20.

28.23 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
28.24 31, 2021.

28.25 Sec. 19. Minnesota Statutes 2022, section 290.0131, is amended by adding a subdivision  
28.26 to read:

28.27 Subd. 21. **Dependent flexible spending accounts.** For a taxpayer who claims the credit  
28.28 under section 290.067, or for a married taxpayer filing a separate return whose spouse claims  
28.29 the credit under that section, the amount of dependent care assistance that is excluded from  
28.30 gross income under section 129 of the Internal Revenue Code is an addition.

28.31 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
28.32 31, 2022.

29.1 Sec. 20. Minnesota Statutes 2022, section 290.0132, subdivision 4, is amended to read:

29.2 Subd. 4. **Education expenses.** (a) Subject to the limits in paragraph (b), the following  
29.3 amounts paid to others for each qualifying child are a subtraction:

29.4 (1) education-related expenses; plus

29.5 (2) tuition and fees paid to attend a school described in section 290.0674, ~~subdivision 1~~  
29.6 subdivision 1a, paragraph (b), clause (4), that are not included in education-related expenses;  
29.7 less

29.8 (3) any amount used to claim the credit under section 290.0674.

29.9 (b) The maximum subtraction allowed under this subdivision is:

29.10 (1) \$1,625 for each qualifying child in kindergarten through grade 6; and

29.11 (2) \$2,500 for each qualifying child in grades 7 through 12.

29.12 (c) The definitions in section 290.0674, ~~subdivision 1~~ subdivision 1a, apply to this  
29.13 subdivision.

29.14 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
29.15 31, 2022.

29.16 Sec. 21. Minnesota Statutes 2022, section 290.0132, subdivision 26, is amended to read:

29.17 Subd. 26. **Social Security benefits.** (a) ~~A portion of taxable Social Security benefits is~~  
29.18 ~~allowed as a subtraction. The taxpayer is allowed a subtraction equals~~ equal to the greater  
29.19 of the simplified subtraction allowed under paragraph (b) or the alternate subtraction  
29.20 determined under paragraphs (c), (d), and (e).

29.21 (b) A taxpayer's simplified subtraction equals the amount of taxable social security  
29.22 benefits, as reduced under paragraphs (e) to (h).

29.23 (c) For a taxpayer other than a married taxpayer filing a separate return with adjusted  
29.24 gross income above the phaseout threshold, the simplified subtraction is reduced by ten  
29.25 percent for each \$4,000 of adjusted gross income, or fraction thereof, in excess of the  
29.26 phaseout threshold. The phaseout threshold equals:

29.27 (1) \$100,000 for a married taxpayer filing a joint return or surviving spouse;

29.28 (2) \$78,000 for a single or head of household taxpayer; and

29.29 (3) for a married taxpayer filing a separate return, half the amount for a married taxpayer  
29.30 filing a joint return.

30.1 (d) For a married taxpayer filing a separate return, the simplified subtraction is reduced  
 30.2 by ten percent for each \$2,000 of adjusted gross income, or fraction thereof, in excess of  
 30.3 the phaseout threshold.

30.4 (e) A taxpayer's alternate subtraction equals the lesser of taxable Social Security benefits  
 30.5 or a maximum subtraction subject to the limits under paragraphs ~~(b)~~, ~~(e)~~, and ~~(d)~~ (f), (g),  
 30.6 and (h).

30.7 ~~(b)~~ (f) For married taxpayers filing a joint return and surviving spouses, the maximum  
 30.8 subtraction under paragraph (c) equals \$5,150 \$5,840. The maximum subtraction is reduced  
 30.9 by 20 percent of provisional income over ~~\$78,180~~ \$88,630. In no case is the subtraction  
 30.10 less than zero.

30.11 ~~(e)~~ (g) For single or head-of-household taxpayers, the maximum subtraction under  
 30.12 paragraph (c) equals \$4,020 \$4,560. The maximum subtraction is reduced by 20 percent of  
 30.13 provisional income over ~~\$61,080~~ \$69,250. In no case is the subtraction less than zero.

30.14 ~~(d)~~ (h) For married taxpayers filing separate returns, the maximum subtraction under  
 30.15 paragraph (c) equals one-half the maximum subtraction for joint returns under paragraph  
 30.16 ~~(b)~~ (d). The maximum subtraction is reduced by 20 percent of provisional income over  
 30.17 one-half the threshold amount specified in paragraph ~~(b)~~ (d). In no case is the subtraction  
 30.18 less than zero.

30.19 ~~(e)~~ (i) For purposes of this subdivision, "provisional income" means modified adjusted  
 30.20 gross income as defined in section 86(b)(2) of the Internal Revenue Code, plus one-half of  
 30.21 the taxable Social Security benefits received during the taxable year, and "Social Security  
 30.22 benefits" has the meaning given in section 86(d)(1) of the Internal Revenue Code.

30.23 ~~(f)~~ (j) The commissioner shall adjust the ~~maximum subtraction and~~ phaseout threshold  
 30.24 amounts in paragraphs ~~(b)~~ ~~(c)~~ and (d) as provided in section 270C.22. The statutory year  
 30.25 is taxable year ~~2019~~ 2023. The maximum subtraction and threshold amounts as adjusted  
 30.26 must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount is rounded  
 30.27 up to the nearest \$10 amount.

30.28 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 30.29 31, 2022.

30.30 Sec. 22. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision  
 30.31 to read:

30.32 Subd. 35. **Qualified retirement benefits.** (a) The amount of qualified public pension  
 30.33 income is a subtraction. The subtraction in this section is limited to:

31.1 (1) \$25,000 for a married taxpayer filing a joint return or surviving spouse; or

31.2 (2) \$12,500 for all other filers.

31.3 (b) For a taxpayer with adjusted gross income above the phaseout threshold, the  
31.4 subtraction is reduced by ten percent for each \$2,000 of adjusted gross income, or fraction  
31.5 thereof, in excess of the threshold. The phaseout threshold equals:

31.6 (1) \$100,000 for a married taxpayer filing a joint return or surviving spouse;

31.7 (2) \$78,000 for a single or head of household taxpayer; or

31.8 (3) for a married taxpayer filing a separate return, half the amount for a married taxpayer  
31.9 filing a joint return.

31.10 (c) For the purposes of this section, "qualified public pension income" means any amount  
31.11 received:

31.12 (1) by a former basic member or the survivor of a former basic member, as an annuity  
31.13 or survivor benefit, from a pension plan governed by chapter 353, 353E, 354, or 354A,  
31.14 provided that the annuity or benefit is based on service for which the member or survivor  
31.15 is not also receiving Social Security benefits;

31.16 (2) as an annuity or survivor benefit from the legislators plan under chapter 3A, the State  
31.17 Patrol retirement plan under chapter 352B, or the public employees police and fire plan  
31.18 under sections 353.63 to 353.666, provided that the annuity or benefit is based on service  
31.19 for which the member or survivor is not also receiving Social Security benefits;

31.20 (3) from any retirement system administered by the federal government that is based on  
31.21 service for which the recipient or the recipient's survivor is not also receiving Social Security  
31.22 benefits; or

31.23 (4) from a public retirement system of or created by another state or any of its political  
31.24 subdivisions, or the District of Columbia, if the income tax laws of the other state or district  
31.25 permit a similar deduction or exemption or a reciprocal deduction or exemption of a  
31.26 retirement or pension benefit received from a public retirement system of or created by this  
31.27 state or any political subdivision of this state.

31.28 (d) The commissioner must annually adjust the subtraction limits in paragraph (a) and  
31.29 the phaseout thresholds in paragraph (b), as provided in section 270C.22. The statutory year  
31.30 is taxable year 2023.

31.31 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
31.32 31, 2022.

32.1 Sec. 23. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision  
32.2 to read:

32.3 Subd. 36. **Subpart F income.** For a unitary business, as defined in section 290.17,  
32.4 subdivision 4, paragraph (b), the amount of subpart F income included in gross income  
32.5 under section 951 of the Internal Revenue Code is a subtraction.

32.6 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
32.7 31, 2023.

32.8 Sec. 24. Minnesota Statutes 2022, section 290.0134, is amended by adding a subdivision  
32.9 to read:

32.10 Subd. 21. **Subpart F income.** For a unitary business, as defined in section 290.17,  
32.11 subdivision 4, paragraph (b), the amount of subpart F income included in gross income  
32.12 under section 951 of the Internal Revenue Code is a subtraction.

32.13 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
32.14 31, 2023.

32.15 Sec. 25. Minnesota Statutes 2022, section 290.06, subdivision 23, is amended to read:

32.16 Subd. 23. **Refund of contributions to political parties and candidates.** (a) A taxpayer  
32.17 may claim a refund equal to the amount of the taxpayer's contributions made in the calendar  
32.18 year to candidates and to a political party. The maximum refund for an individual must not  
32.19 exceed ~~\$50~~ \$75 and for a married couple, filing jointly, must not exceed ~~\$100~~ \$150. A  
32.20 refund of a contribution is allowed only if the taxpayer files a form required by the  
32.21 commissioner and attaches to the form a copy of an official refund receipt form issued by  
32.22 the candidate or party and signed by the candidate, the treasurer of the candidate's principal  
32.23 campaign committee, or the chair or treasurer of the party unit, after the contribution was  
32.24 received. The receipt forms must be numbered, and the data on the receipt that are not public  
32.25 must be made available to the campaign finance and public disclosure board upon its request.  
32.26 A claim must be filed with the commissioner no sooner than January 1 of the calendar year  
32.27 in which the contribution was made and no later than April 15 of the calendar year following  
32.28 the calendar year in which the contribution was made. A taxpayer may file only one claim  
32.29 per calendar year. Amounts paid by the commissioner after June 15 of the calendar year  
32.30 following the calendar year in which the contribution was made must include interest at the  
32.31 rate specified in section 270C.405.



33.1 (b) No refund is allowed under this subdivision for a contribution to a candidate unless  
33.2 the candidate:

33.3 (1) has signed an agreement to limit campaign expenditures as provided in section  
33.4 10A.322;

33.5 (2) is seeking an office for which voluntary spending limits are specified in section  
33.6 10A.25; and

33.7 (3) has designated a principal campaign committee.

33.8 This subdivision does not limit the campaign expenditures of a candidate who does not  
33.9 sign an agreement but accepts a contribution for which the contributor improperly claims  
33.10 a refund.

33.11 (c) For purposes of this subdivision, "political party" means a major political party as  
33.12 defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion  
33.13 on the income tax or property tax refund form under section 10A.31, subdivision 3a.

33.14 A "major party" or "minor party" includes the aggregate of that party's organization  
33.15 within each house of the legislature, the state party organization, and the party organization  
33.16 within congressional districts, counties, legislative districts, municipalities, and precincts.

33.17 "Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a  
33.18 candidate for judicial office.

33.19 "Contribution" means a gift of money.

33.20 (d) The commissioner shall make copies of the form available to the public and candidates  
33.21 upon request.

33.22 (e) The following data collected or maintained by the commissioner under this subdivision  
33.23 are private: the identities of individuals claiming a refund, the identities of candidates to  
33.24 whom those individuals have made contributions, and the amount of each contribution.

33.25 (f) The commissioner shall report to the campaign finance and public disclosure board  
33.26 by each August 1 a summary showing the total number and aggregate amount of political  
33.27 contribution refunds made on behalf of each candidate and each political party. These data  
33.28 are public.

33.29 (g) The amount necessary to pay claims for the refund provided in this section is  
33.30 appropriated from the general fund to the commissioner of revenue.

34.1 (h) For a taxpayer who files a claim for refund via the Internet or other electronic means,  
34.2 the commissioner may accept the number on the official receipt as documentation that a  
34.3 contribution was made rather than the actual receipt as required by paragraph (a).

34.4 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to refunds  
34.5 for contributions made in calendar year 2024 and thereafter.

34.6 Sec. 26. Minnesota Statutes 2022, section 290.06, subdivision 39, is amended to read:

34.7 Subd. 39. **Film production credit.** (a) A taxpayer, including a taxpayer to whom a credit  
34.8 has been assigned under section 116U.27, subdivision 3, may claim a credit against the tax  
34.9 imposed by this chapter equal to the amount certified on a credit certificate under section  
34.10 116U.27, subject to the limitations in this subdivision.

34.11 (b) The credit is limited to the liability for tax, as computed under this chapter, for the  
34.12 taxable year. If the amount of the credit determined under this subdivision for any taxable  
34.13 year exceeds this limitation, the excess is a film production credit carryover to each of the  
34.14 five succeeding taxable years. The entire amount of the excess unused credit for the taxable  
34.15 year is carried first to the earliest of the taxable years to which the credit may be carried  
34.16 and then to each successive year to which the credit may be carried. The amount of the  
34.17 unused credit that may be added under this paragraph must not exceed the taxpayer's liability  
34.18 for tax, less any film production credit for the taxable year.

34.19 (c) Credits allowed to a partnership, a limited liability company taxed as a partnership,  
34.20 or an S corporation are passed through to the partners, members, shareholders, or owners,  
34.21 respectively, pro rata to each based on the partner's, member's, shareholder's, or owner's  
34.22 share of the entity's assets, or as specially allocated in the organizational documents or any  
34.23 other executed agreement, as of the last day of the taxable year.

34.24 (d) Notwithstanding the approval and certification by the commissioner of employment  
34.25 and economic development under section 116U.27, the commissioner may utilize any audit  
34.26 and examination powers under chapter 270C or 289A to the extent necessary to verify that  
34.27 the taxpayer is eligible for the credit and to assess the amount of any improperly claimed  
34.28 credit. The commissioner may only assess the original recipient of the credit certificate for  
34.29 the amount of improperly claimed credits. The commissioner may not assess a credit  
34.30 certificate assignee for any amount of improperly claimed credits, and an assignee's claim  
34.31 for credit is not affected by the commissioner's assessment of improperly claimed credits  
34.32 against the assignor.

35.1 (e) This subdivision expires January 1, ~~2025~~ 2033, for taxable years beginning after  
 35.2 December 31, 2024, except that the expiration of this section does not affect the commissioner  
 35.3 of revenue's authority to audit or power of examination and assessment for credits claimed  
 35.4 under this subdivision.

35.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

35.6 Sec. 27. Minnesota Statutes 2022, section 290.06, is amended by adding a subdivision to  
 35.7 read:

35.8 Subd. 41. **Pass-through entity tax paid to another state.** (a) A credit is allowed against  
 35.9 the pass-through entity tax imposed under section 289A.08, subdivision 7a, for pass-through  
 35.10 entity tax paid to another state. The credit under this subdivision shall be deemed to be  
 35.11 allowed as a credit for taxes paid to another state in accordance with subdivision 22,  
 35.12 paragraph (a), and can only be claimed by the qualifying owner. As used in this subdivision,  
 35.13 "pass-through entity tax" means the tax under section 289A.08, subdivision 7a. The credit  
 35.14 allowed under this subdivision must be claimed in a manner prescribed by the commissioner.

35.15 (b) This section expires at the same time and on the same terms as section 164(b)(6)(B)  
 35.16 of the Internal Revenue Code, except that the expiration of this section does not affect the  
 35.17 commissioner's authority to audit or power of examination and assessments for credits  
 35.18 claimed under this section.

35.19 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
 35.20 after December 21, 2021.

35.21 Sec. 28. Minnesota Statutes 2022, section 290.067, is amended to read:

35.22 **290.067 ~~DEPENDENT~~ GREAT START CHILD CARE AND DEPENDENT CARE**  
 35.23 **CREDIT.**

35.24 Subdivision 1. **Amount of credit.** (a) A taxpayer may take as a credit against the tax  
 35.25 due from the taxpayer and a spouse, if any, under this chapter an amount equal to ~~the~~  
 35.26 ~~dependent care credit for which the taxpayer is eligible pursuant to the provisions of section~~  
 35.27 ~~21 of the Internal Revenue Code except that in determining whether the child qualified as~~  
 35.28 ~~a dependent, income received as a Minnesota family investment program grant or allowance~~  
 35.29 ~~to or on behalf of the child must not be taken into account in determining whether the child~~  
 35.30 ~~received more than half of the child's support from the taxpayer~~ the taxpayer's eligible  
 35.31 dependent care expenses, as determined under subdivisions 1a and 1b, multiplied by the  
 35.32 taxpayer's credit percentage, as determined under subdivision 1c.

36.1 ~~(b) If a child who has not attained the age of six years at the close of the taxable year is~~  
36.2  ~~cared for at a licensed family day care home operated by the child's parent, the taxpayer is~~  
36.3  ~~deemed to have paid employment-related expenses. If the child is 16 months old or younger~~  
36.4  ~~at the close of the taxable year, the amount of expenses deemed to have been paid equals~~  
36.5  ~~the maximum limit for one qualified individual under section 21(e) and (d) of the Internal~~  
36.6  ~~Revenue Code. If the child is older than 16 months of age but has not attained the age of~~  
36.7  ~~six years at the close of the taxable year, the amount of expenses deemed to have been paid~~  
36.8  ~~equals the amount the licensee would charge for the care of a child of the same age for the~~  
36.9  ~~same number of hours of care.~~

36.10 ~~(c) If a married couple:~~

36.11 ~~(1) has a child who has not attained the age of one year at the close of the taxable year;~~

36.12 ~~(2) files a joint tax return for the taxable year; and~~

36.13 ~~(3) does not participate in a dependent care assistance program as defined in section 129~~  
36.14  ~~of the Internal Revenue Code, in lieu of the actual employment related expenses paid for~~  
36.15  ~~that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of (i)~~  
36.16  ~~the combined earned income of the couple or (ii) the amount of the maximum limit for one~~  
36.17  ~~qualified individual under section 21(e) and (d) of the Internal Revenue Code will be deemed~~  
36.18  ~~to be the employment related expense paid for that child. The earned income limitation of~~  
36.19  ~~section 21(d) of the Internal Revenue Code shall not apply to this deemed amount. These~~  
36.20  ~~deemed amounts apply regardless of whether any employment-related expenses have been~~  
36.21  ~~paid.~~

36.22 ~~(d) If the taxpayer is not required and does not file a federal individual income tax return~~  
36.23  ~~for the tax year, no credit is allowed for any amount paid to any person unless:~~

36.24 ~~(1) the name, address, and taxpayer identification number of the person are included on~~  
36.25  ~~the return claiming the credit; or~~

36.26 ~~(2) if the person is an organization described in section 501(c)(3) of the Internal Revenue~~  
36.27  ~~Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name~~  
36.28  ~~and address of the person are included on the return claiming the credit.~~

36.29 ~~In the case of a failure to provide the information required under the preceding sentence,~~  
36.30  ~~the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence~~  
36.31  ~~in attempting to provide the information required.~~

36.32 ~~(e) (b) In the case of a nonresident, part-year resident, or a person who has earned income~~  
36.33  ~~not subject to tax under this chapter including earned income excluded pursuant to section~~

37.1 ~~290.0132, subdivision 10, the credit determined under section 21 of the Internal Revenue~~  
 37.2 ~~Code this section must be allocated based on the ratio by which the earned income of the~~  
 37.3 ~~claimant and the claimant's spouse from Minnesota sources bears to the total earned income~~  
 37.4 ~~of the claimant and the claimant's spouse using the percentage calculated in section 290.06,~~  
 37.5 ~~subdivision 2c, paragraph (e).~~

37.6 ~~(f) For residents of Minnesota, the subtractions for military pay under section 290.0132,~~  
 37.7 ~~subdivisions 11 and 12, are not considered "earned income not subject to tax under this~~  
 37.8 ~~chapter."~~

37.9 ~~(g) For residents of Minnesota, the exclusion of combat pay under section 112 of the~~  
 37.10 ~~Internal Revenue Code is not considered "earned income not subject to tax under this~~  
 37.11 ~~chapter."~~

37.12 ~~(h) For taxpayers with federal adjusted gross income in excess of \$52,230, the credit is~~  
 37.13 ~~equal to the lesser of the credit otherwise calculated under this subdivision, or the amount~~  
 37.14 ~~equal to \$600 minus five percent of federal adjusted gross income in excess of \$52,230 for~~  
 37.15 ~~taxpayers with one qualified individual, or \$1,200 minus five percent of federal adjusted~~  
 37.16 ~~gross income in excess of \$52,230 for taxpayers with two or more qualified individuals,~~  
 37.17 ~~but in no case is the credit less than zero.~~

37.18 ~~(c) For the purposes of this section, the following terms have the meanings given:~~

37.19 ~~(1) "employment-related expenses" has the meaning given in section 21(b)(2) of the~~  
 37.20 ~~Internal Revenue Code;~~

37.21 ~~(2) "qualifying individual" has the meaning given in section 21(b)(1) of the Internal~~  
 37.22 ~~Revenue Code, except that in determining whether the child qualified as a dependent, income~~  
 37.23 ~~received as a Minnesota family investment program grant or allowance to or on behalf of~~  
 37.24 ~~the child must not be taken into account in determining whether the child received more~~  
 37.25 ~~than half of the child's support from the taxpayer; and~~

37.26 ~~(3) "young child" means a qualifying individual who had not attained the age of five by~~  
 37.27 ~~December 31 of the taxable year.~~

37.28 ~~Subd. 1a. **Eligible dependent care expenses.** (a) A taxpayer's eligible dependent care~~  
 37.29 ~~expenses equals the amount of employment-related expenses incurred by the taxable year,~~  
 37.30 ~~subject to the limitations in paragraphs (b) and (c).~~

37.31 ~~(b) Except as provided in subdivision 1b, a taxpayer's eligible dependent care expenses~~  
 37.32 ~~are limited to:~~

37.33 ~~(1) \$3,000 if there was one qualifying individual with respect to the taxpayer; or~~

38.1 (2) \$6,000 if there were two or more qualifying individuals with respect to the taxpayer.

38.2 Subd. 1b. **Eligible expenses for taxpayers with young children.** For a taxpayer with  
38.3 a young child, the limit in paragraph (b) is increased as follows:

38.4 (1) for a taxpayer with one young child with respect to the taxpayer, the limit is increased  
38.5 by \$7,000;

38.6 (2) for a taxpayer with two young children with respect to the taxpayer, the limit is  
38.7 increased by \$14,000; and

38.8 (3) for a taxpayer with three or more young children with respect to the taxpayer, the  
38.9 limit is increased by \$19,000.

38.10 Subd. 1c. **Credit percentage.** (a) The credit percentage equals 50 percent, subject to  
38.11 the reductions in paragraphs (b) and (c).

38.12 (b) A taxpayer's credit percentage is reduced by one percentage point for each \$800, or  
38.13 fraction thereof, by which the taxpayer's adjusted gross income exceeds \$160,000.

38.14 (c) For a married taxpayer filing a separate return, the credit percentage must be calculated  
38.15 under paragraphs (a) and (b), except the adjusted gross income thresholds are one-half the  
38.16 amounts for other filers, as adjusted for inflation under subdivision 2b.

38.17 Subd. 2b. **Inflation adjustment.** The commissioner shall annually adjust the dollar  
38.18 amount of the income threshold at which the ~~maximum~~ credit percentage begins to be  
38.19 reduced under subdivision ~~1~~ 1c as provided in section 270C.22. The statutory year is taxable  
38.20 year ~~2019~~ 2023.

38.21 Subd. 2c. **Deemed expenses.** (a) If a child who has not attained the age of six years at  
38.22 the close of the taxable year is cared for at a licensed family day care home operated by the  
38.23 child's parent, the taxpayer is deemed to have paid employment-related expenses. The  
38.24 amount of expenses deemed to have been paid equals the amount the licensee would charge  
38.25 for the care of a child of the same age for the same number of hours of care.

38.26 (b) If a married couple:

38.27 (1) has a child who has not attained the age of one year at the close of the taxable year;  
38.28 and

38.29 (2) does not participate in a dependent care assistance program as defined in section 129  
38.30 of the Internal Revenue Code; then in lieu of the actual employment-related expenses paid  
38.31 for that child under or the deemed amount under paragraph (a), the amount deemed to be  
38.32 the employment-related expense paid for that child equals the lesser of:

39.1 (i) the combined earned income of the couple; or

39.2 (ii) the amount of the maximum limit for one qualified individual under subdivision 1a,  
39.3 as increased by subdivision 1b.

39.4 The earned income limitation of section 21(d) of the Internal Revenue Code shall not apply  
39.5 to this deemed amount. These deemed amounts apply regardless of whether any  
39.6 employment-related expenses have been paid.

39.7 Subd. 2d. **Identifying information required.** (a) No credit is allowed for any amount  
39.8 paid to any person unless:

39.9 (1) the name, address, and taxpayer identification number of the person are included on  
39.10 the return claiming the credit; or

39.11 (2) if the person is an organization described in section 501(c)(3) of the Internal Revenue  
39.12 Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name  
39.13 and address of the person are included on the return claiming the credit.

39.14 (b) The rule in section 21(e)(10) of the Internal Revenue Code applies for the credit  
39.15 under this section.

39.16 **Subd. 3. Credit to be refundable.** If the amount of credit which a claimant would be  
39.17 eligible to receive pursuant to this subdivision exceeds the claimant's tax liability under  
39.18 chapter 290, the excess amount of the credit shall be refunded to the claimant by the  
39.19 commissioner of revenue. An amount sufficient to pay the refunds required by this section  
39.20 is appropriated to the commissioner from the general fund.

39.21 **Subd. 4. Right to file claim.** The right to file a claim under this section shall be personal  
39.22 to the claimant and shall not survive death, but such right may be exercised on behalf of a  
39.23 claimant by the claimant's legal guardian or attorney-in-fact. When a claimant dies after  
39.24 having filed a timely claim the amount thereof shall be disbursed to another member of the  
39.25 household as determined by the commissioner of revenue. If the claimant was the only  
39.26 member of a household, the claim may be paid to the claimant's personal representative,  
39.27 but if neither is appointed and qualified within two years of the filing of the claim, the  
39.28 amount of the claim shall escheat to the state.

39.29 Subd. 5. **Employment-related expenses.** For the purposes of determining  
39.30 employment-related expenses, the provisions of sections 21(d) and 21(e)(6) of the Internal  
39.31 Revenue Code apply.

40.1 Subd. 6. Rules for married couples filing separate returns. A married taxpayer filing  
40.2 a separate return may claim the credit under this section, but only one spouse may claim  
40.3 the credit.

40.4 EFFECTIVE DATE. This section is effective for taxable years beginning after December  
40.5 31, 2022.

40.6 Sec. 29. Minnesota Statutes 2022, section 290.0671, subdivision 1, is amended to read:

40.7 Subdivision 1. **Credit allowed.** (a) An individual who is a resident of Minnesota is  
40.8 allowed a credit against the tax imposed by this chapter equal to a percentage of earned  
40.9 income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the  
40.10 Internal Revenue Code, except that:

40.11 (1) a taxpayer with no qualifying children who has attained the age of 19, but not attained  
40.12 age 65 before the close of the taxable year and is otherwise eligible for a credit under section  
40.13 32 of the Internal Revenue Code may also receive a credit; ~~and~~

40.14 (2) a taxpayer who is otherwise eligible for a credit under section 32 of the Internal  
40.15 Revenue Code remains eligible for the credit even if the taxpayer's earned income or adjusted  
40.16 gross income exceeds the income limitation under section 32 of the Internal Revenue Code; ~~;~~  
40.17 and

40.18 (3) the requirements of section 32(m) of the Internal Revenue Code do not apply.

40.19 (b) For individuals with no qualifying children, the credit equals 3.9 percent of the first  
40.20 \$7,150 of earned income. The credit is reduced by 2.0 percent of earned income or adjusted  
40.21 gross income, whichever is greater, in excess of the phaseout threshold, but in no case is  
40.22 the credit less than zero.

40.23 (c) For individuals with one qualifying child, the credit equals 9.35 percent of the first  
40.24 \$11,950 of earned income. The credit is reduced by 6.0 percent of earned income or adjusted  
40.25 gross income, whichever is greater, in excess of the phaseout threshold, but in no case is  
40.26 the credit less than zero.

40.27 (d) For individuals with two qualifying children, the credit equals 11 percent of the first  
40.28 \$19,600 of earned income. The credit is reduced by 10.5 percent of earned income or adjusted  
40.29 gross income, whichever is greater, in excess of the phaseout threshold, but in no case is  
40.30 the credit less than zero.

40.31 (e) For individuals with three or more qualifying children, the credit equals 12.5 percent  
40.32 of the first \$20,000 of earned income. The credit is reduced by 10.5 percent of earned income



41.1 or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in  
41.2 no case is the credit less than zero.

41.3 (f) For a part-year resident, the credit must be allocated based on the percentage calculated  
41.4 under section 290.06, subdivision 2c, paragraph (e).

41.5 (g) For a person who was a resident for the entire tax year and has earned income not  
41.6 subject to tax under this chapter, including income excluded under section 290.0132,  
41.7 subdivision 10, the credit must be allocated based on the ratio of federal adjusted gross  
41.8 income reduced by the earned income not subject to tax under this chapter over federal  
41.9 adjusted gross income. For purposes of this paragraph, the following clauses are not  
41.10 considered "earned income not subject to tax under this chapter":

41.11 (1) the subtractions for military pay under section 290.0132, subdivisions 11 and 12;

41.12 (2) the exclusion of combat pay under section 112 of the Internal Revenue Code; and

41.13 (3) income derived from an Indian reservation by an enrolled member of the reservation  
41.14 while living on the reservation.

41.15 (h) For the purposes of this section, the phaseout threshold equals:

41.16 (1) \$14,570 for married taxpayers filing joint returns with no qualifying children;

41.17 (2) \$8,730 for all other taxpayers with no qualifying children;

41.18 (3) \$28,610 for married taxpayers filing joint returns with one qualifying child;

41.19 (4) \$22,770 for all other taxpayers with one qualifying child;

41.20 (5) \$32,840 for married taxpayers filing joint returns with two qualifying children;

41.21 (6) \$27,000 for all other taxpayers with two qualifying children;

41.22 (7) \$33,140 for married taxpayers filing joint returns with three or more qualifying  
41.23 children; and

41.24 (8) \$27,300 for all other taxpayers with three or more qualifying children.

41.25 (i) The commissioner shall construct tables showing the amount of the credit at various  
41.26 income levels and make them available to taxpayers. The tables shall follow the schedule  
41.27 contained in this subdivision, except that the commissioner may graduate the transition  
41.28 between income brackets.

41.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
41.30 31, 2022.

42.1 Sec. 30. Minnesota Statutes 2022, section 290.0674, is amended to read:

42.2 **290.0674 MINNESOTA EDUCATION CREDIT.**

42.3 Subdivision 1. **Credit allowed; definitions.** An individual is allowed a credit against  
42.4 the tax imposed by this chapter in an amount equal to 75 percent of the amount paid for  
42.5 education-related expenses for a qualifying child in kindergarten through grade 12.

42.6 Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the  
42.7 meanings given them.

42.8 (b) "Education-related expenses" means:

42.9 (1) qualifying instructional fees or tuition for instruction by an instructor under section  
42.10 120A.22, subdivision 10, clause (1), (2), (3), (4), or (5), or a member of the Minnesota  
42.11 Music Teachers Association, and who is not a lineal ancestor or sibling of the dependent  
42.12 for instruction outside the regular school day or school year, including tutoring, driver's  
42.13 education offered as part of school curriculum, regardless of whether it is taken from a  
42.14 public or private entity or summer camps, in grade or age appropriate curricula that  
42.15 supplement curricula and instruction available during the regular school year, that assists a  
42.16 dependent to improve knowledge of core curriculum areas or to expand knowledge and  
42.17 skills under the required academic standards under section 120B.021, subdivision 1, and  
42.18 the world languages standards under section 120B.022, subdivision 1, and that do not include  
42.19 the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such  
42.20 tenets, doctrines, or worship;

42.21 (2) expenses for textbooks, including books and other instructional materials and  
42.22 equipment purchased or leased for use in elementary and secondary schools in teaching  
42.23 only those subjects legally and commonly taught in public elementary and secondary schools  
42.24 in this state. "Textbooks" does not include instructional books and materials used in the  
42.25 teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such  
42.26 tenets, doctrines, or worship, nor does it include books or materials for extracurricular  
42.27 activities including sporting events, musical or dramatic events, speech activities, driver's  
42.28 education, or similar programs;

42.29 (3) a maximum expense of \$200 per family for personal computer hardware, excluding  
42.30 single purpose processors, and educational software that assists a dependent to improve  
42.31 knowledge of core curriculum areas or to expand knowledge and skills under the required  
42.32 academic standards under section 120B.021, subdivision 1, and the elective standard under  
42.33 section 120B.022, subdivision 1, clause (2), purchased for use in the taxpayer's home and

43.1 not used in a trade or business regardless of whether the computer is required by the  
43.2 dependent's school; and

43.3 (4) the amount paid to others for transportation of a qualifying child attending an  
43.4 elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa,  
43.5 or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory  
43.6 attendance laws, which is not operated for profit, and which adheres to the provisions of  
43.7 the Civil Rights Act of 1964 and chapter 363A. Amounts under this clause exclude any  
43.8 expense the taxpayer incurred in using the taxpayer's or the qualifying child's vehicle.

43.9 (c) "Qualified instructor" means an individual who is not a lineal ancestor or sibling of  
43.10 the dependent and who is:

43.11 (1) an instructor under section 120A.22, subdivision 10, clause (1), (2), (3), (4), or (5);  
43.12 or

43.13 (2) a member of the Minnesota Music Teachers Association.

43.14 ~~For purposes of this section,~~ (d) "Qualifying child" has the meaning given in section  
43.15 32(c)(3) of the Internal Revenue Code.

43.16 (e) "Qualifying instructional fees or tuition" means fees or tuition for instruction by a  
43.17 qualified instructor outside the regular school day or school year, and that does not include  
43.18 the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such  
43.19 tenets, doctrines, or worship, including:

43.20 (1) driver's education offered as part of school curriculum, regardless of whether it is  
43.21 taken from a public or private entity; or

43.22 (2) tutoring or summer camps that:

43.23 (i) are in grade or age appropriate curricula that supplement curricula and instruction  
43.24 available during the regular school year;

43.25 (ii) assist a dependent to improve knowledge of core curriculum areas; or

43.26 (iii) expand knowledge and skills under:

43.27 (A) the required academic standards under section 120B.021, subdivision 1; and

43.28 (B) the world languages standards under section 120B.022, subdivision 1.

43.29 Subd. 2. **Limitations.** (a) For claimants with adjusted gross income not greater than  
43.30 ~~\$33,500~~ \$70,000, the maximum credit allowed for a family is ~~\$1,000~~ \$1,500 multiplied by  
43.31 the number of qualifying children in kindergarten through grade 12 in the family. The

44.1 maximum credit for families with one qualifying child in kindergarten through grade 12 is  
 44.2 reduced by \$1 for each \$4 of ~~household~~ adjusted gross income over ~~\$33,500~~ \$70,000, and  
 44.3 the maximum credit for families with two or more qualifying children in kindergarten  
 44.4 through grade 12 is reduced by \$2 for each \$4 of ~~household~~ adjusted gross income over  
 44.5 ~~\$33,500~~ \$70,000, but in no case is the credit less than zero.

44.6 (b) In the case of a married claimant, a credit is not allowed unless a joint income tax  
 44.7 return is filed.

44.8 (c) For a nonresident or part-year resident, the credit determined under subdivision 1  
 44.9 and the maximum credit amount in paragraph (a) must be allocated using the percentage  
 44.10 calculated in section 290.06, subdivision 2c, paragraph (e).

44.11 ~~Subd. 2a. **Income.** (a) For purposes of this section, "income" means the sum of the~~  
 44.12 ~~following:~~

44.13 ~~(1) federal adjusted gross income as defined in section 62 of the Internal Revenue Code;~~  
 44.14 ~~and~~

44.15 ~~(2) the sum of the following amounts to the extent not included in clause (1):~~

44.16 ~~(i) all nontaxable income;~~

44.17 ~~(ii) the amount of a passive activity loss that is not disallowed as a result of section 469,~~  
 44.18 ~~paragraph (i) or (m) of the Internal Revenue Code and the amount of passive activity loss~~  
 44.19 ~~carryover allowed under section 469(b) of the Internal Revenue Code;~~

44.20 ~~(iii) an amount equal to the total of any discharge of qualified farm indebtedness of a~~  
 44.21 ~~solvent individual excluded from gross income under section 108(g) of the Internal Revenue~~  
 44.22 ~~Code;~~

44.23 ~~(iv) cash public assistance and relief;~~

44.24 ~~(v) any pension or annuity (including railroad retirement benefits, all payments received~~  
 44.25 ~~under the federal Social Security Act, Supplemental Security Income, and veterans benefits),~~  
 44.26 ~~which was not exclusively funded by the claimant or spouse, or which was funded exclusively~~  
 44.27 ~~by the claimant or spouse and which funding payments were excluded from federal adjusted~~  
 44.28 ~~gross income in the years when the payments were made;~~

44.29 ~~(vi) interest received from the federal or a state government or any instrumentality or~~  
 44.30 ~~political subdivision thereof;~~

44.31 ~~(vii) workers' compensation;~~

44.32 ~~(viii) nontaxable strike benefits;~~

45.1 ~~(ix) the gross amounts of payments received in the nature of disability income or sick~~  
45.2 ~~pay as a result of accident, sickness, or other disability, whether funded through insurance~~  
45.3 ~~or otherwise;~~

45.4 ~~(x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of~~  
45.5 ~~1986, as amended through December 31, 1995;~~

45.6 ~~(xi) contributions made by the claimant to an individual retirement account, including~~  
45.7 ~~a qualified voluntary employee contribution; simplified employee pension plan;~~  
45.8 ~~self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of~~  
45.9 ~~the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal~~  
45.10 ~~Revenue Code;~~

45.11 ~~(xii) nontaxable scholarship or fellowship grants;~~

45.12 ~~(xiii) the amount of deduction allowed under section 199 of the Internal Revenue Code;~~

45.13 ~~(xiv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue~~  
45.14 ~~Code;~~

45.15 ~~(xv) the amount deducted for tuition expenses under section 222 of the Internal Revenue~~  
45.16 ~~Code; and~~

45.17 ~~(xvi) the amount deducted for certain expenses of elementary and secondary school~~  
45.18 ~~teachers under section 62(a)(2)(D) of the Internal Revenue Code.~~

45.19 ~~In the case of an individual who files an income tax return on a fiscal year basis, the~~  
45.20 ~~term "federal adjusted gross income" means federal adjusted gross income reflected in the~~  
45.21 ~~fiscal year ending in the next calendar year. Federal adjusted gross income may not be~~  
45.22 ~~reduced by the amount of a net operating loss carryback or carryforward or a capital loss~~  
45.23 ~~carryback or carryforward allowed for the year.~~

45.24 ~~(b) "Income" does not include:~~

45.25 ~~(1) amounts excluded pursuant to the Internal Revenue Code, sections 101(a) and 102;~~

45.26 ~~(2) amounts of any pension or annuity that were exclusively funded by the claimant or~~  
45.27 ~~spouse if the funding payments were not excluded from federal adjusted gross income in~~  
45.28 ~~the years when the payments were made;~~

45.29 ~~(3) surplus food or other relief in kind supplied by a governmental agency;~~

45.30 ~~(4) relief granted under chapter 290A;~~

46.1 ~~(5) child support payments received under a temporary or final decree of dissolution or~~  
 46.2 ~~legal separation; and~~

46.3 ~~(6) restitution payments received by eligible individuals and excludable interest as~~  
 46.4 ~~defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001,~~  
 46.5 ~~Public Law 107-16.~~

46.6 Subd. 4. **Credit to be refundable.** If the amount of credit that the claimant is eligible  
 46.7 to receive under this section exceeds the claimant's tax liability under this chapter, the  
 46.8 commissioner shall refund the excess to the claimant.

46.9 Subd. 5. **Appropriation.** An amount sufficient to pay the refunds required by this section  
 46.10 is appropriated to the commissioner from the general fund.

46.11 Subd. 6. **Inflation adjustment.** The commissioner shall annually adjust the adjusted  
 46.12 gross income amounts in subdivision 2, as provided in section 270C.22. The statutory year  
 46.13 is taxable year 2023.

46.14 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 46.15 31, 2022.

46.16 Sec. 31. Minnesota Statutes 2022, section 290.0677, subdivision 1, is amended to read:

46.17 Subdivision 1. **Credit allowed; current military service.** (a) An individual is allowed  
 46.18 a credit against the tax due under this chapter equal to \$59 for each month or portion thereof  
 46.19 that the individual was in active military service in a designated area after September 11,  
 46.20 2001, and before January 1, 2009, while a Minnesota domiciliary.

46.21 (b) An individual is allowed a credit against the tax due under this chapter equal to \$120  
 46.22 for each month or portion thereof that the individual was in active military service in a  
 46.23 designated area after December 31, 2008, while a Minnesota domiciliary.

46.24 (c) For active service performed after September 11, 2001, and before December 31,  
 46.25 2006, the individual may claim the credit in the taxable year beginning after December 31,  
 46.26 2005, and before January 1, 2007.

46.27 (d) For active service performed after December 31, 2006, the individual may claim the  
 46.28 credit for the ~~taxable~~ calendar year in which the active service was performed.

46.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 46.30 31, 2022.

47.1 Sec. 32. Minnesota Statutes 2022, section 290.0681, subdivision 3, is amended to read:

47.2 Subd. 3. **Applications; allocations.** (a) To qualify for a credit or grant under this section,  
47.3 the developer of a project must apply to the office before the rehabilitation begins. The  
47.4 application must contain the information and be in the form prescribed by the office. The  
47.5 office may collect a fee for application of up to 0.5 percent of qualified rehabilitation  
47.6 expenditures, up to \$40,000, based on estimated qualified rehabilitation expenditures, to  
47.7 offset costs associated with personnel and administrative expenses related to administering  
47.8 the credit and preparing the economic impact report in subdivision 9. Application fees are  
47.9 deposited in the account. The application must indicate if the application is for a credit or  
47.10 a grant in lieu of the credit or a combination of the two and designate the taxpayer qualifying  
47.11 for the credit or the recipient of the grant.

47.12 (b) Upon approving an application for credit, the office shall issue allocation certificates  
47.13 that:

47.14 (1) verify eligibility for the credit or grant;

47.15 (2) state the amount of credit or grant anticipated with the project, with the credit amount  
47.16 equal to 100 percent and the grant amount equal to 90 percent of the federal credit anticipated  
47.17 in the application;

47.18 (3) state that the credit or grant allowed may increase or decrease if the federal credit  
47.19 the project receives at the time it is placed in service is different than the amount anticipated  
47.20 at the time the allocation certificate is issued; and

47.21 (4) state the fiscal year in which the credit or grant is allocated, and that the taxpayer or  
47.22 grant recipient is entitled to receive one-fifth of the total amount of either the credit or the  
47.23 grant at the time the project is placed in service, provided that date is within ~~three~~ five  
47.24 calendar years following the issuance of the allocation certificate.

47.25 (c) The office, in consultation with the commissioner, shall determine if the project is  
47.26 eligible for a credit or a grant under this section and must notify the developer in writing  
47.27 of its determination. Eligibility for the credit is subject to review and audit by the  
47.28 commissioner.

47.29 (d) The federal credit recapture and repayment requirements under section 50 of the  
47.30 Internal Revenue Code do not apply to the credit allowed under this section.

47.31 (e) Any decision of the office under paragraph (c) may be challenged as a contested case  
47.32 under chapter 14. The contested case proceeding must be initiated within 45 days of the  
47.33 date of written notification by the office.

48.1 **EFFECTIVE DATE.** This section is effective for applications for allocation certificates  
48.2 submitted after June 30, 2023.

48.3 Sec. 33. Minnesota Statutes 2022, section 290.0681, subdivision 4, is amended to read:

48.4 Subd. 4. **Credit certificates; grants.** (a)(1) The developer of a project for which the  
48.5 office has issued an allocation certificate must notify the office when the project is placed  
48.6 in service. Upon verifying that the project has been placed in service, and was allowed a  
48.7 federal credit, the office must issue a credit certificate to the taxpayer designated in the  
48.8 application or must issue a grant to the recipient designated in the application. The credit  
48.9 certificate must state the amount of the credit.

48.10 (2) The credit amount equals the federal credit allowed for the project.

48.11 (3) The grant amount equals 90 percent of the federal credit allowed for the project.

48.12 (b) The recipient of a credit certificate may assign the certificate to another taxpayer  
48.13 before the first one-fifth payment is claimed, which is then allowed the credit under this  
48.14 section or section 297I.20, subdivision 3. Before the payment is claimed, the first assignee  
48.15 may subsequently assign the credit certificate in whole, but not in part, to a second assignee.  
48.16 A second assignment may only be assigned to a financial institution. An assignment is not  
48.17 valid unless the assignee notifies the commissioner within 30 days of the date that the  
48.18 assignment is made. The commissioner shall prescribe the forms necessary for notifying  
48.19 the commissioner of the assignment of a credit certificate and for claiming a credit by  
48.20 assignment. The original credit certificate recipient, and each assignee, must file a return  
48.21 with the commissioner for the taxable year that the project is placed in service.

48.22 (c) Credits passed through to partners, members, shareholders, or owners pursuant to  
48.23 subdivision 5 are not an assignment of a credit certificate under this subdivision.

48.24 (d) A grant agreement between the office and the recipient of a grant may allow the  
48.25 grant to be issued to another individual or entity.

48.26 **EFFECTIVE DATE.** This section is effective for projects placed in service after June  
48.27 30, 2023.

48.28 Sec. 34. Minnesota Statutes 2022, section 290.0685, subdivision 1, is amended to read:

48.29 Subdivision 1. **Credit allowed.** (a) An individual who is a resident of Minnesota is  
48.30 allowed a credit against the tax imposed by this chapter equal to \$2,000 for each birth;



49.1 (1) for which a certificate of birth resulting in stillbirth has been issued under section  
 49.2 144.2151; or

49.3 (2) outside of Minnesota for which there is a certificate similar to the certificate under  
 49.4 section 144.2151 that documents that the stillbirth occurred under the applicable local laws.

49.5 (b) The credit under this section is allowed only in the taxable year in which the stillbirth  
 49.6 occurred and if the child would have been a dependent of the taxpayer as defined in section  
 49.7 152 of the Internal Revenue Code.

49.8 ~~(b)~~ (c) For a nonresident or part-year resident, the credit must be allocated based on the  
 49.9 percentage calculated under section 290.06, subdivision 2c, paragraph (e).

49.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 49.11 31, 2022.

49.12 **Sec. 35. [290.0687] MINNESOTA CHILD TAX CREDIT.**

49.13 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the  
 49.14 meanings given:

49.15 (1) "child" means a qualifying child, as defined in section 152(c) of the Internal Revenue  
 49.16 Code, who was under 18 years of age at the end of the taxable year;

49.17 (2) "credit" means the Minnesota Child Tax Credit allowed by this section;

49.18 (3) "disabled adult child" means a qualifying child, as defined in section 152(c) of the  
 49.19 Internal Revenue Code, who was:

49.20 (i) at least 18 years of age at the end of the taxable year; and

49.21 (ii) at any time during the taxable year was permanently and totally disabled, as defined  
 49.22 in section 22(e)(3) of the Internal Revenue Code; and

49.23 (4) "threshold amount" means:

49.24 (i) \$33,300 for individuals who are not married;

49.25 (ii) \$50,000 for married taxpayers filing a joint return; and

49.26 (iii) \$25,000 for married taxpayers filing separate returns.

49.27 Subd. 2. **Credit allowed.** Residents and part-year residents are allowed a credit against  
 49.28 the tax due under this chapter in an amount equal to \$620 per child or disabled adult child.

49.29 Subd. 3. **Limitations.** (a) The maximum total credit allowed to a taxpayer for the taxable  
 49.30 year is \$1,860.

50.1 (b) The maximum credit, as determined in paragraph (a), is reduced by \$62 for each  
50.2 \$1,000 by which the taxpayer's adjusted gross income exceeds the threshold amount. In no  
50.3 case is the credit less than zero.

50.4 (c) For part-year residents, the credit must be allocated based on the percentage calculated  
50.5 under section 290.06, subdivision 2c, paragraph (e).

50.6 (d) For purposes of this subdivision, marital status is determined under section 7703 of  
50.7 the Internal Revenue Code.

50.8 Subd. 4. **Credit refundable.** If the amount of credit which the claimant is eligible to  
50.9 receive under this section exceeds the claimant's tax liability under this chapter, the  
50.10 commissioner shall refund the excess to the claimant.

50.11 Subd. 5. **Inflation adjustment.** The commissioner must annually adjust the credit amount  
50.12 under subdivision 2, the dollar amount of the income threshold at which the maximum credit  
50.13 begins to be reduced under subdivision 3, and the maximum credit, as provided in section  
50.14 270C.22. The statutory year is taxable year 2023.

50.15 Subd. 6. **Appropriation.** An amount sufficient to pay the refunds required by this section  
50.16 is appropriated to the commissioner from the general fund.

50.17 Subd. 7. **Sunset.** This section expires for taxable years beginning after December 31,  
50.18 2030. The expiration of this section does not affect the commissioner's authority to audit  
50.19 or power of examination and assessment for credits claimed under this section.

50.20 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
50.21 31, 2022.

50.22 Sec. 36. **[290.0693] NEW MARKETS TAX CREDIT.**

50.23 Subdivision 1. **Definitions.** For purposes of this section, terms defined in section 116X.01  
50.24 have the meanings given in that section.

50.25 Subd. 2. **Credit allowed.** (a) An entity that makes a qualified equity investment is  
50.26 allowed a credit against the tax imposed under this chapter equal to the amount calculated  
50.27 under section 116X.01, subdivision 2. An entity may claim a credit on each credit allowance  
50.28 date.

50.29 (b) Tax credits earned by or allocated to a partnership, a limited liability company taxed  
50.30 as a partnership, or an S corporation are passed through to the partners, members,  
50.31 shareholders, or owners, respectively, in accordance with the provisions of any agreement  
50.32 among the partners, members, shareholders, or owners, or, in the absence of an agreement,

51.1 pro rata to each partner, member, shareholder, or owner based on their share of the entity's  
51.2 assets as of the last day of the taxable year. A pass-through of a credit is not considered a  
51.3 sale for the purposes of section 116X.01.

51.4 (c) If the amount of the credit under this section exceeds the taxpayer's liability for tax  
51.5 under this chapter, the excess is a credit carryover to each of the five succeeding taxable  
51.6 years. The entire amount of the excess unused credit for the taxable year must be carried  
51.7 first to the earliest of the taxable years to which the credit may be carried and then to each  
51.8 successive year to which the credit may be carried. The amount of the unused credit that  
51.9 may be added under this paragraph may not exceed the taxpayer's liability for tax, less any  
51.10 credit for the current taxable year.

51.11 Subd. 3. **Credit recapture.** (a) The commissioner must recapture credits should it  
51.12 determine any of the following:

51.13 (1) any amount of the federal tax credit available with respect to a qualified equity  
51.14 investment that is eligible for a credit under this section is recaptured under section 45D of  
51.15 the Internal Revenue Code;

51.16 (2) the qualified community development entity redeems or makes principal repayment  
51.17 with respect to a qualified equity investment prior to seven years after the date of issuance  
51.18 of the qualified equity investment; or

51.19 (3) the qualified community development entity fails to invest at least 100 percent of  
51.20 the cash purchase price of the qualified equity investment in qualified low-income community  
51.21 investments in greater Minnesota counties or metropolitan counties, as applicable, within  
51.22 12 months of the issuance of the qualified equity investment and maintains the investment  
51.23 in qualified low-income community investments in greater Minnesota counties or  
51.24 metropolitan counties, as applicable, until the last credit allowance date for the qualified  
51.25 equity investment.

51.26 Upon verification of the event indicated in the notification, the commissioner must notify  
51.27 the entity otherwise eligible for the credit allowed under this section and issue an assessment  
51.28 and notify the entity and the commissioner of employment and economic development of  
51.29 ineligibility for future credits with respect to the qualified equity investment. The recapture  
51.30 under clause (1) must be proportionate to the federal recapture with respect to the qualified  
51.31 equity investment. The recapture under clause (2) must be proportionate to the amount of  
51.32 the redemption or repayment with respect to the qualified equity investment. The recapture  
51.33 under clause (3) must be proportionate to the amount of qualified equity investment that  
51.34 was failed to be invested or maintained.

52.1 (b) For purposes of paragraph (a), clause (3), an investment is considered maintained  
52.2 by a qualified community development entity even if the investment has been sold or repaid,  
52.3 provided that the qualified community development entity reinvests an amount equal to the  
52.4 capital returned to or recovered by the qualified community development entity from the  
52.5 original investment, exclusive of any profits realized, in another qualified low-income  
52.6 community investment in this state as required under the greater Minnesota allocation or  
52.7 metropolitan allocation within 12 months after the receipt of that capital, after notice and  
52.8 written approval of both the sale and reinvestment by the commissioner of employment and  
52.9 economic development. Periodic loan repayments received by a qualified community  
52.10 development entity from a qualified active low-income community business within a calendar  
52.11 year must be treated as maintained in qualified low-income community investments if a  
52.12 qualified community development entity reinvests the repayments in qualified low-income  
52.13 community investments by the end of the current taxable year.

52.14 (c) A qualified community development entity is not required to reinvest capital returned  
52.15 from qualified low-income community investments after the sixth anniversary of the issuance  
52.16 of the qualified equity investment, the proceeds of which were used to make the qualified  
52.17 low-income community investment, and the qualified low-income community investment  
52.18 is considered held by the qualified community development entity through the seventh  
52.19 anniversary of the qualified equity investment's issuance.

52.20 (d) With respect to any one qualified active low-income community business, the  
52.21 maximum amount of qualified low-income community investments made in that business  
52.22 in aggregate with all of its affiliates that may be counted toward the satisfaction of paragraph  
52.23 (a), clause (3), is \$10,000,000, whether made by one or several qualified community  
52.24 development entities but exclusive of redeemed or repaid qualified low-income community  
52.25 investment by the qualified active low-income community business.

52.26 (e) The commissioner shall provide notice to the qualified community development  
52.27 entity of any proposed recapture of credits pursuant to this subdivision. The notice must  
52.28 specify the conditions under which the deficiency resulting in the proposed recapture occurred  
52.29 and state that the credits will be recaptured within 90 days unless the qualified community  
52.30 development entity complies with the conditions identified in the notice. If the entity does  
52.31 not comply with the conditions identified in the notice within the 90-day period, the  
52.32 commissioner shall provide the entity and the taxpayer from whom the credit is to be  
52.33 recaptured with an order of assessment. Any credit amount that is recaptured must be  
52.34 recaptured from the taxpayer who claimed the credit on a tax return. The qualified equity  
52.35 investment authority of the recaptured credits must be returned to the commissioner of

53.1 employment and economic development, and must first be awarded pro rata to applicants  
 53.2 that have received awards of qualified equity investment authority and complied with this  
 53.3 subdivision.

53.4 (f) If credits are recaptured under this section, any remaining outstanding credit is  
 53.5 forfeited.

53.6 Subd. 4. **Sunset.** This section expires for taxable years beginning after December 31,  
 53.7 2031, except that the expiration of this section does not affect the commissioner of revenue's  
 53.8 authority to audit or power of examination and assessment for credits claimed under this  
 53.9 section.

53.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 53.11 31, 2023.

53.12 Sec. 37. **[290.0694] CREDIT FOR SALES OF MANUFACTURED HOME PARKS**  
 53.13 **TO COOPERATIVES.**

53.14 Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions  
 53.15 have the meanings given.

53.16 (b) "Qualified seller" means a taxpayer who sells qualified property to a manufactured  
 53.17 home park cooperative, a nonprofit organization organized under chapter 317A, or a  
 53.18 representative acting on behalf of residents as defined under section 327C.015, subdivision  
 53.19 13.

53.20 (c) "Qualified property" means a manufactured home park in Minnesota classified as  
 53.21 4c(5)(i) or 4c(5)(iii) under section 273.13, subdivision 25, paragraph (d), that qualifies as  
 53.22 section 1250 property, as calculated under section 1250(a) of the Internal Revenue Code.

53.23 (d) "Manufactured home park cooperative" has the meaning given in section 273.124,  
 53.24 subdivision 3a.

53.25 Subd. 2. **Credit allowed; carryforward.** (a) A qualified seller is allowed a credit against  
 53.26 the tax imposed under this chapter. The credit equals five percent of the amount of the sale  
 53.27 price of the qualified property.

53.28 (b) If the amount of the credit under this section exceeds the taxpayer's liability for tax  
 53.29 under this chapter, the excess is a credit carryover to each of the five succeeding taxable  
 53.30 years. The entire amount of the excess unused credit for the taxable year must be carried  
 53.31 first to the earliest of the taxable years to which the credit may be carried and then to each  
 53.32 successive year to which the credit may be carried. The amount of the unused credit that

54.1 may be added under this paragraph may not exceed the taxpayer's liability for tax, less any  
 54.2 credit for the current taxable year.

54.3 (c) For nonresidents and part-year residents, the credit must be allocated based on the  
 54.4 percentage calculated under section 290.06, subdivision 2c, paragraph (e).

54.5 Subd. 3. **Partnerships; multiple owners.** Credits granted to a partnership, a limited  
 54.6 liability company taxed as a partnership, an S corporation, or multiple owners of property  
 54.7 are passed through to the partners, members, shareholders, or owners, respectively, pro rata  
 54.8 to each partner, member, shareholder, or owner based on their share of the entity's assets  
 54.9 or as specially allocated in their organizational documents or any other executed document,  
 54.10 as of the last day of the taxable year.

54.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 54.12 31, 2022.

54.13 Sec. 38. **[290.0695] SHORT LINE RAILROAD INFRASTRUCTURE**  
 54.14 **MODERNIZATION CREDIT.**

54.15 Subdivision 1. **Definitions.** (a) For purpose of this section, the following terms have the  
 54.16 meanings given them.

54.17 (b) "Eligible taxpayer" means any railroad that is classified by the United States Surface  
 54.18 Transportation Board as a Class II or Class III railroad.

54.19 (c) "Eligible transferee" means any taxpayer subject to tax under this chapter or chapter  
 54.20 297I.

54.21 (c) "Qualified railroad reconstruction or replacement expenditures" means gross  
 54.22 expenditures in the taxable year for maintenance, reconstruction, or replacement of railroad  
 54.23 infrastructure, including track, roadbed, bridges, industrial leads and sidings, and track-related  
 54.24 structures owned or leased by a Class II or Class III railroad in Minnesota as of January 1,  
 54.25 2021. Qualified railroad reconstruction or replacement expenditures also includes new  
 54.26 construction of industrial leads, switches, spurs and sidings and extensions of existing sidings  
 54.27 in Minnesota by a Class II or Class III railroad.

54.28 Subd. 2. **Credit allowed; limitation; carryover.** (a) An eligible taxpayer is allowed a  
 54.29 credit against the tax due under this chapter equal to 50 percent of:

54.30 (1) \$3,000, multiplied by;

55.1 (2) the number of miles of railroad track owned or leased within the state by the eligible  
55.2 taxpayer for which the taxpayer made qualified railroad reconstruction or replacement  
55.3 expenditures as of the close of the taxable year for which the credit is claimed.

55.4 (b) If the amount of the credit determined under this section for any taxable year exceeds  
55.5 the limitation under paragraph (b), the excess is a credit carryover to each of the five  
55.6 succeeding taxable years. The entire amount of the excess unused credit for the taxable year  
55.7 must be carried first to the earliest of the taxable years to which the credit may be carried  
55.8 and then to each successive year to which the credit may be carried. The amount of the  
55.9 unused credit that may be added under this paragraph must not exceed the taxpayer's liability  
55.10 for tax less the credit for the taxable year.

55.11 (c) An eligible taxpayer claiming a credit under this section may not also claim the credit  
55.12 under section 297I.20, subdivision 6, for the same qualified railroad reconstruction or  
55.13 replacement expenditures.

55.14 Subd. 3. **Transferability; written agreement required; credit certificate.** (a) An  
55.15 eligible taxpayer may transfer the credit allowed under this section by written agreement  
55.16 to an eligible transferee. The amount of the transferred credit is limited to the unused,  
55.17 remaining portion of the credit.

55.18 (b) The eligible taxpayer and the eligible transferee must jointly file a copy of the written  
55.19 transfer agreement with the commissioner within 30 days of the transfer. The written  
55.20 agreement must contain the name, address, and taxpayer identification number of the parties  
55.21 to the transfer; the taxable year the eligible taxpayer incurred the qualified expenditures;  
55.22 the amount of credit being transferred; and the taxable year or years for which the transferred  
55.23 credit may be claimed.

55.24 (c) The commissioner must issue a credit certificate to the transferee within 30 days of  
55.25 the joint filing of a copy of the written transfer agreement with the commissioner.

55.26 (d) In the case of an audit or assessment, the transferee is liable for repayment of credits  
55.27 claimed in excess of the allowed amount.

55.28 Subd. 4. **Partnerships; multiple owners.** Credits granted or transferred to a partnership,  
55.29 a limited liability company taxed as a partnership, an S corporation, or multiple owners of  
55.30 property are passed through to the partners, members, shareholders, or owners, respectively,  
55.31 pro rata to each partner, member, shareholder, or owner based on their share of the entity's  
55.32 assets or as specially allocated in their organizational documents or any other executed  
55.33 agreement, as of the last day of the taxable year.

56.1 Subd. 5. Allocation for nonresidents and part-year residents. For a nonresident or  
56.2 part-year resident, the credit determined under this section must be allocated based on the  
56.3 percentage calculated under section 290.06, subdivision 2c, paragraph (e).

56.4 EFFECTIVE DATE. This section is effective for taxable years beginning after December  
56.5 31, 2022.

56.6 **Sec. 39. [290.0811] INCOME OF CERTAIN NONRESIDENTS.**

56.7 Subdivision 1. Exemption allowed. Notwithstanding section 290.081, compensation  
56.8 received by a qualifying nonresident individual for employment duties in Minnesota is  
56.9 excluded from gross income, subject to the limitations in this section.

56.10 Subd. 2. Definitions. (a) For purposes of this section, the following terms have the  
56.11 meanings given.

56.12 (b) "Employee" and "employer" have the meanings given in section 290.92, subdivision  
56.13 1.

56.14 (c) "Employment duties" means professional or personal services performed for an  
56.15 employer by an employee who is a qualifying nonresident individual.

56.16 (d) "Entertainer" has the meaning given in section 290.9201.

56.17 (e) "Qualifying nonresident individual" means an individual:

56.18 (1) whose residence, place of abode, and place customarily returned to at least once a  
56.19 month is in another state;

56.20 (2) who is paid wages for employment duties, excluding duties performed as an  
56.21 entertainer, in Minnesota on 30 or fewer days in the taxable year;

56.22 (3) who performed employment duties in more than one state during the calendar year;  
56.23 and

56.24 (4) whose state of residence provides a substantially similar exclusion or does not impose  
56.25 an individual income tax, or whose income is exempt from taxation in Minnesota under the  
56.26 United States Constitution, or the Internal Revenue Code.

56.27 (f) "Time and attendance system" means a system through which an employee is required,  
56.28 on a contemporaneous basis, to record the employee's work location for every day worked  
56.29 outside the state where the employee's employment duties are primarily performed and is  
56.30 designed to allow the employer to allocate the employee's compensation for income tax



57.1 purposes among all states in which the employee performs employment duties for the  
57.2 employer.

57.3 Subd. 3. **Withholding exemption; limitation.** (a) Wages paid to a qualifying nonresident  
57.4 individual are exempt from the withholding requirements under section 290.92, and the  
57.5 filing requirements under section 289A.09, subject to the limitations of paragraph (b).

57.6 (b) If during the taxable year, the number of days an employee spends performing  
57.7 employment duties in Minnesota exceeds the 30-day threshold under subdivision 1, the  
57.8 withholding requirements under section 290.92, and the filing requirements under section  
57.9 289A.09, apply for every day in that calendar year, including the first 30 days, on which  
57.10 the employee performs employment duties in Minnesota.

57.11 Subd. 4. **Employers; application of penalties.** The commissioner shall not apply  
57.12 penalties or interest otherwise applicable under chapter 289A for failing to deduct and  
57.13 withhold income taxes as required under section 290.92, if when determining whether  
57.14 withholding was required, the employer met either of the following conditions:

57.15 (1) the employer at its sole discretion maintains a time and attendance system and relied  
57.16 on data from that system; or

57.17 (2) if the employer does not maintain a time and attendance system, and the employer  
57.18 relies on either:

57.19 (i) the employer's own records maintained in the regular course of business of the  
57.20 employee's location; or

57.21 (ii) the employee's reasonable determination of the time the employee expected to spend  
57.22 performing employment duties in Minnesota, the employer has no actual knowledge of  
57.23 fraud by employee in making the determination, and the employer and the employee did  
57.24 not collude to evade taxation in making the determination.

57.25 Subd. 5. **Timing of employment duties performed.** For the purposes of this section,  
57.26 an employee shall be considered to be performing employment duties within Minnesota for  
57.27 a day if the employee performs more of the employee's employment duties in Minnesota  
57.28 than in any other state during that day. Any portion of the day during which the employee  
57.29 is in transit must not be considered in determining the location of an employee's performance  
57.30 of employment duties.

57.31 Subd. 6. **Severability.** If any provision of this section or the application of a provision  
57.32 of this section to any person or circumstance is held to be unconstitutional, then all other  
57.33 provisions of this section shall remain valid and any rights, remedies, and privileges that

58.1 have been otherwise accrued by this section shall remain in effect, and may be proceeded  
58.2 with and concluded under the provisions of this chapter or other applicable law.

58.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
58.4 31, 2025.

58.5 Sec. 40. Minnesota Statutes 2022, section 290.091, subdivision 2, as amended by Laws  
58.6 2023, chapter 1, section 18, is amended to read:

58.7 Subd. 2. **Definitions.** For purposes of the tax imposed by this section, the following  
58.8 terms have the meanings given.

58.9 (a) "Alternative minimum taxable income" means the sum of the following for the taxable  
58.10 year:

58.11 (1) the taxpayer's federal alternative minimum taxable income as defined in section  
58.12 55(b)(1)(D) of the Internal Revenue Code;

58.13 (2) the taxpayer's itemized deductions allowed in computing federal alternative minimum  
58.14 taxable income, but excluding:

58.15 (i) the charitable contribution deduction under section 170 of the Internal Revenue Code;

58.16 (ii) the medical expense deduction;

58.17 (iii) the casualty, theft, and disaster loss deduction; and

58.18 (iv) the impairment-related work expenses of a person with a disability;

58.19 (3) for depletion allowances computed under section 613A(c) of the Internal Revenue  
58.20 Code, with respect to each property (as defined in section 614 of the Internal Revenue Code),  
58.21 to the extent not included in federal alternative minimum taxable income, the excess of the  
58.22 deduction for depletion allowable under section 611 of the Internal Revenue Code for the  
58.23 taxable year over the adjusted basis of the property at the end of the taxable year (determined  
58.24 without regard to the depletion deduction for the taxable year);

58.25 (4) to the extent not included in federal alternative minimum taxable income, the amount  
58.26 of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue  
58.27 Code determined without regard to subparagraph (E);

58.28 (5) to the extent not included in federal alternative minimum taxable income, the amount  
58.29 of interest income as provided by section 290.0131, subdivision 2;

58.30 (6) the amount of addition required by section 290.0131, subdivisions 9, 10, and 16;

59.1 (7) the deduction allowed under section 199A of the Internal Revenue Code, to the extent  
59.2 not included in the addition required under clause (6); and

59.3 (8) to the extent not included in federal alternative minimum taxable income, the amount  
59.4 of foreign-derived intangible income deducted under section 250 of the Internal Revenue  
59.5 Code;

59.6 less the sum of the amounts determined under the following:

59.7 (i) interest income as defined in section 290.0132, subdivision 2;

59.8 (ii) an overpayment of state income tax as provided by section 290.0132, subdivision  
59.9 3, to the extent included in federal alternative minimum taxable income;

59.10 (iii) the amount of investment interest paid or accrued within the taxable year on  
59.11 indebtedness to the extent that the amount does not exceed net investment income, as defined  
59.12 in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted  
59.13 in computing federal adjusted gross income;

59.14 (iv) amounts subtracted from federal taxable or adjusted gross income as provided by  
59.15 section 290.0132, subdivisions 7, 9 to 15, 17, 21, 24, 26 to 29, ~~and 31~~, and 35;

59.16 (v) the amount of the net operating loss allowed under section 290.095, subdivision 11,  
59.17 paragraph (c); and

59.18 (vi) the amount allowable as a Minnesota itemized deduction under section 290.0122,  
59.19 subdivision 7.

59.20 In the case of an estate or trust, alternative minimum taxable income must be computed  
59.21 as provided in section 59(c) of the Internal Revenue Code, except alternative minimum  
59.22 taxable income must be increased by the addition in section 290.0131, subdivision 16.

59.23 (b) "Investment interest" means investment interest as defined in section 163(d)(3) of  
59.24 the Internal Revenue Code.

59.25 (c) "Net minimum tax" means the minimum tax imposed by this section.

59.26 (d) "Regular tax" means the tax that would be imposed under this chapter (without regard  
59.27 to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed  
59.28 under this chapter.

59.29 (e) "Tentative minimum tax" equals 6.75 percent of alternative minimum taxable income  
59.30 after subtracting the exemption amount determined under subdivision 3.

60.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
60.2 31, 2022.

60.3 Sec. 41. Minnesota Statutes 2022, section 290.17, subdivision 4, is amended to read:

60.4 Subd. 4. **Unitary business principle.** (a) If a trade or business conducted wholly within  
60.5 this state or partly within and partly without this state is part of a unitary business, the entire  
60.6 worldwide income of the unitary business is subject to apportionment pursuant to section  
60.7 290.191. Notwithstanding subdivision 2, paragraph (c), none of the income of a unitary  
60.8 business is considered to be derived from any particular source and none may be allocated  
60.9 to a particular place except as provided by the applicable apportionment formula. The  
60.10 provisions of this subdivision do not apply to business income subject to subdivision 5,  
60.11 income of an insurance company, or income of an investment company determined under  
60.12 section 290.36.

60.13 (b) The term "unitary business" means business activities or operations which result in  
60.14 a flow of value between them. The term may be applied within a single legal entity or  
60.15 between multiple entities and without regard to whether each entity is a sole proprietorship,  
60.16 a corporation, a partnership or a trust.

60.17 (c) Unity is presumed whenever there is unity of ownership, operation, and use, evidenced  
60.18 by centralized management or executive force, centralized purchasing, advertising,  
60.19 accounting, or other controlled interaction, but the absence of these centralized activities  
60.20 will not necessarily evidence a nonunitary business. Unity is also presumed when business  
60.21 activities or operations are of mutual benefit, dependent upon or contributory to one another,  
60.22 either individually or as a group.

60.23 (d) Where a business operation conducted in Minnesota is owned by a business entity  
60.24 that carries on business activity outside the state different in kind from that conducted within  
60.25 this state, and the other business is conducted entirely outside the state, it is presumed that  
60.26 the two business operations are unitary in nature, interrelated, connected, and interdependent  
60.27 unless it can be shown to the contrary.

60.28 (e) Unity of ownership does not exist when two or more corporations are involved unless  
60.29 more than 50 percent of the voting stock of each corporation is directly or indirectly owned  
60.30 by a common owner or by common owners, either corporate or noncorporate, or by one or  
60.31 more of the member corporations of the group. For this purpose, the term "voting stock"  
60.32 shall include membership interests of mutual insurance holding companies formed under  
60.33 section 66A.40.

61.1 ~~(f) The net income and apportionment factors under section 290.191 or 290.20 of foreign~~  
 61.2 ~~corporations and other foreign entities, but excluding a disqualified captive insurance~~  
 61.3 ~~company, which are part of a unitary business shall not be included in the net income or~~  
 61.4 ~~the apportionment factors of the unitary business; except that the income and apportionment~~  
 61.5 ~~factors of a foreign entity, other than an entity treated as a C corporation for federal income~~  
 61.6 ~~tax purposes, that are included in the federal taxable income, as defined in section 63 of the~~  
 61.7 ~~Internal Revenue Code as amended through the date named in section 290.01, subdivision~~  
 61.8 ~~19, of a domestic corporation, domestic entity, or individual must be included in determining~~  
 61.9 ~~net income and the factors to be used in the apportionment of net income pursuant to section~~  
 61.10 ~~290.191 or 290.20. A foreign corporation or other foreign entity which is not included on~~  
 61.11 ~~a combined report and which is required to file a return under this chapter shall file on a~~  
 61.12 ~~separate return basis.~~

61.13 ~~(g)~~ (f) For purposes of determining the net income of a unitary business and the factors  
 61.14 to be used in the apportionment of net income pursuant to section 290.191 or 290.20, there  
 61.15 must be included ~~only~~ the income and apportionment factors of domestic and foreign  
 61.16 corporations or other domestic and foreign entities that are determined to be part of the  
 61.17 unitary business pursuant to this subdivision, ~~notwithstanding that foreign corporations or~~  
 61.18 ~~other foreign entities might be included in the unitary business; except that the income and~~  
 61.19 ~~apportionment factors of a foreign entity, other than an entity treated as a C corporation for~~  
 61.20 ~~federal income tax purposes, that is included in the federal taxable income, as defined in~~  
 61.21 ~~section 63 of the Internal Revenue Code as amended through the date named in section~~  
 61.22 ~~290.01, subdivision 19, of a domestic corporation, domestic entity, or individual must be~~  
 61.23 ~~included in determining net income and the factors to be used in the apportionment of net~~  
 61.24 ~~income pursuant to section 290.191 or 290.20. For foreign corporations and other foreign~~  
 61.25 ~~entities not subject to a federal income tax filing requirement under United States Code,~~  
 61.26 ~~title 26, subtitle A, net income must be determined as required under section 290.01,~~  
 61.27 ~~subdivision 19.~~

61.28 ~~(h)~~ (g) Each corporation or other entity, except a sole proprietorship, that is part of a  
 61.29 unitary business must file combined reports as the commissioner determines. On the reports,  
 61.30 all intercompany transactions between entities included pursuant to paragraph ~~(g)~~ (f) must  
 61.31 be eliminated and the entire net income of the unitary business determined in accordance  
 61.32 with this subdivision is apportioned among the entities by using each entity's Minnesota  
 61.33 factors for apportionment purposes in the numerators of the apportionment formula and the  
 61.34 total factors for apportionment purposes of all entities included pursuant to paragraph ~~(g)~~  
 61.35 (f) in the denominators of the apportionment formula. Except as otherwise provided by

62.1 paragraph (f), all sales of the unitary business made within this state pursuant to section  
 62.2 290.191 or 290.20 must be included on the combined report of a corporation or other entity  
 62.3 that is a member of the unitary business and is subject to the jurisdiction of this state to  
 62.4 impose tax under this chapter.

62.5 ~~(f)~~ (h) If a corporation has been divested from a unitary business and is included in a  
 62.6 combined report for a fractional part of the common accounting period of the combined  
 62.7 report:

62.8 (1) its income includable in the combined report is its income incurred for that part of  
 62.9 the year determined by proration or separate accounting; and

62.10 (2) its sales, property, and payroll included in the apportionment formula must be prorated  
 62.11 or accounted for separately.

62.12 ~~(f)~~ (i) For purposes of this subdivision, "insurance company" means an insurance  
 62.13 company, as defined in section 290.01, subdivision 5b, that is not a disqualified captive  
 62.14 insurance company.

62.15 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 62.16 31, 2023.

62.17 Sec. 42. Minnesota Statutes 2022, section 290.17, is amended by adding a subdivision to  
 62.18 read:

62.19 **Subd. 4a. Foreign corporations and other foreign entities.** (a) For purposes of imposing  
 62.20 a tax under this chapter, the federal taxable income of a foreign corporation or other foreign  
 62.21 entity must be computed as follows:

62.22 (1) a profit and loss statement must be prepared in the currency in which the books of  
 62.23 account of the foreign corporation or other foreign entity are regularly maintained;

62.24 (2) except as determined by the commissioner, adjustments must be made to the profit  
 62.25 and loss statement to conform the statement to the accounting principles generally accepted  
 62.26 in the United States for the preparation of those statements;

62.27 (3) adjustments must be made to the profit and loss statement to conform it to the tax  
 62.28 accounting standards required by the commissioner;

62.29 (4) unless otherwise authorized by the commissioner, the profit and loss statement of  
 62.30 each member of the combined group, and the apportionment factors related to the combined  
 62.31 group, whether domestic or foreign, must be converted into United States dollars; and

62.32 (5) income apportioned to this state must be expressed in United States dollars.

63.1 (b) Notwithstanding paragraph (a), if the commissioner determines that the information  
63.2 required in the statements under that paragraph may only be obtained through a burdensome  
63.3 effort and expense, the commissioner may allow reasonable approximations of the  
63.4 information.

63.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
63.6 31, 2023.

63.7 Sec. 43. Minnesota Statutes 2022, section 297I.20, subdivision 4, is amended to read:

63.8 Subd. 4. **Film production credit.** (a) A taxpayer may claim a credit against the premiums  
63.9 tax imposed under this chapter equal to the amount indicated on the credit certificate  
63.10 statement issued to the company under section 116U.27. If the amount of the credit exceeds  
63.11 the taxpayer's liability for tax under this chapter, the excess is a credit carryover to each of  
63.12 the five succeeding taxable years. The entire amount of the excess unused credit for the  
63.13 taxable year must be carried first to the earliest of the taxable years to which the credit may  
63.14 be carried and then to each successive year to which the credit may be carried. This credit  
63.15 does not affect the calculation of fire state aid under section 477B.03 and police state aid  
63.16 under section 477C.03.

63.17 (b) This subdivision expires January 1, ~~2025~~ 2033, for taxable years beginning after and  
63.18 premiums received after December 31, ~~2024~~ 2032.

63.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

63.20 Sec. 44. Minnesota Statutes 2022, section 297I.20, is amended by adding a subdivision  
63.21 to read:

63.22 Subd. 6. **Short line railroad infrastructure modernization credit.** A taxpayer may  
63.23 claim a credit against the premiums tax imposed under this chapter equal to the amount  
63.24 indicated on the credit certificate statement issued to the company under section 290.0695,  
63.25 provided that the taxpayer is not also claiming a credit under that section for the same  
63.26 qualified railroad reconstruction or replacement expenditures. If the amount of the credit  
63.27 exceeds the taxpayer's liability for tax under this chapter, the excess is a credit carryover to  
63.28 each of the five succeeding taxable years. The entire amount of the excess unused credit  
63.29 for the taxable year must be carried first to the earliest of the taxable years to which the  
63.30 credit may be carried and then to each successive year to which the credit may be carried.  
63.31 This credit does not affect the calculation of fire state aid under section 477B.03 and police  
63.32 state aid under section 477C.03.

64.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
64.2 31, 2022.

64.3 Sec. 45. Minnesota Statutes 2022, section 297I.20, is amended by adding a subdivision  
64.4 to read:

64.5 Subd. 7. **New markets tax credit.** (a) A taxpayer may claim a credit against the premiums  
64.6 tax imposed under this chapter equal to the amount calculated under section 116X.01,  
64.7 subdivision 2. The credit is claimed beginning in the taxable year of the third credit allowance  
64.8 date. If the amount of the credit exceeds the liability for tax under this chapter, the excess  
64.9 is a credit carryover to each of the five succeeding taxable years. The entire amount of the  
64.10 excess unused credit for the taxable year must be carried first to the earliest of the taxable  
64.11 years to which the credit may be carried and then to each successive year to which the credit  
64.12 may be carried. This credit does not affect the calculation of fire state aid under section  
64.13 477B.03 and police state aid under section 477C.03.

64.14 (b) This subdivision expires January 1, 2032, for taxable years beginning after and  
64.15 premiums received after December 31, 2031.

64.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
64.17 31, 2023.

64.18 Sec. 46. **2023 ADVANCE PAYMENT AND ONE-TIME REFUNDABLE CREDIT.**

64.19 Subdivision 1. **Credit allowed; eligibility.** (a) An individual is allowed a credit against  
64.20 the tax imposed under Minnesota Statutes, chapter 290. The credit equals \$279 for an  
64.21 individual who files an income tax return as a single person or as a married person who  
64.22 files a married filing separate income tax return and \$558 for all other income tax filers.

64.23 (b) For an individual, or a married couple filing a joint income tax return, with a  
64.24 dependent, as defined in sections 151 and 152 of the Internal Revenue Code, the credit is  
64.25 increased by \$56 per dependent up to a maximum additional credit of \$168.

64.26 (c) The maximum combined credit under this subdivision is \$447 for an individual who  
64.27 files an income tax return as a single person or as a married individual who files a married  
64.28 filing separate income tax return and \$726 for all other income tax filers.

64.29 (d) The credit is not available to an individual who:

64.30 (1) is not a resident of Minnesota, as defined in Minnesota Statutes, section 290.01,  
64.31 subdivision 7, during any part of 2023;



65.1 (2) is a dependent, as defined in sections 151 and 152 of the Internal Revenue Code, for  
65.2 2023; and

65.3 (3) has adjusted gross income, as defined in Minnesota Statutes, section 290.01,  
65.4 subdivision 21a, for 2023 greater than:

65.5 (i) \$75,000 for an individual who files an income tax return as a single person or as a  
65.6 married person who files a married filing separate income tax return; and

65.7 (ii) \$150,000 for all other income tax filers.

65.8 (e) For an individual who was a Minnesota resident for only part of 2023, or for a married  
65.9 couple filing a joint return where one or both individuals were Minnesota residents for only  
65.10 part of 2023, the credit equals the credit allowed under paragraph (a) times the percentage  
65.11 calculated under Minnesota Statutes, section 290.06, subdivision 2c, paragraph (e).

65.12 (f) If the amount of the credit under this subdivision exceeds the individual's or the  
65.13 married couple's liability for tax under Minnesota Statutes, chapter 290, the commissioner  
65.14 shall refund the excess to the taxpayer.

65.15 (g) The credit applies to taxable years beginning after December 31, 2022, and before  
65.16 January 1, 2024.

65.17 Subd. 2. **Advance payment of credit.** (a) The commissioner of revenue may issue a  
65.18 taxpayer an advance payment of the credit provided in subdivision 1. To be eligible for an  
65.19 advance payment, the commissioner must reasonably believe the taxpayer will be eligible  
65.20 for the credit, and the taxpayer must have filed, before January 1, 2023:

65.21 (1) an individual income tax return for tax year 2021; or

65.22 (2) a property tax refund return under Minnesota Statutes, chapter 290A, based on  
65.23 property taxes payable in 2022 or rent constituting property taxes paid in 2021.

65.24 (b) The commissioner may contract with a third party to implement all or part of the  
65.25 payment process.

65.26 (c) The commissioner must not issue an advance payment to any taxpayer who:

65.27 (1) was not a resident of Minnesota on December 31, 2021;

65.28 (2) was a dependent, as defined in sections 151 and 152 of the Internal Revenue Code,  
65.29 for 2021;

65.30 (3) had adjusted gross income, as defined in Minnesota Statutes, section 290.01,  
65.31 subdivision 21a, for 2021 greater than (i) \$50,000 for an individual who filed an income

66.1 tax return as a single person or as a married individual who filed a married filing separate  
66.2 income tax return, or (ii) \$100,000 for all other income tax filers; or

66.3 (4) died before January 1, 2023.

66.4 (d) The advance payment under this section shall be paid by the commissioner of revenue  
66.5 based on information available in the commissioner's records, and individuals are not  
66.6 required to file a claim with the commissioner. The decision of the commissioner to not  
66.7 make an advance payment to a taxpayer is not appealable.

66.8 (e) The commissioner of revenue must make a joint advance payment to individuals  
66.9 who filed a joint income tax return for 2021. If individuals who receive a joint advance  
66.10 payment do not file a joint tax return with each other for 2023, each spouse is deemed to  
66.11 have received an advance payment equal to one-half of the joint payment.

66.12 Subd. 3. **Payments to taxpayers who do not receive an advance payment.** (a) A  
66.13 taxpayer may claim any amount of unpaid credit on an individual income tax return for  
66.14 2023 if the taxpayer was eligible for:

66.15 (1) the credit under subdivision 1 and did not receive an advance payment under  
66.16 subdivision 2; or

66.17 (2) the additional credit under subdivision 1, paragraph (a), clause (2), and did not receive  
66.18 an advance payment for the full amount of the credit.

66.19 (b) The credit allowed to a taxpayer under this subdivision is reduced by any advance  
66.20 payment received under subdivision 2. The credit allowed for married taxpayers who file  
66.21 a joint return in 2023 is reduced by any advance payment received under subdivision 2 by  
66.22 either spouse.

66.23 (c) No credit under paragraph (a), clause (2), is allowed unless the TIN of the dependent,  
66.24 as defined in section 7701(a)(41) of the Internal Revenue Code, is included on the tax return  
66.25 that lists the individual as a dependent.

66.26 Subd. 4. **Repayment of advance payment.** (a) An individual or married couple who  
66.27 receives an advance payment under subdivision 2 but who does not meet eligibility for the  
66.28 credit under subdivision 1, paragraph (a), or does not meet eligibility for the amount of the  
66.29 advance payment of the credit allowed under subdivision (1), paragraph (b), must repay the  
66.30 amount of the overpayment to the commissioner of revenue. Repayment is due on April  
66.31 15, 2024.

66.32 (b) All provisions not inconsistent with this section under Minnesota Statutes, chapters  
66.33 270C and 289A, relating to collection, audit, assessment, refunds, penalty, interest,

67.1 enforcement, collection remedies, appeal, and administration of individual income tax apply  
67.2 to this section.

67.3 (c) The commissioner may issue an order of assessment under Minnesota Statutes,  
67.4 section 270C.33, to recover an advance payment made under subdivision 2 that is issued  
67.5 to a person not eligible for the credit. The assessment must be made within the period for  
67.6 assessing tax for the 2023 individual income tax under Minnesota Statutes, section 289A.38.

67.7 Subd. 5. **Internal Revenue Code.** References to the Internal Revenue Code in this  
67.8 section are to the Internal Revenue Code of 1986, as amended, that is in effect under  
67.9 Minnesota Statutes, section 290.01, for the taxable year to which the reference relates.

67.10 Subd. 6. **Data classification.** Data classified as nonpublic data or private data on  
67.11 individuals, including return information, as defined in Minnesota Statutes, section 270B.01,  
67.12 subdivision 3, may be shared or disclosed between the commissioner of revenue and any  
67.13 third-party vendor contracted with under this section, to the extent necessary to administer  
67.14 advance payments under this section.

67.15 Subd. 7. **Advance payment not subject to set off.** The commissioner of revenue must  
67.16 not apply, and must not certify to another agency to apply, an advance payment to any  
67.17 unpaid tax or nontax debt.

67.18 Subd. 8. **Not income.** (a) An advance payment or refund of a credit under this section  
67.19 is not considered income in determining Minnesota income tax, Minnesota income tax  
67.20 credits, the Minnesota property tax refund, or the Minnesota senior citizen property tax  
67.21 deferral.

67.22 (b) Notwithstanding any law to the contrary, the advance payment or credit under this  
67.23 section must not be considered income, assets, or personal property for purposes of  
67.24 determining eligibility or recertifying eligibility for:

67.25 (1) child care assistance programs under Minnesota Statutes, chapter 119B;

67.26 (2) general assistance, Minnesota supplemental aid, and food support under Minnesota  
67.27 Statutes, chapter 256D;

67.28 (3) housing support under Minnesota Statutes, chapter 256I;

67.29 (4) the Minnesota family investment program and diversionary work program under  
67.30 Minnesota Statutes, chapter 256J; and

67.31 (5) economic assistance programs under Minnesota Statutes, chapter 256P.

68.1 (c) The commissioner of human services must not consider an advance payment or credit  
68.2 under this section as income or assets under Minnesota Statutes, section 256B.056,  
68.3 subdivisions 1a, paragraph (a); 3; or 3c, or for persons with eligibility determined under  
68.4 Minnesota Statutes, section 256B.057, subdivisions 3, 3a, or 3b.

68.5 Subd. 9. **Procurement.** The commissioner of revenue is exempt from the requirements  
68.6 of Minnesota Statutes, section 16A.15, subdivision 3; 16B.97; and 16B.98, subdivisions 5,  
68.7 7, and 8; and chapter 16C, and any other state procurement laws and procedures in  
68.8 administering this section.

68.9 Subd. 10. **Appropriation.** The amount necessary to make the advance payments and  
68.10 refunds payable under this section is appropriated to the commissioner of revenue from the  
68.11 general fund.

68.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

68.13 Sec. 47. **HISTORIC STRUCTURE REHABILITATION CREDIT; SPECIAL**  
68.14 **PROVISION.**

68.15 For the purposes of the credit under Minnesota Statutes, section 290.0681, projects that  
68.16 have started rehabilitation work after June 30, 2022, and before July 1, 2023, that otherwise  
68.17 meet all other requirements of Minnesota Statutes, section 290.0681, subdivision 3, may  
68.18 be eligible for the credit if the application is received within 60 days of July 1, 2023.

68.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

68.20 Sec. 48. **REVIVAL AND REENACTMENT OF EXPIRED PROVISIONS.**

68.21 (a) The expired provisions of Minnesota Statutes, section 116J.8737, subdivisions 1 to  
68.22 9, 11, and 12, as amended by Laws 2021, First Special Session chapter 14, article 1, sections  
68.23 1 and 2, and sections 7 and 8 of this act, are revived and reenacted.

68.24 (b) The expired provisions of Minnesota Statutes, section 290.0692, are revived and  
68.25 reenacted.

68.26 (c) The expired provisions of Minnesota Statutes, section 290.0681, subdivisions 1 to  
68.27 9, as amended by sections 29 and 30, are revived and reenacted.

68.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

69.1 **Sec. 49. SUBTRACTION; CERTAIN UNEMPLOYMENT COMPENSATION.**

69.2 (a) For the purposes of this section, "subtraction" has the meaning given in Minnesota  
 69.3 Statutes, section 290.0132, subdivision 1, and the rules in that subdivision apply for this  
 69.4 section.

69.5 (b) Unemployment compensation received by individuals in taxable years beginning  
 69.6 after December 31, 2020, and before January 1, 2022, as a result of the decision issued by  
 69.7 the Minnesota Court of Appeals, 956 N.W. 2d 1, filed February 22, 2021, is a subtraction.

69.8 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
 69.9 after December 31, 2020, and before January 1, 2022.

69.10 **Sec. 50. REPEALER; REPEAL OF EXPIRATION AND REVIVAL OF EXPIRED**  
 69.11 **PROVISIONS.**

69.12 (a) Minnesota Statutes 2022, section 290.0681, subdivision 10, is repealed.

69.13 (b) Minnesota Statutes 2022, section 41B.0391, subdivision 7, is repealed.

69.14 **EFFECTIVE DATE.** Paragraph (a) is effective the day following final enactment and  
 69.15 applies to applications for allocation certificates submitted after June 30, 2023. Paragraph  
 69.16 (b) is effective the day following final enactment.

69.17 **ARTICLE 2**

69.18 **FEDERAL CONFORMITY**

69.19 Section 1. Minnesota Statutes 2022, section 289A.02, subdivision 7, as amended by Laws  
 69.20 2023, chapter 1, section 1, is amended to read:

69.21 Subd. 7. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal  
 69.22 Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December~~  
 69.23 ~~15, 2022~~ March 1, 2023.

69.24 **EFFECTIVE DATE.** This section is effective the day following final enactment, except  
 69.25 the changes incorporated by federal changes are effective retroactively at the same time the  
 69.26 changes were effective for federal purposes.

69.27 Sec. 2. Minnesota Statutes 2022, section 290.01, subdivision 19, as amended by Laws  
 69.28 2023, chapter 1, section 4, is amended to read:

69.29 Subd. 19. **Net income.** (a) For a trust or estate taxable under section 290.03, and a  
 69.30 corporation taxable under section 290.02, the term "net income" means the federal taxable

70.1 income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through  
70.2 the date named in this subdivision, incorporating the federal effective dates of changes to  
70.3 the Internal Revenue Code and any elections made by the taxpayer in accordance with the  
70.4 Internal Revenue Code in determining federal taxable income for federal income tax  
70.5 purposes, and with the modifications provided in sections 290.0131 to 290.0136.

70.6 (b) For an individual, the term "net income" means federal adjusted gross income with  
70.7 the modifications provided in sections 290.0131, 290.0132, and 290.0135 to 290.0137.

70.8 (c) In the case of a regulated investment company or a fund thereof, as defined in section  
70.9 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment  
70.10 company taxable income as defined in section 852(b)(2) of the Internal Revenue Code,  
70.11 except that:

70.12 (1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal  
70.13 Revenue Code does not apply;

70.14 (2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue  
70.15 Code must be applied by allowing a deduction for capital gain dividends and exempt-interest  
70.16 dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code;  
70.17 and

70.18 (3) the deduction for dividends paid must also be applied in the amount of any  
70.19 undistributed capital gains which the regulated investment company elects to have treated  
70.20 as provided in section 852(b)(3)(D) of the Internal Revenue Code.

70.21 (d) The net income of a real estate investment trust as defined and limited by section  
70.22 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust  
70.23 taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

70.24 (e) The net income of a designated settlement fund as defined in section 468B(d) of the  
70.25 Internal Revenue Code means the gross income as defined in section 468B(b) of the Internal  
70.26 Revenue Code.

70.27 (f) The Internal Revenue Code of 1986, as amended through ~~December 15, 2022~~ March  
70.28 1, 2023, applies for taxable years beginning after December 31, 1996.

70.29 (g) Except as otherwise provided, references to the Internal Revenue Code in this  
70.30 subdivision and sections 290.0131 to 290.0136 mean the code in effect for purposes of  
70.31 determining net income for the applicable year.

71.1 **EFFECTIVE DATE.** This section is effective the day following final enactment, except  
 71.2 the changes incorporated by federal changes are effective retroactively at the same time the  
 71.3 changes were effective for federal purposes.

71.4 Sec. 3. Minnesota Statutes 2022, section 290.01, subdivision 31, as amended by Laws  
 71.5 2023, chapter 1, section 5, is amended to read:

71.6 Subd. 31. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal  
 71.7 Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December~~  
 71.8 ~~15, 2022~~ March 1, 2023. Internal Revenue Code also includes any uncodified provision in  
 71.9 federal law that relates to provisions of the Internal Revenue Code that are incorporated  
 71.10 into Minnesota law.

71.11 **EFFECTIVE DATE.** This section is effective the day following final enactment, except  
 71.12 the changes incorporated by federal changes are effective retroactively at the same time the  
 71.13 changes were effective for federal purposes.

71.14 Sec. 4. Minnesota Statutes 2022, section 290.06, subdivision 2c, as amended by Laws  
 71.15 2023, chapter 1, section 15, is amended to read:

71.16 Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes  
 71.17 imposed by this chapter upon married individuals filing joint returns and surviving spouses  
 71.18 as defined in section 2(a) of the Internal Revenue Code must be computed by applying to  
 71.19 their taxable net income the following schedule of rates:

71.20 (1) On the first \$38,770, 5.35 percent;

71.21 (2) On all over \$38,770, but not over \$154,020, 6.8 percent;

71.22 (3) On all over \$154,020, but not over \$269,010, 7.85 percent;

71.23 (4) On all over \$269,010, 9.85 percent.

71.24 Married individuals filing separate returns, estates, and trusts must compute their income  
 71.25 tax by applying the above rates to their taxable income, except that the income brackets  
 71.26 will be one-half of the above amounts after the adjustment required in subdivision 2d.

71.27 (b) The income taxes imposed by this chapter upon unmarried individuals must be  
 71.28 computed by applying to taxable net income the following schedule of rates:

71.29 (1) On the first \$26,520, 5.35 percent;

71.30 (2) On all over \$26,520, but not over \$87,110, 6.8 percent;

72.1 (3) On all over \$87,110, but not over \$161,720, 7.85 percent;

72.2 (4) On all over \$161,720, 9.85 percent.

72.3 (c) The income taxes imposed by this chapter upon unmarried individuals qualifying as  
72.4 a head of household as defined in section 2(b) of the Internal Revenue Code must be  
72.5 computed by applying to taxable net income the following schedule of rates:

72.6 (1) On the first \$32,650, 5.35 percent;

72.7 (2) On all over \$32,650, but not over \$131,190, 6.8 percent;

72.8 (3) On all over \$131,190, but not over \$214,980, 7.85 percent;

72.9 (4) On all over \$214,980, 9.85 percent.

72.10 (d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax  
72.11 of any individual taxpayer whose taxable net income for the taxable year is less than an  
72.12 amount determined by the commissioner must be computed in accordance with tables  
72.13 prepared and issued by the commissioner of revenue based on income brackets of not more  
72.14 than \$100. The amount of tax for each bracket shall be computed at the rates set forth in  
72.15 this subdivision, provided that the commissioner may disregard a fractional part of a dollar  
72.16 unless it amounts to 50 cents or more, in which case it may be increased to \$1.

72.17 (e) An individual who is not a Minnesota resident for the entire year must compute the  
72.18 individual's Minnesota income tax as provided in this subdivision. After the application of  
72.19 the nonrefundable credits provided in this chapter, the tax liability must then be multiplied  
72.20 by a fraction in which:

72.21 (1) the numerator is the individual's Minnesota source federal adjusted gross income as  
72.22 defined in section 62 of the Internal Revenue Code and increased by:

72.23 (i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, ~~and~~  
72.24 17, 19, and 20, and 290.0137, paragraph (a); and reduced by

72.25 (ii) the Minnesota assignable portion of the subtraction for United States government  
72.26 interest under section 290.0132, subdivision 2, the subtractions under sections 290.0132,  
72.27 subdivisions 9, 10, 14, 15, 17, 18, 27, ~~and 31, and 32~~, and 290.0137, paragraph (c), after  
72.28 applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17;  
72.29 and

72.30 (2) the denominator is the individual's federal adjusted gross income as defined in section  
72.31 62 of the Internal Revenue Code, increased by:



73.1 (i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, ~~and~~  
73.2 17, 19, and 20, and 290.0137, paragraph (a); and reduced by

73.3 (ii) the subtractions under sections 290.0132, subdivisions 2, 9, 10, 14, 15, 17, 18, 27,  
73.4 ~~and 31, and 32~~, and 290.0137, paragraph (c).

73.5 (f) If an individual who is not a Minnesota resident for the entire year is a qualifying  
73.6 owner of a qualifying entity that elects to pay tax as provided in section 289A.08, subdivision  
73.7 7a, paragraph (b), the individual must compute the individual's Minnesota income tax as  
73.8 provided in paragraph (e), and also must include, to the extent attributed to the electing  
73.9 qualifying entity:

73.10 (1) in paragraph (e), clause (1), item (i), and paragraph (e), clause (2), item (i), the  
73.11 addition under section 290.0131, subdivision 5; and

73.12 (2) in paragraph (e), clause (1), item (ii), and paragraph (e), clause (2), item (ii), the  
73.13 subtraction under section 290.0132, subdivision 3.

73.14 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
73.15 after December 31, 2018.

73.16 Sec. 5. Minnesota Statutes 2022, section 290A.03, subdivision 15, as amended by Laws  
73.17 2023, chapter 1, section 20, is amended to read:

73.18 Subd. 15. **Internal Revenue Code.** "Internal Revenue Code" means the Internal Revenue  
73.19 Code of 1986, as amended through ~~December 15, 2022~~ March 1, 2023.

73.20 **EFFECTIVE DATE.** This section is effective beginning with refunds based on rent  
73.21 paid in 2023 and property taxes payable in 2024.

73.22 Sec. 6. Minnesota Statutes 2022, section 291.005, subdivision 1, as amended by Laws  
73.23 2023, chapter 1, section 21, is amended to read:

73.24 Subdivision 1. **Scope.** Unless the context otherwise clearly requires, the following terms  
73.25 used in this chapter shall have the following meanings:

73.26 (1) "Commissioner" means the commissioner of revenue or any person to whom the  
73.27 commissioner has delegated functions under this chapter.

73.28 (2) "Federal gross estate" means the gross estate of a decedent as required to be valued  
73.29 and otherwise determined for federal estate tax purposes under the Internal Revenue Code,  
73.30 increased by the value of any property in which the decedent had a qualifying income interest

74.1 for life and for which an election was made under section 291.03, subdivision 1d, for  
74.2 Minnesota estate tax purposes, but was not made for federal estate tax purposes.

74.3 (3) "Internal Revenue Code" means the United States Internal Revenue Code of 1986,  
74.4 as amended through ~~December 15, 2022~~ March 1, 2023.

74.5 (4) "Minnesota gross estate" means the federal gross estate of a decedent after (a)  
74.6 excluding therefrom any property included in the estate which has its situs outside Minnesota,  
74.7 and (b) including any property omitted from the federal gross estate which is includable in  
74.8 the estate, has its situs in Minnesota, and was not disclosed to federal taxing authorities.

74.9 (5) "Nonresident decedent" means an individual whose domicile at the time of death  
74.10 was not in Minnesota.

74.11 (6) "Personal representative" means the executor, administrator or other person appointed  
74.12 by the court to administer and dispose of the property of the decedent. If there is no executor,  
74.13 administrator or other person appointed, qualified, and acting within this state, then any  
74.14 person in actual or constructive possession of any property having a situs in this state which  
74.15 is included in the federal gross estate of the decedent shall be deemed to be a personal  
74.16 representative to the extent of the property and the Minnesota estate tax due with respect  
74.17 to the property.

74.18 (7) "Resident decedent" means an individual whose domicile at the time of death was  
74.19 in Minnesota. The provisions of section 290.01, subdivision 7, paragraphs (c) and (d), apply  
74.20 to determinations of domicile under this chapter.

74.21 (8) "Situs of property" means, with respect to:

74.22 (i) real property, the state or country in which it is located;

74.23 (ii) tangible personal property, the state or country in which it was normally kept or  
74.24 located at the time of the decedent's death or for a gift of tangible personal property within  
74.25 three years of death, the state or country in which it was normally kept or located when the  
74.26 gift was executed;

74.27 (iii) a qualified work of art, as defined in section 2503(g)(2) of the Internal Revenue  
74.28 Code, owned by a nonresident decedent and that is normally kept or located in this state  
74.29 because it is on loan to an organization, qualifying as exempt from taxation under section  
74.30 501(c)(3) of the Internal Revenue Code, that is located in Minnesota, the situs of the art is  
74.31 deemed to be outside of Minnesota, notwithstanding the provisions of item (ii); and

75.1 (iv) intangible personal property, the state or country in which the decedent was domiciled  
 75.2 at death or for a gift of intangible personal property within three years of death, the state or  
 75.3 country in which the decedent was domiciled when the gift was executed.

75.4 For a nonresident decedent with an ownership interest in a pass-through entity with  
 75.5 assets that include real or tangible personal property, situs of the real or tangible personal  
 75.6 property, including qualified works of art, is determined as if the pass-through entity does  
 75.7 not exist and the real or tangible personal property is personally owned by the decedent. If  
 75.8 the pass-through entity is owned by a person or persons in addition to the decedent, ownership  
 75.9 of the property is attributed to the decedent in proportion to the decedent's capital ownership  
 75.10 share of the pass-through entity.

75.11 (9) "Pass-through entity" includes the following:

75.12 (i) an entity electing S corporation status under section 1362 of the Internal Revenue  
 75.13 Code;

75.14 (ii) an entity taxed as a partnership under subchapter K of the Internal Revenue Code;

75.15 (iii) a single-member limited liability company or similar entity, regardless of whether  
 75.16 it is taxed as an association or is disregarded for federal income tax purposes under Code  
 75.17 of Federal Regulations, title 26, section 301.7701-3; or

75.18 (iv) a trust to the extent the property is includable in the decedent's federal gross estate;  
 75.19 but excludes

75.20 (v) an entity whose ownership interest securities are traded on an exchange regulated  
 75.21 by the Securities and Exchange Commission as a national securities exchange under section  
 75.22 6 of the Securities Exchange Act, United States Code, title 15, section 78f.

75.23 **EFFECTIVE DATE.** This section is effective the day following final enactment, except  
 75.24 the changes incorporated by federal changes are effective retroactively at the same time the  
 75.25 changes were effective for federal purposes.

75.26 Sec. 7. Laws 2023, chapter 1, section 15, the effective date, is amended to read:

75.27 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
 75.28 after December 31, 2022 2019.

75.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

76.1 Sec. 8. **REPEALER.**

76.2 Minnesota Statutes 2022, section 290.0132, subdivision 33, as added by Laws 2023,  
76.3 chapter 1, section 12, is repealed.

76.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

76.5 **ARTICLE 3**

76.6 **PROPERTY TAX**

76.7 Section 1. Minnesota Statutes 2022, section 103D.905, subdivision 3, is amended to read:

76.8 Subd. 3. **General fund.** A general fund, consisting of an ad valorem tax levy, may not  
76.9 exceed ~~0.048~~ 0.096 percent of estimated market value, or ~~\$250,000~~ \$500,000, whichever  
76.10 is less. The money in the fund shall be used for general administrative expenses and for the  
76.11 construction or implementation and maintenance of projects of common benefit to the  
76.12 watershed district. The managers may make an annual levy for the general fund as provided  
76.13 in section 103D.911. In addition to the annual general levy, the managers may annually  
76.14 levy a tax not to exceed 0.00798 percent of estimated market value for a period not to exceed  
76.15 15 consecutive years to pay the cost attributable to the basic water management features of  
76.16 projects initiated by petition of a political subdivision within the watershed district or by  
76.17 petition of at least 50 resident owners whose property is within the watershed district.

76.18 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024  
76.19 and thereafter.

76.20 Sec. 2. Minnesota Statutes 2022, section 272.02, subdivision 24, is amended to read:

76.21 Subd. 24. **Solar energy generating systems.** Personal property consisting of solar energy  
76.22 generating systems, as defined in section 272.0295, is exempt. If the real property upon  
76.23 which a solar energy generating system is located is used primarily for solar energy  
76.24 production subject to the production tax under section 272.0295, the real property shall be  
76.25 classified as class 3a. If the real property upon which a solar energy generating system is  
76.26 located is not used primarily for solar energy production subject to the production tax under  
76.27 section 272.0295, the real property shall be classified without regard to the system. If real  
76.28 property contains more than one solar energy generating system that cannot be combined  
76.29 with the nameplate capacity of another solar energy generating system for the purposes of  
76.30 the production tax under section 272.0295, but is in aggregate over one megawatt, then the  
76.31 real property upon which the systems are located shall be classified as class 3a.

76.32 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

77.1 Sec. 3. Minnesota Statutes 2022, section 272.02, subdivision 98, is amended to read:

77.2 Subd. 98. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

77.3 (1) was classified as 3a under section 273.13, subdivision 24, for taxes payable in 2013;

77.4 (2) is located in a city of the first class with a population greater than 300,000 as of the  
77.5 2010 federal census;

77.6 (3) was on January 2, 2012, and is for the current assessment owned by a federally  
77.7 recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota;  
77.8 and

77.9 (4) is used exclusively for tribal purposes or institutions of purely public charity as  
77.10 defined in subdivision 7.

77.11 (b) For purposes of this subdivision, a "tribal purpose" means a public purpose as defined  
77.12 in subdivision 8 and includes noncommercial tribal government activities. Property that  
77.13 qualifies for the exemption under this subdivision is limited to no more than two contiguous  
77.14 parcels and structures that do not exceed in the aggregate 20,000 square feet. Property  
77.15 acquired for single-family housing, market-rate apartments, agriculture, or forestry does  
77.16 not qualify for this exemption. ~~The exemption created by~~ This subdivision expires with  
77.17 taxes payable in ~~2024~~ 2034.

77.18 (c) Property exempt under this section is exempt from the requirements of section  
77.19 272.025. Upon the written request of an assessor, all books and records relating to the  
77.20 ownership or use of the property which are reasonably necessary to verify that the property  
77.21 qualifies for exemption shall be made available to the assessor.

77.22 **EFFECTIVE DATE.** This section is effective for property taxes payable in 2023 and  
77.23 thereafter.

77.24 Sec. 4. Minnesota Statutes 2022, section 272.02, is amended by adding a subdivision to  
77.25 read:

77.26 Subd. 105. **Elderly living facility.** An elderly living facility is exempt from taxation if  
77.27 it meets all of the following requirements:

77.28 (1) the facility is located in a city of the first class with a population of fewer than  
77.29 110,000;

77.30 (2) the facility is owned and operated by a nonprofit corporation organized under chapter  
77.31 317A;

78.1 (3) construction of the facility was completed between January 1, 1963, and January 1,  
78.2 1964;

78.3 (4) the facility is an assisted living facility licensed by the state of Minnesota;

78.4 (5) residents of the facility must be (i) at least 55 years of age, or (ii) disabled; and

78.5 (6) at least 30 percent of the units in the facility are occupied by persons whose annual  
78.6 income does not exceed 50 percent of the median family income for the area.

78.7 For assessment year 2022 only, an exemption application under this section must be filed  
78.8 with the county assessor by June 15, 2023.

78.9 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2023.

78.10 Sec. 5. Minnesota Statutes 2022, section 272.02, is amended by adding a subdivision to  
78.11 read:

78.12 Subd. 106. **Energy storage systems.** (a) Personal property consisting of an energy  
78.13 storage system is exempt, provided that:

78.14 (1) the property is not located in an energy community, as defined in the Inflation  
78.15 Reduction Act of 2022, Public Law 117-169, section 13101; and

78.16 (2) the storage capacity of the system does not exceed 300 megawatt-hours.

78.17 (b) For the purposes of this subdivision, "energy storage system" has the meaning given  
78.18 in section 216B.2422, subdivision 1, paragraph (f).

78.19 (c) A taxpayer requesting an exemption under this subdivision must file an application  
78.20 with the commissioner of revenue. The commissioner shall prescribe the content, format,  
78.21 and manner of the application pursuant to section 270C.30, except that a "law administered  
78.22 by the commissioner" includes the property tax laws. In determining eligibility for the  
78.23 exemption under this section, the commissioner of revenue may request information and  
78.24 advice from the commissioner of commerce. On determining that property qualifies for  
78.25 exemption, the commissioner of revenue shall issue an order exempting the property from  
78.26 taxation. The commissioner of revenue shall develop an electronic means to notify interested  
78.27 parties when the commissioner has issued an order exempting property from taxation under  
78.28 this section. The energy storage system shall continue to be exempt from taxation as long  
78.29 as the order issued by the commissioner of revenue remains in effect.

78.30 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

79.1 Sec. 6. Minnesota Statutes 2022, section 272.025, subdivision 1, is amended to read:

79.2 Subdivision 1. **Statement of exemption.** (a) Except in the case of property owned by  
79.3 the state of Minnesota or any political subdivision thereof, a taxpayer claiming an exemption  
79.4 from taxation on property described in section 272.02 must file a statement of exemption  
79.5 with the assessor of the assessment district in which the property is located. By January 2,  
79.6 2018, and each third year thereafter, the commissioner of revenue shall publish on its website  
79.7 a list of the exemptions for which a taxpayer claiming an exemption must file a statement  
79.8 of exemption. The commissioner's requirement that a taxpayer file a statement of exemption  
79.9 pursuant to this subdivision shall not be considered a rule and is not subject to the  
79.10 Administrative Procedure Act, chapter 14.

79.11 (b) A taxpayer claiming an exemption from taxation on property described in section  
79.12 272.02, ~~subdivision~~ subdivisions 10 and 106, must file a statement of exemption with the  
79.13 commissioner of revenue, on or before February 15 of each year for which the taxpayer  
79.14 claims an exemption.

79.15 (c) In case of sickness, absence or other disability or for good cause, the assessor or the  
79.16 commissioner may extend the time for filing the statement of exemption for a period not to  
79.17 exceed 60 days.

79.18 (d) The commissioner of revenue shall prescribe the content, format, and manner of the  
79.19 statement of exemption pursuant to section 270C.30, except that a "law administered by  
79.20 the commissioner" includes the property tax laws.

79.21 (e) If a statement is made by electronic means, the taxpayer's signature is defined pursuant  
79.22 to section 270C.304, except that a "law administered by the commissioner" includes the  
79.23 property tax laws.

79.24 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

79.25 Sec. 7. Minnesota Statutes 2022, section 273.11, subdivision 12, is amended to read:

79.26 Subd. 12. **Community land trusts.** (a) A community land trust, as defined under chapter  
79.27 462A, is (i) a community-based nonprofit corporation organized under chapter 317A, which  
79.28 qualifies for tax exempt status under 501(c)(3), or (ii) a "city" as defined in section 462C.02,  
79.29 subdivision 6, which has received funding from the Minnesota housing finance agency for  
79.30 purposes of the community land trust program. The Minnesota Housing Finance Agency  
79.31 shall set the criteria for community land trusts.

79.32 (b) Before the community land trust can rent or sell a unit to an applicant, the community  
79.33 land trust shall verify to the satisfaction of the administering agency or the city that the

80.1 family income of each person or family applying for a unit in the community land trust  
 80.2 building is within the income criteria provided in section 462A.30, subdivision 9. The  
 80.3 administering agency or the city shall verify to the satisfaction of the county assessor that  
 80.4 the occupant meets the income criteria under section 462A.30, subdivision 9. The property  
 80.5 tax benefits under paragraph (c) shall be granted only to property owned or rented by persons  
 80.6 or families within the qualifying income limits. The family income criteria and verification  
 80.7 is only necessary at the time of initial occupancy in the property.

80.8 (c) A unit which is owned by the occupant and used as a homestead by the occupant  
 80.9 qualifies for homestead treatment as class 1a under section 273.13, subdivision 22, unless  
 80.10 the unit meets the requirements of section 273.13, subdivision 25, paragraph (e), clause (2),  
 80.11 in which case the unit shall be classified as 4d(2). A unit which is rented by the occupant  
 80.12 and used as a homestead by the occupant shall be class 4a or 4b property, under section  
 80.13 273.13, subdivision 25, whichever is applicable. Any remaining portion of the property not  
 80.14 used for residential purposes shall be classified by the assessor in the appropriate class based  
 80.15 upon the use of that portion of the property owned by the community land trust. The land  
 80.16 upon which the building is located shall be assessed at the same classification rate as the  
 80.17 units within the building, provided that if the building contains some units assessed as class  
 80.18 1a or class 4d(1) and some units assessed as class 4a or 4b, the market value of the land  
 80.19 will be assessed in the same proportions as the value of the building.

80.20 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

80.21 Sec. 8. Minnesota Statutes 2022, section 273.11, subdivision 23, is amended to read:

80.22 Subd. 23. **First tier valuation limit; agricultural homestead property.** (a) The  
 80.23 commissioner of revenue shall annually certify the first tier limit for agricultural homestead  
 80.24 property. For assessment year ~~2010~~ 2024, the limit is ~~\$1,140,000~~ \$3,500,000. Beginning  
 80.25 with assessment year ~~2011~~ 2025, the limit is the product of (i) the first tier limit for the  
 80.26 preceding assessment year, and (ii) the ratio of the statewide average taxable market value  
 80.27 of agricultural property per acre of deeded farm land in the preceding assessment year to  
 80.28 the statewide average taxable market value of agricultural property per acre of deeded farm  
 80.29 land for the second preceding assessment year. The limit shall be rounded to the nearest  
 80.30 \$10,000.

80.31 (b) For the purposes of this subdivision, "agricultural property" means all class 2a  
 80.32 property under section 273.13, subdivision 23, except for property consisting of the house,  
 80.33 garage, and immediately surrounding one acre of land of an agricultural homestead.

80.34 (c) The commissioner shall certify the limit by January 2 of each assessment year.



81.1 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

81.2 Sec. 9. Minnesota Statutes 2022, section 273.111, is amended by adding a subdivision to  
81.3 read:

81.4 Subd. 3b. **Property no longer eligible for deferment.** (a) Real estate that received the  
81.5 tax deferment under this section for assessment year 2012 and would have continued to  
81.6 qualify for tax deferment for assessment years from 2013 to 2023 but for an eminent domain  
81.7 action that reduced the real estate to less than ten acres, shall reapply as provided in paragraph  
81.8 (b) and, if determined eligible, shall qualify for the tax deferment under this section for  
81.9 assessment year 2024 and thereafter until:

81.10 (1) the property no longer qualifies for classification as class 2a under section 273.13;

81.11 (2) the property is voluntarily withdrawn from the program; or

81.12 (3) the property is sold, transferred, or subdivided.

81.13 (b) Application for deferment under this subdivision shall be filed by May 1 of the year  
81.14 prior to the year in which the taxes are payable. The application must be filed with the  
81.15 assessor of the taxing district in which the real property is located on the form prescribed  
81.16 by the commissioner of revenue. The assessor may request additional information necessary  
81.17 to determine eligibility under this subdivision.

81.18 (c) Property assessed under this subdivision is subject to additional taxes, as provided  
81.19 in subdivision 9, when the property:

81.20 (1) no longer qualifies for classification as class 2a under section 273.13;

81.21 (2) is voluntarily withdrawn from the program; or

81.22 (3) is sold, transferred, or subdivided.

81.23 **EFFECTIVE DATE.** This section is effective for assessment year 2024 and thereafter.

81.24 Sec. 10. Minnesota Statutes 2022, section 273.124, subdivision 6, is amended to read:

81.25 **Subd. 6. Leasehold cooperatives.** When one or more dwellings or one or more buildings  
81.26 which each contain several dwelling units is owned by a nonprofit corporation subject to  
81.27 the provisions of chapter 317A and qualifying under section 501(c)(3) or 501(c)(4) of the  
81.28 Internal Revenue Code, or a limited partnership which corporation or partnership operates  
81.29 the property in conjunction with a cooperative association, and has received public financing,  
81.30 homestead treatment may be claimed by the cooperative association on behalf of the members  
81.31 of the cooperative for each dwelling unit occupied by a member of the cooperative. The

82.1 cooperative association must provide the assessor with the Social Security numbers or  
82.2 individual taxpayer identification numbers of those members. To qualify for the treatment  
82.3 provided by this subdivision, the following conditions must be met:

82.4 (a) the cooperative association must be organized under chapter 308A or 308B and all  
82.5 voting members of the board of directors must be resident tenants of the cooperative and  
82.6 must be elected by the resident tenants of the cooperative;

82.7 (b) the cooperative association must have a lease for occupancy of the property for a  
82.8 term of at least 20 years, which permits the cooperative association, while not in default on  
82.9 the lease, to participate materially in the management of the property, including material  
82.10 participation in establishing budgets, setting rent levels, and hiring and supervising a  
82.11 management agent;

82.12 (c) to the extent permitted under state or federal law, the cooperative association must  
82.13 have a right under a written agreement with the owner to purchase the property if the owner  
82.14 proposes to sell it; if the cooperative association does not purchase the property it is offered  
82.15 for sale, the owner may not subsequently sell the property to another purchaser at a price  
82.16 lower than the price at which it was offered for sale to the cooperative association unless  
82.17 the cooperative association approves the sale;

82.18 (d) a minimum of 40 percent of the cooperative association's members must have incomes  
82.19 at or less than 60 percent of area median gross income as determined by the United States  
82.20 Secretary of Housing and Urban Development under section 142(d)(2)(B) of the Internal  
82.21 Revenue Code. For purposes of this clause, "member income" means the income of a member  
82.22 existing at the time the member acquires cooperative membership;

82.23 (e) if a limited partnership owns the property, it must include as the managing general  
82.24 partner a nonprofit organization operating under the provisions of chapter 317A and  
82.25 qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code and the limited  
82.26 partnership agreement must provide that the managing general partner have sufficient powers  
82.27 so that it materially participates in the management and control of the limited partnership;

82.28 (f) prior to becoming a member of a leasehold cooperative described in this subdivision,  
82.29 a person must have received notice that (1) describes leasehold cooperative property in plain  
82.30 language, including but not limited to the effects of classification under this subdivision on  
82.31 rents, property taxes and tax credits or refunds, and operating expenses, and (2) states that  
82.32 copies of the articles of incorporation and bylaws of the cooperative association, the lease  
82.33 between the owner and the cooperative association, a sample sublease between the  
82.34 cooperative association and a tenant, and, if the owner is a partnership, a copy of the limited

83.1 partnership agreement, can be obtained upon written request at no charge from the owner,  
83.2 and the owner must send or deliver the materials within seven days after receiving any  
83.3 request;

83.4 (g) if a dwelling unit of a building was occupied on the 60th day prior to the date on  
83.5 which the unit became leasehold cooperative property described in this subdivision, the  
83.6 notice described in paragraph (f) must have been sent by first class mail to the occupant of  
83.7 the unit at least 60 days prior to the date on which the unit became leasehold cooperative  
83.8 property. For purposes of the notice under this paragraph, the copies of the documents  
83.9 referred to in paragraph (f) may be in proposed version, provided that any subsequent  
83.10 material alteration of those documents made after the occupant has requested a copy shall  
83.11 be disclosed to any occupant who has requested a copy of the document. Copies of the  
83.12 articles of incorporation and certificate of limited partnership shall be filed with the secretary  
83.13 of state after the expiration of the 60-day period unless the change to leasehold cooperative  
83.14 status does not proceed;

83.15 (h) the county attorney of the county in which the property is located must certify to the  
83.16 assessor that the property meets the requirements of this subdivision;

83.17 (i) the public financing received must be from at least one of the following sources:

83.18 (1) tax increment financing proceeds used for the acquisition or rehabilitation of the  
83.19 building or interest rate write-downs relating to the acquisition of the building;

83.20 (2) government issued bonds exempt from taxes under section 103 of the Internal Revenue  
83.21 Code, the proceeds of which are used for the acquisition or rehabilitation of the building;

83.22 (3) programs under section 221(d)(3), 202, or 236, of Title II of the National Housing  
83.23 Act;

83.24 (4) rental housing program funds under Section 8 of the United States Housing Act of  
83.25 1937, as amended, or the market rate family graduated payment mortgage program funds  
83.26 administered by the Minnesota Housing Finance Agency that are used for the acquisition  
83.27 or rehabilitation of the building;

83.28 (5) low-income housing credit under section 42 of the Internal Revenue Code;

83.29 (6) public financing provided by a local government used for the acquisition or  
83.30 rehabilitation of the building, including grants or loans from (i) federal community  
83.31 development block grants; (ii) HOME block grants; or (iii) residential rental bonds issued  
83.32 under chapter 474A; or

84.1 (7) other rental housing program funds provided by the Minnesota Housing Finance  
84.2 Agency for the acquisition or rehabilitation of the building;

84.3 (j) at the time of the initial request for homestead classification or of any transfer of  
84.4 ownership of the property, the governing body of the municipality in which the property is  
84.5 located must hold a public hearing and make the following findings:

84.6 (1) that the granting of the homestead treatment of the apartment's units will facilitate  
84.7 safe, clean, affordable housing for the cooperative members that would otherwise not be  
84.8 available absent the homestead designation;

84.9 (2) that the owner has presented information satisfactory to the governing body showing  
84.10 that the savings garnered from the homestead designation of the units will be used to reduce  
84.11 tenant's rents or provide a level of furnishing or maintenance not possible absent the  
84.12 designation; and

84.13 (3) that the requirements of paragraphs (b), (d), and (i) have been met.

84.14 Homestead treatment must be afforded to units occupied by members of the cooperative  
84.15 association and the units must be assessed as provided in subdivision 3, provided that any  
84.16 unit not so occupied shall be classified and assessed pursuant to the appropriate class. No  
84.17 more than three acres of land may, for assessment purposes, be included with each dwelling  
84.18 unit that qualifies for homestead treatment under this subdivision.

84.19 When dwelling units no longer qualify under this subdivision, the current owner must  
84.20 notify the assessor within 60 days. Failure to notify the assessor within 60 days shall result  
84.21 in the loss of benefits under this subdivision for taxes payable in the year that the failure is  
84.22 discovered. For these purposes, "benefits under this subdivision" means the difference in  
84.23 the net tax capacity of the units which no longer qualify as computed under this subdivision  
84.24 and as computed under the otherwise applicable law, times the local tax rate applicable to  
84.25 the building for that taxes payable year. Upon discovery of a failure to notify, the assessor  
84.26 shall inform the auditor of the difference in net tax capacity for the building or buildings in  
84.27 which units no longer qualify, and the auditor shall calculate the benefits under this  
84.28 subdivision. Such amount, plus a penalty equal to 100 percent of that amount, shall then be  
84.29 demanded of the building's owner. The property owner may appeal the county's determination  
84.30 by serving copies of a petition for review with county officials as provided in section 278.01  
84.31 and filing a proof of service as provided in section 278.01 with the Minnesota Tax Court  
84.32 within 60 days of the date of the notice from the county. The appeal shall be governed by  
84.33 the Tax Court procedures provided in chapter 271, for cases relating to the tax laws as  
84.34 defined in section 271.01, subdivision 5; disregarding sections 273.125, subdivision 5, and

85.1 278.03, but including section 278.05, subdivision 2. If the amount of the benefits under this  
85.2 subdivision and penalty are not paid within 60 days, and if no appeal has been filed, the  
85.3 county auditor shall certify the amount of the benefit and penalty to the succeeding year's  
85.4 tax list to be collected as part of the property taxes on the affected buildings.

85.5 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications  
85.6 filed in 2023 and thereafter.

85.7 Sec. 11. Minnesota Statutes 2022, section 273.124, subdivision 13, is amended to read:

85.8 Subd. 13. **Homestead application.** (a) A person who meets the homestead requirements  
85.9 under subdivision 1 must file a homestead application with the county assessor to initially  
85.10 obtain homestead classification.

85.11 (b) The commissioner shall prescribe the content, format, and manner of the homestead  
85.12 application required to be filed under this chapter pursuant to section 270C.30. The  
85.13 application must clearly inform the taxpayer that this application must be signed by all  
85.14 owners who occupy the property or by the qualifying relative and returned to the county  
85.15 assessor in order for the property to receive homestead treatment.

85.16 (c) Every property owner applying for homestead classification must furnish to the  
85.17 county assessor the Social Security number or individual tax identification number of each  
85.18 occupant who is listed as an owner of the property on the deed of record, the name and  
85.19 address of each owner who does not occupy the property, and the name and Social Security  
85.20 number or individual tax identification number of the spouse of each occupying owner. The  
85.21 application must be signed by each owner who occupies the property and by each owner's  
85.22 spouse who occupies the property, or, in the case of property that qualifies as a homestead  
85.23 under subdivision 1, paragraph (c), by the qualifying relative.

85.24 If a property owner occupies a homestead, the property owner's spouse may not claim  
85.25 another property as a homestead unless the property owner and the property owner's spouse  
85.26 file with the assessor an affidavit or other proof required by the assessor stating that the  
85.27 property qualifies as a homestead under subdivision 1, paragraph (e).

85.28 Owners or spouses occupying residences owned by their spouses and previously occupied  
85.29 with the other spouse, either of whom fail to include the other spouse's name and Social  
85.30 Security number or individual tax identification number on the homestead application or  
85.31 provide the affidavits or other proof requested, will be deemed to have elected to receive  
85.32 only partial homestead treatment of their residence. The remainder of the residence will be  
85.33 classified as nonhomestead residential. When an owner or spouse's name and Social Security

86.1 number or individual tax identification number appear on homestead applications for two  
86.2 separate residences and only one application is signed, the owner or spouse will be deemed  
86.3 to have elected to homestead the residence for which the application was signed.

86.4 (d) If residential real estate is occupied and used for purposes of a homestead by a relative  
86.5 of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for  
86.6 the property to receive homestead status, a homestead application must be filed with the  
86.7 assessor. The Social Security number or individual tax identification number of each relative  
86.8 occupying the property and the name and Social Security number or individual tax  
86.9 identification number of the spouse of a relative occupying the property shall be required  
86.10 on the homestead application filed under this subdivision. If a different relative of the owner  
86.11 subsequently occupies the property, the owner of the property must notify the assessor  
86.12 within 30 days of the change in occupancy. The Social Security number or individual tax  
86.13 identification number of a relative occupying the property or the spouse of a relative  
86.14 occupying the property is private data on individuals as defined by section 13.02, subdivision  
86.15 12, but may be disclosed to the commissioner of revenue, or, for the purposes of proceeding  
86.16 under the Revenue Recapture Act to recover personal property taxes owing, to the county  
86.17 treasurer.

86.18 (e) The homestead application shall also notify the property owners that if the property  
86.19 is granted homestead status for any assessment year, that same property shall remain  
86.20 classified as homestead until the property is sold or transferred to another person, or the  
86.21 owners, the spouse of the owner, or the relatives no longer use the property as their  
86.22 homestead. Upon the sale or transfer of the homestead property, a certificate of value must  
86.23 be timely filed with the county auditor as provided under section 272.115. Failure to notify  
86.24 the assessor within 30 days that the property has been sold, transferred, or that the owner,  
86.25 the spouse of the owner, or the relative is no longer occupying the property as a homestead,  
86.26 shall result in the penalty provided under this subdivision and the property will lose its  
86.27 current homestead status.

86.28 (f) If a homestead application has not been filed with the county by December 31, the  
86.29 assessor shall classify the property as nonhomestead for the current assessment year for  
86.30 taxes payable in the following year, provided that the owner may be entitled to receive the  
86.31 homestead classification by proper application under section 375.192.

86.32 **EFFECTIVE DATE.** This section is effective retroactively for applications for  
86.33 homestead filed in 2023 and thereafter.

87.1 Sec. 12. Minnesota Statutes 2022, section 273.124, subdivision 13a, is amended to read:

87.2 Subd. 13a. **Occupant list.** At the request of the commissioner, each county must give  
87.3 the commissioner a list that includes the name and Social Security number or individual  
87.4 taxpayer identification number of each occupant of homestead property who is the property  
87.5 owner, property owner's spouse, qualifying relative of a property owner, or a spouse of a  
87.6 qualifying relative. The commissioner shall use the information provided on the lists as  
87.7 appropriate under the law, including for the detection of improper claims by owners, or  
87.8 relatives of owners, under chapter 290A.

87.9 **EFFECTIVE DATE.** This section is effective for homestead data provided to the  
87.10 commissioner in 2024 and thereafter.

87.11 Sec. 13. Minnesota Statutes 2022, section 273.124, subdivision 13c, is amended to read:

87.12 Subd. 13c. **Property lists.** In addition to lists of homestead properties, the commissioner  
87.13 may ask the counties to furnish lists of all properties and the record owners. The Social  
87.14 Security numbers, individual taxpayer identification numbers, and federal identification  
87.15 numbers that are maintained by a county or city assessor for property tax administration  
87.16 purposes, and that may appear on the lists retain their classification as private or nonpublic  
87.17 data; but may be viewed, accessed, and used by the county auditor or treasurer of the same  
87.18 county for the limited purpose of assisting the commissioner in the preparation of microdata  
87.19 samples under section 270C.12. The commissioner shall use the information provided on  
87.20 the lists as appropriate under the law, including for the detection of improper claims by  
87.21 owners, or relatives of owners, under chapter 290A.

87.22 **EFFECTIVE DATE.** This section is effective for homestead data provided to the  
87.23 commissioner in 2024 and thereafter.

87.24 Sec. 14. Minnesota Statutes 2022, section 273.124, subdivision 13d, is amended to read:

87.25 Subd. 13d. **Homestead data.** On or before April 30 each year beginning in 2007, each  
87.26 county must provide the commissioner with the following data for each parcel of homestead  
87.27 property by electronic means as defined in section 289A.02, subdivision 8:

87.28 (1) the property identification number assigned to the parcel for purposes of taxes payable  
87.29 in the current year;

87.30 (2) the name and Social Security number or individual taxpayer identification number  
87.31 of each occupant of homestead property who is the property owner or qualifying relative

88.1 of a property owner, and the spouse of the property owner who occupies homestead property  
 88.2 or spouse of a qualifying relative of a property owner who occupies homestead property;

88.3 (3) the classification of the property under section 273.13 for taxes payable in the current  
 88.4 year and in the prior year;

88.5 (4) an indication of whether the property was classified as a homestead for taxes payable  
 88.6 in the current year because of occupancy by a relative of the owner or by a spouse of a  
 88.7 relative;

88.8 (5) the property taxes payable as defined in section 290A.03, subdivision 13, for the  
 88.9 current year and the prior year;

88.10 (6) the market value of improvements to the property first assessed for tax purposes for  
 88.11 taxes payable in the current year;

88.12 (7) the assessor's estimated market value assigned to the property for taxes payable in  
 88.13 the current year and the prior year;

88.14 (8) the taxable market value assigned to the property for taxes payable in the current  
 88.15 year and the prior year;

88.16 (9) whether there are delinquent property taxes owing on the homestead;

88.17 (10) the unique taxing district in which the property is located; and

88.18 (11) such other information as the commissioner decides is necessary.

88.19 The commissioner shall use the information provided on the lists as appropriate under  
 88.20 the law, including for the detection of improper claims by owners, or relatives of owners,  
 88.21 under chapter 290A.

88.22 **EFFECTIVE DATE.** This section is effective for homestead data provided to the  
 88.23 commissioner in 2024 and thereafter.

88.24 Sec. 15. Minnesota Statutes 2022, section 273.124, subdivision 14, is amended to read:

88.25 Subd. 14. **Agricultural homesteads; special provisions.** (a) Real estate of less than ten  
 88.26 acres that is the homestead of its owner must be classified as class 2a under section 273.13,  
 88.27 subdivision 23, paragraph (a), if:

88.28 (1) the parcel on which the house is located is contiguous on at least two sides to (i)  
 88.29 agricultural land, (ii) land owned or administered by the United States Fish and Wildlife  
 88.30 Service, or (iii) land administered by the Department of Natural Resources on which in lieu  
 88.31 taxes are paid under sections 477A.11 to 477A.14 or section 477A.17;



89.1 (2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20  
89.2 acres;

89.3 (3) the noncontiguous land is located not farther than four townships or cities, or a  
89.4 combination of townships or cities from the homestead; and

89.5 (4) the agricultural use value of the noncontiguous land and farm buildings is equal to  
89.6 at least 50 percent of the market value of the house, garage, and one acre of land.

89.7 Homesteads initially classified as class 2a under the provisions of this paragraph shall  
89.8 remain classified as class 2a, irrespective of subsequent changes in the use of adjoining  
89.9 properties, as long as the homestead remains under the same ownership, the owner owns a  
89.10 noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use  
89.11 value qualifies under clause (4). Homestead classification under this paragraph is limited  
89.12 to property that qualified under this paragraph for the 1998 assessment.

89.13 (b)(i) Agricultural property shall be classified as the owner's homestead, to the same  
89.14 extent as other agricultural homestead property, if all of the following criteria are met:

89.15 (1) the agricultural property consists of at least 40 acres including undivided government  
89.16 lots and correctional 40's;

89.17 (2) the owner, the owner's spouse, or a grandchild, child, sibling, or parent of the owner  
89.18 or of the owner's spouse, is actively farming the agricultural property, either on the person's  
89.19 own behalf as an individual or on behalf of a partnership operating a family farm, family  
89.20 farm corporation, joint family farm venture, or limited liability company of which the person  
89.21 is a partner, shareholder, or member;

89.22 (3) both the owner of the agricultural property and the person who is actively farming  
89.23 the agricultural property under clause (2), are Minnesota residents;

89.24 (4) neither the owner nor the spouse of the owner claims another agricultural homestead  
89.25 in Minnesota; and

89.26 (5) neither the owner nor the person actively farming the agricultural property lives  
89.27 farther than four townships or cities, or a combination of four townships or cities, from the  
89.28 agricultural property, except that if the owner or the owner's spouse is required to live in  
89.29 employer-provided housing, the owner or owner's spouse, whichever is actively farming  
89.30 the agricultural property, may live more than four townships or cities, or combination of  
89.31 four townships or cities from the agricultural property.

89.32 The relationship under this paragraph may be either by blood or marriage.

90.1 (ii) Property containing the residence of an owner who owns qualified property under  
90.2 clause (i) shall be classified as part of the owner's agricultural homestead, if that property  
90.3 is also used for noncommercial storage or drying of agricultural crops.

90.4 (iii) As used in this paragraph, "agricultural property" means class 2a property and any  
90.5 class 2b property that is contiguous to and under the same ownership as the class 2a property.

90.6 (c) Noncontiguous land shall be included as part of a homestead under section 273.13,  
90.7 subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached  
90.8 land is located in the same township or city, or not farther than four townships or cities or  
90.9 combination thereof from the homestead. Any taxpayer of these noncontiguous lands must  
90.10 notify the county assessor that the noncontiguous land is part of the taxpayer's homestead,  
90.11 and, if the homestead is located in another county, the taxpayer must also notify the assessor  
90.12 of the other county.

90.13 (d) Agricultural land used for purposes of a homestead and actively farmed by a person  
90.14 holding a vested remainder interest in it must be classified as a homestead under section  
90.15 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other  
90.16 dwellings on the land used for purposes of a homestead by persons holding vested remainder  
90.17 interests who are actively engaged in farming the property, and up to one acre of the land  
90.18 surrounding each homestead and reasonably necessary for the use of the dwelling as a home,  
90.19 must also be assessed class 2a.

90.20 (e) Agricultural land and buildings that were class 2a homestead property under section  
90.21 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as  
90.22 agricultural homesteads for subsequent assessments if:

90.23 (1) the property owner abandoned the homestead dwelling located on the agricultural  
90.24 homestead as a result of the April 1997 floods;

90.25 (2) the property is located in the county of Polk, Clay, Kittson, Marshall, Norman, or  
90.26 Wilkin;

90.27 (3) the agricultural land and buildings remain under the same ownership for the current  
90.28 assessment year as existed for the 1997 assessment year and continue to be used for  
90.29 agricultural purposes;

90.30 (4) the dwelling occupied by the owner is located in Minnesota and is within 30 miles  
90.31 of one of the parcels of agricultural land that is owned by the taxpayer; and

90.32 (5) the owner notifies the county assessor that the relocation was due to the 1997 floods,  
90.33 and the owner furnishes the assessor any information deemed necessary by the assessor in

91.1 verifying the change in dwelling. Further notifications to the assessor are not required if the  
91.2 property continues to meet all the requirements in this paragraph and any dwellings on the  
91.3 agricultural land remain uninhabited.

91.4 (f) Agricultural land and buildings that were class 2a homestead property under section  
91.5 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified  
91.6 agricultural homesteads for subsequent assessments if:

91.7 (1) the property owner abandoned the homestead dwelling located on the agricultural  
91.8 homestead as a result of damage caused by a March 29, 1998, tornado;

91.9 (2) the property is located in the county of Blue Earth, Brown, Cottonwood, Le Sueur,  
91.10 Nicollet, Nobles, or Rice;

91.11 (3) the agricultural land and buildings remain under the same ownership for the current  
91.12 assessment year as existed for the 1998 assessment year;

91.13 (4) the dwelling occupied by the owner is located in this state and is within 50 miles of  
91.14 one of the parcels of agricultural land that is owned by the taxpayer; and

91.15 (5) the owner notifies the county assessor that the relocation was due to a March 29,  
91.16 1998, tornado, and the owner furnishes the assessor any information deemed necessary by  
91.17 the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the  
91.18 owner must notify the assessor by December 1, 1998. Further notifications to the assessor  
91.19 are not required if the property continues to meet all the requirements in this paragraph and  
91.20 any dwellings on the agricultural land remain uninhabited.

91.21 (g) Agricultural property of a family farm corporation, joint family farm venture, family  
91.22 farm limited liability company, or partnership operating a family farm as described under  
91.23 subdivision 8 shall be classified homestead, to the same extent as other agricultural homestead  
91.24 property, if all of the following criteria are met:

91.25 (1) the property consists of at least 40 acres including undivided government lots and  
91.26 correctional 40's;

91.27 (2) a shareholder, member, or partner of that entity is actively farming the agricultural  
91.28 property;

91.29 (3) that shareholder, member, or partner who is actively farming the agricultural property  
91.30 is a Minnesota resident;

91.31 (4) neither that shareholder, member, or partner, nor the spouse of that shareholder,  
91.32 member, or partner claims another agricultural homestead in Minnesota; and

92.1 (5) that shareholder, member, or partner does not live farther than four townships or  
92.2 cities, or a combination of four townships or cities, from the agricultural property.

92.3 Homestead treatment applies under this paragraph even if:

92.4 (i) the shareholder, member, or partner of that entity is actively farming the agricultural  
92.5 property on the shareholder's, member's, or partner's own behalf; or

92.6 (ii) the family farm is operated by a family farm corporation, joint family farm venture,  
92.7 partnership, or limited liability company other than the family farm corporation, joint family  
92.8 farm venture, partnership, or limited liability company that owns the land, provided that:

92.9 (A) the shareholder, member, or partner of the family farm corporation, joint family  
92.10 farm venture, partnership, or limited liability company that owns the land who is actively  
92.11 farming the land is a shareholder, member, or partner of the family farm corporation, joint  
92.12 family farm venture, partnership, or limited liability company that is operating the farm;  
92.13 and

92.14 (B) more than half of the shareholders, members, or partners of each family farm  
92.15 corporation, joint family farm venture, partnership, or limited liability company are persons  
92.16 or spouses of persons who are a qualifying relative under section 273.124, subdivision 1,  
92.17 paragraphs (c) and (d).

92.18 Homestead treatment applies under this paragraph for property leased to a family farm  
92.19 corporation, joint farm venture, limited liability company, or partnership operating a family  
92.20 farm if legal title to the property is in the name of an individual who is a member, shareholder,  
92.21 or partner in the entity.

92.22 (h) To be eligible for the special agricultural homestead under this subdivision, an initial  
92.23 full application must be submitted to the county assessor where the property is located.  
92.24 Owners and the persons who are actively farming the property shall be required to complete  
92.25 only a one-page abbreviated version of the application in each subsequent year provided  
92.26 that none of the following items have changed since the initial application:

92.27 (1) the day-to-day operation, administration, and financial risks remain the same;

92.28 (2) the owners and the persons actively farming the property continue to live within the  
92.29 four townships or city criteria and are Minnesota residents;

92.30 (3) the same operator of the agricultural property is listed with the Farm Service Agency;

92.31 (4) a Schedule F or equivalent income tax form was filed for the most recent year;

92.32 (5) the property's acreage is unchanged; and

93.1 (6) none of the property's acres have been enrolled in a federal or state farm program  
93.2 since the initial application.

93.3 The owners and any persons who are actively farming the property must include the  
93.4 appropriate Social Security numbers or individual taxpayer identification numbers, and sign  
93.5 and date the application. If any of the specified information has changed since the full  
93.6 application was filed, the owner must notify the assessor, and must complete a new  
93.7 application to determine if the property continues to qualify for the special agricultural  
93.8 homestead. The commissioner of revenue shall prepare a standard reapplication form for  
93.9 use by the assessors.

93.10 (i) Agricultural land and buildings that were class 2a homestead property under section  
93.11 273.13, subdivision 23, paragraph (a), for the 2007 assessment shall remain classified  
93.12 agricultural homesteads for subsequent assessments if:

93.13 (1) the property owner abandoned the homestead dwelling located on the agricultural  
93.14 homestead as a result of damage caused by the August 2007 floods;

93.15 (2) the property is located in the county of Dodge, Fillmore, Houston, Olmsted, Steele,  
93.16 Wabasha, or Winona;

93.17 (3) the agricultural land and buildings remain under the same ownership for the current  
93.18 assessment year as existed for the 2007 assessment year;

93.19 (4) the dwelling occupied by the owner is located in this state and is within 50 miles of  
93.20 one of the parcels of agricultural land that is owned by the taxpayer; and

93.21 (5) the owner notifies the county assessor that the relocation was due to the August 2007  
93.22 floods, and the owner furnishes the assessor any information deemed necessary by the  
93.23 assessor in verifying the change in homestead dwelling. For taxes payable in 2009, the  
93.24 owner must notify the assessor by December 1, 2008. Further notifications to the assessor  
93.25 are not required if the property continues to meet all the requirements in this paragraph and  
93.26 any dwellings on the agricultural land remain uninhabited.

93.27 (j) Agricultural land and buildings that were class 2a homestead property under section  
93.28 273.13, subdivision 23, paragraph (a), for the 2008 assessment shall remain classified as  
93.29 agricultural homesteads for subsequent assessments if:

93.30 (1) the property owner abandoned the homestead dwelling located on the agricultural  
93.31 homestead as a result of the March 2009 floods;

93.32 (2) the property is located in the county of Marshall;

94.1 (3) the agricultural land and buildings remain under the same ownership for the current  
 94.2 assessment year as existed for the 2008 assessment year and continue to be used for  
 94.3 agricultural purposes;

94.4 (4) the dwelling occupied by the owner is located in Minnesota and is within 50 miles  
 94.5 of one of the parcels of agricultural land that is owned by the taxpayer; and

94.6 (5) the owner notifies the county assessor that the relocation was due to the 2009 floods,  
 94.7 and the owner furnishes the assessor any information deemed necessary by the assessor in  
 94.8 verifying the change in dwelling. Further notifications to the assessor are not required if the  
 94.9 property continues to meet all the requirements in this paragraph and any dwellings on the  
 94.10 agricultural land remain uninhabited.

94.11 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications  
 94.12 filed in 2023 and thereafter.

94.13 Sec. 16. Minnesota Statutes 2022, section 273.1245, subdivision 1, is amended to read:

94.14 Subdivision 1. **Private or nonpublic data.** The following data are private or nonpublic  
 94.15 data as defined in section 13.02, subdivisions 9 and 12, when they are submitted to a county  
 94.16 or local assessor under section 273.124, 273.13, or another section, to support a claim for  
 94.17 the property tax homestead classification under section 273.13, or other property tax  
 94.18 classification or benefit:

94.19 (1) Social Security numbers;

94.20 (2) individual taxpayer identification numbers;

94.21 ~~(2)~~ (3) copies of state or federal income tax returns; and

94.22 ~~(3)~~ (4) state or federal income tax return information, including the federal income tax  
 94.23 schedule F.

94.24 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications  
 94.25 filed in 2023 and thereafter.

94.26 Sec. 17. Minnesota Statutes 2022, section 273.128, subdivision 1, is amended to read:

94.27 Subdivision 1. **Requirement.** Low-income rental property classified as class ~~4d~~ 4d(1)  
 94.28 under section 273.13, subdivision 25, is entitled to valuation under this section if at least  
 94.29 20 percent of the units in the rental housing property meet any of the following qualifications:

94.30 (1) the units are subject to a housing assistance payments contract under Section 8 of  
 94.31 the United States Housing Act of 1937, as amended;

95.1 (2) the units are rent-restricted and income-restricted units of a qualified low-income  
 95.2 housing project receiving tax credits under section 42(g) of the Internal Revenue Code;

95.3 (3) the units are financed by the Rural Housing Service of the United States Department  
 95.4 of Agriculture and receive payments under the rental assistance program pursuant to section  
 95.5 521(a) of the Housing Act of 1949, as amended; or

95.6 (4) the units are subject to rent and income restrictions under the terms of financial  
 95.7 assistance provided to the rental housing property by the federal government or the state of  
 95.8 Minnesota, or a local unit of government, as evidenced by a document recorded against the  
 95.9 property.

95.10 The restrictions must require assisted units to be occupied by residents whose household  
 95.11 income at the time of initial occupancy does not exceed 60 percent of the greater of area or  
 95.12 state median income, adjusted for family size, as determined by the United States Department  
 95.13 of Housing and Urban Development. The restriction must also require the rents for assisted  
 95.14 units to not exceed 30 percent of 60 percent of the greater of area or state median income,  
 95.15 adjusted for family size, as determined by the United States Department of Housing and  
 95.16 Urban Development.

95.17 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

95.18 Sec. 18. Minnesota Statutes 2022, section 273.128, is amended by adding a subdivision  
 95.19 to read:

95.20 **Subd. 1a. Approval.** A property owner must receive approval by resolution of the  
 95.21 governing body of the city or town where the property is located before submitting an initial  
 95.22 application to the Housing Finance Agency, as required under subdivision 2, for property  
 95.23 that has not, in whole or in part, been classified as class 4d(1) under section 273.13,  
 95.24 subdivision 25, prior to assessment year 2024. A property owner that receives approval as  
 95.25 required under this subdivision, and the certification made under subdivision 3, shall not  
 95.26 be required to seek approval under this subdivision prior to submitting an application under  
 95.27 subdivision 2 in each subsequent year. If the property is located in a city or town in which  
 95.28 the net tax capacity of 4d(1) property did not exceed two percent of the total net tax capacity  
 95.29 in the city or town in the prior assessment year, the property owner does not need to receive  
 95.30 approval under this subdivision.

95.31 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

96.1 Sec. 19. Minnesota Statutes 2022, section 273.128, subdivision 2, is amended to read:

96.2 Subd. 2. **Application.** (a) Application for certification under this section must be filed  
96.3 by March 31 of the levy year, or at a later date if the Housing Finance Agency deems  
96.4 practicable. The application must be filed with the Housing Finance Agency, on a form  
96.5 prescribed by the agency, and must contain the information required by the Housing Finance  
96.6 Agency.

96.7 (b) Each application must include:

96.8 (1) the property tax identification number; and

96.9 (2) evidence that the property meets the requirements of ~~subdivision~~ subdivisions 1 and  
96.10 1a.

96.11 (c) The Housing Finance Agency may charge an application fee approximately equal  
96.12 to the costs of processing and reviewing the applications but not to exceed \$10 per unit. If  
96.13 imposed, the applicant must pay the application fee to the Housing Finance Agency. The  
96.14 fee must be deposited in the housing development fund.

96.15 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

96.16 Sec. 20. Minnesota Statutes 2022, section 273.13, subdivision 22, is amended to read:

96.17 Subd. 22. **Class 1.** (a) Except as provided in subdivision 23 and in paragraphs (b) and  
96.18 (c), real estate which is residential and used for homestead purposes is class 1a. In the case  
96.19 of a duplex or triplex in which one of the units is used for homestead purposes, the entire  
96.20 property is deemed to be used for homestead purposes. The market value of class 1a property  
96.21 must be determined based upon the value of the house, garage, and land.

96.22 The first \$500,000 of market value of class 1a property has a net classification rate of  
96.23 one percent of its market value; and the market value of class 1a property that exceeds  
96.24 \$500,000 has a classification rate of 1.25 percent of its market value.

96.25 (b) Class 1b property includes homestead real estate or homestead manufactured homes  
96.26 used for the purposes of a homestead by:

96.27 (1) any person who is blind as defined in section 256D.35, or the person who is blind  
96.28 and the spouse of the person who is blind;

96.29 (2) any person who is permanently and totally disabled or by the person with a disability  
96.30 and the spouse of the person with a disability; or



97.1 (3) the surviving spouse of a veteran who was permanently and totally disabled  
97.2 homesteading a property classified under this paragraph for taxes payable in 2008.

97.3 Property is classified and assessed under clause (2) only if the government agency or  
97.4 income-providing source certifies, upon the request of the homestead occupant, that the  
97.5 homestead occupant satisfies the disability requirements of this paragraph, and that the  
97.6 property is not eligible for the valuation exclusion under subdivision 34.

97.7 Property is classified and assessed under paragraph (b) only if the commissioner of  
97.8 revenue or the county assessor certifies that the homestead occupant satisfies the requirements  
97.9 of this paragraph.

97.10 Permanently and totally disabled for the purpose of this subdivision means a condition  
97.11 which is permanent in nature and totally incapacitates the person from working at an  
97.12 occupation which brings the person an income. The first \$50,000 market value of class 1b  
97.13 property has a net classification rate of .45 percent of its market value. The remaining market  
97.14 value of class 1b property is classified as class 1a or class 2a property, whichever is  
97.15 appropriate.

97.16 (c) Class 1c property is commercial use real and personal property that abuts public  
97.17 water as defined in section 103G.005, subdivision 15, or abuts a state trail administered by  
97.18 the Department of Natural Resources, and is devoted to temporary and seasonal residential  
97.19 occupancy for recreational purposes but not devoted to commercial purposes for more than  
97.20 250 days in the year preceding the year of assessment, and that includes a portion used as  
97.21 a homestead by the owner, which includes a dwelling occupied as a homestead by a  
97.22 shareholder of a corporation that owns the resort, a partner in a partnership that owns the  
97.23 resort, or a member of a limited liability company that owns the resort even if the title to  
97.24 the homestead is held by the corporation, partnership, or limited liability company. For  
97.25 purposes of this paragraph, property is devoted to a commercial purpose on a specific day  
97.26 if any portion of the property, excluding the portion used exclusively as a homestead, is  
97.27 used for residential occupancy and a fee is charged for residential occupancy. Class 1c  
97.28 property must contain three or more rental units. A "rental unit" is defined as a cabin,  
97.29 condominium, townhouse, sleeping room, or individual camping site equipped with water  
97.30 and electrical hookups for recreational vehicles. Class 1c property must provide recreational  
97.31 activities such as the rental of ice fishing houses, boats and motors, snowmobiles, downhill  
97.32 or cross-country ski equipment; provide marina services, launch services, or guide services;  
97.33 or sell bait and fishing tackle. Any unit in which the right to use the property is transferred  
97.34 to an individual or entity by deeded interest, or the sale of shares or stock, no longer qualifies  
97.35 for class 1c even though it may remain available for rent. A camping pad offered for rent

98.1 by a property that otherwise qualifies for class 1c is also class 1c, regardless of the term of  
98.2 the rental agreement, as long as the use of the camping pad does not exceed 250 days. If  
98.3 the same owner owns two separate parcels that are located in the same township, and one  
98.4 of those properties is classified as a class 1c property and the other would be eligible to be  
98.5 classified as a class 1c property if it was used as the homestead of the owner, both properties  
98.6 will be assessed as a single class 1c property; for purposes of this sentence, properties are  
98.7 deemed to be owned by the same owner if each of them is owned by a limited liability  
98.8 company, and both limited liability companies have the same membership. The portion of  
98.9 the property used as a homestead is class 1a property under paragraph (a). The remainder  
98.10 of the property is classified as follows: the first ~~\$600,000~~ \$850,000 of market value is tier  
98.11 I, the next ~~\$1,700,000~~ \$2,250,000 of market value is tier II, and any remaining market value  
98.12 is tier III. The classification rates for class 1c are: tier I, 0.50 percent; tier II, 1.0 percent;  
98.13 and tier III, 1.25 percent. Owners of real and personal property devoted to temporary and  
98.14 seasonal residential occupancy for recreation purposes in which all or a portion of the  
98.15 property was devoted to commercial purposes for not more than 250 days in the year  
98.16 preceding the year of assessment desiring classification as class 1c, must submit a declaration  
98.17 to the assessor designating the cabins or units occupied for 250 days or less in the year  
98.18 preceding the year of assessment by January 15 of the assessment year. Those cabins or  
98.19 units and a proportionate share of the land on which they are located must be designated as  
98.20 class 1c as otherwise provided. The remainder of the cabins or units and a proportionate  
98.21 share of the land on which they are located must be designated as class 3a commercial. The  
98.22 owner of property desiring designation as class 1c property must provide guest registers or  
98.23 other records demonstrating that the units for which class 1c designation is sought were not  
98.24 occupied for more than 250 days in the year preceding the assessment if so requested. The  
98.25 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center  
98.26 or meeting room, and (5) other nonresidential facility operated on a commercial basis not  
98.27 directly related to temporary and seasonal residential occupancy for recreation purposes  
98.28 does not qualify for class 1c.

98.29 (d) Class 1d property includes structures that meet all of the following criteria:

98.30 (1) the structure is located on property that is classified as agricultural property under  
98.31 section 273.13, subdivision 23;

98.32 (2) the structure is occupied exclusively by seasonal farm workers during the time when  
98.33 they work on that farm, and the occupants are not charged rent for the privilege of occupying  
98.34 the property, provided that use of the structure for storage of farm equipment and produce  
98.35 does not disqualify the property from classification under this paragraph;

99.1 (3) the structure meets all applicable health and safety requirements for the appropriate  
99.2 season; and

99.3 (4) the structure is not salable as residential property because it does not comply with  
99.4 local ordinances relating to location in relation to streets or roads.

99.5 The market value of class 1d property has the same classification rates as class 1a property  
99.6 under paragraph (a).

99.7 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

99.8 Sec. 21. Minnesota Statutes 2022, section 273.13, subdivision 25, is amended to read:

99.9 Subd. 25. **Class 4.** (a) Class 4a is residential real estate containing four or more units  
99.10 and used or held for use by the owner or by the tenants or lessees of the owner as a residence  
99.11 for rental periods of 30 days or more, excluding property qualifying for class 4d. Class 4a  
99.12 also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt  
99.13 under section 272.02, and contiguous property used for hospital purposes, without regard  
99.14 to whether the property has been platted or subdivided. The market value of class 4a property  
99.15 has a classification rate of 1.25 percent.

99.16 (b) Class 4b includes:

99.17 (1) residential real estate containing less than four units, including property rented as a  
99.18 short-term rental property for more than 14 days in the preceding year, that does not qualify  
99.19 as class 4bb, other than seasonal residential recreational property;

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

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

99.23 (4) unimproved property that is classified residential as determined under subdivision  
99.24 33.

99.25 For the purposes of this paragraph, "short-term rental property" means nonhomestead  
99.26 residential real estate rented for periods of less than 30 consecutive days.

99.27 The market value of class 4b property has a classification rate of 1.25 percent.

99.28 (c) Class 4bb includes:

99.29 (1) nonhomestead residential real estate containing one unit, other than seasonal  
99.30 residential recreational property;

100.1 (2) a single family dwelling, garage, and surrounding one acre of property on a  
100.2 nonhomestead farm classified under subdivision 23, paragraph (b); and

100.3 (3) a condominium-type storage unit having an individual property identification number  
100.4 that is not used for a commercial purpose.

100.5 Class 4bb property has the same classification rates as class 1a property under subdivision  
100.6 22.

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

100.10 (d) Class 4c property includes:

100.11 (1) except as provided in subdivision 22, paragraph (c), real and personal property  
100.12 devoted to commercial temporary and seasonal residential occupancy for recreation purposes,  
100.13 for not more than 250 days in the year preceding the year of assessment. For purposes of  
100.14 this clause, property is devoted to a commercial purpose on a specific day if any portion of  
100.15 the property is used for residential occupancy, and a fee is charged for residential occupancy.  
100.16 Class 4c property under this clause must contain three or more rental units. A "rental unit"  
100.17 is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site  
100.18 equipped with water and electrical hookups for recreational vehicles. A camping pad offered  
100.19 for rent by a property that otherwise qualifies for class 4c under this clause is also class 4c  
100.20 under this clause regardless of the term of the rental agreement, as long as the use of the  
100.21 camping pad does not exceed 250 days. In order for a property to be classified under this  
100.22 clause, either (i) the business located on the property must provide recreational activities,  
100.23 at least 40 percent of the annual gross lodging receipts related to the property must be from  
100.24 business conducted during 90 consecutive days, and either (A) at least 60 percent of all paid  
100.25 bookings by lodging guests during the year must be for periods of at least two consecutive  
100.26 nights; or (B) at least 20 percent of the annual gross receipts must be from charges for  
100.27 providing recreational activities, or (ii) the business must contain 20 or fewer rental units,  
100.28 and must be located in a township or a city with a population of 2,500 or less located outside  
100.29 the metropolitan area, as defined under section 473.121, subdivision 2, that contains a portion  
100.30 of a state trail administered by the Department of Natural Resources. For purposes of item  
100.31 (i)(A), a paid booking of five or more nights shall be counted as two bookings. Class 4c  
100.32 property also includes commercial use real property used exclusively for recreational  
100.33 purposes in conjunction with other class 4c property classified under this clause and devoted  
100.34 to temporary and seasonal residential occupancy for recreational purposes, up to a total of

101.1 two acres, provided the property is not devoted to commercial recreational use for more  
101.2 than 250 days in the year preceding the year of assessment and is located within two miles  
101.3 of the class 4c property with which it is used. In order for a property to qualify for  
101.4 classification under this clause, the owner must submit a declaration to the assessor  
101.5 designating the cabins or units occupied for 250 days or less in the year preceding the year  
101.6 of assessment by January 15 of the assessment year. Those cabins or units and a proportionate  
101.7 share of the land on which they are located must be designated class 4c under this clause  
101.8 as otherwise provided. The remainder of the cabins or units and a proportionate share of  
101.9 the land on which they are located will be designated as class 3a. The owner of property  
101.10 desiring designation as class 4c property under this clause must provide guest registers or  
101.11 other records demonstrating that the units for which class 4c designation is sought were not  
101.12 occupied for more than 250 days in the year preceding the assessment if so requested. The  
101.13 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center  
101.14 or meeting room, and (5) other nonresidential facility operated on a commercial basis not  
101.15 directly related to temporary and seasonal residential occupancy for recreation purposes  
101.16 does not qualify for class 4c. For the purposes of this paragraph, "recreational activities"  
101.17 means renting ice fishing houses, boats and motors, snowmobiles, downhill or cross-country  
101.18 ski equipment; providing marina services, launch services, or guide services; or selling bait  
101.19 and fishing tackle;

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

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

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

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

101.28 (3) real property up to a maximum of three acres of land owned and used by a nonprofit  
101.29 community service oriented organization and not used for residential purposes on either a  
101.30 temporary or permanent basis, provided that:

101.31 (i) the property is not used for a revenue-producing activity for more than six days in  
101.32 the calendar year preceding the year of assessment; or

101.33 (ii) the organization makes annual charitable contributions and donations at least equal  
101.34 to the property's previous year's property taxes and the property is allowed to be used for

102.1 public and community meetings or events for no charge, as appropriate to the size of the  
102.2 facility.

102.3 For purposes of this clause:

102.4 (A) "charitable contributions and donations" has the same meaning as lawful gambling  
102.5 purposes under section 349.12, subdivision 25, excluding those purposes relating to the  
102.6 payment of taxes, assessments, fees, auditing costs, and utility payments;

102.7 (B) "property taxes" excludes the state general tax;

102.8 (C) a "nonprofit community service oriented organization" means any corporation,  
102.9 society, association, foundation, or institution organized and operated exclusively for  
102.10 charitable, religious, fraternal, civic, or educational purposes, and which is exempt from  
102.11 federal income taxation pursuant to section 501(c)(3), (8), (10), or (19) of the Internal  
102.12 Revenue Code; and

102.13 (D) "revenue-producing activities" shall include but not be limited to property or that  
102.14 portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt  
102.15 liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling  
102.16 alley, a retail store, gambling conducted by organizations licensed under chapter 349, an  
102.17 insurance business, or office or other space leased or rented to a lessee who conducts a  
102.18 for-profit enterprise on the premises.

102.19 Any portion of the property not qualifying under either item (i) or (ii) is class 3a. The  
102.20 use of the property for social events open exclusively to members and their guests for periods  
102.21 of less than 24 hours, when an admission is not charged nor any revenues are received by  
102.22 the organization shall not be considered a revenue-producing activity.

102.23 The organization shall maintain records of its charitable contributions and donations  
102.24 and of public meetings and events held on the property and make them available upon  
102.25 request any time to the assessor to ensure eligibility. An organization meeting the requirement  
102.26 under item (ii) must file an application by May 1 with the assessor for eligibility for the  
102.27 current year's assessment. The commissioner shall prescribe a uniform application form  
102.28 and instructions;

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

103.1 (5)(i) manufactured home parks as defined in section 327.14, subdivision 3, excluding  
103.2 manufactured home parks described in items (ii) and (iii), (ii) manufactured home parks as  
103.3 defined in section 327.14, subdivision 3, that are described in section 273.124, subdivision  
103.4 3a, and (iii) class I manufactured home parks as defined in section 327C.015, subdivision  
103.5 2;

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

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

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

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

103.15 If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be  
103.16 filed by the new owner with the assessor of the county where the property is located within  
103.17 60 days of the sale;

103.18 (8) a privately owned noncommercial aircraft storage hangar not exempt under section  
103.19 272.01, subdivision 2, and the land on which it is located, provided that:

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

103.21 (ii) the owner of the aircraft storage hangar provides the assessor with a signed agreement  
103.22 restricting the use of the premises, prohibiting commercial use or activity performed at the  
103.23 hangar; and

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

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

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

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

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

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

104.5 (10) real property up to a maximum of three acres and operated as a restaurant as defined  
104.6 under section 157.15, subdivision 12, provided it: (i) is located on a lake as defined under  
104.7 section 103G.005, subdivision 15, paragraph (a), clause (3); and (ii) is either devoted to  
104.8 commercial purposes for not more than 250 consecutive days, or receives at least 60 percent  
104.9 of its annual gross receipts from business conducted during four consecutive months. Gross  
104.10 receipts from the sale of alcoholic beverages must be included in determining the property's  
104.11 qualification under item (ii). The property's primary business must be as a restaurant and  
104.12 not as a bar. Gross receipts from gift shop sales located on the premises must be excluded.  
104.13 Owners of real property desiring 4c classification under this clause must submit an annual  
104.14 declaration to the assessor by February 1 of the current assessment year, based on the  
104.15 property's relevant information for the preceding assessment year;

104.16 (11) lakeshore and riparian property and adjacent land, not to exceed six acres, used as  
104.17 a marina, as defined in section 86A.20, subdivision 5, which is made accessible to the public  
104.18 and devoted to recreational use for marina services. The marina owner must annually provide  
104.19 evidence to the assessor that it provides services, including lake or river access to the public  
104.20 by means of an access ramp or other facility that is either located on the property of the  
104.21 marina or at a publicly owned site that abuts the property of the marina. No more than 800  
104.22 feet of lakeshore may be included in this classification. Buildings used in conjunction with  
104.23 a marina for marina services, including but not limited to buildings used to provide food  
104.24 and beverage services, fuel, boat repairs, or the sale of bait or fishing tackle, are classified  
104.25 as class 3a property; and

104.26 (12) real and personal property devoted to noncommercial temporary and seasonal  
104.27 residential occupancy for recreation purposes.

104.28 Class 4c property has a classification rate of 1.5 percent of market value, except that (i)  
104.29 each parcel of noncommercial seasonal residential recreational property under clause (12)  
104.30 has the same classification rates as class 4bb property, (ii) manufactured home parks assessed  
104.31 under clause (5), item (i), have the same classification rate as class 4b property, the market  
104.32 value of manufactured home parks assessed under clause (5), item (ii), have a classification  
104.33 rate of 0.75 percent if more than 50 percent of the lots in the park are occupied by  
104.34 shareholders in the cooperative corporation or association and a classification rate of one  
104.35 percent if 50 percent or less of the lots are so occupied, and class I manufactured home



105.1 parks as defined in section 327C.015, subdivision 2, have a classification rate of 1.0 percent,  
 105.2 (iii) commercial-use seasonal residential recreational property and marina recreational land  
 105.3 as described in clause (11), has a classification rate of one percent for the first \$500,000 of  
 105.4 market value, and 1.25 percent for the remaining market value, (iv) the market value of  
 105.5 property described in clause (4) has a classification rate of one percent, (v) the market value  
 105.6 of property described in clauses (2), (6), and (10) has a classification rate of 1.25 percent,  
 105.7 (vi) that portion of the market value of property in clause (9) qualifying for class 4c property  
 105.8 has a classification rate of 1.25 percent, and (vii) property qualifying for classification under  
 105.9 clause (3) that is owned or operated by a congressionally chartered veterans organization  
 105.10 has a classification rate of one percent. The commissioner of veterans affairs must provide  
 105.11 a list of congressionally chartered veterans organizations to the commissioner of revenue  
 105.12 by June 30, 2017, and by January 1, 2018, and each year thereafter.

105.13 (e) Class 4d property ~~is~~ includes:

105.14 (1) qualifying low-income rental housing certified to the assessor by the Housing Finance  
 105.15 Agency under section 273.128, subdivision 3. If only a portion of the units in the building  
 105.16 qualify as low-income rental housing units as certified under section 273.128, subdivision  
 105.17 3, only the proportion of qualifying units to the total number of units in the building qualify  
 105.18 for class 4d ~~4d(1)~~. The remaining portion of the building shall be classified by the assessor  
 105.19 based upon its use. Class 4d ~~4d(1)~~ also includes the same proportion of land as the qualifying  
 105.20 low-income rental housing units are to the total units in the building. For all properties  
 105.21 qualifying as class 4d ~~4d(1)~~, the market value determined by the assessor must be based on  
 105.22 the normal approach to value using normal unrestricted rents; and

105.23 (2) a unit that is owned by the occupant and used as a homestead by the occupant, and  
 105.24 otherwise meets all the requirements for community land trust property under section 273.11,  
 105.25 subdivision 12, provided that by December 31 of each assessment year, the community land  
 105.26 trust certifies to the assessor that (i) the community land trust owns the real property on  
 105.27 which the unit is located, and (ii) the unit owner is a member in good standing of the  
 105.28 community land trust. For all units qualifying as class 4d(2), the market value determined  
 105.29 by the assessor must be based on the normal approach to value without regard to any  
 105.30 restrictions that apply because the unit is a community land trust property.

105.31 ~~(f) The first tier of market value of class 4d property has a classification rate of 0.75~~  
 105.32 ~~percent. The remaining value of class 4d property has a classification rate of 0.25 percent.~~  
 105.33 ~~For the purposes of this paragraph, the "first tier of market value of class 4d property" means~~  
 105.34 ~~the market value of each housing unit up to the first tier limit. For the purposes of this~~  
 105.35 ~~paragraph, all class 4d property value must be assigned to individual housing units. The~~

106.1 ~~first tier limit is \$100,000 for assessment years 2022 and 2023. For subsequent assessment~~  
106.2 ~~years, the limit is adjusted each year by the average statewide change in estimated market~~  
106.3 ~~value of property classified as class 4a and 4d under this section for the previous assessment~~  
106.4 ~~year, excluding valuation change due to new construction, rounded to the nearest \$1,000,~~  
106.5 ~~provided, however, that the limit may never be less than \$100,000. Beginning with~~  
106.6 ~~assessment year 2015, the commissioner of revenue must certify the limit for each assessment~~  
106.7 ~~year by November 1 of the previous year. Class 4d(1) property has a classification rate of~~  
106.8 ~~0.25 percent. Class 4d(2) property has a classification rate of 0.75 percent.~~

106.9 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024  
106.10 and thereafter.

106.11 Sec. 22. Minnesota Statutes 2022, section 273.13, subdivision 34, is amended to read:

106.12 Subd. 34. **Homestead of veteran with a disability or family caregiver.** (a) All or a  
106.13 portion of the market value of property owned by a veteran and serving as the veteran's  
106.14 homestead under this section is excluded in determining the property's taxable market value  
106.15 if the veteran has a service-connected disability of 70 percent or more as certified by the  
106.16 United States Department of Veterans Affairs. To qualify for exclusion under this subdivision,  
106.17 the veteran must have been honorably discharged from the United States armed forces, as  
106.18 indicated by United States Government Form DD214 or other official military discharge  
106.19 papers.

106.20 (b)(1) For a disability rating of 70 percent or more, ~~\$150,000~~ \$165,000 of market value  
106.21 is excluded, except as provided in clause (2); and

106.22 (2) for a total (100 percent) and permanent disability, ~~\$300,000~~ \$330,000 of market  
106.23 value is excluded.

106.24 (c) If a veteran with a disability qualifying for a valuation exclusion under paragraph  
106.25 (b), clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the  
106.26 spouse holds the legal or beneficial title to the homestead and permanently resides there,  
106.27 the exclusion shall carry over to the benefit of the veteran's spouse until such time as the  
106.28 spouse remarries, or sells, transfers, or otherwise disposes of the property, except as otherwise  
106.29 provided in paragraph (n). Qualification under this paragraph requires an application under  
106.30 paragraph (h), and a spouse must notify the assessor if there is a change in the spouse's  
106.31 marital status, ownership of the property, or use of the property as a permanent residence.

106.32 (d) If the spouse of a member of any branch or unit of the United States armed forces  
106.33 who dies due to a service-connected cause while serving honorably in active service, as

107.1 indicated on United States Government Form DD1300 or DD2064, holds the legal or  
107.2 beneficial title to a homestead and permanently resides there, the spouse is entitled to the  
107.3 benefit described in paragraph (b), clause (2), until such time as the spouse remarries or  
107.4 sells, transfers, or otherwise disposes of the property, except as otherwise provided in  
107.5 paragraph (n).

107.6 (e) If a veteran meets the disability criteria of paragraph (a) but does not own property  
107.7 classified as homestead in the state of Minnesota, then the homestead of the veteran's primary  
107.8 family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify  
107.9 for under paragraph (b).

107.10 (f) In the case of an agricultural homestead, only the portion of the property consisting  
107.11 of the house and garage and immediately surrounding one acre of land qualifies for the  
107.12 valuation exclusion under this subdivision.

107.13 (g) A property qualifying for a valuation exclusion under this subdivision is not eligible  
107.14 for the market value exclusion under subdivision 35, or classification under subdivision 22,  
107.15 paragraph (b).

107.16 (h) To qualify for a valuation exclusion under this subdivision a property owner must  
107.17 apply to the assessor by December 31 of the first assessment year for which the exclusion  
107.18 is sought. Except as provided in paragraph (c), the owner of a property that has been accepted  
107.19 for a valuation exclusion must notify the assessor if there is a change in ownership of the  
107.20 property or in the use of the property as a homestead.

107.21 (i) A first-time application by a qualifying spouse for the market value exclusion under  
107.22 paragraph (d) must be made any time within two years of the death of the service member.

107.23 (j) For purposes of this subdivision:

107.24 (1) "active service" has the meaning given in section 190.05;

107.25 (2) "own" means that the person's name is present as an owner on the property deed;

107.26 (3) "primary family caregiver" means a person who is approved by the secretary of the  
107.27 United States Department of Veterans Affairs for assistance as the primary provider of  
107.28 personal care services for an eligible veteran under the Program of Comprehensive Assistance  
107.29 for Family Caregivers, codified as United States Code, title 38, section 1720G; and

107.30 (4) "veteran" has the meaning given the term in section 197.447.

107.31 (k) If a veteran dying after December 31, 2011, did not apply for or receive the exclusion  
107.32 under paragraph (b), clause (2), before dying, the veteran's spouse is entitled to the benefit

108.1 under paragraph (b), clause (2), until the spouse remarries or sells, transfers, or otherwise  
108.2 disposes of the property, except as otherwise provided in paragraph (n), if:

108.3 (1) the spouse files a first-time application within two years of the death of the service  
108.4 member or by June 1, 2019, whichever is later;

108.5 (2) upon the death of the veteran, the spouse holds the legal or beneficial title to the  
108.6 homestead and permanently resides there;

108.7 (3) the veteran met the honorable discharge requirements of paragraph (a); and

108.8 (4) the United States Department of Veterans Affairs certifies that:

108.9 (i) the veteran met the total (100 percent) and permanent disability requirement under  
108.10 paragraph (b), clause (2); or

108.11 (ii) the spouse has been awarded dependency and indemnity compensation.

108.12 (l) The purpose of this provision of law providing a level of homestead property tax  
108.13 relief for veterans with a disability, their primary family caregivers, and their surviving  
108.14 spouses is to help ease the burdens of war for those among our state's citizens who bear  
108.15 those burdens most heavily.

108.16 (m) By July 1, the county veterans service officer must certify the disability rating and  
108.17 permanent address of each veteran receiving the benefit under paragraph (b) to the assessor.

108.18 (n) A spouse who received the benefit in paragraph (c), (d), or (k) but no longer holds  
108.19 the legal or beneficial title to the property may continue to receive the exclusion for a  
108.20 property other than the property for which the exclusion was initially granted until the spouse  
108.21 remarries or sells, transfers, or otherwise disposes of the property, provided that:

108.22 (1) the spouse applies under paragraph (h) for the continuation of the exclusion allowed  
108.23 under this paragraph;

108.24 (2) the spouse holds the legal or beneficial title to the property for which the continuation  
108.25 of the exclusion is sought under this paragraph, and permanently resides there;

108.26 (3) the estimated market value of the property for which the exclusion is sought under  
108.27 this paragraph is less than or equal to the estimated market value of the property that first  
108.28 received the exclusion, based on the value of each property on the date of the sale of the  
108.29 property that first received the exclusion; and

108.30 (4) the spouse has not previously received the benefit under this paragraph for a property  
108.31 other than the property for which the exclusion is sought.

109.1 (o) If a spouse previously received the exclusion under paragraph (c) or (d), but the  
 109.2 exclusion expired prior to assessment year 2019 before the eligibility time period for  
 109.3 surviving spouses was changed to a potential lifetime benefit, the spouse may reapply under  
 109.4 paragraph (h) for the exclusion under paragraph (c) or (d).

109.5 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

109.6 Sec. 23. Minnesota Statutes 2022, section 273.13, subdivision 35, is amended to read:

109.7 Subd. 35. **Homestead market value exclusion.** (a) Prior to determining a property's  
 109.8 net tax capacity under this section, property classified as 4d(2) under subdivision 25,  
 109.9 paragraph (e), clause (2), class 1a, or 1b under subdivision 22, and the portion of property  
 109.10 classified as class 2a under subdivision 23 consisting of the house, garage, and surrounding  
 109.11 one acre of land, shall be eligible for a market value exclusion as determined under paragraph  
 109.12 (b).

109.13 (b) For a homestead valued at ~~\$76,000~~ \$95,000 or less, the exclusion is 40 percent of  
 109.14 market value. For a homestead valued between ~~\$76,000~~ \$95,000 and ~~\$413,800~~ \$517,200,  
 109.15 the exclusion is ~~\$30,400~~ \$38,000 minus nine percent of the valuation over ~~\$76,000~~ \$95,000.  
 109.16 For a homestead valued at ~~\$413,800~~ \$517,200 or more, there is no valuation exclusion. The  
 109.17 valuation exclusion shall be rounded to the nearest whole dollar, and may not be less than  
 109.18 zero.

109.19 (c) Any valuation exclusions or adjustments under section 273.11 shall be applied prior  
 109.20 to determining the amount of the valuation exclusion under this subdivision.

109.21 (d) In the case of a property that is classified as part homestead and part nonhomestead,  
 109.22 (i) the exclusion shall apply only to the homestead portion of the property, but (ii) if a portion  
 109.23 of a property is classified as nonhomestead solely because not all the owners occupy the  
 109.24 property, not all the owners have qualifying relatives occupying the property, or solely  
 109.25 because not all the spouses of owners occupy the property, the exclusion amount shall be  
 109.26 initially computed as if that nonhomestead portion were also in the homestead class and  
 109.27 then prorated to the owner-occupant's percentage of ownership. For the purpose of this  
 109.28 section, when an owner-occupant's spouse does not occupy the property, the percentage of  
 109.29 ownership for the owner-occupant spouse is one-half of the couple's ownership percentage.

109.30 **EFFECTIVE DATE.** This section is effective for assessment year 2024 and thereafter.

110.1 Sec. 24. Minnesota Statutes 2022, section 273.1315, subdivision 2, is amended to read:

110.2 Subd. 2. **Class 1b homestead declaration 2009 and thereafter.** (a) Any property owner  
110.3 seeking classification and assessment of the owner's homestead as class 1b property pursuant  
110.4 to section 273.13, subdivision 22, paragraph (b), after October 1, 2008, shall file with the  
110.5 county assessor a class 1b homestead declaration, on a form prescribed by the commissioner  
110.6 of revenue. The declaration must contain the following information:

110.7 (1) the information necessary to verify that, on or before June 30 of the filing year, the  
110.8 property owner or the owner's spouse satisfies the requirements of section 273.13, subdivision  
110.9 22, paragraph (b), for class 1b classification; and

110.10 (2) any additional information prescribed by the commissioner.

110.11 (b) The declaration must be filed on or before October 1 to be effective for property  
110.12 taxes payable during the succeeding calendar year. The Social Security numbers, individual  
110.13 taxpayer identification numbers, and income and medical information received from the  
110.14 property owner pursuant to this subdivision are private data on individuals as defined in  
110.15 section 13.02. If approved by the assessor, the declaration remains in effect until the property  
110.16 no longer qualifies under section 273.13, subdivision 22, paragraph (b). Failure to notify  
110.17 the assessor within 30 days that the property no longer qualifies under that paragraph because  
110.18 of a sale, change in occupancy, or change in the status or condition of an occupant shall  
110.19 result in the penalty provided in section 273.124, subdivision 13b, computed on the basis  
110.20 of the class 1b benefits for the property, and the property shall lose its current class 1b  
110.21 classification.

110.22 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications  
110.23 filed in 2023 and thereafter.

110.24 Sec. 25. Minnesota Statutes 2022, section 273.41, is amended to read:

110.25 **273.41 AMOUNT OF TAX; DISTRIBUTION.**

110.26 There is hereby imposed upon each such cooperative association on December 31 of  
110.27 each year a tax of \$10 for each 100 members, or fraction thereof, of such association. The  
110.28 tax, when paid, shall be in lieu of all personal property taxes, state, county, or local, upon  
110.29 distribution lines and the attachments and appurtenances thereto of such associations located  
110.30 in rural areas. For purposes of this section, "attachments and appurtenances" includes but  
110.31 is not limited to all cooperative association-owned metering and streetlighting equipment  
110.32 that is physically or electrically connected to the cooperative association's distribution  
110.33 system. The tax shall be payable on or before March 1 of the next succeeding year, to the

111.1 commissioner of revenue. If the tax, or any portion thereof, is not paid within the time herein  
 111.2 specified for the payment thereof, there shall be added thereto a specific penalty equal to  
 111.3 ten percent of the amount so remaining unpaid. Such penalty shall be collected as part of  
 111.4 said tax, and the amount of said tax not timely paid, together with said penalty, shall bear  
 111.5 interest at the rate specified in section 270C.40 from the time such tax should have been  
 111.6 paid until paid. The commissioner shall deposit the amount so received in the general fund  
 111.7 of the state treasury.

111.8 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

111.9 Sec. 26. Minnesota Statutes 2022, section 279.03, subdivision 1a, is amended to read:

111.10 Subd. 1a. **Rate.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), interest on  
 111.11 delinquent property taxes, penalties, and costs unpaid on or after January 1 is payable at the  
 111.12 per annum rate determined in section 270C.40, subdivision 5. ~~If the rate so determined is~~  
 111.13 ~~less than ten percent, the rate of interest is ten percent.~~ The maximum per annum rate is 14  
 111.14 percent if the rate specified under section 270C.40, subdivision 5, exceeds 14 percent. The  
 111.15 rate is subject to change on January 1 of each year.

111.16 (b) If a person is the owner of one or more parcels of property on which taxes are  
 111.17 delinquent, and the delinquent taxes are more than 25 percent of the prior year's school  
 111.18 district levy, interest on the delinquent property taxes, penalties, and costs unpaid is payable  
 111.19 at twice the rate determined under paragraph (a) for the year.

111.20 (c) A county board, by resolution, may establish an interest rate lower than the interest  
 111.21 rate determined under paragraph (a).

111.22 **EFFECTIVE DATE.** This section is effective for property taxes, penalties, and costs  
 111.23 determined to be delinquent on or after January 1, 2024.

111.24 Sec. 27. Minnesota Statutes 2022, section 282.261, subdivision 2, is amended to read:

111.25 Subd. 2. **Interest rate.** (a) Except as provided under paragraph (b), the unpaid balance  
 111.26 on any repurchase contract approved by the county board is subject to interest at the rate  
 111.27 determined in section 279.03, subdivision 1a. The interest rate is subject to change each  
 111.28 year on the unpaid balance in the manner provided for rate changes in section 279.03,  
 111.29 subdivision 1a.

111.30 (b) A county board, by resolution, or a county auditor, if delegated the responsibility to  
 111.31 administer tax-forfeited land assigned to the county board as provided under section 282.135,  
 111.32 may establish an interest rate lower than the interest rate determined under paragraph (a).

112.1 **EFFECTIVE DATE.** This section is effective January 1, 2024.

112.2 Sec. 28. Minnesota Statutes 2022, section 290A.03, subdivision 6, is amended to read:

112.3 Subd. 6. **Homestead.** "Homestead" means the dwelling occupied as the claimant's  
112.4 principal residence and so much of the land surrounding it, not exceeding ten acres, as is  
112.5 reasonably necessary for use of the dwelling as a home and any other property used for  
112.6 purposes of a homestead as defined in section 273.13, subdivision 22, ~~except~~ or section  
112.7 273.13, subdivision 25, paragraph (e), clause (2). For agricultural land assessed as part of  
112.8 a homestead pursuant to section 273.13, subdivision 23, "homestead" is limited to the house  
112.9 and garage and immediately surrounding one acre of land. The homestead may be owned  
112.10 or rented and may be a part of a multidwelling or multipurpose building and the land on  
112.11 which it is built. A manufactured home, as defined in section 273.125, subdivision 8, or a  
112.12 park trailer taxed as a manufactured home under section 168.012, subdivision 9, assessed  
112.13 as personal property may be a dwelling for purposes of this subdivision.

112.14 **EFFECTIVE DATE.** This section is effective for refund claims based on taxes payable  
112.15 in 2025 and thereafter.

112.16 Sec. 29. Minnesota Statutes 2022, section 290A.04, subdivision 2h, is amended to read:

112.17 Subd. 2h. **Additional refund.** (a) If the gross property taxes payable on a homestead  
112.18 increase more than ~~12~~ ten percent over the property taxes payable in the prior year on the  
112.19 same property that is owned and occupied by the same owner on January 2 of both years,  
112.20 and the amount of that increase is \$100 or more, a claimant who is a homeowner shall be  
112.21 allowed an additional refund equal to 60 percent of the amount of the increase over the  
112.22 greater of ~~12~~ ten percent of the prior year's property taxes payable or \$100. This subdivision  
112.23 shall not apply to any increase in the gross property taxes payable attributable to  
112.24 improvements made to the homestead after the assessment date for the prior year's taxes.  
112.25 This subdivision shall not apply to any increase in the gross property taxes payable  
112.26 attributable to the termination of valuation exclusions under section 273.11, subdivision  
112.27 16.

112.28 The maximum refund allowed under this subdivision is ~~\$1,000~~ \$2,000.

112.29 (b) For purposes of this subdivision "gross property taxes payable" means property taxes  
112.30 payable determined without regard to the refund allowed under this subdivision.



113.1 (c) In addition to the other proofs required by this chapter, each claimant under this  
113.2 subdivision shall file with the property tax refund return a copy of the property tax statement  
113.3 for taxes payable in the preceding year or other documents required by the commissioner.

113.4 (d) Upon request, the appropriate county official shall make available the names and  
113.5 addresses of the property taxpayers who may be eligible for the additional property tax  
113.6 refund under this section. The information shall be provided on a magnetic computer disk.  
113.7 The county may recover its costs by charging the person requesting the information the  
113.8 reasonable cost for preparing the data. The information may not be used for any purpose  
113.9 other than for notifying the homeowner of potential eligibility and assisting the homeowner,  
113.10 without charge, in preparing a refund claim.

113.11 **EFFECTIVE DATE.** This section is effective for refund claims based on taxes payable  
113.12 in 2024 and thereafter.

113.13 Sec. 30. Minnesota Statutes 2022, section 290B.03, subdivision 1, is amended to read:

113.14 Subdivision 1. **Program qualifications.** The qualifications for the senior citizens'  
113.15 property tax deferral program are as follows:

113.16 (1) the property must be owned and occupied as a homestead by a person 65 years of  
113.17 age or older. In the case of a married couple, at least one of the spouses must be at least 65  
113.18 years old at the time the first property tax deferral is granted, regardless of whether the  
113.19 property is titled in the name of one spouse or both spouses, or titled in another way that  
113.20 permits the property to have homestead status, and the other spouse must be at least 62 years  
113.21 of age;

113.22 (2) the total household income of the qualifying homeowners, as defined in section  
113.23 290A.03, subdivision 5, for the calendar year preceding the year of the initial application  
113.24 may not exceed ~~\$60,000~~ \$96,000;

113.25 (3) the homestead must have been owned and occupied as the homestead of at least one  
113.26 of the qualifying homeowners for at least ~~15~~ five years prior to the year the initial application  
113.27 is filed;

113.28 (4) there are no state or federal tax liens or judgment liens on the homesteaded property;

113.29 (5) there are no mortgages or other liens on the property that secure future advances,  
113.30 except for those subject to credit limits that result in compliance with clause (6); and

113.31 (6) the total unpaid balances of debts secured by mortgages and other liens on the  
113.32 property, including unpaid and delinquent special assessments and interest and any delinquent

114.1 property taxes, penalties, and interest, but not including property taxes payable during the  
114.2 year or debts secured by a residential PACE lien, as defined in section 216C.435, subdivision  
114.3 10d, does not exceed 75 percent of the assessor's estimated market value for the year.

114.4 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes  
114.5 payable in 2024 and thereafter.

114.6 Sec. 31. Minnesota Statutes 2022, section 290B.04, subdivision 3, is amended to read:

114.7 Subd. 3. **Excess-income certification by taxpayer.** A taxpayer whose initial application  
114.8 has been approved under subdivision 2 shall notify the commissioner of revenue in writing  
114.9 by July 1 if the taxpayer's household income for the preceding calendar year exceeded  
114.10 ~~\$60,000~~ \$96,000. The certification must state the homeowner's total household income for  
114.11 the previous calendar year. No property taxes may be deferred under this chapter in any  
114.12 year following the year in which a program participant filed or should have filed an  
114.13 excess-income certification under this subdivision, unless the participant has filed a  
114.14 resumption of eligibility certification as described in subdivision 4.

114.15 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes  
114.16 payable in 2024 and thereafter.

114.17 Sec. 32. Minnesota Statutes 2022, section 290B.04, subdivision 4, is amended to read:

114.18 Subd. 4. **Resumption of eligibility certification by taxpayer.** A taxpayer who has  
114.19 previously filed an excess-income certification under subdivision 3 may resume program  
114.20 participation if the taxpayer's household income for a subsequent year is ~~\$60,000~~ \$96,000  
114.21 or less. If the taxpayer chooses to resume program participation, the taxpayer must notify  
114.22 the commissioner of revenue in writing by July 1 of the year following a calendar year in  
114.23 which the taxpayer's household income is ~~\$60,000~~ \$96,000 or less. The certification must  
114.24 state the taxpayer's total household income for the previous calendar year. Once a taxpayer  
114.25 resumes participation in the program under this subdivision, participation will continue until  
114.26 the taxpayer files a subsequent excess-income certification under subdivision 3 or until  
114.27 participation is terminated under section 290B.08, subdivision 1.

114.28 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes  
114.29 payable in 2024 and thereafter.

114.30 Sec. 33. Minnesota Statutes 2022, section 290B.05, subdivision 1, is amended to read:

114.31 Subdivision 1. **Determination by commissioner.** The commissioner shall determine  
114.32 each qualifying homeowner's "annual maximum property tax amount" following approval

115.1 of the homeowner's initial application and following the receipt of a resumption of eligibility  
 115.2 certification. The "annual maximum property tax amount" equals three percent of the  
 115.3 homeowner's total household income for the year preceding either the initial application or  
 115.4 the resumption of eligibility certification, whichever is applicable. Following approval of  
 115.5 the initial application, the commissioner shall determine the qualifying homeowner's  
 115.6 "maximum allowable deferral." No tax may be deferred relative to the appropriate assessment  
 115.7 year for any homeowner whose total household income for the previous year exceeds  
 115.8 ~~\$60,000~~ \$96,000. No tax shall be deferred in any year in which the homeowner does not  
 115.9 meet the program qualifications in section 290B.03. The maximum allowable total deferral  
 115.10 is equal to 75 percent of the assessor's estimated market value for the year, less the balance  
 115.11 of any mortgage loans and other amounts secured by liens against the property at the time  
 115.12 of application, including any unpaid and delinquent special assessments and interest and  
 115.13 any delinquent property taxes, penalties, and interest, but not including property taxes  
 115.14 payable during the year.

115.15 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes  
 115.16 payable in 2024 and thereafter.

115.17 Sec. 34. Minnesota Statutes 2022, section 383E.21, is amended to read:

115.18 **383E.21 COUNTYWIDE PUBLIC SAFETY IMPROVEMENTS AND**  
 115.19 **EQUIPMENT; BONDING AND TAX LEVIES.**

115.20 Subdivision 1. **Authority to levy property taxes and incur debt.** (a) To finance the  
 115.21 cost of designing, constructing, and acquiring countywide public safety improvements and  
 115.22 equipment, including personal property, benefiting both Anoka County and the municipalities  
 115.23 located within Anoka County, the governing body of Anoka County may levy property  
 115.24 taxes for public safety improvements and equipment, and issue:

115.25 (1) capital improvement bonds under the provisions of section 373.40 as if the  
 115.26 infrastructure and equipment qualified as a "capital improvement" within the meaning of  
 115.27 section 373.40, subdivision 1, paragraph (b); and

115.28 (2) capital notes under the provisions of section 373.01, subdivision 3, as if the equipment  
 115.29 qualified as "capital equipment" within the meaning of section 373.01, subdivision 3.  
 115.30 Personal property acquired with the proceeds of the bonds or capital notes issued under this  
 115.31 section must have an expected useful life at least as long as the term of debt.

115.32 (b) The outstanding principal amount of the bonds and the capital notes issued under  
 115.33 this section may not exceed \$8,000,000 at any time. Any bonds or notes issued pursuant to

116.1 this section must only be issued after approval by a majority vote of the Anoka County Joint  
116.2 Law Enforcement Council, a joint powers board.

116.3 Subd. 2. **Treatment of levy.** (a) Anoka County shall not include any taxes levied under  
116.4 this section in its levy certified under section 275.07, subdivision 1, paragraph (a). Anoka  
116.5 County shall separately certify taxes levied under this section to the county auditor.

116.6 (b) Notwithstanding sections 275.065, subdivision 3, and 276.04, the county may report  
116.7 the tax attributable to any levy to fund public safety capital improvements or equipment  
116.8 projects approved by the Anoka County Joint Law Enforcement Council or pay principal  
116.9 and interest on bonds or notes issued under this section as a separate line item on the proposed  
116.10 property tax notice and the property tax statement.

116.11 Subd. 3. **Expiration.** This section expires on December 31, ~~2023~~ 2033. The county may  
116.12 not issue a bond or note under this section with a maturity or payment date after the expiration  
116.13 date of this section. No property tax may be levied under this section for taxes payable in  
116.14 a calendar year after the calendar year in which this section expires. Expiration of this section  
116.15 does not affect the obligation to pay or the authority to collect taxes levied under this section  
116.16 before its expiration.

116.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
116.18 Anoka County and its chief clerical officer comply with the requirements of Minnesota  
116.19 Statutes, section 645.021, subdivisions 2 and 3.

116.20 Sec. 35. Minnesota Statutes 2022, section 473F.02, subdivision 2, is amended to read:

116.21 Subd. 2. **Area.** "Area" means the territory included within the ~~boundaries of Anoka,~~  
116.22 ~~Carver, Dakota excluding the city of Northfield, Hennepin, Ramsey, Scott excluding the~~  
116.23 ~~city of New Prague, and Washington Counties metropolitan area as defined in section~~  
116.24 473.121, subdivision 2, excluding lands constituting a major or an intermediate airport as  
116.25 defined under section 473.625.

116.26 **EFFECTIVE DATE; APPLICATION.** This section is effective for taxes payable in  
116.27 2024 and thereafter and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
116.28 Scott, and Washington.

116.29 Sec. 36. Minnesota Statutes 2022, section 473F.02, subdivision 8, is amended to read:

116.30 Subd. 8. **Municipality.** "Municipality" means a city, town, or township located in whole  
116.31 or part within the area, ~~but not the cities of New Prague or Northfield as defined in~~  
116.32 subdivision 2. If a municipality is located partly within and partly without the area, the

117.1 references in sections 473F.01 to 473F.13 to property or any portion thereof subject to  
 117.2 taxation or taxing jurisdiction within the municipality are to such property or portion thereof  
 117.3 as is located in that portion of the municipality within the area, except that the fiscal capacity  
 117.4 of such a municipality shall be computed upon the basis of the valuation and population of  
 117.5 the entire municipality.

117.6 A municipality shall be excluded from the area if its municipal comprehensive zoning  
 117.7 and planning policies conscientiously exclude most commercial-industrial development,  
 117.8 for reasons other than preserving an agricultural use. The Metropolitan Council and the  
 117.9 commissioner of revenue shall jointly make this determination annually and shall notify  
 117.10 those municipalities that are ineligible to participate in the tax base sharing program provided  
 117.11 in this chapter for the following year.

117.12 **EFFECTIVE DATE; APPLICATION.** This section is effective for taxes payable in  
 117.13 2024 and thereafter and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
 117.14 Scott, and Washington.

117.15 Sec. 37. **NORTHWEST MINNESOTA MULTI-COUNTY HOUSING AND**  
 117.16 **REDEVELOPMENT AUTHORITY; LEVY AUTHORITY.**

117.17 Notwithstanding any law to the contrary, Laws 2008, chapter 366, article 5, section 33,  
 117.18 the effective date, as amended by Laws 2013, chapter 143, article 4, section 35, and Laws  
 117.19 2019, First Special Session chapter 6, article 4, section 31, is effective for taxes levied in  
 117.20 2008, payable in 2009, and is repealed effective for taxes levied in 2033, payable in 2034,  
 117.21 and thereafter.

117.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 117.23 Northwest Minnesota Multi-County Housing and Redevelopment Authority and its chief  
 117.24 clerical officer comply with the requirements of Minnesota Statutes, section 645.021,  
 117.25 subdivisions 2 and 3.

117.26 Sec. 38. **CLASS 4D(1); CLASS-RATE REDUCTION PROPERTY TAX SAVINGS**  
 117.27 **REPORT.**

117.28 (a) By November 1, 2025, each county must identify ten properties located within the  
 117.29 county with the greatest number of units classified as class 4d(1) under Minnesota Statutes,  
 117.30 section 273.13, subdivision 25. After identifying each property, the county must contact  
 117.31 and survey each property owner as to how each owner used property tax savings resulting  
 117.32 from the class rate change made to property classified as class 4d(1) under Minnesota  
 117.33 Statutes, section 273.13, subdivision 25, beginning with property taxes payable in 2025.

118.1 (b) By March 15, 2026, each county shall issue a report to the commissioner of revenue  
118.2 and to the legislative committees with jurisdiction over taxes and property taxes indicating  
118.3 how each surveyed property owner used property tax savings resulting from the class 4d(1)  
118.4 class rate change. The report shall include uses identified by type, including but not limited  
118.5 to property maintenance, property security, property improvements, property operations,  
118.6 rent stabilization, and increases in the property's capital expenditure fund balance.

118.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

118.8 **ARTICLE 4**  
118.9 **PROPERTY TAX AIDS**

118.10 Section 1. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision  
118.11 to read:

118.12 Subd. 3b. **Population age 65 and over.** "Population age 65 and over" means the  
118.13 population age 65 and over established as of July 15 in an aid calculation year by the most  
118.14 recent federal census, by a special census conducted under contract with the United States  
118.15 Bureau of the Census, by a population estimate made by the Metropolitan Council, or by a  
118.16 population estimate of the state demographer made pursuant to section 4A.02, whichever  
118.17 is the most recent as to the stated date of the count or estimate for the preceding calendar  
118.18 year and which has been certified to the commissioner of revenue on or before July 15 of  
118.19 the aid calculation year. A revision to an estimate or count is effective for these purposes  
118.20 only if certified to the commissioner on or before July 15 of the aid calculation year. Clerical  
118.21 errors in the certification or use of estimates and counts established as of July 15 in the aid  
118.22 calculation year are subject to correction within the time periods allowed under section  
118.23 477A.014.

118.24 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
118.25 and thereafter.

118.26 Sec. 2. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision  
118.27 to read:

118.28 Subd. 3c. **Transformed population.** "Transformed population" means the logarithm to  
118.29 the base 10 of the population.

118.30 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
118.31 and thereafter.

119.1 Sec. 3. Minnesota Statutes 2022, section 477A.011, subdivision 34, is amended to read:

119.2 Subd. 34. **City revenue need.** (a) For a city with a population equal to or greater than  
 119.3 10,000, "city revenue need" is 1.15 times the sum of (1) ~~4.59~~ 8.572 times the pre-1940  
 119.4 housing percentage; plus (2) ~~0.622 times the percent of housing built between 1940 and~~  
 119.5 ~~1970~~ 11.494 times the city age index; plus (3) ~~169.415 times the jobs per capita~~ 5.719 times  
 119.6 the commercial industrial utility percentage; plus (4) ~~the sparsity adjustment~~ 9.484 times  
 119.7 peak population decline; plus (5) ~~307.664~~ 293.056.

119.8 (b) For a city with a population equal to or greater than 2,500 and less than 10,000, "city  
 119.9 revenue need" is 1.15 times the sum of (1) ~~572.62~~ 497.308; plus (2) ~~5.026~~ 6.667 times the  
 119.10 pre-1940 housing percentage; ~~minus~~ plus (3) ~~53.768 times household size~~ 9.215 times the  
 119.11 commercial industrial utility percentage; plus (4) ~~14.022~~ 16.081 times peak population  
 119.12 ~~decline; plus (5) the sparsity adjustment.~~

119.13 (c) For a city with a population less than 2,500, "city revenue need" is the sum of (1)  
 119.14 ~~410~~ 196.487; plus (2) ~~0.367~~ 220.877 times the city's transformed population over 100; ~~plus~~  
 119.15 ~~(3) the sparsity adjustment. The city revenue need for a city under this paragraph shall not~~  
 119.16 ~~exceed 630 plus the city's sparsity adjustment.~~

119.17 (d) For a city with a population of at least 2,500 but less than 3,000, the "city revenue  
 119.18 need" equals (1) the transition factor times the city's revenue need calculated in paragraph  
 119.19 (b); plus (2) ~~630~~ the city's revenue need calculated under the formula in paragraph (c) times  
 119.20 the difference between one and the transition factor. For a city with a population of at least  
 119.21 10,000 but less than 11,000, the "city revenue need" equals (1) the transition factor times  
 119.22 the city's revenue need calculated in paragraph (a); plus (2) the city's revenue need calculated  
 119.23 under the formula in paragraph (b) times the difference between one and the transition  
 119.24 factor. For purposes of the first sentence of this paragraph "transition factor" is 0.2 percent  
 119.25 times the amount that the city's population exceeds the minimum threshold. For purposes  
 119.26 of the second sentence of this paragraph, "transition factor" is 0.1 percent times the amount  
 119.27 that the city's population exceeds the minimum threshold.

119.28 (e) The city revenue need cannot be less than zero.

119.29 (f) For calendar year ~~2015~~ 2024 and subsequent years, the city revenue need for a city,  
 119.30 as determined in paragraphs (a) to (e), is multiplied by the ratio of the annual implicit price  
 119.31 deflator for government consumption expenditures and gross investment for state and local  
 119.32 governments as prepared by the United States Department of Commerce, for the most  
 119.33 recently available year to the ~~2013~~ 2022 implicit price deflator for state and local government  
 119.34 purchases.

120.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 120.2 and thereafter.

120.3 Sec. 4. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision  
 120.4 to read:

120.5 Subd. 46. **City age index.** "City age index" means 100 times the ratio of (1) the population  
 120.6 age 65 and over within the city, to (2) the population of the city.

120.7 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 120.8 and thereafter.

120.9 Sec. 5. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision  
 120.10 to read:

120.11 Subd. 47. **Commercial industrial utility percentage.** The "commercial industrial utility  
 120.12 percentage" for a city is 100 times the ratio of (1) the sum of the estimated market values  
 120.13 of all real and personal property in the city classified as class 3 under section 273.13,  
 120.14 subdivision 24, to (2) the total market value of all taxable real and personal property in the  
 120.15 city. The market values are the amounts computed before any adjustments for fiscal  
 120.16 disparities under section 276A.06 or 473F.08. The market values used for this subdivision  
 120.17 are not equalized.

120.18 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 120.19 and thereafter.

120.20 Sec. 6. Minnesota Statutes 2022, section 477A.0124, subdivision 2, is amended to read:

120.21 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the  
 120.22 meanings given them.

120.23 (b) "County program aid" means the sum of "county need aid," "county tax base  
 120.24 equalization aid," and "county transition aid."

120.25 (c) "Age-adjusted population" means a county's population multiplied by the county age  
 120.26 index.

120.27 (d) "County age index" means the percentage of the population age 65 and over within  
 120.28 the county divided by the percentage of the population age 65 and over within the state,  
 120.29 except that the age index for any county may not be greater than 1.8 nor less than 0.8.

120.30 (e) "Population age 65 and over" ~~means the population age 65 and over established as~~  
 120.31 ~~of July 15 in an aid calculation year by the most recent federal census, by a special census~~



121.1 ~~conducted under contract with the United States Bureau of the Census, by a population~~  
121.2 ~~estimate made by the Metropolitan Council, or by a population estimate of the state~~  
121.3 ~~demographer made pursuant to section 4A.02, whichever is the most recent as to the stated~~  
121.4 ~~date of the count or estimate for the preceding calendar year and which has been certified~~  
121.5 ~~to the commissioner of revenue on or before July 15 of the aid calculation year. A revision~~  
121.6 ~~to an estimate or count is effective for these purposes only if certified to the commissioner~~  
121.7 ~~on or before July 15 of the aid calculation year. Clerical errors in the certification or use of~~  
121.8 ~~estimates and counts established as of July 15 in the aid calculation year are subject to~~  
121.9 ~~correction within the time periods allowed under section 477A.014~~ has the meaning given  
121.10 in section 477A.011, subdivision 3b.

121.11 (f) "Part I crimes" means the ~~three-year average~~ annual number of Part I crimes reported  
121.12 for each county by the Department of Public Safety ~~for the most recent years available~~. By  
121.13 July 1 of each year, the commissioner of public safety shall certify to the commissioner of  
121.14 revenue the number of Part I crimes reported for each county for the three most recent  
121.15 calendar years available.

121.16 (g) "Households receiving Supplemental Nutrition Assistance Program (SNAP) benefits"  
121.17 means the average monthly number of households receiving SNAP benefits for the three  
121.18 most recent years for which data is available. By July 1 of each year, the commissioner of  
121.19 human services must certify to the commissioner of revenue the average monthly number  
121.20 of households in the state and in each county that receive SNAP benefits, for the three most  
121.21 recent calendar years available.

121.22 (h) "County net tax capacity" means the county's adjusted net tax capacity under section  
121.23 273.1325.

121.24 (i) "Group A offenses" means the annual number of Group A offenses under the National  
121.25 Incident-Based Reporting System reported for each county by the Department of Public  
121.26 Safety. By July 1 of each year, the commissioner of public safety shall certify to the  
121.27 commissioner of revenue the number of Group A offenses reported for each county for the  
121.28 three most recent full calendar years available.

121.29 (j) "Adjusted offenses" means the county's average annual number of Group A offenses  
121.30 for the three-year period ending with the second prior calendar year to the year in which  
121.31 the aid is certified. For aids payable in 2024 and 2025 only, for the purpose of the three-year  
121.32 average calculated under this paragraph, the commissioner must substitute the annual number  
121.33 of Part I crimes for any year in which the annual number of Group A offenses is not available.

122.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 122.2 and thereafter.

122.3 Sec. 7. Minnesota Statutes 2022, section 477A.0124, subdivision 3, is amended to read:

122.4 Subd. 3. **County need aid.** ~~For 2005 and subsequent years,~~ The money appropriated to  
 122.5 county need aid each calendar year shall be allocated as follows: 40 percent based on each  
 122.6 county's share of age-adjusted population, 40 percent based on each county's share of the  
 122.7 state total of households receiving SNAP benefits, and 20 percent based on each county's  
 122.8 share of the state total of ~~Part I crimes~~ adjusted offenses.

122.9 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 122.10 and thereafter.

122.11 Sec. 8. Minnesota Statutes 2022, section 477A.013, subdivision 8, is amended to read:

122.12 Subd. 8. **City formula aid.** (a) For aids payable in ~~2018~~ 2024 and thereafter, the formula  
 122.13 aid for a city is equal to the product of (1) the difference between its unmet need and its  
 122.14 certified aid in the previous year ~~and before any aid adjustment under subdivision 13,~~ and  
 122.15 (2) the aid gap percentage.

122.16 (b) The applicable aid gap percentage must be calculated by the Department of Revenue  
 122.17 so that the total of the aid under subdivision 9 equals the total amount available for aid under  
 122.18 section 477A.03. The aid gap percentage must be the same for all cities subject to paragraph  
 122.19 (a). Data used in calculating aids to cities under sections 477A.011 to 477A.013 shall be  
 122.20 the most recently available data as of January 1 in the year in which the aid is calculated.

122.21 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 122.22 and thereafter.

122.23 Sec. 9. Minnesota Statutes 2022, section 477A.013, subdivision 9, is amended to read:

122.24 Subd. 9. **City aid distribution.** (a) In calendar year ~~2018~~ 2024 and thereafter, if a city's  
 122.25 certified aid ~~before any aid adjustment under subdivision 13~~ for the previous year is less  
 122.26 than its current unmet need, the city shall receive an aid distribution equal to the sum of (1)  
 122.27 its certified aid in the previous year ~~before any aid adjustment under subdivision 13,~~ and  
 122.28 (2) the city formula aid under subdivision 8, ~~and (3) its aid adjustment under subdivision~~  
 122.29 ~~13.~~

122.30 (b) ~~For aids payable in 2020 only, no city's aid amount before any adjustment under~~  
 122.31 ~~subdivision 13 may be less than its pay 2019 certified aid amount, less any aid adjustment~~

123.1 ~~under subdivision 13 for that year.~~ For aids payable in ~~2020~~ 2024 and thereafter, if a city's  
 123.2 certified aid ~~before any aid adjustment under subdivision 13~~ for the previous year is equal  
 123.3 to or greater than its current unmet need, the total aid for a city is equal to the greater of (1)  
 123.4 its unmet need ~~plus any aid adjustment under subdivision 13~~, or (2) the amount it was  
 123.5 certified to receive in the previous year minus the ~~sum of (i) any adjustment under subdivision~~  
 123.6 ~~13 that was paid in the previous year but has expired, and (ii) the~~ lesser of (i) \$10 multiplied  
 123.7 by its population, or (ii) five percent of its net levy in the year prior to the aid distribution.  
 123.8 No city may have a total aid amount less than \$0.

123.9 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 123.10 and thereafter.

123.11 Sec. 10. Minnesota Statutes 2022, section 477A.014, subdivision 1, is amended to read:

123.12 Subdivision 1. **Calculations and payments.** (a) The commissioner of revenue shall  
 123.13 make all necessary calculations and make payments ~~pursuant to sections 477A.013 and~~  
 123.14 ~~477A.03~~ under this chapter directly to the affected ~~taxing authorities~~ political subdivisions  
 123.15 annually. ~~In addition,~~ The commissioner shall notify the ~~authorities~~ political subdivisions  
 123.16 of their aid amounts, ~~as well as~~ the computational factors used in making the calculations  
 123.17 ~~for their authority~~, and those statewide total figures that are pertinent, before August 1 of  
 123.18 the year preceding the aid distribution year, unless a different date is specified.

123.19 (b) For the purposes of this subdivision, aid is determined for a city or town based on  
 123.20 its city or town status as of June 30 of the year preceding the aid distribution year. If the  
 123.21 effective date for a municipal incorporation, consolidation, annexation, detachment,  
 123.22 dissolution, or township organization is on or before June 30 of the year preceding the aid  
 123.23 distribution year, such change in boundaries or form of government shall be recognized for  
 123.24 aid determinations for the aid distribution year. If the effective date for a municipal  
 123.25 incorporation, consolidation, annexation, detachment, dissolution, or township organization  
 123.26 is after June 30 of the year preceding the aid distribution year, such change in boundaries  
 123.27 or form of government shall not be recognized for aid determinations until the following  
 123.28 year.

123.29 Subd. 1a. **Adjustments to computational factors.** (e) (a) Changes in boundaries or  
 123.30 form of government ~~will~~ may only be recognized for the purposes of this subdivision, to  
 123.31 the extent that, on or before July 15 of the aid calculation year: (1) changes in ~~market values~~  
 123.32 ~~are included in market values reported by assessors to the commissioner, and changes in~~  
 123.33 ~~population and household size are included in their respective certifications to the~~  
 123.34 ~~commissioner as referenced in section 477A.011~~ computational factors have been recertified

124.1 or otherwise reported in reliable form to the commissioner, or (2) an annexation information  
 124.2 report as provided in paragraph (d) (b) is received by the commissioner on or before July  
 124.3 15 of the aid calculation year. Revisions to estimates or data for use in recognizing changes  
 124.4 in boundaries or form of government are not effective for purposes of this subdivision unless  
 124.5 received by the commissioner on or before July 15 of the aid calculation year. Clerical errors  
 124.6 in the certification or use of estimates and data established as of July 15 in the aid calculation  
 124.7 year are subject to correction within the time periods allowed under subdivision 3.

124.8 ~~(d) (b)~~ In the case of an annexation, an annexation information report may be completed  
 124.9 by the annexing jurisdiction and submitted to the commissioner for purposes of this  
 124.10 subdivision if the net tax capacity of annexed area for the assessment year preceding the  
 124.11 effective date of the annexation exceeds five percent of the city's net tax capacity for the  
 124.12 same year. The form and contents of the annexation information report shall be prescribed  
 124.13 by the commissioner. The commissioner shall ~~change the net tax capacity, the population,~~  
 124.14 ~~the population decline, the commercial industrial percentage, and the transformed population~~  
 124.15 adjust the computational factors used to calculate aid under section 477A.013, subdivision  
 124.16 9, for the annexing jurisdiction only if the annexation information report provides data the  
 124.17 commissioner determines to be reliable for ~~all of these factors used to compute city revenue~~  
 124.18 ~~need for the annexing jurisdiction.~~ The commissioner shall ~~adjust the pre-1940 housing~~  
 124.19 ~~percentage and household size only if the entire area of an existing city or town is annexed~~  
 124.20 ~~or consolidated and only if reliable data is available for all of these factors used to compute~~  
 124.21 ~~city revenue need for the annexing jurisdiction~~ the entire annexed area.

124.22 **EFFECTIVE DATE.** This section is effective July 1, 2023.

124.23 Sec. 11. Minnesota Statutes 2022, section 477A.03, subdivision 2a, is amended to read:

124.24 Subd. 2a. **Cities.** ~~For aids payable in 2016 and 2017, the total aid paid under section~~  
 124.25 ~~477A.013, subdivision 9, is \$519,398,012. For aids payable in 2018 and 2019, the total aid~~  
 124.26 ~~paid under section 477A.013, subdivision 9, is \$534,398,012. For aids payable in 2020, the~~  
 124.27 ~~total aid paid under section 477A.013, subdivision 9, is \$560,398,012. For aids payable in~~  
 124.28 ~~2021 and thereafter through 2023, the total aid payable under section 477A.013, subdivision~~  
 124.29 ~~9, is \$564,398,012. For aids payable in 2024 and thereafter, the total aid payable under~~  
 124.30 section 477A.013, subdivision 9, is \$604,398,012.

124.31 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 124.32 and thereafter.

125.1 Sec. 12. Minnesota Statutes 2022, section 477A.03, subdivision 2b, is amended to read:

125.2 Subd. 2b. **Counties.** (a) ~~For aids payable in 2018 and 2019, the total aid payable under~~  
125.3 ~~section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be allocated~~  
125.4 ~~as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2020,~~  
125.5 ~~the total aid payable under section 477A.0124, subdivision 3, is \$116,795,000, of which~~  
125.6 ~~\$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section~~  
125.7 ~~6. For aids payable in 2021 through 2024~~ 2023, the total aid payable under section  
125.8 477A.0124, subdivision 3, is \$118,795,000, of which \$3,000,000 shall be allocated as  
125.9 required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2024, the  
125.10 total aid payable under section 477A.0124, subdivision 3, is \$136,496,026, of which  
125.11 \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section  
125.12 6. For aids payable in 2025 and thereafter, the total aid payable under section 477A.0124,  
125.13 subdivision 3, is ~~\$115,795,000~~ \$133,496,026. On or before the first installment date provided  
125.14 in section 477A.015, paragraph (a), \$500,000 of this appropriation shall be transferred each  
125.15 year by the commissioner of revenue to the Board of Public Defense for the payment of  
125.16 services under section 611.27. Any transferred amounts not expended or encumbered in a  
125.17 fiscal year shall be certified by the Board of Public Defense to the commissioner of revenue  
125.18 on or before October 1 and shall be included in the next certification of county need aid.

125.19 (b) ~~For aids payable in 2018 and 2019, the total aid under section 477A.0124, subdivision~~  
125.20 ~~4, is \$130,873,444. For aids payable in 2020, the total aid under section 477A.0124,~~  
125.21 ~~subdivision 4, is \$143,873,444. For aids payable in 2021 and thereafter~~ through 2023, the  
125.22 total aid under section 477A.0124, subdivision 4, is \$145,873,444. For aids payable in 2024  
125.23 and thereafter, the total aid under section 477A.0124, subdivision 4, is \$168,172,418. The  
125.24 commissioner of revenue shall transfer to the Legislative Budget Office \$207,000 annually  
125.25 for the cost of preparation of local impact notes as required by section 3.987, and other local  
125.26 government activities. The commissioner of revenue shall transfer to the commissioner of  
125.27 education \$7,000 annually for the cost of preparation of local impact notes for school districts  
125.28 as required by section 3.987. The commissioner of revenue shall deduct the amounts  
125.29 transferred under this paragraph from the appropriation under this paragraph. The amounts  
125.30 transferred are appropriated to the Legislative Coordinating Commission and the  
125.31 commissioner of education respectively.

125.32 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
125.33 and thereafter.

126.1 Sec. 13. Minnesota Statutes 2022, section 477A.12, subdivision 1, is amended to read:

126.2 Subdivision 1. **Types of land; payments.** The following amounts are annually  
126.3 appropriated to the commissioner of natural resources from the general fund for transfer to  
126.4 the commissioner of revenue. The commissioner of revenue shall pay the transferred funds  
126.5 to counties as required by sections 477A.11 to 477A.14. The amounts, based on the acreage  
126.6 as of July 1 of each year prior to the payment year, are:

126.7 (1) \$5.133 multiplied by the total number of acres of acquired natural resources land or,  
126.8 at the county's option three-fourths of one percent of the appraised value of all acquired  
126.9 natural resources land in the county, whichever is greater;

126.10 (2) \$5.133, multiplied by the total number of acres of transportation wetland or, at the  
126.11 county's option, three-fourths of one percent of the appraised value of all transportation  
126.12 wetland in the county, whichever is greater;

126.13 (3) \$5.133, multiplied by the total number of acres of wildlife management land, or, at  
126.14 the county's option, three-fourths of one percent of the appraised value of all wildlife  
126.15 management land in the county, whichever is greater;

126.16 (4) 50 percent of the dollar amount as determined under clause (1), multiplied by the  
126.17 number of acres of military refuge land in the county;

126.18 (5) ~~\$2~~ \$2.25, multiplied by the number of acres of county-administered other natural  
126.19 resources land in the county;

126.20 (6) \$5.133, multiplied by the total number of acres of land utilization project land in the  
126.21 county;

126.22 (7) ~~\$2~~ \$2.25, multiplied by the number of acres of commissioner-administered other  
126.23 natural resources land in the county; and

126.24 (8) without regard to acreage, and notwithstanding the rules adopted under section  
126.25 84A.55, \$300,000 for local assessments under section 84A.55, subdivision 9, that shall be  
126.26 divided and distributed to the counties containing state-owned lands within a conservation  
126.27 area in proportion to each county's percentage of the total annual ditch assessments.

126.28 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

126.29 Sec. 14. Minnesota Statutes 2022, section 477A.16, subdivision 2, is amended to read:

126.30 Subd. 2. **Aid eligibility; payment.** (a) If the net tax capacity differential of the local  
126.31 unit exceeds four percent of its modified net tax capacity, the local unit is eligible for  
126.32 transition aid computed under paragraph (b).

127.1 (b) For aids payable in 2010 and thereafter, transition aid under this section for an eligible  
 127.2 local unit equals (1) the current year net tax capacity differential for taxes payable in the  
 127.3 year preceding the aid distribution year, times (2) the jurisdiction's tax rate for taxes payable  
 127.4 in 2008.

127.5 (c) The commissioner of revenue shall compute the amount of transition aid payable to  
 127.6 each local unit under this section. On or before August 1 of each year, the commissioner  
 127.7 shall certify the amount of transition aid computed for aids payable in the following year  
 127.8 for each recipient local unit. The commissioner shall pay transition aid to local units annually  
 127.9 at the times provided in section 477A.015.

127.10 (d) Notwithstanding paragraph (a), beginning with aids payable in 2024, a local unit is  
 127.11 not eligible for transition aid if the local unit was not eligible for transition aid in the previous  
 127.12 year.

127.13 (e) Notwithstanding paragraph (b), transition aid under this section for an eligible local  
 127.14 unit must be reduced by:

127.15 (1) 25 percent of the amount calculated under paragraph (b) for aid payable in 2024;

127.16 (2) 50 percent of the amount calculated under paragraph (b) for aid payable in 2025;

127.17 and

127.18 (3) 75 percent of the amount calculated under paragraph (b) for aid payable in 2026.

127.19 (f) Aid distributions under this section expire after aids payable in 2026 have been  
 127.20 distributed.

127.21 **EFFECTIVE DATE.** This section is effective for aids payable in 2024 and thereafter.

127.22 **Sec. 15. [477A.23] SOIL AND WATER CONSERVATION DISTRICT AID.**

127.23 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the  
 127.24 meanings given:

127.25 (1) "nonpublic land" means land, excluding public land and Tribal land;

127.26 (2) "public land" means land that:

127.27 (i) is owned by the federal government, the state, or a county; and

127.28 (ii) is administered by the state or a county, but not including land administered by the  
 127.29 Minnesota State Colleges and Universities;

128.1 (3) "Tribal land" means land contained within the boundary of an American Indian tribal  
128.2 subdivision of a federally recognized Indian Tribe located in Minnesota, according to the  
128.3 most recent data available from the United States Bureau of the Census;

128.4 (4) "population" means the population estimated as of June 1 in an aid calculation year  
128.5 by the most recent federal census;

128.6 (5) "transformed population" means the cube root of population; and

128.7 (6) "soil and water conservation district" means a district under chapter 103C that is  
128.8 implementing the duties under that chapter as determined by the Board of Water and Soil  
128.9 Resources as of the date the board provides the certification to the commissioner of revenue  
128.10 required by subdivision 3. For purposes of this section, soil and water conservation district  
128.11 includes a county exercising the duties and authorities of a soil and water conservation  
128.12 district under section 383A.606 or 383B.761.

128.13 Subd. 2. **Distribution.** The Board of Water and Soil Resources must calculate the amount  
128.14 of aid to be distributed to the certified soil and water conservation districts from the  
128.15 appropriation in subdivision 6 as follows:

128.16 (1) 70 percent of the appropriation must be distributed equally among the districts;

128.17 (2) 20 percent of the appropriation must be distributed proportionally among the districts  
128.18 according to the amount of nonpublic land located in a district as compared to the amount  
128.19 of nonpublic land in all districts; and

128.20 (3) ten percent of the appropriation must be distributed proportionally among the districts  
128.21 according to the transformed population of the district as compared to the total transformed  
128.22 population of all districts.

128.23 Subd. 3. **Certification to commissioner.** On or before June 1 each year, the Board of  
128.24 Water and Soil Resources must certify to the commissioner of revenue the soil and water  
128.25 conservation districts that will receive a payment under this section and the amount of each  
128.26 payment.

128.27 Subd. 4. **Use of proceeds.** (a) Notwithstanding section 103C.401, subdivision 2, a soil  
128.28 and water conservation district that receives a distribution under this section must use the  
128.29 proceeds to implement chapter 103C and other duties and services prescribed by statute.

128.30 (b) The board of each soil and water conservation district must establish, by resolution,  
128.31 annual guidelines for using payments received under this section. Current year guidelines  
128.32 and guidelines from the year immediately prior must be posted on the district website.



129.1 (c) A soil and water conservation district that receives a payment under this section may  
129.2 appropriate any portion of the payment to a governmental unit with which the district has  
129.3 a cooperative agreement under section 103C.231. Any payment received under this section  
129.4 and appropriated by the district must be used as required by this section.

129.5 Subd. 5. **Payments.** The commissioner of revenue must distribute soil and water  
129.6 conservation district aid in the same manner and at the same times as aid payments provided  
129.7 under section 477A.015.

129.8 Subd. 6. **Appropriation.** \$12,723,000 is annually appropriated from the general fund  
129.9 to the commissioner of revenue to make the payments required under this section.

129.10 Subd. 7. **Aid amount corrections.** If, due to a clerical error, the amount certified by the  
129.11 Board of Water and Soil Resources to the commissioner of revenue is less than the amount  
129.12 to which the district is entitled under this section, the Board of Water and Soil Resources  
129.13 shall recertify the correct amount to the commissioner of revenue and communicate the  
129.14 error and the corrected amount to the affected soil and water conservation district as soon  
129.15 as practical after the error is discovered.

129.16 **EFFECTIVE DATE.** This section is effective beginning with aids payable in calendar  
129.17 year 2023 and thereafter.

129.18 **Sec. 16. [477A.24] ELECTRIC GENERATION TRANSITION AID.**

129.19 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
129.20 the meanings given.

129.21 (b) "Electric generating unit" means a single generating unit at an electric generating  
129.22 plant powered by coal, nuclear, or natural gas.

129.23 (c) "Electric generation property" means taxable property of an electric generating plant  
129.24 owned by a public utility, as defined in section 216B.02, subdivision 4, that is powered by  
129.25 coal, nuclear, or natural gas and located in an eligible taxing jurisdiction.

129.26 (d) "Eligible taxing jurisdiction" means a county, home rule charter or statutory city,  
129.27 town, or school district.

129.28 (e) "Unit base year" means the assessment year in which the assessed value of electric  
129.29 generation property is reduced due to the retirement of the electric generating unit.

129.30 (f) "Unit differential" means (1) the tax capacity of electric generation property in the  
129.31 assessment year preceding the unit base year, minus (2) the tax capacity of electric generation  
129.32 property in the unit base year. The unit differential may not be less than zero. The unit

130.1 differential equals zero if the tax capacity of electric generation property in the eligible  
130.2 taxing jurisdiction in the assessment year preceding the unit base year is less than four  
130.3 percent of the total net tax capacity of the eligible taxing jurisdiction in that year, as adjusted  
130.4 under section 473F.08, subdivision 2, or 276A.06, subdivision 2, as applicable, except that,  
130.5 in an eligible taxing jurisdiction with multiple electric generating units, only the unit  
130.6 differential calculated upon the first retirement of an electric generating unit in that  
130.7 jurisdiction following the effective date of this section is subject to the reduction under this  
130.8 sentence.

130.9 Subd. 2. **Required notification.** Notwithstanding the requirements of Minnesota Rules,  
130.10 chapter 8100, a public utility must notify the commissioner when the public utility expects  
130.11 to retire an electric generating unit and remove that unit from the property tax base. The  
130.12 notification must be in the form and manner determined by the commissioner, include  
130.13 information required by the commissioner to calculate transition aid under this section, and  
130.14 be filed together with the reports required under section 273.371.

130.15 Subd. 3. **Unit transition amount.** (a) The initial unit transition amount equals the product  
130.16 of (1) the unit differential, times (2) the jurisdiction's tax rate for taxes payable in the unit  
130.17 base year.

130.18 (b) The unit transition amount for the year following the unit base year, or in the year  
130.19 as provided under subdivision 7, equals the initial unit transition amount. Unit transition  
130.20 amounts in subsequent years must be reduced each year by an amount equal to five percent  
130.21 of the initial unit transition amount. If the unit transition amount attributable to any unit is  
130.22 less than \$5,000 in any year, the unit transition amount for that unit equals zero.

130.23 Subd. 4. **Electric generation transition aid.** Electric generation transition aid for an  
130.24 eligible taxing jurisdiction equals the sum of the unit transition amounts for that jurisdiction.

130.25 Subd. 5. **Aid elimination.** (a) Notwithstanding subdivision 4, beginning for aid in the  
130.26 year after the year in which the jurisdiction first qualified for aid, aid for an eligible taxing  
130.27 jurisdiction equals zero if the commissioner determines that the eligible taxing jurisdiction's  
130.28 total net tax capacity in the assessment year preceding the aid calculation year is greater  
130.29 than the product of:

130.30 (1) 90 percent of the jurisdiction's total net tax capacity in the assessment year preceding  
130.31 the aid calculation year in which the jurisdiction first qualified for aid under this section;  
130.32 times

130.33 (2) the greater of one or the ratio of (i) the statewide total net tax capacity of real and  
130.34 personal property in the assessment year preceding the aid calculation year to (ii) the

131.1 statewide total net tax capacity of real and personal property in the assessment year preceding  
131.2 the aid calculation year in which the jurisdiction first qualified for aid under this section.

131.3 (b) For the purposes of this subdivision, "net tax capacity" means net tax capacity as  
131.4 adjusted under section 473F.08, subdivision 2, or 276A.06, subdivision 2, as applicable.

131.5 (c) If aid to a jurisdiction attributable to a previous unit retirement has been eliminated  
131.6 under this subdivision, the jurisdiction may qualify for aid under this section for subsequent  
131.7 unit retirements.

131.8 Subd. 6. Commissioner's duties; payment schedule. (a) The commissioner of revenue  
131.9 shall compute the amount of electric generation transition aid payable to each jurisdiction  
131.10 under this section. The portion of aid to an eligible taxing jurisdiction that consists of the  
131.11 initial unit transition amount under subdivision 3, paragraph (a), must be certified on or  
131.12 before May 1 in the year the aid is payable. The portion of aid to an eligible taxing  
131.13 jurisdiction that consists of the unit transition amount under subdivision 3, paragraph (b),  
131.14 must be certified by August 1 of each year for aids payable in the following calendar year.  
131.15 The commissioner shall pay aid to each jurisdiction other than school districts annually at  
131.16 the times provided in section 477A.015. Aids to school districts must be certified to the  
131.17 commissioner of education and paid under section 273.1392.

131.18 (b) The commissioner of revenue may require counties to provide any data that the  
131.19 commissioner deems necessary to administer this section.

131.20 Subd. 7. Aid for prior unit retirements. An electric generating unit with a unit base  
131.21 year after 2016 but before 2023 must be counted for the purpose of calculating aid under  
131.22 this section. For a unit eligible to be counted under this subdivision and for the purpose of  
131.23 the schedule of amounts under subdivision 3, paragraph (b), the unit base year is 2023.

131.24 Subd. 8. Appropriation. An amount sufficient to make the aid payments required by  
131.25 this section to eligible taxing jurisdictions other than school districts is annually appropriated  
131.26 from the general fund to the commissioner of revenue. An amount sufficient to make the  
131.27 aid payments required by this section for school districts is annually appropriated from the  
131.28 general fund to the commissioner of education.

131.29 EFFECTIVE DATE. This section is effective for aids payable in 2024 and thereafter.

131.30 Sec. 17. [477A.31] MAHNOMEN PROPERTY TAX REIMBURSEMENT AID.

131.31 Subdivision 1. Aid amounts. (a) The commissioner of revenue shall make reimbursement  
131.32 aid payments to compensate for the loss of property tax revenue related to the trust conversion  
131.33 application of the Shooting Star Casino. The commissioner shall pay the county of

132.1 Mahnomen, \$1,010,000; the city of Mahnomen, \$210,000; and Independent School District  
 132.2 No. 432, Mahnomen, \$140,000.

132.3 (b) The payments shall be made annually on July 20.

132.4 Subd. 2. **Appropriation.** An amount sufficient to pay reimbursement aid under this  
 132.5 section is annually appropriated from the general fund to the commissioner of revenue.

132.6 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 132.7 and thereafter.

132.8 Sec. 18. Laws 2006, chapter 259, article 11, section 3, as amended by Laws 2008, chapter  
 132.9 154, article 1, section 4, and Laws 2013, chapter 143, article 2, section 33, is amended to  
 132.10 read:

132.11 Sec. 3. **MAHNOMEN COUNTY; COUNTY, CITY, SCHOOL DISTRICT,**  
 132.12 **PROPERTY TAX REIMBURSEMENT.**

132.13 Subdivision 1. **Aid appropriation.** (a) \$1,200,000 is appropriated annually from the  
 132.14 general fund to the commissioner of revenue to be used to make payments to compensate  
 132.15 for the loss of property tax revenue related to the trust conversion application of the Shooting  
 132.16 Star Casino. The commissioner shall pay the county of Mahnomen, \$900,000; the city of  
 132.17 Mahnomen, \$160,000; and Independent School District No. 432, Mahnomen, \$140,000.  
 132.18 The payments shall be made on July 20, of 2013 and each subsequent year.

132.19 (b) This section expires after aids payable year 2023.

132.20 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 132.21 and thereafter.

132.22 Sec. 19. **2021 AID PENALTY FORGIVENESS.**

132.23 Subdivision 1. **City of Echo.** Notwithstanding Minnesota Statutes, section 477A.017,  
 132.24 subdivision 3, the city of Echo is eligible to receive its aid payment for calendar year 2021  
 132.25 under Minnesota Statutes, section 477A.013, that was withheld under Minnesota Statutes,  
 132.26 section 477A.017, subdivision 3, and its small city assistance payment for calendar year  
 132.27 2021 under Minnesota Statutes, section 162.145, that was withheld under Minnesota Statutes,  
 132.28 section 162.145, subdivision 3, paragraph (c). If the state auditor certifies to the commissioner  
 132.29 of revenue that it received the annual financial reporting form for 2020 from the city by  
 132.30 June 1, 2023, the commissioner of revenue must make a payment of \$46,060 to the city by  
 132.31 June 30, 2023.

133.1 Subd. 2. **City of Morton.** Notwithstanding Minnesota Statutes, section 477A.017,  
 133.2 subdivision 3, the city of Morton is eligible to receive its aid payment for calendar year  
 133.3 2021 under Minnesota Statutes, section 477A.013, that was withheld under Minnesota  
 133.4 Statutes, section 477A.017, subdivision 3, and its small city assistance payment for calendar  
 133.5 year 2021 under Minnesota Statutes, section 162.145, that was withheld under Minnesota  
 133.6 Statutes, section 162.145, subdivision 3, paragraph (c). If the state auditor certifies to the  
 133.7 commissioner of revenue that it received the annual financial reporting form for 2020 from  
 133.8 the city by June 1, 2023, the commissioner of revenue must make a payment of \$79,476 to  
 133.9 the city by June 30, 2023.

133.10 Subd. 3. **Appropriation.** The amounts necessary to make the payments required under  
 133.11 this section are appropriated in fiscal year 2023 from the general fund to the commissioner  
 133.12 of revenue. This is a onetime appropriation.

133.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

133.14 **Sec. 20. 2023 PUBLIC SAFETY AID.**

133.15 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the  
 133.16 meanings given:

133.17 (1) "commissioner" means the commissioner of revenue;

133.18 (2) "local unit" means (i) a statutory or home rule charter city, or (ii) a town with a  
 133.19 population of at least 10,000;

133.20 (3) "population" means population estimates made or conducted by the United States  
 133.21 Bureau of the Census; the Metropolitan Council pursuant to Minnesota Statutes, section  
 133.22 473.24; or by the state demographer pursuant to Minnesota Statutes, section 4A.02, paragraph  
 133.23 (d), whichever is the most recent estimate and available as of January 1, 2023;

133.24 (4) "Tribal governments" has the meaning given to "Minnesota Tribal governments" in  
 133.25 Minnesota Statutes, section 10.65, subdivision 2, paragraph (a), clause (4); and

133.26 (5) "Tribal population" means population estimates made or conducted by the United  
 133.27 States Bureau of the Census of the federally recognized American Indian reservations and  
 133.28 off-reservation trust lands in Minnesota, whichever is the most recent estimate and available  
 133.29 as of January 1, 2023.

133.30 Subd. 2. **County aid.** A county's public safety aid equals the sum of:

133.31 (1) the product of (i) the county's population, and (ii) the county basic allowance; plus

134.1 (2) the product of (i) the county's population minus the total population of every local  
134.2 unit located in that county, and (ii) the county additional allowance.

134.3 Subd. 3. **Tribal government aid.** A Tribal government's public safety aid equals the  
134.4 sum of:

134.5 (1) the product of (i) the Tribe's population, and (ii) the county basic allowance; plus  
134.6 (2) the product of (i) the Tribe's population, and (ii) the county additional allowance.

134.7 Subd. 4. **Local unit aid.** A local unit's public safety aid equals the greater of (1) \$1,500,  
134.8 or (2) the product of (i) the local unit's population, and (ii) the local unit allowance.

134.9 Subd. 5. **Commissioner to calculate allowances.** (a) The commissioner must calculate  
134.10 the county basic allowance so that the total amount of aid distributed under subdivisions 2,  
134.11 clause (1), and 3, clause (1), equals 70 percent of the amount appropriated for aid to counties  
134.12 and Tribal governments.

134.13 (b) The commissioner must calculate the county additional allowance so that the total  
134.14 amount of aid distributed under subdivisions 2, clause (2), and 3, clause (2), equals 30  
134.15 percent of the amount appropriated for aid to counties and Tribal governments.

134.16 (c) The commissioner must calculate the local unit allowance so that the total amount  
134.17 of aid distributed under subdivision 4 equals the amount appropriated for aid to local units.

134.18 Subd. 6. **Eligible uses.** (a) A county, Tribal government, or local unit must use the aid  
134.19 under this section to provide public safety, including but not limited to training programs  
134.20 for peace officers and other public safety staff on mental health crisis response, de-escalation  
134.21 strategies, or community engagement or to pay other personnel and equipment costs.

134.22 (b) A county must consult with its county sheriff in determining how to use the aid.

134.23 (c) A county, Tribal government, or local unit may not apply the aid under this section  
134.24 toward:

134.25 (1) its employer contribution to the public employees police and fire fund if the county,  
134.26 Tribal government, or local unit received police state aid under Minnesota Statutes, chapter  
134.27 477C, in calendar year 2022; or

134.28 (2) any costs associated with alleged wrongdoing or misconduct.

134.29 Subd. 7. **Certification; payment date.** The commissioner must certify the aid amount  
134.30 to be paid in 2023 to each county, Tribal government, and local unit by September 1, 2023.  
134.31 The commissioner must make the full 2023 payment to each county, Tribal government,  
134.32 and local unit by December 26, 2023.

135.1 Subd. 8. **Appropriation.** (a) \$300,000,000 is appropriated in fiscal year 2024 from the  
 135.2 general fund to the commissioner of revenue for public safety aid under this section.

135.3 (b) Of the amount in paragraph (a), 30 percent is for aid to counties and Tribal  
 135.4 governments and 70 percent is for aid to local units.

135.5 (c) This is a onetime appropriation.

135.6 **EFFECTIVE DATE.** This section is effective for aids payable in 2023.

135.7 Sec. 21. **CRISIS RESPONSE AND CRIMINAL INVESTIGATION GRANTS;**  
 135.8 **SPECIAL REVENUE ACCOUNT; APPROPRIATION.**

135.9 The crisis response and criminal investigation account is created in the special revenue  
 135.10 fund consisting of money deposited, donated, allotted, transferred, or otherwise provided  
 135.11 to the account. Of the amount in the account, up to \$5,000,000 in each of fiscal years 2024,  
 135.12 2025, 2026, 2027, and 2028 are appropriated to the commissioner of public safety for grants  
 135.13 administered by the Office of Justice Programs to be awarded to local law enforcement  
 135.14 agencies or local governments to improve responses to situations involving individuals  
 135.15 experiencing a mental health crisis and to improve criminal investigations. The Office of  
 135.16 Justice Programs may use up to 2.5 percent of the annual appropriation to administer the  
 135.17 grants. This appropriation is in addition to any appropriation enacted for the same purpose  
 135.18 during the 2023 regular legislative session.

135.19 Sec. 22. **CRISIS RESPONSE AND CRIMINAL INVESTIGATION ACCOUNT;**  
 135.20 **TRANSFER.**

135.21 \$25,000,000 in fiscal year 2024 is transferred from the general fund to the crisis response  
 135.22 and criminal investigation account in the special revenue fund. The base for this appropriation  
 135.23 is \$0 in fiscal year 2025 and thereafter. Any balance in the account on June 30, 2028, cancels  
 135.24 to the general fund. This transfer is in addition to any transfer enacted for the same purpose  
 135.25 during the 2023 regular legislative session.

135.26 Sec. 23. **TRIBAL NATION HOUSING AND HOMELESSNESS AID.**

135.27 (a) \$44,000,000 in fiscal year 2024 is appropriated from the general fund to the  
 135.28 commissioner of revenue for direct aid to Tribal Nations for homelessness prevention,  
 135.29 emergency shelter, and other needs related to housing instability and homelessness.

135.30 (b) The commissioner of revenue may pay aid under this section to the governing body  
 135.31 of the:

136.1 (1) Fond du Lac Band;

136.2 (2) Grand Portage Band;

136.3 (3) Mille Lacs Band;

136.4 (4) White Earth Band;

136.5 (5) Bois Forte Band;

136.6 (6) Leech Lake Band;

136.7 (7) Red Lake Nation;

136.8 (8) Upper Sioux Community;

136.9 (9) Lower Sioux Community;

136.10 (10) Shakopee Mdewakanton Sioux Community; and

136.11 (11) Prairie Island Mdewakanton Dakota Community.

136.12 (c) To receive aid under this section, a Tribal Nation must apply in writing to the  
136.13 commissioner of revenue on or before July 1, 2023. As part of the application, the Tribal  
136.14 Nation must agree to spend the aid money for homelessness prevention, emergency shelter,  
136.15 and other needs related to housing instability and homelessness.

136.16 (d) Each Tribal Nation must be paid an amount equal to the amount appropriated in  
136.17 paragraph (a) divided by the number of Tribal Nations that timely applied for aid. The  
136.18 commissioner of revenue shall certify the amount of aid payable to each Tribal Nation on  
136.19 or before September 1, 2023.

136.20 (e) The commissioner of revenue must distribute all aid payable under this section on  
136.21 or before December 26, 2023.

136.22 (f) On or before February 1, 2024, a recipient of aid under this section must provide a  
136.23 report to the commissioner of revenue in the form prescribed by the commissioner of revenue.  
136.24 The commissioner of revenue must compile and provide the reports to the chairs and ranking  
136.25 minority members of the legislative committees with jurisdiction over taxes.

136.26 (g) The appropriation under this section is onetime.

136.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.



137.1 Sec. 24. APPROPRIATION; CITY OF SPRING GROVE FIRE REMEDIATION  
137.2 GRANT.

137.3 \$250,000 in fiscal year 2024 is appropriated from the general fund to the commissioner  
137.4 of revenue for a grant to the city of Spring Grove to remediate the effects of the fire in the  
137.5 city on December 22, 2022. The grant recipient must use the money appropriated under this  
137.6 section for remediation costs incurred by public or private entities as a result of the fire,  
137.7 including disaster recovery, infrastructure, reimbursement for emergency personnel costs,  
137.8 reimbursement for equipment costs, and reimbursement for property tax abatements. This  
137.9 appropriation is onetime and is available until June 30, 2025.

137.10 EFFECTIVE DATE. This section is effective July 1, 2023.

137.11 Sec. 25. APPROPRIATION; CLASS 4D(1) LOW-INCOME RENTAL PROPERTY  
137.12 2025 AND 2026 TRANSITION AID.

137.13 Subdivision 1. Definitions. (a) For the purposes of this section, the terms in this  
137.14 subdivision have the meanings given.

137.15 (b) "4d(1) property" means class 4d(1) low-income rental property under Minnesota  
137.16 Statutes, section 273.13, subdivision 25.

137.17 (c) "Base assessment year" means assessment year 2023.

137.18 (d) "City" means a home rule charter or statutory city.

137.19 (e) "Modified transition tax capacity" means the product of (1) one minus the transition  
137.20 ratio for the city, times (2) the transition tax capacity for the city.

137.21 (f) "Transition ratio" means the ratio of (1) the net tax capacity of 4d(1) property for the  
137.22 city in the base assessment year calculated using the classification rates and first-tier limit  
137.23 in effect for 4d(1) property for taxes payable in 2025, to (2) the net tax capacity of 4d(1)  
137.24 property for the city in the base assessment year calculated using the classification rates  
137.25 and first-tier limit in effect for 4d(1) property for taxes payable in 2024.

137.26 (g) "Transition tax capacity" means the greater of zero or the difference between (1) the  
137.27 net tax capacity of 4d(1) property for the city in the base assessment year, minus (2) two  
137.28 percent of the total net tax capacity for the city in the base assessment year.

137.29 Subd. 2. Aid amount. In 2025 and 2026 only, transition aid for a city equals the product  
137.30 of (1) the city's tax rate for taxes payable in 2024, times (2) the modified transition tax  
137.31 capacity for the city.

138.1 Subd. 3. **Administration; payment schedule.** (a) For purposes of this section, net tax  
 138.2 capacity must be determined by the commissioner of revenue based on information available  
 138.3 to the commissioner as of July 15, 2024.

138.4 (b) The commissioner of revenue must certify the aid amount to be paid to each city  
 138.5 before August 1 of the year preceding the aid distribution year and must pay the aid in two  
 138.6 installments on the dates specified in Minnesota Statutes, section 477A.015.

138.7 Subd. 4. **Appropriation.** An amount sufficient to pay transition aid under this section  
 138.8 is annually appropriated from the general fund to the commissioner of revenue.

138.9 **EFFECTIVE DATE.** This section is effective for aid payable in calendar year 2025  
 138.10 and 2026 only.

138.11 Sec. 26. **REPEALER.**

138.12 Minnesota Statutes 2022, sections 477A.011, subdivisions 30a, 38, 42, and 45; and  
 138.13 477A.013, subdivision 13, are repealed.

138.14 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 138.15 and thereafter.

138.16 **ARTICLE 5**  
 138.17 **SALES AND USE TAXES**

138.18 Section 1. Minnesota Statutes 2022, section 38.27, subdivision 4, is amended to read:

138.19 **Subd. 4. Use of a portion of county fair revenues.** A county agricultural society must  
 138.20 annually determine the amount of sales tax savings attributable to section 297A.70,  
 138.21 ~~subdivision 21. If the county agricultural society owns its own fairgrounds, it, and~~ must use  
 138.22 the amount equal to the sales tax savings to maintain, improve, or expand society-owned  
 138.23 buildings and facilities on the fairgrounds; ~~otherwise it must transfer this amount to the~~  
 138.24 ~~owner of the fairgrounds. An owner that receives a transfer of money under this subdivision~~  
 138.25 ~~must use the transferred amount to maintain, improve, and expand entity owned buildings~~  
 138.26 ~~and facilities on the county fairgrounds.~~

138.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

139.1 Sec. 2. Minnesota Statutes 2022, section 297A.67, is amended by adding a subdivision to  
139.2 read:

139.3 Subd. 39. Firearm storage units. Secure firearm storage units are exempt. For the  
139.4 purposes of this subdivision:

139.5 (1) "secure firearm storage unit" means a container that is fully enclosed and locked by  
139.6 a padlock, keylock, combination lock, or similar locking device, and is either specifically  
139.7 designed for the safe storage of firearms or sold for that purpose by a federally licensed  
139.8 firearms dealer; and

139.9 (2) "firearm" has the meaning provided in section 97A.015, subdivision 19.

139.10 EFFECTIVE DATE. This section is effective for sales and purchases made after June  
139.11 30, 2023.

139.12 Sec. 3. Minnesota Statutes 2022, section 297A.68, is amended by adding a subdivision to  
139.13 read:

139.14 Subd. 35b. Fiber and conduit; broadband and Internet access. Fiber and conduit  
139.15 purchased or leased for use directly by a broadband or Internet service provider, primarily  
139.16 in the provision of broadband or Internet access services that are ultimately to be sold at  
139.17 retail, are exempt.

139.18 EFFECTIVE DATE. This section is effective for sales and purchases made after June  
139.19 30, 2023.

139.20 Sec. 4. Minnesota Statutes 2022, section 297A.68, is amended by adding a subdivision to  
139.21 read:

139.22 Subd. 46. Amenities included with the privilege of admission. (a) The sale of amenities,  
139.23 including but not limited to food and beverages, parking services, and promotional items,  
139.24 that are included in the sales price of the privilege of admission to athletic events and places  
139.25 of amusement under section 297A.61, subdivision 3, paragraph (m), are exempt when sold  
139.26 by a seller of the privilege of admission.

139.27 (b) Under this subdivision, the exempt portion of the sale of the privilege of admission  
139.28 is equal to the purchase price of the amenity if sales or use tax was paid on the amenity  
139.29 when purchased by the seller.

140.1 (c) The seller must retain records documenting the price and tax paid by the seller when  
140.2 purchasing the amenities and the price and tax collected when the seller sells the privilege  
140.3 of admission.

140.4 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
140.5 made after June 30, 2022.

140.6 Sec. 5. Minnesota Statutes 2022, section 297A.70, subdivision 7, is amended to read:

140.7 Subd. 7. **Hospitals, outpatient surgical centers, and critical access dental providers,**  
140.8 **and blood centers.** (a) Sales, except for those listed in paragraph ~~(d)~~ (e), to a hospital are  
140.9 exempt, if the items purchased are used in providing hospital services. For purposes of this  
140.10 subdivision, "hospital" means a hospital organized and operated for charitable purposes  
140.11 within the meaning of section 501(c)(3) of the Internal Revenue Code, and licensed under  
140.12 chapter 144 or by any other jurisdiction, and "hospital services" are services authorized or  
140.13 required to be performed by a "hospital" under chapter 144.

140.14 (b) Sales, except for those listed in paragraph ~~(d)~~ (e), to an outpatient surgical center are  
140.15 exempt, if the items purchased are used in providing outpatient surgical services. For purposes  
140.16 of this subdivision, "outpatient surgical center" means an outpatient surgical center organized  
140.17 and operated for charitable purposes within the meaning of section 501(c)(3) of the Internal  
140.18 Revenue Code, and licensed under chapter 144 or by any other jurisdiction. For the purposes  
140.19 of this subdivision, "outpatient surgical services" means: (1) services authorized or required  
140.20 to be performed by an outpatient surgical center under chapter 144; and (2) urgent care. For  
140.21 purposes of this subdivision, "urgent care" means health services furnished to a person  
140.22 whose medical condition is sufficiently acute to require treatment unavailable through, or  
140.23 inappropriate to be provided by, a clinic or physician's office, but not so acute as to require  
140.24 treatment in a hospital emergency room.

140.25 (c) Sales, except for those listed in paragraph ~~(d)~~ (e), to a critical access dental provider  
140.26 are exempt, if the items purchased are used in providing critical access dental care services.  
140.27 For the purposes of this subdivision, "critical access dental provider" means a dentist or  
140.28 dental clinic that qualifies under section 256B.76, subdivision 4, paragraph (b), and, in the  
140.29 previous calendar year, had no more than 15 percent of its patients covered by private dental  
140.30 insurance.

140.31 (d) Sales, except for those listed in paragraph (e), to a blood center are exempt, if the  
140.32 items purchased are used in providing blood collection and distribution services.  
140.33 Notwithstanding paragraph (e), leases by a blood center of a truck, as defined in section  
140.34 168.002; a bus, as defined in section 168.002; or a passenger automobile, as defined in

141.1 section 168.002, if the truck, bus, or automobile is used for carrying out the purposes of the  
141.2 blood center, including the collection of blood from donors, setting up of blood drives, and  
141.3 delivering blood to hospitals are exempt. For purposes of this subdivision, "blood center"  
141.4 means an entity organized and operated for charitable purposes under section 501(c)(3) of  
141.5 the Internal Revenue Code that is:

141.6 (1) registered as a blood establishment pursuant to Code of Federal Regulations, title  
141.7 21, part 607;

141.8 (2) a human cells, tissues, and cellular and tissue-based products establishment under  
141.9 Code of Federal Regulations, title 21, part 1271, subpart B; or

141.10 (3) a clinical lab that performs infectious disease testing, blood typing, and other  
141.11 laboratory testing services in connection with blood processing for transfusion into humans  
141.12 under Code of Federal Regulations, title 42, part 493.

141.13 (e) This exemption does not apply to the following products and services:

141.14 (1) purchases made by a clinic, physician's office, or any other medical facility not  
141.15 operating as a hospital, outpatient surgical center, ~~or~~ critical access dental provider, or blood  
141.16 center, even though the clinic, office, or facility may be owned and operated by a hospital,  
141.17 outpatient surgical center, ~~or~~ critical access dental provider, or blood center;

141.18 (2) sales under section 297A.61, subdivision 3, paragraph (g), clause (2), and prepared  
141.19 food, candy, and soft drinks;

141.20 (3) building and construction materials used in constructing buildings or facilities that  
141.21 will not be used principally by the hospital, outpatient surgical center, ~~or~~ critical access  
141.22 dental provider, or blood center;

141.23 (4) building, construction, or reconstruction materials purchased by a contractor or a  
141.24 subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed  
141.25 maximum price covering both labor and materials for use in the construction, alteration, or  
141.26 repair of a hospital, outpatient surgical center, ~~or~~ critical access dental provider, or blood  
141.27 center; or

141.28 (5) the leasing of a motor vehicle as defined in section 297B.01, subdivision 11.

141.29 ~~(e)~~ (f) A limited liability company also qualifies for exemption under this subdivision  
141.30 if (1) it consists of a sole member that would qualify for the exemption, and (2) the items  
141.31 purchased qualify for the exemption.

142.1 ~~(f)~~ (g) An entity that contains both a hospital and a nonprofit unit may claim this  
 142.2 exemption on purchases made for both the hospital and nonprofit unit provided that:

142.3 (1) the nonprofit unit would have qualified for exemption under subdivision 4; and

142.4 (2) the items purchased would have qualified for the exemption.

142.5 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 142.6 made after December 31, 2019.

142.7 Sec. 6. Minnesota Statutes 2022, section 297A.70, subdivision 19, is amended to read:

142.8 Subd. 19. **Nonprofit snowmobile clubs; machinery and equipment.** (a) The following  
 142.9 sales to an eligible nonprofit snowmobile club are exempt:

142.10 ~~sales of~~ (1) tangible personal property, including grooming machines, attachments, other  
 142.11 associated accessories, and repair parts, to a nonprofit snowmobile club that is used primarily  
 142.12 and directly for the grooming of state or grant-in-aid snowmobile trails ~~are exempt. The~~  
 142.13 ~~exemption applies to grooming machines, attachments, other associated accessories, and~~  
 142.14 ~~repair parts; and~~

142.15 (2) materials and supplies used or consumed in, and equipment incorporated into, the  
 142.16 construction, reconstruction, maintenance, or improvement of state or grant-in-aid  
 142.17 snowmobile trails, completed by the nonprofit snowmobile club.

142.18 (b) A nonprofit snowmobile club is eligible for the exemption under this subdivision if  
 142.19 it received, in the current year or in the previous three-year period, a state grant-in-aid  
 142.20 maintenance and grooming grant administered by the Department of Natural Resources by  
 142.21 applying for the grant with a local unit of government sponsor.

142.22 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
 142.23 30, 2023.

142.24 Sec. 7. Minnesota Statutes 2022, section 297A.70, subdivision 21, is amended to read:

142.25 Subd. 21. **County agricultural society sales at county fairs.** (a) The following sales  
 142.26 by a county agricultural society during a regularly scheduled county fair are exempt. For  
 142.27 purposes of this subdivision, sales include ~~are exempt.~~

142.28 (1) admissions to and parking at the county fairgrounds;

142.29 (2) admissions to separately ticketed events run by the county agricultural society; and

143.1 (3) concessions and other sales made by employees or volunteers of the county  
143.2 agricultural society on the county fairgrounds.

143.3 ~~This (b) The exemption under paragraph (a)~~ does not apply to sales ~~or~~ for events ~~by a~~  
143.4 ~~county agricultural society~~ held at a time other than at the time of the regularly scheduled  
143.5 county fair, or events not held on the county fairgrounds.

143.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

143.7 Sec. 8. Minnesota Statutes 2022, section 297A.71, subdivision 51, is amended to read:

143.8 Subd. 51. **Properties destroyed by fire.** (a) Building materials and supplies used or  
143.9 consumed in, and equipment incorporated into, the construction or replacement of real  
143.10 property affected by, and capital equipment to replace equipment destroyed in, the fire on  
143.11 March 11, 2018, in the city of Mazeppa are exempt. The tax must be imposed and collected  
143.12 as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner  
143.13 provided in section 297A.75. For purposes of this subdivision, "capital equipment" includes  
143.14 durable equipment used in a restaurant for food storage, preparation, and serving.

143.15 (b) The exemption under this subdivision applies to sales and purchases made after  
143.16 March 11, 2018, and before January 1, ~~2022~~ 2025. Notwithstanding section 289A.40, a  
143.17 claim for refund may be filed until June 1, 2028.

143.18 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
143.19 made after March 11, 2018, and before January 1, 2025.

143.20 Sec. 9. Minnesota Statutes 2022, section 297A.71, subdivision 52, is amended to read:

143.21 Subd. 52. **Construction; certain local government facilities.** (a) Materials and supplies  
143.22 used in and equipment incorporated into the construction, reconstruction, upgrade, expansion,  
143.23 or remodeling of the following local government owned facilities are exempt:

143.24 (1) a new fire station, which includes firefighting, emergency management, public safety  
143.25 training, and other public safety facilities in the city of Monticello if materials, supplies,  
143.26 and equipment are purchased after January 31, 2019, and before January 1, 2022;

143.27 (2) a new fire station, which includes firefighting and public safety training facilities  
143.28 and public safety facilities, in the city of Inver Grove Heights if materials, supplies, and  
143.29 equipment are purchased after June 30, 2018, and before January 1, 2021;

143.30 (3) a fire station and police station, including access roads, lighting, sidewalks, and  
143.31 utility components, on or adjacent to the property on which the fire station or police station

144.1 are located that are necessary for safe access to and use of those buildings, in the city of  
 144.2 Minnetonka if materials, supplies, and equipment are purchased after May 23, 2019, and  
 144.3 before January 1, 2022;

144.4 (4) the school building in Independent School District No. 414, Minneota, if materials,  
 144.5 supplies, and equipment are purchased after January 1, 2018, and before January 1, 2021;

144.6 (5) a fire station in the city of Mendota Heights, if materials, supplies, and equipment  
 144.7 are purchased after December 31, 2018, and before January 1, 2021; ~~and~~

144.8 (6) a Dakota County law enforcement collaboration center, also known as the Safety  
 144.9 and Mental Health Alternative Response Training (SMART) Center, if materials, supplies,  
 144.10 and equipment are purchased after June 30, 2019, and before July 1, 2021; and

144.11 (7) the North Metro Regional Public Safety Training Facility in Maple Grove, if materials,  
 144.12 supplies, and equipment are purchased after August 31, 2021, and before December 31,  
 144.13 2023.

144.14 (b) The tax must be imposed and collected as if the rate under section 297A.62,  
 144.15 subdivision 1, applied and then refunded in the manner provided in section 297A.75.

144.16 (c) The total refund for the project listed in paragraph (a), clause (3), must not exceed  
 144.17 \$850,000.

144.18 **EFFECTIVE DATE; APPLICATION.** This section is effective retroactively for sales  
 144.19 and purchases made after August 31, 2021, and before December 31, 2023.

144.20 **Sec. 10. SALES AND USE TAX EXEMPTION; CERTAIN NATURAL GAS FEES.**

144.21 **Subdivision 1. Exemption.** Fees related to natural gas sold for residential use to customers  
 144.22 who were metered and billed as residential users and who used natural gas for their primary  
 144.23 source of residential heat are exempt from sales and use tax imposed under Minnesota  
 144.24 Statutes, chapter 297A, for purposes of the billing periods May to October, provided that:

144.25 (1) the fee for the natural gas is subject to a cost recovery plan for the price increase in  
 144.26 natural gas during the period from February 13, 2021, to February 17, 2021, identified in  
 144.27 docket G-999/CI-21-135 before the Minnesota Public Utilities Commission; and

144.28 (2) the fee is separately stated and labeled as a fee pursuant to a cost recovery plan under  
 144.29 clause (1).

144.30 **Subd. 2. Application; refund.** (a) By October 1, 2023, each utility must apply to the  
 144.31 commissioner of revenue for a refund of sales taxes collected and remitted pursuant to  
 144.32 Minnesota Statutes, section 297A.77, on fees for sales and purchases of natural gas subject



145.1 to a cost recovery plan under subdivision 1, clause (1), that were added to residential  
 145.2 customers' bills for the period beginning September 1, 2021, and ending June 30, 2023.

145.3 (b) The provisions of Minnesota Statutes, section 289A.50, subdivision 2, paragraphs  
 145.4 (a), (b), and (d), apply to refunds issued under this subdivision. For purposes of this  
 145.5 subdivision, "utility" means a utility subject to the cost recovery plan under subdivision 1,  
 145.6 clause (1). Within 90 days after the date the commissioner issues the refund under Minnesota  
 145.7 Statutes, section 289A.50, subdivision 2, paragraph (a), to the utility, the utility must provide  
 145.8 a plan to the Minnesota Public Utilities Commission for crediting taxes exempt under  
 145.9 subdivision 1 to residential customers.

145.10 (c) The plan must be approved by the Minnesota Public Utilities Commission. Any  
 145.11 amount not refunded or credited to a residential customer by a utility within 60 days of  
 145.12 approval of the plan must be returned to the commissioner by the utility.

145.13 **EFFECTIVE DATE.** This section is effective retroactively for fees applied to sales  
 145.14 and purchases of natural gas that are billed from September 1, 2021, to December 31, 2026.

145.15 Sec. 11. **BELTRAMI COUNTY; SALES TAX EXEMPTION FOR CONSTRUCTION**  
 145.16 **MATERIALS.**

145.17 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 145.18 equipment incorporated into the construction of a new county jail in Beltrami County are  
 145.19 exempt from sales and use tax under Minnesota Statutes, chapter 297A, provided that the  
 145.20 materials, supplies, and equipment are purchased after March 31, 2024, and before January  
 145.21 1, 2028.

145.22 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 145.23 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
 145.24 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

145.25 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 145.26 is appropriated from the general fund to the commissioner of revenue.

145.27 **EFFECTIVE DATE.** This section is effective for sales and purchases made after March  
 145.28 31, 2024, and before January 1, 2028.

145.29 Sec. 12. **CITY OF CHANHASSEN; SALES TAX EXEMPTION FOR**  
 145.30 **CONSTRUCTION MATERIALS.**

145.31 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 145.32 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,

146.1 or remodeling of a new city hall and senior center, council chambers, and park amenities  
146.2 in the city of Chanhassen are exempt from sales and use tax under Minnesota Statutes,  
146.3 chapter 297A, provided that the materials, supplies, and equipment are purchased after  
146.4 January 31, 2024, and before February 1, 2027.

146.5 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
146.6 297A.62, subdivision 1, applied and then refunded in the same manner provided in Minnesota  
146.7 Statutes, section 297A.75, subdivision 1, clause (17).

146.8 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
146.9 is appropriated from the general fund to the commissioner of revenue.

146.10 **EFFECTIVE DATE.** This section is effective for sales and purchases made after January  
146.11 31, 2024, and before February 1, 2027.

146.12 Sec. 13. **CHISHOLM PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**  
146.13 **CONSTRUCTION MATERIALS.**

146.14 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
146.15 incorporated into the construction and renovation projects for Chisholm Elementary School,  
146.16 Chisholm High School, and Vaughan Steffensrud School in Independent School District  
146.17 No. 695, Chisholm Public Schools, are exempt from sales and use tax imposed under  
146.18 Minnesota Statutes, chapter 297A. The exemption under this subdivision only applies if  
146.19 materials, supplies, and equipment are purchased after December 31, 2021, and before  
146.20 January 1, 2025.

146.21 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
146.22 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
146.23 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
146.24 purchases must not be issued until after June 30, 2023.

146.25 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
146.26 is appropriated from the general fund to the commissioner of revenue.

146.27 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
146.28 made after December 31, 2021, and before January 1, 2025.

146.29 Sec. 14. **DULUTH PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**  
146.30 **CONSTRUCTION MATERIALS.**

146.31 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
146.32 incorporated into the construction of an administrative building and a transportation facility

147.1 in Independent School District No. 709, Duluth Public Schools, are exempt from sales and  
147.2 use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and  
147.3 equipment are purchased after June 30, 2021, and before January 1, 2025.

147.4 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
147.5 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
147.6 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
147.7 purchases must not be issued until after June 30, 2023.

147.8 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
147.9 is appropriated from the general fund to the commissioner of revenue.

147.10 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
147.11 made after June 30, 2021, and before January 1, 2025.

147.12 Sec. 15. **ELY PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**  
147.13 **CONSTRUCTION MATERIALS.**

147.14 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
147.15 incorporated into the following projects in Independent School District No. 696, Ely Public  
147.16 Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter  
147.17 297A, if materials, supplies, and equipment are purchased after May 1, 2019, and before  
147.18 January 1, 2024:

147.19 (1) renovations to the elementary school building and high school building; and

147.20 (2) construction of a building that connects the elementary school and high school  
147.21 buildings containing classrooms, a common area, a gymnasium, and administrative offices.

147.22 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
147.23 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
147.24 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
147.25 purchases must not be issued until after June 30, 2023. Notwithstanding Minnesota Statutes,  
147.26 section 289A.40, a claim for refund may be filed until June 1, 2027.

147.27 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
147.28 is appropriated from the general fund to the commissioner of revenue.

147.29 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
147.30 made after May 1, 2019, and before January 1, 2024.

148.1 **Sec. 16. HIBBING PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**  
148.2 **CONSTRUCTION MATERIALS.**

148.3 **Subdivision 1. Exemption; refund. (a) Materials and supplies used in and equipment**  
148.4 **incorporated into the following projects in the city of Hibbing are exempt from sales and**  
148.5 **use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and**  
148.6 **equipment are purchased after May 1, 2019, and before January 1, 2025:**

148.7 **(1) the addition of an Early Childhood Family Education Center to an existing elementary**  
148.8 **school;**

148.9 **(2) improvements to an existing athletic facility in Independent School District No. 701,**  
148.10 **Hibbing Public Schools;**

148.11 **(3) a reroofing project at Hibbing Washington Elementary School; and**

148.12 **(4) a Hibbing High School restroom remodel project.**

148.13 **(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section**  
148.14 **297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects**  
148.15 **under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible**  
148.16 **purchases must not be issued until after June 30, 2023. Notwithstanding Minnesota Statutes,**  
148.17 **section 289A.40, a claim for refund may be filed until June 1, 2028.**

148.18 **Subd. 2. Appropriation. The amount required to pay the refunds under subdivision 1**  
148.19 **is appropriated from the general fund to the commissioner of revenue.**

148.20 **EFFECTIVE DATE. This section is effective retroactively for sales and purchases**  
148.21 **made after May 1, 2019, and before January 1, 2025.**

148.22 **Sec. 17. SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS; ITASCA**  
148.23 **COUNTY.**

148.24 **Subdivision 1. Exemption; refund. (a) Materials and supplies used or consumed in and**  
148.25 **equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,**  
148.26 **or remodeling of the Itasca County courthouse and new correctional facility are exempt**  
148.27 **from sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials,**  
148.28 **supplies, and equipment are purchased after April 30, 2021, and before January 1, 2025.**

148.29 **(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section**  
148.30 **297A.62, subdivision 1, applied and then refunded in the same manner provided in Minnesota**  
148.31 **Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must**  
148.32 **not be issued until after June 30, 2023.**

149.1 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
149.2 is appropriated from the general fund to the commissioner of revenue.

149.3 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
149.4 made after April 30, 2021, and before January 1, 2025.

149.5 Sec. 18. **MINNEAPOLIS-ST. PAUL INTERNATIONAL AIRPORT; SALES TAX**  
149.6 **EXEMPTION FOR CONSTRUCTION MATERIALS.**

149.7 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
149.8 incorporated into the construction, reconstruction, repair, maintenance, or improvement of  
149.9 public infrastructure at the Minneapolis-St. Paul International Airport purchased by a  
149.10 contractor or subcontractor are exempt from sales and use tax imposed under Minnesota  
149.11 Statutes, chapter 297A, if materials, supplies, and equipment are purchased after June 30,  
149.12 2023, and before July 1, 2024.

149.13 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
149.14 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
149.15 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

149.16 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
149.17 exceed \$8,000,000.

149.18 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
149.19 is appropriated from the general fund to the commissioner of revenue.

149.20 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
149.21 30, 2023, and before July 1, 2024.

149.22 Sec. 19. **CITY OF MOORHEAD; SALES TAX EXEMPTION FOR**  
149.23 **CONSTRUCTION MATERIALS.**

149.24 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
149.25 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
149.26 or remodeling of a regional library and community center in the city of Moorhead are exempt  
149.27 from sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials,  
149.28 supplies, and equipment are purchased after February 29, 2024, and before April 1, 2027.

149.29 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
149.30 297A.62, subdivision 1, applied and then refunded in the same manner provided in Minnesota  
149.31 Statutes, section 297A.75, subdivision 1, clause (17).

150.1 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 150.2 is appropriated from the general fund to the commissioner of revenue.

150.3 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
 150.4 February 29, 2024, and before April 1, 2027.

150.5 Sec. 20. **NASHWAUK-KEEWATIN PUBLIC SCHOOLS; SALES TAX EXEMPTION**  
 150.6 **FOR CONSTRUCTION MATERIALS.**

150.7 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
 150.8 incorporated into the construction of a new school building and attached community wellness  
 150.9 center to replace Keewatin Elementary School and the Nashwauk High School in Independent  
 150.10 School District No. 319, Nashwauk-Keewatin Public Schools, are exempt from sales and  
 150.11 use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and  
 150.12 equipment are purchased after December 31, 2021, and before January 1, 2025.

150.13 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 150.14 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
 150.15 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
 150.16 purchases must not be issued until after June 30, 2023.

150.17 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 150.18 is appropriated from the general fund to the commissioner of revenue.

150.19 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 150.20 made after December 31, 2021, and before January 1, 2025.

150.21 Sec. 21. **NORTHERN LIGHTS ACADEMY; SALES TAX EXEMPTION FOR**  
 150.22 **CONSTRUCTION MATERIALS.**

150.23 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
 150.24 incorporated into the following projects at Northern Lights Academy Cooperative No. 6096  
 150.25 are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if  
 150.26 materials, supplies, and equipment are purchased after December 31, 2021, and before  
 150.27 January 1, 2025:

150.28 (1) the construction of a new addition to the existing facility; and

150.29 (2) renovations and improvements to the existing facility.

150.30 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 150.31 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects

151.1 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
 151.2 purchases must not be issued until after June 30, 2023.

151.3 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 151.4 is appropriated from the general fund to the commissioner of revenue.

151.5 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 151.6 made after December 31, 2021, and before January 1, 2025.

151.7 Sec. 22. **NORTHLAND LEARNING CENTER; SALES TAX EXEMPTION FOR**  
 151.8 **CONSTRUCTION MATERIALS.**

151.9 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
 151.10 incorporated into the following projects at Independent School District No. 6076 are exempt  
 151.11 from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials,  
 151.12 supplies, and equipment are purchased after December 31, 2021, and before January 1,  
 151.13 2025:

151.14 (1) the construction of a new addition to the James Madison Building for Northland  
 151.15 Learning Center; and

151.16 (2) renovations and improvements to the existing facility.

151.17 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 151.18 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
 151.19 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
 151.20 purchases must not be issued until after June 30, 2023.

151.21 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 151.22 is appropriated from the general fund to the commissioner of revenue.

151.23 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 151.24 made after December 31, 2021, and before January 1, 2025.

151.25 Sec. 23. **CITY OF OAKDALE; SALES TAX EXEMPTION FOR CONSTRUCTION**  
 151.26 **MATERIALS.**

151.27 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 151.28 equipment incorporated into the construction of a new public works facility in the city of  
 151.29 Oakdale are exempt from sales and use tax under Minnesota Statutes, chapter 297A, provided  
 151.30 that the materials, supplies, and equipment are purchased after August 31, 2023, and before  
 151.31 January 1, 2027.

152.1 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 152.2 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 152.3 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
 152.4 purchases must not be issued until after June 30, 2023.

152.5 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 152.6 is appropriated from the general fund to the commissioner of revenue.

152.7 **EFFECTIVE DATE.** This section is effective for sales and purchases made after August  
 152.8 31, 2023, and before January 1, 2027.

152.9 Sec. 24. **CITY OF RAMSEY; SALES TAX EXEMPTION FOR CONSTRUCTION**  
 152.10 **MATERIALS.**

152.11 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 152.12 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
 152.13 or remodeling of a new water treatment plant in the city of Ramsey are exempt from sales  
 152.14 and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies,  
 152.15 and equipment are purchased after December 31, 2022.

152.16 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 152.17 297A.62, subdivision 1, applied and then refunded in the same manner provided in Minnesota  
 152.18 Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must  
 152.19 not be issued until after June 30, 2023.

152.20 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 152.21 is appropriated from the general fund to the commissioner of revenue.

152.22 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 152.23 made after December 31, 2022.

152.24 Sec. 25. **RED LAKE COUNTY SCHOOL DISTRICT; SALES TAX EXEMPTION**  
 152.25 **FOR CONSTRUCTION MATERIALS.**

152.26 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
 152.27 incorporated into the construction of a new school in Independent School District No. 2906,  
 152.28 Red Lake County School District, are exempt from sales and use tax imposed under  
 152.29 Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after  
 152.30 December 31, 2020, and before January 1, 2026.

152.31 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 152.32 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects



153.1 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
 153.2 purchases must not be issued until after June 30, 2023.

153.3 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 153.4 is appropriated from the general fund to the commissioner of revenue.

153.5 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 153.6 made after December 31, 2020, and before January 1, 2026.

153.7 Sec. 26. **RED ROCK CENTRAL SCHOOL DISTRICT; SALES TAX EXEMPTION**  
 153.8 **FOR CONSTRUCTION MATERIALS.**

153.9 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
 153.10 incorporated into the construction of a new prekindergarten through grade 12 learning  
 153.11 facility in Independent School District No. 2884, Red Rock Central School District, are  
 153.12 exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials,  
 153.13 supplies, and equipment are purchased after December 31, 2021, and before July 1, 2025.

153.14 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 153.15 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 153.16 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
 153.17 purchases must not be issued until after June 30, 2023.

153.18 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 153.19 is appropriated from the general fund to the commissioner of revenue.

153.20 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 153.21 made after December 31, 2021, and before July 1, 2025.

153.22 Sec. 27. **ROCK RIDGE PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**  
 153.23 **CONSTRUCTION MATERIALS.**

153.24 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
 153.25 incorporated into the construction of two new elementary school buildings and a new high  
 153.26 school building in Independent School District No. 2909, Rock Ridge Public Schools, are  
 153.27 exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials,  
 153.28 supplies, and equipment are purchased after May 1, 2019, and before January 1, 2024.

153.29 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 153.30 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
 153.31 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible

154.1 purchases must not be issued until after June 30, 2023. Notwithstanding Minnesota Statutes,  
 154.2 section 289A.40, a claim for refund may be filed until June 1, 2027.

154.3 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 154.4 is appropriated from the general fund to the commissioner of revenue.

154.5 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 154.6 made after May 1, 2019, and before January 1, 2024.

154.7 Sec. 28. **CITY OF SPRING GROVE; SALES TAX EXEMPTION FOR**  
 154.8 **CONSTRUCTION MATERIALS AND CAPITAL EQUIPMENT.**

154.9 Subdivision 1. **Exemption; refund.** (a) The sale and purchase of the following items  
 154.10 are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the  
 154.11 items are used to repair, replace, or otherwise recover from real and personal property  
 154.12 damage that occurred during the fire on December 22, 2022, in the city of Spring Grove:

154.13 (1) building materials and supplies used or consumed in, and equipment incorporated  
 154.14 into, the construction, replacement, or repair of real property; and

154.15 (2) capital equipment to replace equipment destroyed in the fire.

154.16 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 154.17 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 154.18 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). The exemption under  
 154.19 paragraph (a) applies to sales and purchases made after December 22, 2022, and before  
 154.20 January 1, 2028. Refunds for eligible purchases must not be issued until after June 30, 2023.

154.21 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 154.22 is appropriated from the general fund to the commissioner of revenue.

154.23 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 154.24 made after December 22, 2022, and before January 1, 2028.

154.25 Sec. 29. **SPRINGFIELD SCHOOL DISTRICT; SALES TAX EXEMPTION FOR**  
 154.26 **CONSTRUCTION MATERIALS.**

154.27 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
 154.28 incorporated into the following projects for Independent School District No. 85, Springfield  
 154.29 School District, are exempt from sales and use tax imposed under Minnesota Statutes,  
 154.30 chapter 297A, if materials, supplies, and equipment are purchased after December 31, 2021,  
 154.31 and before July 1, 2025:

- 155.1 (1) construction of a main secure entrance;
- 155.2 (2) construction of a required tornado storm shelter and related safety, security, and  
 155.3 accessibility improvements;
- 155.4 (3) installation of HVAC improvements;
- 155.5 (4) renovation and interior modifications necessary to convert the existing elementary  
 155.6 school gymnasium for use for career and technical education trades and an auto shop; and
- 155.7 (5) addition of a new school gymnasium, including the construction and improvement  
 155.8 of new locker rooms, and the renovation and repurposing of existing locker rooms for use  
 155.9 for cafeteria improvements and school programming needs.
- 155.10 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 155.11 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 155.12 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
 155.13 purchases must not be issued until after June 30, 2023.
- 155.14 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
 155.15 is appropriated from the general fund to the commissioner of revenue.
- 155.16 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
 155.17 December 31, 2021, and before July 1, 2025.
- 155.18 Sec. 30. **CITY OF WAYZATA; SALES TAX EXEMPTION FOR CONSTRUCTION**  
 155.19 **MATERIALS.**
- 155.20 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
 155.21 equipment incorporated into the following projects in the city of Wayzata are exempt from  
 155.22 sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials,  
 155.23 supplies, and equipment are purchased after March 31, 2020, and before July 1, 2025:
- 155.24 (1) expansion and remodeling of Depot Park;
- 155.25 (2) construction of community docks for purposes of access from Lake Minnetonka;
- 155.26 (3) construction of a lakeside boardwalk of approximately 1,500 lineal feet;
- 155.27 (4) shoreline restoration, including installation of native plants, trees, and natural habitat;
- 155.28 (5) restoration of Section Foreman House, including installation of a learning center to  
 155.29 provide indoor and outdoor classroom and community space;

156.1 (6) construction of Eco Park, including shoreline restoration and marsh and water quality  
156.2 improvement, a pier extension of the lakeside boardwalk, and creation of eco-living  
156.3 classrooms;

156.4 (7) construction of a public plaza with a restroom, 9/11 memorial, interactive water  
156.5 display, and gathering space;

156.6 (8) construction of a regional multiuse trail; and

156.7 (9) construction of railroad crossings.

156.8 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
156.9 297A.62, subdivision 1, applied and then refunded in the same manner provided in Minnesota  
156.10 Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must  
156.11 not be issued until after June 30, 2023.

156.12 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
156.13 is appropriated from the general fund to the commissioner of revenue.

156.14 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
156.15 made after March 31, 2020, and before January 1, 2025.

156.16 Sec. 31. **CITY OF WOODBURY; SALES TAX EXEMPTION FOR**  
156.17 **CONSTRUCTION MATERIALS.**

156.18 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
156.19 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
156.20 or remodeling of the Central Park project in the city of Woodbury are exempt from sales  
156.21 and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies,  
156.22 and equipment are purchased after June 30, 2023, and before January 1, 2026.

156.23 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
156.24 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
156.25 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

156.26 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
156.27 is appropriated from the general fund to the commissioner of revenue.

156.28 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
156.29 30, 2023, and before January 1, 2026.

157.1 **ARTICLE 6**  
 157.2 **MINERALS**

157.3 Section 1. Minnesota Statutes 2022, section 272.02, subdivision 73, is amended to read:

157.4 Subd. 73. **Property subject to taconite production tax or ~~net~~ gross proceeds tax.** (a)  
 157.5 Real and personal property described in section 298.25 is exempt to the extent the tax on  
 157.6 taconite and iron sulphides under section 298.24 is described in section 298.25 as being in  
 157.7 lieu of other taxes on such property. This exemption applies for taxes payable in each year  
 157.8 that the tax under section 298.24 is payable with respect to such property.

157.9 (b) Deposits of mineral, metal, or energy resources the mining of which is subject to  
 157.10 taxation or the minimum payment under section 298.015 are exempt.

157.11 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

157.12 Sec. 2. Minnesota Statutes 2022, section 273.1341, is amended to read:

157.13 **273.1341 TACONITE ASSISTANCE AREA.**

157.14 A "taconite assistance area" means the geographic area that falls within the boundaries  
 157.15 of a school district that contains:

157.16 (1) a municipality in which the assessed valuation of unmined iron ore on May 1, 1941,  
 157.17 was not less than 40 percent of the assessed valuation of all real property; ~~or~~

157.18 (2) a municipality in which on January 1, 1977, or the applicable assessment date, there  
 157.19 is a taconite concentrating plant or where taconite is mined or quarried or where there is  
 157.20 located an electric generating plant which qualifies as a taconite facility; or

157.21 (3) a municipality:

157.22 (i) that is located in a county that contains a school district described in clause (1) or  
 157.23 (2); and

157.24 (ii) where active mining of materials subject to the tax under section 298.015, subdivision  
 157.25 1, is occurring, or where a mine subject to the minimum payment under section 298.015,  
 157.26 subdivision 3, is located.

157.27 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 157.28 31, 2022.

158.1 Sec. 3. Minnesota Statutes 2022, section 297A.68, subdivision 4, is amended to read:

158.2 Subd. 4. **Taconite, other ores, metals, or minerals; production materials.** Mill liners,  
158.3 grinding rods, and grinding balls that are substantially consumed in the production of taconite  
158.4 or other ores, metals, or minerals are exempt when sold to or stored, used, or consumed by  
158.5 persons taxed under the in-lieu or ~~net gross~~ proceeds provisions of chapter 298.

158.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

158.7 Sec. 4. Minnesota Statutes 2022, section 298.015, is amended to read:

158.8 **298.015 NET GROSS PROCEEDS TAX ON MINING.**

158.9 Subdivision 1. **Tax imposed.** A person engaged in the business of mining shall pay to  
158.10 the state of Minnesota for distribution as provided in section 298.018 a ~~net gross~~ proceeds  
158.11 tax equal to ~~two~~ 0.4 percent of the ~~net gross~~ proceeds from mining in Minnesota. The tax  
158.12 applies to all ores, metals, and minerals mined, extracted, produced, or refined within the  
158.13 state of Minnesota except for sand, silica sand, gravel, building stone, crushed rock,  
158.14 limestone, granite, dimension granite, dimension stone, horticultural peat, clay, soil, iron  
158.15 ore, and taconite concentrates. The tax is in addition to all other taxes provided for by law.

158.16 Subd. 2. **Net Gross proceeds.** For purposes of this section, the term "~~net gross~~ proceeds"  
158.17 means the gross proceeds from mining, as defined in section 298.016, ~~less the deductions~~  
158.18 ~~for purposes of determining taxable income under section 298.01, subdivision 3b, applied~~  
158.19 ~~to the mining, production, processing, beneficiation, smelting, or refining of metal or mineral~~  
158.20 ~~products. No other credits or deductions shall apply to this tax.~~

158.21 Subd. 3. **Minimum payment.** (a) A person who has obtained all required permits to  
158.22 mine all ores and metals, except for sand, silica sand, gravel, building stone, crushed rock,  
158.23 limestone, granite, dimension granite, dimension stone, horticultural peat, clay, soil, iron  
158.24 ore, and iron concentrates, is annually subject to the minimum payment under this  
158.25 subdivision, unless:

158.26 (1) the tax imposed on the individual under subdivision 1 in a given year is greater than  
158.27 zero; or

158.28 (2) the person demonstrates to the commissioner of revenue that it is legally prohibited  
158.29 from engaging in the business of mining under a permit it has obtained.

158.30 (b) The annual payment under this subdivision is (1) \$2,000,000, multiplied by (2) the  
158.31 number of months in a calendar year the individual is subject to the minimum payment  
158.32 under this subdivision, as determined under paragraph (a), divided by 12.

159.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
159.2 31, 2022.

159.3 Sec. 5. Minnesota Statutes 2022, section 298.018, subdivision 1, is amended to read:

159.4 Subdivision 1. **Within taconite assistance area.** (a) The proceeds of the tax paid under  
159.5 sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the  
159.6 taconite assistance area defined in section 273.1341, shall be allocated as follows:

159.7 (1) except as provided under paragraph (b), five percent to the city or town within which  
159.8 the minerals or energy resources are mined or extracted, or within which the concentrate  
159.9 was produced. If the mining and concentration, or different steps in either process, are  
159.10 carried on in more than one taxing district, the commissioner shall apportion equitably the  
159.11 proceeds among the cities and towns by attributing 50 percent of the proceeds of the tax to  
159.12 the operation of mining or extraction, and the remainder to the concentrating plant and to  
159.13 the processes of concentration, and with respect to each thereof giving due consideration  
159.14 to the relative extent of the respective operations performed in each taxing district;

159.15 (2) ten percent to the taconite municipal aid account to be distributed as provided in  
159.16 section 298.282, subdivisions 1 and 2, on the dates provided under this section;

159.17 (3) ten percent to the school district within which the minerals or energy resources are  
159.18 mined or extracted, or within which the concentrate was produced. If the mining and  
159.19 concentration, or different steps in either process, are carried on in more than one school  
159.20 district, distribution among the school districts must be based on the apportionment formula  
159.21 prescribed in clause (1);

159.22 (4) 20 percent to a group of school districts comprised of those school districts wherein  
159.23 the mineral or energy resource was mined or extracted or in which there is a qualifying  
159.24 municipality as defined by section 273.134, paragraph (b), in direct proportion to school  
159.25 district indexes as follows: for each school district, its pupil units determined under section  
159.26 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted  
159.27 net tax capacity per pupil unit for school districts receiving aid under this clause as calculated  
159.28 pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution  
159.29 to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that  
159.30 portion of the distribution which its index bears to the sum of the indices for all school  
159.31 districts that receive the distributions;

159.32 (5) ~~20~~ ten percent to the county within which the minerals or energy resources are mined  
159.33 or extracted, or within which the concentrate was produced. If the mining and concentration,

160.1 or different steps in either process, are carried on in more than one county, distribution  
 160.2 among the counties must be based on the apportionment formula prescribed in clause (1),  
 160.3 provided that any county receiving distributions under this clause shall pay one percent of  
 160.4 its proceeds to the Range Association of Municipalities and Schools;

160.5 (6) ~~20~~ five percent to St. Louis County acting as the counties' fiscal agent to be distributed  
 160.6 as provided in sections 273.134 to 273.136;

160.7 (7) ~~five~~ 20 percent to the commissioner of Iron Range resources and rehabilitation for  
 160.8 the purposes of section 298.22;

160.9 (8) three percent to the Douglas J. Johnson economic protection trust fund; ~~and~~

160.10 (9) seven percent to the taconite environmental protection fund; and

160.11 (10) ten percent to the commissioner of Iron Range resources and rehabilitation for  
 160.12 capital improvements to Giants Ridge Recreation Area.

160.13 (b) If the materials or energy resources are mined, extracted, or concentrated in School  
 160.14 District No. 2711, Mesabi East, then the amount under paragraph (a), clause (1), must instead  
 160.15 be distributed pursuant to this paragraph. The cities of Aurora, Babbitt, Ely, and Hoyt Lakes  
 160.16 must each receive 20 percent of the amount. The city of Biwabik and Embarrass Township  
 160.17 must each receive ten percent of the amount.

160.18 (c) For the first five years that tax paid under section 298.015, subdivisions 1 and 2, is  
 160.19 distributed under this subdivision, ten percent of the total proceeds distributed in each year  
 160.20 must first be distributed pursuant to this paragraph. The remaining 90 percent of the total  
 160.21 proceeds distributed in each of those years must be distributed as outlined in paragraph (a).  
 160.22 Of the amount available under this paragraph, the cities of Aurora, Babbitt, Ely, and Hoyt  
 160.23 Lakes must each receive 20 percent. Of the amount available under this paragraph, the city  
 160.24 of Biwabik and Embarrass Township must each receive ten percent.

160.25 **EFFECTIVE DATE.** This section is effective for distributions beginning after December  
 160.26 31, 2022.

160.27 Sec. 6. Minnesota Statutes 2022, section 298.018, subdivision 1a, is amended to read:

160.28 Subd. 1a. **Distribution date.** The proceeds of the tax allocated under subdivision 1 shall  
 160.29 be distributed on December 15 each year. Any payment of proceeds received after December  
 160.30 15 shall be distributed on the next ~~net~~ gross proceeds tax distribution date.

160.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.



161.1 Sec. 7. Minnesota Statutes 2022, section 298.28, subdivision 5, is amended to read:

161.2 Subd. 5. **Counties.** (a) ~~21.05 cents per taxable ton for distributions in 2015 through 2023,~~  
 161.3 ~~and 26.05 cents per taxable ton for distributions beginning in 2024,~~ is allocated to counties  
 161.4 to be distributed, based upon certification by the commissioner of revenue, under paragraphs  
 161.5 (b) to (d).

161.6 (b) 10.525 cents per taxable ton shall be distributed to the county in which the taconite  
 161.7 is mined or quarried or in which the concentrate is produced, less any amount which is to  
 161.8 be distributed pursuant to paragraph (c). The apportionment formula prescribed in subdivision  
 161.9 2 is the basis for the distribution.

161.10 (c) 1.0 cent per taxable ton of the tax distributed to the counties under paragraph (b)  
 161.11 shall be paid to a county that received a distribution under this section in 2000 because there  
 161.12 was located in the county an electric power plant owned by and providing the primary source  
 161.13 of power for a taxpayer mining and concentrating taconite in a different county.

161.14 (d) ~~10.525 cents per taxable ton for distributions in 2015 through 2023, and 15.525 cents~~  
 161.15 ~~per taxable ton for distributions beginning in 2024,~~ shall be paid to the county from which  
 161.16 the taconite was mined, quarried or concentrated to be deposited in the county road and  
 161.17 bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those  
 161.18 processes are carried on in more than one county, the commissioner shall follow the  
 161.19 apportionment formula prescribed in subdivision 2.

161.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

161.21 Sec. 8. Minnesota Statutes 2022, section 298.28, subdivision 7a, is amended to read:

161.22 Subd. 7a. **Iron Range school consolidation and cooperatively operated school**  
 161.23 **account.** (a) The following amounts must be allocated to the commissioner of Iron Range  
 161.24 resources and rehabilitation to be deposited in the Iron Range school consolidation and  
 161.25 cooperatively operated school account that is hereby created:

161.26 (1)(i) ~~for distributions beginning in 2015 through 2023,~~ ten cents per taxable ton of the  
 161.27 tax imposed under section 298.24; ~~and~~

161.28 ~~(ii) for distributions beginning in 2024, five cents per taxable ton of the tax imposed~~  
 161.29 ~~under section 298.24;~~

161.30 (2) the amount as determined under section 298.17, paragraph (b), clause (3); and

161.31 (3) any other amount as provided by law.

162.1 (b) Expenditures from this account may be approved as ongoing annual expenditures  
 162.2 and shall be made only to provide disbursements to assist school districts with the payment  
 162.3 of bonds that were issued for qualified school projects, or for any other school disbursement  
 162.4 as approved by the commissioner of Iron Range resources and rehabilitation after consultation  
 162.5 with the Iron Range Resources and Rehabilitation Board. For purposes of this section,  
 162.6 "qualified school projects" means school projects within the taconite assistance area as  
 162.7 defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006;  
 162.8 and (2) approved by the commissioner of education pursuant to section 123B.71.

162.9 (c) Beginning in fiscal year 2019, the disbursement to school districts for payments for  
 162.10 bonds issued under section 123A.482, subdivision 9, must be increased each year to offset  
 162.11 any reduction in debt service equalization aid that the school district qualifies for in that  
 162.12 year, under section 123B.53, subdivision 6, compared with the amount the school district  
 162.13 qualified for in fiscal year 2018.

162.14 (d) No expenditure under this section shall be made unless approved by the commissioner  
 162.15 of Iron Range resources and rehabilitation after consultation with the Iron Range Resources  
 162.16 and Rehabilitation Board.

162.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

162.18 Sec. 9. Minnesota Statutes 2022, section 298.28, is amended by adding a subdivision to  
 162.19 read:

162.20 **Subd. 16. Transfer.** Of the amount annually distributed to the Douglas J. Johnson  
 162.21 Economic Protection Trust Fund under this section, \$3,500,000 shall be transferred to the  
 162.22 Iron Range school consolidation and cooperatively operated school account under subdivision  
 162.23 7a. Any remaining amount of the amount annually distributed to the Douglas J. Johnson  
 162.24 Economic Protection Trust Fund shall be transferred to the Iron Range resources and  
 162.25 rehabilitation account under subdivision 7. The transfers under this subdivision must be  
 162.26 made within ten days of the August payment.

162.27 **EFFECTIVE DATE.** This section is effective beginning with production year 2023.

162.28 Sec. 10. Minnesota Statutes 2022, section 298.296, subdivision 4, is amended to read:

162.29 **Subd. 4. Temporary loan authority.** (a) After consultation with the advisory board,  
 162.30 the commissioner may use up to \$7,500,000 from the corpus of the trust for loans, loan  
 162.31 guarantees, grants, or equity investments as provided in this subdivision. The money would  
 162.32 be available for loans for construction and equipping of facilities constituting (1) a value

163.1 added iron products plant, which may be either a new plant or a facility incorporated into  
 163.2 an existing plant that produces iron upgraded to a minimum of 75 percent iron content or  
 163.3 any iron alloy with a total minimum metallic content of 90 percent; or (2) a new mine or  
 163.4 minerals processing plant for any mineral subject to the ~~net~~ gross proceeds tax imposed  
 163.5 under section 298.015. A loan or loan guarantee under this paragraph may not exceed  
 163.6 \$5,000,000 for any facility.

163.7 (b) Additionally, the commissioner, after consultation with the advisory board, may use  
 163.8 up to \$5,500,000 from the corpus of the trust for additional grants, loans, loan guarantees,  
 163.9 or equity investments for the purposes set forth in paragraph (a).

163.10 (c) The commissioner, after consultation with the advisory board, may require that the  
 163.11 fund receive an equity percentage in any project to which it contributes under this section.

163.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

163.13 Sec. 11. **TRANSFER 2023 DISTRIBUTION ONLY; PROPERTY TAX RELIEF**  
 163.14 **ACCOUNT.**

163.15 (a) The fund established under Minnesota Statutes, section 298.28, subdivision 7, shall  
 163.16 receive the excess balance remaining in the fund established under Minnesota Statutes,  
 163.17 section 298.28, subdivision 6, after the distribution of amounts required under Minnesota  
 163.18 Statutes, section 298.28, subdivision 6, for the 2023 distribution. The transfer amount under  
 163.19 this section must not exceed \$6,000,000 and must be made within ten days of the August  
 163.20 2023 payment. The commissioner of Iron Range resources and rehabilitation must distribute  
 163.21 these transferred funds as outlined in this section. The uses listed are not subject to review  
 163.22 or recommendation by the Iron Range Resources and Rehabilitation Board. The commissioner  
 163.23 must distribute the funds for the following uses:

163.24 (1) \$250,000 to St. Louis County for a grant to the St. Louis County Agricultural Society  
 163.25 for construction and furnishing of a facility to house a food booth and equipment for the  
 163.26 St. Louis County 4-H Club;

163.27 (2) \$100,000 to Alborn Snow Devils Inc. for trail grooming costs and equipment;

163.28 (3) \$300,000 to School District No. 2142, St. Louis County Schools, for the purchase  
 163.29 and installation of lights at the Cherry School baseball and softball fields;

163.30 (4) \$150,000 to the Seitaniemi Housebarn and Sisu Heritage Site for facility upgrades;

163.31 (5) \$600,000 to the city of Aurora for downtown beautification projects, as outlined in  
 163.32 paragraph (c);

- 164.1 (6) \$500,000 to School District No. 2142, St. Louis County Schools, for wastewater  
164.2 upgrades at the South Ridge School;
- 164.3 (7) \$500,000 to the city of Mountain Iron for the Outdoor Recreation Center;
- 164.4 (8) \$100,000 to the city of Buhl for capital improvements to the city hall;
- 164.5 (9) \$150,000 to School District No. 712, Mountain Iron-Buhl Public School, for fitness  
164.6 equipment and capital upgrades to the fitness center;
- 164.7 (10) \$100,000 to the Mesabi Sno Voyageurs Snowmobile Club for trail grooming costs  
164.8 and equipment;
- 164.9 (11) \$100,000 to the PathBlazers Snowmobile Club for trail grooming costs and  
164.10 equipment;
- 164.11 (12) \$100,000 to the Ely Igloo Snowmobile Club for trail grooming costs and equipment;
- 164.12 (13) \$100,000 to the Voyageur Trail Society, Inc. for trail grooming costs and equipment;
- 164.13 (14) \$200,000 to Veterans On The Lake Resort for cabin accessibility upgrades, a  
164.14 handicap dock, tennis court repaving, and replacement of an underground power cable;
- 164.15 (15) \$650,000 to School District No. 2142, St. Louis County Schools, for wastewater  
164.16 upgrades at the North Woods School;
- 164.17 (16) \$200,000 to the City of Babbitt for capital improvements to city-owned buildings;
- 164.18 (17) \$750,000 to the Boundary Waters Care Center for capital equipment purchases;
- 164.19 (18) \$800,000 to the Cook County Historical Society to predesign, design, construct,  
164.20 furnish, and equip the renovation of the following Historic Cook County sites: (i) the Cook  
164.21 County History Museum; (ii) the Johnson Heritage Post Art Gallery; (iii) the Bally  
164.22 Blacksmith Shop; (iv) the St. Francis Xavier Church, also known as the Chippewa City  
164.23 Church; and (v) 1930s Nee-Gee Fishing Tug and Fish House; and to complete design for  
164.24 and to construct, furnish, and equip a new collections storage facility in Cook County;
- 164.25 (19) \$100,000 to the Virginia Community Foundation for the Mesabi Fit Coalition to  
164.26 rehabilitate the former Mesabi Family YMCA building;
- 164.27 (20) \$50,000 to the United States Hockey Hall of Fame Museum Inc. for capital  
164.28 improvements;
- 164.29 (21) \$100,000 to the Ranger Snowmobile and ATV Club for trail grooming costs and  
164.30 equipment; and

165.1 (22) \$100,000 to the Crane Lake Voyageurs Snowmobile Club for trail grooming costs  
 165.2 and equipment.

165.3 (b) If the amount of the transfer under paragraph (a) is less than \$6,000,000, each of the  
 165.4 uses in paragraph (a), clauses (1) to (22), must be proportionally reduced so that the total  
 165.5 amount distributed under those clauses does not exceed the amount of the transfer.

165.6 (c) The city of Aurora must use the funds received under this section for improvements  
 165.7 to city-owned property in the downtown area and to establish a grant program to businesses  
 165.8 for front entrance enhancements and exterior storefront improvements. The grants may  
 165.9 award no more than \$25,000 to a business. All improvements under this paragraph must be  
 165.10 made along St. Louis County State-Aid Highway 100 (3rd Avenue North and Main Street),  
 165.11 from marked Trunk Highway 135 to St. Louis County State-Aid Highway 110.

165.12 (d) The funds under paragraph (a), clause (19), must only be distributed if the Virginia  
 165.13 Community Foundation purchases the former Mesabi Family YMCA building.

165.14 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 165.15 applies only to the 2023 distribution.

165.16 Sec. 12. **TRANSFER 2023 DISTRIBUTION ONLY; DOUGLAS J. JOHNSON**  
 165.17 **ECONOMIC PROTECTION TRUST FUND.**

165.18 Of the funds distributed to the Douglas J. Johnson Economic Protection Trust Fund  
 165.19 under Minnesota Statutes, section 298.28, for the 2023 distribution only, an amount equal  
 165.20 to \$3,500,000 shall be transferred from the Douglas J. Johnson Economic Protection Trust  
 165.21 Fund to the Iron Range school consolidation and cooperatively operated school account  
 165.22 under Minnesota Statutes, section 298.28, subdivision 7a. The transfer must be made within  
 165.23 ten days of the August 2023 payment.

165.24 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 165.25 applies only to the 2023 distribution.

165.26 **ARTICLE 7**  
 165.27 **TAX INCREMENT FINANCING**

165.28 Section 1. Minnesota Statutes 2022, section 469.174, subdivision 27, is amended to read:

165.29 Subd. 27. **Small city.** "Small city" means any home rule charter or statutory city that  
 165.30 has a population of 5,000 or less and that is located ~~ten~~ five miles or more from a home rule  
 165.31 charter or statutory city, located in this state, with a population of 10,000 or more. For

166.1 purposes of this definition, the distance between cities is measured by drawing a straight  
166.2 line from the nearest boundaries of the two cities.

166.3 **EFFECTIVE DATE.** This section is effective for districts for which the request for  
166.4 certification was made after July 1, 2023.

166.5 Sec. 2. Laws 2003, chapter 127, article 10, section 31, subdivision 1, as amended by Laws  
166.6 2008, chapter 366, article 5, section 21, and Laws 2019, First Special Session chapter 6,  
166.7 article 7, section 1, is amended to read:

166.8 Subdivision 1. **District extension.** (a) The governing body of the city of Hopkins may  
166.9 elect to extend the duration of its redevelopment tax increment financing district 2-11 by  
166.10 up to four additional years.

166.11 (b) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, effective upon  
166.12 approval of this subdivision, no increments may be spent on activities located outside of  
166.13 the area of the district, other than:

166.14 (1) to pay administrative expenses, not to exceed ten percent of the total tax increments  
166.15 from the district; or

166.16 (2) to pay the costs of housing or redevelopment activities that are consistent with  
166.17 Minnesota Statutes, section 469.176, subdivision 4j, provided that expenditures under this  
166.18 clause may not exceed ~~20~~ 25 percent of the total tax increments from the district.

166.19 The total amount of increment that may be spent on activities located outside the area of  
166.20 the district under this section shall be limited to ~~25~~ 28 percent.

166.21 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
166.22 city of Hopkins and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
166.23 subdivisions 2 and 3.

166.24 Sec. 3. Laws 2008, chapter 366, article 5, section 26, as amended by Laws 2013, chapter  
166.25 143, article 9, section 11, and Laws 2019, First Special Session chapter 6, article 7, section  
166.26 2, is amended to read:

166.27 Sec. 26. **BLOOMINGTON TAX INCREMENT FINANCING; FIVE-YEAR RULE.**

166.28 (a) The requirements of Minnesota Statutes, section 469.1763, subdivision 3, that  
166.29 activities must be undertaken within a five-year period from the date of certification of a  
166.30 tax increment financing district, are increased to a ~~21-year~~ 26-year period for the Port  
166.31 Authority of the City of Bloomington's Tax Increment Financing District No. 1-I,

167.1 Bloomington Central Station. The requirements of Minnesota Statutes, section 469.1763,  
167.2 subdivision 4, relating to the use of increment after the expiration of the five-year rule, is  
167.3 extended to the 27th year.

167.4 (b) Notwithstanding the provisions of Minnesota Statutes, section 469.176, or any other  
167.5 law to the contrary, the city of Bloomington and its port authority may extend the duration  
167.6 limits of the district for a period through December 31, ~~2039~~ 2044.

167.7 (c) Effective for taxes payable in 2014, tax increment for the district must be computed  
167.8 using the current local tax rate, notwithstanding the provisions of Minnesota Statutes, section  
167.9 469.177, subdivision 1a.

167.10 **EFFECTIVE DATE.** This section is effective upon compliance by the city of  
167.11 Bloomington, Hennepin County, and Independent School District No. 271 with the  
167.12 requirements of Minnesota Statutes, section 469.1782, subdivision 2.

167.13 Sec. 4. Laws 2008, chapter 366, article 5, section 36, subdivision 1, is amended to read:

167.14 Subdivision 1. **Authorization.** Notwithstanding the provisions of any other law, upon  
167.15 approval of the governing body of the city of St. Paul, the Housing and Redevelopment  
167.16 Authority of the city of St. Paul may establish a redevelopment tax increment financing  
167.17 district comprised of the properties included in the existing downtown and Seventh Place  
167.18 tax increment district (County #82). Notwithstanding Minnesota Statutes, section 469.177,  
167.19 subdivision 6, if certification of the district is requested by July 31, 2008, the certification  
167.20 will be recognized by the county auditor in determining local tax rates for taxes payable in  
167.21 2009 and subsequent years. The district created under this section terminates December 31,  
167.22 ~~2023~~ 2033. The city may create the district under this section only if it enters into an  
167.23 agreement with Ramsey County to pay the county annually out of the increment from this  
167.24 district an amount equal to the tax that would have been payable to the county on the captured  
167.25 tax capacity of the district had the district not been created.

167.26 **EFFECTIVE DATE.** This section is effective upon compliance by the city of St. Paul,  
167.27 Ramsey County, and Independent School District No. 625 with the requirements of Minnesota  
167.28 Statutes, section 469.1782, subdivision 2.

167.29 Sec. 5. Laws 2008, chapter 366, article 5, section 36, subdivision 3, as amended by Laws  
167.30 2014, chapter 150, article 5, section 5, is amended to read:

167.31 Subd. 3. **Authorized expenditures.** Tax increment from the district may be expended  
167.32 only to pay principal and interest on bond obligations issued by the city of St. Paul in 2009

168.1 for the RiverCentre Arena, including payment of principal and interest on any bonds issued  
 168.2 to repay the bonds or loans, as amended in 2014, but only through taxes payable year 2023.  
 168.3 Commencing with taxes payable year 2024, tax increments from the district may be expended  
 168.4 to facilitate capital improvements within the city's RiverCentre complex, including but not  
 168.5 limited to the St. Paul RiverCentre, Xcel Energy Center, Roy Wilkins Auditorium, and St.  
 168.6 Paul RiverCentre Parking Ramp and adjacent areas controlled by the city. All such  
 168.7 expenditures are deemed to be activities within the district under Minnesota Statutes, section  
 168.8 469.1763, subdivisions 2, 3, and 4.

168.9 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 168.10 city of St. Paul and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
 168.11 subdivisions 2 and 3.

168.12 Sec. 6. Laws 2014, chapter 308, article 6, section 12, subdivision 2, is amended to read:

168.13 Subd. 2. **Special rules.** (a) If the city elects, upon the adoption of the tax increment  
 168.14 financing plan for a district, the rules under this section apply to a redevelopment district,  
 168.15 renewal and renovation district, soil condition district, or soil deficiency district established  
 168.16 by the city or a development authority of the city in the project area.

168.17 (b) Prior to or upon the adoption of the first tax increment plan subject to the special  
 168.18 rules under this subdivision, the city must find by resolution that parcels consisting of at  
 168.19 least 80 percent of the acreage of the project area, excluding street and railroad rights-of-way,  
 168.20 are characterized by one or more of the following conditions:

168.21 (1) peat or other soils with geotechnical deficiencies that impair development of  
 168.22 commercial buildings or infrastructure;

168.23 (2) soils or terrain that require substantial filling in order to permit the development of  
 168.24 commercial buildings or infrastructure;

168.25 (3) landfills, dumps, or similar deposits of municipal or private waste;

168.26 (4) quarries or similar resource extraction sites;

168.27 (5) floodway; and

168.28 (6) substandard buildings, within the meaning of Minnesota Statutes, section 469.174,  
 168.29 subdivision 10.

168.30 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the  
 168.31 relevant condition if at least 70 percent of the area of the parcel contains the relevant  
 168.32 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by



169.1 substandard buildings if substandard buildings occupy at least 30 percent of the area of the  
169.2 parcel.

169.3 (d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is  
169.4 extended to ~~eight~~ 12 years for any district; the five-year rule under Minnesota Statutes,  
169.5 section 469.175, subdivision 4, paragraph (f), is extended to nine years for any district; and  
169.6 Minnesota Statutes, section 469.1763, subdivision 4, does not apply to any district.

169.7 (e) Notwithstanding any provision to the contrary in Minnesota Statutes, section 469.1763,  
169.8 subdivision 2, paragraph (a), not more than 40 percent of the total revenue derived from tax  
169.9 increments paid by properties in any district, measured over the life of the district, may be  
169.10 expended on activities outside the district but within the project area.

169.11 (f) For a soil deficiency district:

169.12 (1) increments may be collected through 20 years after the receipt by the authority of  
169.13 the first increment from the district;

169.14 (2) increments may be used only to:

169.15 (i) acquire parcels on which the improvements described in item (ii) will occur;

169.16 (ii) pay for the cost of correcting the unusual terrain or soil deficiencies and the additional  
169.17 cost of installing public improvements directly caused by the deficiencies; and

169.18 (iii) pay for the administrative expenses of the authority allocable to the district; and

169.19 (3) any parcel acquired with increments from the district must be sold at no less than  
169.20 their fair market value.

169.21 (g) Increments spent for any infrastructure costs, whether inside a district or outside a  
169.22 district but within the project area, are deemed to satisfy the requirements of Minnesota  
169.23 Statutes, section 469.176, subdivision 4j.

169.24 (h) The authority to approve tax increment financing plans to establish tax increment  
169.25 financing districts under this section expires June 30, 2020.

169.26 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
169.27 city of Savage and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
169.28 subdivisions 2 and 3.

170.1 Sec. 7. Laws 2019, First Special Session chapter 6, article 7, section 7, is amended to read:

170.2 **Sec. 7. CITY OF DULUTH; TAX INCREMENT FINANCING DISTRICT; SPECIAL**  
170.3 **RULES AUTHORIZATION.**

170.4 Subdivision 1. **Establishment.** The city of Duluth or the Duluth Economic Development  
170.5 Authority may establish, by resolution, ~~one~~ not more than two redevelopment tax increment  
170.6 financing ~~district~~ districts located in the city of Duluth, St. Louis County, Minnesota, within  
170.7 the area bordered on the northeast by Slip 3 and the Pier B Resort property line extended  
170.8 northwest to Interstate 35, on the southeast by the Duluth Harbor, on the southwest by the  
170.9 Compass Minerals property line extended northwest to Interstate 35, and on the northwest  
170.10 by Interstate 35, together with adjacent roads and rights-of-way; and such property is deemed  
170.11 to meet the requirements of Minnesota Statutes, section 469.174, subdivision 10.

170.12 Subd. 2. **Eligible expenditures.** Expenditures incurred in connection with the  
170.13 development of the property described in subdivision 1 are deemed to meet the requirements  
170.14 of Minnesota Statutes, section 469.176, subdivision 4j. Eligible expenditures for any tax  
170.15 increment financing district established in the area described in subdivision 1 include,  
170.16 without limitation, seawalls and pier facings adjacent to the boundaries of such district.

170.17 Subd. 3. **Duration.** Notwithstanding Minnesota Statutes, section 469.176, subdivision  
170.18 1b, or any other law to the contrary, the city of Duluth or its economic development authority  
170.19 may extend the duration limit of a district established under subdivision 1 by five years.

170.20 **EFFECTIVE DATE.** (a) The amendment to subdivision 1 is effective the day after the  
170.21 governing body of the city of Duluth and its chief clerical officer comply with Minnesota  
170.22 Statutes, section 645.021, subdivisions 2 and 3.

170.23 (b) Subdivision 3 is effective upon compliance by the city of Duluth, St. Louis County,  
170.24 and Independent School District No. 709 with the requirements of Minnesota Statutes,  
170.25 section 469.1782, subdivision 2.

170.26 Sec. 8. Laws 2021, First Special Session chapter 14, article 9, section 10, is amended to  
170.27 read:

170.28 **Sec. 10. CITY OF RAMSEY; TAX INCREMENT FINANCING DISTRICT NO.**  
170.29 **14; FIVE-YEAR RULE EXTENSION.**

170.30 (a) The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that activities  
170.31 must be undertaken within a five-year period from the date of certification of a tax increment

171.1 financing district, is extended by a ~~two-year~~ five-year period to November 28, ~~2023~~ 2026,  
 171.2 for Tax Increment Financing District No. 14 administered by the city of Ramsey.

171.3 (b) The requirements of Minnesota Statutes, section 469.1763, subdivision 4, relating  
 171.4 to the use of increment after the expiration of the five-year period under Minnesota Statutes,  
 171.5 section 469.1763, subdivision 3, is extended to the ~~13th~~ 16th year for Tax Increment  
 171.6 Financing District No. 14.

171.7 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 171.8 city of Ramsey and its chief clerical officer comply with the requirements of Minnesota  
 171.9 Statutes, section 645.021, subdivisions 2 and 3.

171.10 **Sec. 9. CITY OF CHATFIELD; TIF AUTHORITY; ECONOMIC DEVELOPMENT**  
 171.11 **AUTHORIZATION.**

171.12 Notwithstanding Minnesota Statutes, section 469.176, subdivision 4c, paragraph (b), or  
 171.13 any other law to the contrary, the city of Chatfield or its economic development authority  
 171.14 may establish an economic development district to construct a multilevel hotel on Mill  
 171.15 Creek Road and Division Street NW, south of Trunk Highway 30, in the city of Chatfield,  
 171.16 Olmsted County, provided that the first floor of the hotel does not exceed 15,000 square  
 171.17 feet. For purposes of this section, "first floor" means the floor at street level where the public  
 171.18 is permitted to enter and exit.

171.19 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 171.20 city of Chatfield and its chief clerical officer comply with the requirements of Minnesota  
 171.21 Statutes, section 645.021, subdivisions 2 and 3.

171.22 **Sec. 10. CITY OF DULUTH; TAX INCREMENT FINANCING DISTRICT;**  
 171.23 **SPECIAL RULES.**

171.24 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
 171.25 economic development authority of the city of Duluth or the city of Duluth may establish  
 171.26 one or more redevelopment districts located wholly within the area of the city of Duluth,  
 171.27 St. Louis County, Minnesota, limited to the area classified as the Medical Regional Exchange  
 171.28 District and East 1st Street Corridor as bounded by: East 6th Street from North 3rd Avenue  
 171.29 East to North 7th Avenue East; North 7th Avenue East from East 6th Street to East 3rd  
 171.30 Street; East 3rd Street from North 7th Avenue East to North 12th Avenue East; North 12th  
 171.31 Avenue East from East 3rd Street straight through the Duluth Rose Garden to the Lake  
 171.32 Superior Waterfront; the Lake Superior waterfront from the Duluth Rose Garden at North  
 171.33 12th Avenue East to Lake Place Park at North 3rd Avenue East; North 3rd Avenue East

172.1 from Lake Place Park at the Lake Superior waterfront to East Superior Street; East Superior  
 172.2 Street from North 3rd Avenue East to North Lake Avenue; North Lake Avenue from East  
 172.3 Superior Street to East 2nd Street; East 2nd Street from North Lake Avenue to North 3rd  
 172.4 Avenue East; North 3rd Ave East from East 2nd Street to East 6th Street.

172.5 Subd. 2. **Special rules.** If the city or authority establishes a redevelopment tax increment  
 172.6 financing district under this section, the following special rules apply:

172.7 (1) the district is deemed to meet all the requirements of Minnesota Statutes, section  
 172.8 469.174, subdivision 10; and

172.9 (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.

172.10 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 172.11 city of Duluth and its chief clerical officer comply with the requirements of Minnesota  
 172.12 Statutes, section 645.021, subdivisions 2 and 3.

172.13 **Sec. 11. CITY OF FRIDLEY; TAX INCREMENT FINANCING DISTRICT;**  
 172.14 **SPECIAL RULES.**

172.15 Subdivision 1. **Transfer of increment.** Notwithstanding Minnesota Statutes, section  
 172.16 469.176, subdivision 4j, the city of Fridley or its economic development authority may  
 172.17 transfer tax increment accumulated from Fridley Tax Increment Financing District No. 20  
 172.18 to the Fridley Housing and Redevelopment Authority for the purposes authorized in  
 172.19 subdivision 2. Only increment allowed to be expended outside of the district pursuant to  
 172.20 Minnesota Statutes, section 469.1763, subdivision 2, may be transferred under this section.

172.21 Subd. 2. **Allowable use.** Tax increment transferred under subdivision 1 must be used  
 172.22 only to:

172.23 (1) make grants, loans, and loan guarantees for the development, rehabilitation, or  
 172.24 financing of housing; or

172.25 (2) match other funds from federal, state, or private resources for housing projects.

172.26 Subd. 3. **Annual financial reporting.** Tax increment transferred under this section is  
 172.27 subject to the annual reporting requirements under Minnesota Statutes, section 469.175,  
 172.28 subdivision 6.

172.29 Subd. 4. **Legislative reports.** By February 1, 2025, and February 1, 2027, the city of  
 172.30 Fridley must issue a report to the chairs and ranking minority members of the legislative  
 172.31 committees with jurisdiction over taxes and property taxes. Each report must include detailed  
 172.32 information relating to each program financed with increment transferred under this section.

173.1 Subd. 5. **Expiration.** The authority to make transfers under subdivision 1 expires  
173.2 December 31, 2027.

173.3 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
173.4 city of Fridley and its chief clerical officer comply with the requirements of Minnesota  
173.5 Statutes, section 645.021, subdivisions 2 and 3.

173.6 Sec. 12. **CITY OF PLYMOUTH; TIF AUTHORITY.**

173.7 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
173.8 city of Plymouth may establish not more than two redevelopment districts located wholly  
173.9 within the city of Plymouth, Hennepin County, Minnesota, limited to the following parcels  
173.10 identified by tax identification numbers: 34-119-22-44-0002, 03-118-22-12-0002,  
173.11 03-118-22-11-0007, 02-118-22-22-0005, and 03-118-22-14-0032, together with adjacent  
173.12 roads and rights-of-way.

173.13 Subd. 2. **Special rules.** If the city establishes a tax increment financing district under  
173.14 this section, the following special rules apply:

173.15 (1) the district is deemed to meet the requirements of Minnesota Statutes, section 469.174,  
173.16 subdivision 10;

173.17 (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district;  
173.18 and

173.19 (3) not more than 75 percent of increments generated from the district may be expended  
173.20 on improvements to Chankahda Trail, formerly known as Hennepin County Road 47, outside  
173.21 the project area, and all such expenditures are deemed expended on activities within the  
173.22 district for the purposes of Minnesota Statutes, section 469.1763.

173.23 Subd. 3. **Expiration.** The authority to approve a tax increment financing plan to establish  
173.24 a tax increment financing district under this section expires December 31, 2030.

173.25 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
173.26 city of Plymouth and its chief clerical officer comply with Minnesota Statutes, section  
173.27 645.021, subdivisions 2 and 3.

173.28 Sec. 13. **CITY OF SHAKOPEE; TAX INCREMENT FINANCING DISTRICT.**

173.29 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
173.30 the meanings given.

173.31 (b) "City" means the city of Shakopee.

174.1 (c) "Project area" means the following parcels, identified by parcel identification numbers:  
174.2 279160102, 279160110, 279170020, and 279160120.

174.3 (d) "Soil deficiency district" means a type of tax increment financing district consisting  
174.4 of a portion of the project area in which the city finds by resolution that the following  
174.5 conditions exist:

174.6 (1) unusual terrain or soil deficiencies that occurred over 70 percent of the acreage in  
174.7 the district require substantial filling, grading, or other physical preparation for use; and

174.8 (2) the estimated cost of the physical preparation under clause (1), excluding costs  
174.9 directly related to roads as defined in Minnesota Statutes, section 160.01, and local  
174.10 improvements as described in Minnesota Statutes, sections 429.021, subdivision 1, clauses  
174.11 (1) to (7) and (11) to (22), and 430.01, exceeds the fair market value of the land before  
174.12 completion of the preparation.

174.13 Subd. 2. **Special rules.** (a) If the city elects, upon the adoption of the tax increment  
174.14 financing plan for a district, the rules under this section apply to a redevelopment district,  
174.15 renewal and renovation district, soil condition district, or soil deficiency district established  
174.16 by the city or a development authority of the city in the project area. The city, or a  
174.17 development authority acting on its behalf, may establish one or more soil deficiency districts  
174.18 within the project area.

174.19 (b) Prior to or upon the adoption of the first tax increment plan subject to the special  
174.20 rules under this subdivision, the city must find by resolution that parcels consisting of at  
174.21 least 70 percent of the acreage of the project area, excluding street and railroad rights-of-way,  
174.22 are characterized by one or more of the following conditions:

174.23 (1) peat or other soils with geotechnical deficiencies that impair development of  
174.24 residential or commercial buildings or infrastructure;

174.25 (2) soils or terrain that requires substantial filling in order to permit the development of  
174.26 residential or commercial buildings or infrastructure;

174.27 (3) landfills, dumps, or similar deposits of municipal or private waste;

174.28 (4) quarries or similar resource extraction sites;

174.29 (5) floodways; and

174.30 (6) substandard buildings, within the meaning of Minnesota Statutes, section 469.174,  
174.31 subdivision 10.

175.1 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the  
175.2 relevant condition if at least 60 percent of the area of the parcel contains the relevant  
175.3 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by  
175.4 substandard buildings if substandard buildings occupy at least 30 percent of the area of the  
175.5 parcel.

175.6 (d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is  
175.7 extended to ten years for any district, and the period under Minnesota Statutes, section  
175.8 469.1763, subdivision 4, is extended to 11 years.

175.9 (e) Notwithstanding any provision to the contrary in Minnesota Statutes, section 469.1763,  
175.10 subdivision 2, paragraph (a), not more than 80 percent of the total revenue derived from tax  
175.11 increments paid by properties in any district, measured over the life of the district, may be  
175.12 expended on activities outside the district but within the project area.

175.13 (f) For a soil deficiency district:

175.14 (1) increments may be collected through 20 years after the receipt by the authority of  
175.15 the first increment from the district; and

175.16 (2) except as otherwise provided in this subdivision, increments may be used only to:

175.17 (i) acquire parcels on which the improvements described in item (ii) will occur;

175.18 (ii) pay for the cost of correcting the unusual terrain or soil deficiencies and the additional  
175.19 cost of installing public improvements directly caused by the deficiencies; and

175.20 (iii) pay for the administrative expenses of the authority allocable to the district.

175.21 (g) The authority to approve tax increment financing plans to establish tax increment  
175.22 financing districts under this section expires December 31, 2026.

175.23 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
175.24 city of Shakopee and its chief clerical officer comply with the requirements of Minnesota  
175.25 Statutes, section 645.021, subdivisions 2 and 3.

175.26 **Sec. 14. CITY OF WEST ST. PAUL; TIF AUTHORITY.**

175.27 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
175.28 economic development authority of the city of West St. Paul or the city of West St. Paul  
175.29 may establish one or more redevelopment tax increment financing districts consisting of  
175.30 the parcels in the city of West St. Paul, Dakota County, Minnesota, currently identified with  
175.31 the following parcel identification numbers: 42-83680-01-011, 42-11561-00-010,

176.1 42-11561-01-010, 42-11560-01-021, 42-11561-00-020, and 42-11560-01-022, as the same  
 176.2 may be replatted or reconfigured, together with adjacent roads and rights-of-way.

176.3 Subd. 2. **Special rules.** If the city or authority establishes one or more tax increment  
 176.4 financing districts under this section, the following special rules apply:

176.5 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section  
 176.6 469.174, subdivision 10; and

176.7 (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.

176.8 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 176.9 city of West St. Paul and its chief clerical officer comply with Minnesota Statutes, section  
 176.10 645.021, subdivisions 2 and 3.

176.11 Sec. 15. **CITY OF WOODBURY; TAX INCREMENT FINANCING DISTRICT**  
 176.12 **NO. 13; EXPENDITURES ALLOWED; DURATION EXTENSION.**

176.13 (a) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, or any other  
 176.14 law to the contrary, the city of Woodbury may expend increments generated from Tax  
 176.15 Increment Financing District No. 13 for the maintenance, and facility and infrastructure  
 176.16 upgrades to Central Park. All such expenditures are deemed expended on activities within  
 176.17 the district.

176.18 (b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, the city of  
 176.19 Woodbury may elect to extend the duration of Tax Increment Financing District No. 13 by  
 176.20 five years.

176.21 **EFFECTIVE DATE.** Paragraph (a) is effective the day after the governing body of the  
 176.22 city of Woodbury and its chief clerical officer comply with the requirements of Minnesota  
 176.23 Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance  
 176.24 by the city of Woodbury, Washington County, and Independent School District No. 833  
 176.25 with the requirements of Minnesota Statutes, section 469.1782, subdivision 2.

176.26 **ARTICLE 8**  
 176.27 **OFFICE OF THE STATE AUDITOR: TAX INCREMENT FINANCING GENERAL**  
 176.28 **LAW MODIFICATIONS**

176.29 Section 1. Minnesota Statutes 2022, section 469.174, subdivision 14, is amended to read:

176.30 Subd. 14. **Administrative expenses.** (a) "Administrative expenses" or "administrative  
 176.31 costs" means ~~all~~ documented expenditures of an authority ~~other than~~ or municipality,  
 176.32 including but not limited to:



177.1 (1) amounts paid for services provided by bond counsel, fiscal consultants, and economic  
 177.2 development consultants;

177.3 (2) allocated expenses and staff time of the authority or municipality for administering  
 177.4 a project, including but not limited to preparing the tax increment financing plan, negotiating  
 177.5 and preparing agreements, accounting for segregated funds of the district, preparing and  
 177.6 submitting required reporting for the district, and reviewing and monitoring compliance  
 177.7 with sections 469.174 to 469.1794;

177.8 (3) amounts paid to publish annual disclosures and provide notices under section 469.175;

177.9 (4) amounts to provide for the usual and customary maintenance and operation of  
 177.10 properties purchased with tax increments, including necessary reserves for repairs and the  
 177.11 cost of any insurance;

177.12 (5) amounts allocated or paid to prepare a development action response plan for a soils  
 177.13 condition district or hazardous substance subdistrict; and

177.14 (6) amounts used to pay bonds, interfund loans, or other financial obligations to the  
 177.15 extent those obligations were used to finance costs described in clauses (1) to (5).

177.16 (b) Administrative expenses and administrative costs do not include:

177.17 (1) amounts paid for the purchase of land or buildings;

177.18 (2) amounts paid to contractors or others providing materials and services, including  
 177.19 architectural and engineering services, directly connected with the physical development  
 177.20 of the real property in the project, including architectural and engineering services and  
 177.21 materials and services for demolition, soil correction, and the construction or installation  
 177.22 of public improvements;

177.23 (3) relocation benefits paid to or services provided for persons residing or businesses  
 177.24 located in the project;

177.25 ~~(4) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount~~  
 177.26 ~~bonds issued pursuant to section 469.178; or~~

177.27 ~~(5) (4) amounts paid for property taxes or payments in lieu of taxes; and~~

177.28 (5) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount  
 177.29 bonds issued pursuant to section 469.178 or other financial obligations to the extent those  
 177.30 obligations were used to finance costs described in clauses (1) to ~~(3)~~ (4).

178.1 ~~For districts for which the requests for certifications were made before August 1, 1979,~~  
 178.2 ~~or after June 30, 1982, "administrative expenses" includes amounts paid for services provided~~  
 178.3 ~~by bond counsel, fiscal consultants, and planning or economic development consultants.~~

178.4 This definition does not apply to administrative expenses or administrative costs referenced  
 178.5 under section 469.176, subdivision 4h.

178.6 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 178.7 applies to all districts, regardless of when the request for certification was made.

178.8 Sec. 2. Minnesota Statutes 2022, section 469.174, is amended by adding a subdivision to  
 178.9 read:

178.10 Subd. 30. **Pay-as-you-go contract and note.** "Pay-as-you-go contract and note" means  
 178.11 a written note or contractual obligation under which all of the following apply:

178.12 (1) the note or contractual obligation evidences an authority's commitment to reimburse  
 178.13 a developer, property owner, or note holder for the payment of costs of activities, including  
 178.14 any interest on unreimbursed costs;

178.15 (2) the reimbursement is made from tax increment revenues identified in the note or  
 178.16 contractual obligation as received by a municipality or authority as taxes are paid; and

178.17 (3) the risk that available tax increments may be insufficient to fully reimburse the costs  
 178.18 is borne by the developer, property owner, or note holder.

178.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

178.20 Sec. 3. Minnesota Statutes 2022, section 469.175, subdivision 6, is amended to read:

178.21 **Subd. 6. Annual financial reporting.** (a) The state auditor shall develop a uniform  
 178.22 system of accounting and financial reporting for tax increment financing districts. The  
 178.23 system of accounting and financial reporting shall, as nearly as possible:

178.24 (1) provide for full disclosure of the sources and uses of tax increments of the district;

178.25 (2) permit comparison and reconciliation with the affected local government's accounts  
 178.26 and financial reports;

178.27 (3) permit auditing of the funds expended on behalf of a district, including a single  
 178.28 district that is part of a multidistrict project or that is funded in part or whole through the  
 178.29 use of a development account funded with tax increments from other districts or with other  
 178.30 public money;

179.1 (4) be consistent with generally accepted accounting principles.

179.2 (b) The authority must annually submit to the state auditor a financial report in compliance  
179.3 with paragraph (a). Copies of the report must also be provided to the county auditor and to  
179.4 the governing body of the municipality, if the authority is not the municipality. To the extent  
179.5 necessary to permit compliance with the requirement of financial reporting, the county and  
179.6 any other appropriate local government unit or private entity must provide the necessary  
179.7 records or information to the authority or the state auditor as provided by the system of  
179.8 accounting and financial reporting developed pursuant to paragraph (a). The authority must  
179.9 submit the annual report for a year on or before August 1 of the next year.

179.10 (c) The annual financial report must also include the following items:

179.11 (1) the original net tax capacity of the district and any subdistrict under section 469.177,  
179.12 subdivision 1;

179.13 (2) the net tax capacity for the reporting period of the district and any subdistrict;

179.14 (3) the captured net tax capacity of the district;

179.15 (4) any fiscal disparity deduction from the captured net tax capacity under section  
179.16 469.177, subdivision 3;

179.17 (5) the captured net tax capacity retained for tax increment financing under section  
179.18 469.177, subdivision 2, paragraph (b), clause (1);

179.19 (6) any captured net tax capacity distributed among affected taxing districts under section  
179.20 469.177, subdivision 2, paragraph (b), clause (2);

179.21 (7) the type of district;

179.22 (8) the date the municipality approved the tax increment financing plan and the date of  
179.23 approval of any modification of the tax increment financing plan, the approval of which  
179.24 requires notice, discussion, a public hearing, and findings under subdivision 4, paragraph  
179.25 (a);

179.26 (9) the date the authority first requested certification of the original net tax capacity of  
179.27 the district and the date of the request for certification regarding any parcel added to the  
179.28 district;

179.29 (10) the date the county auditor first certified the original net tax capacity of the district  
179.30 and the date of certification of the original net tax capacity of any parcel added to the district;

179.31 (11) the ~~month~~ and year in which the authority has received or anticipates it will receive  
179.32 the first increment from the district;

- 180.1 (12) the date the district must be decertified;
- 180.2 (13) for the reporting period and prior years of the district, the actual amount received
- 180.3 from, at least, the following categories:
- 180.4 (i) tax increments paid by the captured net tax capacity retained for tax increment
- 180.5 financing under section 469.177, subdivision 2, paragraph (b), clause (1), but excluding any
- 180.6 excess taxes;
- 180.7 (ii) tax increments that are interest or other investment earnings on or from tax increments;
- 180.8 (iii) tax increments that are proceeds from the sale or lease of property, tangible or
- 180.9 intangible, purchased by the authority with tax increments;
- 180.10 (iv) tax increments that are repayments of loans or other advances made by the authority
- 180.11 with tax increments;
- 180.12 (v) bond proceeds; and
- 180.13 (vi) the agricultural homestead market value credit paid to the authority under section
- 180.14 273.1384;
- 180.15 (14) for the reporting period and for the prior years of the district, the actual amount
- 180.16 expended for, at least, the following categories:
- 180.17 (i) acquisition of land and buildings through condemnation or purchase;
- 180.18 (ii) site improvements or preparation costs;
- 180.19 (iii) installation of public utilities, parking facilities, streets, roads, sidewalks, or other
- 180.20 similar public improvements;
- 180.21 (iv) administrative costs, including the allocated cost of the authority; and
- 180.22 (v) for housing districts, construction of affordable housing;
- 180.23 (15) the amount of any payments for activities and improvements located outside of the
- 180.24 district that are paid for or financed with tax increments;
- 180.25 (16) the amount of payments of principal and interest that are made during the reporting
- 180.26 period on any nondefeased:
- 180.27 (i) general obligation tax increment financing bonds; and
- 180.28 (ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;
- 180.29 (17) the principal amount, at the end of the reporting period, of any nondefeased:
- 180.30 (i) general obligation tax increment financing bonds; and

- 181.1 (ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;
- 181.2 (18) the amount of principal and interest payments that are due for the current calendar
- 181.3 year on any nondefeased:
- 181.4 (i) general obligation tax increment financing bonds; and
- 181.5 (ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;
- 181.6 (19) if the fiscal disparities contribution under chapter 276A or 473F for the district is
- 181.7 computed under section 469.177, subdivision 3, paragraph (a), the amount of total increased
- 181.8 property taxes to be paid from outside the tax increment financing district; and
- 181.9 (20) any additional information the state auditor may require.
- 181.10 (d) The reporting requirements imposed by this subdivision apply to districts certified
- 181.11 before, on, and after August 1, 1979.

181.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

181.13 Sec. 4. Minnesota Statutes 2022, section 469.176, subdivision 3, is amended to read:

181.14 Subd. 3. **Limitation on administrative expenses.** (a) For districts for which certification

181.15 was requested before August 1, 2001, no tax increment shall be used to pay any

181.16 administrative expenses for a project which exceed ten percent of the total estimated tax

181.17 increment expenditures authorized by the tax increment financing plan or ten percent of the

181.18 total tax increment expenditures for the project net of any amounts returned to the county

181.19 auditor as excess increment; as returned increment under section 469.1763, subdivision 4,

181.20 paragraph (g); or as remedies under section 469.1771, subdivision 2, whichever is less.

181.21 (b) For districts for which certification was requested after July 31, 2001, no tax increment

181.22 may be used to pay any administrative expenses for a project which exceed ten percent of

181.23 total estimated tax increment expenditures authorized by the tax increment financing plan

181.24 or ten percent of the total tax increments, as defined in section 469.174, subdivision 25,

181.25 clause (1), from received for the district net of any amounts returned to the county auditor

181.26 as excess increment; as returned increment under section 469.1763, subdivision 4, paragraph

181.27 (g); or as remedies under section 469.1771, subdivision 2, whichever is less.

181.28 (c) Increments used to pay the county's administrative expenses under subdivision 4h

181.29 are not subject to the percentage limits in this subdivision.

181.30 (d) Increments defined under section 469.174, subdivision 25, clause (2), used for

181.31 administrative expenses described under section 469.174, subdivision 14, paragraph (a),

181.32 clause (4), are not subject to the percentage limits in this subdivision.

182.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
182.2 applies to all districts, regardless of when the request for certification was made.

182.3 Sec. 5. Minnesota Statutes 2022, section 469.176, subdivision 4, is amended to read:

182.4 Subd. 4. **Limitation on use of tax increment; general rule.** All revenues derived from  
182.5 tax increment shall be used in accordance with the tax increment financing plan. The revenues  
182.6 shall be used solely for the following purposes: (1) to pay the principal of and interest on  
182.7 bonds issued to finance a project; (2) by a rural development financing authority for the  
182.8 purposes stated in section 469.142<sub>5</sub>; by a port authority or municipality exercising the powers  
182.9 of a port authority to finance or otherwise pay the cost of redevelopment pursuant to sections  
182.10 469.048 to 469.068<sub>5</sub>; by an economic development authority to finance or otherwise pay  
182.11 the cost of redevelopment pursuant to sections 469.090 to 469.108<sub>5</sub>; by a housing and  
182.12 redevelopment authority or economic development authority to finance or otherwise pay  
182.13 public redevelopment costs pursuant to sections 469.001 to 469.047<sub>5</sub>; by a municipality or  
182.14 economic development authority to finance or otherwise pay the capital and administration  
182.15 costs of a development district pursuant to sections 469.124 to 469.133<sub>5</sub>; by a municipality  
182.16 or authority to finance or otherwise pay the costs of developing and implementing a  
182.17 development action response plan<sub>5</sub>; by a municipality or redevelopment agency to finance  
182.18 or otherwise pay premiums for insurance or other security guaranteeing the payment when  
182.19 due of principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to  
182.20 469.165, or both, or to accumulate and maintain a reserve securing the payment when due  
182.21 of the principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to  
182.22 469.165, or both, which revenues in the reserve shall not exceed, subsequent to the fifth  
182.23 anniversary of the date of issue of the first bond issue secured by the reserve, an amount  
182.24 equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased  
182.25 bonds secured by the reserve; and (3) to pay administrative expenses.

182.26 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
182.27 applies to all districts, regardless of when the request for certification was made.

182.28 Sec. 6. Minnesota Statutes 2022, section 469.1763, subdivision 2, is amended to read:

182.29 Subd. 2. **Expenditures outside district.** (a) For each tax increment financing district,  
182.30 an amount equal to at least 75 percent of the total revenue derived from tax increments paid  
182.31 by properties in the district must be expended on activities in the district or to pay bonds,  
182.32 to the extent that the proceeds of the bonds were used to finance activities in the district or  
182.33 to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other

183.1 than redevelopment districts for which the request for certification was made after June 30,  
183.2 1995, the in-district percentage for purposes of the preceding sentence is 80 percent. Not  
183.3 more than 25 percent of the total revenue derived from tax increments paid by properties  
183.4 in the district may be expended, through a development fund or otherwise, on activities  
183.5 outside of the district but within the defined geographic area of the project except to pay,  
183.6 or secure payment of, debt service on credit enhanced bonds. For districts, other than  
183.7 redevelopment districts for which the request for certification was made after June 30, 1995,  
183.8 the pooling percentage for purposes of the preceding sentence is 20 percent. The revenues  
183.9 derived from tax increments paid by properties in the district that are expended on costs  
183.10 under section 469.176, subdivision 4h, ~~paragraph (b)~~, may be deducted first before calculating  
183.11 the percentages that must be expended within and without the district.

183.12 (b) In the case of a housing district, a housing project, as defined in section 469.174,  
183.13 subdivision 11, is an activity in the district.

183.14 (c) All administrative expenses are considered to be expenditures for activities outside  
183.15 of the district, except that if the only expenses for activities outside of the district under this  
183.16 subdivision are for the purposes described in paragraph (d), administrative expenses will  
183.17 be considered as expenditures for activities in the district.

183.18 (d) The authority may elect, in the tax increment financing plan for the district, to increase  
183.19 by up to ten percentage points the permitted amount of expenditures for activities located  
183.20 outside the geographic area of the district under paragraph (a). As permitted by section  
183.21 469.176, subdivision 4k, the expenditures, including the permitted expenditures under  
183.22 paragraph (a), need not be made within the geographic area of the project. Expenditures  
183.23 that meet the requirements of this paragraph are legally permitted expenditures of the district,  
183.24 notwithstanding section 469.176, subdivisions 4b, 4c, and 4j. To qualify for the increase  
183.25 under this paragraph, the expenditures must:

183.26 (1) be used exclusively to assist housing that meets the requirement for a qualified  
183.27 low-income building, as that term is used in section 42 of the Internal Revenue Code; and

183.28 (2) not exceed the qualified basis of the housing, as defined under section 42(c) of the  
183.29 Internal Revenue Code, less the amount of any credit allowed under section 42 of the Internal  
183.30 Revenue Code; and

183.31 (3) be used to:

183.32 (i) acquire and prepare the site of the housing;

183.33 (ii) acquire, construct, or rehabilitate the housing; or

184.1 (iii) make public improvements directly related to the housing; or

184.2 (4) be used to develop housing:

184.3 (i) if the market value of the housing does not exceed the lesser of:

184.4 (A) 150 percent of the average market value of single-family homes in that municipality;

184.5 or

184.6 (B) \$200,000 for municipalities located in the metropolitan area, as defined in section

184.7 473.121, or \$125,000 for all other municipalities; and

184.8 (ii) if the expenditures are used to pay the cost of site acquisition, relocation, demolition

184.9 of existing structures, site preparation, and pollution abatement on one or more parcels, if

184.10 the parcel contains a residence containing one to four family dwelling units that has been

184.11 vacant for six or more months and is in foreclosure as defined in section 325N.10, subdivision

184.12 7, but without regard to whether the residence is the owner's principal residence, and only

184.13 after the redemption period has expired; or

184.14 (5) to assist owner-occupied housing that meets the requirements of section 469.1761,

184.15 subdivision 2.

184.16 (e) The authority under paragraph (d), clause (4), expires on December 31, 2016.

184.17 Increments may continue to be expended under this authority after that date, if they are used

184.18 to pay bonds or binding contracts that would qualify under subdivision 3, paragraph (a), if

184.19 December 31, 2016, is considered to be the last date of the five-year period after certification

184.20 under that provision.

184.21 (f) For purposes of determining whether the minimum percentage of expenditures for

184.22 activities in the district and maximum percentages of expenditures allowed on activities

184.23 outside the district have been met under this subdivision, any amounts returned to the county

184.24 auditor as excess increment, as returned increment under subdivision 4, paragraph (g), or

184.25 as remedies under section 469.1771, subdivision 2, shall first be subtracted from the total

184.26 revenues derived from tax increments paid by properties in the district. Any other amounts

184.27 returned to the county auditor for purposes other than a remedy under section 469.1771,

184.28 subdivision 3, are considered to be expenditures for activities in the district.

184.29 **EFFECTIVE DATE.** This section is effective the day following final enactment and

184.30 applies to all districts with a request for certification date after April 30, 1990, except that

184.31 paragraph (f) shall apply to districts decertifying after December 31, 2023.



185.1 Sec. 7. Minnesota Statutes 2022, section 469.1763, subdivision 3, is amended to read:

185.2 Subd. 3. **Five-year rule.** (a) Revenues derived from tax increments paid by properties  
185.3 in the district ~~that are considered to have been~~ expended on an activity within the district  
185.4 ~~under~~ will instead be considered to have been expended on an activity outside the district  
185.5 for purposes of subdivision 2 only if one of the following occurs unless:

185.6 (1) before or within five years after certification of the district, the revenues are actually  
185.7 paid to a third party with respect to the activity;

185.8 (2) bonds, the proceeds of which must be used to finance the activity, are issued and  
185.9 sold to a third party before or within five years after certification of the district, the revenues  
185.10 are spent to repay the bonds, and the proceeds of the bonds either are, on the date of issuance,  
185.11 reasonably expected to be spent before the end of the later of (i) the five-year period, or (ii)  
185.12 a reasonable temporary period within the meaning of the use of that term under section  
185.13 148(c)(1) of the Internal Revenue Code, or are deposited in a reasonably required reserve  
185.14 or replacement fund;

185.15 (3) binding contracts with a third party are entered into for performance of the activity  
185.16 before or within five years after certification of the district and the revenues are spent under  
185.17 the contractual obligation;

185.18 (4) costs with respect to the activity are paid before or within five years after certification  
185.19 of the district and the revenues are spent to reimburse a party for payment of the costs,  
185.20 including interest on unreimbursed costs; or

185.21 (5) ~~expenditures are made~~ revenues are spent for housing purposes as ~~permitted~~ described  
185.22 by subdivision 2, ~~paragraphs~~ paragraph (b) ~~and (d)~~, or for public infrastructure purposes  
185.23 ~~within a zone as permitted by subdivision 2, paragraph (e).~~

185.24 (b) For purposes of this subdivision, bonds include subsequent refunding bonds if the  
185.25 original refunded bonds meet the requirements of paragraph (a), clause (2).

185.26 (c) For a redevelopment district or a renewal and renovation district certified after June  
185.27 30, 2003, and before April 20, 2009, the five-year periods described in paragraph (a) are  
185.28 extended to ten years after certification of the district. For a redevelopment district certified  
185.29 after April 20, 2009, and before June 30, 2012, the five-year periods described in paragraph  
185.30 (a) are extended to eight years after certification of the district. This extension is provided  
185.31 primarily to accommodate delays in development activities due to unanticipated economic  
185.32 circumstances.

186.1 (d) For a redevelopment district that was certified after December 31, 2017, and before  
 186.2 June 30, 2020, the five-year periods described in paragraph (a) are extended to eight years  
 186.3 after certification of the district.

186.4 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 186.5 applies to all districts with a request for certification date after April 30, 1990.

186.6 Sec. 8. Minnesota Statutes 2022, section 469.1763, subdivision 4, is amended to read:

186.7 Subd. 4. **Use of revenues for decertification.** ~~(a) In each year beginning with the sixth~~  
 186.8 ~~year following certification of the district, or beginning with the ninth year following~~  
 186.9 ~~certification of the district for districts whose five-year rule is extended to eight years under~~  
 186.10 ~~subdivision 3, paragraph (d), if the applicable in-district percent of the revenues derived~~  
 186.11 ~~from tax increments paid by properties in the district exceeds the amount of expenditures~~  
 186.12 ~~that have been made for costs permitted under subdivision 3, an amount equal to the~~  
 186.13 ~~difference between the in-district percent of the revenues derived from tax increments paid~~  
 186.14 ~~by properties in the district and the amount of expenditures that have been made for costs~~  
 186.15 ~~permitted under subdivision 3 must be used and only used to pay or defease the following~~  
 186.16 ~~or be set aside to pay the following:~~

186.17 ~~(1) outstanding bonds, as defined in subdivision 3, paragraphs (a), clause (2), and (b);~~

186.18 ~~(2) contracts, as defined in subdivision 3, paragraph (a), clauses (3) and (4);~~

186.19 ~~(3) credit enhanced bonds to which the revenues derived from tax increments are pledged,~~  
 186.20 ~~but only to the extent that revenues of the district for which the credit enhanced bonds were~~  
 186.21 ~~issued are insufficient to pay the bonds and to the extent that the increments from the~~  
 186.22 ~~applicable pooling percent share for the district are insufficient; or~~

186.23 ~~(4) the amount provided by the tax increment financing plan to be paid under subdivision~~  
 186.24 ~~2, paragraphs (b), (d), and (e).~~

186.25 ~~(b) The~~ (a) Beginning with the sixth year following certification of the district, or  
 186.26 beginning with the year following the extended period for districts whose five-year period  
 186.27 is extended under subdivision 3, paragraphs (c) and (d), a district must be decertified and  
 186.28 ~~the pledge of tax increment discharged when the outstanding bonds have been defeased and~~  
 186.29 ~~when sufficient money has been set aside to pay, based on~~ the product of the applicable  
 186.30 in-district percentage multiplied by the increment to be cumulative revenues derived from  
 186.31 tax increments paid by properties in the district that have been collected through the end of  
 186.32 the calendar year, equals or exceeds an amount sufficient to pay the following amounts:

187.1 ~~(1) contractual~~ any costs and obligations as defined described in subdivision 3, paragraph  
 187.2 paragraphs (a), clauses (3) and (4); and (b), excluding those under a qualifying pay-as-you-go  
 187.3 contract and note;

187.4 ~~(2) the amount specified in the tax increment financing plan for activities qualifying~~  
 187.5 ~~under subdivision 2, paragraph (b), that have not been funded with the proceeds of bonds~~  
 187.6 ~~qualifying under paragraph (a), clause (1); and~~

187.7 ~~(3) the additional expenditures permitted by the tax increment financing plan for housing~~  
 187.8 ~~activities under an election under subdivision 2, paragraph (d), that have not been funded~~  
 187.9 ~~with the proceeds of bonds qualifying under paragraph (a), clause (1).~~

187.10 (2) any accrued interest on the costs and obligations in clause (1), payable in accordance  
 187.11 with the terms thereof; and

187.12 (3) any administrative expenses falling within the exception in subdivision 2, paragraph  
 187.13 (c).

187.14 (b) For districts with an outstanding qualifying pay-as-you-go contract and note, the  
 187.15 required decertification under paragraph (a) is deferred until the end of the remaining term  
 187.16 of the last outstanding qualifying pay-as-you-go contract and note, and the applicable  
 187.17 in-district percentage of cumulative revenues derived from tax increments paid by properties  
 187.18 in the district are sufficient to pay the obligations identified in subdivision 3, paragraphs  
 187.19 (a) and (b), provided that the deferral shall not exceed the district's duration limit under  
 187.20 section 469.176. During the deferral, beginning at the time paragraph (a) would otherwise  
 187.21 require decertification, the authority must annually either:

187.22 (1) remove from the district, by the end of the year, all parcels that will no longer have  
 187.23 their tax increment revenue pledged or subject to a qualifying pay-as-you-go contract and  
 187.24 note or other costs and obligations described in subdivision 3, paragraphs (a) and (b), after  
 187.25 the end of the year; or

187.26 (2) use the applicable in-district percentage of revenues derived from tax increments  
 187.27 paid by those parcels to prepay an outstanding qualifying pay-as-you-go contract and note  
 187.28 of the district or other costs and obligations described in subdivision 3, paragraphs (a) and  
 187.29 (b), or to accumulate and use revenues derived from tax increments paid by those parcels  
 187.30 as permitted under paragraph (i).

187.31 The authority must remove any parcels as required by this paragraph by modification  
 187.32 of the tax increment financing plan and notify the county auditor of the removed parcels by  
 187.33 the end of the same calendar year. Notwithstanding section 469.175, subdivision 4,

188.1 paragraphs (b), clause (1), and (e), the notice, discussion, public hearing, and findings  
188.2 required for approval of the original plan are not required for such a modification.

188.3 (c) Notwithstanding paragraph (a) or (b), if tax increment was pledged prior to August  
188.4 1, 2023, to a bond other than a pay-as-you-go contract and note or interfund loan, and the  
188.5 proceeds of the bond were used solely or in part to pay authorized costs for activities outside  
188.6 the district, the requirement to decertify under paragraph (a) or remove parcels under  
188.7 paragraph (b) shall not apply prior to the bond being fully paid or defeased.

188.8 (d) For purposes of this subdivision, "applicable in-district percentage" means the  
188.9 percentage of tax increment revenue that is restricted for expenditures within the district,  
188.10 as determined under subdivision 2, paragraphs (a) and (d), for the district.

188.11 (e) For purposes of this subdivision, "qualifying pay-as-you-go contract and note" means  
188.12 a pay-as-you-go contract and note that is considered to be for activities within the district  
188.13 under subdivision 3, paragraph (a).

188.14 (f) For purposes of this subdivision, the reference in paragraph (a) to cumulative revenues  
188.15 derived from tax increments paid by properties in the district through the end of the calendar  
188.16 year shall include any final settlement distributions made in the following January. For  
188.17 purposes of the calculation in paragraph (a), any amounts returned to the county auditor as  
188.18 excess increment or as remedies under section 469.1771, subdivision 2, shall first be  
188.19 subtracted from the cumulative revenues derived from tax increments paid by properties in  
188.20 the district.

188.21 (g) The timing and implementation of a decertification pursuant to paragraphs (a) and  
188.22 (b) shall be subject to the following:

188.23 (1) when a decertification is required under paragraph (a) and not deferred under  
188.24 paragraph (b), the authority must, as soon as practical and no later than the final settlement  
188.25 distribution date of January 25 as identified in section 276.111 for the property taxes payable  
188.26 in the calendar year identified in paragraph (a), make the decertification by resolution  
188.27 effective for the end of the calendar year identified in paragraph (a), and communicate the  
188.28 decertification to the county auditor;

188.29 (2) when a decertification is deferred under paragraph (b), the authority must, by  
188.30 December 31 of the year in which the last qualifying pay-as-you-go contract and note reaches  
188.31 termination, make the decertification by resolution effective for the end of that calendar  
188.32 year and communicate the decertification to the county auditor;

189.1 (3) if the county auditor is unable to prevent tax increments from being calculated for  
189.2 taxes payable in the year following the year for which the decertification is made effective,  
189.3 the county auditor may redistribute the tax increments in the same manner as excess  
189.4 increments under section 469.176, subdivision 2, paragraph (c), clause (4), without first  
189.5 distributing them to the authority; and

189.6 (4) if tax increments are distributed to an authority for a taxes payable year after the year  
189.7 for which the decertification was required to be effective, the authority must return the  
189.8 amount of the distributions to the county auditor for redistribution in the same manner as  
189.9 excess increments under section 469.176, subdivision 2, paragraph (c), clause (4).

189.10 (h) The provisions of this subdivision do not apply to a housing district.

189.11 (i) Notwithstanding anything to the contrary in paragraph (a) or (b), if an authority has  
189.12 made the election in the tax increment financing plan for the district under subdivision 2,  
189.13 paragraph (d), then the requirement to decertify under paragraph (a) or remove parcels under  
189.14 paragraph (b) shall not apply prior to such time that the accumulated revenues derived from  
189.15 tax increments paid by properties in the district that are eligible to be expended for housing  
189.16 purposes described under subdivision 2, paragraph (d), equals the lesser of the amount the  
189.17 authority is permitted to expend for housing purposes described under subdivision 2,  
189.18 paragraph (d), or the amount authorized for such purposes in the tax increment financing  
189.19 plan. Increment revenues collected after the district would have decertified under paragraph  
189.20 (a) or from parcels which otherwise would be subject to removal under paragraph (b), absent  
189.21 the exception of this paragraph, shall be used solely for housing purposes as described in  
189.22 subdivision 2, paragraph (d).

189.23 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
189.24 applies to all districts with a request for certification after April 30, 1990, except that the  
189.25 requirements under paragraph (b) to remove parcels or use revenues from such parcels as  
189.26 prescribed in paragraph (b) apply only to districts for which the request for certification  
189.27 was made after the day following final enactment.

189.28 Sec. 9. Minnesota Statutes 2022, section 469.1763, subdivision 6, is amended to read:

189.29 Subd. 6. **Pooling permitted for deficits.** (a) This subdivision applies only to districts  
189.30 for which the request for certification was made before August 1, 2001, and without regard  
189.31 to whether the request for certification was made prior to August 1, 1979.

189.32 (b) The municipality for the district may transfer available increments from another tax  
189.33 increment financing district located in the municipality, if the transfer is necessary to

190.1 eliminate a deficit in the district to which the increments are transferred. The municipality  
190.2 may transfer increments as provided by this subdivision without regard to whether the  
190.3 transfer or expenditure is authorized by the tax increment financing plan for the district  
190.4 from which the transfer is made. A deficit in the district for purposes of this subdivision  
190.5 means the lesser of the following two amounts:

190.6 (1)~~(i)~~ the amount due during the calendar year to pay preexisting obligations of the  
190.7 district; minus the sum of

190.8 ~~(ii)~~ (i) the total increments collected or to be collected from properties located within  
190.9 the district that are available for the calendar year including amounts collected in prior years  
190.10 that are currently available; plus

190.11 ~~(iii)~~ (ii) total increments from properties located in other districts in the municipality  
190.12 including amounts collected in prior years that are available to be used to meet the district's  
190.13 obligations under this section, excluding this subdivision, or other provisions of law; or

190.14 (2) the reduction in increments collected from properties located in the district for the  
190.15 calendar year as a result of the changes in classification rates in Laws 1997, chapter 231,  
190.16 article 1; Laws 1998, chapter 389, article 2; and Laws 1999, chapter 243, and Laws 2001,  
190.17 First Special Session chapter 5, or the elimination of the general education tax levy under  
190.18 Laws 2001, First Special Session chapter 5.

190.19 The authority may compute the deficit amount under clause (1) only (without regard to  
190.20 the limit under clause (2)) if the authority makes an irrevocable commitment, by resolution,  
190.21 to use increments from the district to which increments are to be transferred and any  
190.22 transferred increments are only used to pay preexisting obligations and administrative  
190.23 expenses for the district that are required to be paid under section 469.176, subdivision 4h,  
190.24 paragraph (a).

190.25 (c) A preexisting obligation means:

190.26 (1) bonds issued and sold before August 1, 2001, or bonds issued pursuant to a binding  
190.27 contract requiring the issuance of bonds entered into before July 1, 2001, and bonds issued  
190.28 to refund such bonds or to reimburse expenditures made in conjunction with a signed  
190.29 contractual agreement entered into before August 1, 2001, to the extent that the bonds are  
190.30 secured by a pledge of increments from the tax increment financing district; and

190.31 (2) binding contracts entered into before August 1, 2001, to the extent that the contracts  
190.32 require payments secured by a pledge of increments from the tax increment financing district.

191.1 (d) The municipality may require a development authority, other than a seaway port  
191.2 authority, to transfer available increments including amounts collected in prior years that  
191.3 are currently available for any of its tax increment financing districts in the municipality to  
191.4 make up an insufficiency in another district in the municipality, regardless of whether the  
191.5 district was established by the development authority or another development authority.  
191.6 This authority applies notwithstanding any law to the contrary, but applies only to a  
191.7 development authority that:

191.8 (1) was established by the municipality; or

191.9 (2) the governing body of which is appointed, in whole or part, by the municipality or  
191.10 an officer of the municipality or which consists, in whole or part, of members of the  
191.11 governing body of the municipality. The municipality may use this authority only after it  
191.12 has first used all available increments of the receiving development authority to eliminate  
191.13 the insufficiency and exercised any permitted action under section 469.1792, subdivision  
191.14 3, for preexisting districts of the receiving development authority to eliminate the  
191.15 insufficiency.

191.16 (e) The authority under this subdivision to spend tax increments outside of the area of  
191.17 the district from which the tax increments were collected:

191.18 (1) is an exception to the restrictions under section 469.176, subdivisions 4b, 4c, 4d, 4e,  
191.19 4i, and 4j; the expenditure limits under section 469.176, subdivision 1c; and the other  
191.20 provisions of this section; and the percentage restrictions under subdivision 2 must be  
191.21 calculated after deducting increments spent under this subdivision from the total increments  
191.22 for the district; and

191.23 (2) applies notwithstanding the provisions of the Tax Increment Financing Act in effect  
191.24 for districts for which the request for certification was made before June 30, 1982, or any  
191.25 other law to the contrary.

191.26 (f) If a preexisting obligation requires the development authority to pay an amount that  
191.27 is limited to the increment from the district or a specific development within the district and  
191.28 if the obligation requires paying a higher amount to the extent that increments are available,  
191.29 the municipality may determine that the amount due under the preexisting obligation equals  
191.30 the higher amount and may authorize the transfer of increments under this subdivision to  
191.31 pay up to the higher amount. The existence of a guarantee of obligations by the individual  
191.32 or entity that would receive the payment under this paragraph is disregarded in the  
191.33 determination of eligibility to pool under this subdivision. The authority to transfer increments

192.1 under this paragraph may only be used to the extent that the payment of all other preexisting  
192.2 obligations in the municipality due during the calendar year have been satisfied.

192.3 (g) For transfers of increments made in calendar year 2005 and later, the reduction in  
192.4 increments as a result of the elimination of the general education tax levy for purposes of  
192.5 paragraph (b), clause (2), for a taxes payable year equals the general education tax rate for  
192.6 the school district under Minnesota Statutes 2000, section 273.1382, subdivision 1, for taxes  
192.7 payable in 2001, multiplied by the captured tax capacity of the district for the current taxes  
192.8 payable year.

192.9 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
192.10 applies only to districts for which the request for certification was made before August 1,  
192.11 2001, and without regard to whether the request for certification was made prior to August  
192.12 1, 1979.

192.13 Sec. 10. Minnesota Statutes 2022, section 469.1771, subdivision 2, is amended to read:

192.14 Subd. 2. **Collection of increment.** If an authority includes or retains a parcel of property  
192.15 in a tax increment financing district that does not qualify for inclusion or retention within  
192.16 the district, the authority must pay to the county auditor an amount of money equal to the  
192.17 increment collected from the property for the year or years. The property must be eliminated  
192.18 from the original and captured tax capacity of the district effective for the current property  
192.19 tax assessment year. ~~This subdivision does not apply to a failure to decertify a district at~~  
192.20 ~~the end of the duration limit specified in the tax increment financing plan.~~

192.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

192.22 Sec. 11. Minnesota Statutes 2022, section 469.1771, subdivision 2a, is amended to read:

192.23 Subd. 2a. **Suspension of distribution of tax increment.** (a) If an authority fails to make  
192.24 a disclosure or to submit a report containing the information required by section 469.175,  
192.25 subdivisions 5 and 6, regarding a tax increment financing district within the time provided  
192.26 in section 469.175, subdivisions 5 and 6, the state auditor shall mail to the authority a written  
192.27 notice that it or the municipality has failed to make the required disclosure or to submit a  
192.28 required report with respect to a particular district. The state auditor shall mail the notice  
192.29 on or before the third Tuesday of August of the year in which the disclosure or report was  
192.30 required to be made or submitted. The notice must describe the consequences of failing to  
192.31 disclose or submit a report as provided in paragraph (b). If the state auditor has not received  
192.32 a copy of a disclosure or a report described in this paragraph on or before the first day of  
192.33 October of the year in which the disclosure or report was required to be made or submitted,



193.1 the state auditor shall mail a written notice to the county auditor to hold the distribution of  
193.2 tax increment from a particular district.

193.3 (b) Upon receiving written notice from the state auditor to hold the distribution of tax  
193.4 increment, the county auditor shall hold: all tax increment that otherwise would be distributed  
193.5 after receipt of the notice, until further notified under paragraph (c).

193.6 ~~(1) 100 percent of the amount of tax increment that otherwise would be distributed, if~~  
193.7 ~~the distribution is made after the first day of October but during the year in which the~~  
193.8 ~~disclosure or report was required to be made or submitted; or~~

193.9 ~~(2) 100 percent of the amount of tax increment that otherwise would be distributed, if~~  
193.10 ~~the distribution is made after December 31 of the year in which the disclosure or report was~~  
193.11 ~~required to be made or submitted.~~

193.12 (c) Upon receiving the copy of the disclosure and all of the reports described in paragraph  
193.13 (a) with respect to a district regarding which the state auditor has mailed to the county  
193.14 auditor a written notice to hold distribution of tax increment, the state auditor shall mail to  
193.15 the county auditor a written notice lifting the hold and authorizing the county auditor to  
193.16 distribute to the authority or municipality any tax increment that the county auditor had held  
193.17 pursuant to paragraph (b). The state auditor shall mail the written notice required by this  
193.18 paragraph within five working days after receiving the last outstanding item. The county  
193.19 auditor shall distribute the tax increment to the authority or municipality within 15 working  
193.20 days after receiving the written notice required by this paragraph.

193.21 (d) Notwithstanding any law to the contrary, any interest that accrues on tax increment  
193.22 while it is being held by the county auditor pursuant to paragraph (b) is not tax increment  
193.23 and may be retained by the county.

193.24 (e) For purposes of sections 469.176, subdivisions 1a to 1g, and 469.177, subdivision  
193.25 11, tax increment being held by the county auditor pursuant to paragraph (b) is considered  
193.26 distributed to or received by the authority or municipality as of the time that it would have  
193.27 been distributed or received but for paragraph (b).

193.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

193.29 Sec. 12. Minnesota Statutes 2022, section 469.1771, subdivision 3, is amended to read:

193.30 Subd. 3. **Expenditure of increment.** If an authority expends revenues derived from tax  
193.31 increments, including the proceeds of tax increment bonds, (1) for a purpose that is not a  
193.32 permitted project under ~~section 469.176~~ sections 469.174 to 469.1794, (2) for a purpose  
193.33 that is not permitted under ~~section 469.176~~ sections 469.174 to 469.1794 for the district

194.1 from which the increment was received, or (3) on activities outside of the geographic area  
 194.2 in which the revenues may be expended under this chapter, the authority must pay to the  
 194.3 county auditor an amount equal to the expenditures made in violation of the law.

194.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

194.5 **ARTICLE 9**

194.6 **LOCAL SALES TAXES**

194.7 Section 1. Minnesota Statutes 2022, section 297A.99, subdivision 1, is amended to read:

194.8 Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose  
 194.9 a general sales tax (1) under section 297A.992, (2) under section 297A.993, (3) if permitted  
 194.10 by special law, or (4) if the political subdivision enacted and imposed the tax before January  
 194.11 1, 1982, and its predecessor provision.

194.12 (b) This section governs the imposition of a general sales tax by the political subdivision.  
 194.13 The provisions of this section preempt the provisions of any special law:

194.14 (1) enacted before June 2, 1997, or

194.15 (2) enacted on or after June 2, 1997, that does not explicitly exempt the special law  
 194.16 provision from this section's rules by reference.

194.17 (c) This section does not apply to or preempt a sales tax on motor vehicles. Beginning  
 194.18 July 1, 2019, no political subdivision may impose a special excise tax on motor vehicles  
 194.19 unless it is imposed under section 297A.993.

194.20 (d) A political subdivision may not advertise or expend funds for the promotion of a  
 194.21 referendum to support imposing a local sales tax ~~and may only spend funds related to~~  
 194.22 ~~imposing a local sales tax to:~~

194.23 (e) Notwithstanding paragraph (d), a political subdivision may only spend funds related  
 194.24 to imposing a local sales tax to:

194.25 (1) conduct the referendum;

194.26 (2) disseminate information included in the resolution adopted and submitted under  
 194.27 subdivision 2, but only if the disseminated information includes a list of specific projects  
 194.28 and the cost of each individual project;

194.29 (3) provide notice of, and conduct public forums at which proponents and opponents on  
 194.30 the merits of the referendum are given equal time to express their opinions on the merits of  
 194.31 the referendum;

195.1 (4) provide facts and data on the impact of the proposed local sales tax on consumer  
195.2 purchases; and

195.3 (5) provide facts and data related to the individual programs and projects to be funded  
195.4 with the local sales tax.

195.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

195.6 Sec. 2. Minnesota Statutes 2022, section 297A.99, subdivision 2, is amended to read:

195.7 Subd. 2. **Local resolution before application for authority.** (a) ~~Before the governing~~  
195.8 ~~body of a political subdivision requests legislative approval to impose a local sales tax~~  
195.9 ~~authorized by a special law, it shall adopt a resolution indicating its approval of the tax. The~~  
195.10 ~~resolution must include the following information:~~ The governing body of a political  
195.11 subdivision seeking legislative approval to either impose a new local sales tax authorized  
195.12 by special law or modify an existing local sales tax authorized by special law must adopt a  
195.13 resolution indicating its approval of the tax each year it requests legislative approval. The  
195.14 resolution must be adopted not more than 90 days before the date the political subdivision  
195.15 submits the information required under paragraph (b), and must include the following  
195.16 information:

195.17 (1) the proposed tax rate;

195.18 (2) a detailed description of no more than five ~~capital~~ projects that will be funded with  
195.19 revenue from the tax;

195.20 (3) documentation of the regional significance of each project, including the share of  
195.21 the economic benefit to or use of each project by persons residing, or businesses located,  
195.22 outside of the ~~jurisdiction~~ political subdivision;

195.23 (4) the amount of local sales tax revenue that would be used for each project and the  
195.24 estimated time needed to raise that amount of revenue; and

195.25 (5) the total revenue that will be raised for all projects before the tax expires, and the  
195.26 estimated length of time that the tax will be in effect if all proposed projects are funded.

195.27 (b) ~~The jurisdiction-seeking authority to impose a local sales tax by special law~~ political  
195.28 subdivision must submit the resolution in paragraph (a) along with underlying documentation  
195.29 indicating how the benefits under paragraph (a), clause (3), were determined, to the chairs  
195.30 and ranking minority members of the ~~legislative~~ committees of the house of representatives  
195.31 and senate with jurisdiction over taxes no later than January 31 of ~~the~~ each year in which  
195.32 the ~~jurisdiction~~ political subdivision is seeking a special law authorizing or modifying the

196.1 tax. The political subdivision must submit an amended resolution if, after meeting the  
 196.2 requirements of this paragraph, the political subdivision seeks to:

196.3 (1) add a project that will be funded with the revenue from the tax;

196.4 (2) increase the amount that will be used for any project;

196.5 (3) increase the total revenue raised for all projects before the tax expires; or

196.6 (4) increase the estimated length of time that the tax will be in effect if all proposed  
 196.7 projects are funded.

196.8 (c) The special legislation granting or modifying local sales tax authority is not required  
 196.9 to allow funding for all projects listed in the resolution with the revenue from the local sales  
 196.10 tax, but must not include any projects not contained in the resolution.

196.11 ~~(d) For purposes of this section, a "capital project" or "project" means:~~

196.12 ~~(1) a single building or structure including associated infrastructure needed to safely~~  
 196.13 ~~access or use the building or structure;~~

196.14 ~~(2) improvements within a single park or named recreation area; or~~

196.15 ~~(3) a contiguous trail.~~

196.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

196.17 Sec. 3. Minnesota Statutes 2022, section 297A.99, subdivision 3, is amended to read:

196.18 Subd. 3. **Legislative authority required before voter approval; requirements for**

196.19 **adoption, use, termination.** (a) A political subdivision must receive legislative authority

196.20 to impose or modify a local sales tax before submitting the tax for approval by voters of the

196.21 political subdivision. Imposition or modification of a local sales tax is subject to approval

196.22 by voters of the political subdivision at a general election. The election must be conducted

196.23 ~~at a general election~~ on the first Tuesday after the first Monday in November within the

196.24 two-year period after the governing body of the political subdivision has received authority

196.25 to impose or modify the tax. If the authorizing legislation ~~allows~~ authorizes or modifies the

196.26 ~~tax to be imposed~~ for more than one project, ~~there must be~~ the political subdivision is not

196.27 required to present each project separately on the ballot. The political subdivision may

196.28 present a separate question approving the use of the tax revenue for each project. Regardless

196.29 of whether the ballot presents a separate question for each project, the question must state

196.30 the project or projects proposed to be funded with the tax, the amount for each project

196.31 proposed to be funded with the tax, and the estimated length of time the tax will be in effect.

196.32 Notwithstanding the authorizing legislation or special law modifying the tax, a project that

197.1 is not approved by the voters may not be funded with the local sales tax revenue and the  
197.2 termination date of the tax set in the authorizing legislation or special law modifying the  
197.3 tax must be reduced proportionately based on the share of that project's cost to the total  
197.4 costs of all projects included in the authorizing legislation or special law modifying the tax.

197.5 (b) The proceeds of the tax must be dedicated exclusively to payment of the construction  
197.6 and rehabilitation costs and associated bonding costs related to the specific capital  
197.7 improvement projects that were approved by the voters under paragraph (a).

197.8 (c) The tax must terminate after the revenues raised are sufficient to fund the projects  
197.9 approved by the voters under paragraph (a).

197.10 (d) After a sales tax imposed by a political subdivision has expired or been terminated,  
197.11 the political subdivision is prohibited from imposing a local sales tax for a period of one  
197.12 year.

197.13 (e) Notwithstanding paragraph (a), if a political subdivision received voter approval to  
197.14 seek authority for a local sales tax at the November 6, 2018, general election and is granted  
197.15 authority to impose a local sales tax before January 1, 2021, the tax may be imposed without  
197.16 an additional referendum provided that it meets the requirements of subdivision 2 and the  
197.17 list of specific projects contained in the resolution does not conflict with the projects listed  
197.18 in the approving referendum.

197.19 (f) If a tax is terminated because sufficient revenues have been raised, any amount of  
197.20 tax collected under subdivision 9, after sufficient revenues have been raised and before the  
197.21 quarterly termination required under subdivision 12, paragraph (a), that is greater than the  
197.22 average quarterly revenues collected over the immediately preceding 12 calendar months  
197.23 must be retained by the commissioner for deposit in the general fund.

197.24 **EFFECTIVE DATE.** This section is effective for new local sales taxes authorized in  
197.25 May, 2023, and thereafter.

197.26 Sec. 4. Laws 1993, chapter 375, article 9, section 46, as amended by Laws 1997, chapter  
197.27 231, article 7, section 40, Laws 1998, chapter 389, article 8, sections 30, 31, and 32, Laws  
197.28 2003, First Special Session chapter 21, article 8, section 13, Laws 2005, First Special Session  
197.29 chapter 3, article 5, sections 26 and 27, Laws 2009, chapter 88, article 4, sections 15 and  
197.30 16, and Laws 2013, chapter 143, article 8, sections 44 and 45, is amended by adding a  
197.31 subdivision to read:

197.32 **Subd. 1a. Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section  
197.33 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an

198.1 election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of  
198.2 St. Paul may impose by ordinance a sales and use tax of one percent for the purposes specified  
198.3 in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota  
198.4 Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement  
198.5 of the tax authorized under this subdivision. The tax imposed under this subdivision is in  
198.6 addition to any other local sales and use tax imposed by the city of St. Paul under any other  
198.7 special law.

198.8 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
198.9 city of St. Paul and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
198.10 subdivisions 2 and 3.

198.11 Sec. 5. Laws 1993, chapter 375, article 9, section 46, as amended by Laws 1997, chapter  
198.12 231, article 7, section 40, Laws 1998, chapter 389, article 8, sections 30, 31, and 32, Laws  
198.13 2003, First Special Session chapter 21, article 8, section 13, Laws 2005, First Special Session  
198.14 chapter 3, article 5, sections 26 and 27, Laws 2009, chapter 88, article 4, sections 15 and  
198.15 16, and Laws 2013, chapter 143, article 8, sections 44 and 45, is amended by adding a  
198.16 subdivision to read:

198.17 Subd. 2b. **Use of revenues.** The revenues derived from the tax authorized under  
198.18 subdivision 1a must be used by the city of St. Paul to pay the costs of collecting and  
198.19 administering the tax and to finance all or part of the following projects in the city, including  
198.20 securing and paying debt service on bonds issued under subdivision 3a:

198.21 (1) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),  
198.22 \$738,000,000, plus associated bonding costs for street improvements; and

198.23 (2) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),  
198.24 \$246,000,000, plus associated bonding costs for capital improvements to St. Paul parks and  
198.25 recreation facilities.

198.26 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
198.27 city of St. Paul and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
198.28 subdivisions 2 and 3.

198.29 Sec. 6. Laws 1993, chapter 375, article 9, section 46, as amended by Laws 1997, chapter  
198.30 231, article 7, section 40, Laws 1998, chapter 389, article 8, sections 30, 31, and 32, Laws  
198.31 2003, First Special Session chapter 21, article 8, section 13, Laws 2005, First Special Session  
198.32 chapter 3, article 5, sections 26 and 27, Laws 2009, chapter 88, article 4, sections 15 and

199.1 16, and Laws 2013, chapter 143, article 8, sections 44 and 45, is amended by adding a  
199.2 subdivision to read:

199.3 Subd. 3a. **Bonding authority.** (a) The city of St. Paul may issue bonds under Minnesota  
199.4 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in  
199.5 subdivision 2b and approved by the voters as required under Minnesota Statutes, section  
199.6 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued  
199.7 under this subdivision may not exceed \$984,000,000 for the projects listed in subdivision  
199.8 2b, plus an amount to be applied to the payment of the costs of issuing the bonds.

199.9 (b) The bonds may be paid from or secured by any funds available to the city of St. Paul,  
199.10 including the tax authorized under subdivision 1a. The issuance of bonds under this  
199.11 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

199.12 (c) The bonds are not included in computing any debt limitation applicable to the city  
199.13 of St. Paul, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
199.14 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
199.15 the bonds under Minnesota Statutes, section 475.58, is not required.

199.16 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
199.17 city of St. Paul and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
199.18 subdivisions 2 and 3.

199.19 Sec. 7. Laws 1993, chapter 375, article 9, section 46, subdivision 5, as amended by Laws  
199.20 1998, chapter 389, article 8, section 32, and Laws 2013, chapter 143, article 8, section 45,  
199.21 is amended to read:

199.22 Subd. 5. **Expiration of taxing authority.** (a) The authority granted by subdivision 1 to  
199.23 the city to impose a sales tax shall expire on December 31, 2042, or at an earlier time as the  
199.24 city shall, by ordinance, determine. Any funds remaining after completion of projects  
199.25 approved under subdivision 2, paragraph (a) and retirement or redemption of any bonds or  
199.26 other obligations may be placed in the general fund of the city.

199.27 (b) The tax imposed under subdivision 1a expires at the earlier of (1) 20 years after the  
199.28 tax is first imposed, or (2) when the city council determines that the amount of revenues  
199.29 received from the tax is sufficient to pay for the project costs authorized under subdivision  
199.30 2b for projects approved by the voters as required under Minnesota Statutes, section 297A.99,  
199.31 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
199.32 of the bonds under subdivision 3a, including interest on the bonds. Except as otherwise  
199.33 provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds

200.1 remaining after payment of the allowed costs due to the timing of the termination of the tax  
 200.2 under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general  
 200.3 fund of the city. The tax imposed under subdivision 1a may expire at an earlier time if the  
 200.4 city so determines by ordinance.

200.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 200.6 city of St. Paul and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
 200.7 subdivisions 2 and 3.

200.8 Sec. 8. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First  
 200.9 Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session  
 200.10 chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections  
 200.11 11, 12, and 13, is amended by adding a subdivision to read:

200.12 Subd. 1a. **Authorization; extension.** Notwithstanding Minnesota Statutes, section  
 200.13 477A.016, or any other law, ordinance, or city charter, and notwithstanding Minnesota  
 200.14 Statutes, section 297A.99, subdivision 3, paragraph (d), if approved by the voters at an  
 200.15 election held in 2023, the city of Rochester may extend the sales and use tax of one-half of  
 200.16 one percent authorized under subdivision 1, paragraph (a), for the purposes specified in  
 200.17 subdivision 3a. Notwithstanding Minnesota Statutes, section 297A.99, subdivision 3,  
 200.18 paragraph (a), the city may, but is not required to, present one question on the ballot for all  
 200.19 projects authorized under subdivision 3a. If all projects are presented in one question, the  
 200.20 question must state each project proposed to be funded with the tax, the amount for each  
 200.21 project proposed to be funded with the tax, and the estimated length of time the tax will be  
 200.22 in effect for each project. Except as otherwise provided in this section, the provisions of  
 200.23 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and  
 200.24 enforcement of the tax authorized under this subdivision. The tax imposed under this  
 200.25 subdivision is in addition to any local sales and use tax imposed under any other special  
 200.26 law.

200.27 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 200.28 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section  
 200.29 645.021, subdivisions 2 and 3.

200.30 Sec. 9. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First  
 200.31 Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session



201.1 chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections  
201.2 11, 12, and 13, is amended by adding a subdivision to read:

201.3 Subd. 3a. Use of sales and use tax revenues; additional projects. (a) The revenues  
201.4 derived from the extension of the tax authorized under subdivision 1a must be used by the  
201.5 city of Rochester to pay the costs of collecting and administering the tax and paying for the  
201.6 following projects in the city, including securing and paying debt service on bonds issued  
201.7 to finance all or part of the following projects, plus associated bonding costs:

201.8 (1) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraphs (a)  
201.9 and (b):

201.10 (i) \$60,000,000 for an economic vitality fund and expenses eligible to be paid from the  
201.11 fund, subject to adoption of a resolution under paragraph (c), clause (1); or

201.12 (ii) \$50,000,000 for an economic vitality fund and expenses eligible to be paid from the  
201.13 fund, subject to the requirements of paragraph (c), clause (2);

201.14 (2) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),  
201.15 \$50,000,000 for street reconstruction;

201.16 (3) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),  
201.17 \$40,000,000 for flood control and water quality, excluding removal of the MN00515 dam;  
201.18 and

201.19 (4) \$65,000,000 for a sports and recreation complex.

201.20 (b) The city must use \$10,000,000 of the money allocated to the purpose in paragraph  
201.21 (a), clause (1), for a grant to Rochester Area Economic Development Incorporated to establish  
201.22 the EverRAEDI development fund. Of that amount, \$5,000,000 must be used for grants and  
201.23 loans for economic development projects in communities located in the city of Rochester,  
201.24 and \$5,000,000 must be used for grants and loans for economic development projects in  
201.25 communities located in the Rochester metropolitan statistical area, excluding the city of  
201.26 Rochester. Rochester Area Economic Development Incorporated may charge grant and loan  
201.27 recipients a service fee of up to five percent of the grant or loan amount to pay for  
201.28 administrative costs associated with the EverRAEDI development fund. Rochester Area  
201.29 Economic Development Incorporated shall report on, at minimum, an annual basis on all  
201.30 EverRAEDI fund activities to the governing board of the city of Rochester.

201.31 (c) Notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraphs  
201.32 (a), (b), and (d), the city must either:

202.1 (1) pass a resolution that authorizes \$10,000,000 of the revenues from the tax authorized  
202.2 under subdivision 1a for the use described in paragraph (a), clause (1), item (i), to be used  
202.3 for an economic development fund for the purposes specified in paragraph (b); or  
202.4 (2) if the city does not pass a resolution under clause (1), the city must allocate  
202.5 \$10,000,000 from the amount authorized in paragraph (a), clause (1), item (ii), for the  
202.6 purposes specified in paragraph (b).

202.7 **EFFECTIVE DATE.** This section is effective the day after compliance by the governing  
202.8 body of the city of Rochester with Minnesota Statutes, section 645.021.

202.9 Sec. 10. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First  
202.10 Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session  
202.11 chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections  
202.12 11, 12, and 13, is amended by adding a subdivision to read:

202.13 **Subd. 4a. Bonding authority; additional projects and extension of tax.** (a) The city  
202.14 of Rochester may issue bonds under Minnesota Statutes, chapter 475, to finance all or a  
202.15 portion of the costs of the projects authorized in subdivision 3a and approved by the voters  
202.16 as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The  
202.17 aggregate principal amount of bonds issued under this subdivision may not exceed:

202.18 (1) if the city passes a resolution under subdivision 3a, paragraph (c), clause (1),  
202.19 \$215,000,000 for the projects described in subdivision 3a, paragraph (a), clauses (1), item  
202.20 (i), and (2) to (4), plus an amount to be applied to the payment of the costs of issuing the  
202.21 bonds; or

202.22 (2) if the city does not pass a resolution under subdivision 3a, paragraph (c), clause (1),  
202.23 \$205,000,000 for the projects described in subdivision 3a, paragraph (a), clauses (1), item  
202.24 (ii), and (2) to (4), plus an amount to be applied to the payment of the costs of issuing the  
202.25 bonds.

202.26 (b) The bonds may be paid from or secured by any funds available to the city of  
202.27 Rochester, including the tax authorized under subdivision 1a and the full faith and credit  
202.28 of the city. The issuance of bonds under this subdivision is not subject to Minnesota Statutes,  
202.29 sections 275.60 and 275.61.

202.30 (c) The bonds are not included in computing any debt limitation applicable to the city  
202.31 of Rochester, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
202.32 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
202.33 the bonds under Minnesota Statutes, section 475.58, is not required.

203.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
203.2 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section  
203.3 645.021, subdivisions 2 and 3.

203.4 Sec. 11. Laws 1998, chapter 389, article 8, section 43, subdivision 5, as amended by Laws  
203.5 2005, First Special Session chapter 3, article 5, section 30, Laws 2011, First Special Session  
203.6 chapter 7, article 4, section 7, and Laws 2013, chapter 143, article 10, section 13, is amended  
203.7 to read:

203.8 Subd. 5. **Termination of taxes.** (a) The taxes imposed under subdivisions 1 and 2 expire  
203.9 at the later of (1) December 31, 2009, or (2) when the city council determines that sufficient  
203.10 funds have been received from the taxes to finance the first \$71,500,000 of capital  
203.11 expenditures and bonds for the projects authorized in subdivision 3, including the amount  
203.12 to prepay or retire at maturity the principal, interest, and premium due on any bonds issued  
203.13 for the projects under subdivision 4, unless the taxes are extended as allowed in paragraph  
203.14 (b). Any funds remaining after completion of the project and retirement or redemption of  
203.15 the bonds shall also be used to fund the projects under subdivision 3. The taxes imposed  
203.16 under subdivisions 1 and 2 may expire at an earlier time if the city so determines by  
203.17 ordinance.

203.18 (b) Notwithstanding Minnesota Statutes, sections 297A.99 and 477A.016, or any other  
203.19 contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance,  
203.20 extend the taxes authorized in subdivisions 1 and 2 beyond December 31, 2009, if approved  
203.21 by the voters of the city at a special election in 2005 or the general election in 2006. The  
203.22 question put to the voters must indicate that an affirmative vote would allow up to an  
203.23 additional \$40,000,000 of sales tax revenues be raised and up to \$40,000,000 of bonds to  
203.24 be issued above the amount authorized in the June 23, 1998, referendum for the projects  
203.25 specified in subdivision 3. If the taxes authorized in subdivisions 1 and 2 are extended under  
203.26 this paragraph, the taxes expire when the city council determines that sufficient funds have  
203.27 been received from the taxes to finance the projects and to prepay or retire at maturity the  
203.28 principal, interest, and premium due on any bonds issued for the projects under subdivision  
203.29 4. Any funds remaining after completion of the project and retirement or redemption of the  
203.30 bonds may be placed in the general fund of the city.

203.31 (c) Notwithstanding Minnesota Statutes, sections 297A.99 and 477A.016, or any other  
203.32 contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance,  
203.33 extend the taxes authorized in subdivisions 1, paragraph (a), and 2, up to December 31,  
203.34 2049, provided that all additional revenues above those necessary to fund the projects and

204.1 associated financing costs listed in subdivision 3, paragraphs (a) to (e), are committed to  
204.2 fund public infrastructure projects contained in the development plan adopted under  
204.3 Minnesota Statutes, section 469.43, including all financing costs; otherwise the taxes  
204.4 terminate when the city council determines that sufficient funds have been received from  
204.5 the taxes to finance expenditures and bonds for the projects authorized in subdivision 3,  
204.6 paragraphs (a) to (e), plus an amount equal to the costs of issuance of the bonds and including  
204.7 the amount to prepay or retire at maturity the principal, interest, and premiums due on any  
204.8 bonds issued for the projects under subdivision 4.

204.9 (d) The tax imposed under subdivision 1, paragraph (b), expires at the earlier of December  
204.10 31, 2049, or when the city council determines that sufficient funds have been raised from  
204.11 the tax plus all other city funding sources authorized in this article to meet the city obligation  
204.12 for financing the public infrastructure projects contained in the development plan adopted  
204.13 under Minnesota Statutes, section 469.43, including all financing costs.

204.14 (e) The tax imposed under subdivision 1a expires at the earlier of (1) 24 years after first  
204.15 imposed, or (2) when the city council determines that the amount of revenues received from  
204.16 the tax is sufficient to pay for the project costs authorized under subdivision 3a for projects  
204.17 approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision  
204.18 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of the bonds  
204.19 under subdivision 4a, including interest on the bonds. Except as otherwise provided in  
204.20 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining  
204.21 after payment of the allowed costs due to the timing of the termination of the tax under  
204.22 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of  
204.23 the city. The tax imposed under subdivision 1a may expire at an earlier time if the city so  
204.24 determines by ordinance.

204.25 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
204.26 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section  
204.27 645.021, subdivisions 2 and 3.

204.28 Sec. 12. Laws 2008, chapter 366, article 7, section 20, as amended by Laws 2017, First  
204.29 Special Session chapter 1, article 5, section 17, is amended to read:

204.30 **Sec. 20. CITY OF NORTH MANKATO; TAXES AUTHORIZED.**

204.31 Subdivision 1. **Sales and use tax authorized.** Notwithstanding Minnesota Statutes,  
204.32 section 477A.016, or any other provision of law, ordinance, or city charter, pursuant to the  
204.33 approval of the voters on November 7, 2006, the city of North Mankato may impose by

205.1 ordinance a sales and use tax of one-half of one percent for the purposes specified in  
205.2 subdivision 2. The provisions of Minnesota Statutes, section 297A.99, govern the imposition,  
205.3 administration, collection, and enforcement of the taxes authorized under this subdivision.

205.4 Subd. 2. **Use of revenues.** Revenues received from the tax authorized by subdivision 1  
205.5 must be used to pay all or part of the capital costs of the following projects:

205.6 (1) the local share of the Trunk Highway 14/County State-Aid Highway 41 interchange  
205.7 project;

205.8 (2) development of regional parks and hiking and biking trails, including construction  
205.9 of indoor regional athletic facilities;

205.10 (3) expansion of the North Mankato Taylor Library;

205.11 (4) riverfront redevelopment; and

205.12 (5) lake improvement projects.

205.13 The total amount of revenues from the tax in subdivision 1 that may be used to fund  
205.14 these projects is \$15,000,000 plus any associated bond costs.

205.15 Subd. 2a. **Authorization to extend the tax.** Notwithstanding Minnesota Statutes, section  
205.16 297A.99, subdivision 3, the North Mankato city council may, by resolution, extend the tax  
205.17 authorized under subdivision 1 to cover an additional ~~\$9,000,000~~ \$15,000,000 in bonds,  
205.18 plus associated bond costs, to fund the projects in subdivision 2 pursuant to voter approval  
205.19 to extend the tax at the November 8, 2016, general election.

205.20 Subd. 3. **Bonds.** (a) The city of North Mankato, pursuant to the approval of the voters  
205.21 at the November 7, 2006 referendum authorizing the imposition of the taxes in this section,  
205.22 may issue bonds under Minnesota Statutes, chapter 475, to pay capital and administrative  
205.23 expenses for the projects described in subdivision 2, in an amount that does not exceed  
205.24 \$6,000,000. A separate election to approve the bonds under Minnesota Statutes, section  
205.25 475.58, is not required.

205.26 (b) The city of North Mankato, pursuant to approval of the voters at the November 8,  
205.27 2016, referendum extending the tax to provide additional revenue to be spent for the projects  
205.28 in subdivision 2, may issue additional bonds under Minnesota Statutes, chapter 475, to pay  
205.29 capital and administrative expenses for those projects in an amount that does not exceed  
205.30 ~~\$9,000,000~~ \$15,000,000. A separate election to approve the bonds under Minnesota Statutes,  
205.31 section 475.58, is not required.

206.1 (c) The debt represented by the bonds is not included in computing any debt limitation  
206.2 applicable to the city, and any levy of taxes under Minnesota Statutes, section 475.61, to  
206.3 pay principal and interest on the bonds is not subject to any levy limitation.

206.4 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the  
206.5 earlier of December 31, ~~2038~~ 2044, or when revenues from the taxes first equal or exceed  
206.6 ~~\$15,000,000~~ \$21,000,000 plus the additional amount needed to pay costs related to issuance  
206.7 of bonds under subdivision 3, including interest. Any funds remaining after completion of  
206.8 the projects and retirement or redemption of the bonds shall be placed in a capital facilities  
206.9 and equipment replacement fund of the city. The tax imposed under subdivision 1 may  
206.10 expire at an earlier time if the city so determines by ordinance.

206.11 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
206.12 city of North Mankato and its chief clerical officer comply with Minnesota Statutes, section  
206.13 645.021, subdivisions 2 and 3.

206.14 Sec. 13. Laws 2011, First Special Session chapter 7, article 4, section 14, is amended to  
206.15 read:

206.16 Sec. 14. **CITY OF MARSHALL; SALES AND USE TAX.**

206.17 Subdivision 1. **Authorization.** Notwithstanding Minnesota Statutes, section 297A.99,  
206.18 subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city charter, the city of  
206.19 Marshall, if approved by the voters at a general election held within two years of the date  
206.20 of final enactment of this section, may impose the tax authorized under subdivision 2. Two  
206.21 separate ballot questions must be presented to the voters, one for each of the two facility  
206.22 projects named in subdivision 3.

206.23 Subd. 2. **Sales and use tax authorized.** The city of Marshall may impose by ordinance  
206.24 a sales and use tax of up to one-half of one percent for the purposes specified in subdivision  
206.25 3. The provisions of Minnesota Statutes, section 297A.99, except subdivisions 1 and 2,  
206.26 govern the imposition, administration, collection, and enforcement of the tax authorized  
206.27 under this subdivision.

206.28 Subd. 2a. **Authorization; extension.** (a) Notwithstanding Minnesota Statutes, section  
206.29 297A.99, subdivision 3, paragraph (d), or 477A.016, or any other law, ordinance, or city  
206.30 charter, after payment of the bonds authorized under subdivision 4, and if approved by the  
206.31 voters at an election held on November 7, 2023, the city of Marshall may extend the sales  
206.32 and use tax of one-half of one percent authorized under subdivision 2 for the purposes  
206.33 specified in subdivision 3a.

207.1 (b) Except as otherwise provided in this section, the provisions of Minnesota Statutes,  
 207.2 section 297A.99, govern the imposition, administration, collection, and enforcement of the  
 207.3 tax authorized under this subdivision. The tax imposed under this subdivision is in addition  
 207.4 to any local sales and use tax imposed under any other special law.

207.5 **Subd. 3. Use of sales and use tax revenues.** The revenues derived from the tax authorized  
 207.6 under subdivision 2 must be used by the city of Marshall to pay the costs of collecting and  
 207.7 administering the sales and use tax and to pay all or part of the costs of the new and existing  
 207.8 facilities of the Minnesota Emergency Response and Industry Training Center and all or  
 207.9 part of the costs of the new facilities of the Southwest Minnesota Regional Amateur Sports  
 207.10 Center. Authorized expenses include, but are not limited to, acquiring property, predesign,  
 207.11 design, and paying construction, furnishing, and equipment costs related to these facilities  
 207.12 and paying debt service on bonds or other obligations issued by the city of Marshall under  
 207.13 subdivision 4 to finance the capital costs of these facilities.

207.14 **Subd. 3a. Use of sales and use tax revenues; aquatic center.** The revenues derived  
 207.15 from the extension of the tax authorized under subdivision 2a must be used by the city of  
 207.16 Marshall to pay the costs of collecting and administering the tax and paying for \$18,370,000  
 207.17 plus associated bonding costs for the construction of a new municipal aquatic center in the  
 207.18 city, including securing and paying debt service on bonds issued to finance the project.

207.19 **Subd. 4. Bonds.** (a) If the imposition of a sales and use tax is approved by the voters,  
 207.20 the city of Marshall may issue bonds under Minnesota Statutes, chapter 475, to finance all  
 207.21 or a portion of the costs of the facilities authorized in subdivision 3, and may issue bonds  
 207.22 to refund bonds previously issued. The aggregate principal amount of bonds issued under  
 207.23 this subdivision may not exceed \$17,290,000, plus an amount to be applied to the payment  
 207.24 of the costs of issuing the bonds. The bonds may be paid from or secured by any funds  
 207.25 available to the city of Marshall, including the tax authorized under subdivision 2.

207.26 (b) The bonds are not included in computing any debt limitation applicable to the city  
 207.27 of Marshall, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
 207.28 and interest on the bonds, is not subject to any levy limitation. A separate election to approve  
 207.29 the bonds under Minnesota Statutes, section 475.58, is not required.

207.30 **Subd. 4a. Bonds; additional use and extension of tax.** (a) After payment of the bonds  
 207.31 authorized under subdivision 4, the city of Marshall may issue bonds under Minnesota  
 207.32 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in  
 207.33 subdivision 2a. The aggregate principal amount of bonds issued under this subdivision may  
 207.34 not exceed \$18,370,000, plus an amount to be applied to the payment of the costs of issuing

208.1 the bonds. The bonds may be paid from or secured by any funds available to the city of  
208.2 Marshall, including the tax authorized under subdivision 2a. The issuance of bonds under  
208.3 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

208.4 (b) The bonds are not included in computing any debt limitation applicable to the city  
208.5 of Marshall, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
208.6 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
208.7 the bonds under Minnesota Statutes, section 475.58, is not required.

208.8 Subd. 5. **Termination of taxes.** (a) The tax imposed under subdivision 2 expires at the  
208.9 earlier of (1) 15 years after the tax is first imposed, or (2) when the city council determines  
208.10 that the amount of revenues received from the tax to pay for the capital and administrative  
208.11 costs of the facilities under subdivision 3 first equals or exceeds the amount authorized to  
208.12 be spent for the facilities plus the additional amount needed to pay the costs related to  
208.13 issuance of the bonds under subdivision 4, including interest on the bonds. Any funds  
208.14 remaining after payment of all such costs and retirement or redemption of the bonds shall  
208.15 be placed in the general fund of the city. The tax imposed under subdivision 2 may expire  
208.16 at an earlier time if the city so determines by ordinance.

208.17 (b) The tax imposed under subdivision 2a expires at the earlier of (1) 35 years after the  
208.18 tax under subdivision 2 is first imposed, or (2) when the city council determines that the  
208.19 amount of revenues received from the tax is sufficient to pay for the project costs authorized  
208.20 under subdivision 3a, plus an amount sufficient to pay the costs related to issuance of the  
208.21 bonds under subdivision 4a, including interest on the bonds. Except as otherwise provided  
208.22 in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining  
208.23 after payment of the allowed costs due to the timing of the termination of the tax under  
208.24 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of  
208.25 the city. The tax imposed under subdivision 2a may expire at an earlier time if the city so  
208.26 determines by ordinance.

208.27 **EFFECTIVE DATE.** This section is effective the day after compliance by the governing  
208.28 body of the city of Marshall and its chief clerical officer with Minnesota Statutes, section  
208.29 645.021, subdivisions 2 and 3.

208.30 Sec. 14. Laws 2019, First Special Session chapter 6, article 6, section 13, is amended by  
208.31 adding a subdivision to read:

208.32 Subd. 1a. **Sales and use tax authorization; modification.** Notwithstanding Minnesota  
208.33 Statutes, section 477A.016, or any other law, ordinance, or city charter, the modifications  
208.34 to bonding authority in subdivision 3 and the amount of tax that may be collected before



209.1 the termination of taxes in subdivision 5 are effective if approved by the voters at an election  
209.2 as required under Minnesota Statutes, section 297A.99, subdivision 3.

209.3 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
209.4 city of Avon and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
209.5 subdivisions 2 and 3.

209.6 Sec. 15. Laws 2019, First Special Session chapter 6, article 6, section 13, subdivision 3,  
209.7 is amended to read:

209.8 Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes,  
209.9 chapter 475, to pay the costs of the projects authorized in subdivision 2. The aggregate  
209.10 principal amount of bonds issued under this subdivision may not exceed ~~\$1,500,000~~  
209.11 \$8,135,000 plus an amount to be applied to the payment of the costs of issuing the bonds.  
209.12 The bonds may be paid from or secured by any funds available to the city, including the  
209.13 tax authorized under subdivision 1. The issuance of bonds under this subdivision is not  
209.14 subject to Minnesota Statutes, sections 275.60 and 275.61.

209.15 (b) The bonds are not included in computing any debt limitation applicable to the city,  
209.16 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest  
209.17 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
209.18 under Minnesota Statutes, section 475.58, is not required.

209.19 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
209.20 city of Avon and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
209.21 subdivisions 2 and 3.

209.22 Sec. 16. Laws 2019, First Special Session chapter 6, article 6, section 13, subdivision 4,  
209.23 is amended to read:

209.24 Subd. 4. **Termination of taxes.** (a) The tax imposed under subdivision 1 expires at the  
209.25 earlier of: (1) December 31, 2045; or (2) when the city council determines that ~~\$1,500,000~~  
209.26 \$8,135,000 has been received from the tax to pay for the cost of the projects authorized  
209.27 under subdivision 2, plus an amount sufficient to pay the costs related to issuance of the  
209.28 bonds authorized under subdivision 3, including interest on the bonds.

209.29 (b) Any funds remaining after payment of all such costs and retirement or redemption  
209.30 of the bonds shall be placed in the general fund of the city. The tax imposed under subdivision  
209.31 1 may expire at an earlier time if the city so determines by ordinance.

210.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 210.2 city of Avon and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
 210.3 subdivisions 2 and 3.

210.4 Sec. 17. Laws 2019, First Special Session chapter 6, article 6, section 18, is amended to  
 210.5 read:

210.6 **Sec. 18. CITY OF EXCELSIOR; LOCAL SALES AND USE TAX AUTHORIZED.**

210.7 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
 210.8 section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city  
 210.9 charter, the city of Excelsior may impose, by ordinance, a sales and use tax of up to one-half  
 210.10 of one percent for the purposes specified in subdivision 2, as approved by the voters at the  
 210.11 November 4, 2014, general election. Except as otherwise provided in this section, the  
 210.12 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,  
 210.13 collection, and enforcement of the tax authorized under this subdivision.

210.14 **Subd. 1a. Authorization; additional revenues allowed.** Notwithstanding Minnesota  
 210.15 Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by  
 210.16 the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision  
 210.17 3, the city of Excelsior may collect additional revenue from the sales and use tax authorized  
 210.18 under subdivision 1, for the purpose specified in subdivision 2a. Except as otherwise provided  
 210.19 in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,  
 210.20 administration, collection, and enforcement of the tax authorized under this subdivision.  
 210.21 The tax imposed under this subdivision is in addition to any local sales and use tax imposed  
 210.22 under any other special law.

210.23 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized  
 210.24 under subdivision 1 must be used by the city of Excelsior to pay the costs of collecting and  
 210.25 administering the tax and to finance the capital and administrative costs of improvements  
 210.26 to the commons as indicated in the Commons Master Plan as adopted by the city council  
 210.27 on November 20, 2017. Authorized expenses include, but are not limited to, improvements  
 210.28 for walkability and accessibility, enhancement of beach area and facilities, prevention and  
 210.29 management of shoreline erosion, redesign of the port and band shell, improvement of  
 210.30 playground equipment, and securing and paying debt service on bonds issued under  
 210.31 subdivision 3 or other obligations issued to the improvements listed in this subdivision in  
 210.32 the city of Excelsior.

211.1 Subd. 2a. Use of sales and use tax revenues; expanded. The revenues derived from  
211.2 the additional authorization granted under subdivision 1a must be used by the city of  
211.3 Excelsior to pay the costs of collecting and administering the tax and paying for \$23,000,000,  
211.4 plus associated bonding costs, for the costs of improvements to the commons as indicated  
211.5 in the Commons Master Plan as adopted by the city council on January 9, 2023, including  
211.6 securing and paying debt service on bonds issued to finance the project.

211.7 Subd. 3. **Bonding authority.** (a) If the imposition of the tax is approved by the voters  
211.8 under subdivision 1, the city of Excelsior may issue bonds under Minnesota Statutes, chapter  
211.9 475, to finance all or a portion of the costs of the projects authorized in subdivision 2,  
211.10 without a second vote. The aggregate principal amount of bonds issued under this subdivision  
211.11 may not exceed \$7,000,000, plus an amount to be applied to the payment of the costs of  
211.12 issuing the bonds. The bonds may be paid from or secured by any funds available to the  
211.13 city of Excelsior, including the tax authorized under subdivision 1. The issuance of bonds  
211.14 under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

211.15 (b) The bonds are not included in computing any debt limitation applicable to the city  
211.16 of Excelsior, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
211.17 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
211.18 the bonds under Minnesota Statutes, section 475.58, is not required.

211.19 Subd. 3a. Bonding authority; additional use of tax. (a) After payment of the bonds  
211.20 authorized under subdivision 3, the city of Excelsior may issue bonds under Minnesota  
211.21 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in  
211.22 subdivision 2a. The aggregate principal amount of bonds issued under this subdivision may  
211.23 not exceed \$23,000,000, plus an amount to be applied to the payment of the costs of issuing  
211.24 the bonds.

211.25 (b) The bonds may be paid from or secured by any funds available to the city of Excelsior,  
211.26 including the tax authorized under subdivision 1a. The issuance of bonds under this  
211.27 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

211.28 (c) The bonds are not included in computing any debt limitation applicable to the city  
211.29 of Excelsior, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
211.30 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
211.31 the bonds under Minnesota Statutes, section 475.58, is not required.

211.32 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 and subdivision  
211.33 1a expires at the earlier of: (1) 25 years after the tax is first imposed; or (2) when the city  
211.34 council determines that ~~\$7,000,000~~ \$30,000,000 has been received from the tax to pay for

212.1 the cost of the projects authorized under subdivision 2 and subdivision 2a, plus an amount  
 212.2 sufficient to pay the costs related to issuance of the bonds authorized under subdivision 3  
 212.3 and subdivision 3a, including interest on the bonds. Any funds remaining after payment of  
 212.4 all such costs and retirement or redemption of the bonds shall be placed in the general fund  
 212.5 of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so  
 212.6 determines by ordinance.

212.7 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 212.8 city of Excelsior and its chief clerical officer comply with Minnesota Statutes, section  
 212.9 645.021, subdivisions 2 and 3.

212.10 Sec. 18. Laws 2019, First Special Session chapter 6, article 6, section 26, is amended to  
 212.11 read:

212.12 Sec. 26. **CITY OF ROGERS; LOCAL TAXES AUTHORIZED.**

212.13 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
 212.14 sections 297A.99 and 477A.016, or any other law or ordinance, and as approved by the  
 212.15 voters at the general election of November 6, 2018, the city of Rogers may impose, by  
 212.16 ordinance, a sales and use tax of one-quarter of one percent for the purposes specified in  
 212.17 subdivision 3. Except as otherwise provided in this section, the provisions of Minnesota  
 212.18 Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement  
 212.19 of the taxes authorized under this subdivision.

212.20 Subd. 2. **Excise tax authorized.** Notwithstanding Minnesota Statutes, section 477A.016,  
 212.21 or any other contrary provision of law, or ordinance, the city of Rogers may impose by  
 212.22 ordinance, for the purposes specified in subdivision 3, an excise tax of up to \$20 per motor  
 212.23 vehicle, as defined by ordinance, purchased or acquired from any person engaged within  
 212.24 the city of Rogers in the business of selling motor vehicles at retail.

212.25 Subd. 3. **Use of sales and use tax and excise tax revenues.** (a) The revenues derived  
 212.26 from the taxes authorized under subdivisions 1 and 2 must be used by the city of Rogers to  
 212.27 pay the costs of collecting and administering the taxes and the capital and administrative  
 212.28 costs of any or all of the following projects:

212.29 (1) trail and pedestrian facilities including an I-94 pedestrian crossing, a County Road  
 212.30 144 pedestrian tunnel, and other new trails and trail connections;

212.31 (2) aquatics facilities consisting of either or both of a splash pad and any contribution  
 212.32 toward the community portion of a school pool; and

213.1 (3) community athletic facilities including construction of South Community park, site  
213.2 improvements for future recreation facilities, and a multipurpose indoor turf facility.

213.3 (b) The total that may be raised from the taxes to pay for these projects is limited to  
213.4 ~~\$16,500,000~~ \$25,000,000, plus the costs related to the issuance and paying debt service on  
213.5 bonds for these projects.

213.6 Subd. 4. **Bonding authority.** (a) The city of Rogers may issue bonds under Minnesota  
213.7 Statutes, chapter 475, pursuant to approval by the voters at the general election of November  
213.8 6, 2018, to finance all or a portion of the costs of the projects authorized in subdivision 3.  
213.9 The aggregate principal amount of bonds issued under this subdivision may not exceed  
213.10 ~~\$16,500,000~~ \$25,000,000, minus an amount equal to any state grant authorized before  
213.11 October 1, 2019, to fund any of the projects listed in subdivision 3, and plus an amount  
213.12 equal to interest on and the costs of issuing the bonds. The bonds may be paid from or  
213.13 secured by any funds available to the city of Rogers, including the taxes authorized under  
213.14 subdivisions 1 and 2.

213.15 (b) The bonds are not included in computing any debt limitation applicable to the city  
213.16 of Rogers, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
213.17 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
213.18 the bonds under Minnesota Statutes, section 475.58, is not required.

213.19 Subd. 5. **Termination of taxes.** The taxes imposed under subdivisions 1 and 2 expire  
213.20 at the earlier of: (1) 20 years after the taxes are first imposed; or (2) when the city council  
213.21 determines that ~~\$16,500,000~~ \$25,000,000, minus an amount equal to any state grant  
213.22 authorized before October 1, 2019, to fund any of the projects listed in subdivision 3, and  
213.23 plus an amount sufficient to pay interest on and the costs of issuing the bonds authorized  
213.24 under subdivision 4, has been received from the taxes to pay for the cost of the projects  
213.25 authorized under subdivision 3. Any funds remaining after payment of all such costs and  
213.26 payment of the bonds in full shall be placed in the general fund of the city. The taxes imposed  
213.27 under subdivisions 1 and 2 may expire at an earlier time if the city so determines by  
213.28 ordinance.

213.29 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
213.30 city of Rogers and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
213.31 subdivisions 2 and 3.

214.1 Sec. 19. Laws 2021, First Special Session chapter 14, article 8, section 5, is amended to  
214.2 read:

214.3 **Sec. 5. CITY OF EDINA; TAXES AUTHORIZED.**

214.4 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
214.5 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,  
214.6 and if approved by the voters at a general election as required under Minnesota Statutes,  
214.7 section 297A.99, subdivision 3, the city of Edina may impose by ordinance a sales and use  
214.8 tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise  
214.9 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the  
214.10 imposition, administration, collection, and enforcement of the tax authorized under this  
214.11 subdivision. The tax imposed under this subdivision is in addition to any local sales and  
214.12 use tax imposed under any other special law.

214.13 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
214.14 under subdivision 1 must be used by the city of Edina to pay the costs of collecting and  
214.15 administering the tax and paying for the following projects in the city, including securing  
214.16 and paying debt service on bonds issued to finance all or part of the following projects:

214.17 (1) \$17,700,000 plus associated bonding costs for development of Fred Richards Park  
214.18 as identified in the Fred Richards Park Master Plan; and

214.19 (2) ~~\$21,600,000~~ \$53,300,000 plus associated bonding costs for improvements to Braemar  
214.20 Park as identified in the Braemar Park Master Plan.

214.21 Subd. 3. **Bonding authority.** (a) The city of Edina may issue bonds under Minnesota  
214.22 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in  
214.23 subdivision 2 and approved by the voters as required under Minnesota Statutes, section  
214.24 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued  
214.25 under this subdivision may not exceed: (1) \$17,700,000 for the project listed in subdivision  
214.26 2, clause (1), plus an amount to be applied to the payment of the costs of issuing the bonds;  
214.27 and (2) ~~\$21,600,000~~ \$53,300,000 for the project listed in subdivision 2, clause (2), plus an  
214.28 amount to be applied to the payment of the costs of issuing the bonds. The bonds may be  
214.29 paid from or secured by any funds available to the city of Edina, including the tax authorized  
214.30 under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota  
214.31 Statutes, sections 275.60 and 275.61.

214.32 (b) The bonds are not included in computing any debt limitation applicable to the city  
214.33 of Edina, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal

215.1 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
215.2 the bonds under Minnesota Statutes, section 475.58, is not required.

215.3 **Subd. 4. Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
215.4 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 19 years  
215.5 after the tax is first imposed, or (2) when the city council determines that the amount received  
215.6 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
215.7 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
215.8 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
215.9 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
215.10 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
215.11 any funds remaining after payment of the allowed costs due to the timing of the termination  
215.12 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the  
215.13 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
215.14 if the city so determines by ordinance.

215.15 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
215.16 city of Edina and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
215.17 subdivisions 2 and 3.

215.18 Sec. 20. Laws 2021, First Special Session chapter 14, article 8, section 6, subdivision 2,  
215.19 is amended to read:

215.20 **Subd. 2. Use of sales and use tax revenues.** (a) The revenues derived from the tax  
215.21 authorized under subdivision 1 must be used by the city of Fergus Falls to pay the costs of  
215.22 collecting and administering the tax and for the following projects in the city, including  
215.23 securing and paying debt service, on bonds issued to finance all or part of the following  
215.24 projects:

215.25 (1) \$7,800,000 for an aquatics center; and

215.26 (2) \$5,200,000 for the DeLagoon Improvement Project.

215.27 **(b) Notwithstanding Minnesota Statutes, section 297A.99, subdivision 3, and as approved**  
215.28 **by the voters at the November 8, 2022, general election, the city of Fergus Falls may by**  
215.29 **ordinance increase the cost for the project in paragraph (a), clause (1), by up to \$3,000,000,**  
215.30 **without holding another local election.**

215.31 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
215.32 city of Fergus Falls and its chief clerical officer comply with Minnesota Statutes, section  
215.33 645.021, subdivisions 2 and 3.

216.1 Sec. 21. Laws 2021, First Special Session chapter 14, article 8, section 6, subdivision 3,  
216.2 is amended to read:

216.3 Subd. 3. **Bonding authority.** (a) The city of Fergus Falls may issue bonds under  
216.4 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities  
216.5 authorized in subdivision 2, and approved by the voters as required under Minnesota Statutes,  
216.6 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds  
216.7 issued under this subdivision may not exceed:

216.8 (1) \$7,800,000 for the project listed in subdivision 2, clause (1), plus an amount needed  
216.9 to pay capitalized interest and an amount to be applied to the payment of the costs of issuing  
216.10 the bonds; and

216.11 (2) \$5,200,000 for the project listed in subdivision 2, clause (2), plus an amount needed  
216.12 to pay capitalized interest and an amount to be applied to the payment of the costs of issuing  
216.13 the bonds.

216.14 (b) The bonds may be paid from or secured by any funds available to the city of Fergus  
216.15 Falls, including the tax authorized under subdivision 1. The issuance of bonds under this  
216.16 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

216.17 (c) The bonds are not included in computing any debt limitation applicable to the city  
216.18 of Fergus Falls, and any levy of taxes under Minnesota Statutes, section 475.61, to pay  
216.19 principal and interest on the bonds is not subject to any levy limitation. A separate election  
216.20 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

216.21 (d) Notwithstanding Minnesota Statutes, section 297A.99, subdivision 3, and as approved  
216.22 by the voters at the November 8, 2022, general election, the city of Fergus Falls may by  
216.23 ordinance increase the amount of bonding for the project in paragraph (a), clause (1), by up  
216.24 to \$3,000,000, without holding another local election.

216.25 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
216.26 city of Fergus Falls and its chief clerical officer comply with Minnesota Statutes, section  
216.27 645.021, subdivisions 2 and 3.

216.28 Sec. 22. **BELTRAMI COUNTY; TAXES AUTHORIZED.**

216.29 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
216.30 section 297A.99, subdivision 1, or 477A.016, or any other law or ordinance, and if approved  
216.31 by the voters at an election as required under Minnesota Statutes, section 297A.99,  
216.32 subdivision 3, Beltrami County may impose by ordinance a sales and use tax of five-eighths  
216.33 of one percent for the purpose specified in subdivision 2. Except as otherwise provided in



217.1 this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,  
217.2 administration, collection, and enforcement of the tax authorized under this subdivision.  
217.3 The tax imposed under this subdivision is in addition to any local sales and use tax imposed  
217.4 under any other special law.

217.5 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
217.6 under subdivision 1 must be used by Beltrami County to pay the costs of collecting and  
217.7 administering the tax, and to finance up to \$80,000,000 for the construction of a new county  
217.8 jail. Authorized costs include the associated bond costs for any bonds issued under  
217.9 subdivision 3.

217.10 Subd. 3. **Bonding authority.** (a) Beltrami County may issue bonds under Minnesota  
217.11 Statutes, chapter 475, to finance the costs of the facility authorized in subdivision 2. The  
217.12 aggregate principal amount of bonds issued under this subdivision may not exceed  
217.13 \$80,000,000 for the project listed in subdivision 2, plus an amount to be applied to the  
217.14 payment of the costs of issuing the bonds. The bonds may be paid from or secured by any  
217.15 funds available to the county, including the tax authorized under subdivision 1. The issuance  
217.16 of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and  
217.17 275.61.

217.18 (b) The bonds are not included in computing any debt limitation applicable to the county,  
217.19 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest  
217.20 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
217.21 under Minnesota Statutes, section 475.58, is not required.

217.22 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
217.23 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 30 years  
217.24 after the tax is first imposed; or (2) when the county board determines that the amount  
217.25 received from the tax is sufficient to pay \$80,000,000 in project costs authorized under  
217.26 subdivision 2, plus an amount sufficient to pay the costs related to issuance of any bonds  
217.27 authorized under subdivision 3, including interest on the bonds. Except as otherwise provided  
217.28 in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining  
217.29 after payment of the allowed costs due to the timing of the termination of the tax under  
217.30 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of  
217.31 the county. The tax imposed under subdivision 1 may expire at an earlier time if the county  
217.32 so determines by ordinance.

218.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
218.2 Beltrami County and its chief clerical officer comply with Minnesota Statutes, section  
218.3 645.021, subdivisions 2 and 3.

218.4 Sec. 23. **CITY OF BLACKDUCK; TAXES AUTHORIZED.**

218.5 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
218.6 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
218.7 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
218.8 city of Blackduck may impose, by ordinance, a sales and use tax of up to one-half of one  
218.9 percent for the purposes specified in subdivision 2. Except as otherwise provided in this  
218.10 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,  
218.11 administration, collection, and enforcement of the tax authorized under this subdivision.

218.12 The tax imposed under this subdivision is in addition to any local sales and use tax imposed  
218.13 under any other special law.

218.14 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
218.15 under subdivision 1 must be used by the city of Blackduck to pay the costs of collecting  
218.16 and administering the tax, including associated bond costs on bonds issued under subdivision  
218.17 3, and securing and paying debt service on the bonds, and to finance all or part of the  
218.18 following projects:

218.19 (1) \$200,000 for electricity and utility improvements at the city campground;

218.20 (2) \$250,000 for construction of a playground and ADA-compliant restroom at the city  
218.21 wayside rest;

218.22 (3) \$300,000 for trail extensions and improvements adjacent to Wayside Rest Park;

218.23 (4) \$150,000 for irrigation improvements at the city golf course; and

218.24 (5) \$100,000 for rehabilitation of the Blackduck Community Library.

218.25 Subd. 3. **Bonding authority.** (a) The city of Blackduck may issue bonds under Minnesota  
218.26 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in  
218.27 subdivision 2 and approved by the voters as required under Minnesota Statutes, section  
218.28 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued  
218.29 under this subdivision may not exceed:

218.30 (1) \$200,000 for the project listed in subdivision 2, clause (1), plus an amount to be  
218.31 applied to the payment of the costs of issuing the bonds;

219.1 (2) \$250,000 for the project listed in subdivision 2, clause (2), plus an amount to be  
219.2 applied to the payment of the costs of issuing the bonds;

219.3 (3) \$300,000 for the project listed in subdivision 2, clause (3), plus an amount to be  
219.4 applied to the payment of the costs of issuing the bonds;

219.5 (4) \$150,000 for the project listed in subdivision 2, clause (4), plus an amount to be  
219.6 applied to the payment of the costs of issuing the bonds; and

219.7 (5) \$100,000 for the project listed in subdivision 2, clause (5), plus an amount to be  
219.8 applied to the payment of the costs of issuing the bonds.

219.9 (b) The bonds may be paid from or secured by any funds available to the county, including  
219.10 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not  
219.11 subject to Minnesota Statutes, sections 275.60 and 275.61.

219.12 (c) The bonds are not included in computing any debt limitation applicable to the county.  
219.13 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest  
219.14 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
219.15 under Minnesota Statutes, section 475.58, is not required.

219.16 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the  
219.17 earlier of: (1) 20 years after the tax is first imposed; or (2) when the county determines that  
219.18 the amount it has received from this tax is sufficient to pay for the project costs authorized  
219.19 under subdivision 2 for projects approved by voters as required under Minnesota Statutes,  
219.20 section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs  
219.21 related to issuance of any bonds authorized under subdivision 3, including interest on the  
219.22 bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision  
219.23 3, paragraph (f), any funds remaining after payment of the allowed costs due to timing of  
219.24 the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall  
219.25 be placed in the county's general fund. The tax imposed under subdivision 1 may expire at  
219.26 an earlier time if the county determines by ordinance.

219.27 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
219.28 city of Blackduck and its chief clerical officer comply with Minnesota Statutes, section  
219.29 645.021, subdivisions 2 and 3.

219.30 Sec. 24. **CITY OF BLOOMINGTON; TAXES AUTHORIZED.**

219.31 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
219.32 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,  
219.33 and if approved by the voters at an election as required under Minnesota Statutes, section

220.1 297A.99, subdivision 3, the city of Bloomington may impose by ordinance a sales and use  
220.2 tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise  
220.3 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the  
220.4 imposition, administration, collection, and enforcement of the tax authorized under this  
220.5 subdivision. The tax imposed under this subdivision is in addition to any local sales and  
220.6 use tax imposed under any other special law.

220.7 Subd. 2. Use of sales and use tax revenues. (a) The revenues derived from the tax  
220.8 authorized under subdivision 1 must be used by the city of Bloomington to pay the costs of  
220.9 collecting and administering the tax and paying for the following projects in the city,  
220.10 including securing and paying debt service on bonds issued to finance all or part of the  
220.11 following projects:

220.12 (1) \$35,000,000 for new construction and rehabilitation of the Bloomington Ice Garden  
220.13 and associated infrastructure;

220.14 (2) \$100,000,000 for construction of a new Community Health and Wellness Center  
220.15 and associated infrastructure; and

220.16 (3) \$20,000,000 for new construction and restoration of the Nine Mile Creek Corridor  
220.17 Renewal and associated infrastructure.

220.18 (b) For purposes of this subdivision, "associated infrastructure" includes but is not limited  
220.19 to any or all of the following items required for the safe access or use of the capital projects:  
220.20 facilities, roads, lighting, sidewalks, parking, landscaping, and utilities.

220.21 Subd. 3. Bonding authority. (a) The city of Bloomington may issue bonds under  
220.22 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects  
220.23 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,  
220.24 section 297A.99, subdivision 3, paragraph (a).The aggregate principal amount of bonds  
220.25 issued under this subdivision may not exceed:

220.26 (1) \$35,000,000 for the project listed in subdivision 2, paragraph (a), clause (1), plus an  
220.27 amount to be applied to the payment of the costs of issuing the bonds;

220.28 (2) \$100,000,000 for the project listed in subdivision 2, paragraph (a), clause (2), plus  
220.29 an amount to be applied to the payment of the costs of issuing the bonds; and

220.30 (3) \$20,000,000 for the project listed in subdivision 2, paragraph (a), clause (3), plus an  
220.31 amount to be applied to the payment of the costs of issuing the bonds.

221.1 (b) The bonds may be paid from or secured by any funds available to the city of  
221.2 Bloomington, including the tax authorized under subdivision 1. The issuance of bonds under  
221.3 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

221.4 (c) The bonds are not included in computing any debt limitation applicable to the city  
221.5 of Bloomington, and any levy of taxes under Minnesota Statutes, section 475.61, to pay  
221.6 principal and interest on the bonds is not subject to any levy limitation. A separate election  
221.7 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

221.8 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
221.9 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
221.10 after the tax is first imposed, or (2) when the city council determines that the amount received  
221.11 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
221.12 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
221.13 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
221.14 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
221.15 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
221.16 any funds remaining after payment of the allowed costs due to the timing of the termination  
221.17 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the  
221.18 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
221.19 if the city so determines by ordinance.

221.20 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
221.21 city of Bloomington and its chief clerical officer comply with Minnesota Statutes, section  
221.22 645.021, subdivisions 2 and 3.

221.23 Sec. 25. **CITY OF CHANHASSEN; TAXES AUTHORIZED.**

221.24 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
221.25 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,  
221.26 and if approved by the voters at an election as required under Minnesota Statutes, section  
221.27 297A.99, subdivision 3, the city of Chanhassen may impose by ordinance a sales and use  
221.28 tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as  
221.29 otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,  
221.30 govern the imposition, administration, collection, and enforcement of the tax authorized  
221.31 under this subdivision. The tax imposed under this subdivision is in addition to any local  
221.32 sales and use tax imposed under any other special law.

221.33 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
221.34 under subdivision 1 must be used by the city of Chanhassen to pay the costs of collecting

222.1 and administering the tax and paying for up to \$40,000,000 for construction costs of the  
 222.2 Avienda Recreational Facility, including securing and paying debt service on bonds issued  
 222.3 to finance all or part of the project.

222.4 Subd. 3. **Bonding authority.** (a) The city of Chanhassen may issue bonds under  
 222.5 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects  
 222.6 authorized in subdivision 2. The aggregate principal amount of bonds issued under this  
 222.7 subdivision may not exceed \$40,000,000, plus an amount to be applied to the payment of  
 222.8 the costs of issuing the bonds.

222.9 (b) The bonds may be paid from or secured by any funds available to the city of  
 222.10 Chanhassen, including the tax authorized under subdivision 1. The issuance of bonds under  
 222.11 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

222.12 (c) The bonds are not included in computing any debt limitation applicable to the city  
 222.13 of Chanhassen, and any levy of taxes under Minnesota Statutes, section 475.61, to pay  
 222.14 principal and interest on the bonds is not subject to any levy limitation. A separate election  
 222.15 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

222.16 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
 222.17 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
 222.18 after the tax is first imposed, or (2) when the city council determines that the amount received  
 222.19 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus  
 222.20 an amount sufficient to pay the costs related to issuance of any bonds authorized under  
 222.21 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota  
 222.22 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment  
 222.23 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,  
 222.24 section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax  
 222.25 imposed under subdivision 1 may expire at an earlier time if the city so determines by  
 222.26 ordinance.

222.27 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 222.28 city of Chanhassen and its chief clerical officer comply with Minnesota Statutes, section  
 222.29 645.021, subdivisions 2 and 3.

222.30 Sec. 26. **COTTAGE GROVE; TAXES AUTHORIZED.**

222.31 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
 222.32 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
 222.33 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the

223.1 city of Cottage Grove may impose by ordinance a sales and use tax of one-half of one  
223.2 percent for the purposes specified in subdivision 2. Except as otherwise provided in this  
223.3 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,  
223.4 administration, collection, and enforcement of the tax authorized under this subdivision.  
223.5 The tax imposed under this subdivision is in addition to any local sales and use tax imposed  
223.6 under any other special law.

223.7 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
223.8 under subdivision 1 must be used by the city of Cottage Grove to pay the costs of collecting  
223.9 and administering the tax and paying for the following projects in the city, including securing  
223.10 and paying debt service on bonds issued to finance all or part of the following projects:

223.11 (1) \$17,000,000 for construction of improvements to Hamlet Park;

223.12 (2) \$6,000,000 for construction of improvements to River Oaks Golf Course; and

223.13 (3) \$13,000,000 for construction of improvements to the Mississippi Dunes Park project.

223.14 Subd. 3. **Bonding authority.** (a) The city of Cottage Grove may issue bonds under  
223.15 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects  
223.16 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,  
223.17 section 297A.99, subdivision 3, paragraph (a).The aggregate principal amount of bonds  
223.18 issued under this subdivision may not exceed:

223.19 (1) \$17,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be  
223.20 applied to the payment of the costs of issuing the bonds;

223.21 (2) \$6,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be  
223.22 applied to the payment of the costs of issuing the bonds; and

223.23 (3) \$13,000,000 for the project listed in subdivision 2, clause (3), plus an amount to be  
223.24 applied to the payment of the costs of issuing the bonds.

223.25 (b) The bonds may be paid from or secured by any funds available to the city of Cottage  
223.26 Grove, including the tax authorized under subdivision 1. The issuance of bonds under this  
223.27 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

223.28 (c) The bonds are not included in computing any debt limitation applicable to the city  
223.29 of Cottage Grove, and any levy of taxes under Minnesota Statutes, section 475.61, to pay  
223.30 principal and interest on the bonds is not subject to any levy limitation. A separate election  
223.31 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

224.1 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
 224.2 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 25 years  
 224.3 after the tax is first imposed, or (2) when the city council determines that the amount received  
 224.4 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
 224.5 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
 224.6 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
 224.7 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
 224.8 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
 224.9 any funds remaining after payment of the allowed costs due to the timing of the termination  
 224.10 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the  
 224.11 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
 224.12 if the city so determines by ordinance.

224.13 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 224.14 city of Cottage Grove and its chief clerical officer comply with Minnesota Statutes, section  
 224.15 645.021, subdivisions 2 and 3.

224.16 Sec. 27. **CITY OF DETROIT LAKES; TAXES AUTHORIZED.**

224.17 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
 224.18 section 297A.99, subdivision 3, paragraphs (a) and (d), and section 477A.016, or any other  
 224.19 law, ordinance, or city charter, and if approved by the voters at an election held on either  
 224.20 November 7, 2023, or as otherwise required under Minnesota Statutes, section 297A.99,  
 224.21 subdivision 3, the city of Detroit Lakes may impose by ordinance a sales and use tax of  
 224.22 one-half of one percent for the purpose specified in subdivision 2. Except as otherwise  
 224.23 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the  
 224.24 imposition, administration, collection, and enforcement of the tax authorized under this  
 224.25 subdivision. The tax imposed under this subdivision is in addition to any local sales and  
 224.26 use tax imposed under any other special law.

224.27 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
 224.28 under subdivision 1 must be used by the city of Detroit Lakes to pay the costs of collecting  
 224.29 and administering the tax, and to finance up to \$17,300,000, plus associated bond costs, for  
 224.30 the construction and renovation of the Detroit Lakes Pavilion, including park improvements,  
 224.31 beachfront improvements, and parking improvements.

224.32 Subd. 3. **Bonding authority.** (a) The city of Detroit Lakes may issue bonds under  
 224.33 Minnesota Statutes, chapter 475, to finance all or a portion of the project costs authorized  
 224.34 in subdivision 2. The aggregate principal amount of bonds issued under this subdivision



225.1 may not exceed \$17,300,000, plus an amount to be applied to the payment of the costs of  
225.2 issuing the bonds.

225.3 (b) The bonds may be paid from or secured by any funds available to the city of Detroit  
225.4 Lakes, including the tax authorized under subdivision 1. The issuance of bonds under this  
225.5 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

225.6 (c) The bonds are not included in computing any debt limitation applicable to the city  
225.7 of Detroit Lakes, and any levy of taxes under Minnesota Statutes, section 475.61, to pay  
225.8 principal and interest on the bonds is not subject to any levy limitation. A separate election  
225.9 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

225.10 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
225.11 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 12 years  
225.12 after the tax is first imposed, or (2) when the city council determines that the amount received  
225.13 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus  
225.14 an amount sufficient to pay the costs related to issuance of any bonds authorized under  
225.15 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota  
225.16 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment  
225.17 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,  
225.18 section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax  
225.19 imposed under subdivision 1 may expire at an earlier time if the city so determines by  
225.20 ordinance.

225.21 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
225.22 city of Detroit Lakes and its chief clerical officer comply with Minnesota Statutes, section  
225.23 645.021, subdivisions 2 and 3.

225.24 Sec. 28. **CITY OF DILWORTH; TAXES AUTHORIZED.**

225.25 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
225.26 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
225.27 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
225.28 city of Dilworth may impose by ordinance a sales and use tax of one-half of one percent  
225.29 for the purpose specified in subdivision 2. Except as otherwise provided in this section, the  
225.30 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,  
225.31 collection, and enforcement of the tax authorized under this subdivision. The tax imposed  
225.32 under this subdivision is in addition to any local sales and use tax imposed under any other  
225.33 special law.

226.1 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized  
 226.2 under subdivision 1 must be used by the city of Dilworth to pay the costs of collecting and  
 226.3 administering the tax, and to finance up to \$5,400,000 for the construction of a community  
 226.4 and recreational center. Authorized costs include the associated bond costs for any bonds  
 226.5 issued under subdivision 3.

226.6 Subd. 3. Bonding authority. (a) The city of Dilworth may issue bonds under Minnesota  
 226.7 Statutes, chapter 475, to finance the costs of the facility authorized in subdivision 2. The  
 226.8 aggregate principal amount of bonds issued under this subdivision may not exceed \$5,400,000  
 226.9 for the project listed in subdivision 2, plus an amount to be applied to the payment of the  
 226.10 costs of issuing the bonds.

226.11 (b) The bonds may be paid from or secured by any funds available to the city, including  
 226.12 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not  
 226.13 subject to Minnesota Statutes, sections 275.60 and 275.61.

226.14 (c) The bonds are not included in computing any debt limitation applicable to the city,  
 226.15 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest  
 226.16 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
 226.17 under Minnesota Statutes, section 475.58, is not required.

226.18 Subd. 4. Termination of taxes. Subject to Minnesota Statutes, section 297A.99,  
 226.19 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 25 years  
 226.20 after the tax is first imposed; or (2) when the city council determines that the amount received  
 226.21 from the tax is sufficient to pay \$5,400,000 in project costs authorized under subdivision  
 226.22 2, plus an amount sufficient to pay the costs related to issuance of any bonds authorized  
 226.23 under subdivision 3, including interest on the bonds. Except as otherwise provided in  
 226.24 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining  
 226.25 after payment of the allowed costs due to the timing of the termination of the tax under  
 226.26 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of  
 226.27 the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so  
 226.28 determines by ordinance.

226.29 EFFECTIVE DATE. This section is effective the day after the governing body of the  
 226.30 city of Dilworth and its chief clerical officer comply with Minnesota Statutes, section  
 226.31 645.021, subdivisions 2 and 3.

227.1 **Sec. 29. CITY OF EAST GRAND FORKS; TAXES AUTHORIZED.**

227.2 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
227.3 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
227.4 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
227.5 city of East Grand Forks may impose by ordinance a sales and use tax of up to one percent  
227.6 for the purposes specified in subdivision 2. Except as otherwise provided in this section,  
227.7 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,  
227.8 collection, and enforcement of the tax authorized under this subdivision. The tax imposed  
227.9 under this subdivision is in addition to any local sales and use tax imposed under any other  
227.10 special law.

227.11 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized  
227.12 under subdivision 1 must be used by the city of East Grand Forks to pay the costs of  
227.13 collecting and administering the tax and paying for the following projects in the city,  
227.14 including securing and paying debt service on bonds issued to finance all or part of the  
227.15 following projects:

227.16 (1) \$6,745,000 plus associated bonding costs for reconstruction and remodeling of, and  
227.17 upgrades and additions to, the Civic Center Sports Complex; and

227.18 (2) \$8,000,000 plus associated bonding costs for reconstruction and remodeling of, and  
227.19 upgrades and additions to, the VFW Memorial Arena and Blue Line Arena.

227.20 **Subd. 3. Bonding authority.** (a) The city of East Grand Forks may issue bonds under  
227.21 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities  
227.22 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,  
227.23 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds  
227.24 issued under this subdivision may not exceed:

227.25 (1) \$6,745,000 for the project listed in subdivision 2, clause (1), plus an amount to be  
227.26 applied to the payment of the costs of issuing the bonds; and

227.27 (2) \$8,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be  
227.28 applied to the payment of the costs of issuing the bonds.

227.29 (b) The bonds may be paid from or secured by any funds available to the city, including  
227.30 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not  
227.31 subject to Minnesota Statutes, sections 275.60 and 275.61.

227.32 (c) The bonds are not included in computing any debt limitation applicable to the city  
227.33 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest

228.1 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
228.2 under Minnesota Statutes, section 475.58, is not required.

228.3 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
228.4 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
228.5 after being first imposed, or (2) when the city council determines that the amount received  
228.6 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
228.7 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
228.8 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
228.9 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
228.10 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
228.11 any funds remaining after payment of the allowed costs due to the timing of the termination  
228.12 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the  
228.13 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
228.14 if the city so determines by ordinance.

228.15 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
228.16 city of East Grand Forks and its chief clerical officer comply with Minnesota Statutes,  
228.17 section 645.021, subdivisions 2 and 3.

228.18 Sec. 30. **CITY OF FAIRMONT; TAXES AUTHORIZED.**

228.19 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
228.20 section 297A.99, subdivisions 1 and 3, paragraph (d), or 477A.016, or any other law,  
228.21 ordinance, or city charter, and if approved by the voters at an election as required under  
228.22 Minnesota Statutes, section 297A.99, subdivision 3, the city of Fairmont may impose by  
228.23 ordinance a sales and use tax of one-half of one percent for the purpose specified in  
228.24 subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota  
228.25 Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement  
228.26 of the tax authorized under this subdivision. The tax imposed under this subdivision is in  
228.27 addition to any local sales and use tax imposed under any other special law.

228.28 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
228.29 under subdivision 1 must be used by the city of Fairmont to pay the costs of collecting and  
228.30 administering the tax and to finance up to \$20,000,000, plus associated bonding costs, for  
228.31 construction of a community center and ice arena.

228.32 Subd. 3. **Bonding authority.** (a) The city of Fairmont may issue bonds under Minnesota  
228.33 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in  
228.34 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may

229.1 not exceed \$20,000,000, plus an amount to be applied to the payment of the costs of issuing  
229.2 the bonds.

229.3 (b) The bonds may be paid from or secured by any funds available to the city of Fairmont,  
229.4 including the tax authorized under subdivision 1. The issuance of bonds under this  
229.5 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

229.6 (c) The bonds are not included in computing any debt limitation applicable to the city  
229.7 of Fairmont, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
229.8 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
229.9 the bonds under Minnesota Statutes, section 475.58, is not required.

229.10 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
229.11 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 25 years  
229.12 after the tax is first imposed, or (2) when the city council determines that the amount received  
229.13 from the tax is sufficient to pay, plus an amount sufficient to pay the costs related to issuance  
229.14 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
229.15 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
229.16 any funds remaining after payment of the allowed costs due to the timing of the termination  
229.17 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the  
229.18 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
229.19 if the city so determines by ordinance.

229.20 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
229.21 city of Fairmont and its chief clerical officer comply with Minnesota Statutes, section  
229.22 645.021, subdivisions 2 and 3.

229.23 Sec. 31. **CITY OF HENDERSON; TAXES AUTHORIZED.**

229.24 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
229.25 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
229.26 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
229.27 city of Henderson may impose by ordinance a sales and use tax of one-half of one percent  
229.28 for the purposes specified in subdivision 2. Except as otherwise provided in this section,  
229.29 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,  
229.30 collection, and enforcement of the tax authorized under this subdivision. The tax imposed  
229.31 under this subdivision is in addition to any local sales and use tax imposed under any other  
229.32 special law.

230.1 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized  
230.2 under subdivision 1 must be used by the city of Henderson to pay the costs of collecting  
230.3 and administering the tax, and to finance up to \$250,000 for the Allanson's Park Campground  
230.4 and Trail project. Authorized project costs include improvements to trails, improvements  
230.5 to the park campground and related facilities, utility improvements, handicap access  
230.6 improvements, and other improvements related to linkage to other local trails, as well as  
230.7 the associated bond costs for any bonds issued under subdivision 3.

230.8 Subd. 3. Bonding authority. (a) The city of Henderson may issue bonds under Minnesota  
230.9 Statutes, chapter 475, to finance up to \$250,000 of the portion of the costs of the project  
230.10 authorized in subdivision 2, and approved by the voters as required under Minnesota Statutes,  
230.11 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds  
230.12 issued under this subdivision may not exceed \$250,000 plus an amount to be applied to the  
230.13 payment of the costs of issuing the bonds.

230.14 (b) The bonds may be paid from or secured by any funds available to the city of  
230.15 Henderson, including the tax authorized under subdivision 1. The issuance of bonds under  
230.16 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

230.17 (c) The bonds are not included in computing any debt limitation applicable to the city  
230.18 of Henderson, and any levy of taxes under Minnesota Statutes, section 475.61, to pay  
230.19 principal and interest on the bonds is not subject to any levy limitation. A separate election  
230.20 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

230.21 Subd. 4. Termination of taxes. Subject to Minnesota Statutes, section 297A.99,  
230.22 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 15 years  
230.23 after the tax is first imposed; or (2) when the city council determines that the amount received  
230.24 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
230.25 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
230.26 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
230.27 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
230.28 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
230.29 any funds remaining after payment of the allowed costs due to the timing of the termination  
230.30 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the  
230.31 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
230.32 if the city so determines by ordinance.

231.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
231.2 city of Henderson and its chief clerical officer comply with Minnesota Statutes, section  
231.3 645.021, subdivisions 2 and 3.

231.4 Sec. 32. **CITY OF HIBBING; TAXES AUTHORIZED.**

231.5 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
231.6 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,  
231.7 and if approved by the voters at an election as required under Minnesota Statutes, section  
231.8 297A.99, subdivision 3, the city of Hibbing may impose by ordinance a sales and use tax  
231.9 of one-half of one percent for the purpose specified in subdivision 2. Except as otherwise  
231.10 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the  
231.11 imposition, administration, collection, and enforcement of the tax authorized under this  
231.12 subdivision. The tax imposed under this subdivision is in addition to any local sales and  
231.13 use tax imposed under any other special law.

231.14 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
231.15 under subdivision 1 must be used by the city of Hibbing to pay the costs of collecting and  
231.16 administering the tax, and to finance up to \$19,600,000 for the construction of a regional  
231.17 public safety center. Authorized costs include the associated bond costs for any bonds issued  
231.18 under subdivision 3.

231.19 Subd. 3. **Bonding authority.** (a) The city of Hibbing may issue bonds under Minnesota  
231.20 Statutes, chapter 475, to finance the costs of the facility authorized in subdivision 2. The  
231.21 aggregate principal amount of bonds issued under this subdivision may not exceed  
231.22 \$19,600,000 for the project listed in subdivision 2, plus an amount to be applied to the  
231.23 payment of the costs of issuing the bonds.

231.24 (b) The bonds may be paid from or secured by any funds available to the city, including  
231.25 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not  
231.26 subject to Minnesota Statutes, sections 275.60 and 275.61.

231.27 (c) The bonds are not included in computing any debt limitation applicable to the city,  
231.28 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest  
231.29 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
231.30 under Minnesota Statutes, section 475.58, is not required.

231.31 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
231.32 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 20 years  
231.33 after the tax is first imposed; or (2) when the city council determines that the amount received

232.1 from the tax is sufficient to pay \$19,600,000 in project costs authorized under subdivision  
 232.2 2, plus an amount sufficient to pay the costs related to issuance of any bonds authorized  
 232.3 under subdivision 3, including interest on the bonds. Except as otherwise provided in  
 232.4 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining  
 232.5 after payment of the allowed costs due to the timing of the termination of the tax under  
 232.6 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of  
 232.7 the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so  
 232.8 determines by ordinance.

232.9 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 232.10 city of Hibbing and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
 232.11 subdivisions 2 and 3.

232.12 Sec. 33. **GOLDEN VALLEY; TAXES AUTHORIZED.**

232.13 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
 232.14 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,  
 232.15 and if approved by the voters at an election as required under Minnesota Statutes, section  
 232.16 297A.99, subdivision 3, the city of Golden Valley may impose by ordinance a sales and  
 232.17 use tax of 1.25 percent for the purposes specified in subdivision 2. Except as otherwise  
 232.18 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the  
 232.19 imposition, administration, collection, and enforcement of the tax authorized under this  
 232.20 subdivision. The tax imposed under this subdivision is in addition to any local sales and  
 232.21 use tax imposed under any other special law.

232.22 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
 232.23 under subdivision 1 must be used by the city of Golden Valley to pay the costs of collecting  
 232.24 and administering the tax and paying for the following projects in the city, including securing  
 232.25 and paying debt service on bonds issued to finance all or part of the following projects:

232.26 (1) \$45,000,000 plus associated bonding costs for construction of a new public works  
 232.27 facility;

232.28 (2) \$15,000,000 plus associated bonding costs for the purchase of land for a new public  
 232.29 works facility; and

232.30 (3) \$45,000,000 plus associated bonding costs for construction of a new public safety  
 232.31 facility.

232.32 Subd. 3. **Bonding authority.** (a) The city of Golden Valley may issue bonds under  
 232.33 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects



233.1 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,  
233.2 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds  
233.3 issued under this subdivision may not exceed:

233.4 (1) \$45,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be  
233.5 applied to the payment of the costs of issuing the bonds;

233.6 (2) \$15,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be  
233.7 applied to the payment of the costs of issuing the bonds; and

233.8 (3) \$45,000,000 for the project listed in subdivision 2, clause (3), plus an amount to be  
233.9 applied to the payment of the costs of issuing the bonds.

233.10 (b) The bonds may be paid from or secured by any funds available to the city of Golden  
233.11 Valley, including the tax authorized under subdivision 1. The issuance of bonds under this  
233.12 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

233.13 (c) The bonds are not included in computing any debt limitation applicable to the city  
233.14 of Golden Valley, and any levy of taxes under Minnesota Statutes, section 475.61, to pay  
233.15 principal and interest on the bonds is not subject to any levy limitation. A separate election  
233.16 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

233.17 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
233.18 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years  
233.19 after the tax is first imposed, or (2) when the city council determines that the amount received  
233.20 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
233.21 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
233.22 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
233.23 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
233.24 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
233.25 any funds remaining after payment of the allowed costs due to the timing of the termination  
233.26 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the  
233.27 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
233.28 if the city so determines by ordinance.

233.29 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
233.30 city of Golden Valley and its chief clerical officer comply with Minnesota Statutes, section  
233.31 645.021, subdivisions 2 and 3.

234.1 **Sec. 34. CITY OF JACKSON; TAXES AUTHORIZED.**

234.2 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
234.3 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
234.4 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
234.5 city of Jackson may impose by ordinance a sales and use tax of one percent for the purpose  
234.6 specified in subdivision 2. Except as otherwise provided in this section, the provisions of  
234.7 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and  
234.8 enforcement of the tax authorized under this subdivision. The tax imposed under this  
234.9 subdivision is in addition to any local sales and use tax imposed under any other special  
234.10 law.

234.11 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized  
234.12 under subdivision 1 must be used by the city of Jackson to pay the costs of collecting and  
234.13 administering the tax, and to finance up to \$5,750,000 for construction, renovation, and  
234.14 improvements to a new outdoor athletic complex, including securing and paying debt service  
234.15 on bonds issued under subdivision 3.

234.16 **Subd. 3. Bonding authority.** (a) The city of Jackson may issue bonds under Minnesota  
234.17 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in  
234.18 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may  
234.19 not exceed \$5,750,000, plus an amount to be applied to the payment of the costs of issuing  
234.20 the bonds.

234.21 (b) The bonds may be paid from or secured by any funds available to the city of Jackson,  
234.22 including the tax authorized under subdivision 1. The issuance of bonds under this  
234.23 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

234.24 (c) The bonds are not included in computing any debt limitation applicable to the city  
234.25 of Jackson, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
234.26 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
234.27 the bonds under Minnesota Statutes, section 475.58, is not required.

234.28 **Subd. 4. Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
234.29 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years  
234.30 after the tax is first imposed, or (2) when the city council determines that the amount received  
234.31 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus  
234.32 an amount sufficient to pay the costs related to issuance of any bonds authorized under  
234.33 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota  
234.34 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment

235.1 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,  
235.2 section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax  
235.3 imposed under subdivision 1 may expire at an earlier time if the city so determines by  
235.4 ordinance.

235.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
235.6 city of Jackson and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
235.7 subdivisions 2 and 3.

235.8 **Sec. 35. JACKSON COUNTY; TAXES AUTHORIZED.**

235.9 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
235.10 section 477A.016, or any other law or ordinance, and if approved by the voters at an election  
235.11 as required under Minnesota Statutes, section 297A.99, subdivision 3, Jackson County may  
235.12 impose by ordinance a sales and use tax of one percent for the purposes specified in  
235.13 subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota  
235.14 Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement  
235.15 of the tax authorized under this subdivision. The tax imposed under this subdivision is in  
235.16 addition to any local sales and use tax imposed under any other special law.

235.17 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
235.18 under subdivision 1 must be used by Jackson County to pay the costs of collecting and  
235.19 administering the tax and paying for up to \$39,000,000 for construction of a law enforcement  
235.20 center and government center in the county, including associated bond costs for any bonds  
235.21 issued under subdivision 3.

235.22 Subd. 3. **Bonding authority.** (a) Jackson County may issue bonds under Minnesota  
235.23 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in  
235.24 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may  
235.25 not exceed \$39,000,000, plus an amount to be applied to the payment of the costs of issuing  
235.26 the bonds.

235.27 (b) The bonds may be paid from or secured by any funds available to Jackson County,  
235.28 including the tax authorized under subdivision 1. The issuance of bonds under this  
235.29 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

235.30 (c) The bonds are not included in computing any debt limitation applicable to Jackson  
235.31 County, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
235.32 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
235.33 the bonds under Minnesota Statutes, section 475.58, is not required.

236.1 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
 236.2 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years  
 236.3 after the tax is first imposed, or (2) when the county board of commissioners determines  
 236.4 that the amount received from the tax is sufficient to pay for the project costs authorized  
 236.5 under subdivision 2, plus an amount sufficient to pay the costs related to issuance of any  
 236.6 bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise  
 236.7 provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds  
 236.8 remaining after payment of the allowed costs due to the timing of the termination of the tax  
 236.9 under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general  
 236.10 fund of the county. The tax imposed under subdivision 1 may expire at an earlier time if  
 236.11 the county so determines by ordinance.

236.12 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
 236.13 Jackson County and its chief clerical officer comply with Minnesota Statutes, section  
 236.14 645.021, subdivisions 2 and 3.

236.15 Sec. 36. **MONTICELLO; TAXES AUTHORIZED.**

236.16 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
 236.17 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,  
 236.18 and if approved by the voters at an election as required under Minnesota Statutes, section  
 236.19 297A.99, subdivision 3, the city of Monticello may impose by ordinance a sales and use  
 236.20 tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise  
 236.21 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the  
 236.22 imposition, administration, collection, and enforcement of the tax authorized under this  
 236.23 subdivision. The tax imposed under this subdivision is in addition to any local sales and  
 236.24 use tax imposed under any other special law.

236.25 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
 236.26 under subdivision 1 must be used by the city of Monticello to pay the costs of collecting  
 236.27 and administering the tax and paying for the following projects in the city, including securing  
 236.28 and paying debt service on bonds issued to finance all or part of the following projects:

236.29 (1) \$15,000,000 for new construction and rehabilitation of the Bertram Chain of Lakes  
 236.30 Regional Athletic Park; and

236.31 (2) \$15,000,000 for new construction and improvements to the Pointes at Cedar  
 236.32 Recreation Area.

237.1 Subd. 3. **Bonding authority.** (a) The city of Monticello may issue bonds under Minnesota  
237.2 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in  
237.3 subdivision 2 and approved by the voters as required under Minnesota Statutes, section  
237.4 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued  
237.5 under this subdivision may not exceed:

237.6 (1) \$15,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be  
237.7 applied to the payment of the costs of issuing the bonds; and

237.8 (2) \$15,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be  
237.9 applied to the payment of the costs of issuing the bonds.

237.10 (b) The bonds may be paid from or secured by any funds available to the city of  
237.11 Monticello, including the tax authorized under subdivision 1. The issuance of bonds under  
237.12 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

237.13 (c) The bonds are not included in computing any debt limitation applicable to the city  
237.14 of Monticello, and any levy of taxes under Minnesota Statutes, section 475.61, to pay  
237.15 principal and interest on the bonds is not subject to any levy limitation. A separate election  
237.16 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

237.17 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
237.18 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
237.19 after the tax is first imposed, or (2) when the city council determines that the amount received  
237.20 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
237.21 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
237.22 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
237.23 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
237.24 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
237.25 any funds remaining after payment of the allowed costs due to the timing of the termination  
237.26 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the  
237.27 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
237.28 if the city so determines by ordinance.

237.29 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
237.30 city of Monticello and its chief clerical officer comply with Minnesota Statutes, section  
237.31 645.021, subdivisions 2 and 3.

238.1 **Sec. 37. CITY OF MOUNDS VIEW; TAXES AUTHORIZED.**

238.2 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
238.3 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
238.4 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
238.5 city of Mounds View may impose, by ordinance, a sales and use tax of up to one and one-half  
238.6 percent for the purposes specified in subdivision 2. Except as otherwise provided in this  
238.7 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,  
238.8 administration, collection, and enforcement of the tax authorized under this subdivision.  
238.9 The tax imposed under this subdivision is in addition to any local sales and use tax imposed  
238.10 under any other special law.

238.11 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized  
238.12 under subdivision 1 must be used by the city of Mounds View to pay the costs of collecting  
238.13 and administering the tax, including associated bond costs on bonds issued under subdivision  
238.14 3, and securing and paying debt service on the bonds, and to finance up to \$16,500,000, for  
238.15 construction of an expanded community center into a regional amateur sports and recreational  
238.16 facility.

238.17 **Subd. 3. Bonding authority.** (a) The city of Mounds View may issue bonds under  
238.18 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project  
238.19 authorized in subdivision 2. The aggregate principal amount of bonds issued under this  
238.20 subdivision may not exceed \$16,500,000, plus an amount applied to the payment of costs  
238.21 of issuing the bonds.

238.22 (b) The bonds may be paid from or secured by any funds available to the county, including  
238.23 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not  
238.24 subject to Minnesota Statutes, sections 275.60 and 275.61.

238.25 (c) The bonds are not included in computing any debt limitation applicable to the county.  
238.26 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest  
238.27 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
238.28 under Minnesota Statutes, section 475.58, is not required.

238.29 **Subd. 4. Termination of taxes.** The tax imposed under subdivision 1 expires at the  
238.30 earlier of: (1) 20 years after the tax is first imposed; or (2) when the county determines that  
238.31 it has received from this tax \$16,500,000 to fund the project listed in subdivision 2, plus an  
238.32 amount sufficient to pay costs related to issuance of any bonds authorized under subdivision  
238.33 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes,  
238.34 section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the

239.1 allowed costs due to the timing of the termination of the tax under Minnesota Statutes,  
239.2 section 297A.99, subdivision 12, shall be placed in the county's general fund. The tax  
239.3 imposed under subdivision 1 may expire at an earlier time if the county determines by  
239.4 ordinance.

239.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
239.6 city of Mounds View and its chief clerical officer comply with Minnesota Statutes, section  
239.7 645.021, subdivisions 2 and 3.

239.8 **Sec. 38. CITY OF PROCTOR; TAXES AUTHORIZED.**

239.9 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
239.10 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
239.11 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
239.12 city of Proctor may impose by ordinance a sales and use tax of one-half of one percent for  
239.13 the purposes specified in subdivision 2. Except as otherwise provided in this section, the  
239.14 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,  
239.15 collection, and enforcement of the tax authorized under this subdivision. The tax imposed  
239.16 under this subdivision is in addition to any local sales and use tax imposed under any other  
239.17 special law.

239.18 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
239.19 under subdivision 1 must be used by the city of Proctor to pay the costs of collecting and  
239.20 administering the tax and to finance up to \$6,900,000 plus associated bonding costs for  
239.21 construction of a new regional and statewide trail spur in the city, including securing and  
239.22 paying debt service on bonds issued to finance all or part of the project.

239.23 Subd. 3. **Bonding authority.** (a) The city of Proctor may issue bonds under Minnesota  
239.24 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in  
239.25 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may  
239.26 not exceed \$6,900,000, plus an amount to be applied to the payment of the costs of issuing  
239.27 the bonds.

239.28 (b) The bonds may be paid from or secured by any funds available to the city of Proctor,  
239.29 including the tax authorized under subdivision 1. The issuance of bonds under this  
239.30 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

239.31 (c) The bonds are not included in computing any debt limitation applicable to the city  
239.32 of Proctor, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal

240.1 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
240.2 the bonds under Minnesota Statutes, section 475.58, is not required.

240.3 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
240.4 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
240.5 after the tax is first imposed, or (2) when the city council determines that the amount received  
240.6 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus  
240.7 an amount sufficient to pay the costs related to issuance of any bonds authorized under  
240.8 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota  
240.9 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment  
240.10 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,  
240.11 section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax  
240.12 imposed under subdivision 1 may expire at an earlier time if the city so determines by  
240.13 ordinance.

240.14 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
240.15 city of Proctor and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
240.16 subdivisions 2 and 3.

240.17 **Sec. 39. RICE COUNTY; TAXES AUTHORIZED.**

240.18 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
240.19 section 477A.016, or any other law or ordinance, and if approved by the voters at an election  
240.20 as required under Minnesota Statutes, section 297A.99, subdivision 3, Rice County may  
240.21 impose by ordinance a sales and use tax of three-eighths of one percent for the purpose  
240.22 specified in subdivision 2. Except as otherwise provided in this section, the provisions of  
240.23 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and  
240.24 enforcement of the tax authorized under this subdivision. The tax imposed under this  
240.25 subdivision is in addition to any local sales and use tax imposed under any other special  
240.26 law.

240.27 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
240.28 under subdivision 1 must be used by Rice County to pay the costs of collecting and  
240.29 administering the tax and paying for up to \$48,000,000 for the construction of a public  
240.30 safety facility in the county, including associated bond costs for any bonds issued under  
240.31 subdivision 3.

240.32 Subd. 3. **Bonding authority.** (a) Rice County may issue bonds under Minnesota Statutes,  
240.33 chapter 475, to finance all or a portion of the costs of the project authorized in subdivision



241.1 2. The aggregate principal amount of bonds issued under this subdivision may not exceed  
241.2 \$48,000,000, plus an amount to be applied to the payment of the costs of issuing the bonds.

241.3 (b) The bonds may be paid from or secured by any funds available to Rice County,  
241.4 including the tax authorized under subdivision 1. The issuance of bonds under this  
241.5 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

241.6 (c) The bonds are not included in computing any debt limitation applicable to Rice  
241.7 County, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
241.8 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
241.9 the bonds under Minnesota Statutes, section 475.58, is not required.

241.10 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
241.11 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years  
241.12 after the tax is first imposed, or (2) when the county board of commissioners determines  
241.13 that the amount received from the tax is sufficient to pay for the project costs authorized  
241.14 under subdivision 2, plus an amount sufficient to pay the costs related to issuance of any  
241.15 bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise  
241.16 provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds  
241.17 remaining after payment of the allowed costs due to the timing of the termination of the tax  
241.18 under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general  
241.19 fund of the county. The tax imposed under subdivision 1 may expire at an earlier time if  
241.20 the county so determines by ordinance.

241.21 **EFFECTIVE DATE.** This section is effective the day after the governing body of Rice  
241.22 County and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
241.23 subdivisions 2 and 3.

241.24 Sec. 40. **RICHFIELD; TAXES AUTHORIZED.**

241.25 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
241.26 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
241.27 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
241.28 city of Richfield may impose, by ordinance, a sales and use tax of one-half of one percent  
241.29 for the purposes specified in subdivision 2. Except as otherwise provided in this section,  
241.30 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,  
241.31 collection, and enforcement of the tax authorized under this subdivision.

241.32 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
241.33 under subdivision 1 must be used by the city of Richfield to pay the costs of collecting and

242.1 administering the tax and paying for the following projects in the city, including securing  
242.2 and paying debt service on bonds issued to finance all or part of the following regional  
242.3 projects:

242.4 (1) \$11,000,000 plus associated bonding costs for construction of the Wood Lake Nature  
242.5 Center building;

242.6 (2) \$9,000,000 plus associated bonding costs for construction of the Veterans Park  
242.7 Complex; and

242.8 (3) \$45,000,000 plus associated bonding costs for construction of the Richfield  
242.9 Community Center Project.

242.10 Subd. 3. **Bonding authority.** (a) The city of Richfield may issue bonds under Minnesota  
242.11 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in  
242.12 subdivision 2 and approved by voters as required under Minnesota Statutes, section 297A.99,  
242.13 subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this  
242.14 subdivision may not exceed \$65,000,000, plus an amount applied to the payment of costs  
242.15 of issuing the bonds. The bonds may be paid from or secured by any funds available to the  
242.16 city of Richfield, including the tax authorized under subdivision 1. The issuance of bonds  
242.17 under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

242.18 (b) The bonds are not included in computing any debt limitation applicable to the city.  
242.19 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest  
242.20 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
242.21 under Minnesota Statutes, section 475.58, is not required.

242.22 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
242.23 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
242.24 after being first imposed, or (2) when the city council determines that the amount received  
242.25 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
242.26 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
242.27 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
242.28 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
242.29 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
242.30 any funds remaining after payment of the allowed costs due to the timing of the termination  
242.31 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the  
242.32 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
242.33 if the city so determines by ordinance.

243.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
243.2 city of Richfield and its chief clerical officer comply with Minnesota Statutes, section  
243.3 645.021, subdivisions 2 and 3.

243.4 Sec. 41. **CITY OF ROSEVILLE; TAXES AUTHORIZED.**

243.5 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
243.6 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,  
243.7 and if approved by the voters at an election as required under Minnesota Statutes, section  
243.8 297A.99, subdivision 3, the city of Roseville may impose by ordinance a sales and use tax  
243.9 of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise  
243.10 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the  
243.11 imposition, administration, collection, and enforcement of the tax authorized under this  
243.12 subdivision. The tax imposed under this subdivision is in addition to any local sales and  
243.13 use tax imposed under any other special law.

243.14 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
243.15 under subdivision 1 must be used by the city of Roseville to pay the costs of collecting and  
243.16 administering the tax and paying for the following projects in the city, including securing  
243.17 and paying debt service on bonds issued to finance all or part of the following projects:

243.18 (1) \$64,200,000 for construction of a new maintenance facility; and

243.19 (2) \$12,700,000 for construction of a new license and passport center.

243.20 Subd. 3. **Bonding authority.** (a) The city of Roseville may issue bonds under Minnesota  
243.21 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in  
243.22 subdivision 2 and approved by the voters as required under Minnesota Statutes, section  
243.23 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued  
243.24 under this subdivision may not exceed:

243.25 (1) \$64,200,000 for the project listed in subdivision 2, clause (1), plus an amount to be  
243.26 applied to the payment of the costs of issuing the bonds; and

243.27 (2) \$12,700,000 for the project listed in subdivision 2, clause (2), plus an amount to be  
243.28 applied to the payment of the costs of issuing the bonds.

243.29 (b) The bonds may be paid from or secured by any funds available to the city of Roseville,  
243.30 including the tax authorized under subdivision 1. The issuance of bonds under this  
243.31 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

244.1 (c) The bonds are not included in computing any debt limitation applicable to the city  
244.2 of Roseville, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
244.3 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
244.4 the bonds under Minnesota Statutes, section 475.58, is not required.

244.5 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
244.6 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
244.7 after the tax is first imposed, or (2) when the city council determines that the amount received  
244.8 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
244.9 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
244.10 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
244.11 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
244.12 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
244.13 any funds remaining after payment of the allowed costs due to the timing of the termination  
244.14 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the  
244.15 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
244.16 if the city so determines by ordinance.

244.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
244.18 city of Roseville and its chief clerical officer comply with Minnesota Statutes, section  
244.19 645.021, subdivisions 2 and 3.

244.20 Sec. 42. **CITY OF ST. JOSEPH; TAXES AUTHORIZED.**

244.21 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
244.22 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
244.23 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
244.24 city of St. Joseph may impose by ordinance a sales and use tax of one-half of one percent  
244.25 for the purposes specified in subdivision 2. Except as otherwise provided in this section,  
244.26 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,  
244.27 collection, and enforcement of the tax authorized under this subdivision. The tax imposed  
244.28 under this subdivision is in addition to any local sales and use tax imposed under any other  
244.29 special law.

244.30 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
244.31 under subdivision 1 must be used by the city of St. Joseph to pay the costs of collecting and  
244.32 administering the tax and paying for the following projects in the city, including securing  
244.33 and paying debt service on bonds issued to finance all or part of the following projects:

245.1 (1) \$11,000,000 for construction of Phase II of the St. Joseph community center  
245.2 expansion; and

245.3 (2) \$6,000,000 for Phases II and III of the improvements to East Park along the Sauk  
245.4 River in the city of St. Joseph.

245.5 Subd. 3. **Bonding authority.** (a) The city of St. Joseph may issue bonds under Minnesota  
245.6 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in  
245.7 subdivision 2 and approved by the voters as required under Minnesota Statutes, section  
245.8 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued  
245.9 under this subdivision may not exceed:

245.10 (1) \$11,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be  
245.11 applied to the payment of the costs of issuing the bonds; and

245.12 (2) \$6,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be  
245.13 applied to the payment of the costs of issuing the bonds.

245.14 (b) The bonds may be paid from or secured by any funds available to the city of St.  
245.15 Joseph, including the tax authorized under subdivision 1. The issuance of bonds under this  
245.16 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

245.17 (c) The bonds are not included in computing any debt limitation applicable to the city  
245.18 of St. Joseph, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
245.19 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
245.20 the bonds under Minnesota Statutes, section 475.58, is not required.

245.21 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
245.22 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 17 years  
245.23 after the tax is first imposed, or (2) when the city council determines that the amount received  
245.24 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
245.25 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
245.26 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
245.27 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
245.28 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
245.29 any funds remaining after payment of the allowed costs due to the timing of the termination  
245.30 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the  
245.31 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
245.32 if the city so determines by ordinance.

246.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
246.2 city of St. Joseph and its chief clerical officer comply with Minnesota Statutes, section  
246.3 645.021, subdivisions 2 and 3.

246.4 Sec. 43. **STEARNS COUNTY; TAXES AUTHORIZED.**

246.5 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
246.6 section 297A.99, subdivision 1, or 477A.016, or any other law or ordinance, and if approved  
246.7 by the voters at an election as required under Minnesota Statutes, section 297A.99,  
246.8 subdivision 3, Stearns County may impose by ordinance a sales and use tax of three-eighths  
246.9 of one percent for the purpose specified in subdivision 2. Except as otherwise provided in  
246.10 this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,  
246.11 administration, collection, and enforcement of the tax authorized under this subdivision.

246.12 The tax imposed under this subdivision is in addition to any local sales and use tax imposed  
246.13 under any other special law.

246.14 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
246.15 under subdivision 1 must be used by Stearns County to pay the costs of collecting and  
246.16 administering the tax, and to finance up to \$325,000,000 for the construction of a new  
246.17 Stearns County Justice Center consisting of a law enforcement center, judicial center, and  
246.18 jail. Authorized costs include the associated bond costs for any bonds issued under  
246.19 subdivision 3.

246.20 Subd. 3. **Bonding authority.** (a) Stearns County may issue bonds under Minnesota  
246.21 Statutes, chapter 475, to finance the costs of the facility authorized in subdivision 2. The  
246.22 aggregate principal amount of bonds issued under this subdivision may not exceed  
246.23 \$325,000,000 for the project listed in subdivision 2, plus an amount to be applied to the  
246.24 payment of the costs of issuing the bonds.

246.25 (b) The bonds may be paid from or secured by any funds available to the county, including  
246.26 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not  
246.27 subject to Minnesota Statutes, sections 275.60 and 275.61.

246.28 (c) The bonds are not included in computing any debt limitation applicable to the county,  
246.29 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest  
246.30 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
246.31 under Minnesota Statutes, section 475.58, is not required.

246.32 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
246.33 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 30 years

247.1 after the tax is first imposed; or (2) when the county board determines that the amount  
247.2 received from the tax is sufficient to pay \$325,000,000 in project costs authorized under  
247.3 subdivision 2, plus an amount sufficient to pay the costs related to issuance of any bonds  
247.4 authorized under subdivision 3, including interest on the bonds. Except as otherwise provided  
247.5 in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining  
247.6 after payment of the allowed costs due to the timing of the termination of the tax under  
247.7 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of  
247.8 the county. The tax imposed under subdivision 1 may expire at an earlier time if the county  
247.9 so determines by ordinance.

247.10 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
247.11 Stearns County and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
247.12 subdivisions 2 and 3.

247.13 Sec. 44. **CITY OF STILLWATER; TAXES AUTHORIZED.**

247.14 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
247.15 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
247.16 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
247.17 city of Stillwater may impose by ordinance a sales and use tax of one-half of one percent  
247.18 for the purpose specified in subdivision 2. Except as otherwise provided in this section, the  
247.19 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,  
247.20 collection, and enforcement of the tax authorized under this subdivision. The tax imposed  
247.21 under this subdivision is in addition to any local sales and use tax imposed under any other  
247.22 special law.

247.23 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
247.24 under subdivision 1 must be used by the city of Stillwater to pay the costs of collecting and  
247.25 administering the tax, and to finance up to \$12,500,000 for the construction, renovation,  
247.26 and improvements to the Riverfront Improvement Project.

247.27 Subd. 3. **Bonding authority.** (a) The city of Stillwater may issue bonds under Minnesota  
247.28 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in  
247.29 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may  
247.30 not exceed \$12,500,000.

247.31 (b) The bonds may be paid from or secured by any funds available to the city of Stillwater,  
247.32 including the tax authorized under subdivision 1. The issuance of bonds under this  
247.33 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

248.1 (c) The bonds are not included in computing any debt limitation applicable to the city  
248.2 of Stillwater, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
248.3 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
248.4 the bonds under Minnesota Statutes, section 475.58, is not required.

248.5 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
248.6 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
248.7 after the tax is first imposed, or (2) when the city council determines that the amount received  
248.8 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus  
248.9 an amount sufficient to pay the costs related to issuance of any bonds authorized under  
248.10 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota  
248.11 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment  
248.12 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,  
248.13 section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax  
248.14 imposed under subdivision 1 may expire at an earlier time if the city so determines by  
248.15 ordinance.

248.16 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
248.17 city of Stillwater and its chief clerical officer comply with Minnesota Statutes, section  
248.18 645.021, subdivisions 2 and 3.

248.19 Sec. 45. **WINONA COUNTY; TAXES AUTHORIZED.**

248.20 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
248.21 sections 297A.99, subdivision 1, and 477A.016, or any other law, ordinance, or city charter,  
248.22 and if approved by the voters at an election as required under Minnesota Statutes, section  
248.23 297A.99, subdivision 3, Winona County may impose, by ordinance, a sales and use tax of  
248.24 one-quarter of one percent for the purposes specified in subdivision 2. Except as otherwise  
248.25 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the  
248.26 imposition, administration, collection, and enforcement of the tax authorized under this  
248.27 subdivision. The tax imposed under this subdivision is in addition to any local sales and  
248.28 use tax imposed under any other special law.

248.29 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
248.30 under subdivision 1 must be used by Winona County to pay the costs of collecting and  
248.31 administering the tax, and to finance up to \$28,000,000 for construction of a new correctional  
248.32 facility or upgrades to an existing correctional facility, as well as the associated bond costs  
248.33 for any bonds issued under subdivision 3.



249.1 Subd. 3. **Bonding authority.** (a) Winona County may issue bonds under Minnesota  
249.2 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in  
249.3 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may  
249.4 not exceed \$28,000,000, plus an amount applied to the payment of costs of issuing the  
249.5 bonds.

249.6 (b) The bonds may be paid from or secured by any funds available to the county, including  
249.7 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not  
249.8 subject to Minnesota Statutes, sections 275.60 and 275.61.

249.9 (c) The bonds are not included in computing any debt limitation applicable to the county.  
249.10 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest  
249.11 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
249.12 under Minnesota Statutes, section 475.58, is not required.

249.13 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the  
249.14 earlier of: (1) 25 years after the tax is first imposed; or (2) when the county determines that  
249.15 it has received from this tax \$28,000,000 to fund the project listed in subdivision 2, plus an  
249.16 amount sufficient to pay costs related to issuance of any bonds authorized under subdivision  
249.17 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes,  
249.18 section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the  
249.19 allowed costs due to timing of the termination of the tax under Minnesota Statutes, section  
249.20 297A.99, subdivision 12, shall be placed in the county's general fund. The tax imposed  
249.21 under subdivision 1 may expire at an earlier time if the county determines by ordinance.

249.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
249.23 Winona County and its chief clerical officer comply with Minnesota Statutes, section  
249.24 645.021, subdivisions 2 and 3.

249.25 Sec. 46. **CITY OF WOODBURY; TAXES AUTHORIZED.**

249.26 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
249.27 section 297A.99, subdivision 3, paragraph (d), or 477A.016, or any other law, ordinance,  
249.28 or city charter, and if approved by the voters at an election as required under Minnesota  
249.29 Statutes, section 297A.99, subdivision 3, the city of Woodbury may impose by ordinance  
249.30 a sales and use tax of one-half of one percent for the purpose specified in subdivision 2.  
249.31 Except as otherwise provided in this section, the provisions of Minnesota Statutes, section  
249.32 297A.99, govern the imposition, administration, collection, and enforcement of the tax  
249.33 authorized under this subdivision. The tax imposed under this subdivision is in addition to  
249.34 any local sales and use tax imposed under any other special law.

250.1 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized  
250.2 under subdivision 1 must be used by the city of Woodbury to pay the costs of collecting  
250.3 and administering the tax and to finance up to \$50,000,000, plus associated bonding costs,  
250.4 for the construction of a new public safety campus.

250.5 Subd. 3. Bonding authority. (a) The city of Woodbury may issue bonds under Minnesota  
250.6 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in  
250.7 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may  
250.8 not exceed \$50,000,000, plus an amount to be applied to the payment of the costs of issuing  
250.9 the bonds.

250.10 (b) The bonds may be paid from or secured by any funds available to the city of  
250.11 Woodbury, including the tax authorized under subdivision 1. The issuance of bonds under  
250.12 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

250.13 (c) The bonds are not included in computing any debt limitation applicable to the city  
250.14 of Woodbury, and any levy of taxes under Minnesota Statutes, section 475.61, to pay  
250.15 principal and interest on the bonds is not subject to any levy limitation. A separate election  
250.16 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

250.17 Subd. 4. Termination of taxes. Subject to Minnesota Statutes, section 297A.99,  
250.18 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
250.19 after the tax is first imposed, or (2) when the city council determines that the amount received  
250.20 from the tax is sufficient to pay \$50,000,000 in project costs authorized under subdivision  
250.21 2, plus an amount sufficient to pay the costs related to issuance of any bonds authorized  
250.22 under subdivision 3, including interest on the bonds. Except as otherwise provided in  
250.23 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining  
250.24 after payment of the allowed costs due to the timing of the termination of the tax under  
250.25 Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of  
250.26 the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so  
250.27 determines by ordinance.

250.28 EFFECTIVE DATE. This section is effective the day after the governing body of the  
250.29 city of Woodbury and its chief clerical officer comply with Minnesota Statutes, section  
250.30 645.021, subdivisions 2 and 3.

251.1 **ARTICLE 10**

251.2 **LOCAL SPECIAL TAXES**

251.3 Section 1. Laws 2008, chapter 366, article 7, section 17, is amended to read:

251.4 **Sec. 17. COOK COUNTY; LODGING AND ADMISSIONS TAXES TAX.**

251.5 Subdivision 1. **Lodging tax.** Notwithstanding Minnesota Statutes, section 477A.016,  
 251.6 or any other provision of law, ordinance, or city charter, the Board of Commissioners of  
 251.7 Cook County may impose, by ordinance, a tax of up to one percent on the gross receipts  
 251.8 subject to the lodging tax under Minnesota Statutes, section 469.190. This tax is in addition  
 251.9 to any tax imposed under Minnesota Statutes, section 469.190, and the total tax imposed  
 251.10 under that section and this provision must not exceed four percent.

251.11 ~~Subd. 2. **Admissions and recreation tax.** Notwithstanding Minnesota Statutes, section~~  
 251.12 ~~477A.016, or any other provision of law, ordinance, or city charter, the Board of~~  
 251.13 ~~Commissioners of Cook County may impose, by ordinance, a tax of up to three percent on~~  
 251.14 ~~admissions to entertainment and recreational facilities and rental of recreation equipment.~~

251.15 Subd. 3. **Use of taxes.** The taxes tax imposed in ~~subdivisions~~ subdivision 1 and 2 must  
 251.16 be used to fund a new Cook County Event and Visitors Bureau as established by the Board  
 251.17 of Commissioners of Cook County. The Board of Commissioners of Cook County must  
 251.18 annually review the budget of the Cook County Event and Visitors Bureau. The event and  
 251.19 visitors bureau may not receive revenues raised from the taxes tax imposed in ~~subdivisions~~  
 251.20 subdivision 1 and 2 until the board of commissioners approves the annual budget.

251.21 Subd. 4. **Termination.** The taxes tax imposed in ~~subdivisions~~ subdivision 1 and 2  
 251.22 ~~terminate 15~~ terminates 30 years after ~~they are~~ it is first imposed.

251.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

251.24 **Sec. 2. LAKE OF THE WOODS COUNTY LODGING TAX AUTHORIZED.**

251.25 (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of  
 251.26 law, ordinance, or city charter, and subject to the limitation in paragraph (b), the Board of  
 251.27 Commissioners of Lake of the Woods County may impose, by ordinance, a tax of up to  
 251.28 three percent on gross receipts in Lake of the Woods County subject to the lodging tax  
 251.29 provisions under Minnesota Statutes, section 469.190.

251.30 (b) The provisions of paragraph (a) do not apply to any statutory or home rule city or  
 251.31 town located in Lake of the Woods County that imposes a lodging tax under Minnesota

252.1 Statutes, section 469.190, or the city of Baudette. The total tax imposed under Minnesota  
 252.2 Statutes, section 469.190, and this section must not exceed three percent.

252.3 (c) To the extent not inconsistent with Minnesota Statutes, section 469.190, this section  
 252.4 is governed by Minnesota Statutes, section 469.190.

252.5 (d) Revenues derived from taxes imposed under this section must be used to fund a new  
 252.6 Lake of the Woods County Event and Visitors Bureau, as established by the Board of  
 252.7 Commissioners of Lake of the Woods County, for purposes of marketing Lake of the Woods  
 252.8 County. The Board of Commissioners must annually review the budget of the Event and  
 252.9 Visitors Bureau. The Event and Visitors Bureau may receive revenues raised from the taxes  
 252.10 imposed under this section only upon annual approval by the Board of Commissioners of  
 252.11 the Event and Visitors Bureau budget.

252.12 **EFFECTIVE DATE.** This section is effective the day after the governing body of Lake  
 252.13 of the Woods County and its chief clerical officer comply with Minnesota Statutes, section  
 252.14 645.021, subdivisions 2 and 3.

252.15 Sec. 3. **CITY OF WAYZATA FOOD AND BEVERAGE TAX.**

252.16 Subdivision 1. **Food and beverage tax authorized.** Notwithstanding Minnesota Statutes,  
 252.17 section 477A.016, or any ordinance, city charter, or other provision of law, the city of  
 252.18 Wayzata may, by ordinance, impose a sales tax of up to one percent on the gross receipts  
 252.19 on all sales of food and beverages by a restaurant or place of refreshment, as defined by  
 252.20 resolution of the city, that are located within the city, which has become a regional  
 252.21 destination. For purposes of this section, "food and beverages" includes retail on-sale of  
 252.22 intoxicating liquor and fermented malt beverages.

252.23 Subd. 2. **Use of proceeds from tax.** (a) The proceeds of any tax imposed under  
 252.24 subdivision 1 shall be used by the city to pay all or a portion of the expenses of:

252.25 (1) operation, maintenance, and capital expenses for city parks;

252.26 (2) operation costs related to providing public safety for a regional destination; and

252.27 (3) costs related to downtown business attraction and retention.

252.28 (b) Authorized capital expenses include securing or paying debt service on bonds or  
 252.29 other obligations issued to finance the construction of park capital improvements.

252.30 Subd. 3. **Collection, administration, and enforcement.** If the city desires, it may enter  
 252.31 into an agreement with the commissioner of revenue to administer, collect, and enforce the  
 252.32 taxes authorized under subdivisions 1 and 2. If the commissioner agrees to collect the tax,

253.1 the provisions of Minnesota Statutes, section 297A.99, related to collection, administration,  
 253.2 and enforcement apply.

253.3 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 253.4 city of Wayzata and its chief clerical officer comply with Minnesota Statutes, section  
 253.5 645.021, subdivisions 2 and 3.

## 253.6 **ARTICLE 11**

### 253.7 **PUBLIC FINANCE**

253.8 Section 1. Minnesota Statutes 2022, section 123B.61, is amended to read:

#### 253.9 **123B.61 PURCHASE OF CERTAIN EQUIPMENT.**

253.10 The board of a district may issue general obligation certificates of indebtedness or capital  
 253.11 notes subject to the district debt limits to: (a) purchase vehicles, computers, telephone  
 253.12 systems, cable equipment, photocopy and office equipment, technological equipment for  
 253.13 instruction, and other capital equipment having an expected useful life at least as long as  
 253.14 the terms of the certificates or notes; (b) purchase computer hardware and software, without  
 253.15 regard to its expected useful life, whether bundled with machinery or equipment or  
 253.16 unbundled, together with application development services and training related to the use  
 253.17 of the computer; and (c) prepay special assessments. The certificates or notes must be  
 253.18 payable in not more than ~~ten~~ 20 years and must be issued on the terms and in the manner  
 253.19 determined by the board, ~~except that certificates or notes issued to prepay special assessments~~  
 253.20 ~~must be payable in not more than 20 years.~~ The certificates or notes may be issued by  
 253.21 resolution and without the requirement for an election. The certificates or notes are general  
 253.22 obligation bonds for purposes of section 126C.55. A tax levy must be made for the payment  
 253.23 of the principal and interest on the certificates or notes, in accordance with section 475.61,  
 253.24 as in the case of bonds. The sum of the tax levies under this section and section 123B.62  
 253.25 for each year must not exceed the lesser of the amount of the district's total operating capital  
 253.26 revenue or the sum of the district's levy in the general and community service funds excluding  
 253.27 the adjustments under this section for the year preceding the year the initial debt service  
 253.28 levies are certified. The district's general fund levy for each year must be reduced by the  
 253.29 sum of (1) the amount of the tax levies for debt service certified for each year for payment  
 253.30 of the principal and interest on the certificates or notes issued under this section as required  
 253.31 by section 475.61, (2) the amount of the tax levies for debt service certified for each year  
 253.32 for payment of the principal and interest on bonds issued under section 123B.62, and (3)  
 253.33 any excess amount in the debt redemption fund used to retire bonds, certificates, or notes  
 253.34 issued under this section or section 123B.62 after April 1, 1997, other than amounts used

254.1 to pay capitalized interest. If the district's general fund levy is less than the amount of the  
 254.2 reduction, the balance shall be deducted first from the district's community service fund  
 254.3 levy, and next from the district's general fund or community service fund levies for the  
 254.4 following year. A district using an excess amount in the debt redemption fund to retire the  
 254.5 certificates or notes shall report the amount used for this purpose to the commissioner by  
 254.6 July 15 of the following fiscal year. A district having an outstanding capital loan under  
 254.7 section 126C.69 must not use an excess amount in the debt redemption fund to retire the  
 254.8 certificates or notes.

254.9 Sec. 2. Minnesota Statutes 2022, section 366.095, subdivision 1, is amended to read:

254.10 Subdivision 1. **Certificates of indebtedness.** The town board may issue certificates of  
 254.11 indebtedness within the debt limits for a town purpose otherwise authorized by law, including  
 254.12 projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause (2). The  
 254.13 certificates shall be payable in not more than ~~ten~~ 20 years and be issued on the terms and  
 254.14 in the manner as determined by the board ~~may determine, provided that notes issued for~~  
 254.15 ~~projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause (2), must~~  
 254.16 ~~be payable in not more than 20 years.~~ If the amount of the certificates to be issued exceeds  
 254.17 0.25 percent of the estimated market value of the town, they shall not be issued for at least  
 254.18 ten days after publication in a newspaper of general circulation in the town of the board's  
 254.19 resolution determining to issue them. If within that time, a petition asking for an election  
 254.20 on the proposition signed by voters equal to ten percent of the number of voters at the last  
 254.21 regular town election is filed with the clerk, the certificates shall not be issued until their  
 254.22 issuance has been approved by a majority of the votes cast on the question at a regular or  
 254.23 special election. A tax levy shall be made to pay the principal and interest on the certificates  
 254.24 as in the case of bonds.

254.25 Sec. 3. Minnesota Statutes 2022, section 373.01, subdivision 3, is amended to read:

254.26 Subd. 3. **Capital notes.** (a) A county board may, by resolution and without referendum,  
 254.27 issue capital notes subject to the county debt limit to purchase capital equipment useful for  
 254.28 county purposes that has an expected useful life at least equal to the term of the notes. The  
 254.29 notes shall be payable in not more than ~~ten~~ 20 years and shall be issued on the terms and in  
 254.30 a the manner determined by the board ~~determines~~. A tax levy shall be made for payment of  
 254.31 the principal and interest on the notes, in accordance with section 475.61, as in the case of  
 254.32 bonds.

254.33 (b) For purposes of this subdivision, "capital equipment" means:

255.1 (1) public safety, ambulance, road construction or maintenance, and medical equipment;  
255.2 ~~and~~

255.3 (2) computer hardware and software, whether bundled with machinery or equipment or  
255.4 unbundled, together with application development services and training related to the use  
255.5 of the computer hardware or software; and

255.6 (3) projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause  
255.7 (2).

255.8 Sec. 4. Minnesota Statutes 2022, section 383B.117, subdivision 2, is amended to read:

255.9 Subd. 2. **Equipment acquisition; capital notes.** The board may, by resolution and  
255.10 without public referendum, issue capital notes within existing debt limits for the purpose  
255.11 of purchasing ambulance and other medical equipment, road construction or maintenance  
255.12 equipment, public safety equipment, including projects that eliminate R-22, as defined in  
255.13 section 240A.09, paragraph (b), clause (2), and other capital equipment having an expected  
255.14 useful life at least equal to the term of the notes issued. The notes shall be payable in not  
255.15 more than ~~ten~~ 20 years and shall be issued on the terms and in a the manner as determined  
255.16 by the board ~~determines, provided that notes issued for projects that eliminate R-22, as~~  
255.17 ~~defined in section 240A.09, paragraph (b), clause (2), must be payable in not more than 20~~  
255.18 ~~years.~~ The total principal amount of the notes issued for any fiscal year shall not exceed  
255.19 one percent of the total annual budget for that year and shall be issued solely for the purchases  
255.20 authorized in this subdivision. A tax levy shall be made for the payment of the principal  
255.21 and interest on such notes as in the case of bonds. For purposes of this subdivision,  
255.22 "equipment" includes computer hardware and software, whether bundled with machinery  
255.23 or equipment or unbundled. For purposes of this subdivision, the term "medical equipment"  
255.24 includes computer hardware and software and other intellectual property for use in medical  
255.25 diagnosis, medical procedures, research, record keeping, billing, and other hospital  
255.26 applications, together with application development services and training related to the use  
255.27 of the computer hardware and software and other intellectual property, all without regard  
255.28 to their useful life. For purposes of determining the amount of capital notes which the county  
255.29 may issue in any year, the budget of the county and Hennepin Healthcare System, Inc. shall  
255.30 be combined and the notes issuable under this subdivision shall be in addition to obligations  
255.31 issuable under section 373.01, subdivision 3.

256.1 Sec. 5. Minnesota Statutes 2022, section 410.32, is amended to read:

256.2 **410.32 CITIES MAY ISSUE CAPITAL NOTES FOR CAPITAL EQUIPMENT.**

256.3 (a) Notwithstanding any contrary provision of other law or charter, a home rule charter  
256.4 city may, by resolution and without public referendum, issue capital notes subject to the  
256.5 city debt limit to purchase capital equipment.

256.6 (b) For purposes of this section, "capital equipment" means:

256.7 (1) public safety equipment, ambulance and other medical equipment, road construction  
256.8 and maintenance equipment, and other capital equipment; ~~and~~

256.9 (2) computer hardware and software, whether bundled with machinery or equipment or  
256.10 unbundled, together with application development services and training related to the use  
256.11 of the computer hardware and software; and

256.12 (3) projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause  
256.13 (2).

256.14 (c) The equipment or software must have an expected useful life at least as long as the  
256.15 term of the notes.

256.16 (d) The notes shall be payable in not more than ~~ten~~ 20 years and be issued on the terms  
256.17 and in the manner determined by the city ~~determines, provided that notes issued for projects~~  
256.18 ~~that eliminate R-22, as defined in section 240A.09, paragraph (b), clause (2), must be payable~~  
256.19 ~~in not more than 20 years.~~ The total principal amount of the capital notes issued in a fiscal  
256.20 year shall not exceed 0.03 percent of the estimated market value of taxable property in the  
256.21 city for that year.

256.22 (e) A tax levy shall be made for the payment of the principal and interest on the notes,  
256.23 in accordance with section 475.61, as in the case of bonds.

256.24 (f) Notes issued under this section shall require an affirmative vote of two-thirds of the  
256.25 governing body of the city.

256.26 (g) Notwithstanding a contrary provision of other law or charter, a home rule charter  
256.27 city may also issue capital notes subject to its debt limit in the manner and subject to the  
256.28 limitations applicable to statutory cities pursuant to section 412.301.



257.1 Sec. 6. Minnesota Statutes 2022, section 412.301, is amended to read:

257.2 **412.301 FINANCING PURCHASE OF CERTAIN EQUIPMENT.**

257.3 (a) The council may issue certificates of indebtedness or capital notes subject to the city  
257.4 debt limits to purchase capital equipment.

257.5 (b) For purposes of this section, "capital equipment" means:

257.6 (1) public safety equipment, ambulance and other medical equipment, road construction  
257.7 and maintenance equipment, and other capital equipment; ~~and~~

257.8 (2) computer hardware and software, whether bundled with machinery or equipment or  
257.9 unbundled, together with application development services and training related to the use  
257.10 of the computer hardware or software; and

257.11 (3) projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause  
257.12 (2).

257.13 (c) The equipment or software must have an expected useful life at least as long as the  
257.14 terms of the certificates or notes.

257.15 (d) Such certificates or notes shall be payable in not more than ~~ten~~ 20 years and shall  
257.16 be issued on ~~such~~ the terms and in ~~such~~ the manner as determined by the council ~~may~~  
257.17 ~~determine, provided, however, that notes issued for projects that eliminate R-22, as defined~~  
257.18 ~~in section 240A.09, paragraph (b), clause (2), must be payable in not more than 20 years.~~

257.19 (e) If the amount of the certificates or notes to be issued to finance any such purchase  
257.20 exceeds 0.25 percent of the estimated market value of taxable property in the city, they shall  
257.21 not be issued for at least ten days after publication in the official newspaper of a council  
257.22 resolution determining to issue them; and if before the end of that time, a petition asking  
257.23 for an election on the proposition signed by voters equal to ten percent of the number of  
257.24 voters at the last regular municipal election is filed with the clerk, such certificates or notes  
257.25 shall not be issued until the proposition of their issuance has been approved by a majority  
257.26 of the votes cast on the question at a regular or special election.

257.27 (f) A tax levy shall be made for the payment of the principal and interest on such  
257.28 certificates or notes, in accordance with section 475.61, as in the case of bonds.

257.29 Sec. 7. Minnesota Statutes 2022, section 469.033, subdivision 6, is amended to read:

257.30 Subd. 6. **Operation area as taxing district, special tax.** All of the territory included  
257.31 within the area of operation of any authority shall constitute a taxing district for the purpose  
257.32 of levying and collecting special benefit taxes as provided in this subdivision. All of the

258.1 taxable property, both real and personal, within that taxing district shall be deemed to be  
258.2 benefited by projects to the extent of the special taxes levied under this subdivision. Subject  
258.3 to the consent by resolution of the governing body of the city in and for which it was created,  
258.4 an authority may levy a tax upon all taxable property within that taxing district. The tax  
258.5 shall be extended, spread, and included with and as a part of the general taxes for state,  
258.6 county, and municipal purposes by the county auditor, to be collected and enforced therewith,  
258.7 together with the penalty, interest, and costs. As the tax, including any penalties, interest,  
258.8 and costs, is collected by the county treasurer it shall be accumulated and kept in a separate  
258.9 fund to be known as the "housing and redevelopment project fund." The money in the fund  
258.10 shall be turned over to the authority at the same time and in the same manner that the tax  
258.11 collections for the city are turned over to the city, and shall be expended only for the purposes  
258.12 of sections 469.001 to 469.047. It shall be paid out upon vouchers signed by the chair of  
258.13 the authority or an authorized representative. The amount of the levy shall be an amount  
258.14 approved by the governing body of the city, but shall not exceed 0.0185 percent of estimated  
258.15 market value. The authority shall each year formulate and file a budget in accordance with  
258.16 the budget procedure of the city in the same manner as required of executive departments  
258.17 of the city or, if no budgets are required to be filed, by August 1. The amount of the tax  
258.18 levy for the following year shall be based on that budget. The requirements of section  
258.19 275.067 apply to a housing and redevelopment authority that has not previously certified a  
258.20 levy.

258.21 Sec. 8. Minnesota Statutes 2022, section 469.053, subdivision 4, is amended to read:

258.22 Subd. 4. **Mandatory city levy.** A city shall, at the request of the port authority, levy a  
258.23 tax in any year for the benefit of the port authority. The tax must not exceed 0.01813 percent  
258.24 of estimated market value. The amount levied must be paid by the city treasurer to the  
258.25 treasurer of the port authority, to be spent by the authority. The requirements of section  
258.26 275.067 apply to a port authority that has not previously certified a levy.

258.27 Sec. 9. Minnesota Statutes 2022, section 469.053, subdivision 6, is amended to read:

258.28 Subd. 6. **Discretionary city levy.** Upon request of a port authority, the port authority's  
258.29 city may levy a tax to be spent by and for its port authority. The tax must enable the port  
258.30 authority to carry out efficiently and in the public interest sections 469.048 to 469.068 to  
258.31 create and develop industrial development districts. The levy must not be more than 0.00282  
258.32 percent of estimated market value. The county treasurer shall pay the proceeds of the tax  
258.33 to the port authority treasurer. The money may be spent by the authority in performance of  
258.34 its duties to create and develop industrial development districts. In spending the money the

259.1 authority must judge what best serves the public interest. The levy in this subdivision is in  
259.2 addition to the levy in subdivision 4. The requirements of section 275.067 apply to a port  
259.3 authority that has not previously certified a levy.

259.4 Sec. 10. Minnesota Statutes 2022, section 469.107, subdivision 1, is amended to read:

259.5 Subdivision 1. **City tax levy.** A city may, at the request of the authority, levy a tax in  
259.6 any year for the benefit of the authority. The tax must be not more than 0.01813 percent of  
259.7 estimated market value. The amount levied must be paid by the city treasurer to the treasurer  
259.8 of the authority, to be spent by the authority. The requirements of section 275.067 apply to  
259.9 an economic development authority that has not previously certified a levy.

259.10 Sec. 11. Minnesota Statutes 2022, section 473.39, is amended by adding a subdivision to  
259.11 read:

259.12 Subd. 1x. **Obligations.** In addition to other authority in this section, the council may  
259.13 issue certificates of indebtedness, bonds, or other obligations under this section in an amount  
259.14 not exceeding \$104,545,000 for capital expenditures as prescribed in the council's transit  
259.15 capital improvement program and for related costs, including the costs of issuance and sale  
259.16 of the obligations. Of this authorization, after July 1, 2023, the council may issue certificates  
259.17 of indebtedness, bonds, or other obligations in an amount not exceeding \$51,500,000, and  
259.18 after July 1, 2024, the council may issue certificates of indebtedness, bonds, or other  
259.19 obligations in an additional amount not exceeding \$53,045,000.

259.20 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
259.21 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
259.22 Scott, and Washington.

259.23 Sec. 12. Minnesota Statutes 2022, section 474A.02, subdivision 22b, is amended to read:

259.24 Subd. 22b. **Public facilities project.** "Public facilities project" means ~~any publicly owned~~  
259.25 ~~facility, or a facility that is used for district heating or cooling,~~ whether publicly or privately  
259.26 owned, that is eligible to be financed with the proceeds of public facilities bonds as defined  
259.27 under section 474A.02, subdivision 23a.

259.28 Sec. 13. Minnesota Statutes 2022, section 474A.02, subdivision 23a, is amended to read:

259.29 Subd. 23a. **Qualified bonds.** "Qualified bonds" means the specific type or types of  
259.30 obligations that are subject to the annual volume cap. Qualified bonds include the following  
259.31 types of obligations as defined in federal tax law:

260.1 (a) "public facility bonds" means "exempt facility bonds" as defined in federal tax law,  
260.2 except for residential rental project bonds, ~~which are those obligations issued to finance~~  
260.3 ~~airports, docks and wharves, mass commuting facilities, facilities for the furnishing of water,~~  
260.4 ~~sewage facilities, solid waste disposal facilities, facilities for the local furnishing of electric~~  
260.5 ~~energy or gas, local district heating or cooling facilities, and qualified hazardous waste~~  
260.6 ~~facilities.~~ New bonds and other obligations are ineligible to receive state allocations or  
260.7 entitlement authority for public facility projects under this section if they have been issued:

260.8 (1) for the purpose of refinancing, refunding, or otherwise defeasing existing debt; and

260.9 (2) more than one calendar year prior to the date of application;

260.10 (b) "residential rental project bonds" which are those obligations issued to finance  
260.11 qualified residential rental projects;

260.12 (c) "mortgage bonds";

260.13 (d) "small issue bonds" issued to finance manufacturing projects and the acquisition or  
260.14 improvement of agricultural real or personal property under sections 41C.01 to 41C.13;

260.15 (e) "student loan bonds" issued by or on behalf of the Minnesota Office of Higher  
260.16 Education;

260.17 (f) "redevelopment bonds";

260.18 (g) "governmental bonds" with a nonqualified amount in excess of \$15,000,000 as set  
260.19 forth in section 141(b)5 of federal tax law; and

260.20 (h) "enterprise zone facility bonds" issued to finance facilities located within  
260.21 empowerment zones or enterprise communities, as authorized under Public Law 103-66,  
260.22 section 13301.

260.23 Sec. 14. Minnesota Statutes 2022, section 475.54, subdivision 1, is amended to read:

260.24 Subdivision 1. **In installments; exception; annual limit.** Except as provided in  
260.25 subdivision 3, 5a, 15, or 17, or as expressly authorized in another law, all obligations of  
260.26 each issue shall mature or be subject to mandatory sinking fund redemption in installments,  
260.27 the first not later than three years and the last not later than 30 years from the date of the  
260.28 issue; or 40 years or the useful life of the asset, whichever is less, for ~~municipal water and~~  
260.29 ~~wastewater treatment systems and~~ essential community facilities financed or guaranteed by  
260.30 the United States Department of Agriculture and municipal water and wastewater treatment  
260.31 systems. No amount of principal of the issue payable in any calendar year shall exceed an

261.1 amount equal to the smallest amount payable in any preceding calendar year ending three  
261.2 years or more after the issue date multiplied:

261.3 (1) by five, in the case of obligations maturing not later than 25 years from the date of  
261.4 issue; and

261.5 (2) by six, in the case of obligations maturing 25 years or later from the date of issue.

261.6 Sec. 15. Laws 1971, chapter 773, section 1, subdivision 2, as amended by Laws 1974,  
261.7 chapter 351, section 5, Laws 1976, chapter 234, sections 1 and 7, Laws 1978, chapter 788,  
261.8 section 1, Laws 1981, chapter 369, section 1, Laws 1983, chapter 302, section 1, Laws 1988,  
261.9 chapter 513, section 1, Laws 1992, chapter 511, article 9, section 23, Laws 1998, chapter  
261.10 389, article 3, section 27, Laws 2002, chapter 390, section 23, and Laws 2013, chapter 143,  
261.11 article 12, section 18, is amended to read:

261.12 Subd. 2. For each of the years ~~2013 to 2024~~ 2023 to 2035, the city of St. Paul is authorized  
261.13 to issue bonds in the aggregate principal amount of ~~\$20,000,000~~ \$30,000,000 for each year.

261.14 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
261.15 city of St. Paul and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
261.16 subdivisions 2 and 3.

261.17 Sec. 16. **CITY OF VIRGINIA; NET DEBT LIMIT EXEMPTION.**

261.18 The city of Virginia may finance the construction of a public safety building in the city  
261.19 of Virginia by obtaining a loan from the United States Department of Agriculture secured  
261.20 by its general obligation pledge. Any bonds issued relating to this construction project or  
261.21 repayment of the loan must not be included in the computation of the city's limit on net debt  
261.22 under Minnesota Statutes, section 475.53, subdivision 1.

261.23 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
261.24 city of Virginia and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
261.25 subdivisions 2 and 3.

261.26

## ARTICLE 12

261.27

### STADIUM RESERVE

261.28 Section 1. Minnesota Statutes 2022, section 16A.726, is amended to read:

261.29 **16A.726 SPORTS FACILITIES TRANSFERS; APPROPRIATIONS.**

261.30 (a) ~~If state appropriation bonds have not been issued under section 16A.965, amounts~~  
261.31 ~~not to exceed the increased revenues estimated by the commissioner of management and~~

262.1 ~~budget under section 297E.021, subdivision 2, are appropriated from the general fund to~~  
 262.2 ~~the commissioner of management and budget to make transfers to the Minnesota Sports~~  
 262.3 ~~Facilities Authority for stadium costs as defined under section 473J.03, subdivision 9.~~

262.4 (b) The commissioner shall make transfers to the Minnesota Sports Facilities Authority  
 262.5 required to make the state payments under section 473J.13, subdivisions 2 and 4, and for  
 262.6 the amount of Minneapolis taxes withheld under section 297A.994, subdivision 4, paragraph  
 262.7 (a), clause (5) (4). Amounts sufficient to make the transfers are appropriated to the  
 262.8 commissioner from the general fund.

262.9 (e) (b) \$2,700,000 is annually appropriated from the general fund from fiscal year 2014  
 262.10 through fiscal year 2033 to the commissioner of management and budget for a grant to the  
 262.11 city of St. Paul for the operating or capital costs of new or existing sports facilities.

262.12 **EFFECTIVE DATE.** This section is effective July 1, 2023.

262.13 Sec. 2. Minnesota Statutes 2022, section 297A.994, subdivision 4, is amended to read:

262.14 Subd. 4. **General fund allocations.** (a) The commissioner must retain and deposit to  
 262.15 the general fund the following amounts, as required by subdivision 3, clause (3):

262.16 (1) for state bond debt service support beginning in calendar year 2021, and for each  
 262.17 calendar year thereafter through calendar year 2046, periodic amounts so that not later than  
 262.18 December 31, 2046, an aggregate amount equal to a present value of \$150,000,000 has been  
 262.19 deposited in the general fund. To determine aggregate present value, the commissioner must  
 262.20 consult with the commissioner of management and budget regarding the present value dates,  
 262.21 discount rate or rates, and schedules of annual amounts. The present value date or dates  
 262.22 must be based on the date or dates bonds are sold under section 16A.965, or the date or  
 262.23 dates other state funds, if any, are deposited into the construction fund. The discount rate  
 262.24 or rates must be based on the true interest cost of the bonds issued under section 16A.965,  
 262.25 or an equivalent 30-year bond index, as determined by the commissioner of management  
 262.26 and budget. The schedule of annual amounts must be certified to the commissioner by the  
 262.27 commissioner of management and budget and the finance officer of the city;

262.28 (2) for the capital improvement reserve appropriation to the Minnesota Sports Facilities  
 262.29 Authority beginning in calendar year 2021, and for each calendar year thereafter through  
 262.30 calendar year 2046, an aggregate annual amount equal to the amount paid by the state for  
 262.31 this purpose in that calendar year under section 473J.13, subdivision 4;

262.32 (3) for the operating expense appropriation to the Minnesota Sports Facilities Authority  
 262.33 beginning in calendar year 2021, and for each calendar year thereafter through calendar

263.1 year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose  
 263.2 in that calendar year under section 473J.13, subdivision 2; and

263.3 ~~(4) for recapture of state advances for capital improvements and operating expenses for~~  
 263.4 ~~calendar years 2016 through 2020 beginning in calendar year 2021, and for each calendar~~  
 263.5 ~~year thereafter until all amounts under this clause have been paid, proportionate amounts~~  
 263.6 ~~periodically until an aggregate amount equal to the present value of all amounts paid by the~~  
 263.7 ~~state have been deposited in the general fund. To determine the present value of the amounts~~  
 263.8 ~~paid by the state to the authority and the present value of amounts deposited to the general~~  
 263.9 ~~fund under this clause, the commissioner shall consult with the commissioner of management~~  
 263.10 ~~and budget regarding the present value dates, discount rate or rates, and schedule of annual~~  
 263.11 ~~amounts. The present value dates must be based on the dates state funds are paid to the~~  
 263.12 ~~authority, or the dates the commissioner of revenue deposits taxes for purposes of this clause~~  
 263.13 ~~to the general fund. The discount rates must be based on the reasonably equivalent cost of~~  
 263.14 ~~state funds as determined by the commissioner of management and budget. The schedule~~  
 263.15 ~~of annual amounts must be revised to reflect amounts paid under section 473J.13, subdivision~~  
 263.16 ~~2, paragraph (b), for 2016 to 2020, and subdivision 4, paragraph (c), for 2016 to 2020, and~~  
 263.17 ~~taxes deposited to the general fund from time to time under this clause, and the schedule~~  
 263.18 ~~and revised schedules must be certified to the commissioner by the commissioner of~~  
 263.19 ~~management and budget and the finance officer of the city, and are transferred as accrued~~  
 263.20 ~~from the general fund for repayment of advances made by the state to the authority; and~~

263.21 ~~(5)~~ (4) to capture increases in taxes imposed under the special law, for the benefit of the  
 263.22 Minnesota Sports Facilities Authority, beginning in calendar year 2013 and for each calendar  
 263.23 year thereafter through 2046, there shall be deposited to the general fund in proportionate  
 263.24 periodic payments in the following year, an amount equal to the following:

263.25 (i) 50 percent of the difference, if any, by which the amount of the net annual taxes for  
 263.26 the previous year exceeds the sum of the net actual taxes in calendar year 2011 plus  
 263.27 \$1,000,000, inflated at two percent per year since 2011, minus

263.28 (ii) 25 percent of the difference, if any, by which the amount of the net annual taxes for  
 263.29 the preceding year exceeds the sum of the net actual taxes in calendar year 2011 plus  
 263.30 \$3,000,000, inflated at two percent per year since 2011.

263.31 (b) The commissioner must remit the amounts under paragraph (a), clause (4), to the  
 263.32 Minnesota Sports Facility Authority. The Minnesota Sports Facility Authority must use the  
 263.33 amounts remitted under this paragraph for capital repairs, replacements, and improvements  
 263.34 for the stadium and stadium infrastructure.

264.1 **EFFECTIVE DATE.** This section is effective July 1, 2023.

264.2 Sec. 3. Minnesota Statutes 2022, section 473J.13, subdivision 2, is amended to read:

264.3 Subd. 2. **Operating expenses.** (a) The authority must pay or cause to be paid all operating  
264.4 expenses of the stadium. The authority must require in the lease or use agreement with the  
264.5 NFL team that the NFL team pay the authority, beginning January 1, 2016, or other date as  
264.6 mutually agreed upon by the parties, toward operating costs of the stadium, \$8,500,000  
264.7 each year, increased by a three percent annual inflation rate.

264.8 (b) Beginning January 1, 2016, or other date as mutually agreed upon by the parties,  
264.9 and continuing through 2020, the state shall pay the authority operating expenses, \$6,000,000  
264.10 each year, increased by an annual adjustment factor. ~~The payment of \$6,000,000 per year~~  
264.11 ~~beginning in 2016 is a payment by the state, which shall be repaid to the state, using funds~~  
264.12 ~~as provided under section 297A.994, subdivision 4, clause (4).~~ After 2020, the state shall  
264.13 assume this payment, using funds generated in accordance with the city of Minneapolis as  
264.14 specified under section 297A.994, subdivision 4, clause (3).

264.15 (c) The authority may establish an operating reserve to cover operating expense shortfalls  
264.16 and may accept funds from any source for deposit in the operating reserve. The establishment  
264.17 or funding of an authority operating reserve must not decrease the amounts required to be  
264.18 paid to the authority toward operating costs under this subdivision unless agreed to by the  
264.19 authority.

264.20 (d) The authority will be responsible for operating cost overruns.

264.21 (e) After the joint selection of the third-party manager or program manager, the authority  
264.22 may agree with a program manager or other third-party manager of the stadium on a fixed  
264.23 cost operating, management, or employment agreement with operating cost protections  
264.24 under which the program manager or third-party manager assumes responsibility for stadium  
264.25 operating costs and shortfalls. The agreement with the manager must require the manager  
264.26 to prepare an initial and ongoing operating plan and operating budgets for approval by the  
264.27 authority in consultation with the NFL team. The manager must agree to operate the stadium  
264.28 in accordance with the approved operating plan and operating budget.

264.29 **EFFECTIVE DATE.** This section is effective July 1, 2023.

264.30 Sec. 4. Minnesota Statutes 2022, section 473J.13, subdivision 4, is amended to read:

264.31 Subd. 4. **Capital improvements.** (a) The authority shall establish a capital reserve fund.  
264.32 The authority shall be responsible for making, or for causing others to make, all capital



265.1 repairs, replacements, and improvements for the stadium and stadium infrastructure. The  
265.2 authority shall maintain, or cause others to maintain, the stadium and stadium infrastructure  
265.3 in a safe, clean, attractive, and first-class manner so as to cause them to remain in a condition  
265.4 comparable to that of other comparable NFL facilities of similar design and age. The authority  
265.5 shall make, or cause others to make, all necessary or appropriate repairs, renewals, and  
265.6 replacements, whether structural or nonstructural, interior or exterior, ordinary or  
265.7 extraordinary, foreseen or unforeseen, in a prompt and timely manner. In addition, the  
265.8 authority, with approval of the NFL team, may enter into an agreement with a program  
265.9 manager to perform some or all of the responsibilities of the authority in this subdivision  
265.10 and to assume and accept financial liability for the cost of performing the responsibilities.

265.11 (b) The NFL team must contribute \$1,500,000 each year, beginning in 2016 or as  
265.12 otherwise determined for the term of the lease or use agreement to the capital reserve fund,  
265.13 increased by a three percent annual inflation rate.

265.14 (c) The state shall contribute \$1,500,000 each year, beginning in 2016 or as otherwise  
265.15 determined for the term of the lease to the capital reserve fund. The contributions of the  
265.16 state are subject to increase by an annual adjustment factor. ~~The contribution under this~~  
265.17 ~~paragraph by the state from 2016 through 2020 shall be repaid to the state using funds in~~  
265.18 ~~accordance with section 297A.994, subdivision 4, clause (4).~~

265.19 (d) The authority with input from the NFL team shall develop short-term and long-term  
265.20 capital funding plans and shall use those plans to guide the future capital needs of the stadium  
265.21 and stadium infrastructure. The authority shall make the final determination with respect  
265.22 to funding capital needs. Any capital improvement proposed by the NFL team intended  
265.23 primarily to provide revenue enhancements to the NFL team shall be paid for by the NFL  
265.24 team, unless otherwise agreed to with the authority.

265.25 (e) The NFL team has authority to determine the design of a retractable roof feature for  
265.26 the stadium. The NFL team must cooperate with the authority in designing the feature to  
265.27 minimize any additional operating cost. The design must not result in a material marginal  
265.28 increase in the operating or capital costs of the stadium, considering current collections and  
265.29 reserves.

265.30 **EFFECTIVE DATE.** This section is effective July 1, 2023.

265.31 **Sec. 5. APPROPRIATION; SECURE PERIMETER.**

265.32 \$15,700,000 is appropriated in fiscal year 2023 from the general fund to the commissioner  
265.33 of management and budget to provide for a secure perimeter around the professional football

266.1 stadium in Minneapolis. The commissioner must allocate these funds to the Minnesota  
266.2 Sports Facilities Authority after notifying the chairs and ranking minority members of the  
266.3 house of representatives Ways and Means Committee and the senate Finance Committee.  
266.4 This is a onetime appropriation.

266.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

266.6 **Sec. 6. OPTIONAL DEBT PAYOFF; APPROPRIATION.**

266.7 (a) If the commissioner of management and budget elects to apply an amount from the  
266.8 general reserve account established in Minnesota Statutes, section 297E.021, subdivision  
266.9 4, to prepay the debt issued under Minnesota Statutes, section 16A.965, during fiscal year  
266.10 2023, then the commissioner may also use the appropriation in paragraph (b) for the same  
266.11 purpose.

266.12 (b) The amount necessary, when added to the amount in the general reserve account  
266.13 established in Minnesota Statutes, section 297E.021, to prepay in fiscal 2023 the entire debt  
266.14 issued under Minnesota Statutes, section 16A.965, including any accrued interest and  
266.15 associated financing costs, is appropriated, from the general fund to the commissioner of  
266.16 management and budget in fiscal year 2023.

266.17 (c) This appropriation is only effective to the extent available and to the extent the amount  
266.18 in the general reserve account established in Minnesota Statutes, section 297E.021, is not  
266.19 sufficient to prepay the debt in full in fiscal year 2023, including any accrued interest and  
266.20 associated financing costs.

266.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

266.22 **Sec. 7. REPEALER.**

266.23 Minnesota Statutes 2022, sections 16A.965; and 297E.021, are repealed.

266.24 **EFFECTIVE DATE.** This section is effective upon certification from the commissioner  
266.25 of management and budget to the revisor of statutes that the bonds authorized under  
266.26 Minnesota Statutes, section 16A.965 are no longer outstanding.

267.1 **ARTICLE 13**267.2 **MISCELLANEOUS**267.3 Section 1. **[204B.50] LOCAL ELECTION EXPENSE REIMBURSEMENT.**

267.4 Subdivision 1. Local election expense reimbursement account. A local election expense  
267.5 reimbursement account is established in the special revenue fund. Funds in the account are  
267.6 appropriated to the secretary of state to make reimbursements to counties and municipalities  
267.7 as provided in this section. Funds in the account are available until spent.

267.8 Subd. 2. Authorized purposes. The secretary of state must reimburse counties and  
267.9 municipalities for expenses incurred in the administration of elections using available funds  
267.10 in the local election expense reimbursement account. The following expenses are eligible  
267.11 for reimbursement:

267.12 (1) preparation and printing of ballots;

267.13 (2) postage for absentee ballots;

267.14 (3) publication of the sample ballot;

267.15 (4) preparation of polling places in an amount not to exceed \$150 per polling place;

267.16 (5) preparation of electronic voting systems in an amount not to exceed \$100 per precinct;

267.17 (6) compensation for temporary staff or overtime payments;

267.18 (7) salaries of election judges;

267.19 (8) compensation of county canvassing board members; and

267.20 (9) other expenses as approved by the secretary of state.

267.21 Subd. 3. Request for payment. (a) By January 31 of each odd-numbered year, the  
267.22 county auditor or municipal clerk must submit a request for payment of the costs incurred  
267.23 by the county or municipality for conducting elections for the previous two years. The  
267.24 request for payment must be submitted to the secretary of state and must be accompanied  
267.25 by an itemized description of actual county or municipal expenditures, including copies of  
267.26 invoices. In addition, the county auditor or municipal clerk must certify that the request for  
267.27 reimbursement is based on actual costs incurred by the county or municipality in the election.

267.28 (b) The secretary of state must provide each county and municipality with the appropriate  
267.29 forms for requesting payment and certifying expenses under this subdivision. The secretary  
267.30 of state must not reimburse expenses unless the request for payment and certification of  
267.31 costs has been submitted as provided in this subdivision.

268.1 Subd. 4. **Amount of payment.** The secretary of state must reimburse 80 percent of the  
 268.2 costs submitted by each county and municipality. If there are not sufficient funds to reimburse  
 268.3 applicants for 80 percent of the costs submitted, the secretary of state must reduce all  
 268.4 reimbursement proportionally. The secretary of state must complete the issuance of  
 268.5 reimbursements to the counties and municipalities no later than April 1 of each odd-numbered  
 268.6 year.

268.7 Subd. 5. **Report to legislature.** By May 1 of each odd-numbered year, the secretary of  
 268.8 state must submit a report to the chairs and ranking minority members of the legislative  
 268.9 committees with jurisdiction over elections policy on reimbursements made pursuant to this  
 268.10 section. The report must include the amount each jurisdiction received.

268.11 Subd. 6. **Transfer to account.** Beginning in fiscal year 2024 and annually thereafter,  
 268.12 \$6,000,000 is transferred from the general fund to the local election expense reimbursement  
 268.13 account in the special revenue fund. The secretary of state may retain up to two percent of  
 268.14 the amount transferred under this subdivision in each year for administrative costs.

268.15 **EFFECTIVE DATE.** This section is effective July 1, 2023.

268.16 Sec. 2. Minnesota Statutes 2022, section 206.95, is amended to read:

268.17 **206.95 VOTING EQUIPMENT AND INFRASTRUCTURE GRANT ACCOUNT.**

268.18 Subdivision 1. **Voting equipment and infrastructure grant account.** A voting  
 268.19 equipment and infrastructure grant account is established in the special revenue fund. Funds  
 268.20 in the account are appropriated to the secretary of state to provide grants to political  
 268.21 subdivisions as authorized by this section. Funds in the account are available until ~~expended~~  
 268.22 spent.

268.23 Subd. 2. **Authorized ~~equipment~~ purposes.** A political subdivision may apply to receive  
 268.24 a grant under this section for the purchase or lease of the following:

268.25 (1) an electronic voting system, or any individual components of an electronic voting  
 268.26 system as provided in section 206.56, subdivision 8;

268.27 (2) assistive voting technology;

268.28 (3) an electronic roster system meeting the technology requirements of section 201.225,  
 268.29 subdivision 2; ~~and~~

268.30 (4) hardware or software for election-related purposes;

268.31 (5) cybersecurity for election-related purposes;

269.1 (6) security-related infrastructure for election-related purposes; and

269.2 (7) any other equipment or technology approved by the secretary of state for use in  
 269.3 conducting a state or local election in Minnesota consistent with the requirements of law.

269.4 Subd. 3. **Application.** (a) The secretary of state may make a grant from the account to  
 269.5 a political subdivision only after receiving an application from the political subdivision.  
 269.6 The application must contain the following information:

269.7 (1) the date the application is submitted;

269.8 (2) the name of the political subdivision;

269.9 (3) the name and title of the individual who prepared the application;

269.10 (4) if the application is for equipment described in subdivision 2, clauses 1 to 3:

269.11 (i) the type of voting system currently used in each precinct in the political subdivision;

269.12 and

269.13 ~~(5)~~ (ii) the date the system currently used was acquired and at what cost;

269.14 ~~(6)~~ (5) the total number of registered voters, as of the date of the application, in each  
 269.15 precinct in the political subdivision;

269.16 ~~(7)~~ (6) the total amount of the grant requested;

269.17 ~~(8)~~ (7) the total amount and source of the political subdivision's money to be used to  
 269.18 match a grant from the account;

269.19 ~~(9)~~ (8) the type of ~~voting system~~ equipment or infrastructure to be acquired with the  
 269.20 grant money and, if the application is for a voting system, whether the voting system will  
 269.21 permit individuals with disabilities to cast a secret ballot;

269.22 ~~(10)~~ (9) the proposed schedule for purchasing and ~~implementing~~ using the new ~~voting~~  
 269.23 system and equipment or infrastructure;

269.24 (10) where the equipment or infrastructure would be used, including, where applicable,  
 269.25 the precincts in which the new ~~voting system~~ equipment or infrastructure would be used;

269.26 (11) whether the political subdivision has previously applied for a grant from the account  
 269.27 and the disposition of that application;

269.28 (12) a certified statement by the political subdivision that the grant will be used only to  
 269.29 purchase authorized equipment or infrastructure under subdivision 2 ~~and that the political~~  
 269.30 ~~subdivision has insufficient resources to purchase the voting system without obtaining a~~  
 269.31 ~~grant from the account;~~

270.1 (13) a statement of why the political subdivision needs the equipment or infrastructure;  
 270.2 and

270.3 ~~(13)~~ (14) any other information required by the secretary of state.

270.4 (b) The secretary of state must establish a deadline for receipt of grant applications, a  
 270.5 procedure for awarding and distributing grants, and a process for verifying the proper use  
 270.6 of the grants after distribution.

270.7 Subd. 4. **Amount of grant.** A political subdivision is eligible to receive a grant of no  
 270.8 more than ~~75~~ 80 percent of the total cost of ~~electronic roster equipment and 50 percent of~~  
 270.9 ~~the total cost of all other equipment or technology~~ equipment or infrastructure authorized  
 270.10 for a grant under subdivision 2. In evaluating the application, the secretary of state shall  
 270.11 consider only the information set forth in the application and is not subject to chapter 14.  
 270.12 If the secretary of state determines that the application has been fully and properly completed,  
 270.13 and that there is a sufficient balance in the account to fund the grant, either in whole or in  
 270.14 part, the secretary of state may approve the application.

270.15 Subd. 5. **Report to legislature.** ~~No later than~~ By January 15, 2018, and annually thereafter  
 270.16 ~~until the appropriations provided for grants under this section have been exhausted,~~ of each  
 270.17 year, the secretary of state must submit a report to the legislative committees with jurisdiction  
 270.18 over elections policy on grants awarded by this section. The report must detail each grant  
 270.19 awarded, including the jurisdiction, the amount of the grant, and the type of equipment  
 270.20 purchased.

270.21 Subd. 6. **Transfer to account.** Beginning in fiscal year 2024 and annually thereafter,  
 270.22 \$4,000,000 is transferred from the general fund to the voting equipment and infrastructure  
 270.23 grant account in the special revenue fund.

270.24 **EFFECTIVE DATE.** This section is effective July 1, 2023.

270.25 Sec. 3. Minnesota Statutes 2022, section 270C.52, subdivision 2, is amended to read:

270.26 Subd. 2. **Payment agreements.** (a) When any portion of any tax payable to the  
 270.27 commissioner together with interest and penalty thereon, if any, has not been paid, the  
 270.28 commissioner may extend the time for payment for a further period. When the authority of  
 270.29 this section is invoked, the extension shall be evidenced by written agreement signed by  
 270.30 the taxpayer and the commissioner, stating the amount of the tax with penalty and interest,  
 270.31 if any, and providing for the payment of the amount in installments.

270.32 (b) The agreement may contain a confession of judgment for the amount and for any  
 270.33 unpaid portion thereof. If the agreement contains a confession of judgment, the confession

271.1 of judgment must provide that the commissioner may enter judgment against the taxpayer  
271.2 in the district court of the county of residence as shown upon the taxpayer's tax return for  
271.3 the unpaid portion of the amount specified in the extension agreement.

271.4 (c) The agreement shall provide that it can be terminated, after notice by the  
271.5 commissioner, if information provided by the taxpayer prior to the agreement was inaccurate  
271.6 or incomplete, collection of the tax covered by the agreement is in jeopardy, there is a  
271.7 subsequent change in the taxpayer's financial condition, the taxpayer has failed to make a  
271.8 payment due under the agreement, or the taxpayer has failed to pay any other tax or file a  
271.9 tax return coming due after the agreement.

271.10 (d) The notice must be given at least 14 calendar days prior to termination, and shall  
271.11 advise the taxpayer of the right to request a reconsideration from the commissioner of  
271.12 whether termination is reasonable and appropriate under the circumstances. A request for  
271.13 reconsideration does not stay collection action beyond the 14-day notice period. If the  
271.14 commissioner has reason to believe that collection of the tax covered by the agreement is  
271.15 in jeopardy, the commissioner may proceed under section 270C.36 and terminate the  
271.16 agreement without regard to the 14-day period.

271.17 (e) The commissioner may accept other collateral the commissioner considers appropriate  
271.18 to secure satisfaction of the tax liability. The principal sum specified in the agreement shall  
271.19 bear interest at the rate specified in section 270C.40 on all unpaid portions thereof until the  
271.20 same has been fully paid or the unpaid portion thereof has been entered as a judgment. The  
271.21 judgment shall bear interest at the rate specified in section 270C.40.

271.22 (f) If it appears to the commissioner that the tax reported by the taxpayer is in excess of  
271.23 the amount actually owing by the taxpayer, the extension agreement or the judgment entered  
271.24 pursuant thereto shall be corrected. If after making the extension agreement or entering  
271.25 judgment with respect thereto, the commissioner determines that the tax as reported by the  
271.26 taxpayer is less than the amount actually due, the commissioner shall assess a further tax  
271.27 in accordance with the provisions of law applicable to the tax.

271.28 (g) The authority granted to the commissioner by this section is in addition to any other  
271.29 authority granted to the commissioner by law to extend the time of payment or the time for  
271.30 filing a return and shall not be construed in limitation thereof.

271.31 ~~(h) The commissioner shall charge a fee for entering into payment agreements. The fee~~  
271.32 ~~is set at \$50 and is charged for entering into a payment agreement, for entering into a new~~  
271.33 ~~payment agreement after the taxpayer has defaulted on a prior agreement, and for entering~~  
271.34 ~~into a new payment agreement as a result of renegotiation of the terms of an existing~~

272.1 ~~agreement. The fee is paid to the commissioner before the payment agreement becomes~~  
 272.2 ~~effective and does not reduce the amount of the liability.~~

272.3 **EFFECTIVE DATE.** This section is effective for payment plans entered into beginning  
 272.4 30 days after the day following final enactment.

272.5 Sec. 4. Minnesota Statutes 2022, section 278.01, subdivision 1, is amended to read:

272.6 Subdivision 1. **Determination of validity.** (a) Any person having personal property, or  
 272.7 any estate, right, title, or interest in or lien upon any parcel of land, who claims that such  
 272.8 property has been partially, unfairly, or unequally assessed in comparison with other property  
 272.9 in the (1) city, or (2) county, or (3) in the case of a county containing a city of the first class,  
 272.10 the portion of the county excluding the first class city, or that the parcel has been assessed  
 272.11 at a valuation greater than its real or actual value, or that the tax levied against the same is  
 272.12 illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so  
 272.13 levied, may have the validity of the claim, defense, or objection determined by the district  
 272.14 court of the county in which the tax is levied or by the Tax Court by personally serving one  
 272.15 copy of a petition for such determination upon the county auditor, ~~one copy on the county~~  
 272.16 ~~attorney, one copy on the county treasurer, and three copies on the county assessor.~~ The  
 272.17 ~~county assessor shall immediately forward one copy of the petition to the appropriate~~  
 272.18 ~~governmental authority in a home rule charter or statutory city or town in which the property~~  
 272.19 ~~is located if that city or town employs its own certified assessor. A copy of the petition shall~~  
 272.20 ~~also be forwarded by the assessor to the school board of the school district in which the~~  
 272.21 ~~property is located.~~ The county auditor may waive personal service of a petition by: (i)  
 272.22 agreeing to accept service through an alternative service method; (ii) designating an  
 272.23 alternative service method on the county website; or (iii) acknowledging receipt of a petition  
 272.24 served through an alternative service method. An alternative service method includes but  
 272.25 is not limited to service by email or by an electronic upload to a website designated by the  
 272.26 county. Service may be made by any person, including a party to the action.

272.27 (b) ~~In counties where the office of county treasurer has been combined with the office~~  
 272.28 ~~of county auditor, the county may elect to require the petitioner to serve the number of~~  
 272.29 ~~copies as determined by the county.~~ Within 30 days after a petition is served and filed, the  
 272.30 county auditor must provide a copy of the petition, if a copy has not already been provided,  
 272.31 to the county assessor, county treasurer, and the county attorney. The county assessor shall  
 272.32 immediately forward one copy of the petition to the appropriate governmental authority in  
 272.33 a home rule charter or statutory city or town in which the property is located if that city or  
 272.34 town employs its own certified assessor. On or before the first day of July, the county auditor



273.1 must send a list of petitioned properties, including to the school board of the school district  
 273.2 in which the property is located. The list must include the name of the petitioner, the  
 273.3 identification number of the property, and the estimated market value, shall be sent on or  
 273.4 before the first day of July by the county auditor/treasurer to the school board of the school  
 273.5 district in which the property is located of the property.

273.6 (c) For all counties, the petitioner must file ~~the copies with~~ a copy of the petition and  
 273.7 proof of service, of the petition in the office of the court administrator of the district court  
 273.8 on or before April 30 of the year in which the tax becomes payable. A petition for  
 273.9 determination under this section may be transferred by the district court to the Tax Court.  
 273.10 An appeal may also be taken to the Tax Court under chapter 271 at any time following  
 273.11 receipt of the valuation notice that county assessors or city assessors having the powers of  
 273.12 a county assessor are required by section 273.121 to send to persons whose property is to  
 273.13 be included on the assessment roll that year, but prior to May 1 of the year in which the  
 273.14 taxes are payable.

273.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

273.16 Sec. 5. Minnesota Statutes 2022, section 297H.13, subdivision 2, is amended to read:

273.17 Subd. 2. **Allocation of revenues.** (a) ~~\$33,760,000, or 70 percent, whichever is greater,~~  
 273.18 Of the amounts remitted under this chapter, 70 percent must be credited to the environmental  
 273.19 fund established in section 16A.531, subdivision 1.

273.20 (b) In addition to the amounts credited to the environmental fund in paragraph (a), 15  
 273.21 percent of the amounts remitted under this chapter shall be deposited into the resource  
 273.22 management account in the environmental fund in fiscal year 2027 and later.

273.23 (c) The remainder must be deposited into the general fund.

273.24 (d) Beginning in fiscal year 2027 and annually thereafter, the money deposited in the  
 273.25 resource management account in the environmental fund under paragraph (b) is appropriated  
 273.26 to the commissioner of the Pollution Control Agency for distribution to counties under  
 273.27 section 115A.557, subdivision 2, paragraph (a), clauses (1) to (7) and (9) to (11).

273.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

273.29 Sec. 6. **[428B.01] DEFINITIONS.**

273.30 Subdivision 1. **Applicability.** As used in sections 428B.01 to 428B.09, the terms in this  
 273.31 section have the meanings given them.

274.1 Subd. 2. **Activity.** "Activity" means but is not limited to all of the following:

274.2 (1) promotion of tourism within the district;

274.3 (2) promotion of business activity, including but not limited to tourism, of businesses  
274.4 subject to the service charge within the tourism improvement district;

274.5 (3) marketing, sales, and economic development; and

274.6 (4) other services provided for the purpose of conferring benefits upon businesses located  
274.7 in the tourism improvement district that are subject to the tourism improvement district  
274.8 service charge.

274.9 Subd. 3. **Business.** "Business" means the type or class of lodging business that is  
274.10 described in the municipality's ordinance, which benefits from district activities, adopted  
274.11 under section 428B.02.

274.12 Subd. 4. **Business owner.** "Business owner" means a person recognized by a municipality  
274.13 as the owner of a business.

274.14 Subd. 5. **City.** "City" means a home rule charter or statutory city.

274.15 Subd. 6. **Clerk.** "Clerk" means the chief clerical officer of the municipality.

274.16 Subd. 7. **Governing body.** "Governing body" means, with respect to a city, a city council  
274.17 or other governing body of a city. With respect to a town, governing body means a town  
274.18 board or other governing body of a town. With respect to a county, governing body means  
274.19 a board of commissioners or other governing body of a county.

274.20 Subd. 8. **Impacted business owners.** "Impacted business owners" means a majority of  
274.21 business owners located within a proposed or established tourism improvement district.

274.22 Subd. 9. **Municipality.** "Municipality" means a county, city, or town.

274.23 Subd. 10. **Tourism improvement association.** "Tourism improvement association"  
274.24 means a new or existing and tax-exempt nonprofit corporation, entity, or agency charged  
274.25 with promoting tourism within the tourism improvement district and that is under contract  
274.26 with the municipality to administer the tourism improvement district and implement the  
274.27 activities and improvements listed in the municipality's ordinance.

274.28 Subd. 11. **Tourism improvement district.** "Tourism improvement district" means a  
274.29 tourism improvement district established under this chapter.

274.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

275.1 **Sec. 7. [428B.02] ESTABLISHMENT OF TOURISM IMPROVEMENT DISTRICT.**

275.2 Subdivision 1. Ordinance. (a) Upon a petition by impacted business owners, a governing  
275.3 body of a municipality may adopt an ordinance establishing a tourism improvement district  
275.4 after holding a public hearing on the district. The ordinance must include:

275.5 (1) a map that identifies the tourism improvement district boundaries in sufficient detail  
275.6 to allow a business owner to determine whether a business is located within the tourism  
275.7 improvement district boundaries;

275.8 (2) the name of the tourism improvement association designated to administer the tourism  
275.9 improvement district and implement the approved activities and improvements;

275.10 (3) a list of the proposed activities and improvements in the tourism improvement district;

275.11 (4) the time and manner of collecting the service charge and any interest and penalties  
275.12 for nonpayment;

275.13 (5) a definition describing the type or class of businesses to be included in the tourism  
275.14 improvement district and subject to the service charge;

275.15 (6) the rate, method, and basis of the service charge with intent, and penalties on  
275.16 delinquent payments for the district, including the portion dedicated to covering expenses  
275.17 listed in subdivision 4, paragraph (b); and

275.18 (7) the number of years the service charge will be in effect.

275.19 (b) If the boundaries of a proposed tourism improvement district overlap with the  
275.20 boundaries of an existing special service district, the tourism improvement district ordinance  
275.21 may list measures to avoid any impediments on the ability of the special service district to  
275.22 continue to provide its services to benefit its property owners.

275.23 Subd. 2. Notice. A municipality must provide notice of the hearing by publication in at  
275.24 least two issues of the official newspaper of the municipality. The two publications must  
275.25 be two weeks apart and the municipality must hold the hearing at least three days after the  
275.26 last publication. Not less than ten days before the hearing, the municipality must mail, or  
275.27 deliver by electronic means, notice to the business owner of each business subject to the  
275.28 proposed service charge by the tourism improvement district. The notice must include:

275.29 (1) a map showing the boundaries of the proposed district;

275.30 (2) the time and place of the hearing;

275.31 (3) a statement that all interested persons will be given an opportunity to be heard at the  
275.32 hearing regarding the proposed service charge; and

276.1 (4) a brief description of the proposed activities, improvements, and service charge.

276.2 Subd. 3. **Business owner determination.** A business must provide ownership information  
276.3 to the municipality. A municipality has no obligation to obtain other information regarding  
276.4 the ownership of businesses, and its determination of ownership shall be final for the purposes  
276.5 of this chapter. If this chapter requires the signature of a business owner, the signature of  
276.6 the authorized representative of a business owner is sufficient.

276.7 Subd. 4. **Service charges; relationship to services.** (a) A municipality may impose a  
276.8 service charge on a business pursuant to this chapter for the purpose of providing activities  
276.9 and improvements that will provide benefits to a business that is located within the tourism  
276.10 improvement district and subject to the tourism improvement district service charge. Each  
276.11 business paying a service charge within a district must benefit directly or indirectly from  
276.12 improvements provided by a tourism improvement association, provided, however, the  
276.13 business need not benefit equally. Service charges must be based on a percent of gross  
276.14 business revenue, a fixed dollar amount per transaction, or any other reasonable method  
276.15 based upon benefit and approved by the municipality.

276.16 (b) Service charges may be used to cover the costs of collections, as well as other  
276.17 administrative costs associated with operating, forming, or maintaining the district.

276.18 Subd. 5. **Public hearing.** At the hearing regarding the adoption of the ordinance  
276.19 establishing a tourism improvement district, business owners and persons affected by the  
276.20 proposed district may testify on issues relevant to the proposed district. The hearing may  
276.21 be adjourned from time to time. The ordinance establishing the district may be adopted at  
276.22 any time within six months after the date of the conclusion of the hearing by a vote of the  
276.23 majority of the governing body of the municipality.

276.24 Subd. 6. **Appeal to district court.** Within 45 days after the adoption of the ordinance  
276.25 establishing a tourism improvement district, a person aggrieved, who is not precluded by  
276.26 failure to object before or at the hearing, may appeal to the district court by serving a notice  
276.27 on the clerk of the municipality or governing body. The validity of the tourism improvement  
276.28 district and the service charge imposed under this chapter shall not be contested in an action  
276.29 or proceeding unless the action or proceeding is commenced within 45 days after the adoption  
276.30 of the ordinance establishing a tourism improvement district. The petitioner must file notice  
276.31 with the court administrator of the district court within ten days after its service. The clerk  
276.32 of the municipality must provide the petitioner with a certified copy of the findings and  
276.33 determination of the governing body. The court may affirm the action objected to or, if the  
276.34 petitioner's objections have merit, modify or cancel it. If the petitioner does not prevail on

277.1 the appeal, the costs incurred shall be charged to the petitioner by the court and judgment  
277.2 entered for them. All objections shall be deemed waived unless presented on appeal.

277.3 Subd. 7. **Notice to the commissioner of revenue.** Within 30 days of adoption of the  
277.4 ordinance, the governing body must send a copy of the ordinance to the commissioner of  
277.5 revenue.

277.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

277.7 Sec. 8. **[428B.03] SERVICE CHARGE AUTHORITY; NOTICE; HEARING**  
277.8 **REQUIREMENT.**

277.9 Subdivision 1. **Authority.** A municipality may impose service charges authorized under  
277.10 section 428B.02, subdivision 4, to finance an activity or improvement in the tourism  
277.11 improvement district that is provided by the municipality if the activity or improvement is  
277.12 provided in the tourism improvement district at an increased level of service. The service  
277.13 charges may be imposed in the amount needed to pay for the increased level of service  
277.14 provided by the activity or improvement.

277.15 Subd. 2. **Annual hearing requirement; notice.** Beginning one year after the  
277.16 establishment of the tourism improvement district, the municipality must hold an annual  
277.17 public hearing regarding continuation of the service charges in the tourism improvement  
277.18 district. The municipality must provide notice of the hearing by publication in the official  
277.19 newspaper at least seven days before the hearing. The municipality must mail, or deliver  
277.20 by electronic means, notice of the hearing to business owners subject to the service charge  
277.21 at least seven days before the hearing. At the hearing, a person affected by the proposed  
277.22 district may testify on issues relevant to the proposed district. Within six months of the  
277.23 hearing, the municipality may adopt a resolution to continue imposing service charges within  
277.24 the district not exceeding the amount or rate expressed in the notice. For purposes of this  
277.25 section, the notice must include:

277.26 (1) a map showing the boundaries of the district;

277.27 (2) the time and place of the hearing;

277.28 (3) a statement that all interested persons will be given an opportunity to be heard at the  
277.29 hearing regarding the proposed service charge;

277.30 (4) a brief description of the proposed activities and improvements;

277.31 (5) the estimated annual amount of proposed expenditures for activities and  
277.32 improvements;

278.1 (6) the rate of the service charge for the district during the year and the nature and  
278.2 character of the proposed activities and improvements for the district during the year in  
278.3 which service charges are collected;

278.4 (7) the number of years the service charge will be in effect; and

278.5 (8) a statement that the petition requirement of section 428B.07 has either been met or  
278.6 does not apply to the proposed service charge.

278.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

278.8 Sec. 9. **[428B.04] MODIFICATION OF ORDINANCE.**

278.9 **Subdivision 1. Adoption of ordinance; request for modification.** Upon written request  
278.10 of the tourism improvement association, the governing body of a municipality may adopt  
278.11 an ordinance to modify the district after conducting a public hearing on the proposed  
278.12 modifications. If the modification includes a change to the rate, method, and basis of  
278.13 imposing the service charge or the expansion of the tourism improvement district's geographic  
278.14 boundaries, a petition as described in section 428B.07 must be submitted by impacted  
278.15 business owners to initiate proceedings for modification.

278.16 **Subd. 2. Notice of modification.** A municipality must provide notice of the hearing by  
278.17 publication in at least two issues of the municipality's official newspaper. The two  
278.18 publications must be two weeks apart and the municipality must hold a hearing at least three  
278.19 days after the last publication. Not less than ten days before the hearing, the municipality  
278.20 must mail, or deliver by electronic means, notice to the business owner of each business  
278.21 subject to the service charge by the tourism improvement district. The notice must include:

278.22 (1) a map showing the boundaries of the district and any proposed changes to the  
278.23 boundaries of the district;

278.24 (2) the time and place of the hearing;

278.25 (3) a statement that all interested persons will be given an opportunity to be heard at the  
278.26 hearing regarding the proposed service charge; and

278.27 (4) a brief description of the proposed modification to the ordinance.

278.28 **Subd. 3. Hearing on modification.** At the hearing regarding modification to the  
278.29 ordinance, business owners and persons affected by the proposed modification may testify  
278.30 on issues relevant to the proposed modification. Within six months after the conclusion of  
278.31 the hearing, the municipality may adopt the ordinance modifying the district by a vote of

279.1 the majority of the governing body in accordance with the request for modification by the  
279.2 tourism improvement association and as described in the notice.

279.3 Subd. 4. **Objection.** If the modification of the ordinance includes the expansion of the  
279.4 tourism improvement district's geographic boundaries, the ordinance modifying the district  
279.5 may be adopted after following the notice and veto requirements in section 428B.08;  
279.6 however, a successful objection will be determined based on a majority of business owners  
279.7 who will pay the service charge in the expanded area of the district. For all other  
279.8 modifications, the ordinance modifying the district may be adopted following the notice  
279.9 and veto requirements in section 428B.08.

279.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

279.11 Sec. 10. **[428B.05] COLLECTION OF SERVICE CHARGES; PENALTIES.**

279.12 The service charges imposed under this chapter may be collected by the municipality,  
279.13 tourism improvement association, or other designated agency or entity. Collection of the  
279.14 service charges must be made at the time and in the manner set forth in the ordinance. The  
279.15 entity collecting the service charges may charge interest and penalties on delinquent payments  
279.16 for service charges imposed under this chapter as set forth in the municipality's ordinance.

279.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

279.18 Sec. 11. **[428B.06] TOURISM IMPROVEMENT ASSOCIATION.**

279.19 Subdivision 1. **Composition and duties.** The tourism improvement association must  
279.20 be designated in the municipality's ordinance. The tourism improvement association shall  
279.21 appoint a governing board or committee composed of a majority of business owners who  
279.22 pay the tourism improvement district service charge, or the representatives of those business  
279.23 owners. The governing board or committee must manage the funds raised by the tourism  
279.24 improvement district and fulfill the obligations of the tourism improvement district. A  
279.25 tourism improvement association has full discretion to select the specific activities and  
279.26 improvements that are funded with tourism improvement district service charges within the  
279.27 authorized activities and improvements described in the ordinance.

279.28 Subd. 2. **Annual report.** The tourism improvement association must submit to the  
279.29 municipality an annual report for each year in which a service charge is imposed. The report  
279.30 must include a financial statement of revenue raised by the district. The municipality may  
279.31 also, as part of the enabling ordinance, require the submission of other relevant information  
279.32 related to the association.

280.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

280.2 Sec. 12. **[428B.07] PETITION REQUIRED.**

280.3 A municipality may not establish a tourism improvement district under section 428B.02  
280.4 unless impacted business owners file a petition requesting a public hearing on the proposed  
280.5 action with the clerk of the municipality.

280.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

280.7 Sec. 13. **[428B.08] VETO POWER OF OWNERS.**

280.8 Subdivision 1. **Notice of right to file objections.** The effective date of an ordinance or  
280.9 resolution adopted under this chapter must be at least 45 days after it is adopted by the  
280.10 municipality. Within five days after the municipality adopts the ordinance or resolution,  
280.11 the municipality must mail a summary of the ordinance or resolution to each business owner  
280.12 subject to the service charge within the tourism improvement district in the same manner  
280.13 that notice is mailed, or delivered by electronic means, under section 428B.02. The mailing  
280.14 must include a notice that business owners subject to the service charge have the right to  
280.15 veto, by a simple majority, the ordinance or resolution by filing the required number of  
280.16 objections with the clerk of the municipality before the effective date of the ordinance or  
280.17 resolution and include notice that a copy of the ordinance or resolution is available for public  
280.18 inspection with the clerk of the municipality.

280.19 Subd. 2. **Requirements for veto.** If impacted business owners file an objection to the  
280.20 ordinance or resolution before the effective date of the ordinance or resolution, the ordinance  
280.21 or resolution does not become effective.

280.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

280.23 Sec. 14. **[428B.09] DISESTABLISHMENT.**

280.24 Subdivision 1. **Procedure for disestablishment.** An ordinance adopted under this chapter  
280.25 must provide a 30-day period each year in which business owners subject to the service  
280.26 charge may request disestablishment of the district. Beginning one year after establishment  
280.27 of the tourism improvement district, an annual 30-day period of disestablishment begins  
280.28 with the anniversary of the date of establishment. Upon submission of a petition from  
280.29 impacted business owners, the municipality may disestablish a tourism improvement district  
280.30 by adopting an ordinance after holding a public hearing on the disestablishment. Prior to  
280.31 the hearing, the municipality must publish notice of the hearing on disestablishment in at  
280.32 least two issues of the municipality's official newspaper. The two publications must be two



281.1 weeks apart and the municipality must hold the hearing at least three days after the last  
281.2 publication. Not less than ten days before the hearing, the municipality must mail, or deliver  
281.3 by electronic means, notice to the business owner of each business subject to the service  
281.4 charge. The notice must include:

281.5 (1) the time and place of the hearing;

281.6 (2) a statement that all interested persons will be given an opportunity to be heard at the  
281.7 hearing regarding disestablishment;

281.8 (3) the reason for disestablishment; and

281.9 (4) a proposal to dispose of any assets acquired with the revenues of the service charge  
281.10 imposed under the tourism improvement district.

281.11 Subd. 2. **Objection.** An ordinance disestablishing the tourism improvement district  
281.12 becomes effective following the notice and veto requirements in section 428B.08.

281.13 Subd. 3. **Refund to business owners.** (a) Upon the disestablishment of a tourism  
281.14 improvement district, any remaining revenues derived from the service charge, or any  
281.15 revenues derived from the sale of assets acquired with the service charge revenues, shall  
281.16 be refunded to business owners located and operating within the tourism improvement  
281.17 district in which service charges were imposed by applying the same method and basis that  
281.18 was used to calculate the service charges levied in the fiscal year in which the district is  
281.19 disestablished.

281.20 (b) If the disestablishment occurs before the service charge is imposed for the fiscal  
281.21 year, the method and basis that was used to calculate the service charge imposed in the  
281.22 immediate prior fiscal year shall be used to calculate the amount of a refund, if any.

281.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

281.24 Sec. 15. **[428B.10] COORDINATION OF DISTRICTS.**

281.25 If a county establishes a tourism improvement district in a city or town under this chapter,  
281.26 a city or town may not establish a tourism improvement district in the part of the city or  
281.27 town located in the county-established district. If a city or town establishes a tourism  
281.28 improvement district under this chapter, a county may not establish a tourism improvement  
281.29 district in the part of the city or town located in the city- or town-established district.

281.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

**ARTICLE 14****DEPARTMENT OF REVENUE: INDIVIDUAL INCOME AND CORPORATE  
FRANCHISE TAXES**

Section 1. Minnesota Statutes 2022, section 289A.08, subdivision 7, is amended to read:

**Subd. 7. Composite income tax returns for nonresident partners, shareholders, and beneficiaries.** (a) The commissioner may allow a partnership with nonresident partners to file a composite return and to pay the tax on behalf of nonresident partners who have no other Minnesota source income. This composite return must include the names, addresses, Social Security numbers, income allocation, and tax liability for the nonresident partners electing to be covered by the composite return.

(b) The computation of a partner's tax liability must be determined by multiplying the income allocated to that partner by the highest rate used to determine the tax liability for individuals under section 290.06, subdivision 2c. Nonbusiness deductions, standard deductions, or personal exemptions are not allowed.

(c) The partnership must submit a request to use this composite return filing method for nonresident partners. The requesting partnership must file a composite return in the form prescribed by the commissioner of revenue. The filing of a composite return is considered a request to use the composite return filing method.

(d) The electing partner must not have any Minnesota source income other than the income from the partnership, other electing partnerships, and other qualifying entities electing to file and pay the pass-through entity tax under subdivision 7a. If it is determined that the electing partner has other Minnesota source income, the inclusion of the income and tax liability for that partner under this provision will not constitute a return to satisfy the requirements of subdivision 1. The tax paid for the individual as part of the composite return is allowed as a payment of the tax by the individual on the date on which the composite return payment was made. If the electing nonresident partner has no other Minnesota source income, filing of the composite return is a return for purposes of subdivision 1.

(e) This subdivision does not negate the requirement that an individual pay estimated tax if the individual's liability would exceed the requirements set forth in section 289A.25. The individual's liability to pay estimated tax is, however, satisfied when the partnership pays composite estimated tax in the manner prescribed in section 289A.25.

(f) If an electing partner's share of the partnership's gross income from Minnesota sources is less than the filing requirements for a nonresident under this subdivision, the tax liability

283.1 is zero. However, a statement showing the partner's share of gross income must be included  
 283.2 as part of the composite return.

283.3 (g) The election provided in this subdivision is only available to a partner who has no  
 283.4 other Minnesota source income and who is either (1) a full-year nonresident individual or  
 283.5 (2) a trust or estate that does not claim a deduction under either section 651 or 661 of the  
 283.6 Internal Revenue Code.

283.7 (h) A corporation defined in section 290.9725 and its nonresident shareholders may  
 283.8 make an election under this paragraph. The provisions covering the partnership apply to  
 283.9 the corporation and the provisions applying to the partner apply to the shareholder.

283.10 (i) Estates and trusts distributing current income only and the nonresident individual  
 283.11 beneficiaries of the estates or trusts may make an election under this paragraph. The  
 283.12 provisions covering the partnership apply to the estate or trust. The provisions applying to  
 283.13 the partner apply to the beneficiary.

283.14 (j) For the purposes of this subdivision, "income" ~~means the partner's share of federal~~  
 283.15 ~~adjusted gross income from the partnership modified by the additions provided in section~~  
 283.16 ~~290.0131, subdivisions 8 to 10, 16, and 17, and the subtractions provided in: (1) section~~  
 283.17 ~~290.0132, subdivisions 9, 27, and 28, to the extent the amount is assignable or allocable to~~  
 283.18 ~~Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The subtraction~~  
 283.19 ~~allowed under section 290.0132, subdivision 9, is only allowed on the composite tax~~  
 283.20 ~~computation to the extent the electing partner would have been allowed the subtraction. has~~  
 283.21 ~~the meaning given in section 290.01, subdivision 19, paragraph (h).~~

283.22 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 283.23 31, 2022.

283.24 Sec. 2. Minnesota Statutes 2022, section 289A.08, subdivision 7a, is amended to read:

283.25 Subd. 7a. **Pass-through entity tax.** (a) For the purposes of this subdivision, the following  
 283.26 terms have the meanings given:

283.27 (1) "income" has the meaning given in ~~subdivision 7, paragraph (j), modified by the~~  
 283.28 ~~addition provided in section 290.0131, subdivision 5, and the subtraction provided in section~~  
 283.29 ~~290.0132, subdivision 3, except that the provisions that apply to a partnership apply to a~~  
 283.30 ~~qualifying entity and the provisions that apply to a partner apply to a qualifying owner. The~~  
 283.31 ~~income of both a resident and nonresident qualifying owner is allocated and assigned to~~  
 283.32 ~~this state as provided for nonresident partners and shareholders under sections 290.17,~~  
 283.33 ~~290.191, and 290.20; section 290.01, subdivision 19, paragraph (i);~~

284.1 (2) "qualifying entity" means a partnership, limited liability company taxed as a  
284.2 partnership or S corporation, or S corporation including a qualified subchapter S subsidiary  
284.3 organized under section 1361(b)(3)(B) of the Internal Revenue Code. Qualifying entity does  
284.4 not include a partnership, limited liability company, or corporation that has a partnership,  
284.5 limited liability company other than a disregarded entity, or corporation as a partner, member,  
284.6 or shareholder; and

284.7 (3) "qualifying owner" means:

284.8 (i) a resident or nonresident individual or estate that is a partner, member, or shareholder  
284.9 of a qualifying entity; or

284.10 (ii) a resident or nonresident trust that is a shareholder of a qualifying entity that is an  
284.11 S corporation.

284.12 (b) For taxable years beginning after December 31, 2020, in which the taxes of a  
284.13 qualifying owner are limited under section 164(b)(6)(B) of the Internal Revenue Code, a  
284.14 qualifying entity may elect to file a return and pay the pass-through entity tax imposed under  
284.15 paragraph (c). The election:

284.16 (1) must be made on or before the due date or extended due date of the qualifying entity's  
284.17 pass-through entity tax return;

284.18 (2) may only be made by qualifying owners who collectively hold more than a 50 percent  
284.19 ownership interest in the qualifying entity;

284.20 (3) is binding on all qualifying owners who have an ownership interest in the qualifying  
284.21 entity; and

284.22 (4) once made is irrevocable for the taxable year.

284.23 (c) Subject to the election in paragraph (b), a pass-through entity tax is imposed on a  
284.24 qualifying entity in an amount equal to the sum of the tax liability of each qualifying owner.

284.25 (d) The amount of a qualifying owner's tax liability under paragraph (c) is the amount  
284.26 of the qualifying owner's income multiplied by the highest tax rate for individuals under  
284.27 section 290.06, subdivision 2c. When making this determination:

284.28 (1) nonbusiness deductions, standard deductions, or personal exemptions are not allowed;  
284.29 and

284.30 (2) a credit or deduction is allowed only to the extent allowed to the qualifying owner.

285.1 (e) The amount of each credit and deduction used to determine a qualifying owner's tax  
285.2 liability under paragraph (d) must also be used to determine that qualifying owner's income  
285.3 tax liability under chapter 290.

285.4 (f) This subdivision does not negate the requirement that a qualifying owner pay estimated  
285.5 tax if the qualifying owner's tax liability would exceed the requirements set forth in section  
285.6 289A.25. The qualifying owner's liability to pay estimated tax on the qualifying owner's  
285.7 tax liability as determined under paragraph (d) is, however, satisfied when the qualifying  
285.8 entity pays estimated tax in the manner prescribed in section 289A.25 for composite estimated  
285.9 tax.

285.10 (g) A qualifying owner's adjusted basis in the interest in the qualifying entity, and the  
285.11 treatment of distributions, is determined as if the election to pay the pass-through entity tax  
285.12 under paragraph (b) is not made.

285.13 (h) To the extent not inconsistent with this subdivision, for purposes of this chapter, a  
285.14 pass-through entity tax return must be treated as a composite return and a qualifying entity  
285.15 filing a pass-through entity tax return must be treated as a partnership filing a composite  
285.16 return.

285.17 (i) The provisions of subdivision 17 apply to the election to pay the pass-through entity  
285.18 tax under this subdivision.

285.19 (j) If a nonresident qualifying owner of a qualifying entity making the election to file  
285.20 and pay the tax under this subdivision has no other Minnesota source income, filing of the  
285.21 pass-through entity tax return is a return for purposes of subdivision 1, provided that the  
285.22 nonresident qualifying owner must not have any Minnesota source income other than the  
285.23 income from the qualifying entity, other electing qualifying entities, and other partnerships  
285.24 electing to file a composite return under subdivision 7. If it is determined that the nonresident  
285.25 qualifying owner has other Minnesota source income, the inclusion of the income and tax  
285.26 liability for that owner under this provision will not constitute a return to satisfy the  
285.27 requirements of subdivision 1. The tax paid for the qualifying owner as part of the  
285.28 pass-through entity tax return is allowed as a payment of the tax by the qualifying owner  
285.29 on the date on which the pass-through entity tax return payment was made.

285.30 (k) Once a credit is claimed by a qualifying owner under section 290.06, subdivision  
285.31 40, the qualifying entity cannot receive a refund for tax paid under this subdivision for any  
285.32 amounts claimed under that section by the qualifying owners. Once a credit is claimed under  
285.33 section 290.06, subdivision 40, any refund must be claimed in conjunction with a return  
285.34 filed by the qualifying owner.

286.1 **EFFECTIVE DATE.** (a) The amendment to paragraph (a), clause (1), is effective for  
286.2 taxable years beginning after December 31, 2022.

286.3 (b) The amendment to paragraph (a), clause (2), and the amendment adding paragraph  
286.4 (k), are effective retroactively for taxable years beginning after December 31, 2020.

286.5 Sec. 3. Minnesota Statutes 2022, section 289A.382, subdivision 2, is amended to read:

286.6 **Subd. 2. Reporting and payment requirements for partnerships and tiered**  
286.7 **partners.** (a) Except for when an audited partnership makes the election in subdivision 3,  
286.8 and except for negative federal adjustments required under federal law taken into account  
286.9 by the partnership in the partnership return for the adjustment or other year, all final federal  
286.10 adjustments of an audited partnership must comply with paragraph (b) and each direct  
286.11 partner of the audited partnership, other than a tiered partner, must comply with paragraph  
286.12 (c).

286.13 (b) No later than 90 days after the final determination date, the audited partnership must:

286.14 (1) file a completed federal adjustments report, including all partner-level information  
286.15 required under section 289A.12, subdivision 3, with the commissioner;

286.16 (2) notify each of its direct partners of their distributive share of the final federal  
286.17 adjustments;

286.18 (3) file an amended composite report for all direct partners who were included in a  
286.19 composite return under section 289A.08, subdivision 7, in the reviewed year, and pay the  
286.20 additional amount that would have been due had the federal adjustments been reported  
286.21 properly as required; ~~and~~

286.22 (4) file amended withholding reports for all direct partners who were or should have  
286.23 been subject to nonresident withholding under section 290.92, subdivision 4b, in the reviewed  
286.24 year, and pay the additional amount that would have been due had the federal adjustments  
286.25 been reported properly as required; and

286.26 (5) file an amended pass-through entity tax report for all direct partners who were  
286.27 included in a pass-through entity tax return under section 289A.08, subdivision 7a, in the  
286.28 reviewed year, and pay the additional amount that would have been due had the federal  
286.29 adjustments been reported properly as required.

286.30 (c) No later than 180 days after the final determination date, each direct partner, other  
286.31 than a tiered partner, that is subject to a tax administered under this chapter, other than the  
286.32 sales tax, must:

287.1 (1) file a federal adjustments report reporting their distributive share of the adjustments  
287.2 reported to them under paragraph (b), clause (2); and

287.3 (2) pay any additional amount of tax due as if the final federal adjustment had been  
287.4 properly reported, plus any penalty and interest due under this chapter, and less any credit  
287.5 for related amounts paid or withheld and remitted on behalf of the direct partner under  
287.6 paragraph (b), clauses (3) and (4).

287.7 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
287.8 after December 31, 2020.

287.9 Sec. 4. Minnesota Statutes 2022, section 289A.50, is amended by adding a subdivision to  
287.10 read:

287.11 Subd. 3a. **Nonresident withholding tax refunds.** When there is an overpayment of  
287.12 nonresident withholding tax by a partnership or S corporation, a refund allowable under  
287.13 this section to the payor is limited to the amount of the overpayment that was not deducted  
287.14 and withheld from the shares of the payor's partners or shareholders.

287.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

287.16 Sec. 5. Minnesota Statutes 2022, section 290.01, subdivision 19, is amended to read:

287.17 Subd. 19. **Net income.** (a) For a trust or estate taxable under section 290.03, and a  
287.18 corporation taxable under section 290.02, the term "net income" means the federal taxable  
287.19 income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through  
287.20 the date named in this subdivision, incorporating the federal effective dates of changes to  
287.21 the Internal Revenue Code and any elections made by the taxpayer in accordance with the  
287.22 Internal Revenue Code in determining federal taxable income for federal income tax  
287.23 purposes, and with the modifications provided in sections 290.0131 to 290.0136.

287.24 (b) For an individual, the term "net income" means federal adjusted gross income with  
287.25 the modifications provided in sections 290.0131, 290.0132, and 290.0135 to 290.0137.

287.26 (c) In the case of a regulated investment company or a fund thereof, as defined in section  
287.27 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment  
287.28 company taxable income as defined in section 852(b)(2) of the Internal Revenue Code,  
287.29 except that:

287.30 (1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal  
287.31 Revenue Code does not apply;

288.1 (2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue  
288.2 Code must be applied by allowing a deduction for capital gain dividends and exempt-interest  
288.3 dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code;  
288.4 and

288.5 (3) the deduction for dividends paid must also be applied in the amount of any  
288.6 undistributed capital gains which the regulated investment company elects to have treated  
288.7 as provided in section 852(b)(3)(D) of the Internal Revenue Code.

288.8 (d) The net income of a real estate investment trust as defined and limited by section  
288.9 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust  
288.10 taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

288.11 (e) The net income of a designated settlement fund as defined in section 468B(d) of the  
288.12 Internal Revenue Code means the gross income as defined in section 468B(b) of the Internal  
288.13 Revenue Code.

288.14 (f) The Internal Revenue Code of 1986, as amended through December 31, 2018, applies  
288.15 for taxable years beginning after December 31, 1996, except the sections of federal law in  
288.16 section 290.0111 shall also apply.

288.17 (g) Except as otherwise provided, references to the Internal Revenue Code in this  
288.18 subdivision and sections 290.0131 to 290.0136 mean the code in effect for purposes of  
288.19 determining net income for the applicable year.

288.20 (h) In the case of a partnership electing to file a composite return under section 289A.08,  
288.21 subdivision 7, income means the partner's share of federal adjusted gross income from the  
288.22 partnership modified by the additions provided in section 290.0131, subdivisions 8 to 10,  
288.23 16, and 17, and the subtractions provided in: (1) section 290.0132, subdivisions 9, 27, and  
288.24 28, to the extent the amount is assignable or allocable to Minnesota under section 290.17;  
288.25 and (2) section 290.0132, subdivision 14. The subtraction allowed under section 290.0132,  
288.26 subdivision 9, is only allowed on the composite tax computation to the extent the electing  
288.27 partner would have been allowed the subtraction.

288.28 (i) In the case of a qualifying entity electing to pay the pass-through entity tax under  
288.29 section 289A.08, subdivision 7a, income means the qualifying owner's share of federal  
288.30 adjusted gross income from the qualifying entity modified by the additions provided in  
288.31 section 290.0131, subdivisions 5, 8 to 10, 16, and 17, and the subtractions provided in: (1)  
288.32 section 290.0132, subdivisions 3, 9, 27, and 28, to the extent the amount is assignable or  
288.33 allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The  
288.34 subtraction allowed under section 290.0132, subdivision 9, is only allowed on the



289.1 pass-through entity tax computation to the extent the qualifying owners would have been  
289.2 allowed the subtraction. The income of both a resident and nonresident qualifying owner  
289.3 is allocated and assigned to this state as provided for nonresident partners and shareholders  
289.4 under sections 290.17, 290.191, and 290.20.

289.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
289.6 31, 2022.

289.7 Sec. 6. Minnesota Statutes 2022, section 290.06, subdivision 22, is amended to read:

289.8 Subd. 22. **Credit for taxes paid to another state.** (a) A taxpayer who is liable for taxes  
289.9 based on net income to another state, as provided in paragraphs (b) through (f), upon income  
289.10 allocated or apportioned to Minnesota, is entitled to a credit for the tax paid to another state  
289.11 if the tax is actually paid in the taxable year or a subsequent taxable year. A taxpayer who  
289.12 is a resident of this state pursuant to section 290.01, subdivision 7, paragraph (b), and who  
289.13 is subject to income tax as a resident in the state of the individual's domicile is not allowed  
289.14 this credit unless the state of domicile does not allow a similar credit.

289.15 (b) For an individual, estate, or trust, the credit is determined by multiplying the tax  
289.16 payable under this chapter by the ratio derived by dividing the income subject to tax in the  
289.17 other state that is also subject to tax in Minnesota while a resident of Minnesota by the  
289.18 taxpayer's federal adjusted gross income, as defined in section 62 of the Internal Revenue  
289.19 Code, modified by the addition required by section 290.0131, subdivision 2, and the  
289.20 subtraction allowed by section 290.0132, subdivision 2, to the extent the income is allocated  
289.21 or assigned to Minnesota under sections 290.081 and 290.17.

289.22 (c) If the taxpayer is an athletic team that apportions all of its income under section  
289.23 290.17, subdivision 5, the credit is determined by multiplying the tax payable under this  
289.24 chapter by the ratio derived from dividing the total net income subject to tax in the other  
289.25 state by the taxpayer's Minnesota taxable income.

289.26 (d)(1) The credit determined under paragraph (b) or (c) shall not exceed the amount of  
289.27 tax so paid to the other state on the gross income earned within the other state subject to  
289.28 tax under this chapter; and

289.29 (2) the allowance of the credit does not reduce the taxes paid under this chapter to an  
289.30 amount less than what would be assessed if the gross income earned within the other state  
289.31 were excluded from taxable net income.

289.32 (e) In the case of the tax assessed on a lump-sum distribution under section 290.032, the  
289.33 credit allowed under paragraph (a) is the tax assessed by the other state on the lump-sum

290.1 distribution that is also subject to tax under section 290.032, and shall not exceed the tax  
290.2 assessed under section 290.032. To the extent the total lump-sum distribution defined in  
290.3 section 290.032, subdivision 1, includes lump-sum distributions received in prior years or  
290.4 is all or in part an annuity contract, the reduction to the tax on the lump-sum distribution  
290.5 allowed under section 290.032, subdivision 2, includes tax paid to another state that is  
290.6 properly apportioned to that distribution.

290.7 (f) If a Minnesota resident reported an item of income to Minnesota and is assessed tax  
290.8 in such other state on that same income after the Minnesota statute of limitations has expired,  
290.9 the taxpayer shall receive a credit for that year under paragraph (a), notwithstanding any  
290.10 statute of limitations to the contrary. The claim for the credit must be submitted within one  
290.11 year from the date the taxes were paid to the other state. The taxpayer must submit sufficient  
290.12 proof to show entitlement to a credit.

290.13 (g) For the purposes of this subdivision, a resident shareholder of a corporation treated  
290.14 as an "S" corporation under section 290.9725, must be considered to have paid a tax imposed  
290.15 on the shareholder in an amount equal to the shareholder's pro rata share of any net income  
290.16 tax paid by the S corporation to another state. For the purposes of the preceding sentence,  
290.17 the term "net income tax" means any tax imposed on or measured by a corporation's net  
290.18 income.

290.19 (h) For the purposes of this subdivision, a resident partner of an entity taxed as a  
290.20 partnership under the Internal Revenue Code must be considered to have paid a tax imposed  
290.21 on the partner in an amount equal to the partner's pro rata share of any net income tax paid  
290.22 by the partnership to another state. For purposes of the preceding sentence, the term "net  
290.23 income" tax means any tax imposed on or measured by a partnership's net income. For  
290.24 purposes of this paragraph, "partnership" includes a limited liability company and "partner"  
290.25 includes a member of a limited liability company.

290.26 (i) For the purposes of this subdivision, "another state":

290.27 (1) includes:

290.28 (i) the District of Columbia; and

290.29 (ii) a province or territory of Canada; but

290.30 (2) excludes Puerto Rico and the several territories organized by Congress.

290.31 (j) The limitations on the credit in paragraphs (b), (c), and (d), are imposed on a state  
290.32 by state basis.

291.1 (k) For a tax imposed by a province or territory of Canada, the tax for purposes of this  
291.2 subdivision is the excess of the tax over the amount of the foreign tax credit allowed under  
291.3 section 27 of the Internal Revenue Code. In determining the amount of the foreign tax credit  
291.4 allowed, the net income taxes imposed by Canada on the income are deducted first. Any  
291.5 remaining amount of the allowable foreign tax credit reduces the provincial or territorial  
291.6 tax that qualifies for the credit under this subdivision.

291.7 (l)(1) The credit allowed to a qualifying individual under this section for tax paid to a  
291.8 qualifying state equals the credit calculated under paragraphs (b) and (d), plus the amount  
291.9 calculated by multiplying:

291.10 (i) the difference between the preliminary credit and the credit calculated under paragraphs  
291.11 (b) and (d), by

291.12 (ii) the ratio derived by dividing the income subject to tax in the qualifying state that  
291.13 consists of compensation for performance of personal or professional services by the total  
291.14 amount of income subject to tax in the qualifying state.

291.15 (2) If the amount of the credit that a qualifying individual is eligible to receive under  
291.16 clause (1) for tax paid to a qualifying state exceeds the tax due under this chapter before  
291.17 the application of the credit calculated under clause (1), the commissioner shall refund the  
291.18 excess to the qualifying individual. An amount sufficient to pay the refunds required by this  
291.19 subdivision is appropriated to the commissioner from the general fund.

291.20 (3) For purposes of this paragraph, "preliminary credit" means the credit that a qualifying  
291.21 individual is eligible to receive under paragraphs (b) and (d) for tax paid to a qualifying  
291.22 state without regard to the limitation in paragraph (d), clause (2); "qualifying individual"  
291.23 means a Minnesota resident under section 290.01, subdivision 7, paragraph (a), who received  
291.24 compensation during the taxable year for the performance of personal or professional services  
291.25 within a qualifying state; and "qualifying state" means a state with which an agreement  
291.26 under section 290.081 is not in effect for the taxable year but was in effect for a taxable  
291.27 year beginning before January 1, 2010.

291.28 (m) For purposes of this subdivision, a resident sole member of a disregarded limited  
291.29 liability company must be considered to have paid a tax imposed on the sole member in an  
291.30 amount equal to the net income tax paid by the disregarded limited liability company to  
291.31 another state. For the purposes of this paragraph, the term "disregarded limited liability  
291.32 company" means a limited liability company that is disregarded as an entity separate from  
291.33 its owner as defined in Code of Federal Regulations, title 26, section 301.7701, and "net

292.1 income tax" means any tax imposed on or measured by a disregarded limited liability  
292.2 company's net income.

292.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
292.4 31, 2022.

292.5 Sec. 7. Minnesota Statutes 2022, section 290.0671, subdivision 1, is amended to read:

292.6 Subdivision 1. **Credit allowed.** (a) An individual who is a resident of Minnesota is  
292.7 allowed a credit against the tax imposed by this chapter equal to a percentage of earned  
292.8 income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the  
292.9 Internal Revenue Code, except that:

292.10 (1) a taxpayer with no qualifying children who has attained the age of 19, but not attained  
292.11 age 65 before the close of the taxable year and is otherwise eligible for a credit under section  
292.12 32 of the Internal Revenue Code may also receive a credit; and

292.13 (2) a taxpayer who is otherwise eligible for a credit under section 32 of the Internal  
292.14 Revenue Code remains eligible for the credit even if the taxpayer's earned income or adjusted  
292.15 gross income exceeds the income limitation under section 32 of the Internal Revenue Code.

292.16 (b) For individuals with no qualifying children, the credit equals 3.9 percent of the first  
292.17 \$7,150 of earned income. The maximum credit allowed is reduced by 2.0 percent of earned  
292.18 income or adjusted gross income, whichever is greater, in excess of the phaseout threshold;  
292.19 ~~but~~. In no case is the credit less than zero.

292.20 (c) For individuals with one qualifying child, the credit equals 9.35 percent of the first  
292.21 \$11,950 of earned income. The maximum credit allowed is reduced by 6.0 percent of earned  
292.22 income or adjusted gross income, whichever is greater, in excess of the phaseout threshold;  
292.23 ~~but~~. In no case is the credit less than zero.

292.24 (d) For individuals with two qualifying children, the credit equals 11 percent of the first  
292.25 \$19,600 of earned income. The maximum credit allowed is reduced by 10.5 percent of  
292.26 earned income or adjusted gross income, whichever is greater, in excess of the phaseout  
292.27 threshold, ~~but~~. In no case is the credit less than zero.

292.28 (e) For individuals with three or more qualifying children, the credit equals 12.5 percent  
292.29 of the first \$20,000 of earned income. The maximum credit allowed is reduced by 10.5  
292.30 percent of earned income or adjusted gross income, whichever is greater, in excess of the  
292.31 phaseout threshold, ~~but~~. In no case is the credit less than zero.

293.1 (f) For a part-year resident, the credit must be allocated based on the percentage calculated  
293.2 under section 290.06, subdivision 2c, paragraph (e).

293.3 (g) For a person who was a resident for the entire tax year and has earned income not  
293.4 subject to tax under this chapter, ~~including income excluded under section 290.0132,~~  
293.5 ~~subdivision 10~~, the credit must be allocated based on the ratio of federal adjusted gross  
293.6 income reduced by the earned income not subject to tax under this chapter over federal  
293.7 adjusted gross income. For purposes of this paragraph, the following clauses are not  
293.8 considered "earned income not subject to tax under this chapter":

293.9 (1) the subtractions for military pay under section 290.0132, subdivisions 11 and 12;

293.10 (2) the exclusion of combat pay under section 112 of the Internal Revenue Code; and

293.11 (3) income derived from an Indian reservation by an enrolled member of the reservation  
293.12 while living on the reservation.

293.13 (h) For the purposes of this section, the phaseout threshold equals:

293.14 (1) \$14,570 for married taxpayers filing joint returns with no qualifying children;

293.15 (2) \$8,730 for all other taxpayers with no qualifying children;

293.16 (3) \$28,610 for married taxpayers filing joint returns with one qualifying child;

293.17 (4) \$22,770 for all other taxpayers with one qualifying child;

293.18 (5) \$32,840 for married taxpayers filing joint returns with two qualifying children;

293.19 (6) \$27,000 for all other taxpayers with two qualifying children;

293.20 (7) \$33,140 for married taxpayers filing joint returns with three or more qualifying  
293.21 children; and

293.22 (8) \$27,300 for all other taxpayers with three or more qualifying children.

293.23 (i) The commissioner shall construct tables showing the amount of the credit at various  
293.24 income levels and make them available to taxpayers. The tables shall follow the schedule  
293.25 contained in this subdivision, except that the commissioner may graduate the transition  
293.26 between income brackets.

293.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

294.1 Sec. 8. Minnesota Statutes 2022, section 290.0671, subdivision 7, is amended to read:

294.2 Subd. 7. **Inflation adjustment.** The commissioner shall annually adjust the earned  
294.3 income amounts used to calculate the maximum credit and the phase-out thresholds in  
294.4 subdivision 1 as provided in section 270C.22. The statutory year is taxable year 2019.

294.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

294.6 Sec. 9. Minnesota Statutes 2022, section 290.92, subdivision 20, is amended to read:

294.7 Subd. 20. **Miscellaneous withholding arrangements.** (a) For purposes of this  
294.8 subdivision:

294.9 (1) "periodic payment" means a payment as defined under section 3405(e)(2) of the  
294.10 Internal Revenue Code;

294.11 (2) "nonperiodic distribution" means a distribution as defined under section 3405(e)(3)  
294.12 of the Internal Revenue Code; and

294.13 (3) "sick pay" means any amount which:

294.14 (i) is paid to an employee pursuant to a plan to which the employer is a party; and

294.15 (ii) constitutes remuneration or a payment in lieu of remuneration for any period during  
294.16 which the employee is temporarily absent from work on account of sickness or personal  
294.17 injuries.

294.18 ~~(a)~~ (b) For purposes of this section, any periodic payment or nonperiodic distribution to  
294.19 ~~an individual as defined under section 3405(e)(2) or (3) of the Internal Revenue Code shall~~  
294.20 ~~be treated as if it were a payment of wages by an employer to an employee for a payroll~~  
294.21 ~~period, and it is subject to withholding at a rate of 6.25 percent or any rate specified by the~~  
294.22 ~~recipient. Any payment to an individual of sick pay which does not constitute wages,~~  
294.23 ~~determined without regard to this subdivision, shall be treated as if it were a payment of~~  
294.24 ~~wages by an employer to an employee for a payroll period, if, at the time the payment is~~  
294.25 ~~made a request that such sick pay be subject to withholding under this section is in effect.~~  
294.26 ~~Sick pay means any amount which:~~

294.27 ~~(1) is paid to an employee pursuant to a plan to which the employer is a party, and~~

294.28 ~~(2) constitutes remuneration or a payment in lieu of remuneration for any period during~~  
294.29 ~~which the employee is temporarily absent from work on account of sickness or personal~~  
294.30 ~~injuries.~~

295.1 ~~(b)~~ (c) A request for withholding, the amount withheld, and sick pay paid pursuant to  
 295.2 certain collective bargaining agreements shall conform with the provisions of section  
 295.3 3402(o)(3), (4), and (5) of the Internal Revenue Code.

295.4 ~~(e)~~ (d) The commissioner is authorized by rules to provide for withholding:

295.5 (1) from remuneration for services performed by an employee for the employer which,  
 295.6 without regard to this subdivision, does not constitute wages, and

295.7 (2) from any other type of payment with respect to which the commissioner finds that  
 295.8 withholding would be appropriate under the provisions of this section, if the employer and  
 295.9 the employee, or in the case of any other type of payment the person making and the person  
 295.10 receiving the payment, agree to such withholding. Such agreement shall be made in such  
 295.11 form and manner as the commissioner may by rules provide. For purposes of this section  
 295.12 remuneration or other payments with respect to which such agreement is made shall be  
 295.13 treated as if they were wages paid by an employer to an employee to the extent that such  
 295.14 remuneration is paid or other payments are made during the period for which the agreement  
 295.15 is in effect.

295.16 ~~(d)~~ (e) An individual receiving a periodic payment or nonperiodic distribution under  
 295.17 paragraph ~~(a)~~ (b) may elect to have paragraph ~~(a)~~ (b) not apply to the payment or distribution  
 295.18 as follows, and an election remains in effect until revoked by such individual.

295.19 ~~(1) For payments defined under section 3405(e)(2) of the Internal Revenue Code, an~~  
 295.20 ~~election remains in effect until revoked by such individual.~~

295.21 ~~(2) For distributions defined under section 3405(e)(3) of the Internal Revenue Code, the~~  
 295.22 ~~election is on a distribution-by-distribution basis.~~

295.23 **EFFECTIVE DATE; APPLICATION.** (a) This section is effective for periodic  
 295.24 payments and nonperiodic distributions made on or after the day following final enactment.

295.25 (b) For periodic payments and nonperiodic distributions made on or after the day  
 295.26 following final enactment but before January 1, 2024, the commissioner of revenue must  
 295.27 not assess penalties relating to this amendment against a payor who complies with Minnesota  
 295.28 Statutes 2021 Supplement, section 290.92, subdivision 20.

295.29 Sec. 10. Minnesota Statutes 2022, section 290.9705, subdivision 1, is amended to read:

295.30 Subdivision 1. **Withholding of payments to out-of-state contractors.** (a) In this section,  
 295.31 "person" means a person, corporation, or cooperative, the state of Minnesota and its political  
 295.32 subdivisions, and a city, county, and school district in Minnesota.

296.1 (b) A person who in the regular course of business is hiring, contracting, or having a  
296.2 contract with a nonresident person or ~~foreign corporation~~ a corporation or cooperative  
296.3 created or organized outside Minnesota, to perform construction work in Minnesota, shall  
296.4 deduct and withhold eight percent of payments made to the contractor if the value of the  
296.5 contract exceeds \$50,000.

296.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

296.7 Sec. 11. Minnesota Statutes 2022, section 290A.03, subdivision 13, is amended to read:

296.8 Subd. 13. **Property taxes payable.** "Property taxes payable" means the property tax  
296.9 exclusive of special assessments, penalties, and interest payable on a claimant's homestead  
296.10 after deductions made under sections 273.135, 273.1384, 273.1391, 273.42, subdivision 2,  
296.11 and any other state paid property tax credits in any calendar year, and after any refund  
296.12 claimed and allowable under section 290A.04, subdivision 2h, that is first payable in the  
296.13 year that the property tax is payable. In the case of a claimant who makes ground lease  
296.14 payments, "property taxes payable" includes the amount of the payments directly attributable  
296.15 to the property taxes assessed against the parcel on which the house is located. Regardless  
296.16 of the limitations in section 280A(c)(5) of the Internal Revenue Code, "property taxes  
296.17 payable" must be apportioned or reduced for the use of a portion of the claimant's homestead  
296.18 for a business purpose if the claimant deducts any business depreciation expenses for the  
296.19 use of a portion of the homestead or deducts expenses under section 280A of the Internal  
296.20 Revenue Code for a business operated in the claimant's homestead. For homesteads which  
296.21 are manufactured homes as defined in section 273.125, subdivision 8, including manufactured  
296.22 homes located in a manufactured home community owned by a cooperative organized under  
296.23 chapter 308A or 308B, and park trailers taxed as manufactured homes under section 168.012,  
296.24 subdivision 9, "property taxes payable" shall also include 17 percent of the gross rent paid  
296.25 in the preceding year for the site on which the homestead is located. When a homestead is  
296.26 owned by two or more persons as joint tenants or tenants in common, such tenants shall  
296.27 determine between them which tenant may claim the property taxes payable on the  
296.28 homestead. If they are unable to agree, the matter shall be referred to the commissioner of  
296.29 revenue whose decision shall be final. Property taxes are considered payable in the year  
296.30 prescribed by law for payment of the taxes.

296.31 In the case of a claim relating to "property taxes payable," the claimant must have owned  
296.32 and occupied the homestead on January 2 of the year in which the tax is payable and (i) the  
296.33 property must have been classified as homestead property pursuant to section 273.124, on  
296.34 or before December ~~15~~ 31 of the assessment year to which the "property taxes payable"



297.1 relate; or (ii) the claimant must provide documentation from the local assessor that application  
 297.2 for homestead classification has been made on or before December ~~15~~ 31 of the year in  
 297.3 which the "property taxes payable" were payable and that the assessor has approved the  
 297.4 application.

297.5 **EFFECTIVE DATE.** This section is effective retroactively for refund claims based on  
 297.6 property taxes payable in 2022 and thereafter.

## 297.7 **ARTICLE 15**

### 297.8 **DEPARTMENT OF REVENUE: FIRE AND POLICE STATE AIDS**

297.9 Section 1. Minnesota Statutes 2022, section 6.495, subdivision 3, is amended to read:

297.10 Subd. 3. ~~Report~~ **Reports to commissioner of revenue.** (a) On or before September 15,  
 297.11 November 1, March 1, and June 1, the state auditor shall must file with the commissioner  
 297.12 of revenue a financial compliance report certifying for each relief association:

297.13 (1) the completion of the annual financial report required under section 424A.014 and  
 297.14 the auditing or certification of those financial reports under subdivision 1; and

297.15 (2) the receipt of any actuarial valuations required under section 424A.093 or Laws  
 297.16 2013, chapter 111, article 5, sections 31 to 42.

297.17 (b) The commissioner of revenue shall prescribe the content, format, and manner of the  
 297.18 financial compliance reports required by paragraph (a), pursuant to section 270C.30.

297.19 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 297.20 and thereafter.

297.21 Sec. 2. Minnesota Statutes 2022, section 477B.01, is amended by adding a subdivision to  
 297.22 read:

297.23 Subd. 1a. **Apportionment agreement.** "Apportionment agreement" means an agreement  
 297.24 between two or more fire departments that provide contracted fire protection service to the  
 297.25 same municipality and establishes the percentage of the population and the percentage of  
 297.26 the estimated market value within the municipality serviced by each fire department.

297.27 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 297.28 and thereafter.

297.29 Sec. 3. Minnesota Statutes 2022, section 477B.01, subdivision 5, is amended to read:

297.30 Subd. 5. **Fire department.** (a) "Fire department" includes means:

- 298.1 (1) a municipal fire department ~~and~~;  
 298.2 (2) an independent nonprofit firefighting corporation;  
 298.3 (3) a fire department established as or operated by a joint powers entity; or  
 298.4 (4) a fire protection special taxing district established under chapter 144F or special law.  
 298.5 (b) This subdivision only applies to this chapter.

298.6 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 298.7 and thereafter.

298.8 Sec. 4. Minnesota Statutes 2022, section 477B.01, is amended by adding a subdivision to  
 298.9 read:

298.10 Subd. 7a. **Joint powers entity.** "Joint powers entity" means a joint powers entity created  
 298.11 under section 471.59.

298.12 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 298.13 and thereafter.

298.14 Sec. 5. Minnesota Statutes 2022, section 477B.01, subdivision 10, is amended to read:

298.15 Subd. 10. **Municipality.** (a) "Municipality" means:

- 298.16 (1) a home rule charter or statutory city;  
 298.17 (2) an organized town;  
 298.18 (3) ~~a park district subject to chapter 398~~ a joint powers entity;  
 298.19 (4) ~~the University of Minnesota~~ a fire protection special taxing district; and or  
 298.20 (5) an American Indian tribal government entity located within a federally recognized  
 298.21 American Indian reservation.

298.22 (b) This subdivision only applies to this chapter ~~477B~~.

298.23 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 298.24 and thereafter.

298.25 Sec. 6. Minnesota Statutes 2022, section 477B.01, subdivision 11, is amended to read:

298.26 Subd. 11. **Secretary.** (a) "Secretary" means:

299.1 (1) the secretary of an independent nonprofit firefighting corporation that has a subsidiary  
 299.2 incorporated firefighters' relief association or whose firefighters participate in the statewide  
 299.3 volunteer firefighter plan; or

299.4 (2) the secretary of a joint powers entity or fire protection special taxing district or, if  
 299.5 there is no such person, the person primarily responsible for managing the finances of a  
 299.6 joint powers entity or fire protection special taxing district.

299.7 (b) This subdivision only applies to this chapter.

299.8 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 299.9 and thereafter.

299.10 Sec. 7. Minnesota Statutes 2022, section 477B.02, subdivision 2, is amended to read:

299.11 **Subd. 2. Establishment of fire department.** (a) An independent nonprofit firefighting  
 299.12 corporation must be created under the nonprofit corporation act of this state operating for  
 299.13 the exclusive purpose of firefighting, or the governing body of a municipality must officially  
 299.14 establish a fire department.

299.15 (b) The fire department must have provided firefighting services for at least one calendar  
 299.16 year, and must have a current fire department identification number issued by the state fire  
 299.17 marshal.

299.18 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 299.19 and thereafter.

299.20 Sec. 8. Minnesota Statutes 2022, section 477B.02, subdivision 3, is amended to read:

299.21 **Subd. 3. ~~Personnel and Benefits requirements.~~** ~~(a) A fire department must have a~~  
 299.22 ~~minimum of ten paid or volunteer firefighters, including a fire chief and assistant fire chief.~~

299.23 ~~(b) The fire department must have regular scheduled meetings and frequent drills that~~  
 299.24 ~~include instructions in firefighting tactics and in the use, care, and operation of all fire~~  
 299.25 ~~apparatus and equipment.~~

299.26 ~~(c)~~ (a) The fire department must have a separate subsidiary incorporated firefighters'  
 299.27 relief association that provides retirement benefits or must participate in the statewide  
 299.28 volunteer firefighter plan; or if the municipality solely employs full-time firefighters as  
 299.29 defined in section 299N.03, subdivision 5, retirement coverage must be provided by the  
 299.30 public employees police and fire retirement plan. For purposes of retirement benefits, a fire

300.1 department may be associated with only one volunteer firefighters' relief association or one  
 300.2 account in the voluntary statewide volunteer firefighter retirement plan at one time.

300.3 ~~(d)~~ (b) Notwithstanding paragraph ~~(e)~~ (a), a municipality without a relief association as  
 300.4 described under section 424A.08, paragraph (a), may still qualify to receive fire state aid if  
 300.5 all other requirements of this section are met.

300.6 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 300.7 and thereafter.

300.8 Sec. 9. Minnesota Statutes 2022, section 477B.02, is amended by adding a subdivision to  
 300.9 read:

300.10 **Subd. 4a. Public safety answering point requirement.** The fire department must be  
 300.11 dispatched by a public safety answering point as defined in section 403.02, subdivision 19.

300.12 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 300.13 and thereafter.

300.14 Sec. 10. Minnesota Statutes 2022, section 477B.02, subdivision 5, is amended to read:

300.15 **Subd. 5. Fire service contract or agreement; apportionment agreement filing**  
 300.16 **requirement requirements.** (a) Every municipality or independent nonprofit firefighting  
 300.17 corporation must file ~~a copy of any duly executed and valid fire service contract or agreement~~  
 300.18 with the commissioner (1) a copy of any duly executed and valid fire service contracts, (2)  
 300.19 written notification of any fire service contract terminations, and (3) written notification of  
 300.20 any dissolution of a fire department, within 60 days of contract execution or termination,  
 300.21 or department dissolution.

300.22 (b) If more than one fire department provides service to a municipality, the fire  
 300.23 departments furnishing service must ~~enter into an agreement apportioning among themselves~~  
 300.24 ~~the percentage of the population and the percentage of the estimated market value of each~~  
 300.25 ~~shared service fire department service area. The agreement must be in writing and must be~~  
 300.26 ~~filed~~ file an apportionment agreement with the commissioner.

300.27 (c) When a municipality is a joint powers entity, it must file its joint powers agreement  
 300.28 with the commissioner. If the joint powers agreement does not include sufficient information  
 300.29 defining the fire department service area of the joint powers entity for the purposes of  
 300.30 calculating fire state aid, the secretary must file a written statement with the commissioner  
 300.31 defining the fire department service area.

301.1 (d) When a municipality is a fire protection special taxing district, it must file its  
 301.2 resolution establishing the fire protection special taxing district, and any agreements required  
 301.3 for the establishment of the fire protection special taxing district, with the commissioner.  
 301.4 If the resolution or agreement does not include sufficient information defining the fire  
 301.5 department service area of the fire protection special taxing district, the secretary must file  
 301.6 a written statement with the commissioner defining the fire department service area.

301.7 (e) The commissioner shall prescribe the content, format, and manner of the notifications,  
 301.8 apportionment agreements, and written statements under paragraphs (a) to (d), pursuant to  
 301.9 section 270C.30, except that copies of fire service contracts, joint powers agreements, and  
 301.10 resolutions establishing fire protection special taxing districts shall be filed in their existing  
 301.11 form.

301.12 (f) A document filed with the commissioner under this subdivision must be refiled any  
 301.13 time it is updated within 60 days of the update. An apportionment agreement must be refiled  
 301.14 only when a change in the averaged sum of the percentage of population and percentage of  
 301.15 estimated market value serviced by a fire department subject to the apportionment agreement  
 301.16 is at least one percent. The percentage amount must be rounded to the nearest whole  
 301.17 percentage.

301.18 (g) Upon the request of the commissioner, the county auditor must provide information  
 301.19 that the commissioner requires to accurately apportion the estimated market value of a fire  
 301.20 department service area for a fire department providing service to an unorganized territory  
 301.21 located in the county.

301.22 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 301.23 and thereafter.

301.24 Sec. 11. Minnesota Statutes 2022, section 477B.02, subdivision 8, is amended to read:

301.25 Subd. 8. **PERA certification to commissioner.** On or before February 1 each year, if  
 301.26 ~~retirement coverage for a fire department is provided by the statewide volunteer firefighter~~  
 301.27 ~~plan,~~ the executive director of the Public Employees Retirement Association must certify  
 301.28 ~~the existence of retirement coverage.~~ to the commissioner the fire departments that transferred  
 301.29 retirement coverage to, or terminated participation in, the voluntary statewide volunteer  
 301.30 firefighter retirement plan since the previous certification under this paragraph. This  
 301.31 certification must include the number of active volunteer firefighters under section 477B.03,  
 301.32 subdivision 5, paragraph (e).

302.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 302.2 and thereafter.

302.3 Sec. 12. Minnesota Statutes 2022, section 477B.02, subdivision 9, is amended to read:

302.4 Subd. 9. **Fire department certification to commissioner.** On or before March 15 of  
 302.5 each year, the municipal clerk or the secretary, ~~and the fire chief,~~ must jointly certify to the  
 302.6 commissioner ~~that the fire department exists and meets the qualification requirements of~~  
 302.7 ~~this section~~ the fire department service area as of December 31 of the previous year, and  
 302.8 that the fire department meets the qualification requirements of this section. The municipal  
 302.9 clerk or the secretary must provide the commissioner with documentation that the  
 302.10 commissioner deems necessary for determining eligibility for fire state aid or for calculating  
 302.11 and apportioning fire state aid under section 477B.03. The certification must be on a form  
 302.12 prescribed by the commissioner and must include all other information that the commissioner  
 302.13 requires. The municipal clerk or the secretary must send a copy of the certification filed  
 302.14 under this subdivision to the fire chief within five business days of the date the certification  
 302.15 was filed with the commissioner.

302.16 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 302.17 and thereafter.

302.18 Sec. 13. Minnesota Statutes 2022, section 477B.02, subdivision 10, is amended to read:

302.19 Subd. 10. **Penalty for failure to file or correct certification.** (a) If the certification  
 302.20 under subdivision 9 is not filed with the commissioner on or before March ~~15~~ 1, the  
 302.21 commissioner must notify the municipal clerk or the secretary that a penalty ~~equal to a~~  
 302.22 ~~portion or all of the current year aid will apply if the certification is not received within ten~~  
 302.23 ~~days of the postmark date of the notification~~ will be deducted from fire state aid certified  
 302.24 for the current year if the certification is not filed on or before March 15.

302.25 (b) If the commissioner rejects the certification by the municipal clerk or secretary under  
 302.26 subdivision 9 for inaccurate or incomplete information, the municipal clerk or the secretary  
 302.27 must file a corrective certification after taking corrective action as identified by the  
 302.28 commissioner in the notice of rejection. The corrective certification must be filed within  
 302.29 30 days of the date on the notice of rejection or by March 15, whichever date is later.

302.30 ~~(b)~~ (c) A penalty applies to (1) a certification under subdivision 9 filed after March 15,  
 302.31 and (2) a corrective certification under paragraph (b) filed after March 15 that is also filed  
 302.32 more than 30 days after the date on the notice of rejection. The penalty ~~for failure to file~~  
 302.33 the certification under subdivision 9 is equal to the amount of fire state aid determined for

303.1 the municipality or the independent nonprofit firefighting corporation for the current year,  
 303.2 multiplied by five ten percent for each week or fraction of a week that the certification or  
 303.3 corrective certification is late filed after March 15 or more than 30 days after the date on  
 303.4 the notice of rejection. The penalty must be computed beginning ten days after the postmark  
 303.5 date of the commissioner's notification. Aid amounts forfeited as a result of the penalty  
 303.6 revert to the state general fund. Failure to receive the certification form is not a defense for  
 303.7 a failure to file.

303.8 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 303.9 and thereafter.

303.10 Sec. 14. Minnesota Statutes 2022, section 477B.03, subdivision 2, is amended to read:

303.11 Subd. 2. **Apportionment of fire state aid.** (a) The amount of fire state aid available for  
 303.12 apportionment, before the addition of the minimum fire state aid allocation amount under  
 303.13 subdivision 5, is equal to 107 percent of the amount of premium taxes paid to the state upon  
 303.14 the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the  
 303.15 commissioner by companies or insurance companies on the Minnesota Fire Premium Report,  
 303.16 except that credits claimed under section 297I.20, subdivisions 3, 4, and 5, do not affect the  
 303.17 calculation of the amount of fire state aid available for apportionment. This amount must  
 303.18 be reduced by the amount required to pay the state auditor's costs and expenses of the audits  
 303.19 or exams of the firefighters' relief associations.

303.20 (b) The total amount available for apportionment must not be less than two percent of  
 303.21 the premiums less return premiums reported to the commissioner by companies or insurance  
 303.22 companies on the Minnesota Fire Premium Report after subtracting the following amounts:

303.23 (1) the amount required to pay the state auditor's costs and expenses of the audits or  
 303.24 exams of the firefighters' relief associations; and

303.25 (2) one percent of the premiums reported by township mutual insurance companies and  
 303.26 mutual property and casualty companies with total assets of \$5,000,000 or less.

303.27 (c) The commissioner must apportion the fire state aid to each municipality or independent  
 303.28 nonprofit firefighting corporation qualified under section 477B.02 relative to the premiums  
 303.29 reported on the Minnesota Fire Premium Reports filed under this chapter.

303.30 (d) The commissioner must calculate the percentage of increase or decrease reflected in  
 303.31 the apportionment over or under the previous year's available state aid using the same  
 303.32 premiums as a basis for comparison.

303.33 **EFFECTIVE DATE.** This section is effective the day following final enactment.

304.1 Sec. 15. Minnesota Statutes 2022, section 477B.03, subdivision 3, is amended to read:

304.2 Subd. 3. **Population and estimated market value.** (a) ~~Official statewide federal census~~  
304.3 ~~figures~~ The most recent population estimates made by the state demographer pursuant to  
304.4 section 4A.02, paragraph (d), must be used in calculations requiring the use of population  
304.5 figures under this chapter. ~~Increases or decreases in population disclosed by reason of any~~  
304.6 ~~special census must not be taken into consideration.~~

304.7 (b) The ~~latest available~~ estimated market value property figures for the assessment year  
304.8 immediately preceding the year the aid is distributed must be used in calculations requiring  
304.9 the use of estimated market value property figures under this chapter.

304.10 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
304.11 and thereafter.

304.12 Sec. 16. Minnesota Statutes 2022, section 477B.03, subdivision 4, is amended to read:

304.13 Subd. 4. **Initial fire state aid allocation amount.** (a) The initial fire state aid allocation  
304.14 amount is the amount available for apportionment as fire state aid under subdivision 2,  
304.15 without the inclusion of any additional funding amount to support a minimum fire state aid  
304.16 amount under section 423A.02, subdivision 3. The initial fire state aid allocation amount  
304.17 is allocated one-half in proportion to the population for each fire department service area  
304.18 and one-half in proportion to the estimated market value of each fire department service  
304.19 area, including (1) the estimated market value of tax-exempt property, and (2) the estimated  
304.20 market value of natural resources lands receiving in lieu payments under sections 477A.11  
304.21 to 477A.14 and 477A.17. The estimated market value of minerals is excluded.

304.22 (b) In the case of a municipality or independent nonprofit firefighting corporation  
304.23 furnishing fire protection to other municipalities as evidenced by valid fire service contracts,  
304.24 joint powers agreements, resolutions, and other supporting documents filed with the  
304.25 commissioner under section 477B.02, subdivision 5, the distribution must be adjusted  
304.26 proportionately to take into consideration the crossover fire protection service. Necessary  
304.27 adjustments must be made to subsequent apportionments.

304.28 (c) In the case of municipalities or independent nonprofit firefighting corporations  
304.29 qualifying for aid, the commissioner must calculate the state aid for the municipality or  
304.30 independent nonprofit firefighting corporation on the basis of the population and the estimated  
304.31 market value of the area furnished fire protection service by the fire department as evidenced  
304.32 by valid fire service agreements contracts, joint powers agreements, resolutions, and other  
304.33 supporting documents filed with the commissioner under section 477B.02, subdivision 5.



305.1 (d) In the case of more than one fire department furnishing contracted fire service to a  
305.2 municipality, the population and estimated market value in the apportionment agreement  
305.3 filed with the commissioner under section 477B.02, subdivision 5, must be used in calculating  
305.4 the state aid.

305.5 EFFECTIVE DATE. This section is effective for aids payable in calendar year 2024  
305.6 and thereafter.

305.7 Sec. 17. Minnesota Statutes 2022, section 477B.03, subdivision 5, is amended to read:

305.8 Subd. 5. **Minimum fire state aid allocation amount.** (a) The minimum fire state aid  
305.9 allocation amount is the amount derived from any additional funding amount to support a  
305.10 minimum fire state aid amount under section 423A.02, subdivision 3. The minimum fire  
305.11 state aid allocation amount is allocated to municipalities or independent nonprofit firefighting  
305.12 corporations with volunteer firefighters' relief associations or covered by the statewide  
305.13 volunteer firefighter plan. The amount is based on the number of active volunteer firefighters  
305.14 who are (1) members of the relief association as reported to the Office of the State Auditor  
305.15 in a specific annual financial reporting year as specified in paragraphs (b) to (d), or (2)  
305.16 covered by the statewide volunteer firefighter plan as specified in paragraph (e).

305.17 (b) For relief associations established in calendar year 1993 or a prior year, the number  
305.18 of active volunteer firefighters equals the number of active volunteer firefighters who were  
305.19 members of the relief association as reported in the annual financial reporting for calendar  
305.20 year 1993, but not to exceed 30 active volunteer firefighters.

305.21 (c) For relief associations established in calendar year 1994 through calendar year 1999,  
305.22 the number of active volunteer firefighters equals the number of active volunteer firefighters  
305.23 who were members of the relief association as reported in the annual financial reporting for  
305.24 calendar year 1998 to the Office of the State Auditor, but not to exceed 30 active volunteer  
305.25 firefighters.

305.26 (d) For relief associations established after calendar year 1999, the number of active  
305.27 volunteer firefighters equals the number of active volunteer firefighters who are members  
305.28 of the relief association as reported in the first annual financial reporting submitted to the  
305.29 Office of the State Auditor, but not to exceed 20 active volunteer firefighters.

305.30 (e) ~~If a relief association is terminated as a result of~~ For a municipality or independent  
305.31 nonprofit firefighting corporation that is providing retirement coverage for volunteer  
305.32 firefighters by the statewide volunteer firefighter plan under chapter 353G, the number of  
305.33 active volunteer firefighters equals the number of active volunteer firefighters of the

306.1 municipality or independent nonprofit firefighting corporation covered by the statewide  
306.2 plan as certified by the executive director of the Public Employees Retirement Association  
306.3 to the commissioner and the state auditor within 30 days of the date the municipality or  
306.4 independent nonprofit firefighting corporation begins coverage in the plan, but not to exceed  
306.5 30 active firefighters.

306.6 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
306.7 and thereafter.

306.8 Sec. 18. Minnesota Statutes 2022, section 477B.03, subdivision 7, is amended to read:

306.9 Subd. 7. **Appeal.** A municipality, an independent nonprofit firefighting corporation, a  
306.10 fire relief association, or the statewide volunteer firefighter plan may object to the amount  
306.11 of fire state aid apportioned to it by filing a written request with the commissioner to review  
306.12 and adjust the apportionment of funds within the state. The objection of a municipality, an  
306.13 independent nonprofit firefighting corporation, a fire relief association, or the voluntary  
306.14 statewide volunteer firefighter retirement plan must be filed with the commissioner within  
306.15 60 days of the date the amount of apportioned fire state aid is paid. The decision of the  
306.16 commissioner is subject to appeal, review, and adjustment by the district court in the county  
306.17 in which the applicable municipality or independent nonprofit firefighting corporation is  
306.18 located or by the Ramsey County District Court with respect to the statewide volunteer  
306.19 firefighter plan.

306.20 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
306.21 and thereafter.

306.22 Sec. 19. Minnesota Statutes 2022, section 477B.04, subdivision 1, is amended to read:

306.23 Subdivision 1. **Payments.** (a) The commissioner must make payments to the Public  
306.24 Employees Retirement Association for deposit in the statewide volunteer firefighter fund  
306.25 on behalf of a municipality or independent nonprofit firefighting corporation that is a member  
306.26 of the statewide volunteer firefighter plan under chapter 353G, ~~or directly to a municipality~~  
306.27 ~~or county designated by an independent nonprofit firefighting corporation.~~ The commissioner  
306.28 must directly pay all other municipalities qualifying for fire state aid, except as provided in  
306.29 paragraph (d). The payment is equal to the amount of fire state aid apportioned to the  
306.30 applicable fire state aid recipient under section 477B.03.

306.31 (b) Fire state aid is payable on October 1 annually. The amount of state aid due and not  
306.32 paid by October 1 accrues interest payable to the recipient at the rate of one percent for each  
306.33 month or part of a month that the amount remains unpaid after October 1.

307.1 (c) If the commissioner of revenue does not receive a financial compliance report  
307.2 described in section 6.495, subdivision 3, for a relief association, the amount of fire state  
307.3 aid apportioned to a municipality or independent nonprofit firefighting corporation under  
307.4 section 477B.03 for that relief association must be withheld from payment to the Public  
307.5 Employees Retirement Association or the municipality. The commissioner of revenue must  
307.6 issue a withheld payment within ten business days of receipt of a financial compliance report  
307.7 under section 6.495, subdivision 3. The interest under paragraph (b) does not apply when  
307.8 to a payment has not been made by October 1 due to noncompliance with sections 424A.014  
307.9 and 477B.02, subdivision 7 withheld under this paragraph.

307.10 (d) The commissioner must make payments directly to the largest municipality in  
307.11 population located within any area included in a joint powers entity that does not have a  
307.12 designated agency under section 471.59, subdivision 3, or within the fire department service  
307.13 area of an eligible independent nonprofit firefighting corporation. If there is no city or town  
307.14 within the fire department service area of an eligible independent nonprofit firefighting  
307.15 corporation, fire state aid must be paid to the county where the independent nonprofit  
307.16 firefighting corporation is located.

307.17 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
307.18 and thereafter.

307.19 Sec. 20. Minnesota Statutes 2022, section 477B.04, is amended by adding a subdivision  
307.20 to read:

307.21 Subd. 4. **Aid amount corrections.** (a) An adjustment needed to correct a fire state aid  
307.22 overpayment or underpayment due to a clerical error must be made to subsequent fire state  
307.23 aid payments as provided in paragraphs (b) and (c). The authority to correct an aid payment  
307.24 under this subdivision is limited to three years after the payment was issued.

307.25 (b) If an overpayment equals more than ten percent of the most recently paid aid amount,  
307.26 the commissioner must reduce the aid a municipality or independent nonprofit firefighting  
307.27 corporation is to receive by the amount overpaid over a period of no more than three years.  
307.28 If an overpayment equals or is less than ten percent of the most recently paid aid amount,  
307.29 the commissioner must reduce the next aid payment occurring in 30 days or more by the  
307.30 amount overpaid.

307.31 (c) In the event of an underpayment, the commissioner must distribute the amount of  
307.32 underpaid funds to the municipality or independent nonprofit firefighting corporation over  
307.33 a period of no more than three years. An additional distribution to a municipality or  
307.34 independent nonprofit firefighting corporation must be paid from the general fund and must

308.1 not diminish the payments made to other municipalities or independent nonprofit firefighting  
 308.2 corporations under this chapter.

308.3 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 308.4 and thereafter.

308.5 Sec. 21. Minnesota Statutes 2022, section 477C.02, subdivision 4, is amended to read:

308.6 Subd. 4. **Penalty for failure to file or correct certification.** (a) If a certification under  
 308.7 subdivision 1 or 2 is not filed with the commissioner on or before March ~~15~~ 1, the  
 308.8 commissioner must notify the municipal clerk, municipal clerk-treasurer, or county auditor  
 308.9 that a penalty ~~equal to a portion or all of its current year aid will apply if the certification~~  
 308.10 ~~is not received within ten days~~ will be deducted from police state aid certified for the current  
 308.11 year if the certification is not filed on or before March 15.

308.12 (b) If the commissioner rejects the certification under subdivision 1 or 2 for inaccurate  
 308.13 or incomplete information, the municipal clerk, municipal clerk-treasurer, or county auditor  
 308.14 must file a corrective certification after taking corrective action as identified by the  
 308.15 commissioner in the notice of rejection. The corrective certification must be filed within  
 308.16 30 days of the date on the notice of rejection, or by March 15, whichever date is later.

308.17 ~~(b)~~ (c) A penalty applies to (1) a certification under subdivisions 1 and 2 filed after  
 308.18 March 15, and (2) a corrective certification under paragraph (b) filed after March 15 that  
 308.19 is also filed more than 30 days after the date on the notice of rejection. The penalty for  
 308.20 ~~failure to file the certification under subdivision 1 or 2~~ is equal to the amount of police state  
 308.21 aid determined for the municipality for the current year, multiplied by ~~five~~ ten percent for  
 308.22 each week or fraction of a week that the certification or corrective certification is ~~late~~ filed  
 308.23 after March 15 or more than 30 days after the date on the notice of rejection. The penalty  
 308.24 ~~must be computed beginning ten days after the postmark date of the commissioner's~~  
 308.25 ~~notification as required under this subdivision.~~ All aid amounts forfeited as a result of the  
 308.26 penalty revert to the state general fund. Failure to receive the certification form may not be  
 308.27 used as a defense for a failure to file.

308.28 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 308.29 and thereafter.

308.30 Sec. 22. Minnesota Statutes 2022, section 477C.03, subdivision 2, is amended to read:

308.31 Subd. 2. **Apportionment of police state aid.** (a) The total amount available for  
 308.32 apportionment as police state aid is equal to 104 percent of the amount of premium taxes

309.1 paid to the state on the premiums reported to the commissioner by companies or insurance  
309.2 companies on the Minnesota Aid to Police Premium Report, except that credits claimed  
309.3 under section 297L.20, subdivisions 3, 4, and 5, do not affect the calculation of the total  
309.4 amount of police state aid available for apportionment. The total amount for apportionment  
309.5 for the police state aid program must not be less than two percent of the amount of premiums  
309.6 reported to the commissioner by companies or insurance companies on the Minnesota Aid  
309.7 to Police Premium Report.

309.8 (b) The commissioner must calculate the percentage of increase or decrease reflected in  
309.9 the apportionment over or under the previous year's available state aid using the same  
309.10 premiums as a basis for comparison.

309.11 (c) In addition to the amount for apportionment of police state aid under paragraph (a),  
309.12 each year \$100,000 must be apportioned for police state aid. An amount sufficient to pay  
309.13 this increase is annually appropriated from the general fund.

309.14 (d) The commissioner must apportion police state aid to all municipalities in proportion  
309.15 to the relationship that the total number of peace officers employed by that municipality for  
309.16 the prior calendar year and the proportional or fractional number who were employed less  
309.17 than a calendar year as credited under section 477C.02, subdivision 1, paragraph (c), bears  
309.18 to the total number of peace officers employed by all municipalities subject to any reduction  
309.19 under subdivision 3.

309.20 ~~(e) Any necessary additional adjustments must be made to subsequent police state aid~~  
309.21 ~~apportionments.~~

309.22 **EFFECTIVE DATE.** (a) The amendment to paragraph (a) is effective the day following  
309.23 final enactment.

309.24 (b) The amendment striking paragraph (e) is effective for aids payable in calendar year  
309.25 2024 and thereafter.

309.26 Sec. 23. Minnesota Statutes 2022, section 477C.03, subdivision 5, is amended to read:

309.27 Subd. 5. **Appeal.** A municipality may object to the amount of police state aid apportioned  
309.28 to it by filing a written request with the commissioner to review and adjust the apportionment  
309.29 of funds to the municipality. The objection of a municipality must be filed with the  
309.30 commissioner within 60 days of the date the amount of apportioned police state aid is paid.  
309.31 The decision of the commissioner is subject to appeal, review, and adjustment by the district  
309.32 court in the county in which the applicable municipality is located or by the Ramsey County  
309.33 District Court with respect to the Departments of Natural Resources or Public Safety.

310.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 310.2 and thereafter.

310.3 Sec. 24. Minnesota Statutes 2022, section 477C.04, is amended by adding a subdivision  
 310.4 to read:

310.5 Subd. 4. **Aid amount corrections.** (a) An adjustment needed to correct a police state  
 310.6 aid overpayment or underpayment due to a clerical error must be made to subsequent police  
 310.7 state aid payments as provided in paragraphs (b) and (c). The authority to correct an aid  
 310.8 payment under this subdivision is limited to three years after the payment was issued.

310.9 (b) If an overpayment equals more than ten percent of the most recently paid aid amount,  
 310.10 the commissioner must reduce the aid a municipality is to receive by the amount overpaid  
 310.11 over a period of no more than three years. If an overpayment equals or is less than ten  
 310.12 percent of the most recently paid aid amount, the commissioner must reduce the next aid  
 310.13 payment occurring in 30 days or more by the amount overpaid.

310.14 (c) In the event of an underpayment, the commissioner must distribute the amount of  
 310.15 underpaid funds to the municipality over a period of no more than three years. An additional  
 310.16 distribution to a municipality must be paid from the general fund and must not diminish the  
 310.17 payments made to other municipalities under this chapter.

310.18 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 310.19 and thereafter.

310.20 Sec. 25. **REPEALER.**

310.21 Minnesota Statutes 2022, sections 477B.02, subdivision 4; and 477B.03, subdivision 6,  
 310.22 are repealed.

310.23 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 310.24 and thereafter.

## 310.25 **ARTICLE 16**

### 310.26 **DEPARTMENT OF REVENUE: DATA PRACTICES**

310.27 Section 1. Minnesota Statutes 2022, section 13.46, subdivision 2, is amended to read:

310.28 Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated  
 310.29 by the welfare system are private data on individuals, and shall not be disclosed except:

310.30 (1) according to section 13.05;

- 311.1 (2) according to court order;
- 311.2 (3) according to a statute specifically authorizing access to the private data;
- 311.3 (4) to an agent of the welfare system and an investigator acting on behalf of a county,  
311.4 the state, or the federal government, including a law enforcement person or attorney in the  
311.5 investigation or prosecution of a criminal, civil, or administrative proceeding relating to the  
311.6 administration of a program;
- 311.7 (5) to personnel of the welfare system who require the data to verify an individual's  
311.8 identity; determine eligibility, amount of assistance, and the need to provide services to an  
311.9 individual or family across programs; coordinate services for an individual or family;  
311.10 evaluate the effectiveness of programs; assess parental contribution amounts; and investigate  
311.11 suspected fraud;
- 311.12 (6) to administer federal funds or programs;
- 311.13 (7) between personnel of the welfare system working in the same program;
- 311.14 (8) to the Department of Revenue to assess parental contribution amounts for purposes  
311.15 of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit programs  
311.16 and to identify individuals who may benefit from these programs, and prepare the databases  
311.17 for reports required under section 270C.13 and Laws 2008, chapter 366, article 17, section  
311.18 6. The following information may be disclosed under this paragraph: an individual's and  
311.19 their dependent's names, dates of birth, Social Security numbers, income, addresses, and  
311.20 other data as required, upon request by the Department of Revenue. Disclosures by the  
311.21 commissioner of revenue to the commissioner of human services for the purposes described  
311.22 in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit  
311.23 programs include, but are not limited to, the dependent care credit under section 290.067,  
311.24 the Minnesota working family credit under section 290.0671, the property tax refund and  
311.25 rental credit under section 290A.04, and the Minnesota education credit under section  
311.26 290.0674;
- 311.27 (9) between the Department of Human Services, the Department of Employment and  
311.28 Economic Development, and when applicable, the Department of Education, for the following  
311.29 purposes:
- 311.30 (i) to monitor the eligibility of the data subject for unemployment benefits, for any  
311.31 employment or training program administered, supervised, or certified by that agency;
- 311.32 (ii) to administer any rehabilitation program or child care assistance program, whether  
311.33 alone or in conjunction with the welfare system;

312.1 (iii) to monitor and evaluate the Minnesota family investment program or the child care  
312.2 assistance program by exchanging data on recipients and former recipients of Supplemental  
312.3 Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D,  
312.4 256J, or 256K, child care assistance under chapter 119B, medical programs under chapter  
312.5 256B or 256L, or a medical program formerly codified under chapter 256D; and

312.6 (iv) to analyze public assistance employment services and program utilization, cost,  
312.7 effectiveness, and outcomes as implemented under the authority established in Title II,  
312.8 Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999.  
312.9 Health records governed by sections 144.291 to 144.298 and "protected health information"  
312.10 as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code  
312.11 of Federal Regulations, title 45, parts 160-164, including health care claims utilization  
312.12 information, must not be exchanged under this clause;

312.13 (10) to appropriate parties in connection with an emergency if knowledge of the  
312.14 information is necessary to protect the health or safety of the individual or other individuals  
312.15 or persons;

312.16 (11) data maintained by residential programs as defined in section 245A.02 may be  
312.17 disclosed to the protection and advocacy system established in this state according to Part  
312.18 C of Public Law 98-527 to protect the legal and human rights of persons with developmental  
312.19 disabilities or other related conditions who live in residential facilities for these persons if  
312.20 the protection and advocacy system receives a complaint by or on behalf of that person and  
312.21 the person does not have a legal guardian or the state or a designee of the state is the legal  
312.22 guardian of the person;

312.23 (12) to the county medical examiner or the county coroner for identifying or locating  
312.24 relatives or friends of a deceased person;

312.25 (13) data on a child support obligor who makes payments to the public agency may be  
312.26 disclosed to the Minnesota Office of Higher Education to the extent necessary to determine  
312.27 eligibility under section 136A.121, subdivision 2, clause (5);

312.28 (14) participant Social Security numbers and names collected by the telephone assistance  
312.29 program may be disclosed to the Department of Revenue to conduct an electronic data  
312.30 match with the property tax refund database to determine eligibility under section 237.70,  
312.31 subdivision 4a;

312.32 (15) the current address of a Minnesota family investment program participant may be  
312.33 disclosed to law enforcement officers who provide the name of the participant and notify  
312.34 the agency that:



313.1 (i) the participant:

313.2 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after  
313.3 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the  
313.4 jurisdiction from which the individual is fleeing; or

313.5 (B) is violating a condition of probation or parole imposed under state or federal law;

313.6 (ii) the location or apprehension of the felon is within the law enforcement officer's  
313.7 official duties; and

313.8 (iii) the request is made in writing and in the proper exercise of those duties;

313.9 (16) the current address of a recipient of general assistance may be disclosed to probation  
313.10 officers and corrections agents who are supervising the recipient and to law enforcement  
313.11 officers who are investigating the recipient in connection with a felony level offense;

313.12 (17) information obtained from a SNAP applicant or recipient households may be  
313.13 disclosed to local, state, or federal law enforcement officials, upon their written request, for  
313.14 the purpose of investigating an alleged violation of the Food and Nutrition Act, according  
313.15 to Code of Federal Regulations, title 7, section 272.1(c);

313.16 (18) the address, Social Security number, and, if available, photograph of any member  
313.17 of a household receiving SNAP benefits shall be made available, on request, to a local, state,  
313.18 or federal law enforcement officer if the officer furnishes the agency with the name of the  
313.19 member and notifies the agency that:

313.20 (i) the member:

313.21 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a  
313.22 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

313.23 (B) is violating a condition of probation or parole imposed under state or federal law;  
313.24 or

313.25 (C) has information that is necessary for the officer to conduct an official duty related  
313.26 to conduct described in subitem (A) or (B);

313.27 (ii) locating or apprehending the member is within the officer's official duties; and

313.28 (iii) the request is made in writing and in the proper exercise of the officer's official duty;

313.29 (19) the current address of a recipient of Minnesota family investment program, general  
313.30 assistance, or SNAP benefits may be disclosed to law enforcement officers who, in writing,  
313.31 provide the name of the recipient and notify the agency that the recipient is a person required

314.1 to register under section 243.166, but is not residing at the address at which the recipient is  
314.2 registered under section 243.166;

314.3 (20) certain information regarding child support obligors who are in arrears may be  
314.4 made public according to section 518A.74;

314.5 (21) data on child support payments made by a child support obligor and data on the  
314.6 distribution of those payments excluding identifying information on obligees may be  
314.7 disclosed to all obligees to whom the obligor owes support, and data on the enforcement  
314.8 actions undertaken by the public authority, the status of those actions, and data on the income  
314.9 of the obligor or obligee may be disclosed to the other party;

314.10 (22) data in the work reporting system may be disclosed under section 256.998,  
314.11 subdivision 7;

314.12 (23) to the Department of Education for the purpose of matching Department of Education  
314.13 student data with public assistance data to determine students eligible for free and  
314.14 reduced-price meals, meal supplements, and free milk according to United States Code,  
314.15 title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state  
314.16 funds that are distributed based on income of the student's family; and to verify receipt of  
314.17 energy assistance for the telephone assistance plan;

314.18 (24) the current address and telephone number of program recipients and emergency  
314.19 contacts may be released to the commissioner of health or a community health board as  
314.20 defined in section 145A.02, subdivision 5, when the commissioner or community health  
314.21 board has reason to believe that a program recipient is a disease case, carrier, suspect case,  
314.22 or at risk of illness, and the data are necessary to locate the person;

314.23 (25) to other state agencies, statewide systems, and political subdivisions of this state,  
314.24 including the attorney general, and agencies of other states, interstate information networks,  
314.25 federal agencies, and other entities as required by federal regulation or law for the  
314.26 administration of the child support enforcement program;

314.27 (26) to personnel of public assistance programs as defined in section 256.741, for access  
314.28 to the child support system database for the purpose of administration, including monitoring  
314.29 and evaluation of those public assistance programs;

314.30 (27) to monitor and evaluate the Minnesota family investment program by exchanging  
314.31 data between the Departments of Human Services and Education, on recipients and former  
314.32 recipients of SNAP benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child

315.1 care assistance under chapter 119B, medical programs under chapter 256B or 256L, or a  
315.2 medical program formerly codified under chapter 256D;

315.3 (28) to evaluate child support program performance and to identify and prevent fraud  
315.4 in the child support program by exchanging data between the Department of Human Services,  
315.5 Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b),  
315.6 without regard to the limitation of use in paragraph (c), Department of Health, Department  
315.7 of Employment and Economic Development, and other state agencies as is reasonably  
315.8 necessary to perform these functions;

315.9 (29) counties and the Department of Human Services operating child care assistance  
315.10 programs under chapter 119B may disseminate data on program participants, applicants,  
315.11 and providers to the commissioner of education;

315.12 (30) child support data on the child, the parents, and relatives of the child may be  
315.13 disclosed to agencies administering programs under titles IV-B and IV-E of the Social  
315.14 Security Act, as authorized by federal law;

315.15 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent  
315.16 necessary to coordinate services;

315.17 (32) to the chief administrative officer of a school to coordinate services for a student  
315.18 and family; data that may be disclosed under this clause are limited to name, date of birth,  
315.19 gender, and address;

315.20 (33) to county correctional agencies to the extent necessary to coordinate services and  
315.21 diversion programs; data that may be disclosed under this clause are limited to name, client  
315.22 demographics, program, case status, and county worker information; or

315.23 (34) between the Department of Human Services and the Metropolitan Council for the  
315.24 following purposes:

315.25 (i) to coordinate special transportation service provided under section 473.386 with  
315.26 services for people with disabilities and elderly individuals funded by or through the  
315.27 Department of Human Services; and

315.28 (ii) to provide for reimbursement of special transportation service provided under section  
315.29 473.386.

315.30 The data that may be shared under this clause are limited to the individual's first, last, and  
315.31 middle names; date of birth; residential address; and program eligibility status with expiration  
315.32 date for the purposes of informing the other party of program eligibility.

316.1 (b) Information on persons who have been treated for drug or alcohol abuse may only  
316.2 be disclosed according to the requirements of Code of Federal Regulations, title 42, sections  
316.3 2.1 to 2.67.

316.4 (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),  
316.5 (17), or (18), or paragraph (b), are investigative data and are confidential or protected  
316.6 nonpublic while the investigation is active. The data are private after the investigation  
316.7 becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

316.8 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are  
316.9 not subject to the access provisions of subdivision 10, paragraph (b).

316.10 For the purposes of this subdivision, a request will be deemed to be made in writing if  
316.11 made through a computer interface system.

316.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

316.13 Sec. 2. Minnesota Statutes 2022, section 270C.13, subdivision 1, is amended to read:

316.14 Subdivision 1. **Biennial report.** (a) The commissioner shall report to the legislature on  
316.15 the overall incidence of the income tax, sales and excise taxes, and property tax.

316.16 (b) The commissioner must submit the report:

316.17 (1) by March 1, 2021; and

316.18 (2) by March 1, 2024, and each even-numbered year thereafter.

316.19 (c) The report shall present information on the distribution of the tax burden as follows:

316.20 (1) for the overall income distribution, using a systemwide incidence measure such as the  
316.21 Suits index or other appropriate measures of equality and inequality; (2) by income classes,  
316.22 including at a minimum deciles of the income distribution; and (3) by other appropriate  
316.23 taxpayer characteristics.

316.24 (d) The commissioner may request information from any state officer or agency to assist  
316.25 in carrying out this section. The state officer or agency shall provide the data requested to  
316.26 the extent permitted by law.

316.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

317.1 Sec. 3. Minnesota Statutes 2022, section 270C.446, subdivision 2, is amended to read:

317.2 Subd. 2. **Required and excluded tax preparers.** (a) Subject to the limitations of  
317.3 paragraph (b), the commissioner must publish lists of tax preparers as defined in section  
317.4 270C.445, subdivision 2, paragraph (h), who have been:

317.5 (1) convicted under section 289A.63;

317.6 (2) assessed penalties in excess of \$1,000 under section 289A.60, subdivision 13,  
317.7 paragraph (a);

317.8 (3) convicted for identity theft under section 609.527, or a similar statute, for a return  
317.9 filed with the commissioner, the Internal Revenue Service, or another state;

317.10 (4) assessed a penalty under section 270C.445, subdivision 6, paragraph (a), in excess  
317.11 of \$1,000;

317.12 (5) issued a cease and desist order under section 270C.445, subdivision 6, paragraph  
317.13 (b), that has become a final order; ~~or~~

317.14 (6) assessed a penalty under section 270C.445, subdivision 6, paragraph (l), for violating  
317.15 a cease and desist order; or

317.16 (7) assessed a penalty under section 289A.60, subdivision 28, paragraph (c), or (d), in  
317.17 excess of \$1,000.

317.18 (b) For the purposes of this section, tax preparers are not subject to publication if:

317.19 (1) an administrative or court action contesting or appealing a penalty described in  
317.20 paragraph (a), clause (2), (4), or (6), has been filed or served and is unresolved at the time  
317.21 when notice would be given under subdivision 3;

317.22 (2) an appeal period to contest a penalty described in paragraph (a), clause (2), (4), or  
317.23 (6), has not expired;

317.24 (3) the commissioner has been notified that the tax preparer is deceased;

317.25 (4) an appeal period to contest a cease and desist order issued under section 270C.445,  
317.26 subdivision 6, paragraph (b), has not expired;

317.27 (5) an administrative or court action contesting or appealing a cease and desist order  
317.28 issued under section 270C.445, subdivision 6, paragraph (b), has been filed or served and  
317.29 is unresolved at the time when notice would be given under subdivision 3;

318.1 (6) a direct appeal of a conviction described in paragraph (a), clause (1) or (3), has been  
318.2 filed or served and is unresolved at the time when the notice would be given under  
318.3 subdivision 3; or

318.4 (7) an appeal period to contest a conviction described in paragraph (a), clause (1) or (3),  
318.5 has not expired.

318.6 **EFFECTIVE DATE.** This section is effective for returns filed after December 31, 2023.

318.7 Sec. 4. Minnesota Statutes 2022, section 290A.19, is amended to read:

318.8 **290A.19 OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE.**

318.9 (a) The owner or managing agent of any property for which rent is paid for occupancy  
318.10 as a homestead must furnish a certificate of rent paid to a person who is a renter on December  
318.11 31, in the form prescribed by the commissioner. If the renter moves before December 31,  
318.12 the owner or managing agent may give the certificate to the renter at the time of moving,  
318.13 or mail the certificate to the forwarding address if an address has been provided by the  
318.14 renter. The certificate must be made available to the renter before February 1 of the year  
318.15 following the year in which the rent was paid. The owner or managing agent must retain a  
318.16 duplicate of each certificate or an equivalent record showing the same information for a  
318.17 period of three years. The duplicate or other record must be made available to the  
318.18 commissioner upon request.

318.19 (b) The commissioner may require the owner or managing agent, through a simple  
318.20 process, to furnish to the commissioner on or before March 1 a copy of each certificate of  
318.21 rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe  
318.22 the content, format, and manner of the form pursuant to section 270C.30. The commissioner  
318.23 may require the Social Security number, individual taxpayer identification number, federal  
318.24 employer identification number, or Minnesota taxpayer identification number of the owner  
318.25 or managing agent who is required to furnish a certificate of rent paid under this paragraph.  
318.26 Prior to implementation, the commissioner, after consulting with representatives of owners  
318.27 or managing agents, shall develop an implementation and administration plan for the  
318.28 requirements of this paragraph that attempts to minimize financial burdens, administration  
318.29 and compliance costs, and takes into consideration existing systems of owners and managing  
318.30 agents.

318.31 (c) For the purposes of this section, "owner" includes a park owner as defined under  
318.32 section 327C.015, subdivision 9, and "property" includes a lot as defined under section  
318.33 327C.015, subdivision 6.

319.1 **EFFECTIVE DATE.** This section is effective for refund claims based on rent paid in  
 319.2 2023 and thereafter.

319.3 Sec. 5. Minnesota Statutes 2022, section 299C.76, subdivision 1, is amended to read:

319.4 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following definitions  
 319.5 apply.

319.6 (b) "Federal tax information" means federal tax returns and return information or  
 319.7 information derived or created from federal tax returns, in possession of or control by the  
 319.8 requesting agency, that is covered by the safeguarding provisions of section 6103(p)(4) of  
 319.9 the Internal Revenue Code.

319.10 (c) "IRS Publication 1075" means Internal Revenue Service Publication 1075 that  
 319.11 provides guidance and requirements for the protection and confidentiality of federal tax  
 319.12 information as required in section 6103(p)(4) of the Internal Revenue Code.

319.13 (d) "National criminal history record information" means the Federal Bureau of  
 319.14 Investigation identification records as defined in Code of Federal Regulations, title 28,  
 319.15 section 20.3(d).

319.16 (e) "Requesting agency" means the Department of Revenue, Department of Employment  
 319.17 and Economic Development, Department of Human Services, board of directors of MNsure,  
 319.18 Department of Information Technology Services, attorney general, and counties.

319.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

319.20 Sec. 6. Minnesota Statutes 2022, section 299C.76, subdivision 2, is amended to read:

319.21 Subd. 2. **National criminal history record information check.** As required by IRS  
 319.22 Publication 1075, a requesting agency shall require fingerprints for a national criminal  
 319.23 history record information check from the following individuals who have or will have  
 319.24 access to federal tax information:

319.25 (1) a current or prospective permanent or temporary employee of the requesting agency;

319.26 (2) an independent contractor or vendor of the requesting agency; or

319.27 (3) an employee ~~or agent~~ of an independent contractor or vendor of the requesting agency;  
 319.28 ~~or.~~

319.29 ~~(4) any other individual authorized to access federal tax information by the requesting~~  
 319.30 ~~agency.~~

320.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

320.2 Sec. 7. Laws 2008, chapter 366, article 17, section 6, is amended to read:

320.3 Sec. 6. **DATA UPDATE.**

320.4 The commissioner of revenue must continue to maintain, update, and make available  
320.5 the information required under Laws 1987, chapter 268, article 7, section 1, subdivision 6,  
320.6 paragraph (b). The commissioner may request information from any state officer or agency  
320.7 to assist in carrying out paragraph (b). The state officer or agency shall provide the data  
320.8 requested to the extent permitted by law. The commissioner must provide the most complete  
320.9 and current data available, when requested, to the chairs of the senate and house of  
320.10 representatives committees on taxes.

320.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

## 320.12 **ARTICLE 17**

### 320.13 **DEPARTMENT OF REVENUE: MISCELLANEOUS**

320.14 Section 1. Minnesota Statutes 2022, section 270C.19, subdivision 1, is amended to read:

320.15 Subdivision 1. **Taxes paid by Indians.** Notwithstanding any other law which limits the  
320.16 refund of tax, the commissioner is authorized to enter into a tax refund agreement with the  
320.17 governing body of any federally recognized Indian ~~reservation~~ Tribe in Minnesota.

320.18 (b) The agreement may provide for:

320.19 (1) a mutually agreed-upon amount as a refund to the governing body of an estimate of  
320.20 any sales or excise tax paid by the total resident Indian population on or adjacent to a  
320.21 reservation into the state treasury; Tribal members on transactions occurring on the  
320.22 reservation or on transactions that would occur on the reservation if there was no agreement;  
320.23 or

320.24 (2) for an amount which measures the economic value of an agreement by the Tribal  
320.25 government to pay the equivalent of the state sales tax on items included in the sales tax  
320.26 base but exempt on the reservation, ~~notwithstanding any other law which limits the~~  
320.27 ~~refundment of taxes. The total resident Indian population on or adjacent to a reservation~~  
320.28 ~~shall be defined according to the United States Department of the Interior, Bureau of Indian~~  
320.29 ~~Affairs, as determined and stated in its Report on Service Population and Labor Force.~~

320.30 (c) For purposes of this section, "Tribal members" means the number of enrolled members  
320.31 of the Tribe who live on or adjacent to the reservation as defined in the agreement.



321.1 (d) In arriving at the refund amount, the commissioner must consider Tribal enrollment  
321.2 records, estimates contained in the tax incidence report under section 270C.13, and any  
321.3 other information available to the commissioner.

321.4 **EFFECTIVE DATE.** This section is effective retroactively for agreements entered into  
321.5 or amended after December 31, 2022.

321.6 Sec. 2. Minnesota Statutes 2022, section 270C.19, subdivision 2, is amended to read:

321.7 Subd. 2. **Sales, use, and excise taxes.** (a) The commissioner is authorized to enter into  
321.8 a tax agreement with the governing body of any federally recognized Indian ~~reservation~~  
321.9 Tribe in Minnesota, that provides for the state and the Tribal government to share sales,  
321.10 use, and excise tax revenues generated from on-reservation activities of ~~non-Indians~~  
321.11 non-Tribal members and off-reservation activities of Tribal members ~~of the reservation~~.  
321.12 Every agreement entered into pursuant to this subdivision must require the commissioner  
321.13 to collect all state and Tribal taxes covered by the agreement.

321.14 (b) The commissioner is authorized to collect any Tribal taxes imposed pursuant to any  
321.15 agreement entered into pursuant to this subdivision and to make payments authorized by  
321.16 the agreement to the Tribal government from the funds collected.

321.17 (c) The commissioner shall pay to the Tribal government its share of the taxes collected  
321.18 pursuant to the agreement, as indicated in the agreement, and grant the taxpayer a credit for  
321.19 the taxpayer's share of the amount paid to the Tribal government against the taxpayer's  
321.20 Minnesota tax.

321.21 **EFFECTIVE DATE.** This section is effective retroactively for agreements entered into  
321.22 or amended after December 31, 2022.

321.23 Sec. 3. Minnesota Statutes 2022, section 295.50, subdivision 4, is amended to read:

321.24 Subd. 4. **Health care provider.** (a) "Health care provider" means:

321.25 (1) a person whose health care occupation is regulated or required to be regulated by  
321.26 the state of Minnesota furnishing any or all of the following goods or services directly to a  
321.27 patient or consumer: medical, surgical, optical, visual, dental, hearing, nursing services,  
321.28 drugs, laboratory, diagnostic or therapeutic services;

321.29 (2) a person who provides goods and services not listed in clause (1) that qualify for  
321.30 reimbursement under the medical assistance program provided under chapter 256B;

321.31 (3) a staff model health plan company;

322.1 (4) an ambulance service required to be licensed;

322.2 (5) a person who sells or repairs hearing aids and related equipment or prescription  
322.3 eyewear; or

322.4 (6) a person providing patient services, who does not otherwise meet the definition of  
322.5 health care provider and is not specifically excluded in clause (b), who employs or contracts  
322.6 with a health care provider as defined in clauses (1) to (5) to perform, supervise, otherwise  
322.7 oversee, or consult with regarding patient services.

322.8 (b) Health care provider does not include:

322.9 (1) hospitals; medical supplies distributors, except as specified under paragraph (a),  
322.10 clause (5); nursing homes licensed under chapter 144A or licensed in any other jurisdiction;  
322.11 wholesale drug distributors; pharmacies; surgical centers; bus and taxicab transportation,  
322.12 or any other providers of transportation services other than ambulance services required to  
322.13 be licensed; supervised living facilities for persons with developmental disabilities, licensed  
322.14 under Minnesota Rules, parts 4665.0100 to 4665.9900; housing with services establishments  
322.15 required to be registered under chapter 144D; board and lodging establishments providing  
322.16 only custodial services that are licensed under chapter 157 and registered under section  
322.17 157.17 to provide supportive services or health supervision services; adult foster homes as  
322.18 defined in Minnesota Rules, part 9555.5105; day training and habilitation services for adults  
322.19 with developmental disabilities as defined in section 252.41, subdivision 3; boarding care  
322.20 homes, as defined in Minnesota Rules, part 4655.0100; and adult day care centers as defined  
322.21 in Minnesota Rules, part 9555.9600;

322.22 (2) home health agencies as defined in Minnesota Rules, part 9505.0175, subpart 15; a  
322.23 person providing personal care services and supervision of personal care services as defined  
322.24 in Minnesota Rules, part 9505.0335; a person providing home care nursing services as  
322.25 defined in Minnesota Rules, part 9505.0360; and home care providers required to be licensed  
322.26 under chapter 144A for home care services provided under chapter 144A;

322.27 (3) a person who employs health care providers solely for the purpose of providing  
322.28 patient services to its employees;

322.29 (4) an educational institution that employs health care providers solely for the purpose  
322.30 of providing patient services to its students if the institution does not receive fee for service  
322.31 payments or payments for extended coverage; and

322.32 (5) a person who receives all payments for patient services from health care providers,  
322.33 surgical centers, or hospitals for goods and services that are taxable to the paying health

323.1 care providers, surgical centers, or hospitals, as provided under section 295.53, subdivision  
 323.2 1, paragraph (b), clause (3) or (4), or from a source of funds that is excluded or exempt from  
 323.3 tax under ~~this chapter~~ sections 295.50 to 295.59.

323.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

323.5 Sec. 4. Minnesota Statutes 2022, section 296A.083, subdivision 3, is amended to read:

323.6 Subd. 3. **Surcharge rate.** (a) By ~~July 16, 2008, and each April 1 thereafter~~ May 1 each  
 323.7 year, the commissioner of revenue shall calculate and publish a surcharge as provided in  
 323.8 ~~paragraphs~~ paragraph (b) and (e). The surcharge is imposed ~~from August 1, 2008, through~~  
 323.9 ~~June 30, 2009, and each new surcharge thereafter is imposed the following~~ beginning July  
 323.10 1 of the year it is published through June 30 of the following year.

323.11 ~~(b) For fiscal years 2009 through 2012, the commissioner shall set the surcharge as~~  
 323.12 ~~specified in the following surcharge rate schedule.~~

323.13 **Surcharge Rate Schedule**

323.14	Fiscal Year	Rate (in cents per gallon)
323.15	<del>2009</del>	<del>0.5</del>
323.16	<del>2010</del>	<del>2.1</del>
323.17	<del>2011</del>	<del>2.5</del>
323.18	<del>2012</del>	<del>3.0</del>

323.19 ~~(e) For fiscal year 2013 and thereafter,~~ (b) The commissioner shall set the surcharge at  
 323.20 the lesser of (1) 3.5 cents, or (2) an amount calculated so that the total proceeds from the  
 323.21 surcharge deposited in the trunk highway fund from fiscal year 2009 to the upcoming fiscal  
 323.22 year equals the total amount of debt service from fiscal years 2009 to 2039, and the surcharge  
 323.23 is rounded to the nearest 0.1 cent.

323.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

323.25 Sec. 5. Minnesota Statutes 2022, section 297A.61, subdivision 29, is amended to read:

323.26 Subd. 29. **State.** Unless specifically provided otherwise, "state" means any state of the  
 323.27 United States, ~~the Commonwealth of Puerto Rico, and the District of Columbia, and any~~  
 323.28 territory of the United States, including American Samoa, Guam, Northern Mariana Islands,  
 323.29 Puerto Rico, and the U.S. Virgin Islands.

323.30 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
 323.31 30, 2023."

323.32 Delete the title and insert:

## "A bill for an act

324.1  
 324.2 relating to financing and operation of state and local government; modifying  
 324.3 provisions governing individual income and corporate franchise taxes, federal  
 324.4 conformity, property taxes, certain state aids, sales and use taxes, minerals taxes,  
 324.5 tax increment financing, local sales and use taxes, local special taxes, provision  
 324.6 related to public finance, and various other taxes and tax-related provisions;  
 324.7 modifying income tax credits; modifying existing and proposing new subtractions;  
 324.8 modifying provisions related to the taxation of pass-through entities; providing  
 324.9 for certain federal tax conformity; modifying provisions related to reporting of  
 324.10 corporate income; providing a onetime refundable rebate credit; modifying property  
 324.11 tax exemptions, classifications, and refunds; modifying local government aid  
 324.12 calculations; establishing soil and water conservation district aid; providing public  
 324.13 safety aid; providing for certain sales tax exemptions and providing new definitions;  
 324.14 modifying taconite taxes and distributions; modifying provisions related to tax  
 324.15 increment financing and allowing certain special local provisions; authorizing and  
 324.16 modifying certain local taxes; providing for a process to refund the state stadium  
 324.17 bonds; establishing tourism improvement areas; requiring reports; providing for  
 324.18 certain policy and technical modifications; appropriating money; amending  
 324.19 Minnesota Statutes 2022, sections 6.495, subdivision 3; 13.46, subdivision 2;  
 324.20 13.4967, by adding a subdivision; 16A.726; 38.27, subdivision 4; 41B.0391,  
 324.21 subdivisions 1, 2, 4, 6; 103D.905, subdivision 3; 116J.401, subdivision 3;  
 324.22 116J.8737, subdivisions 5, 12; 116U.27, subdivisions 1, 4, 7; 123B.61; 206.95;  
 324.23 270B.14, subdivision 2; 270C.13, subdivision 1; 270C.19, subdivisions 1, 2;  
 324.24 270C.446, subdivision 2; 270C.52, subdivision 2; 272.02, subdivisions 24, 73, 98,  
 324.25 by adding subdivisions; 272.025, subdivision 1; 273.11, subdivisions 12, 23;  
 324.26 273.111, by adding a subdivision; 273.124, subdivisions 6, 13, 13a, 13c, 13d, 14;  
 324.27 273.1245, subdivision 1; 273.128, subdivisions 1, 2, by adding a subdivision;  
 324.28 273.13, subdivisions 22, 25, 34, 35; 273.1315, subdivision 2; 273.1341; 273.41;  
 324.29 278.01, subdivision 1; 279.03, subdivision 1a; 282.261, subdivision 2; 289A.02,  
 324.30 subdivision 7, as amended; 289A.08, subdivisions 7, 7a; 289A.382, subdivision  
 324.31 2; 289A.50, by adding a subdivision; 290.01, subdivisions 7b, 19, 31, as amended;  
 324.32 290.0131, by adding a subdivision; 290.0132, subdivisions 4, 26, by adding  
 324.33 subdivisions; 290.0134, by adding a subdivision; 290.06, subdivisions 2c, as  
 324.34 amended, 22, 23, 39, by adding a subdivision; 290.067; 290.0671, subdivisions 1,  
 324.35 7; 290.0674; 290.0677, subdivision 1; 290.0681, subdivisions 3, 4; 290.0685,  
 324.36 subdivision 1; 290.091, subdivision 2, as amended; 290.17, subdivision 4, by  
 324.37 adding a subdivision; 290.92, subdivision 20; 290.9705, subdivision 1; 290A.03,  
 324.38 subdivisions 6, 13, 15, as amended; 290A.04, subdivision 2h; 290A.19; 290B.03,  
 324.39 subdivision 1; 290B.04, subdivisions 3, 4; 290B.05, subdivision 1; 291.005,  
 324.40 subdivision 1, as amended; 295.50, subdivision 4; 296A.083, subdivision 3;  
 324.41 297A.61, subdivision 29; 297A.67, by adding a subdivision; 297A.68, subdivision  
 324.42 4, by adding subdivisions; 297A.70, subdivisions 7, 19, 21; 297A.71, subdivisions  
 324.43 51, 52; 297A.99, subdivisions 1, 2, 3; 297A.994, subdivision 4; 297H.13,  
 324.44 subdivision 2; 297I.20, subdivision 4, by adding subdivisions; 298.015; 298.018,  
 324.45 subdivisions 1, 1a; 298.28, subdivisions 5, 7a, by adding a subdivision; 298.296,  
 324.46 subdivision 4; 299C.76, subdivisions 1, 2; 366.095, subdivision 1; 373.01,  
 324.47 subdivision 3; 383B.117, subdivision 2; 383E.21; 410.32; 412.301; 469.033,  
 324.48 subdivision 6; 469.053, subdivisions 4, 6; 469.107, subdivision 1; 469.174,  
 324.49 subdivisions 14, 27, by adding a subdivision; 469.175, subdivision 6; 469.176,  
 324.50 subdivisions 3, 4; 469.1763, subdivisions 2, 3, 4, 6; 469.1771, subdivisions 2, 2a,  
 324.51 3; 473.39, by adding a subdivision; 473F.02, subdivisions 2, 8; 473J.13,  
 324.52 subdivisions 2, 4; 474A.02, subdivisions 22b, 23a; 475.54, subdivision 1; 477A.011,  
 324.53 subdivision 34, by adding subdivisions; 477A.0124, subdivisions 2, 3; 477A.013,  
 324.54 subdivisions 8, 9; 477A.014, subdivision 1; 477A.03, subdivisions 2a, 2b; 477A.12,  
 324.55 subdivision 1; 477A.16, subdivision 2; 477B.01, subdivisions 5, 10, 11, by adding  
 324.56 subdivisions; 477B.02, subdivisions 2, 3, 5, 8, 9, 10, by adding a subdivision;  
 324.57 477B.03, subdivisions 2, 3, 4, 5, 7; 477B.04, subdivision 1, by adding a subdivision;  
 324.58 477C.02, subdivision 4; 477C.03, subdivisions 2, 5; 477C.04, by adding a

325.1 subdivision; Laws 1971, chapter 773, section 1, subdivision 2, as amended; Laws  
325.2 1993, chapter 375, article 9, section 46, as amended; Laws 1998, chapter 389,  
325.3 article 8, section 43, as amended; Laws 2003, chapter 127, article 10, section 31,  
325.4 subdivision 1, as amended; Laws 2006, chapter 259, article 11, section 3, as  
325.5 amended; Laws 2008, chapter 366, article 5, sections 26, as amended; 36,  
325.6 subdivisions 1, 3, as amended; article 7, sections 17; 20, as amended; article 17,  
325.7 section 6; Laws 2011, First Special Session chapter 7, article 4, section 14; Laws  
325.8 2014, chapter 308, article 6, section 12, subdivision 2; Laws 2019, First Special  
325.9 Session chapter 6, article 6, sections 13, subdivisions 3, 4, by adding a subdivision;  
325.10 18; 26; article 7, section 7; Laws 2021, First Special Session chapter 14, article 8,  
325.11 sections 5; 6, subdivisions 2, 3; article 9, section 10; Laws 2023, chapter 1, section  
325.12 15; proposing coding for new law in Minnesota Statutes, chapters 204B; 290;  
325.13 477A; proposing coding for new law as Minnesota Statutes, chapters 116X; 428B;  
325.14 repealing Minnesota Statutes 2022, sections 16A.965; 41B.0391, subdivision 7;  
325.15 290.0132, subdivision 33; 290.0681, subdivision 10; 297E.021; 477A.011,  
325.16 subdivisions 30a, 38, 42, 45; 477A.013, subdivision 13; 477B.02, subdivision 4;  
325.17 477B.03, subdivision 6."