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## **S.F. No. 4430 – Establishing a Property Tax Refund Program for Certain Child Care Providers (as proposed to be amended by A-1 delete-everything amendment)**

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**SF 4430** authorizes a refund for certain child care providers that rent property used to operate a child care facility.

**Section 1. Gross rent.** Expands the definition of ‘gross rent’ for purposes of the property tax refund program to include rent paid by an eligible child care property. Effective for refunds based on rent paid in 2023 and thereafter.

**Section 2. Eligible child care facility.** Defines an ‘eligible child care facility’ as a licensed child care facility that accepts families participating in the child care assistance program under chapter 119B, and is operated by a 501 (c)(3) nonprofit charitable organization. Effective for refunds based on rent paid in 2023 and thereafter.

**Section 3. Eligible child care property.** Defines an ‘eligible child care property’ as the portion of a property used to operate an eligible child care facility for which the facility paid gross rent. Effective for refunds based on rent paid in 2023 and thereafter.

**Section 4. Refund for child care facilities.** Provides a refund to an eligible child care facility equal to 10% of the gross rent paid in a calendar year. An eligible child care facility must apply to the commissioner of revenue in the calendar year following the year in which the facility paid rent. Refunds will be paid by the commissioner of revenue in September. Effective for refunds based on rent paid in 2023 and thereafter.

**Section 5. Refund for child care facilities; appropriation.** Provides an open appropriation from the general fund to the commissioner of revenue to pay refunds authorized under this proposal. Effective for refunds based on rent paid in 2023 and thereafter.

**Section 6. Owner or managing agent to furnish rent certificate.** Provides that by December 31<sup>st</sup> each year the owner of an eligible child care property must furnish a certificate of rent paid to each eligible child care facility. If the facility vacates the property before December 31<sup>st</sup>, the owner may give the certificate to the facility at the time of moving or mail the certificate to the forwarding address. For refunds based on rent paid in 2023, a property owner must furnish the certificate by July 31, 2024. Effective for refunds based on rent paid in 2023 and thereafter.

**Section 7. Report.** Requires the commissioner of revenue to issue a report to the legislature by March 1, 2025. The report must estimate the share of rent constituting property taxes for child care facilities eligible for a refund under this proposal. To the extent feasible, the report must provide separate estimates for the share of rent constituting property taxes for facilities in Minneapolis and St. Paul, the seven-county metropolitan area, and counties outside the metropolitan area. Effective the day following final enactment.