

1.1 Senator ..... moves to amend S.F. No. 5234 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 10A.02, subdivision 11b, is amended to read:

1.6 Subd. 11b. **Data privacy related to electronic reporting system.** (a) The board may  
1.7 develop and maintain systems to enable treasurers to enter and store electronic records  
1.8 online for the purpose of complying with this chapter. Data entered into such systems by  
1.9 treasurers or their authorized agents is not government data under chapter 13 and may not  
1.10 be accessed or used by the board for any purpose without the treasurer's written consent.  
1.11 Data from such systems that has been submitted to the board as a filed report is government  
1.12 data under chapter 13.

1.13 (b) For purposes of administering the refund under section 290.06, subdivision 23, the  
1.14 board may access or use the following data entered and stored in an electronic reporting  
1.15 system and share the data with the commissioner of revenue: (1) the amount of the  
1.16 contribution; (2) the name and address of the contributor; (3) any unique identifier for the  
1.17 contribution; (4) the name and campaign identification number of the party or candidate  
1.18 that received the contribution; and (5) the date on which the contribution was received. Data  
1.19 accessed, used, or maintained by the board under this paragraph are classified as nonpublic  
1.20 data, as defined in section 13.02, subdivision 9, and private data on individuals, as defined  
1.21 in section 13.02, subdivision 12.

1.22 **EFFECTIVE DATE.** This section is effective January 1, 2026.

1.23 Sec. 2. Minnesota Statutes 2022, section 10A.322, subdivision 4, is amended to read:

1.24 Subd. 4. **Refund ~~receipt forms~~ receipts; penalty.** (a) The board must make available  
1.25 to a political party on request and to any candidate for whom an agreement under this section  
1.26 is effective, ~~a supply of official refund receipt forms~~ receipts in an electronic format that  
1.27 state in boldface type that:

1.28 (1) a contributor who is given a receipt ~~form~~ is eligible to claim a refund as provided in  
1.29 section 290.06, subdivision 23; and

1.30 (2) if the contribution is to a candidate, that the candidate has signed an agreement to  
1.31 limit campaign expenditures as provided in this section.

~~The forms must provide duplicate copies of the receipt to be attached to the contributor's claim.~~ An official refund receipt must only be issued for a contribution of \$10 or more. Each receipt must be in an electronic format and include a unique receipt validation number that allows the commissioner of revenue to verify the information on the receipt with the Campaign Finance Board. A political party or candidate may provide a printed copy of the electronic receipt to the contributor.

(b) At least once a week, the board must provide the commissioner of revenue a receipt validation report. For each contribution reported to the board during the week, the report must include:

(1) the date and amount of the contribution;

(2) the name and address of the contributor;

(3) the name and campaign identification number of the party or candidate that received the contribution; and

(4) the receipt validation number assigned to the contribution.

~~(b)~~ (c) The willful issuance of an official refund receipt form or a facsimile of one to any of the candidate's contributors by a candidate or treasurer of a candidate who did not sign an agreement under this section is subject to a civil penalty of up to \$3,000 imposed by the board.

~~(e)~~ (d) The willful issuance of an official refund receipt form or a facsimile to an individual not eligible to claim a refund under section 290.06, subdivision 23, is subject to a civil penalty of up to \$3,000 imposed by the board.

~~(d)~~ (e) A violation of paragraph ~~(b)~~ (c) or ~~(e)~~ (d) is a misdemeanor.

(f) A receipt validation report and a receipt validation number prepared pursuant to this section are classified as nonpublic data, as defined in section 13.02, subdivision 9, and private data on individuals, as defined in section 13.02, subdivision 12.

**EFFECTIVE DATE.** This section is effective for contributions made after December 31, 2025.

Sec. 3. Minnesota Statutes 2022, section 289A.08, subdivision 1, is amended to read:

Subdivision 1. **Generally; individuals.** (a) A taxpayer must file a return for each taxable year the taxpayer is required to file a return under section 6012 of the Internal Revenue Code or meets the requirements under paragraph (d) to file a return, except that:

(1) an individual who is not a Minnesota resident for any part of the year is not required to file a Minnesota income tax return if the individual's gross income derived from Minnesota sources as determined under sections 290.081, paragraph (a), and 290.17, is less than the filing requirements for a single individual who is a full year resident of Minnesota;

(2) an individual who is a Minnesota resident is not required to file a Minnesota income tax return if the individual's gross income derived from Minnesota sources as determined under section 290.17, less the subtractions allowed under section 290.0132, subdivisions 12 and 15, is less than the filing requirements for a single individual who is a full-year resident of Minnesota.

(b) The decedent's final income tax return, and other income tax returns for prior years where the decedent had gross income in excess of the minimum amount at which an individual is required to file and did not file, must be filed by the decedent's personal representative, if any. If there is no personal representative, the return or returns must be filed by the transferees, as defined in section 270C.58, subdivision 3, who receive property of the decedent.

(c) The term "gross income," as it is used in this section, has the same meaning given it in section 290.01, subdivision 20.

(d) The commissioner of revenue must annually determine the gross income levels at which individuals are required to file a return for each taxable year based on the amounts allowed as a deduction under section 290.0123.

(e) Notwithstanding paragraph (a), an individual must file a Minnesota income tax return for each taxable year that the taxpayer has made an election to receive advance payments of the child tax credit under section 290.0661, subdivision 8.

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

Sec. 4. Minnesota Statutes 2023 Supplement, section 290.01, subdivision 31, is amended to read:

Subd. 31. **Internal Revenue Code.** (a) Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through May 1, 2023. Internal Revenue Code also includes any uncodified provision in federal law that relates to provisions of the Internal Revenue Code that are incorporated into Minnesota law.

(b) For purposes of this chapter, "Internal Revenue Code" does not include section 530 of Public Law 95-600, as amended.

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 290.0132, subdivision 4, is amended to read:

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

(1) education-related expenses; plus

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

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

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

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

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

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

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

Sec. 6. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision to read:

Subd. 36. **Foreign service pension; retirement pay.** Compensation received from a pension or other retirement pay from the federal government for service in the foreign service and established under United States Code, title 22, section 4071, is a subtraction.

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

Sec. 7. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision to read:

Subd. 37. **Discharges of indebtedness; coerced debt.** The amount of discharge of indebtedness awarded to a claimant who is a debtor under section 332.74, subdivision 3, is a subtraction.

5.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
5.2 31, 2023.

5.3 Sec. 8. Minnesota Statutes 2023 Supplement, section 290.06, subdivision 23, is amended  
5.4 to read:

5.5 Subd. 23. **Refund of contributions to political parties and candidates.** (a) A taxpayer  
5.6 may claim a refund equal to the amount of the taxpayer's contributions made in the calendar  
5.7 year to candidates and to a political party. The maximum total refund per calendar year for  
5.8 an individual must not exceed \$75 and for a married couple, filing jointly, must not exceed  
5.9 \$150. The commissioner must not issue a refund, whether in one payment or in aggregate,  
5.10 to a taxpayer that exceeds the maximum refund amounts specified in this subdivision. A  
5.11 refund of a contribution is allowed only if the taxpayer files:

5.12 (1) a form required by the commissioner and attaches to the form a copy of an official  
5.13 refund receipt form issued by the candidate or party and signed by the candidate, the treasurer  
5.14 of the candidate's principal campaign committee, or the chair or treasurer of the party unit,  
5.15 after the contribution was received. The receipt forms must be numbered, and the data on  
5.16 the receipt that are not public must be made available to the campaign finance and public  
5.17 disclosure board upon its request; or

5.18 (2) a claim using the electronic filing system authorized in paragraph (i).

5.19 The form or claim must include one or more unique receipt validation numbers from receipts  
5.20 issued pursuant to section 10A.322, subdivision 4.

5.21 (b) A claim must be filed with the commissioner no sooner than January 1 of the calendar  
5.22 year in which the contribution was made and no later than April 15 of the calendar year  
5.23 following the calendar year in which the contribution was made. A taxpayer may file only  
5.24 one claim per calendar year. A claim must be for a minimum of \$10. Amounts paid by the  
5.25 commissioner after June 15 of the calendar year following the calendar year in which the  
5.26 contribution was made must include interest at the rate specified in section 270C.405.

5.27 ~~(b)~~ (c) No refund is allowed under this subdivision for a contribution to a candidate  
5.28 unless the candidate:

5.29 (1) has signed an agreement to limit campaign expenditures as provided in section  
5.30 10A.322;

5.31 (2) is seeking an office for which voluntary spending limits are specified in section  
5.32 10A.25; and

(3) has designated a principal campaign committee.

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

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

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

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

"Contribution" means a gift of money.

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

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

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

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

~~(h) For a taxpayer who files a claim for refund via the Internet or other electronic means, the commissioner may accept the number on the official receipt as documentation that a contribution was made rather than the actual receipt as required by paragraph (a)~~ (i) The commissioner must establish an electronic filing system by which refunds are claimed.

**EFFECTIVE DATE.** This section is effective for contributions made after December 31, 2025.



Sec. 9. Minnesota Statutes 2023 Supplement, section 290.0661, subdivision 7, is amended to read:

Subd. 7. **Inflation adjustment.** (a) For taxable years beginning after December 31, 2025, the commissioner of revenue must annually adjust for inflation the credit amount in subdivision 3 as provided in section 270C.22. The adjusted amounts must be rounded to the nearest \$60. The statutory year is taxable year 2025.

(b) For taxable years beginning after December 31, 2023, the commissioner of revenue must annually adjust for inflation the phaseout thresholds in subdivision 4, as provided in section 270C.22. The statutory year is taxable year 2023.

(c) For taxable years beginning after December 31, 2025, and before January 1, 2029, the commissioner of revenue must annually adjust for inflation the limitations for adjusted gross income in subdivision 9, paragraph (a), clause (2), as provided in section 270C.22. The statutory year is taxable year 2025.

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

Sec. 10. Minnesota Statutes 2023 Supplement, section 290.0661, subdivision 8, is amended to read:

Subd. 8. **Advance payment of credits.** (a) The commissioner of revenue ~~may~~ must establish a process to allow taxpayers to elect to receive one or more advance payments of the credit under this section. The amount of advance payments must be based on the taxpayer and commissioner's estimate of the amount of credits for which the taxpayer would be eligible in the taxable year beginning in the calendar year in which the payments were made. The commissioner must not distribute advance payments to a taxpayer who does not elect to receive advance payments.

(b) The amount of a taxpayer's credit under this section for the taxable year is reduced by the amount of advance payments received by the taxpayer in the calendar year during which the taxable year began. If a taxpayer's advance payments exceeded the credit the taxpayer was eligible to receive for the taxable year, the taxpayer's liability for tax is increased by the difference between the amount of advance payments received and the credit amount.

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

Sec. 11. Minnesota Statutes 2023 Supplement, section 290.0661, is amended by adding a subdivision to read:

**Subd. 9. Minimum credit.** (a) For taxable years beginning after December 31, 2024, and before January 1, 2029, an eligible taxpayer is allowed the greater of the credit allowed under subdivision 2 or the minimum credit described in this subdivision. A taxpayer is eligible for the minimum credit under this subdivision if the taxpayer:

(1) received an advance payment of the credit under subdivision 8 in the preceding taxable year; and

(2) has adjusted gross income in the current taxable year equal to or less than:

(i) \$60,100 for married taxpayers filing a joint return with one qualifying child; or

(ii) \$49,570 for all other filers with one qualifying child.

(b) The adjusted gross income limitations in paragraph (a), clause (2), are increased by \$9,000 for each additional qualifying child.

(c) The credit allowed under this subdivision is equal to 50 percent of the credit received under subdivision 2 in the prior taxable year, unless paragraph (d) applies.

(d) If a taxpayer is claiming fewer qualifying children in the current taxable year than in the prior taxable year, the minimum credit allowed under this subdivision is equal to 50 percent of credit received under this section in the prior taxable year multiplied by a fraction in which:

(1) the numerator is the number of qualifying children in the current taxable year; and

(2) the denominator is the number of qualifying children in the prior taxable year.

(e) The commissioner must certify the total change in individual income tax liability from the credit allowed under this subdivision compared to the credit calculated under subdivision 2 to the commissioner of management and budget by June 30 of each year.

(f) A minimum child tax credit account is created in the special revenue fund. Money in the account is appropriated to the commissioner of management and budget for transfers to the general fund required in paragraph (h).

(g) \$9,900,000 in fiscal year 2025 is transferred from the general fund to the minimum child tax credit account established in paragraph (f). This transfer is for fiscal year 2025 only.



(h) In fiscal years 2026 and 2027 the commissioner of management and budget must transfer an amount equal to the amount certified in paragraph (e) from the minimum child tax credit account to the general fund beginning in fiscal year 2026. Any amount remaining in the minimum child tax credit account on June 30, 2027, cancels to the general fund.

(i) This subdivision expires January 1, 2029, for taxable years beginning after December 31, 2028.

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

Sec. 12. Minnesota Statutes 2023 Supplement, section 290.0674, subdivision 1a, is amended to read:

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

(b) "Career and technical education program" means a program that provides individuals with coherent rigorous content aligned with academic standards and relevant technical knowledge and skills needed to prepare for further education and careers in current and emerging professions and provides technical skill proficiency, an industry recognized credential, and a certificate, a diploma, or an associate degree.

~~(b)~~ (c) "Education-related expenses" means:

(1) qualifying instructional fees or tuition;

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

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

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

10.3 (4) the amount paid to others for transportation of a qualifying child attending an  
10.4 elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa,  
10.5 or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory  
10.6 attendance laws, which is not operated for profit, and which adheres to the provisions of  
10.7 the Civil Rights Act of 1964 and chapter 363A. For a qualifying child participating in a  
10.8 career and technical education program, "education-related expenses" includes the amount  
10.9 paid to others for transportation outside regular school hours that is directly related to the  
10.10 qualifying child's participation in the program. Amounts under this clause exclude any  
10.11 expense the taxpayer incurred in using the taxpayer's or the qualifying child's vehicle; and

10.12 (5) for a qualifying child participating in a career and technical education program,  
10.13 expenses for:

10.14 (i) participation in a student organization that is a component of the program curriculum;  
10.15 and

10.16 (ii) equipment not eligible under paragraph (c), clause (2), that is required for participation  
10.17 in the program.

10.18 ~~(e)~~ (d) "Qualified instructor" means an individual who is not a lineal ancestor or sibling  
10.19 of the dependent and who is:

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

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

10.23 ~~(d)~~ (e) "Qualifying child" has the meaning given in section 32(c)(3) of the Internal  
10.24 Revenue Code.

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

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

10.31 (2) tutoring or summer camps that:

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

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

11.4 (iii) expand knowledge and skills under:

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

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

11.7 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
11.8 31, 2023.

11.9 Sec. 13. Minnesota Statutes 2022, section 290.0686, is amended to read:

11.10 **290.0686 CREDIT FOR ATTAINING MASTER'S DEGREE IN TEACHER'S**  
11.11 **LICENSURE FIELD.**

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

11.14 (b) "Master's degree program" means a graduate-level program at an accredited university  
11.15 leading to a master of arts or science degree in either a core content area directly related to  
11.16 a qualified teacher's licensure field or in special education. Except for a special education  
11.17 program, the master's degree program may not include pedagogy or a pedagogy component.  
11.18 To be eligible under this credit, a licensed elementary school teacher must pursue and  
11.19 complete a master's degree program in either a core content area in which the teacher provides  
11.20 direct classroom instruction or in special education.

11.21 (c) "Qualified teacher" means a person who:

11.22 (1) holds a teaching license issued by the licensing division in the Department of  
11.23 Education on behalf of the Professional Educator Licensing and Standards Board ~~both when~~  
11.24 ~~the teacher begins the master's degree program and when~~ or receives the license within six  
11.25 months of the date the teacher completes the master's degree program;

11.26 (2) began a master's degree program after June 30, 2017; and

11.27 (3) completes the master's degree program during the taxable year.

11.28 (d) "Core content area" means the academic subject of reading, English or language arts,  
11.29 mathematics, science, foreign languages, civics and government, economics, arts, history,  
11.30 or geography.

(e) "Special education" means a program of study directly related to licensure in developmental disabilities, early childhood special education, deaf and hard of hearing education, blind and visually impaired education, emotional or behavioral disorders, autism spectrum disorders, or learning disabilities.

Subd. 2. **Credit allowed.** (a) An individual who is a qualified teacher is allowed a credit against the tax imposed under this chapter. The credit equals the lesser of \$2,500 or the amount the individual paid for tuition, fees, books, and instructional materials necessary to completing the master's degree program and for which the individual did not receive reimbursement from an employer or scholarship.

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

(c) A qualified teacher may claim the credit in this section only one time for each master's degree program completed in a core content area or in special education.

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

Sec. 14. **[290.0687] AEROSPACE AND AVIATION CREDIT.**

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

(b) "Aerospace" means relating to vehicles or objects for the purpose of suborbital, orbital, or space flight, whether for private or public, or civil or defense-related purposes.

(c) "Aviation" means relating to vehicles or objects, except parachutes, for the purpose of controlled flight through the air, regardless of how propelled or controlled, whether manned or unmanned, whether for private or public, or civil or defense-related purposes, or whether equipped with parachute systems.

(d) "Aviation and aerospace sector" means a private or public organization engaged in the manufacture of aviation or aerospace hardware or software, aviation or aerospace maintenance, aviation or aerospace repair and overhaul, supply of parts to the aviation or aerospace industry, provision of services and support relating to the aviation or aerospace industry, research and development of aviation or aerospace technology and systems, or the education and training of aviation or aerospace personnel.

13.1 (e) "Eligible institution" means any postsecondary institution that participates in the  
13.2 federal Pell Grant Program under Title IV of the Higher Education Act of 1965, Public Law  
13.3 89-329, as amended.

13.4 (f) "Full-time basis" means at least 40 hours per week.

13.5 (g) "Qualified employee" means any person who meets the following requirements:

13.6 (1) was newly employed by a qualified employer on a full-time basis, or first contracted  
13.7 with a qualified employer on a full-time basis, on or after January 1, 2025; and

13.8 (2) has been awarded, within one year before or after the beginning date of employment,  
13.9 an undergraduate degree, graduate degree, technical degree, or certificate in a qualified  
13.10 program by an qualified institution.

13.11 (h) "Qualified employer" means a sole proprietorship, general partnership, limited  
13.12 partnership, limited liability company, corporation, other legally recognized business entity,  
13.13 or public entity whose principal business activity involves the aviation and aerospace sector  
13.14 and who employs a qualified employee.

13.15 (i) "Qualified program" means a program at an eligible institution that:

13.16 (1) has been accredited by the Engineering Accreditation Commission of the Accreditation  
13.17 Board for Engineering and Technology, the Federal Aviation Administration, or a regional  
13.18 accrediting body and that awards an undergraduate or graduate degree;

13.19 (2) is within the meaning of an associate of applied science degree program or career  
13.20 technical education program that results in the awarding of a degree or certificate that  
13.21 prepares the graduate for gainful employment with a qualified employer; or

13.22 (3) results in obtaining a certification or rating which directly relates to the aviation and  
13.23 aerospace sector and is granted through the Federal Aviation Administration or regional  
13.24 accredited body.

13.25 (j) "Tuition" means the amount paid for enrollment, program-specific course fees, and  
13.26 instruction in a qualified program that includes both amounts paid during participation in  
13.27 a qualified program and amounts paid for tuition debt upon completion of a qualified  
13.28 program. Tuition does not include the cost of books, fees that are not program-specific  
13.29 course fees, or room and board.

13.30 Subd. 2. Credit for tuition paid by qualified employers; limitation. (a) A qualified  
13.31 employer is allowed a credit against the tax imposed under this chapter for tuition reimbursed  
13.32 each year to a qualified employee in the first through fifth consecutive years of employment.

(b) The credit equals 50 percent of the amount of tuition reimbursed by the qualified employer to each qualified employee in the taxable year, except that the credit must not exceed 50 percent of the average annual amount paid by a qualified employee for enrollment and instruction in a qualified program. The credit is limited to the qualified employer's liability for tax. The credit is not refundable and may not be carried forward.

Subd. 3. **Qualified employer credits; pass through entities.** Credits allowed to a partnership, a limited liability company taxed as a partnership, an S corporation, or multiple owners of property are passed through to the partners, members, shareholders, or owners, respectively, pro rata to each based on the partner's, member's, shareholder's, or owner's share of the entity's assets or as specially allocated in the organizational documents or any other executed agreement, as of the last day of the taxable year.

Subd. 4. **Reports.** Beginning January 15, 2027, and each year thereafter, the commissioner must submit a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes, in compliance with sections 3.195 and 3.197, on the tax credits issued under this section. The report must include information regarding the cost and effectiveness of the tax credit program. The report may also include any recommendations for changes to law necessary to implement the credit.

Subd. 5. **Expiration.** No new credits may be claimed for taxable years beginning after December 31, 2029. The credit allowed under this section may be claimed for taxable years beginning before January 1, 2034. This section expires January 1, 2034, for taxable years beginning after December 31, 2033.

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

Sec. 15. Minnesota Statutes 2023 Supplement, section 290.0693, subdivision 1, is amended to read:

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

(b) "Combined exemption amount" means the sum of:

(1) for the taxpayer's first dependent, the exemption amount multiplied by 1.4;

(2) for the taxpayer's second dependent, the exemption amount multiplied by 1.3;

(3) for the taxpayer's third dependent, the exemption amount multiplied by 1.2;

(4) for the taxpayer's fourth dependent, the exemption amount multiplied by 1.1;



15.1 (5) for the taxpayer's fifth dependent, the exemption amount; and

15.2 (6) if the taxpayer or taxpayer's spouse had a disability or attained the age of 65 on or  
15.3 before the close of the taxable year, the exemption amount.

15.4 ~~(b)~~ (c) "Dependent" means any individual who is considered a dependent under sections  
15.5 151 and 152 of the Internal Revenue Code.

15.6 ~~(e)~~ (d) "Disability" has the meaning given in section 290A.03, subdivision 10.

15.7 ~~(d)~~ (e) "Exemption amount" means the exemption amount under section 290.0121,  
15.8 subdivision 1, paragraph (b).

15.9 ~~(e)~~ (f) "Gross rent" means rent paid for the right of occupancy, at arm's length, of a  
15.10 homestead, exclusive of charges for any medical services furnished by the landlord as a  
15.11 part of the rental agreement, whether expressly set out in the rental agreement or not. The  
15.12 gross rent of a resident of a nursing home or intermediate care facility is \$600 per month.  
15.13 The gross rent of a resident of an adult foster care home is \$930 per month. The commissioner  
15.14 shall annually adjust the amounts in this paragraph as provided in section 270C.22. The  
15.15 statutory year is 2023. If the landlord and tenant have not dealt with each other at arm's  
15.16 length and the commissioner determines that the gross rent charged was excessive, the  
15.17 commissioner may adjust the gross rent to a reasonable amount for purposes of this section.

15.18 ~~(f)~~ (g) "Homestead" has the meaning given in section 290A.03, subdivision 6.

15.19 ~~(g)~~ (h) "Household" has the meaning given in section 290A.03, subdivision 4.

15.20 ~~(h)~~ (i) "Household income" means all income received by all persons of a household in  
15.21 a taxable year while members of the household, other than income of a dependent.

15.22 ~~(i)~~ (j) "Income" means adjusted gross income, minus:

15.23 ~~(1) for the taxpayer's first dependent, the exemption amount multiplied by 1.4 the~~  
15.24 taxpayer's combined exemption amount; and

15.25 ~~(2) for the taxpayer's second dependent, the exemption amount multiplied by 1.3; the~~  
15.26 amount of discharge of indebtedness subtracted under section 290.0132, subdivision 36.

15.27 ~~(3) for the taxpayer's third dependent, the exemption amount multiplied by 1.2;~~

15.28 ~~(4) for the taxpayer's fourth dependent, the exemption amount multiplied by 1.1;~~

15.29 ~~(5) for the taxpayer's fifth dependent, the exemption amount; and~~

15.30 ~~(6) if the taxpayer or taxpayer's spouse had a disability or attained the age of 65 on or~~  
15.31 before the close of the taxable year, the exemption amount.

(k) "Rent constituting property taxes" means 17 percent of the gross rent actually paid in cash, or its equivalent, or the portion of rent paid in lieu of property taxes, in any taxable year by a claimant for the right of occupancy of the claimant's Minnesota homestead in the taxable year, and which rent constitutes the basis, in the succeeding taxable year of a claim for a credit under this section by the claimant. If an individual occupies a homestead with another person or persons not related to the individual as the individual's spouse or as dependents, and the other person or persons are residing at the homestead under a rental or lease agreement with the individual, the amount of rent constituting property tax for the individual equals that portion not covered by the rental agreement.

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

Sec. 16. Minnesota Statutes 2023 Supplement, section 290.0695, subdivision 1, is amended to read:

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

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

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

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

(e) "Credit certificate" means the certificate issued by the commissioner of transportation under subdivision 3, paragraph (a).

(f) "Transfer credit certificate" means the certificate issued to a transferee by the commissioner under subdivision 3, paragraph (d).

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

17.1 Sec. 17. Minnesota Statutes 2023 Supplement, section 290.0695, subdivision 3, is amended  
17.2 to read:

17.3 Subd. 3. ~~Transferability~~ Credit certificates; written agreement required; credit  
17.4 ~~certificate transferability.~~ (a) To qualify for a credit under this section, an eligible taxpayer  
17.5 must apply to the commissioner of transportation for a credit certificate. The application  
17.6 for the credit certificate must be in the form and manner prescribed by the commissioner  
17.7 of transportation, in consultation with the commissioner. If the application is approved, the  
17.8 commissioner of transportation must issue the credit certificate to the eligible taxpayer  
17.9 within 30 days of receipt of the application. The credit certificate must state, at minimum,  
17.10 the number of miles of qualified railroad reconstruction or replacement expenditures in the  
17.11 taxable year and the total amount of credit calculated under the provisions of subdivision  
17.12 2, paragraph (a). The commissioner of transportation must provide a copy of the credit  
17.13 certificate to the commissioner of revenue. The commissioner of transportation must not  
17.14 issue more than one credit certificate to an eligible taxpayer in a taxable year.

17.15 (b) By written agreement, an eligible taxpayer may transfer the credit allowed under  
17.16 this section ~~by written agreement~~ to an eligible transferee. ~~The amount of the transferred~~  
17.17 ~~credit is limited to the unused, remaining portion of the credit~~ as follows:

17.18 (1) any amount of the credit allowed that is stated in the credit certificate before any of  
17.19 the credit is claimed; or

17.20 (2) the entire amount of the credit carryover in each of the five succeeding taxable years.

17.21 ~~(b)~~ (c) The eligible taxpayer and the eligible transferee must jointly file a copy of the  
17.22 written transfer agreement with the commissioner within 30 days of the transfer. The written  
17.23 agreement must contain the name, address, and taxpayer identification number of the parties  
17.24 to the transfer; the taxable year the eligible taxpayer incurred the qualified expenditures;  
17.25 the amount of credit being transferred; and the taxable year or years for which the transferred  
17.26 credit may be claimed.

17.27 ~~(c)~~ (d) The commissioner must issue a transfer credit certificate to the transferee within  
17.28 30 days of the joint filing of a copy of the written transfer agreement with the commissioner.

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

17.31 (e) An eligible taxpayer must not transfer a credit to an eligible transferee more than  
17.32 once in a taxable year.

18.1 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
18.2 after December 31, 2022.

18.3 Sec. 18. Minnesota Statutes 2023 Supplement, section 290.091, subdivision 2, is amended  
18.4 to read:

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

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

18.9 (1) the taxpayer's federal alternative minimum taxable income as defined in section  
18.10 55(b)(1)(D) of the Internal Revenue Code;

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

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

18.14 (ii) the medical expense deduction;

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

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

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

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

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

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

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

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

less the sum of the amounts determined under the following:

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

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

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

(iv) amounts subtracted from federal taxable or adjusted gross income as provided by section 290.0132, subdivisions 7, 9 to 15, 17, 21, 24, 26 to 29, 31, and 34, and 35 to 36;

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

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

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

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

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

(d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section, section 290.033, and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

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

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

Sec. 19. **SHAKOPEE AREA WORKFORCE DEVELOPMENT SCHOLARSHIP CREDIT.**

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

(b) "Employer-sponsored applicant" means a student applicant with a local employer scholarship equal to or greater than 25 percent of the workforce development scholarship.

(c) "Local employer" means an employer with a physical location in a county within the service area of the foundation as listed in paragraph (d).

(d) "Shakopee Chamber Foundation" or "foundation" means a nonprofit organization which provides workforce and charitable services to Scott County as well as the Shakopee Mdewakanton Sioux Community.

**Subd. 2. Local employer scholarships tax credit.** (a) A local employer is allowed a credit against the tax due under Minnesota Statutes, chapter 290 equal to the amount of the local employer's scholarship awarded to an employer-sponsored applicant that is matching funds for a Shakopee area workforce development scholarship to the applicant.

(b) The credit allowed to a local employer under this subdivision per scholarship awarded to an employer-sponsored applicant for a taxable year is limited to the total amount of the local employer's scholarship awarded to an employer-sponsored applicant.

(c) If the amount of credit which a claimant is eligible to receive under this subdivision exceeds the claimant's tax liability under Minnesota Statutes, chapter 290, the commissioner of revenue shall refund the excess to the claimant.

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

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

(f) Unless specifically provided otherwise by this section, the audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and administrative provisions



21.1 of Minnesota Statutes, chapters 270C and 289A that are applicable to taxes imposed under  
21.2 Minnesota Statutes, chapter 290 apply to the tax credit allowed under this section.

21.3 (g) This subdivision expires after December 31, 2028, except that the expiration of this  
21.4 subdivision does not affect the commissioner of revenue's authority to audit or power of  
21.5 examination and assessment for credits claimed under this subdivision.

21.6 (h) An amount sufficient to pay the refunds required by this section is appropriated to  
21.7 the commissioner of revenue from the general fund.

21.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
21.9 31, 2023, and before January 1, 2029, provided that Senate File 5289, article 2, section 9,  
21.10 or similarly styled legislation is enacted in the 2024 regular legislative session.

21.11 Sec. 20. **APPROPRIATION; POLITICAL CONTRIBUTION REFUND**  
21.12 **ELECTRONIC FILING SYSTEM.**

21.13 \$147,000 in fiscal year 2025 is appropriated from the general fund to the commissioner  
21.14 of revenue to establish and implement an electronic filing system for political contribution  
21.15 refund claims. This appropriation is available until June 30, 2026. The base for this  
21.16 appropriation is \$59,000 for fiscal year 2026 and \$59,000 for fiscal year 2027.

21.17 Sec. 21. **APPROPRIATION; DEPARTMENT OF TRANSPORTATION.**

21.18 \$33,000 in fiscal year 2025 is appropriated from the general fund to the commissioner  
21.19 of transportation to implement the requirements of Minnesota Statutes, section 290.0695.

21.20 Sec. 22. **TRANSFER.**

21.21 On July 1, 2024, \$5,000,000 is transferred to the general fund from the tax filing  
21.22 modernization account in the special revenue fund established in Laws 2023, chapter 64,  
21.23 article 15, section 24.

21.24 Sec. 23. **REPEALER.**

21.25 Laws 2023, chapter 64, article 15, section 24, is repealed.

21.26 **EFFECTIVE DATE.** This section is effective July 2, 2024.

22.1 **ARTICLE 2**

22.2 **PROPERTY TAXES AND LOCAL GOVERNMENT AIDS**

22.3 Section 1. Minnesota Statutes 2022, section 272.01, subdivision 2, is amended to read:

22.4 Subd. 2. **Exempt property used by private entity for profit.** (a) When any real or  
22.5 personal property which is exempt from ad valorem taxes, and taxes in lieu thereof, is leased,  
22.6 loaned, or otherwise made available and used by a private individual, association, or  
22.7 corporation in connection with a business conducted for profit, there shall be imposed a  
22.8 tax, for the privilege of so using or possessing such real or personal property, in the same  
22.9 amount and to the same extent as though the lessee or user was the owner of such property.

22.10 (b) The tax imposed by this subdivision shall not apply to:

22.11 (1) property leased or used as a concession in or relative to the use in whole or part of  
22.12 a public park, market, fairgrounds, port authority, economic development authority  
22.13 established under chapter 469, municipal auditorium, municipal parking facility, municipal  
22.14 museum, or municipal stadium;

22.15 (2) property of an airport owned by a city, town, county, or group thereof which is:

22.16 (i) leased to or used by any person or entity including a fixed base operator; and

22.17 (ii) used as a hangar for the storage or repair of aircraft or to provide aviation goods,  
22.18 services, or facilities to the airport or general public;

22.19 the exception from taxation provided in this clause does not apply to:

22.20 (i) property located at an airport owned or operated by the Metropolitan Airports  
22.21 Commission or by a city of over 50,000 population according to the most recent federal  
22.22 census or such a city's airport authority; or

22.23 (ii) hangars leased by a private individual, association, or corporation in connection with  
22.24 a business conducted for profit other than an aviation-related business;

22.25 (3) property constituting or used as a public pedestrian ramp or concourse in connection  
22.26 with a public airport;

22.27 (4) property constituting or used as a passenger check-in area or ticket sale counter,  
22.28 boarding area, or luggage claim area in connection with a public airport but not the airports  
22.29 owned or operated by the Metropolitan Airports Commission or cities of over 50,000  
22.30 population or an airport authority therein. Real estate owned by a municipality in connection  
22.31 with the operation of a public airport and leased or used for agricultural purposes is not  
22.32 exempt;

23.1 (5) property leased, loaned, or otherwise made available to a private individual,  
23.2 corporation, or association under a cooperative farming agreement made pursuant to section  
23.3 97A.135; ~~or~~

23.4 (6) property leased, loaned, or otherwise made available to a private individual,  
23.5 corporation, or association under section 272.68, subdivision 4; or

23.6 (7) property owned by a nonprofit conservation organization that is leased, loaned, or  
23.7 otherwise made available to a private individual, corporation, or association for grazing  
23.8 activities that further the nonprofit conservation organization's conservation objectives for  
23.9 the property, as shown in a management or restoration plan.

23.10 (c) Taxes imposed by this subdivision are payable as in the case of personal property  
23.11 taxes and shall be assessed to the lessees or users of real or personal property in the same  
23.12 manner as taxes assessed to owners of real or personal property, except that such taxes shall  
23.13 not become a lien against the property. When due, the taxes shall constitute a debt due from  
23.14 the lessee or user to the state, township, city, county, and school district for which the taxes  
23.15 were assessed and shall be collected in the same manner as personal property taxes. If  
23.16 property subject to the tax imposed by this subdivision is leased or used jointly by two or  
23.17 more persons, each lessee or user shall be jointly and severally liable for payment of the  
23.18 tax.

23.19 (d) The tax on real property of the federal government, the state or any of its political  
23.20 subdivisions that is leased, loaned, or otherwise made available to a private individual,  
23.21 association, or corporation and becomes taxable under this subdivision or other provision  
23.22 of law must be assessed and collected as a personal property assessment. The taxes do not  
23.23 become a lien against the real property.

23.24 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
23.25 in 2025.

23.26 Sec. 2. Minnesota Statutes 2022, section 272.02, subdivision 19, is amended to read:

23.27 Subd. 19. **Property used to distribute electricity to farmers.** Electric power distribution  
23.28 ~~lines and their attachments and appurtenances~~ systems, not including substations or  
23.29 transmission or generation equipment, that are used primarily for supplying electricity to  
23.30 farmers at retail, are exempt.

23.31 **EFFECTIVE DATE.** This section is effective for assessment year 2024 and thereafter.

24.1 Sec. 3. Minnesota Statutes 2022, section 272.02, is amended by adding a subdivision to  
24.2 read:

24.3 Subd. 106. **Certain property owned by an Indian Tribe.** (a) Property is exempt that:

24.4 (1) was classified as class 2b under section 273.13, subdivision 24, for taxes payable in  
24.5 2024;

24.6 (2) is located within a county with a population greater than 5,580 but less than 5,620  
24.7 according to the 2020 federal census;

24.8 (3) is located in an unorganized territory with a population less than 800 according to  
24.9 the 2020 federal census; and

24.10 (4) was on January 2, 2023, and is for the current assessment, owned by a federally  
24.11 recognized Indian Tribe, or its instrumentality, that is located within the state of Minnesota.

24.12 (b) Property that qualifies for exemption under this subdivision is limited to not more  
24.13 than five parcels.

24.14 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2025.

24.15 Sec. 4. Minnesota Statutes 2022, section 272.02, is amended by adding a subdivision to  
24.16 read:

24.17 Subd. 107. **Certain property owned by an Indian Tribe.** (a) Property is exempt that:

24.18 (1) was classified as class 3a under section 273.13, subdivision 24, for taxes payable in  
24.19 2024;

24.20 (2) is located in a city of the first class with a population greater than 400,000 as of the  
24.21 2020 federal census;

24.22 (3) was on January 1, 2023, and is for the current assessment, owned by a federally  
24.23 recognized Indian Tribe, or its instrumentality, that is located within the state of Minnesota;  
24.24 and

24.25 (4) is used exclusively for Tribal purposes or institutions of purely public charity as  
24.26 defined in subdivision 7.

24.27 (b) Property that qualifies for the exemption under this subdivision is limited to one  
24.28 parcel that does not exceed 40,000 square feet and that was acquired by the Indian Tribe in  
24.29 July 2019. Property used for single-family housing, market-rate apartments, agriculture, or  
24.30 forestry does not qualify for this exemption.

24.31 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2025.

25.1 Sec. 5. Minnesota Statutes 2023 Supplement, section 273.128, subdivision 1, is amended  
25.2 to read:

25.3 Subdivision 1. **Requirement.** (a) Low-income rental property classified as class 4d(1)  
25.4 under section 273.13, subdivision 25, is entitled to valuation under this section if at least  
25.5 20 percent of the units in the rental housing property meet any of the following qualifications:

25.6 (1) the units are subject to a housing assistance payments contract under Section 8 of  
25.7 the United States Housing Act of 1937, as amended;

25.8 (2) the units are rent-restricted and income-restricted units of a qualified low-income  
25.9 housing project receiving tax credits under section 42(g) of the Internal Revenue Code;

25.10 (3) the units are financed by the Rural Housing Service of the United States Department  
25.11 of Agriculture and receive payments under the rental assistance program pursuant to section  
25.12 521(a) of the Housing Act of 1949, as amended; or

25.13 (4) the units are subject to rent and income restrictions under the terms of financial  
25.14 assistance provided to the rental housing property by the federal government or the state of  
25.15 Minnesota, or a local unit of government, as evidenced by a document recorded against the  
25.16 property. The restrictions under this clause must require assisted units to be occupied by  
25.17 residents whose household income at the time of initial occupancy does not exceed 60  
25.18 percent of the greater of area or state median income, adjusted for family size, as determined  
25.19 by the United States Department of Housing and Urban Development. The restriction must  
25.20 also require the rents for assisted units to not exceed 30 percent of 60 percent of the greater  
25.21 of area or state median income, adjusted for family size, as determined by the United States  
25.22 Department of Housing and Urban Development.

25.23 ~~The restrictions must require assisted units to be occupied by residents whose household~~  
25.24 ~~income at the time of initial occupancy does not exceed 60 percent of the greater of area or~~  
25.25 ~~state median income, adjusted for family size, as determined by the United States Department~~  
25.26 ~~of Housing and Urban Development. The restriction must also require the rents for assisted~~  
25.27 ~~units to not exceed 30 percent of 60 percent of the greater of area or state median income,~~  
25.28 ~~adjusted for family size, as determined by the United States Department of Housing and~~  
25.29 ~~Urban Development.~~

25.30 (b) The owner of a property certified as class 4d(1) under this section must use the  
25.31 property tax savings received from the 4d(1) classification for one or more of the following  
25.32 eligible uses: property maintenance, property security, improvements to the property, rent  
25.33 stabilization, or increases to the property's replacement reserve account. To maintain the  
25.34 class 4d(1) classification, the property owner must annually reapply and certify to the

26.1 Housing Finance Agency that the property tax savings were used for one or more eligible  
26.2 uses.

26.3 (c) In order to meet the requirements of this section, property which received the 4d(1)  
26.4 classification in the prior year must demonstrate compliance with paragraph (b).

26.5 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2025.

26.6 Sec. 6. Minnesota Statutes 2022, section 273.13, subdivision 23, is amended to read:

26.7 Subd. 23. **Class 2.** (a) An agricultural homestead consists of class 2a agricultural land  
26.8 that is homesteaded, along with any class 2b rural vacant land that is contiguous to the class  
26.9 2a land under the same ownership. The market value of the house and garage and immediately  
26.10 surrounding one acre of land has the same classification rates as class 1a or 1b property  
26.11 under subdivision 22. The value of the remaining land including improvements up to the  
26.12 first tier valuation limit of agricultural homestead property has a classification rate of 0.5  
26.13 percent of market value. The remaining property over the first tier has a classification rate  
26.14 of one percent of market value. For purposes of this subdivision, the "first tier valuation  
26.15 limit of agricultural homestead property" and "first tier" means the limit certified under  
26.16 section 273.11, subdivision 23.

26.17 (b) Class 2a agricultural land consists of parcels of property, or portions thereof, that  
26.18 are agricultural land and buildings. Class 2a property has a classification rate of one percent  
26.19 of market value, unless it is part of an agricultural homestead under paragraph (a). Class 2a  
26.20 property must also include any property that would otherwise be classified as 2b, but is  
26.21 interspersed with class 2a property, including but not limited to sloughs, wooded wind  
26.22 shelters, acreage abutting ditches, ravines, rock piles, land subject to a setback requirement,  
26.23 and other similar land that is impractical for the assessor to value separately from the rest  
26.24 of the property or that is unlikely to be able to be sold separately from the rest of the property.

26.25 An assessor may classify the part of a parcel described in this subdivision that is used  
26.26 for agricultural purposes as class 2a and the remainder in the class appropriate to its use.

26.27 (c) Class 2b rural vacant land consists of parcels of property, or portions thereof, that  
26.28 are unplatted real estate, rural in character and not used for agricultural purposes, including  
26.29 land used for growing trees for timber, lumber, and wood and wood products, that is not  
26.30 improved with a structure. The presence of a minor, ancillary nonresidential structure as  
26.31 defined by the commissioner of revenue does not disqualify the property from classification  
26.32 under this paragraph. Any parcel of 20 acres or more improved with a structure that is not  
26.33 a minor, ancillary nonresidential structure must be split-classified, and ten acres must be



assigned to the split parcel containing the structure. If a parcel of 20 acres or more is enrolled in the sustainable forest management incentive program under chapter 290C, the number of acres assigned to the split parcel improved with a structure that is not a minor, ancillary nonresidential structure must equal three acres or the number of acres excluded from the sustainable forest incentive act covenant due to the structure, whichever is greater. Class 2b property has a classification rate of one percent of market value unless it is part of an agricultural homestead under paragraph (a), or qualifies as class 2c under paragraph (d).

(d) Class 2c managed forest land consists of no less than 20 and no more than 1,920 acres statewide per taxpayer that is being managed under a forest management plan that meets the requirements of chapter 290C, but is not enrolled in the sustainable forest resource management incentive program. It has a classification rate of .65 percent, provided that the owner of the property must apply to the assessor in order for the property to initially qualify for the reduced rate and provide the information required by the assessor to verify that the property qualifies for the reduced rate. If the assessor receives the application and information before May 1 in an assessment year, the property qualifies beginning with that assessment year. If the assessor receives the application and information after April 30 in an assessment year, the property may not qualify until the next assessment year. The commissioner of natural resources must concur that the land is qualified. The commissioner of natural resources shall annually provide county assessors verification information on a timely basis. The presence of a minor, ancillary nonresidential structure as defined by the commissioner of revenue does not disqualify the property from classification under this paragraph.

(e) Agricultural land as used in this section means:

(1) contiguous acreage of ten acres or more, used during the preceding year for agricultural purposes; or

(2) contiguous acreage used during the preceding year for an intensive livestock or poultry confinement operation, provided that land used only for pasturing or grazing does not qualify under this clause.

"Agricultural purposes" as used in this section means the raising, cultivation, drying, or storage of agricultural products for sale, or the storage of machinery or equipment used in support of agricultural production by the same farm entity. For a property to be classified as agricultural based only on the drying or storage of agricultural products, the products being dried or stored must have been produced by the same farm entity as the entity operating the drying or storage facility. "Agricultural purposes" also includes (i) enrollment in a local conservation program or the Reinvest in Minnesota program under sections 103F.501 to

103F.535 or the federal Conservation Reserve Program as contained in Public Law 99-198 or a similar state or federal conservation program if the property was classified as agricultural (A) under this subdivision for taxes payable in 2003 because of its enrollment in a qualifying program and the land remains enrolled or (B) in the year prior to its enrollment, or (ii) use of land, not to exceed three acres, to provide environmental benefits such as buffer strips, old growth forest restoration or retention, or retention ponds to prevent soil erosion. For purposes of this section, a "local conservation program" means a program administered by a town, statutory or home rule charter city, or county, including a watershed district, water management organization, or soil and water conservation district, in which landowners voluntarily enroll land and receive incentive payments equal to at least \$50 per acre in exchange for use or other restrictions placed on the land. In order for property to qualify under the local conservation program provision, a taxpayer must apply to the assessor by February 1 of the assessment year and must submit the information required by the assessor, including but not limited to a copy of the program requirements, the specific agreement between the land owner and the local agency, if applicable, and a map of the conservation area. Agricultural classification shall not be based upon the market value of any residential structures on the parcel or contiguous parcels under the same ownership.

"Contiguous acreage," for purposes of this paragraph, means all of, or a contiguous portion of, a tax parcel as described in section 272.193, or all of, or a contiguous portion of, a set of contiguous tax parcels under that section that are owned by the same person.

(f) Agricultural land under this section also includes:

(1) contiguous acreage that is less than ten acres in size and exclusively used in the preceding year for raising or cultivating agricultural products; ~~or~~

(2) contiguous acreage that contains a residence and is less than 11 acres in size, if the contiguous acreage exclusive of the house, garage, and surrounding one acre of land was used in the preceding year for one or more of the following three uses:

(i) for an intensive grain drying or storage operation, or for intensive machinery or equipment storage activities used to support agricultural activities on other parcels of property operated by the same farming entity;

(ii) as a nursery, provided that only those acres used intensively to produce nursery stock are considered agricultural land; or

(iii) for intensive market farming; ~~for purposes of this paragraph, "market farming" means the cultivation of one or more fruits or vegetables or production of animal or other~~

29.1 ~~agricultural products for sale to local markets by the farmer or an organization with which~~  
29.2 ~~the farmer is affiliated.~~ or

29.3 (3) contiguous acreage that contains a residence and is less than 11 acres in size, if the  
29.4 contiguous acreage exclusive of the house, garage, and surrounding one acre of land was  
29.5 used in the preceding year for market farming; and:

29.6 (i) the owner provides the county assessor with federal Schedule F (Form 1040) for the  
29.7 most recent tax year which reports gross income of at least \$5,000; or

29.8 (ii) if the owner has not filed federal Schedule F (Form 1040) for the most recent tax  
29.9 year, the owner provides the county assessor with a farm financial plan prepared by a  
29.10 financial management program approved by the commissioner of agriculture that  
29.11 demonstrates a plan to earn \$5,000 annually in gross income in each of the next two years.

29.12 For purposes of this paragraph, "market farming" means the cultivation of one or more  
29.13 fruits or vegetables or production of animal or other agricultural products for sale to local  
29.14 markets by the farmer or an organization with which the farmer is affiliated, and "contiguous  
29.15 acreage," for purposes of this paragraph, means all of a tax parcel as described in section  
29.16 272.193, or all of a set of contiguous tax parcels under that section that are owned by the  
29.17 same person.

29.18 (g) Land shall be classified as agricultural even if all or a portion of the agricultural use  
29.19 of that property is the leasing to, or use by another person for agricultural purposes.

29.20 Classification under this subdivision is not determinative for qualifying under section  
29.21 273.111.

29.22 (h) The property classification under this section supersedes, for property tax purposes  
29.23 only, any locally administered agricultural policies or land use restrictions that define  
29.24 minimum or maximum farm acreage.

29.25 (i) The term "agricultural products" as used in this subdivision includes production for  
29.26 sale of:

29.27 (1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing  
29.28 animals, horticultural and nursery stock, fruit of all kinds, vegetables, forage, grains, bees,  
29.29 and apiary products by the owner;

29.30 (2) aquacultural products for sale and consumption, as defined under section 17.47, if  
29.31 the aquaculture occurs on land zoned for agricultural use;

(3) the commercial boarding of horses, which may include related horse training and riding instruction, if the boarding is done on property that is also used for raising pasture to graze horses or raising or cultivating other agricultural products as defined in clause (1);

(4) property which is owned and operated by nonprofit organizations used for equestrian activities, excluding racing;

(5) game birds and waterfowl bred and raised (i) on a game farm licensed under section 97A.105, provided that the annual licensing report to the Department of Natural Resources, which must be submitted annually by March 30 to the assessor, indicates that at least 500 birds were raised or used for breeding stock on the property during the preceding year and that the owner provides a copy of the owner's most recent schedule F; or (ii) for use on a shooting preserve licensed under section 97A.115;

(6) insects primarily bred to be used as food for animals;

(7) trees, grown for sale as a crop, including short rotation woody crops, and not sold for timber, lumber, wood, or wood products; and

(8) maple syrup taken from trees grown by a person licensed by the Minnesota Department of Agriculture under chapter 28A as a food processor.

(j) If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:

(1) wholesale and retail sales;

(2) processing of raw agricultural products or other goods;

(3) warehousing or storage of processed goods; and

(4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3), the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

(k) The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

(l) Class 2d airport landing area consists of a landing area or public access area of a privately owned public use airport. It has a classification rate of one percent of market value. To qualify for classification under this paragraph, a privately owned public use airport must be licensed as a public airport under section 360.018. For purposes of this paragraph, "landing area" means that part of a privately owned public use airport properly cleared, regularly maintained, and made available to the public for use by aircraft and includes runways, taxiways, aprons, and sites upon which are situated landing or navigational aids. A landing area also includes land underlying both the primary surface and the approach surfaces that comply with all of the following:

(i) the land is properly cleared and regularly maintained for the primary purposes of the landing, taking off, and taxiing of aircraft; but that portion of the land that contains facilities for servicing, repair, or maintenance of aircraft is not included as a landing area;

(ii) the land is part of the airport property; and

(iii) the land is not used for commercial or residential purposes.

The land contained in a landing area under this paragraph must be described and certified by the commissioner of transportation. The certification is effective until it is modified, or until the airport or landing area no longer meets the requirements of this paragraph. For purposes of this paragraph, "public access area" means property used as an aircraft parking ramp, apron, or storage hangar, or an arrival and departure building in connection with the airport.

(m) Class 2e consists of land with a commercial aggregate deposit that is not actively being mined and is not otherwise classified as class 2a or 2b, provided that the land is not located in a county that has elected to opt-out of the aggregate preservation program as provided in section 273.1115, subdivision 6. It has a classification rate of one percent of market value. To qualify for classification under this paragraph, the property must be at least ten contiguous acres in size and the owner of the property must record with the county recorder of the county in which the property is located an affidavit containing:

(1) a legal description of the property;

(2) a disclosure that the property contains a commercial aggregate deposit that is not actively being mined but is present on the entire parcel enrolled;

(3) documentation that the conditional use under the county or local zoning ordinance of this property is for mining; and

(4) documentation that a permit has been issued by the local unit of government or the mining activity is allowed under local ordinance. The disclosure must include a statement from a registered professional geologist, engineer, or soil scientist delineating the deposit and certifying that it is a commercial aggregate deposit.

For purposes of this section and section 273.1115, "commercial aggregate deposit" means a deposit that will yield crushed stone or sand and gravel that is suitable for use as a construction aggregate; and "actively mined" means the removal of top soil and overburden in preparation for excavation or excavation of a commercial deposit.

(n) When any portion of the property under this subdivision or subdivision 22 begins to be actively mined, the owner must file a supplemental affidavit within 60 days from the day any aggregate is removed stating the number of acres of the property that is actively being mined. The acres actively being mined must be (1) valued and classified under subdivision 24 in the next subsequent assessment year, and (2) removed from the aggregate resource preservation property tax program under section 273.1115, if the land was enrolled in that program. Copies of the original affidavit and all supplemental affidavits must be filed with the county assessor, the local zoning administrator, and the Department of Natural Resources, Division of Land and Minerals. A supplemental affidavit must be filed each time a subsequent portion of the property is actively mined, provided that the minimum acreage change is five acres, even if the actual mining activity constitutes less than five acres.

(o) The definitions prescribed by the commissioner under paragraphs (c) and (d) are not rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do not apply.

**EFFECTIVE DATE.** This section is effective beginning with assessment year 2025.

Sec. 7. Minnesota Statutes 2022, section 273.38, is amended to read:

**273.38 PERCENTAGE OF ASSESSMENTS; EXCEPTIONS.**

~~The distribution lines and the attachments and appurtenances thereto~~ systems, not including substations or transmission or generation equipment, of cooperative associations organized under the provisions of Laws 1923, chapter 326, and laws amendatory thereof



and supplemental thereto, and engaged in the electrical heat, light and power business, upon a mutual, nonprofit and cooperative plan, shall be assessed and taxed as provided in sections 273.40 and 273.41.

**EFFECTIVE DATE.** This section is effective for assessment year 2024 and thereafter.

Sec. 8. Minnesota Statutes 2022, section 273.41, is amended to read:

**273.41 AMOUNT OF TAX; DISTRIBUTION.**

There is hereby imposed upon each such cooperative association on December 31 of each year a tax of \$10 for each 100 members, or fraction thereof, of such association. The tax, when paid, shall be in lieu of all personal property taxes, state, county, or local, upon ~~distribution lines and the attachments and appurtenances thereto of such associations that~~ part of the association's distribution system, not including substations or transmission or generation equipment, located in rural areas. The tax shall be payable on or before March 1 of the next succeeding year, to the commissioner of revenue. If the tax, or any portion thereof, is not paid within the time herein specified for the payment thereof, there shall be added thereto a specific penalty equal to ten percent of the amount so remaining unpaid. Such penalty shall be collected as part of said tax, and the amount of said tax not timely paid, together with said penalty, shall bear interest at the rate specified in section 270C.40 from the time such tax should have been paid until paid. The commissioner shall deposit the amount so received in the general fund of the state treasury.

**EFFECTIVE DATE.** This section is effective for assessment year 2024 and thereafter.

Sec. 9. Minnesota Statutes 2023 Supplement, section 290A.03, subdivision 3, is amended to read:

Subd. 3. **Income.** (a) "Income" means the sum of the following:

(1) federal adjusted gross income as defined in the Internal Revenue Code; and

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

(i) all nontaxable income;

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

- 34.1 (iii) an amount equal to the total of any discharge of qualified farm indebtedness of a  
34.2 solvent individual excluded from gross income under section 108(g) of the Internal Revenue  
34.3 Code;
- 34.4 (iv) cash public assistance and relief;
- 34.5 (v) any pension or annuity (including railroad retirement benefits, all payments received  
34.6 under the federal Social Security Act, Supplemental Security Income, and veterans benefits),  
34.7 which was not exclusively funded by the claimant or spouse, or which was funded exclusively  
34.8 by the claimant or spouse and which funding payments were excluded from federal adjusted  
34.9 gross income in the years when the payments were made;
- 34.10 (vi) interest received from the federal or a state government or any instrumentality or  
34.11 political subdivision thereof;
- 34.12 (vii) workers' compensation;
- 34.13 (viii) nontaxable strike benefits;
- 34.14 (ix) the gross amounts of payments received in the nature of disability income or sick  
34.15 pay as a result of accident, sickness, or other disability, whether funded through insurance  
34.16 or otherwise;
- 34.17 (x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of  
34.18 1986, as amended through December 31, 1995;
- 34.19 (xi) contributions made by the claimant to an individual retirement account, including  
34.20 a qualified voluntary employee contribution; simplified employee pension plan;  
34.21 self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of  
34.22 the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal  
34.23 Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for  
34.24 the claimant and spouse;
- 34.25 (xii) to the extent not included in federal adjusted gross income, distributions received  
34.26 by the claimant or spouse from a traditional or Roth style retirement account or plan;
- 34.27 (xiii) nontaxable scholarship or fellowship grants;
- 34.28 (xiv) alimony received to the extent not included in the recipient's income;
- 34.29 (xv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue  
34.30 Code;
- 34.31 (xvi) the amount deducted for tuition expenses under section 222 of the Internal Revenue  
34.32 Code; and

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

In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback or carryforward or a capital loss carryback or carryforward allowed for the year.

(b) "Income" does not include:

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

(2) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(3) to the extent included in federal adjusted gross income, amounts contributed by the claimant or spouse to a traditional or Roth style retirement account or plan, but not to exceed the retirement base amount reduced by the amount of contributions excluded from federal adjusted gross income, but not less than zero;

(4) surplus food or other relief in kind supplied by a governmental agency;

(5) relief granted under this chapter;

(6) child support payments received under a temporary or final decree of dissolution or legal separation;

(7) restitution payments received by eligible individuals and excludable interest as defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001, Public Law 107-16;

(8) alimony paid; ~~or~~

(9) veterans disability compensation paid under title 38 of the United States Code; or

(10) to the extent included in federal adjusted gross income, the amount of discharge of indebtedness awarded to the claimant under section 332.74, subdivision 3.

(c) The sum of the following amounts may be subtracted from income:

(1) for the claimant's first dependent, the exemption amount multiplied by 1.4;

(2) for the claimant's second dependent, the exemption amount multiplied by 1.3;

(3) for the claimant's third dependent, the exemption amount multiplied by 1.2;

(4) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;

(5) for the claimant's fifth dependent, the exemption amount; and

(6) if the claimant or claimant's spouse had a disability or attained the age of 65 on or before December 31 of the year for which the taxes were levied, the exemption amount.

(d) For purposes of this subdivision, the following terms have the meanings given:

(1) "exemption amount" means the exemption amount under section 290.0121, subdivision 1, paragraph (b), for the taxable year for which the income is reported;

(2) "retirement base amount" means the deductible amount for the taxable year for the claimant and spouse under section 219(b)(5)(A) of the Internal Revenue Code, adjusted for inflation as provided in section 219(b)(5)(C) of the Internal Revenue Code, without regard to whether the claimant or spouse claimed a deduction; and

(3) "traditional or Roth style retirement account or plan" means retirement plans under sections 401, 403, 408, 408A, and 457 of the Internal Revenue Code.

**EFFECTIVE DATE.** This section is effective for property taxes payable in 2025 and thereafter.

Sec. 10. Minnesota Statutes 2022, section 469.1812, is amended by adding a subdivision to read:

**Subd. 2a. Land bank organization.** "Land bank organization" means an organization that, at least in part, acquires, holds, or manages vacant, blighted, foreclosed, or tax-forfeited property for future development, redevelopment, or disposal, and that is either:

(1) a nonprofit organization exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code whose governing board members are elected or appointed by the state of Minnesota, any political subdivision of the state of Minnesota, or an agency of the state of Minnesota or its political subdivisions, or are elected or appointed officials of the state of Minnesota or any of its political subdivisions; or

(2) a limited liability company of which a nonprofit organization described in clause (1) is the sole member.

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

37.1 Sec. 11. Minnesota Statutes 2022, section 469.1813, subdivision 1, is amended to read:

37.2 Subdivision 1. **Authority.** The governing body of a political subdivision may grant a  
37.3 current or prospective abatement, by contract or otherwise, of the taxes imposed by the  
37.4 political subdivision on a parcel of property, which may include personal property and  
37.5 machinery, or defer the payments of the taxes and abate the interest and penalty that otherwise  
37.6 would apply, if:

37.7 (1) it expects the benefits to the political subdivision of the proposed abatement agreement  
37.8 to at least equal the costs to the political subdivision of the proposed agreement or intends  
37.9 the abatement to phase in a property tax increase, as provided in clause (2)(vii); and

37.10 (2) it finds that doing so is in the public interest because it will:

37.11 (i) increase or preserve tax base;

37.12 (ii) provide employment opportunities in the political subdivision;

37.13 (iii) provide or help acquire or construct public facilities;

37.14 (iv) help redevelop or renew blighted areas;

37.15 (v) help provide access to services for residents of the political subdivision;

37.16 (vi) finance or provide public infrastructure;

37.17 (vii) phase in a property tax increase on the parcel resulting from an increase of 50  
37.18 percent or more in one year on the estimated market value of the parcel, other than increase  
37.19 attributable to improvement of the parcel; ~~or~~

37.20 (viii) stabilize the tax base through equalization of property tax revenues for a specified  
37.21 period of time with respect to a taxpayer whose real and personal property is subject to  
37.22 valuation under Minnesota Rules, chapter 8100;

37.23 (ix) provide for the development of affordable housing to households at or below 80  
37.24 percent of area median income as estimated by the United States Department of Housing  
37.25 and Urban Development for the political subdivision in which the project is located; or

37.26 (x) allow the property to be held by a land bank organization for future development.

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

37.28 Sec. 12. Minnesota Statutes 2022, section 469.1813, subdivision 6, is amended to read:

37.29 Subd. 6. **Duration limit.** (a) A political subdivision may grant an abatement for a period  
37.30 no longer than 15 years, except as provided under ~~paragraph~~ paragraphs (b) and (c). The

abatement period commences in the first year in which the abatement granted is either paid or retained in accordance with section 469.1815, subdivision 2. The subdivision may specify in the abatement resolution a shorter duration. If the resolution does not specify a period of time, the abatement is for eight years. If an abatement has been granted to a parcel of property and the period of the abatement has expired, the political subdivision that granted the abatement may not grant another abatement for eight years after the expiration of the first abatement. This prohibition does not apply to improvements added after and not subject to the first abatement. Economic abatement agreements for real and personal property subject to valuation under Minnesota Rules, chapter 8100, are not subject to this prohibition and may be granted successively.

(b) A political subdivision proposing to abate taxes for a parcel may request, in writing, that the other political subdivisions in which the parcel is located grant an abatement for the property. If one of the other political subdivisions declines, in writing, to grant an abatement or if 90 days pass after receipt of the request to grant an abatement without a written response from one of the political subdivisions, the duration limit for an abatement for the parcel by the requesting political subdivision and any other participating political subdivision is increased to 20 years. If the political subdivision which declined to grant an abatement later grants an abatement for the parcel, the 20-year duration limit is reduced by one year for each year that the declining political subdivision grants an abatement for the parcel during the period of the abatement granted by the requesting political subdivision. The duration limit may not be reduced below the limit under paragraph (a).

(c) An abatement under subdivision 1, clause (2), items (ix) and (x), may be granted for a period no longer than five years. This limit also applies if the resolution does not specify a period of time.

**EFFECTIVE DATE.** This section is effective for abatement resolutions approved after the day following final enactment.

Sec. 13. Minnesota Statutes 2022, section 469.1813, is amended by adding a subdivision to read:

**Subd. 11. Repayment.** A land bank organization receiving an abatement under subdivision 1, clause (2), item (ix) or (x), must repay the abatement with interest, if the land for which the abatement was granted is used for a purpose other than the purpose given by the land bank organization prior to redevelopment, as determined by the governing body of the political subdivision that granted the abatement. This subdivision applies immediately after the abatement under this section expires and land is subject to repayment under this



39.1 subdivision for the same number of years that the abatement was granted. Interest under  
39.2 this section is payable at the rate determined in section 270C.40, subdivision 5.

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

39.4 Sec. 14. Minnesota Statutes 2023 Supplement, section 477A.015, is amended to read:

39.5 **477A.015 PAYMENT DATES.**

39.6 (a) The commissioner of revenue shall make the payments of local government aid to  
39.7 affected taxing authorities in two installments on July 20 and December 26 annually.

39.8 (b) Notwithstanding paragraph (a), for aids payable in 2025 only, the commissioner of  
39.9 revenue shall make payments of the aid payable under section 477A.013, subdivision 9, in  
39.10 three installments as follows: (1) ~~9.402~~ 9.7401 percent of the aid shall be paid on March  
39.11 20, 2025; (2) ~~40.598~~ 40.2599 percent of the aid shall be paid on July 20, 2025; and (3) 50  
39.12 percent of the aid shall be paid on December 26, 2025.

39.13 (c) When the commissioner of public safety determines that a local government has  
39.14 suffered financial hardship due to a natural disaster, the commissioner of public safety shall  
39.15 notify the commissioner of revenue, who shall make payments of aids under sections  
39.16 477A.011 to 477A.014, which are otherwise due on December 26, as soon as is practical  
39.17 after the determination is made but not before July 20.

39.18 (d) The commissioner may pay all or part of the payments of aids under sections  
39.19 477A.011 to 477A.014, which are due on December 26 at any time after August 15 if a  
39.20 local government requests such payment as being necessary for meeting its cash flow needs.

39.21 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2025.

39.22 Sec. 15. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 2, is amended  
39.23 to read:

39.24 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the  
39.25 meanings given:

39.26 ~~(1)~~ (b) "City distribution factor" means the number of households in a tier I city that are  
39.27 cost-burdened divided by the total number of households that are cost-burdened in tier I  
39.28 cities. The number of cost-burdened households shall be determined using the most recent  
39.29 estimates or experimental estimates provided by the American Community Survey of the  
39.30 United States Census Bureau as of May 1 of the aid calculation year;

~~(2)~~ (c) "Cost-burdened household" means a household in which gross rent is 30 percent or more of household income or in which homeownership costs are 30 percent or more of household income;

~~(3)~~ (d) "County distribution factor" means the number of households in a county that are cost-burdened divided by the total number of households in metropolitan counties that are cost-burdened. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau as of May 1 of the aid calculation year;

(e) "Locally funded housing expenditures" mean expenditures of the aid recipient, including expenditures by a public corporation or legal entity created by the aid recipient, which are:

(1) funded from the recipient's general fund, a property tax levy of the recipient or its housing and redevelopment authority, or unrestricted funds available to the recipient, but not including tax increments; and

(2) expended on one of the following qualifying activities:

(i) financial assistance to residents in arrears on rent, mortgage, utilities, or property tax payments;

(ii) support services, case management services, and legal services for residents in arrears on rent, mortgage, utilities, or property tax payments;

(iii) down payment assistance or homeownership education, counseling, and training;

(iv) acquisition, construction, rehabilitation, adaptive reuse, improvement, financing, and infrastructure of residential dwellings;

(v) costs of operating emergency shelter, transitional housing, supportive housing, or publicly owned housing, including costs of providing case management services and support services; and

(vi) rental assistance.

~~(4)~~ (f) "Metropolitan area" has the meaning given in section 473.121, subdivision 2;

~~(5)~~ (g) "Metropolitan county" has the meaning given in section 473.121, subdivision 4;

~~(6)~~ (h) "Population" has the meaning given in section 477A.011, subdivision 3; and

~~(7)~~ (i) "Tier I city" means a statutory or home rule charter city that is a city of the first, second, or third class and is located in a metropolitan county.

41.1 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

41.2 Sec. 16. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 4, is amended  
41.3 to read:

41.4 Subd. 4. **Qualifying projects.** (a) Qualifying projects ~~shall~~ include: (1) emergency rental  
41.5 assistance for households earning less than 80 percent of area median income as determined  
41.6 by the United States Department of Housing and Urban Development; (2) financial support  
41.7 to nonprofit affordable housing providers in their mission to provide safe, dignified,  
41.8 affordable and supportive housing; ~~and~~ (3) projects designed for the purpose of construction,  
41.9 acquisition, rehabilitation, demolition or removal of existing structures, construction  
41.10 financing, permanent financing, interest rate reduction, refinancing, and gap financing of  
41.11 housing to provide affordable housing to households that have incomes which do not exceed,  
41.12 for homeownership projects, 115 percent of the greater of state or area median income as  
41.13 determined by the United States Department of Housing and Urban Development, and for  
41.14 rental housing projects, 80 percent of the greater of state or area median income as determined  
41.15 by the United States Department of Housing and Urban Development, except that the housing  
41.16 developed or rehabilitated with funds under this section must be affordable to the local work  
41.17 force; (4) financing the operations and management of financially distressed residential  
41.18 properties; and (5) funding of supportive services or staff of supportive services providers  
41.19 for supportive housing as defined by section 462A.37, subdivision 1. Financial support to  
41.20 nonprofit housing providers to finance supportive housing operations may be awarded as  
41.21 a capitalized reserve or as an award of ongoing funding.

41.22 ~~Projects shall be prioritized~~ (b) Recipients must prioritize projects that provide affordable  
41.23 housing to households that have incomes which do not exceed, for homeownership projects,  
41.24 80 percent of the greater of state or area median income as determined by the United States  
41.25 Department of Housing and Urban Development, and for rental housing projects, 50 percent  
41.26 of the greater of state or area median income as determined by the United States Department  
41.27 of Housing and Urban Development. Priority may be given to projects that: reduce disparities  
41.28 in home ownership; reduce housing cost burden, housing instability, or homelessness;  
41.29 improve the habitability of homes; create accessible housing; or create more energy- or  
41.30 water-efficient homes.

41.31 ~~(b)~~ (c) Gap financing is either:

41.32 (1) the difference between the costs of the property, including acquisition, demolition,  
41.33 rehabilitation, and construction, and the market value of the property upon sale; or

(2) the difference between the cost of the property and the amount the targeted household can afford for housing, based on industry standards and practices.

~~(e)~~ (d) If aid under this section is used for demolition or removal of existing structures, the cleared land must be used for the construction of housing to be owned or rented by persons who meet the income limits of paragraph (a).

~~(d)~~ (e) If an aid recipient uses the aid on new construction or substantial rehabilitation of a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

(1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are accessible units, as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower; and

(2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are sensory-accessible units that include:

(A) soundproofing between shared walls for first and second floor units;

(B) no florescent lighting in units and common areas;

(C) low-fume paint;

(D) low-chemical carpet; and

(E) low-chemical carpet glue in units and common areas.

Nothing in this paragraph relieves a project funded by this section from meeting other applicable accessibility requirements.

**EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

Sec. 17. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 5, is amended to read:

**Subd. 5. Use of proceeds.** (a) Any funds distributed under this section must be spent on a qualifying project. Funds are considered spent on a qualifying project if:

(1) a tier I city or county demonstrates to the Minnesota Housing Finance Agency that the city or county cannot expend funds on a qualifying project by the deadline imposed by paragraph (b) due to factors outside the control of the city or county; and

(2) the funds are transferred to a local housing trust fund.

43.1 Funds transferred to a local housing trust fund under this paragraph must be spent on a  
43.2 project or household that meets the affordability requirements of subdivision 4, paragraph  
43.3 (a).

43.4 (b) Funds must be ~~spent by December 31 in the third year following the year after the~~  
43.5 ~~aid was received:~~

43.6 (1) committed to a qualifying project by December 31 in the third year following the  
43.7 year after the aid was received; and

43.8 (2) expended by December 31 in the fourth year following the year after the aid was  
43.9 received.

43.10 (c) An aid recipient may not use aid funds to reimburse itself for prior expenditures.

43.11 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

43.12 Sec. 18. Minnesota Statutes 2023 Supplement, section 477A.35, is amended by adding a  
43.13 subdivision to read:

43.14 Subd. 5a. **Maintenance of effort.** As a condition of receiving aid under this section, a  
43.15 recipient must commit to maintaining its locally funded housing expenditures at a level that  
43.16 is not less than the average level of such expenditures maintained by the recipient for the  
43.17 three preceding fiscal years.

43.18 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

43.19 Sec. 19. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 6, is amended  
43.20 to read:

43.21 Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount  
43.22 of aid payable to each tier I city and county under this section. By August 1 of each year,  
43.23 the commissioner must certify the distribution factors of each tier I city and county to be  
43.24 used in the following year. The commissioner must pay local affordable housing aid annually  
43.25 at the times provided in section 477A.015, distributing the amounts available on the  
43.26 immediately preceding June 1 under the accounts established in section 477A.37, subdivisions  
43.27 2 and 3.

43.28 (b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later  
43.29 than December 1 of each year, to the Minnesota Housing Finance Agency. The report must  
43.30 include documentation of the location of any unspent funds distributed under this section  
43.31 and of qualifying projects completed or planned with funds under this section. In the report,

a recipient must certify its compliance with subdivision 5a, including an accounting of locally funded housing expenditures in the three prior fiscal years. If a tier I city or county fails to submit a report, if a tier I city or county fails to spend funds within the timeline imposed under subdivision 5, paragraph (b), ~~or~~ if a tier I city or county uses funds for a project that does not qualify under this section, or if a tier I city or county fails to meet its maintenance of effort requirement, the Minnesota Housing Finance Agency shall notify the Department of Revenue and the cities and counties that must repay funds under paragraph (c) by February 15 of the following year.

(c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a tier I city or county must pay to the Minnesota Housing Finance Agency funds the city or county received under this section if the city or county:

(1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);

(2) spends the funds on anything other than a qualifying project; ~~or~~

(3) fails to submit a report documenting use of the funds; or

(4) fails to meet the maintenance of effort requirement under subdivision 5a.

(d) The commissioner of revenue must stop distributing funds to a tier I city or county that requests in writing that the commissioner stop payment or that, in three consecutive years, the Minnesota Housing Finance Agency has reported, pursuant to paragraph (b), to have failed to use funds, misused funds, or failed to report on its use of funds. A request under this paragraph must be submitted to the commissioner in the form and manner prescribed by the commissioner on or before May 1 of the aids payable year that a tier I city or county requests the commissioner to stop payment of aid. Any request received after May 1 will apply beginning in the next aids payable year.

(e) The commissioner may resume distributing funds to a tier I city or county to which the commissioner has stopped payments in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project. The commissioner may resume distributing funds to a tier I city or county to which the commissioner has stopped payments at the request of the city or county in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project.

(f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph (c) must be deposited in the housing development fund. Funds deposited under this paragraph



are appropriated to the commissioner of the Minnesota Housing Finance Agency for use on the family homeless prevention and assistance program under section 462A.204, the economic development and housing challenge program under section 462A.33, and the workforce and affordable homeownership development program under section 462A.38.

**EFFECTIVE DATE.** This section is effective beginning with aids payable in 2025.

Sec. 20. Minnesota Statutes 2023 Supplement, section 477A.40, subdivision 4, is amended to read:

Subd. 4. **Application.** An eligible Tribal Nation may choose to receive an aid distribution under this section by submitting an application under this subdivision. An eligible Tribal Nation which has not received a distribution in a prior aids payable year may elect to begin participation in the program by submitting an application in the manner and form prescribed by the commissioner of revenue by January 15 of the aids payable year. In order to receive a distribution, an eligible Tribal Nation must certify to the commissioner of revenue the most recent estimate of the total number of enrolled members of the eligible Tribal Nation. The information must be annually certified by March 1 in the form prescribed by the commissioner of revenue. The commissioner of revenue must annually calculate and certify the amount of aid payable to each eligible Tribal Nation ~~on or before August 1~~ by June 1.

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

Sec. 21. Minnesota Statutes 2023 Supplement, section 477A.40, subdivision 5, is amended to read:

Subd. 5. **Payments.** The commissioner of revenue must pay Tribal Nation aid annually ~~by December 27~~ July 20 of the year the aid is certified.

**EFFECTIVE DATE.** This section is effective for aid paid in 2025 and thereafter.

Sec. 22. Laws 2023, chapter 64, article 4, section 27, is amended by adding a subdivision to read:

Subd. 9. **Report.** (a) By January 15, 2025, each local unit of government that receives aid in an amount greater than \$10,000, each county, and each Tribal government that receives aid under this section must report the following information to the commissioner of public safety in a form and manner approved by that commissioner:

(1) the amount of aid received; and

(2) the ways in which the aid was used or is intended to be used.

(b) By February 15, 2025, the commissioner of public safety must compile the information received from counties, Tribal governments, or local units pursuant to paragraph (a) and submit the compiled data in a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety finance and policy, and taxes and property taxes. The report must comply with the requirements of Minnesota Statutes, sections 3.195 and 3.197.

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

**Sec. 23. 2023 AID PENALTY FORGIVENESS; CITY OF STEWART.**

Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Stewart must receive its aid payment for calendar year 2023 under Minnesota Statutes, section 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3, provided that the state auditor certifies to the commissioner of revenue that it received the annual financial reporting form for 2022 from the city by June 1, 2024. The commissioner of revenue must make a payment of \$87,501.50 to the city by June 30, 2024.

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

**Sec. 24. 2024 TRIBAL NATION AID.**

(a) Notwithstanding any law to the contrary, for calendar year 2024 the commissioner of revenue must pay Tribal Nation aid under Minnesota Statutes, section 477A.40, by June 20, 2024.

(b) \$35,000,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of revenue to make payments required under this section.

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

**Sec. 25. SUPPLEMENTAL 2024 SOIL AND WATER CONSERVATION DISTRICT AID DISTRIBUTION.**

(a) Supplemental aid for a soil and water conservation district equals the product of:

(1) the aid amount under Minnesota Statutes, section 477A.23, subdivision 2, certified for the soil and water conservation district for aid payable in 2024;

(2) the reciprocal of the total amount of aid certified for all soil and water conservation districts under Minnesota Statutes, section 477A.23, subdivision 2, certified for aid payable in 2024; and

47.1 (3) the total appropriation under this section.

47.2 (b) The Board of Water and Soil Resources must certify the supplemental aid amounts  
47.3 under this section to the commissioner of revenue and soil and water conservation districts  
47.4 before August 1, 2024. The commissioner of revenue must pay the supplemental aid amounts  
47.5 on December 26, 2024.

47.6 (c) \$2,000,000 is appropriated in fiscal year 2025 from the general fund to the  
47.7 commissioner of revenue for aid under this section. This is a onetime appropriation.

47.8 **EFFECTIVE DATE.** This section is effective for aid payable in calendar year 2024.

47.9 Sec. 26. **SUPPLEMENTAL 2024 TOWN AID DISTRIBUTION.**

47.10 (a) Supplemental aid for a town equals the product of:

47.11 (1) the aid amount under Minnesota Statutes, section 477A.013, subdivision 1, certified  
47.12 for the town for aid payable in 2024;

47.13 (2) the reciprocal of the total amount of aid certified for all towns under Minnesota  
47.14 Statutes, section 477A.013, subdivision 1, certified for aid payable in 2024; and

47.15 (3) the total appropriation under this section.

47.16 (b) The commissioner of revenue must certify supplemental aid amounts under this  
47.17 section before August 1, 2024, and must pay the aid on December 26, 2024.

47.18 (c) \$2,000,000 is appropriated in fiscal year 2025 from the general fund to the  
47.19 commissioner of revenue for aid under this section. This is a onetime appropriation.

47.20 **EFFECTIVE DATE.** This section is effective for aid payable in calendar year 2024.

47.21 Sec. 27. **PROPERTY TAX EXEMPTION; RED LAKE NATION COLLEGE.**

47.22 (a) Notwithstanding Minnesota Statutes, section 272.02, subdivision 38, paragraph (b),  
47.23 and any other law to the contrary, property located in the city of Minneapolis acquired by  
47.24 Red Lake Nation College Without Borders, LLC in either August 2021 or September 2021  
47.25 is exempt from property taxes payable in 2022 and the portion of property taxes payable in  
47.26 2021 due after the property was acquired. The city assessor must provide the property owner  
47.27 with an application for exemption under this section and the property owner must file the  
47.28 application with the city assessor by August 1, 2024. An amount necessary to make a  
47.29 payment to the county for the property taxes attributable to the exemption is appropriated  
47.30 from the general fund to the commissioner of revenue in fiscal year 2025. This is a onetime  
47.31 appropriation.

(b) By August 1, 2024, the auditor of the county in which the property is located must certify to the commissioner of revenue the amount to be paid by the commissioner of revenue to the county under paragraph (a). The commissioner of revenue must make this payment by August 15, 2024.

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

Sec. 28. **REPEALER.**

Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 1, is repealed.

**EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

**ARTICLE 3**

**MINERALS**

Section 1. Minnesota Statutes 2022, section 123B.53, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service revenue of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district for eligible projects according to subdivision 2, excluding the amounts listed in paragraph (b), minus

(2) the amount of debt service excess levy reduction for that school year calculated according to the procedure established by the commissioner.

(b) The obligations in this paragraph are excluded from eligible debt service revenue:

(1) obligations under section 123B.61;

(2) the part of debt service principal and interest paid from the taconite environmental protection fund or Douglas J. Johnson economic protection trust, excluding the portion of taconite payments from the Iron Range ~~school consolidation and cooperatively operated school~~ schools and community development account under section 298.28, subdivision 7a;

(3) obligations for long-term facilities maintenance under section 123B.595;

(4) obligations under section 123B.62; and

(5) obligations equalized under section 123B.535.

(c) For purposes of this section, if a preexisting school district reorganized under sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement of the

preexisting district's bonded indebtedness or capital loans, debt service equalization aid must be computed separately for each of the preexisting districts.

(d) For purposes of this section, the adjusted net tax capacity determined according to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property generally exempted from ad valorem taxes under section 272.02, subdivision 64.

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

Sec. 2. Minnesota Statutes 2022, section 273.135, subdivision 2, is amended to read:

Subd. 2. **Reduction amount.** The amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within a municipality as defined under section 273.134, paragraph (a), 66 percent of the tax, provided that the reduction shall not exceed the maximum amounts specified in paragraph (c).

(b) In the case of property located within the boundaries of a school district which qualifies as a tax relief area under section 273.134, paragraph (b), but which is outside the boundaries of a municipality which meets the qualifications prescribed in section 273.134, paragraph (a), 57 percent of the tax, provided that the reduction shall not exceed the maximum amounts specified in paragraph (c).

(c) The maximum reduction of the tax is ~~\$315.10~~ \$515 on property described in paragraph (a) and ~~\$289.80 on property described in~~ paragraph (b).

**EFFECTIVE DATE.** This section is effective beginning with property taxes payable in 2025.

Sec. 3. Minnesota Statutes 2022, section 275.065, is amended by adding a subdivision to read:

Subd. 3c. **Notice of proposed taxes; property subject to chapter 276A.** In the case of property subject to the areawide tax under section 276A.06, subdivision 7, for both the current year taxes and the proposed tax amounts, the net tax capacity portion of the taxes shown for each taxing jurisdiction must be based on the property's total net tax capacity multiplied by the jurisdiction's actual or proposed net tax capacity tax rate. In addition to the tax amounts shown for each jurisdiction, the statement must include a line showing the "fiscal disparities adjustment" equal to the total gross tax payable minus the sum of the tax amounts shown for the individual taxing jurisdictions. The fiscal disparities adjustment may be a negative number. If the fiscal disparities adjustment for either the current year taxes

50.1 or the proposed tax amount is a negative number, the percentage change must not be shown.

50.2 In all other respects the statement must fulfill the requirements of subdivision 3.

50.3 **EFFECTIVE DATE.** This section is effective beginning with proposed notices for  
50.4 property taxes payable in 2025.

50.5 Sec. 4. Minnesota Statutes 2022, section 276.04, is amended by adding a subdivision to  
50.6 read:

50.7 Subd. 2a. **Contents of tax statements; property subject to chapter 276A.** In the case  
50.8 of property subject to the areawide tax under section 276A.06, subdivision 7, for both the  
50.9 current year taxes and the previous year tax amounts, the net tax capacity portion of the tax  
50.10 shown for each taxing jurisdiction must be based on the property's total net tax capacity  
50.11 multiplied by the jurisdiction's net tax capacity tax rate. In addition to the tax amounts shown  
50.12 for each jurisdiction, the statement must include a line showing the "fiscal disparities  
50.13 adjustment" equal to the total gross tax payable minus the sum of the tax amounts shown  
50.14 for the individual taxing jurisdictions for each year. The fiscal disparities adjustment may  
50.15 be a negative number. In all other respects the statement must fulfill the requirements of  
50.16 subdivision 2.

50.17 **EFFECTIVE DATE.** This section is effective beginning with proposed notices for  
50.18 property taxes payable in 2025.

50.19 Sec. 5. Minnesota Statutes 2022, section 276A.01, subdivision 17, is amended to read:

50.20 Subd. 17. **School fund allocation.** (a) "School fund allocation" means an amount up to  
50.21 25 percent of the areawide levy certified by the commissioner of Iron Range resources and  
50.22 rehabilitation, after consultation with the Iron Range Resources and Rehabilitation Board,  
50.23 to be used for the purposes of the Iron Range ~~school consolidation and cooperatively operated~~  
50.24 ~~school~~ schools and community development account under section 298.28, subdivision 7a.

50.25 (b) The allocation under paragraph (a) shall only be made after the commissioner of  
50.26 Iron Range resources and rehabilitation, after consultation with the Iron Range Resources  
50.27 and Rehabilitation Board, has certified by June 30 that the Iron Range ~~school consolidation~~  
50.28 ~~and cooperatively operated~~ schools and community development account has insufficient  
50.29 funds to make payments as authorized under section 298.28, subdivision 7a.

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



51.1 Sec. 6. Minnesota Statutes 2022, section 276A.06, subdivision 8, is amended to read:

51.2 Subd. 8. **Certification of values; payment.** The administrative auditor shall determine  
51.3 for each county the difference between the total levy on distribution value pursuant to  
51.4 subdivision 3, clause (1), including the school fund allocation within the county and the  
51.5 total tax on contribution value pursuant to subdivision 7, within the county. On or before  
51.6 May 16 of each year, the administrative auditor shall certify the differences so determined  
51.7 and the county's portion of the school fund allocation to each county auditor. In addition,  
51.8 the administrative auditor shall certify to those county auditors for whose county the total  
51.9 tax on contribution value exceeds the total levy on distribution value the settlement the  
51.10 county is to make to the other counties of the excess of the total tax on contribution value  
51.11 over the total levy on distribution value in the county. On or before June 15 and November  
51.12 15 of each year, each county treasurer in a county having a total tax on contribution value  
51.13 in excess of the total levy on distribution value shall pay one-half of the excess to the other  
51.14 counties in accordance with the administrative auditor's certification. On or before June 15  
51.15 and November 15 of each year, each county treasurer shall pay to the administrative auditor  
51.16 that county's share of the school fund allocation. On or before December 1 of each year,  
51.17 the administrative auditor shall pay the school fund allocation to the commissioner of Iron  
51.18 Range resources and rehabilitation for deposit in the Iron Range ~~school consolidation and~~  
51.19 ~~cooperatively operated~~ schools and community development account.

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

51.21 Sec. 7. Minnesota Statutes 2023 Supplement, section 298.018, subdivision 1, is amended  
51.22 to read:

51.23 Subdivision 1. **Within taconite assistance area.** (a) The proceeds of the tax paid under  
51.24 sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the  
51.25 taconite assistance area defined in section 273.1341, shall be allocated as follows:

51.26 (1) except as provided under paragraph (b), five percent to the city or town within which  
51.27 the minerals or energy resources are mined or extracted, or within which the concentrate  
51.28 was produced. If the mining and concentration, or different steps in either process, are  
51.29 carried on in more than one taxing district, the commissioner shall apportion equitably the  
51.30 proceeds among the cities and towns by attributing 50 percent of the proceeds of the tax to  
51.31 the operation of mining or extraction, and the remainder to the concentrating plant and to  
51.32 the processes of concentration, and with respect to each thereof giving due consideration  
51.33 to the relative extent of the respective operations performed in each taxing district;

52.1 (2) ten percent to the taconite municipal aid account to be distributed as provided in  
52.2 section 298.282, subdivisions 1 and 2, on the dates provided under this section;

52.3 (3) ten percent to the school district within which the minerals or energy resources are  
52.4 mined or extracted, or within which the concentrate was produced. If the mining and  
52.5 concentration, or different steps in either process, are carried on in more than one school  
52.6 district, distribution among the school districts must be based on the apportionment formula  
52.7 prescribed in clause (1);

52.8 (4) 20 percent to a group of school districts comprised of those school districts wherein  
52.9 the mineral or energy resource was mined or extracted or in which there is a qualifying  
52.10 municipality as defined by section 273.134, paragraph (b), in direct proportion to school  
52.11 district indexes as follows: for each school district, its pupil units determined under section  
52.12 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted  
52.13 net tax capacity per pupil unit for school districts receiving aid under this clause as calculated  
52.14 pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution  
52.15 to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that  
52.16 portion of the distribution which its index bears to the sum of the indices for all school  
52.17 districts that receive the distributions;

52.18 (5) ten percent to the county within which the minerals or energy resources are mined  
52.19 or extracted, or within which the concentrate was produced. If the mining and concentration,  
52.20 or different steps in either process, are carried on in more than one county, distribution  
52.21 among the counties must be based on the apportionment formula prescribed in clause (1),  
52.22 provided that any county receiving distributions under this clause shall pay one percent of  
52.23 its proceeds to the Range Association of Municipalities and Schools;

52.24 (6) five percent to St. Louis County acting as the counties' fiscal agent to be distributed  
52.25 as provided in sections 273.134 to 273.136;

52.26 (7) 20 percent to the commissioner of Iron Range resources and rehabilitation for the  
52.27 purposes of section 298.22;

52.28 (8) three percent to the Douglas J. Johnson economic protection trust fund;

52.29 (9) seven percent to the taconite environmental protection fund; and

52.30 (10) ten percent to the commissioner of Iron Range resources and rehabilitation for  
52.31 capital improvements to Giants Ridge Recreation Area.

52.32 (b) If the materials or energy resources are mined, extracted, or concentrated in School  
52.33 District No. 2711, Mesabi East, then the amount under paragraph (a), clause (1), must instead

be distributed pursuant to this paragraph. The cities of Aurora, Babbitt, Ely, and Hoyt Lakes must each receive 20 percent of the amount. The city of Biwabik and Embarrass Township must each receive ten percent of the amount.

(c) For the first five years that tax paid under section 298.015, subdivisions 1 and 2, is distributed under this subdivision, ten percent of the total proceeds distributed in each year must first be distributed pursuant to this paragraph. The remaining 90 percent of the total proceeds distributed in each of those years must be distributed as outlined in paragraph (a). Of the amount available under this paragraph, the cities of Aurora, Babbitt, Ely, and Hoyt Lakes must each receive 20 percent. Of the amount available under this paragraph, the city of Biwabik and Embarrass Township must each receive ten percent. This paragraph applies only to tax paid by a person engaged in the business of mining within the area described in section 273.1341, clauses (1) and (2).

**EFFECTIVE DATE.** This section is effective beginning with the 2025 distribution.

Sec. 8. Minnesota Statutes 2022, section 298.17, is amended to read:

**298.17 OCCUPATION TAXES TO BE APPORTIONED.**

(a) All occupation taxes paid by persons, copartnerships, companies, joint stock companies, corporations, and associations, however or for whatever purpose organized, engaged in the business of mining or producing iron ore or other ores, when collected shall be apportioned and distributed in accordance with the Constitution of the state of Minnesota, article X, section 3, in the manner following: 90 percent shall be deposited in the state treasury and credited to the general fund of which four-ninths shall be used for the support of elementary and secondary schools; and ten percent of the proceeds of the tax imposed by this section shall be deposited in the state treasury and credited to the general fund for the general support of the university.

(b) Of the money apportioned to the general fund by this section: (1) there is annually appropriated and credited to the mining environmental and regulatory account in the special revenue fund an amount equal to that which would have been generated by a 2-1/2 cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year. Money in the mining environmental and regulatory account is appropriated annually to the commissioner of natural resources to fund agency staff to work on environmental issues and provide regulatory services for ferrous and nonferrous mining operations in this state. Payment to the mining environmental and regulatory account shall be made by July 1 annually. The commissioner of natural resources shall execute an interagency agreement with the Pollution Control Agency to assist with the provision of environmental regulatory

services such as monitoring and permitting required for ferrous and nonferrous mining operations; (2) there is annually appropriated and credited to the Iron Range resources and rehabilitation account in the special revenue fund an amount equal to that which would have been generated by a 1.5 cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year, to be expended for the purposes of section 298.22; and (3) there is annually appropriated and credited to the Iron Range resources and rehabilitation account in the special revenue fund for transfer to the Iron Range ~~school consolidation and cooperatively operated school~~ schools and community development account under section 298.28, subdivision 7a, an amount equal to that which would have been generated by a six cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year. Payment to the Iron Range resources and rehabilitation account shall be made by May 15 annually.

(c) The money appropriated pursuant to paragraph (b), clause (2), shall be used (i) to provide environmental development grants to local governments located within any county in region 3 as defined in governor's executive order number 60, issued on June 12, 1970, which does not contain a municipality qualifying pursuant to section 273.134, paragraph (b), or (ii) to provide economic development loans or grants to businesses located within any such county, provided that the county board or an advisory group appointed by the county board to provide recommendations on economic development shall make recommendations to the commissioner of Iron Range resources and rehabilitation regarding the loans. Payment to the Iron Range resources and rehabilitation account shall be made by May 15 annually.

(d) Of the money allocated to Koochiching County, one-third must be paid to the Koochiching County Economic Development Commission.

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

Sec. 9. Minnesota Statutes 2022, section 298.2215, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** A county may establish a scholarship fund from any unencumbered revenue received pursuant to section 298.018, 298.28, 298.39, 298.396, or 298.405 or any law imposing a tax upon severed mineral values. Scholarships must be used at a two-year Minnesota State Colleges and Universities institution, or an accredited skilled trades program, within the county. The county shall establish procedures for applying for and distributing the scholarships.

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

55.1 Sec. 10. Minnesota Statutes 2023 Supplement, section 298.28, subdivision 7a, is amended  
55.2 to read:

55.3 Subd. 7a. **Iron Range school consolidation and cooperatively operated school schools**  
55.4 **and community development account.** (a) The following amounts must be allocated to  
55.5 the commissioner of Iron Range resources and rehabilitation to be deposited in the Iron  
55.6 Range ~~school consolidation and cooperatively operated school~~ schools and community  
55.7 development account that is hereby created:

55.8 (1) for distributions beginning in 2015, ten cents per taxable ton of the tax imposed under  
55.9 section 298.24;

55.10 (2) the amount as determined under section 298.17, paragraph (b), clause (3); and

55.11 (3) any other amount as provided by law.

55.12 (b) Expenditures from this account may be approved as ongoing annual expenditures  
55.13 and shall be made only to provide disbursements to assist school districts with the payment  
55.14 of bonds that were issued for qualified school projects, or for any other school disbursement  
55.15 as approved by the commissioner of Iron Range resources and rehabilitation after consultation  
55.16 with the Iron Range Resources and Rehabilitation Board. For purposes of this section,  
55.17 "qualified school projects" means school projects within the taconite assistance area as  
55.18 defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006;  
55.19 and (2) approved by the commissioner of education pursuant to section 123B.71.

55.20 (c) Beginning in fiscal year 2019, the disbursement to school districts for payments for  
55.21 bonds issued under section 123A.482, subdivision 9, must be increased each year to offset  
55.22 any reduction in debt service equalization aid that the school district qualifies for in that  
55.23 year, under section 123B.53, subdivision 6, compared with the amount the school district  
55.24 qualified for in fiscal year 2018.

55.25 (d) No expenditure under this section shall be made unless approved by the commissioner  
55.26 of Iron Range resources and rehabilitation after consultation with the Iron Range Resources  
55.27 and Rehabilitation Board.

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

55.29 Sec. 11. Minnesota Statutes 2022, section 298.28, subdivision 8, is amended to read:

55.30 Subd. 8. **Range Association of Municipalities and Schools.** ~~.30~~ 0.50 cent per taxable  
55.31 ton shall be paid to the Range Association of Municipalities and Schools, for the purpose  
55.32 of providing an areawide approach to problems which demand coordinated and cooperative



actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns, and school districts within the Iron Range area of northeast Minnesota.

**EFFECTIVE DATE.** This section is effective beginning with the 2024 distribution.

Sec. 12. Minnesota Statutes 2023 Supplement, section 298.28, subdivision 16, is amended to read:

Subd. 16. **Transfer.** Of the amount annually distributed to the Douglas J. Johnson Economic Protection Trust Fund under this section, ~~\$3,500,000~~ the following amounts shall be transferred to the Iron Range ~~school consolidation and cooperatively operated school~~ schools and community development account under subdivision 7a: for distribution year 2024, \$6,250,000; for distribution year 2025 through distribution year 2029, \$6,500,000; for distribution year 2030 through distribution year 2034, \$5,500,00; for distribution year 2035 and distribution year 2036, \$5,000,000; and for distribution year 2037 through distribution year 2041, \$3,500,000. Any remaining amount of the amount annually distributed to the Douglas J. Johnson Economic Protection Trust Fund shall be transferred to the Iron Range resources and rehabilitation account under subdivision 7. The transfers under this subdivision must be made within ten days of the August payment.

**EFFECTIVE DATE.** This section is effective beginning with the 2024 distribution.

Sec. 13. Minnesota Statutes 2022, section 298.282, subdivision 1, is amended to read:

Subdivision 1. **Distribution of taconite municipal aid account.** (a) The amount deposited with the county as provided in section 298.28, subdivision 3, must be distributed as provided by this section among: (1) the municipalities located within a taconite assistance area under section 273.1341 that meet the criteria of section 273.1341, clause (1) or (2); (2) a township that contains a state park consisting primarily of an underground iron ore mine; (3) a city located within five miles of that state park; and (4) Breitung Township in St. Louis County, each being referred to in this section as a qualifying municipality. The distribution to Breitung Township under this subdivision shall be ~~\$15,000~~ \$25,000 annually.

(b) The amount deposited in the state general fund as provided in section 298.018, subdivision 1, must be distributed in the same manner as provided under paragraph (a), except that subdivisions 3, 4, and 5 do not apply, and the distributions shall be made on the dates provided under section 298.018, subdivision 1a.



57.1 **EFFECTIVE DATE.** This section is effective beginning with the 2024 distribution.

57.2 Sec. 14. Minnesota Statutes 2022, section 298.292, subdivision 2, is amended to read:

57.3 Subd. 2. **Use of money.** (a) Money in the Douglas J. Johnson economic protection trust  
57.4 fund may be used for the following purposes:

57.5 (1) to provide loans, loan guarantees, interest buy-downs and other forms of participation  
57.6 with private sources of financing, but a loan to a private enterprise shall be for a principal  
57.7 amount not to exceed one-half of the cost of the project for which financing is sought, and  
57.8 the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight  
57.9 percent or an interest rate three percentage points less than a full faith and credit obligation  
57.10 of the United States government of comparable maturity, at the time that the loan is approved;

57.11 (2) to fund reserve accounts established to secure the payment when due of the principal  
57.12 of and interest on bonds issued pursuant to section 298.2211, including bonds authorized  
57.13 by the legislature to be repaid from the distributions under section 298.28, subdivision 7a;

57.14 (3) to pay in periodic payments or in a lump-sum payment any or all of the interest on  
57.15 bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or  
57.16 retrofitting heating facilities in connection with district heating systems or systems utilizing  
57.17 alternative energy sources;

57.18 (4) to invest in a venture capital fund or enterprise that will provide capital to other  
57.19 entities that are engaging in, or that will engage in, projects or programs that have the  
57.20 purposes set forth in subdivision 1. No investments may be made in a venture capital fund  
57.21 or enterprise unless at least two other unrelated investors make investments of at least  
57.22 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J.  
57.23 Johnson economic protection trust fund may not exceed the amount of the largest investment  
57.24 by an unrelated investor in the venture capital fund or enterprise. For purposes of this  
57.25 subdivision, an "unrelated investor" is a person or entity that is not related to the entity in  
57.26 which the investment is made or to any individual who owns more than 40 percent of the  
57.27 value of the entity, in any of the following relationships: spouse, parent, child, sibling,  
57.28 employee, or owner of an interest in the entity that exceeds ten percent of the value of all  
57.29 interests in it. For purposes of determining the limitations under this clause, the amount of  
57.30 investments made by an investor other than the Douglas J. Johnson economic protection  
57.31 trust fund is the sum of all investments made in the venture capital fund or enterprise during  
57.32 the period beginning one year before the date of the investment by the Douglas J. Johnson  
57.33 economic protection trust fund; and

(5) to purchase forest land in the taconite assistance area defined in section 273.1341 to be held and managed as a public trust for the benefit of the area for the purposes authorized in section 298.22, subdivision 5a. Property purchased under this section may be sold by the commissioner, after consultation with the advisory board. The net proceeds must be deposited in the trust fund for the purposes and uses of this section.

(b) Money from the trust fund shall be expended only in ~~or for the benefit of~~ the taconite assistance area defined in section 273.1341.

(c) Money devoted to the trust fund under this section shall not be expended, appropriated, or transferred from the trust fund for any purpose except as provided in this section.

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

Sec. 15. **IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER;  
BONDS AUTHORIZED IN 2024.**

**Subdivision 1. Issuance; purpose.** (a) Notwithstanding any provision of Minnesota Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and rehabilitation shall, in 2024, issue revenue bonds in a principal amount of up to \$49,000,000 plus an amount sufficient to pay costs of issuance in one or more series, and thereafter may issue bonds to refund those bonds. The proceeds of the bonds must be used to pay the costs of issuance and to make distributions pursuant this section. The commissioner of Iron Range resources and rehabilitation must distribute these transferred funds as outlined in this section. In order to receive a distribution, a recipient must submit to the commissioner a plan of how the distribution will be spent and the commissioner must ensure that the plan matches the intended use outlined in this section. The plan must be submitted in a form and manner determined by the commissioner. The uses listed are not subject to review or recommendation by the Iron Range Resources and Rehabilitation Board. By December 31, 2025, each recipient must report to the commissioner how the distribution received under this section was spent. If a recipient's plan is submitted and approved, the commissioner must distribute the funds for the uses outlined in subdivision 3. The bonds issued under this section do not constitute public debt as that term is defined in article XI, section 4 of the Minnesota Constitution, and as such are not subject to its provisions.

(b) Funds under this section are available for four years from the date the bonds are issued. Any unexpended funds after that date cancel to the taconite environmental fund under Minnesota Statutes, section 298.28, subdivision 9b.

59.1 Subd. 2. **Appropriation.** (a) Notwithstanding Minnesota Statutes, section 298.28,  
59.2 subdivision 7a, paragraph (b), there is annually appropriated from the distribution of the  
59.3 taconite production tax revenues under Minnesota Statutes, section 298.28, subdivision 7a,  
59.4 prior to the calculation of any amount remaining, an amount sufficient to pay when due the  
59.5 principal and interest on the bonds issued pursuant to subdivision 1.

59.6 (b) If in any year the amount available under paragraph (a) is insufficient to pay principal  
59.7 and interest due on the bonds in that year, an additional amount is appropriated from the  
59.8 Douglas J. Johnson economic protection trust fund to make up the deficiency.

59.9 (c) The appropriation under this subdivision terminates upon payment or maturity of  
59.10 the last of the bonds issued under this section.

59.11 (d) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the  
59.12 commissioner of Iron Range resources and rehabilitation must not use any amount of the  
59.13 appropriation under this subdivision for administrative costs.

59.14 Subd. 3. **Grants.** (a) The commissioner of Iron Range resources and rehabilitation must  
59.15 distribute funds available for distribution under subdivision 1 for the following uses:

59.16 (1) \$160,000 to the Grand Portage Band of Lake Superior Chippewa to construct a  
59.17 playground;

59.18 (2) \$3,600,000 to the Mesabi Fit Coalition for the renovation, reconstruction, and  
59.19 expansion of the former Mesabi Family YMCA in the city of Mountain Iron;

59.20 (3) \$950,000 to the Buyck Volunteer Fire Department for design, engineering, and  
59.21 construction of a new fire and training hall and related equipment;

59.22 (4) \$750,000 to the Voyageur Trail Society for a joint maintenance facility with Voyageur  
59.23 Country ATV in the city of Orr;

59.24 (5) \$2,250,000 to Cook County, of which \$250,000 must be spent to preserve affordable  
59.25 housing units for seniors in the city of Grand Marais and \$2,000,000 must be used to  
59.26 construct, furnish, and equip a solid waste transfer station in the county;

59.27 (6) \$1,255,000 to the Northland Learning Center for construction costs;

59.28 (7) \$2,720,000 to the city of Chisholm, of which \$1,520,000 must be used for the  
59.29 renovation of the Chisholm Ice Arena facility and parking and the remaining amount must  
59.30 be used for the public safety works;

59.31 (8) \$1,000,000 to the city of Gilbert for the Gilbert Community Center;

59.32 (9) \$360,000 to the city of Biwabik for housing infrastructure;

60.1 (10) \$3,000,000 to the city of Tower for water management infrastructure projects;

60.2 (11) \$3,000,000 to the city of Silver Bay to design, engineer, construct, and reconstruct  
60.3 publicly owned infrastructure including sewers, water systems, utility extensions, street  
60.4 construction, wastewater treatment, stormwater management systems, sidewalks, and  
60.5 compliance with the Americans with Disabilities Act;

60.6 (12) \$2,000,000 to St. Louis County for the development of the Canyon Integrated Solid  
60.7 Waste Management Campus;

60.8 (13) \$3,890,000 to the city of Eveleth to design, engineer, and construct public utilities  
60.9 in its business park and construction of the Hat Trick Avenue slip ramp;

60.10 (14) \$700,000 to the city of Meadowlands for costs related to park improvements and  
60.11 a community center;

60.12 (15) \$600,000 to School District No. 2142, St. Louis County, of which \$400,000 must  
60.13 be used for septic system upgrades at South Ridge School and \$200,000 must be used for  
60.14 cafeteria renovations at Northeast Range School in Babbitt and Tower Elementary School  
60.15 in Tower;

60.16 (16) \$250,000 to the city of Two Harbors for band stand repairs and Odegard Park and  
60.17 Trail restoration;

60.18 (17) \$850,000 to the Central Iron Range Sanitary Sewer District for infrastructure  
60.19 projects;

60.20 (18) \$5,240,000 to the Minnesota Discovery Center to design, construct, renovate,  
60.21 furnish, and repair facilities, including HVAC upgrades, demolition, and compliance with  
60.22 the Americans with Disabilities Act, at the Minnesota Discovery Center in the city of  
60.23 Chisholm, and for historical research funding;

60.24 (19) \$4,200,000 to the commissioner of Iron Range resources and rehabilitation for the  
60.25 design, engineering, and upgrades or replacement of chair lifts or an irrigation system, and  
60.26 for the design, engineering, demolition, and construction of a nordic and welcome center  
60.27 at the Giants Ridge Recreation Area;

60.28 (20) \$250,000 to Independent School District No. 696, Ely, for baseball field renovation;

60.29 (21) \$500,000 to the city of Mountain Iron for the Outdoor Recreation Center;

60.30 (22) \$200,000 to Cook County Higher Education Board for costs to bring commercial  
60.31 drivers' licenses and trades training to the region along with educational training and academic  
60.32 support to remote populations;

- 61.1        (23) \$200,000 to Save Our Ship, Inc. for renovation costs;
- 61.2        (24) \$3,000,000 to Hibbing Public Utilities for water infrastructure projects;
- 61.3        (25) \$400,000 to Veterans On The Lake for demolition of existing structures and the  
61.4 building of a triplex that is compliant with the Americans with Disabilities Act;
- 61.5        (26) \$350,000 to the city of Eveleth for the Hippodrome renovation;
- 61.6        (27) \$500,000 to the Great Expectations School Foundation in Cook County for school  
61.7 facilities construction;
- 61.8        (28) \$225,000 to the Minnesota Forest Zone Trappers Association to plan, engineer,  
61.9 purchase land, and develop the Sportsman Training and Development Center;
- 61.10       (29) \$200,000 to the Sturgeon Chain Lake Association to update the engineering and  
61.11 hydrology study of the lakes, for regulatory and community outreach, and for preparing  
61.12 recommendations to the commissioner of natural resources related to bank stabilization and  
61.13 maintenance;
- 61.14       (30) \$300,000 to the Northern Lights Music Festival to support programs, of this amount  
61.15 \$100,000 is available each year in calendar years 2025, 2026, and 2027;
- 61.16       (31) \$250,000 to Cherry Township for recreational facilities upgrades and lights;
- 61.17       (32) \$350,000 to the East Range Developmental Achievement Center for building  
61.18 renovations;
- 61.19       (33) \$500,000 to the Northland Foundation for grants or loans to (i) businesses or resorts  
61.20 that were economically damaged by floods that occurred in 2022 or 2023 and which are  
61.21 eligible under article 5 of the Canadian border counties economic relief program, or (ii)  
61.22 outfitters in the border region who experienced either more than a 50 percent reduction in  
61.23 Boundary Waters Canoe Area Wilderness permits obtained by their customers between  
61.24 2019 and 2021, or a 50 percent reduction between 2019 and 2021 in trips across the fee-based  
61.25 mechanical portages into the Boundary Waters Canoe Area Wilderness or Quetico Provincial  
61.26 Park. Businesses may be awarded a maximum grant under this clause of up to \$50,000,  
61.27 must be located within the taconite assistance area, as defined under Minnesota Statutes,  
61.28 section 273.1341, and must not have received a grant under the Canadian border counties  
61.29 economic relief program. The Northland Foundation may retain up to four percent of the  
61.30 amount under this clause for administration;
- 61.31       (34) \$100,000 to Crystal Bay Township for a septic project at the Clair Nelson  
61.32 Community Center;

62.1 (35) \$25,000 to the Northwoods Friends of the Arts in the city of Cook for facility  
62.2 upgrades and programs;

62.3 (36) \$50,000 to the Bois Forte Band of Chippewa for food shelf expenses;

62.4 (37) \$100,000 to the Lake Vermilion Cultural Center to improve and renovate the facility  
62.5 and its displays in Tower;

62.6 (38) \$50,000 to the Lyric Center for the Arts in Virginia for repairs and renovation;

62.7 (39) \$50,000 to the Pioneer Mine historical site for maintenance and displays in Ely;

62.8 (40) \$2,625,000 to the commissioner of Iron Range resources and rehabilitation to create  
62.9 a mountain bike system in northern St. Louis County;

62.10 (41) \$150,000 to the Lake Superior School District to support an emergency preparedness  
62.11 career introduction program;

62.12 (42) \$200,000 to the city of Babbitt for ADA compliance and renovations to the city's  
62.13 parks;

62.14 (43) \$75,000 to the Vermilion Penguins Snowmobile Club and \$75,000 to the Cook  
62.15 Timberwolves Snowmobile Club, to update maintenance equipment and trail programs;

62.16 (44) \$500,000 to the Arrowhead Economic Opportunity Agency to design, engineer,  
62.17 acquire land, and start construction of a new facility in Hibbing to meet the needs of the  
62.18 population on the west end of the Mesabi Iron Range;

62.19 (45) \$500,000 to Lone Pine Township to design, engineer, and begin construction for  
62.20 its sewage treatment plan in partnership with the city of Nashwauk; and

62.21 (46) \$500,000 for grants of \$25,000 distributed pursuant to paragraph (b).

62.22 (b) Of the amount under paragraph (a), clause (46), grants of \$25,000 to be used for trail  
62.23 grooming costs or equipment must be made available to the following entities:

62.24 (1) Alborn Dirt Devils ATV Club;

62.25 (2) Wild Country ATV Club;

62.26 (3) Ely Igloo Snowmobile Club;

62.27 (4) CC Riders Snowmobile Club;

62.28 (5) PathBlazers Snowmobile Club;

62.29 (6) Cook Timberwolves Snowmobile Club;

62.30 (7) Crane Lake Voyageurs Club;



63.1 (8) Pequawayan Area Trail Blazers Snowmobile Club;

63.2 (9) Eveleth Trail Hawks Snowmobile Club;

63.3 (10) Ranger Snowmobile/ATV Club;

63.4 (11) Silver Trail Riders Snowmobile and ATV Club;

63.5 (12) Voyageur Snowmobile Club;

63.6 (13) Mesabi Sno Voyageurs;

63.7 (14) Quad Cities ATV Club;

63.8 (15) Prospector ATV Club;

63.9 (16) Northern Traxx ATV Club;

63.10 (17) Finland Snowmobile and ATV Club;

63.11 (18) Babbitt ATV and Snowmobile Club;

63.12 (19) Cook County ATV Club; and

63.13 (20) Vermilion Penguins Snowmobile Club.

63.14 (b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, of the money  
63.15 distributed under this subdivision, the commissioner of Iron Range resources and  
63.16 rehabilitation must not use any amount for administrative uses.

63.17 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
63.18 applies beginning with the 2024 distribution under Minnesota Statutes, section 298.28.

63.19 **Sec. 16. IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER;**  
63.20 **BONDS AUTHORIZED IN 2025.**

63.21 Subdivision 1. **Issuance; purpose.** (a) Notwithstanding any provision of Minnesota  
63.22 Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and  
63.23 rehabilitation shall, in 2025, issue revenue bonds in a principal amount of up to \$31,000,000  
63.24 plus an amount sufficient to pay costs of issuance in one or more series, and thereafter may  
63.25 issue bonds to refund those bonds. The proceeds of the bonds must be used to pay the costs  
63.26 of issuance and to make distributions pursuant to this section. The commissioner of Iron  
63.27 Range resources and rehabilitation must distribute these transferred funds as outlined in  
63.28 this section. In order to receive a distribution, a recipient must submit to the commissioner  
63.29 a plan of how the distribution will be spent and the commissioner must ensure that the plan  
63.30 matches the intended use outlined in this section. The plan must be submitted in a form and

manner determined by the commissioner. The uses listed are not subject to review or recommendation by the Iron Range Resources and Rehabilitation Board. By December 31, 2026, each recipient must report to the commissioner how the distribution received under this section was spent. If a recipient's plan is submitted and approved, the commissioner must distribute the funds for the uses outlined in subdivision 3. The bonds issued under this section do not constitute public debt as that term is defined in Article XI, section 4 of the Minnesota Constitution, and as such are not subject to its provisions.

(b) Funds under this section are available for four years from the date the bonds are issued. Any unexpended funds after that date cancel to the taconite environmental fund under Minnesota Statutes, section 298.28, subdivision 9b.

Subd. 2. **Appropriation.** (a) Notwithstanding Minnesota Statutes, section 298.28, subdivision 7a, paragraph (b), there is annually appropriated from the distribution of the taconite production tax revenues under Minnesota Statutes, section 298.28, subdivision 7a, prior to the calculation of any amount remaining, an amount sufficient to pay when due the principal and interest on the bonds issued pursuant to subdivision 1.

(b) If in any year the amount available under paragraph (a) is insufficient to pay principal and interest due on the bonds in that year, an additional amount is appropriated from the Douglas J. Johnson economic protection trust fund to make up the deficiency.

(c) The appropriation under this subdivision terminates upon payment or maturity of the last of the bonds issued under this section.

(d) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner of Iron Range resources and rehabilitation must not use any amount of the appropriation under this subdivision for administrative costs.

Subd. 3. **Grants.** The commissioner of Iron Range resources and rehabilitation must distribute funds available for distribution under subdivision 1 for the following uses:

(1) \$5,000,000 to the Minnesota Discovery Center to design, construct, renovate, furnish, and repair facilities, including HVAC upgrades, demolition, and compliance with the Americans with Disabilities Act, at the Minnesota Discovery Center in the city of Chisholm, and for historical research funding;

(2) \$5,800,000 to the commissioner of Iron Range resources and rehabilitation for the design, engineering, and upgrades or replacement of chair lifts or an irrigation system, and for the design, engineering, demolition, and construction of a nordic and welcome center at the Giants Ridge Recreation Area;

- 65.1 (3) \$350,000 to the Central Iron Range Sanitary Sewer District for infrastructure projects;
- 65.2 (4) \$1,200,000 to Independent School District No. 2909, Rock Ridge, for demolition of
- 65.3 the James Madison Elementary School in Virginia;
- 65.4 (5) \$500,000 to the city of Buhl for infrastructure projects;
- 65.5 (6) \$2,300,000 to St. Louis and Lake Counties Regional Railroad Authority to design,
- 65.6 engineer, acquire right-of-way, and construct the Mesabi Trail Spur from Aurora to Hoyt
- 65.7 Lakes;
- 65.8 (7) \$2,000,000 to the city of Mountain Iron for infrastructure projects including but not
- 65.9 limited to Enterprise Drive North East infrastructure development, water main and other
- 65.10 infrastructure in the city, waste water plant improvements to comply with new permits,
- 65.11 supervisory control and data acquisition on lift stations, and recreation projects;
- 65.12 (8) \$3,000,000 to the city of Silver Bay to design, engineer, construct, and reconstruct
- 65.13 publicly owned infrastructure including sewers, water systems, utility extensions, street
- 65.14 construction, wastewater treatment, stormwater management systems, sidewalks, and
- 65.15 compliance with the Americans with Disabilities Act;
- 65.16 (9) \$5,000,000 to Independent School District No. 696, Ely, for planning, design,
- 65.17 engineering, demolition, and construction related to the district's athletic complex;
- 65.18 (10) \$1,080,000 to the Northland Learning Center to construct the Alternative Learning
- 65.19 Center on the campus in the city of Mountain Iron;
- 65.20 (11) \$1,000,000 for the city of Biwabik for a public safety facility;
- 65.21 (12) \$1,770,000 to Hibbing Public Utilities for water infrastructure projects;
- 65.22 (13) \$500,000 to St. Louis County for the demolition of the public school in Hoyt Lakes;
- 65.23 and
- 65.24 (14) \$1,500,000 to the city of Babbitt for renovations to the ice arena.
- 65.25 (b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, of the money
- 65.26 distributed under this subdivision, the commissioner of Iron Range resources and
- 65.27 rehabilitation must not use any amount for administrative uses.
- 65.28 **EFFECTIVE DATE.** This section is effective the day following final enactment and
- 65.29 applies beginning with the 2025 distribution under Minnesota Statutes, section 298.28.

**Sec. 17. TRANSFER 2024 DISTRIBUTION ONLY; TACONITE ECONOMIC DEVELOPMENT FUND.**

(2) an allowable research program must be a formal program of medical and health care research conducted by an entity which is exempt under section 501(c)(3) of the Internal Revenue Code as defined in section 289A.02, subdivision 7, or is owned and operated under authority of a governmental unit;

(3) qualifying research must:

(A) be approved in writing by the governing body of the hospital or health care provider which is taking the deduction under this subdivision;

(B) have as its purpose the development of new knowledge in basic or applied science relating to the diagnosis and treatment of conditions affecting the human body;

(C) be subject to review by individuals with expertise in the subject matter of the proposed study but who have no financial interest in the proposed study and are not involved in the conduct of the proposed study; and

(D) be subject to review and supervision by an institutional review board operating in conformity with federal regulations if the research involves human subjects or an institutional animal care and use committee operating in conformity with federal regulations if the research involves animal subjects. Research expenses are not exempt if the study is a routine evaluation of health care methods or products used in a particular setting conducted for the purpose of making a management decision. Costs of clinical research activities paid directly for the benefit of an individual patient are excluded from this exemption. Basic research in fields including biochemistry, molecular biology, and physiology are also included if such programs are subject to a peer review process.

(c) No credit shall be allowed under this subdivision for any revenue received by the hospital or health care provider in the form of a grant, gift, or otherwise, whether from a government or nongovernment source, on which the tax liability under section 295.52 is not imposed.

(d) The taxpayer shall apply for the credit under this section on the annual return under section 295.55, subdivision 5.

~~(e) Beginning September 1, 2001, if the actual or estimated amount paid under this section for the calendar year exceeds \$2,500,000, the commissioner of management and budget shall determine the rate of the research credit for the following calendar year to the nearest one-half percent so that refunds paid under this section will most closely equal \$2,500,000. The commissioner of management and budget shall publish in the State Register~~

68.1 ~~by October 1 of each year the rate of the credit for the following calendar year. A~~  
68.2 ~~determination under this section is not subject to the rulemaking provisions of chapter 14.~~

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

68.4 Sec. 3. Minnesota Statutes 2023 Supplement, section 297A.67, subdivision 40, is amended  
68.5 to read:

68.6 Subd. 40. **Safety devices; firearm storage units.** (a) Safety devices and secure firearm  
68.7 storage units are exempt. For the purposes of this subdivision:

68.8 (1) "safety device" has the meaning given in United States Code, title 18, section  
68.9 921(a)(34)(A);

68.10 (2) "secure firearm storage unit" means a container that is fully enclosed and locked by  
68.11 a padlock, keylock, combination lock, or similar locking device, and is either specifically  
68.12 designed for the safe storage of firearms or sold for that purpose by a federally licensed  
68.13 firearms dealer; and

68.14 ~~(2)~~ (3) "firearm" has the meaning provided in section 97A.015, subdivision 19.

68.15 (b) The seller of a safety device or secure firearm storage unit must neither collect, nor  
68.16 transmit to any private or public entity, any personal data of or information about a purchaser  
68.17 resulting from a sale eligible for the exemption under this subdivision.

68.18 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
68.19 30, 2024.

68.20 Sec. 4. Minnesota Statutes 2022, section 297A.68, subdivision 42, is amended to read:

68.21 Subd. 42. ~~**Qualified Data centers.**~~ (a) Purchases of enterprise information technology  
68.22 equipment and computer software for use in a qualified data center, ~~or a qualified refurbished~~  
68.23 ~~data center, or a qualified large-scale data center~~ are exempt, except that computer software  
68.24 maintenance agreements are exempt for purchases made after June 30, 2013. ~~The tax on~~  
68.25 ~~purchases exempt under this paragraph must be imposed and collected as if the rate under~~  
68.26 ~~section 297A.62, subdivision 1, applied, and then refunded after June 30, 2013, in the manner~~  
68.27 ~~provided in section 297A.75.~~ This exemption includes enterprise information technology  
68.28 equipment and computer software purchased to replace or upgrade enterprise information  
68.29 technology equipment and computer software in a qualified data center, ~~or a qualified~~  
68.30 refurbished data center, or a qualified large-scale data center.



69.1 (b) For a qualified data center or qualified refurbished data center, the tax on purchases  
69.2 exempt under paragraph (a) must be imposed and collected as if the rate under section  
69.3 297A.62, subdivision 1, applied, and then refunded in the manner provided in section  
69.4 297A.75.

69.5 (c) For a qualified large-scale data center, the exemption under paragraph (a) applies at  
69.6 the time of purchase, subject to the requirements of paragraph (o).

69.7 ~~(b)~~ (d) Electricity used or consumed in the operation of a qualified data center or, qualified  
69.8 refurbished data center, or qualified large-scale data center is exempt.

69.9 ~~(e)~~ (e) For purposes of this subdivision, "qualified data center" means a facility in  
69.10 Minnesota:

69.11 (1) that is comprised of one or more buildings that consist in the aggregate of at least  
69.12 25,000 square feet, and that are located on a single parcel or on contiguous parcels, where  
69.13 the total cost of construction or refurbishment, investment in enterprise information  
69.14 technology equipment, and computer software is at least \$30,000,000 within a 48-month  
69.15 period. The 48-month period begins no sooner than July 1, 2012, except that costs for  
69.16 computer software maintenance agreements purchased before July 1, 2013, are not included  
69.17 in determining if the \$30,000,000 threshold has been met;

69.18 (2) that is constructed or substantially refurbished after June 30, 2012, where  
69.19 "substantially refurbished" means that at least 25,000 square feet have been rebuilt or  
69.20 modified, including:

69.21 (i) installation of enterprise information technology equipment; environmental control,  
69.22 computer software, and energy efficiency improvements; and

69.23 (ii) building improvements; and

69.24 (3) that is used to house enterprise information technology equipment, where the facility  
69.25 has the following characteristics:

69.26 (i) uninterruptible power supplies, generator backup power, or both;

69.27 (ii) sophisticated fire suppression and prevention systems; and

69.28 (iii) enhanced security. A facility will be considered to have enhanced security if it has  
69.29 restricted access to the facility to selected personnel; permanent security guards; video  
69.30 camera surveillance; an electronic system requiring pass codes, keycards, or biometric scans,  
69.31 such as hand scans and retinal or fingerprint recognition; or similar security features.

In determining whether the facility has the required square footage, the square footage of the following spaces shall be included if the spaces support the operation of enterprise information technology equipment: office space, meeting space, and mechanical and other support facilities. For purposes of this subdivision, "computer software" includes, but is not limited to, software utilized or loaded at a qualified data center ~~or~~, qualified refurbished data center, or qualified large-scale data center, including maintenance, licensing, and software customization.

~~(d)~~ (f) For purposes of this subdivision, a "qualified refurbished data center" means an existing facility that qualifies as a data center under paragraph ~~(e)~~ (e), clauses (2) and (3), but that is comprised of one or more buildings that consist in the aggregate of at least 25,000 square feet, and that are located on a single parcel or contiguous parcels, where the total cost of construction or refurbishment, investment in enterprise information technology equipment, and computer software is at least \$50,000,000 within a 24-month period.

~~(e)~~ (g) For purposes of this subdivision, "enterprise information technology equipment" means computers and equipment supporting computing, networking, or data storage, including servers and routers. It includes, but is not limited to: cooling systems, cooling towers, and other temperature control infrastructure; power infrastructure for transformation, distribution, or management of electricity used for the maintenance and operation of a qualified data center or qualified refurbished data center, including but not limited to exterior dedicated business-owned substations, backup power generation systems, battery systems, and related infrastructure; and racking systems, cabling, and trays, which are necessary for the maintenance and operation of the qualified data center ~~or~~, qualified refurbished data center, or qualified large-scale data center.

(h) For purposes of this subdivision, a "qualified large-scale data center" means a facility in Minnesota:

(1) that is comprised of one or more buildings connected to each other by fiber and associated equipment that consist in the aggregate of at least 25,000 square feet, and that are located in one physical location or multiple locations; and

(2) for which the total cost of construction or refurbishment, investment in enterprise information technology equipment, and computer software is at least \$250,000,000 collectively by the facility and its tenants within a 60-month period beginning after June 30, 2024.

~~(f)~~ (i) A qualified data center ~~or~~, qualified refurbished data center, or qualified large-scale data center may claim the exemptions in this subdivision for purchases made either within

71.1 20 years of the date of its first purchase qualifying for the exemption under paragraph (a),  
 71.2 or by June 30, 2042, whichever is earlier.

71.3 ~~(g) The purpose of this exemption is to create jobs in the construction and data center~~  
 71.4 ~~industries.~~

71.5 ~~(h)~~ (j) This subdivision is effective for sales and purchases made before July 1, 2042.

71.6 ~~(i)~~ (k) The commissioner of employment and economic development must certify to the  
 71.7 commissioner of revenue, in a format approved by the commissioner of revenue, when a  
 71.8 qualified data center has met the requirements under paragraph ~~(e)~~ (e), or a qualified  
 71.9 refurbished data center has met the requirements under paragraph ~~(d)~~ (f). The certification  
 71.10 must provide the following information regarding each qualified data center or qualified  
 71.11 refurbished data center:

71.12 (1) the total square footage amount;

71.13 (2) the total amount of construction or refurbishment costs and the total amount of  
 71.14 qualifying investments in enterprise information technology equipment and computer  
 71.15 software;

71.16 (3) for a qualified data center or qualified refurbished data center, the beginning and  
 71.17 ending of the applicable period under either paragraph ~~(e)~~ (e) or ~~(d)~~ (f) in which the qualifying  
 71.18 expenditures and purchases under clause (2) were made, but in no case shall the period  
 71.19 begin before July 1, 2012; and

71.20 (4) the date upon which the qualified data center first met the requirements under  
 71.21 paragraph ~~(e)~~ (e), or a qualified refurbished data center first met the requirements under  
 71.22 paragraph ~~(d)~~ (f).

71.23 ~~(j)~~ (l) Any refund for sales tax paid on qualifying purchases under ~~this subdivision~~  
 71.24 paragraph (b) must not be issued unless the commissioner of revenue has received the  
 71.25 certification required under paragraph ~~(i)~~ (k) issued by the commissioner of employment  
 71.26 and economic development.

71.27 (m) The exemption under paragraph (c) applies only if an entity seeking the exemption  
 71.28 certifies to the commissioner of employment and economic development that it will meet  
 71.29 the requirements of paragraph (h) before making any qualifying purchases. The certification  
 71.30 must be made in the form and manner prescribed by the commissioner of employment and  
 71.31 economic development, in consultation with the commissioner. The commissioner of  
 71.32 employment and economic development must examine the information provided in the  
 71.33 certification and notify the commissioner within 30 days whether it has verified the

information. The notification must include an estimate of the beginning and ending of the period for which sales and purchases are exempt under paragraph (c). The commissioner must then notify the entity seeking the exemption under paragraph (c) within ten days of the determination by the commissioner of employment and economic development and, if applicable, confirm that the exemption under paragraph (c) applies. Purchases made before the commissioner has notified the entity of the determination by the commissioner of employment and economic development do not qualify for the exemption under paragraph (c), but may be eligible to qualify for the exemption under paragraph (b).

~~(k)~~ (n) The commissioner of employment and economic development must annually notify the commissioner of revenue of the qualified data centers that are projected to meet the requirements under paragraph ~~(e)~~ (e) and the qualified refurbished data centers that are projected to meet the requirements under paragraph ~~(d)~~ (f) and qualified large-scale data centers that are projected to meet the requirements under paragraph (h) in each of the next four years. The notification must provide the information required under paragraph ~~(i)~~ (k), clauses (1) to (4), for each qualified data center or qualified refurbished data center.

(o) Laborers and mechanics performing work to construct or refurbish qualified data centers, qualified refurbished data centers, and qualified large-scale data centers must be paid the prevailing-wage rate for the work as defined in section 177.42, subdivision 6. Work performed to construct or refurbish qualified data centers, qualified refurbished data centers, and qualified large-scale data centers is subject to the requirements and enforcement provisions of sections 177.27, 177.30, 177.32, 177.41 to 177.435, 177.44, and 177.45. For purposes of this paragraph, "refurbish" does not include maintenance or equipment refreshment or replacement.

(p) Within three years after being placed in service, a qualified large-scale data center must certify to the commissioner of employment and economic development that the facility has attained certification under one or more of the following sustainable design or green building standards:

(1) BREEAM for new construction or BREEAM in-use;

(2) Energy Star;

(3) Envision;

(4) ISO 50001-energy management;

(5) LEED for building design and construction or LEED for operations and maintenance;

(6) green globes for new construction or green globes for existing buildings;

73.1 (7) UL 3223; or

73.2 (8) other reasonable standards approved by the commissioner of employment and 5.18  
73.3 economic development.

73.4 (q) Notwithstanding section 289A.38, subdivision 1, the amount of the exemption allowed  
73.5 under paragraph (c) must be repaid to the commissioner if the commissioner of employment  
73.6 and economic development determines that a qualified large-scale data center has not met  
73.7 the requirements under paragraph (p). Nothing in this paragraph prohibits the commissioner  
73.8 from making an assessment of tax, interest, or penalties if the commissioner determines  
73.9 that sales to and purchases made by a qualified large-scale data center do not qualify for  
73.10 the exemption under paragraph (c).

73.11 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
73.12 30, 2024.

73.13 Sec. 5. Minnesota Statutes 2022, section 297A.70, subdivision 19, is amended to read:

73.14 Subd. 19. **Nonprofit snowmobile clubs; machinery and equipment.** (a) The following  
73.15 sales to an eligible nonprofit snowmobile club are exempt:

73.16 (1) sales of tangible personal property, including grooming machines, attachments, other  
73.17 associated accessories, and repair parts, to a nonprofit snowmobile club that is used primarily  
73.18 and directly for the grooming of state or grant-in-aid snowmobile trails are exempt. The  
73.19 exemption applies to grooming machines, attachments, other associated accessories, and  
73.20 repair parts; and

73.21 (2) sales of materials and supplies used or consumed in, and equipment incorporated  
73.22 into, the construction, reconstruction, maintenance, or improvement of state or grant-in-aid  
73.23 snowmobile trails, completed by the nonprofit snowmobile club.

73.24 (b) A nonprofit snowmobile club is eligible for the exemption under this subdivision if  
73.25 it received, in the current year or in the previous three-year period, a state grant-in-aid  
73.26 maintenance and grooming grant administered by the Department of Natural Resources by  
73.27 applying for the grant with a local unit of government sponsor.

73.28 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
73.29 30, 2024.

74.1 Sec. 6. Minnesota Statutes 2022, section 297A.75, subdivision 1, as amended by Laws  
74.2 2024, chapter 85, section 95, is amended to read:

74.3 Subdivision 1. **Tax collected.** The tax on the gross receipts from the sale of the following  
74.4 exempt items must be imposed and collected as if the sale were taxable and the rate under  
74.5 section 297A.62, subdivision 1, applied. The exempt items include:

74.6 (1) building materials for an agricultural processing facility exempt under section  
74.7 297A.71, subdivision 13;

74.8 (2) building materials for mineral production facilities exempt under section 297A.71,  
74.9 subdivision 14;

74.10 (3) building materials for correctional facilities under section 297A.71, subdivision 3;

74.11 (4) building materials used in a residence for veterans with a disability exempt under  
74.12 section 297A.71, subdivision 11;

74.13 (5) elevators and building materials exempt under section 297A.71, subdivision 12;

74.14 (6) materials and supplies for qualified low-income housing under section 297A.71,  
74.15 subdivision 23;

74.16 (7) materials, supplies, and equipment for municipal electric utility facilities under  
74.17 section 297A.71, subdivision 35;

74.18 (8) equipment and materials used for the generation, transmission, and distribution of  
74.19 electrical energy and an aerial camera package exempt under section 297A.68, subdivision  
74.20 37;

74.21 (9) commuter rail vehicle and repair parts under section 297A.70, subdivision 3, paragraph  
74.22 (a), clause (10);

74.23 (10) materials, supplies, and equipment for construction or improvement of projects and  
74.24 facilities under section 297A.71, subdivision 40;

74.25 (11) enterprise information technology equipment and computer software for use in a  
74.26 qualified data center or qualified refurbished data center exempt under section 297A.68,  
74.27 subdivision 42, paragraph (b);

74.28 (12) materials, supplies, and equipment for qualifying capital projects under section  
74.29 297A.71, subdivision 44, paragraph (a), clause (1), and paragraph (b);

74.30 (13) items purchased for use in providing critical access dental services exempt under  
74.31 section 297A.70, subdivision 7, paragraph (c);



(14) items and services purchased under a business subsidy agreement for use or consumption primarily in greater Minnesota exempt under section 297A.68, subdivision 44;

(15) building materials, equipment, and supplies for constructing or replacing real property exempt under section 297A.71, subdivisions 49; 50, paragraph (b); and 51;

(16) building materials, equipment, and supplies for qualifying capital projects under section 297A.71, subdivision 52; and

(17) building materials, equipment, and supplies for constructing, remodeling, expanding, or improving a fire station, police station, or related facilities exempt under section 297A.71, subdivision 53.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after June 30, 2024.

Sec. 7. Minnesota Statutes 2022, section 297F.01, subdivision 10b, is amended to read:

Subd. 10b. **Moist snuff.** "Moist snuff" means any finely cut, ground, or powdered smokeless tobacco, or similar product containing nicotine, that is intended to be placed or dipped in the mouth.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 8. Minnesota Statutes 2022, section 297F.01, subdivision 19, is amended to read:

Subd. 19. **Tobacco products.** (a) "Tobacco products" means any product containing, made, or derived from tobacco that is intended for human consumption, whether chewed, smoked, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, or any component, part, or accessory of a tobacco product, including, but not limited to, cigars; cheroots; stogies; periques; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff; snuff flour; cavendish; plug and twist tobacco; fine-cut and other chewing tobacco; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco, and other kinds and forms of tobacco; but does not include cigarettes as defined in this section. Tobacco products includes nicotine solution products and moist snuff. Tobacco products excludes any tobacco product that has been approved by the United States Food and Drug Administration for sale as a tobacco cessation product, as a tobacco dependence product, or for other medical purposes, and is being marketed and sold solely for such an approved purpose.

(b) Except for the imposition of tax under section 297F.05, subdivisions 3 and 4, tobacco products includes a premium cigar, as defined in subdivision 13a.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 9. Minnesota Statutes 2022, section 609.902, subdivision 4, is amended to read:

Subd. 4. **Criminal act.** "Criminal act" means conduct constituting, or a conspiracy or attempt to commit, a felony violation of chapter 152, or a felony violation of section ~~297D.09~~; 299F.79; 299F.80; 299F.82; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222; 609.223; 609.2231; 609.228; 609.235; 609.245; 609.25; 609.27; 609.322; 609.342; 609.343; 609.344; 609.345; 609.42; 609.48; 609.485; 609.495; 609.496; 609.497; 609.498; 609.52, subdivision 2, if the offense is punishable under subdivision 3, clause (1), if the property is a firearm, clause (3)(b), or clause (3)(d)(v); section 609.52, subdivision 2, paragraph (a), clause (1) or (4); 609.527, if the crime is punishable under subdivision 3, clause (4); 609.528, if the crime is punishable under subdivision 3, clause (4); 609.53; 609.561; 609.562; 609.582, subdivision 1 or 2; 609.668, subdivision 6, paragraph (a); 609.67; 609.687; 609.713; 609.86; 609.894, subdivision 3 or 4; 609.895; 624.713; 624.7191; or 626A.02, subdivision 1, if the offense is punishable under section 626A.02, subdivision 4, paragraph (a). "Criminal act" also includes conduct constituting, or a conspiracy or attempt to commit, a felony violation of section 609.52, subdivision 2, clause (3), (4), (15), or (16), if the violation involves an insurance company as defined in section 60A.02, subdivision 4, a nonprofit health service plan corporation regulated under chapter 62C, a health maintenance organization regulated under chapter 62D, or a fraternal benefit society regulated under chapter 64B.

**EFFECTIVE DATE.** This section is effective August 1, 2024.

Sec. 10. Laws 2023, chapter 64, article 5, section 25, subdivision 1, is amended to read:

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a new water treatment plant and trunk water main improvements in the city of Ramsey are exempt from sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies, and equipment are purchased after December 31, 2022, and before July 1, 2027.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2023, and before July 1, 2027.

77.1 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
77.2 made after December 31, 2022, and before July 1, 2027.

77.3 Sec. 11. **ADRIAN INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX**  
77.4 **EXEMPTION FOR CONSTRUCTION MATERIALS.**

77.5 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
77.6 equipment incorporated into the following projects in Independent School District No. 511,  
77.7 Adrian, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A,  
77.8 if the materials, supplies, and equipment are purchased after March 31, 2024, and before  
77.9 September 1, 2025:

77.10 (1) secondary building roofing; and

77.11 (2) elementary building roofing.

77.12 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
77.13 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
77.14 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

77.15 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
77.16 exceed \$4,999.

77.17 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
77.18 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
77.19 commissioner of revenue.

77.20 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
77.21 made after March 31, 2024, and before September 1, 2025.

77.22 Sec. 12. **CITY OF APPLE VALLEY; SALES AND USE TAX EXEMPTION FOR**  
77.23 **CONSTRUCTION MATERIALS.**

77.24 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
77.25 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
77.26 or remodeling of the Central Maintenance Facility in the city of Apple Valley are exempt  
77.27 from sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials,  
77.28 supplies, and equipment are purchased after February 29, 2024, and before July 1, 2028.

77.29 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
77.30 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
77.31 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$540,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

**EFFECTIVE DATE.** This section is effective retroactively for sales and purchases made after February 29, 2024, and before July 1, 2028.

**Sec. 13. BECKER PUBLIC SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in, and equipment incorporated into, the construction and renovation projects for Becker Early Childhood, Becker Primary School, Becker Intermediate School, Becker Middle School, Becker High School, Becker Transportation Building, and the Becker Multi-Purpose Athletic Facility in Independent School District No. 726, Becker Public School District, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A. The exemption under this subdivision only applies if materials, supplies, and equipment are purchased after December 31, 2021, and before January 1, 2026.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2024.

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$1,180,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

**EFFECTIVE DATE.** This section is effective retroactively for sales and purchases made after December 31, 2021, and before January 1, 2026.

**Sec. 14. BIG LAKE INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction and renovation projects for Big Lake Liberty

Elementary School, Big Lake Independence Elementary School, Big Lake Middle School, and Big Lake High School in Independent School District No. 727, Big Lake, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after December 31, 2021, and before January 1, 2025.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$780,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

**EFFECTIVE DATE.** This section is effective retroactively for sales and purchases made after December 31, 2021, and before January 1, 2025.

**Sec. 15. BROWERVILLE PUBLIC SCHOOLS; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment incorporated into the following projects in Independent School District No. 787, Browerville Public Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased after December 31, 2023, and before January 1, 2026:

(1) renovations to the prekindergarten through grade 12 school building; and

(2) construction of a new gymnasium, classrooms, locker rooms, a wrestling and weight room, offices, and a stage.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible purchases must not be issued until after June 30, 2024.

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$580,000.

80.1 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
80.2 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
80.3 commissioner of revenue.

80.4 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
80.5 made after December 31, 2023, and before January 1, 2026.

80.6 Sec. 16. **CITY OF BURNSVILLE; SALES AND USE TAX EXEMPTION FOR**  
80.7 **CONSTRUCTION MATERIALS.**

80.8 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
80.9 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
80.10 or remodeling of a new city hall in the city of Burnsville are exempt from sales and use tax  
80.11 under Minnesota Statutes, chapter 297A, provided that the materials, supplies, and equipment  
80.12 are purchased after December 31, 2024, and before July 1, 2028.

80.13 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
80.14 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
80.15 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

80.16 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
80.17 exceed \$760,000.

80.18 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
80.19 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
80.20 commissioner of revenue.

80.21 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
80.22 December 31, 2024, and before July 1, 2028.

80.23 Sec. 17. **CANBY INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX**  
80.24 **EXEMPTION FOR CONSTRUCTION MATERIALS.**

80.25 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
80.26 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
80.27 or remodeling of the following projects in the elementary and high schools in Independent  
80.28 School District No. 891, Canby, are exempt from sales and use tax imposed under Minnesota  
80.29 Statutes, chapter 297A, if materials, supplies, and equipment are purchased after December  
80.30 31, 2023, and before January 1, 2026:

80.31 (1) a new gymnasium with improved community access;



- 81.1 (2) career technical education space addition;
- 81.2 (3) HVAC upgrades;
- 81.3 (4) a new eight-lane track;
- 81.4 (5) athletic field improvements and upgrades;
- 81.5 (6) stadium seating and press box renovations;
- 81.6 (7) secure entrance upgrades for both schools with associated administrative office
- 81.7 relocations;
- 81.8 (8) renovations to existing locker rooms;
- 81.9 (9) classroom renovations;
- 81.10 (10) site drainage; and
- 81.11 (11) other associated renovations.
- 81.12 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
- 81.13 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects
- 81.14 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).
- 81.15 (c) The total amount of refunds issued for the exemption under paragraph (a) must not
- 81.16 exceed \$860,000.
- 81.17 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1
- 81.18 is appropriated from the 2024 sales tax refund account in the special revenue fund to the
- 81.19 commissioner of revenue.
- 81.20 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
- 81.21 made after December 31, 2023, and before January 1, 2026.
- 81.22 Sec. 18. **CASS LAKE-BENA INDEPENDENT SCHOOL DISTRICT; SALES AND**
- 81.23 **USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**
- 81.24 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and
- 81.25 equipment incorporated into the construction and equipping of a new elementary school,
- 81.26 and the construction of improvements to repurpose and remodel the existing elementary
- 81.27 school facility for use as an early childhood and preschool site, alternative learning center,
- 81.28 and district service center in Independent School District No. 115, Cass Lake-Bena, are
- 81.29 exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials,
- 81.30 supplies, and equipment are purchased after June 30, 2023, and before October 1, 2025.

82.1 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
82.2 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
82.3 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

82.4 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
82.5 exceed \$980,000.

82.6 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
82.7 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
82.8 commissioner of revenue.

82.9 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
82.10 made after June 30, 2023, and before October 1, 2025.

82.11 Sec. 19. **CITY OF CHANHASSEN; SALES AND USE TAX EXEMPTION FOR**  
82.12 **CONSTRUCTION MATERIALS.**

82.13 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
82.14 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
82.15 or remodeling of the Chanhassen Bluffs Sports Complex in the city of Chanhassen are  
82.16 exempt from sales and use tax under Minnesota Statutes, chapter 297A, provided that the  
82.17 materials, supplies, and equipment are purchased after August 31, 2025, and before October  
82.18 1, 2026.

82.19 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
82.20 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
82.21 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

82.22 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
82.23 exceed \$1,480,000.

82.24 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
82.25 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
82.26 commissioner of revenue.

82.27 **EFFECTIVE DATE.** This section is effective for sales and purchases made after August  
82.28 31, 2025, and before October 1, 2026.

83.1       Sec. 20. **CITY OF COLUMBIA HEIGHTS; SALES AND USE TAX EXEMPTION**  
83.2 **FOR CONSTRUCTION MATERIALS.**

83.3       Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
83.4 incorporated into the construction, reconstruction, upgrade, expansion, or remodeling of  
83.5 the city hall facility in the city of Columbia Heights are exempt from sales and use tax  
83.6 imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are  
83.7 purchased after August 31, 2021, and before April 1, 2024.

83.8       (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
83.9 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
83.10 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
83.11 purchases must not be issued until after June 30, 2024.

83.12       (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
83.13 exceed \$220,000.

83.14       Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
83.15 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
83.16 commissioner of revenue.

83.17       **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
83.18 made after August 31, 2021, and before April 1, 2024.

83.19       Sec. 21. **CITY OF DELANO; SALES AND USE TAX EXEMPTION FOR**  
83.20 **CONSTRUCTION MATERIALS.**

83.21       Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
83.22 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
83.23 or remodeling of an ice rink in the city of Delano are exempt from sales and use tax under  
83.24 Minnesota Statutes, chapter 297A, provided that the materials, supplies, and equipment are  
83.25 purchased after November 30, 2023, and before January 1, 2026.

83.26       (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
83.27 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
83.28 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
83.29 purchases must not be issued until after June 30, 2024.

83.30       (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
83.31 exceed \$310,000.

84.1 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
84.2 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
84.3 commissioner of revenue.

84.4 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
84.5 made after November 30, 2023, and before January 1, 2026.

84.6 Sec. 22. **CITY OF EDINA; SALES AND USE TAX EXEMPTION FOR**  
84.7 **CONSTRUCTION MATERIALS.**

84.8 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
84.9 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
84.10 or remodeling relating to the following projects in the city of Edina are exempt from sales  
84.11 and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies,  
84.12 and equipment are purchased after December 31, 2023, and before July 1, 2028:

84.13 (1) development of Fred Richards Park as identified in the Fred Richards Park Master  
84.14 Plan; and

84.15 (2) improvements to Braemar Park as identified in the Braemar Park Master Plan.

84.16 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
84.17 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
84.18 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
84.19 purchases must not be issued until after June 30, 2024.

84.20 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
84.21 exceed \$870,000.

84.22 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
84.23 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
84.24 commissioner of revenue.

84.25 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
84.26 made after December 31, 2023, and before July 1, 2028.

84.27 Sec. 23. **ELLSWORTH INDEPENDENT SCHOOL DISTRICT; SALES AND USE**  
84.28 **TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

84.29 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
84.30 equipment incorporated into the following projects in Independent School District No. 514,  
84.31 Ellsworth, are exempt from sales and use tax imposed under Minnesota Statutes, chapter

85.1 297A, if the materials, supplies, and equipment are purchased after December 31, 2024,  
85.2 and before October 1, 2025:

85.3 (1) replacement of a boiler system with a heating and cooling HVAC system;

85.4 (2) replacement of windows in the elementary wing;

85.5 (3) replacement of the gym roof and shop roof;

85.6 (4) replacement of fuel oil with propane for the new HVAC system;

85.7 (5) installation of a new electrical system for the new HVAC system;

85.8 (6) building tuckpointing; and

85.9 (7) renovation of the bus garage.

85.10 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
85.11 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
85.12 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

85.13 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
85.14 exceed \$160,000.

85.15 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
85.16 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
85.17 commissioner of revenue.

85.18 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
85.19 December 31, 2024, and before October 1, 2025.

85.20 Sec. 24. **CITY OF GRAND RAPIDS; SALES AND USE TAX EXEMPTION FOR**  
85.21 **CONSTRUCTION MATERIALS.**

85.22 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
85.23 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
85.24 or remodeling of the IRA Civic Center in the city of Grand Rapids are exempt from sales  
85.25 and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies,  
85.26 and equipment are purchased after June 30, 2021, and before July 1, 2024.

85.27 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
85.28 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
85.29 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

85.30 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
85.31 exceed \$580,000.

86.1 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
86.2 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
86.3 commissioner of revenue.

86.4 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
86.5 made after June 30, 2021, and before July 1, 2024.

86.6 Sec. 25. **HERON LAKE-OKABENA INDEPENDENT SCHOOL DISTRICT; SALES**  
86.7 **AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

86.8 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
86.9 equipment incorporated into the construction of school building updates including roof  
86.10 replacement, concrete work, tuckpointing, windows, flooring, bus garage doors, Heron Lake  
86.11 doors, bathroom fixtures and upgrades, and pool filter replacement in Independent School  
86.12 District No. 330, Heron Lake-Okabena, are exempt from sales and use tax imposed under  
86.13 Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased  
86.14 after May 31, 2024, and before January 1, 2025.

86.15 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
86.16 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
86.17 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

86.18 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
86.19 exceed \$100,000.

86.20 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
86.21 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
86.22 commissioner of revenue.

86.23 **EFFECTIVE DATE.** This section is effective for sales and purchases made after May  
86.24 31, 2024, and before January 1, 2025.

86.25 Sec. 26. **HILLS-BEAVER CREEK INDEPENDENT SCHOOL DISTRICT; SALES**  
86.26 **AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

86.27 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
86.28 equipment incorporated into the construction of a new elementary school and parking lot,  
86.29 and repairs to a gymnasium, locker rooms, a vehicle garage, and a bus garage building in  
86.30 Independent School District No. 671, Hills-Beaver Creek, are exempt from sales and use  
86.31 tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and  
86.32 equipment are purchased after February 29, 2024, and before January 1, 2026.



87.1 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
87.2 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
87.3 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

87.4 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
87.5 exceed \$880,000.

87.6 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
87.7 is appropriated from the general fund to the commissioner of revenue.

87.8 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
87.9 made after February 29, 2024, and before January 1, 2026.

87.10 Sec. 27. **ITASCA COUNTY; SALES AND USE TAX EXEMPTION FOR**  
87.11 **CONSTRUCTION MATERIALS.**

87.12 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
87.13 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
87.14 or remodeling of the Itasca County courthouse are exempt from sales and use tax under  
87.15 Minnesota Statutes, chapter 297A, provided that the materials, supplies, and equipment are  
87.16 purchased after April 30, 2021, and before January 1, 2025.

87.17 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
87.18 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
87.19 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

87.20 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
87.21 exceed \$470,000.

87.22 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
87.23 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
87.24 commissioner of revenue.

87.25 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
87.26 made after April 30, 2021, and before January 1, 2025.

87.27 Sec. 28. **LAKE SUPERIOR SCHOOL DISTRICT; SALES AND USE TAX**  
87.28 **EXEMPTION FOR CONSTRUCTION MATERIALS.**

87.29 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
87.30 incorporated into the following projects in Independent School District No. 381, Lake  
87.31 Superior School District, are exempt from sales and use tax imposed under applicable

88.1 statutes if materials, supplies, and equipment are purchased after December 31, 2022, and  
88.2 before January 1, 2026:

88.3 (1) an addition and improvements to Minnehaha Elementary School;

88.4 (2) an addition and improvements to William Kelly School;

88.5 (3) improvements to Two Harbors High School;

88.6 (4) improvements to or replacement of the Two Harbors Bus Garage and Silver Bay  
88.7 Bus Garage; and

88.8 (5) improvements to athletic facilities.

88.9 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
88.10 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
88.11 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
88.12 purchases must not be issued until after January 1, 2026.

88.13 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
88.14 exceed \$1,320,000.

88.15 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
88.16 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
88.17 commissioner of revenue.

88.18 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
88.19 made after December 31, 2022, and before January 1, 2026.

88.20 Sec. 29. **LE SUEUR-HENDERSON SCHOOL DISTRICT; SALES AND USE TAX**  
88.21 **EXEMPTION FOR CONSTRUCTION MATERIALS.**

88.22 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
88.23 incorporated into the construction of a new elementary school in Independent School District  
88.24 No. 2397, Le Sueur-Henderson, are exempt from sales and use tax imposed under Minnesota  
88.25 Statutes, chapter 297A, if materials, supplies, and equipment are purchased after May 31,  
88.26 2023, and before January 1, 2025.

88.27 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
88.28 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
88.29 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
88.30 purchases must not be issued until after June 30, 2024.

89.1 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
89.2 exceed \$930,000.

89.3 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
89.4 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
89.5 commissioner of revenue.

89.6 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
89.7 made after May 31, 2023, and before January 1, 2025.

89.8 Sec. 30. **MARTIN COUNTY WEST INDEPENDENT SCHOOL DISTRICT; SALES**  
89.9 **AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

89.10 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
89.11 equipment incorporated into the construction of a new prekindergarten through grade 12  
89.12 school building in Independent School District No. 2448, Martin County West, are exempt  
89.13 from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the materials,  
89.14 supplies, and equipment are purchased after September 30, 2025, and before January 1,  
89.15 2027.

89.16 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
89.17 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
89.18 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

89.19 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
89.20 exceed \$2,280,000.

89.21 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
89.22 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
89.23 commissioner of revenue.

89.24 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
89.25 September 30, 2025, and before January 1, 2027.

89.26 Sec. 31. **CITY OF PLYMOUTH; SALES AND USE TAX EXEMPTION FOR**  
89.27 **CONSTRUCTION MATERIALS.**

89.28 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
89.29 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
89.30 or remodeling of the following projects relating to the City Center revitalization project in  
89.31 the city of Plymouth are exempt from sales and use tax under Minnesota Statutes, chapter

90.1 297A, provided that the materials, supplies, and equipment are purchased after December  
90.2 31, 2023, and before July 1, 2028:

90.3 (1) construction of a public parking ramp;

90.4 (2) renovation of Plymouth Boulevard;

90.5 (3) expansion of the Plymouth Ice Center;

90.6 (4) construction of regional stormwater ponding;

90.7 (5) roadway realignment; and

90.8 (6) expansion of the Plymouth Community Center.

90.9 (b) Materials and supplies used or consumed in and equipment incorporated into the  
90.10 renovation of the Zachary Water Treatment Plant and the renovation of Meadows Playfield  
90.11 in the city of Plymouth are exempt from sales and use tax under Minnesota Statutes, chapter  
90.12 297A, provided that the materials, supplies, and equipment are purchased after December  
90.13 31, 2023, and before July 1, 2028.

90.14 (c) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
90.15 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
90.16 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
90.17 purchases must not be issued until after June 30, 2024.

90.18 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
90.19 exceed \$620,000.

90.20 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
90.21 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
90.22 commissioner of revenue.

90.23 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
90.24 made after December 31, 2023, and before July 1, 2028.

90.25 Sec. 32. **CITY OF ROCHESTER; SALES AND USE TAX EXEMPTION FOR**  
90.26 **CONSTRUCTION MATERIALS.**

90.27 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
90.28 incorporated into the construction of a sports and recreation complex in the city of Rochester  
90.29 are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if  
90.30 materials, supplies, and equipment are purchased after June 30, 2023, and before July 1,  
90.31 2028.

91.1 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
91.2 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
91.3 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

91.4 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
91.5 exceed \$1,320,000.

91.6 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
91.7 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
91.8 commissioner of revenue.

91.9 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
91.10 made after June 30, 2023, and before July 1, 2028.

91.11 Sec. 33. **ROUND LAKE-BREWSTER INDEPENDENT SCHOOL DISTRICT;**  
91.12 **SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

91.13 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
91.14 equipment incorporated into the construction of a three-story school building project in  
91.15 Independent School District No. 2907, Round Lake-Brewster, are exempt from sales and  
91.16 use tax imposed under Minnesota Statutes, chapter 297A, if the materials, supplies, and  
91.17 equipment are purchased after December 31, 2023, and before September 1, 2026.

91.18 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
91.19 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
91.20 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

91.21 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
91.22 exceed \$870,000.

91.23 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
91.24 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
91.25 commissioner of revenue.

91.26 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
91.27 made after December 31, 2023, and before September 1, 2026.

91.28 Sec. 34. **RUSSELL TYLER RUTHTON INDEPENDENT SCHOOL DISTRICT;**  
91.29 **SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

91.30 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
91.31 equipment incorporated into the construction of a prekindergarten through grade 12 school

92.1 building and athletic field in Independent School District No. 2902, Russel Tyler Ruthton,  
92.2 are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the  
92.3 materials, supplies, and equipment are purchased after December 31, 2019, and before  
92.4 January 1, 2024.

92.5 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
92.6 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
92.7 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Notwithstanding  
92.8 Minnesota Statutes, section 289A.40, claims for refunds for sales and purchases made after  
92.9 December 31, 2019, and before October 1, 2020, may be filed until January 1, 2025.

92.10 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
92.11 exceed \$1,590,000.

92.12 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
92.13 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
92.14 commissioner of revenue.

92.15 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
92.16 made after December 31, 2019, and before January 1, 2024.

92.17 Sec. 35. **CITY OF SPRING LAKE PARK; SALES AND USE TAX EXEMPTION**  
92.18 **FOR CONSTRUCTION MATERIALS.**

92.19 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
92.20 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
92.21 or remodeling of a city hall facility in the city of Spring Lake Park are exempt from sales  
92.22 and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies,  
92.23 and equipment are purchased after December 31, 2023, and before January 1, 2026.

92.24 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
92.25 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
92.26 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
92.27 purchases must not be issued until after June 30, 2024.

92.28 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
92.29 exceed \$360,000.

92.30 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
92.31 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
92.32 commissioner of revenue.



93.1 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
93.2 made after December 31, 2023, and before January 1, 2026.

93.3 Sec. 36. **ST. CLAIR SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION**  
93.4 **FOR CONSTRUCTION MATERIALS.**

93.5 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
93.6 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
93.7 or remodeling relating to the following projects in Independent School District No. 75, St.  
93.8 Clair Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter  
93.9 297A, if materials, supplies, and equipment are purchased after October 31, 2021, and before  
93.10 November 1, 2025:

93.11 (1) construction of new classrooms and playgrounds; and

93.12 (2) improvements to roofs, parking lots, mechanical systems, and athletic spaces.

93.13 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
93.14 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
93.15 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
93.16 purchases must not be issued until after June 30, 2024.

93.17 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
93.18 exceed \$350,000.

93.19 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
93.20 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
93.21 commissioner of revenue.

93.22 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
93.23 made after October 31, 2021, and before November 1, 2025.

93.24 Sec. 37. **TRACY AREA INDEPENDENT SCHOOL DISTRICT; SALES AND USE**  
93.25 **TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

93.26 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
93.27 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
93.28 or remodeling of Tracy Elementary, Tracy High School, and Tracy Kids World in  
93.29 Independent School District No. 2904, Tracy, are exempt from sales and use tax imposed  
93.30 under Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased  
93.31 after December 31, 2022, and before January 1, 2025.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$650,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

**EFFECTIVE DATE.** This section is effective retroactively for sales and purchases made after December 31, 2022, and before January 1, 2025.

Sec. 38. **CITY OF WATERTOWN; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation, or remodeling of a new water tower in the city of Watertown are exempt from sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies, and equipment are purchased after April 30, 2024, and before February 1, 2026.

(b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

(c) The total amount of refunds issued for the exemption under paragraph (a) must not exceed \$140,000.

Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue.

**EFFECTIVE DATE.** This section is effective retroactively for sales and purchases made after April 30, 2024, and before February 1, 2026.

Sec. 39. **WINDOM INDEPENDENT SCHOOL DISTRICT; SALES AND USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and equipment incorporated into the construction of facility roofing projects and HVAC upgrades,

95.1 athletic track replacement, and outdoor athletic complex improvements in Independent  
95.2 School District No. 177, Windom, are exempt from sales and use tax imposed under  
95.3 Minnesota Statutes, chapter 297A, if the materials, supplies, and equipment are purchased  
95.4 after June 30, 2024, and before January 1, 2027.

95.5 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
95.6 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
95.7 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

95.8 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
95.9 exceed \$870,000.

95.10 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
95.11 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
95.12 commissioner of revenue.

95.13 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
95.14 made after June 30, 2024, and before January 1, 2027.

95.15 Sec. 40. **CITY OF WOODBURY; SALES AND USE TAX EXEMPTION FOR**  
95.16 **CONSTRUCTION MATERIALS.**

95.17 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
95.18 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
95.19 or remodeling of a water treatment facility, including water pipeline infrastructure and  
95.20 associated improvements, funded by the city of Woodbury are exempt from sales and use  
95.21 tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies, and  
95.22 equipment are purchased after January 31, 2024, and before July 1, 2028.

95.23 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
95.24 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
95.25 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
95.26 purchases must not be issued until after June 30, 2024.

95.27 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
95.28 exceed \$2,070,000.

95.29 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
95.30 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
95.31 commissioner of revenue.

96.1 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
96.2 made after January 31, 2024, and before July 1, 2028.

96.3 Sec. 41. **WORTHINGTON INDEPENDENT SCHOOL DISTRICT; SALES AND**  
96.4 **USE TAX EXEMPTION FOR CONSTRUCTION MATERIALS.**

96.5 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
96.6 equipment incorporated into the following projects in Independent School District No. 518,  
96.7 Worthington, are exempt from sales and use tax imposed under Minnesota Statutes, chapter  
96.8 297A, if the materials, supplies, and equipment are purchased after April 30, 2020, and  
96.9 before January 1, 2028:

96.10 (1) construction of a new grades 3 through 5 intermediate school building;

96.11 (2) construction of a new community education building to serve early childhood, adult  
96.12 basic education, and the Nobles County Integration Collaborative programs;

96.13 (3) construction of a new storage facility to serve the Worthington Intermediate School,  
96.14 Worthington Learning Center and Gymnastics facility, and Worthington Community  
96.15 Education building;

96.16 (4) reconstruction and replacement of the parking lot at the Worthington Middle School;

96.17 (5) construction of an addition to the Worthington High School and remodeling of  
96.18 existing space and expansion of core areas;

96.19 (6) construction of a new ice arena with associated event space;

96.20 (7) installation of a turf football field at the Worthington Middle School;

96.21 (8) demolition of the former West Elementary building and construction of sports fields  
96.22 with associated parking;

96.23 (9) reconstruction of Trojan Field and associated facilities; and

96.24 (10) improvements to the Worthington Learning Center and gymnastics facility.

96.25 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
96.26 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
96.27 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Notwithstanding  
96.28 Minnesota Statutes, section 289A.40, claims for refunds for sales and purchases made after  
96.29 April 1, 2020, and before October 1, 2020, may be filed until January 1, 2025.

96.30 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
96.31 exceed \$2,840,000.

97.1 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
97.2 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
97.3 commissioner of revenue.

97.4 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
97.5 made after April 30, 2020, and before January 1, 2028.

97.6 Sec. 42. **CITY OF DULUTH AND CITY OF ELY; HOUSING DEVELOPMENT**  
97.7 **PROJECTS SALES AND USE TAX EXEMPTION**

97.8 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
97.9 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
97.10 or remodeling of the following projects in the city of Duluth and the city of Ely are exempt  
97.11 from sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials,  
97.12 supplies, and equipment are purchased after December 31, 2023, and before July 1, 2026:

97.13 (1) an apartment development that includes at least 50 units;

97.14 (2) a condominium development that includes at least 25 units; and

97.15 (3) a townhome development that includes at least ten units.

97.16 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
97.17 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
97.18 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
97.19 purchases must not be issued until after June 30, 2025.

97.20 (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
97.21 exceed \$3,890,000.

97.22 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1  
97.23 is appropriated from the 2024 sales tax refund account in the special revenue fund to the  
97.24 commissioner of revenue.

97.25 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
97.26 made after December 31, 2023, and before July 1, 2026.

97.27 Sec. 43. **CITY OF ST. CLOUD; REDEVELOPMENT DISTRICT SALES AND USE**  
97.28 **TAX EXEMPTION.**

97.29 Subdivision 1. **Exemption; refundable.** (a) Materials and supplies used in and equipment  
97.30 incorporated into private redevelopment projects on parcels listed in paragraph (b) are  
97.31 exempt, provided the resulting development is subject to property taxes.

(b) The exemption in this section applies to the following parcels, and adjacent roads and right of ways, with the tax identification numbers:

(1) in Stearns County: 82517020000 (Lady Slipper Catalyst Site); 82515440001 (North Riverfront Catalyst Site); 82515470000; 82515480000 (Empire Catalyst Site); 82518760015 (Swan Lot Catalyst Site); 82528850020 (Riverboat Lot Catalyst Site); and 82528850001 (Former Herbergers); and

(2) in Benton County: 170037810 (Transit Oriented Development Catalyst Site); 170058101 (Ace Block Catalyst Site); 170042000; 170041600; 170041100; 170041601; 170041200; 170041800; 170059600 (Star Bank Catalyst Site); 170059300 (Riverfront South Catalyst Site); 170058300; 170059200; 170058600; 170058800; 170059100; and 170058900.

(c) The tax must be imposed and collected as if the rate under Minnesota Statutes, section 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects under Minnesota Statutes, section 297A.75, subdivision 1, clause(17) . The exemption under this section applies only for sales and purchases made after May 31, 2024, and before June 1, 2026.

Subd. 2. **Appropriation; limit on refunds.** The amount required to pay the refunds under subdivision 1 is appropriated from the 2024 sales tax refund account in the special revenue fund to the commissioner of revenue. The commissioner must not pay more than \$3,060,000 in refunds for purchases exempt under this section. Refunds must be processed and issued in the order that complete and accurate applications are received by the commissioner.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after May 31, 2024, and before June 1, 2026.

Sec. 44. **TRANSFER.**

\$33,910,000 in fiscal year 2024 is transferred from the general fund to the 2024 sales tax refund account established under Minnesota Statutes, section 270C.155. This is a onetime transfer.

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

Sec. 45. **REPEALER.**

(a) Minnesota Statutes 2022, sections 13.4967, subdivision 5; 297D.02; 297D.03; 297D.05; 297D.09, subdivisions 1 and 2; 297D.12; and 297D.13, are repealed.



99.1 (b) Minnesota Statutes 2023 Supplement, sections 297D.01; 297D.04; 297D.06; 297D.07;  
99.2 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; and 297D.11, are repealed.

99.3 **EFFECTIVE DATE.** This section is effective August 1, 2024.

99.4 **ARTICLE 5**

99.5 **TAX INCREMENT FINANCING**

99.6 Section 1. Laws 2010, chapter 389, article 7, section 22, as amended by Laws 2011, chapter  
99.7 112, article 11, section 16, is amended to read:

99.8 Sec. 22. **CITY OF RAMSEY; TAX INCREMENT FINANCING DISTRICT;**  
99.9 **SPECIAL RULES.**

99.10 (a) If the city of Ramsey or an authority of the city elects upon the adoption of a tax  
99.11 increment financing plan for a district, the rules under this section apply to a redevelopment  
99.12 tax increment financing district established by the city or an authority of the city. The  
99.13 redevelopment tax increment district includes parcels within the area bounded on the east  
99.14 by Ramsey Boulevard, on the north by Bunker Lake Boulevard as extended west to Llama  
99.15 Street, on the west by Llama Street, and on the south by a line running parallel to and 600  
99.16 feet south of the southerly right-of-way for U.S. Highway 10, but including Parcels  
99.17 28-32-25-43-0007 and 28-32-25-34-0002 in their entirety, and excluding the Anoka County  
99.18 Regional Park property in its entirety. A parcel within this area that is included in a tax  
99.19 increment financing district that was certified before the date of enactment of this act may  
99.20 be included in the district created under this act if the initial district is decertified.

99.21 (b) The requirements for qualifying a redevelopment tax increment district under  
99.22 Minnesota Statutes, section 469.174, subdivision 10, do not apply to the parcels located  
99.23 within the district.

99.24 (c) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.  
99.25 Eligible expenditures within the district include but are not limited to (1) the city's share of  
99.26 the costs necessary to provide for the construction of the Northstar Transit Station and  
99.27 related infrastructure, including structured parking, a pedestrian overpass, and roadway  
99.28 improvements, (2) the cost of land acquired by the city or the housing and redevelopment  
99.29 authority in and for the city of Ramsey within the district prior to the establishment of the  
99.30 district, and (3) the cost of public improvements installed within the tax increment financing  
99.31 district prior to the establishment of the district.

(d) The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that activities must be undertaken within a five-year period from the date of certification of a tax increment financing district, is considered to be met for the district if the activities were undertaken within ten years from the date of certification of the district.

(e) Except for administrative expenses, the in-district percentage for purposes of the restriction on pooling under Minnesota Statutes, section 469.1763, subdivision 2, for this district is 100 percent.

(f) The requirement of Minnesota Statutes, section 469.177, subdivision 4, does not apply to Parcels 28-32-25-42-0021 and 28-32-25-41-0014, where development occurred after enactment of Laws 2010, chapter 389, article 7, section 22, and prior to adoption of the tax increment financing plan for the district.

(g) The requirement of Minnesota Statutes, section 469.178, subdivision 7, paragraph (b), is considered to be met for the district if the city adopts interfund loan resolutions reflecting the terms and conditions required by Minnesota Statutes, section 469.178, subdivision 7, paragraph (d), by December 31, 2024.

**EFFECTIVE DATE.** This section is effective the day after the city of Ramsey and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 2. Laws 2014, chapter 308, article 6, section 9, as amended by Laws 2017, First Special Session chapter 1, article 6, section 12, is amended to read:

**Sec. 9. CITY OF MAPLE GROVE; TAX INCREMENT FINANCING DISTRICT.**

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

(b) "City" means the city of Maple Grove.

(c) "Project area" means all or a portion of the area in the city commencing at a point 130 feet East and 120 feet North of the southwest corner of the Southeast Quarter of Section 23, Township 119, Range 22, Hennepin County, said point being on the easterly right-of-way line of Hemlock Lane; thence northerly along said easterly right-of-way line of Hemlock Lane to a point on the west line of the east one-half of the Southeast Quarter of section 23, thence south along said west line a distance of 1,200 feet; thence easterly to the east line of Section 23, 1,030 feet North from the southeast corner thereof; thence South 74 degrees East 1,285 feet; thence East a distance of 1,000 feet; thence North 59 degrees West a distance

101.1 of 650 feet; thence northerly to a point on the northerly right-of-way line of 81st Avenue  
101.2 North, 650 feet westerly measured at right angles, from the east line of the Northwest Quarter  
101.3 of Section 24; thence North 13 degrees West a distance of 795 feet; thence West to the west  
101.4 line of the Southeast Quarter of the Northwest Quarter of Section 24; thence North 55  
101.5 degrees West to the south line of the Northwest Quarter of the Northwest Quarter of Section  
101.6 24; thence West along said south line to the east right-of-way line of Zachary Lane; thence  
101.7 North along the east right-of-way line of Zachary Lane to the southwest corner of Lot 1,  
101.8 Block 1, Metropolitan Industrial Park 5th Addition; thence East along the south line of said  
101.9 Lot 1 to the northeast corner of Outlot A, Metropolitan Industrial Park 5th Addition; thence  
101.10 South along the east line of said Outlot A and its southerly extension to the south right-of-way  
101.11 line of County State-Aid Highway (CSAH) 109; thence easterly along the south right-of-way  
101.12 line of CSAH 109 to the east line of the Northwest Quarter of the Northeast Quarter of  
101.13 Section 24; thence South along said east line to the north line of the South Half of the  
101.14 Northeast Quarter of Section 24; thence East along said north line to the westerly right-of-way  
101.15 line of Jefferson Highway North; thence southerly along the westerly right-of-way line of  
101.16 Jefferson Highway to the centerline of CSAH 130; thence continuing South along the west  
101.17 right-of-way line of Pilgrim Lane North to the westerly extension of the north line of Outlot  
101.18 A, Park North Fourth Addition; thence easterly along the north line of Outlot A, Park North  
101.19 Fourth Addition to the northeast corner of said Outlot A; thence southerly along the east  
101.20 line of said Outlot A to the southeast corner of said Outlot A; thence easterly along the south  
101.21 line of Lot 1, Block 1, Park North Fourth Addition to the westerly right-of-way line of State  
101.22 Highway 169; thence southerly, southwesterly, westerly, and northwesterly along the  
101.23 westerly right-of-way line of State Highway 169 and the northerly right-of-way line of  
101.24 Interstate 694 to its intersection with the southerly extension of the easterly right-of-way  
101.25 line of Zachary Lane North; thence northerly along the easterly right-of-way line of Zachary  
101.26 Lane North and its northerly extension to the north right-of-way line of CSAH 130; thence  
101.27 westerly, southerly, northerly, southwesterly, and northwesterly to the point of beginning  
101.28 and there terminating, provided that the project area includes the rights-of-way for all present  
101.29 and future highway interchanges abutting the area described in this paragraph, and may  
101.30 include any additional property necessary to cause the property included in the tax increment  
101.31 financing district to consist of complete parcels.

101.32 (d) "Soil deficiency district" means a type of tax increment financing district consisting  
101.33 of a portion of the project area in which the city finds by resolution that the following  
101.34 conditions exist:

(1) unusual terrain or soil deficiencies that occurred over 80 percent of the acreage in the district require substantial filling, grading, or other physical preparation for use; and

(2) the estimated cost of the physical preparation under clause (1), but excluding costs directly related to roads as defined in Minnesota Statutes, section 160.01, and local improvements as described in Minnesota Statutes, sections 429.021, subdivision 1, clauses (1) to (7), (11), and (12), and 430.01, exceeds the fair market value of the land before completion of the preparation.

Subd. 2. **Special rules.** (a) If the city elects, upon the adoption of the tax increment financing plan for a district, the rules under this section apply to a redevelopment district, renewal and renovation district, soil condition district, or soil deficiency district established by the city or a development authority of the city in the project area.

(b) Prior to or upon the adoption of the first tax increment plan subject to the special rules under this subdivision, the city must find by resolution that parcels consisting of at least 80 percent of the acreage of the project area, excluding street and railroad rights-of-way, are characterized by one or more of the following conditions:

(1) peat or other soils with geotechnical deficiencies that impair development of commercial buildings or infrastructure;

(2) soils or terrain that require substantial filling in order to permit the development of commercial buildings or infrastructure;

(3) landfills, dumps, or similar deposits of municipal or private waste;

(4) quarries or similar resource extraction sites;

(5) floodway; and

(6) substandard buildings, within the meaning of Minnesota Statutes, section 469.174, subdivision 10.

(c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the relevant condition if at least 70 percent of the area of the parcel contains the relevant condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by substandard buildings if substandard buildings occupy at least 30 percent of the area of the parcel.

(d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is extended to ~~eight~~ 13 years for any district, and Minnesota Statutes, section 469.1763, subdivision 4, does not apply to any district.

(e) Notwithstanding any provision to the contrary in Minnesota Statutes, section 469.1763, subdivision 2, paragraph (a), not more than 40 percent of the total revenue derived from tax increments paid by properties in any district, measured over the life of the district, may be expended on activities outside the district but within the project area.

(f) For a soil deficiency district:

(1) increments may be collected through ~~20~~ 25 years after the receipt by the authority of the first increment from the district;

(2) increments may be used only to:

(i) acquire parcels on which the improvements described in item (ii) will occur;

(ii) pay for the cost of correcting the unusual terrain or soil deficiencies and the additional cost of installing public improvements directly caused by the deficiencies; and

(iii) pay for the administrative expenses of the authority allocable to the district; and

(3) any parcel acquired with increments from the district must be sold at no less than their fair market value.

(g) Increments spent for any infrastructure costs, whether inside a district or outside a district but within the project area, are deemed to satisfy the requirements of Minnesota Statutes, section 469.176, subdivision 4j.

(h) The authority to approve tax increment financing plans to establish tax increment financing districts under this section expires June 30, 2020.

(i) Notwithstanding the restrictions in paragraph (f), clause (2), the city may use increments from a soil deficiency district to acquire parcels and for other infrastructure costs either inside or outside of the district, but within the project area, if the acquisition or infrastructure is for a qualified development. For purposes of this paragraph, a development is a qualified development only if all of the following requirements are satisfied:

(1) the city finds, by resolution, that the land acquisition and infrastructure are undertaken primarily to serve the development;

(2) the city has a binding, written commitment and adequate financial assurances from the developer that the development will be constructed; and

(3) the development does not consist of retail trade or housing improvements.

**EFFECTIVE DATE.** (a) The amendment to subdivision 2, paragraph (f), is effective upon compliance by the city of Maple Grove, Hennepin County, and Independent School

104.1 District No. 279 with the requirements of Minnesota Statutes, section 469.1782, subdivision  
104.2 2.

104.3 (b) The amendment to subdivision 2, paragraph (d), is effective the day after the  
104.4 governing body of the city of Maple Grove and its chief clerical officer comply with the  
104.5 requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

104.6 Sec. 3. Laws 2017, First Special Session chapter 1, article 6, section 22, is amended to  
104.7 read:

104.8 Sec. 22. **CITY OF ST. PAUL; FORD SITE REDEVELOPMENT TIF DISTRICT.**

104.9 (a) For purposes of computing the duration limits under Minnesota Statutes, section  
104.10 469.176, subdivision 1b, the housing and redevelopment authority of the city of St. Paul  
104.11 may waive receipt of increment for the Ford Site Redevelopment Tax Increment Financing  
104.12 District. This authority is limited to the first four years of increment or increments derived  
104.13 from taxes payable in 2023, whichever occurs first.

104.14 (b) If the city elects to waive receipt of increment under paragraph (a), for purposes of  
104.15 applying any limits based on when the district was certified under Minnesota Statutes,  
104.16 section 469.176, subdivision 6, or 469.1763, the date of certification for the district is deemed  
104.17 to be January 2 of the property tax assessment year for which increment is first received  
104.18 under the waiver.

104.19 (c) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
104.20 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
104.21 4, relating to the use of increment after the expiration of the five-year period, is extended  
104.22 to 11 years for the Ford Site Redevelopment Tax Increment Financing District in the city  
104.23 of St. Paul.

104.24 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
104.25 city of St. Paul and its chief clerical officer comply with the requirements of Minnesota  
104.26 Statutes, section 645.021, subdivisions 2 and 3.

104.27 Sec. 4. **CITY OF BROOKLYN CENTER; TIF AUTHORITY.**

104.28 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
104.29 economic development authority of the city of Brooklyn Center or the city of Brooklyn  
104.30 Center may establish not more than two redevelopment tax increment financing districts  
104.31 located wholly within the area in the city identified as the "Opportunity Site," which includes  
104.32 the area bounded by Shingle Creek Parkway from Hennepin County State-Aid Highway



105.1 10 to Summit Drive North; Summit Drive North from Shingle Creek Parkway to marked  
105.2 Trunk Highway 100; marked Trunk Highway 100 from Summit Drive North to Hennepin  
105.3 County State-Aid Highway 10; and Hennepin County State-Aid Highway 10 from marked  
105.4 Trunk Highway 100 to Shingle Creek Parkway, together with internal and adjacent roads  
105.5 and rights of way.

105.6 Subd. 2. **Special rules.** If the city or the authority establishes a tax increment financing  
105.7 district under this section, the following special rules apply:

105.8 (1) the district is deemed to meet all the requirements of Minnesota Statutes, section  
105.9 469.174, subdivision 10;

105.10 (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district;  
105.11 and

105.12 (3) increment generated from the district may be expended on activities within the area  
105.13 described in subdivision 1 and all such expenditures are deemed expended on activities  
105.14 within the district for purposes of Minnesota Statutes, section 469.1763.

105.15 Subd. 3. **Expiration.** The authority to approve a tax increment financing plan to establish  
105.16 a tax increment financing district under this section expires on December 31, 2030.

105.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
105.18 city of Brooklyn Center and its chief clerical officer comply with the requirements of  
105.19 Minnesota Statutes, section 645.021, subdivisions 2 and 3.

105.20 Sec. 5. **CITY OF BROOKLYN PARK; TIF AUTHORITY; VILLAGE CREEK**  
105.21 **AREA.**

105.22 Subdivision 1. **Establishment of districts.** Upon the termination of Tax Increment  
105.23 Financing District No. 20 within the city of Brooklyn Park, under the special rules established  
105.24 in subdivision 2, the economic development authority of the city of Brooklyn Park or city  
105.25 of Brooklyn Park may establish not more than two redevelopment tax increment financing  
105.26 districts located wholly within the area of the city of Brooklyn Park. The districts may be  
105.27 comprised of the following parcels identified by their current parcel identification numbers:

105.28	<u>2011921430101</u>	<u>2011921440088</u>	<u>2011921430092</u>	<u>2011921430099</u>	<u>2111921330104</u>
105.29	<u>2111921340003</u>	<u>2111921340005</u>	<u>2111921340006</u>	<u>2111921340019</u>	<u>2111921340021</u>
105.30	<u>2111921330066</u>	<u>2111921330068</u>	<u>2111921340017</u>	<u>2111921340018</u>	<u>2811921130004</u>
105.31	<u>2811921130005</u>	<u>2811921140007</u>	<u>2811921210003</u>	<u>2811921220002</u>	<u>2811921220007</u>
105.32	<u>2811921240004</u>	<u>2811921240009</u>	<u>2811921240010</u>	<u>2811921240107</u>	<u>2811921310001</u>
105.33	<u>2811921340010</u>	<u>2911921120032</u>	<u>2811921130014</u>	<u>2811921130015</u>	<u>2811921130024</u>

106.1 2811921140012 2811921210014 2811921210020 2811921210023 2811921210103  
 106.2 2811921220001 2811921220003 2811921220005 2811921240007 2811921340006  
 106.3 2911921120001 2911921120004 2011921440089 2111921330067 2111921340002  
 106.4 2111921340004 2111921340027 2111921340113 2811921120001 2811921130001  
 106.5 2811921130017 2811921130023 2811921210001 2811921210016 2811921210033  
 106.6 2811921210060 2811921210101 2811921240006 2811921240017 2911921110004  
 106.7 2911921120005 2011921430093 2011921430100 2011921430102 2011921430103  
 106.8 2111921330102 2111921330103 2111921340001 2111921340007 2111921340020  
 106.9 2111921340022 2811921120002 2811921120104 2811921130002 2811921130020  
 106.10 2811921130021 2811921210022 2811921210034 2811921210099 2811921210102  
 106.11 2811921220006 2811921240003 2811921240012 2811921340005 2811921340009  
 106.12 2911921110118 2911921120006 2911921120043 3311921210001

106.13 together with adjacent and internal roads and rights-of-way, and the following roadways  
 106.14 within the city of Brooklyn Park: Zane Avenue North (from and including the intersection  
 106.15 at 78th Avenue North to and including the intersection at Highway 94), Brooklyn Boulevard  
 106.16 (from and including the intersection at the border of Brooklyn Center to and including the  
 106.17 intersection at Kentucky Avenue North), Brookdale Drive North (from and including the  
 106.18 intersection at Zane Avenue North to and including the intersection at Welcome Avenue  
 106.19 North), Village Creek Parkway North, 77th Avenue North (from and including the  
 106.20 intersection at Village Creek Parkway North to and including the intersection at Brookdale  
 106.21 Drive North), 73rd Avenue North/Regent Avenue (from and including the intersection at  
 106.22 Zane Avenue North to and including the intersection at Brooklyn Boulevard).

106.23 Subd. 2. **Special rules.** If the city or the authority establishes any tax increment financing  
 106.24 district under subdivision 1, the following special rules apply:

106.25 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section  
 106.26 469.174, subdivision 10; and

106.27 (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.

106.28 Subd. 3. **Expiration.** The authority to request certification of any district under this  
 106.29 section expires on December 31, 2030.

106.30 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 106.31 city of Brooklyn Park and its chief clerical officer comply with the requirements of Minnesota  
 106.32 Statutes, section 645.021, subdivisions 2 and 3.

107.1      **Sec. 6. CITY OF BROOKLYN PARK; TIF AUTHORITY; 610/ZANE AREA.**

107.2            **Subdivision 1. Establishment of districts.** Under the special rules established in  
 107.3 subdivision 2, the economic development authority of the city of Brooklyn Park or the city  
 107.4 of Brooklyn Park may establish not more than two redevelopment districts located wholly  
 107.5 within the area of the city of Brooklyn Park. The districts may be comprised of the following  
 107.6 parcels identified by their current parcel identification numbers together with adjacent and  
 107.7 internal roads and rights-of-way:

107.8	<u>0811921410009</u>	<u>0811921140050</u>	<u>0811921140051</u>	<u>0911921120005</u>	<u>0911921210007</u>
107.9	<u>0911921230008</u>	<u>0911921230049</u>	<u>0911921240006</u>	<u>0911921240009</u>	<u>0911921310004</u>
107.10	<u>0911921320018</u>	<u>0911921330009</u>	<u>0911921430006</u>	<u>0911921430014</u>	<u>0911921430015</u>
107.11	<u>0911921430019</u>	<u>0911921430020</u>	<u>0911921430028</u>	<u>0911921430030</u>	<u>0911921430033</u>
107.12	<u>0911921430037</u>	<u>0911921430038</u>	<u>0911921430040</u>	<u>0911921430048</u>	<u>0911921430054</u>
107.13	<u>0911921430055</u>	<u>0911921430059</u>	<u>0911921430069</u>	<u>0911921430071</u>	<u>0911921430072</u>
107.14	<u>0911921430076</u>	<u>0911921430080</u>	<u>0911921430081</u>	<u>0911921430082</u>	<u>0911921430083</u>
107.15	<u>0911921430086</u>	<u>0911921430087</u>	<u>0911921430088</u>	<u>0911921430094</u>	<u>0911921430095</u>
107.16	<u>0911921430099</u>	<u>0911921430104</u>	<u>0911921430114</u>	<u>0911921210005</u>	<u>0911921210095</u>
107.17	<u>0911921220070</u>	<u>0911921220071</u>	<u>0911921230009</u>	<u>0911921230010</u>	<u>0911921230011</u>
107.18	<u>0911921230012</u>	<u>0911921230013</u>	<u>0911921240005</u>	<u>0911921240008</u>	<u>0911921310007</u>
107.19	<u>0911921310009</u>	<u>0911921320023</u>	<u>0911921330008</u>	<u>0911921330011</u>	<u>0911921340008</u>
107.20	<u>0911921340014</u>	<u>0911921340017</u>	<u>0911921430018</u>	<u>0911921430024</u>	<u>0911921430025</u>
107.21	<u>0911921430029</u>	<u>0911921430034</u>	<u>0911921430035</u>	<u>0911921430039</u>	<u>0911921430044</u>
107.22	<u>0911921430045</u>	<u>0911921430049</u>	<u>0911921430058</u>	<u>0911921430060</u>	<u>0911921430061</u>
107.23	<u>0911921430062</u>	<u>0911921430063</u>	<u>0911921430067</u>	<u>0911921430068</u>	<u>0911921430090</u>
107.24	<u>0911921430093</u>	<u>0911921430097</u>	<u>0911921430098</u>	<u>0911921430102</u>	<u>0911921430103</u>
107.25	<u>0911921430112</u>	<u>0911921430113</u>	<u>0911921430120</u>	<u>0811921440008</u>	<u>0911921210006</u>
107.26	<u>0911921210096</u>	<u>0911921210100</u>	<u>0911921210101</u>	<u>0911921220008</u>	<u>0911921220017</u>
107.27	<u>0911921230014</u>	<u>0911921230015</u>	<u>0911921240004</u>	<u>0911921240007</u>	<u>0911921310010</u>
107.28	<u>0911921310011</u>	<u>0911921310012</u>	<u>0911921330010</u>	<u>0911921330012</u>	<u>0911921340009</u>
107.29	<u>0911921430013</u>	<u>0911921430017</u>	<u>0911921430021</u>	<u>0911921430022</u>	<u>0911921430026</u>
107.30	<u>0911921430031</u>	<u>0911921430032</u>	<u>0911921430036</u>	<u>0911921430041</u>	<u>0911921430042</u>
107.31	<u>0911921430046</u>	<u>0911921430053</u>	<u>0911921430057</u>	<u>0911921430064</u>	<u>0911921430065</u>
107.32	<u>0911921430073</u>	<u>0911921430077</u>	<u>0911921430078</u>	<u>0911921430100</u>	<u>0911921430105</u>
107.33	<u>0911921430107</u>	<u>0911921430108</u>	<u>0911921430110</u>	<u>0911921430115</u>	<u>0911921430117</u>
107.34	<u>0911921430118</u>	<u>0911921210097</u>	<u>0911921210099</u>	<u>0911921220014</u>	<u>0911921220015</u>
107.35	<u>0911921220068</u>	<u>0911921230005</u>	<u>0911921320016</u>	<u>0911921320021</u>	<u>0911921320024</u>
107.36	<u>0911921330006</u>	<u>0911921340015</u>	<u>0911921340016</u>	<u>0911921430009</u>	<u>0911921430010</u>
107.37	<u>0911921430011</u>	<u>0911921430012</u>	<u>0911921430016</u>	<u>0911921430023</u>	<u>0911921430027</u>

108.1	<u>0911921430043</u>	<u>0911921430047</u>	<u>0911921430050</u>	<u>0911921430051</u>	<u>0911921430052</u>
108.2	<u>0911921430056</u>	<u>0911921430066</u>	<u>0911921430070</u>	<u>0911921430074</u>	<u>0911921430075</u>
108.3	<u>0911921430079</u>	<u>0911921430084</u>	<u>0911921430085</u>	<u>0911921430089</u>	<u>0911921430091</u>
108.4	<u>0911921430092</u>	<u>0911921430096</u>	<u>0911921430101</u>	<u>0911921430106</u>	<u>0911921430109</u>
108.5					<u>Unplatted</u>
108.6	<u>0911921430111</u>	<u>0911921430116</u>	<u>0911921430119</u>	<u>0611921440003</u>	<u>0611921</u>

108.7        Subd. 2. **Special rules.** If the city or the authority establishes any tax increment financing  
 108.8 district under subdivision 1, the following special rules apply:

108.9        (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section  
 108.10 469.174, subdivision 10; and

108.11        (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.

108.12        Subd. 3. **Expiration.** The authority to request certification of any district under this  
 108.13 section expires on December 31, 2030.

108.14        **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 108.15 city of Brooklyn Park and its chief clerical officer comply with the requirements of Minnesota  
 108.16 Statutes, section 645.021, subdivisions 2 and 3.

108.17        Sec. 7. **CITY OF BROOKLYN PARK; TIF AUTHORITY; BIOTECH AREA.**

108.18        Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
 108.19 economic development authority of the city of Brooklyn Park or the city of Brooklyn Park  
 108.20 may establish not more than two redevelopment districts located wholly within the area of  
 108.21 the city of Brooklyn Park. The districts may be comprised of the following parcels identified  
 108.22 by their current parcel identification numbers together with adjacent and internal roads and  
 108.23 rights-of-way:

108.24	<u>0711921110007</u>	<u>0711921140001</u>	<u>0711921140002</u>	<u>0711921140007</u>	<u>0711921240002</u>
108.25	<u>0711921240004</u>	<u>0711921110005</u>	<u>0711921120009</u>	<u>0711921220003</u>	<u>0711921230001</u>
108.26	<u>0711921230002</u>	<u>0811921230004</u>	<u>0711921110004</u>	<u>0711921110006</u>	<u>0711921110008</u>
108.27	<u>0711921120005</u>	<u>0711921130005</u>	<u>0711921140005</u>	<u>0711921140006</u>	<u>0711921210003</u>
108.28	<u>0711921110003</u>	<u>0711921120006</u>	<u>0811921230002</u>	<u>0811921220002</u>	

108.29        Subd. 2. **Special rules.** If the city or the authority establishes any tax increment financing  
 108.30 district under subdivision 1, the following special rules apply:

108.31        (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section  
 108.32 469.174, subdivision 10; and

108.33        (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.

109.1 Subd. 3. **Expiration.** The authority to request certification of any district under this  
109.2 section expires on December 31, 2030.

109.3 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
109.4 city of Brooklyn Park and its chief clerical officer comply with the requirements of Minnesota  
109.5 Statutes, section 645.021, subdivisions 2 and 3.

109.6 Sec. 8. **CITY OF EDEN PRAIRIE; TAX INCREMENT FINANCING AUTHORITY;**  
109.7 **EDEN PRAIRIE CENTER.**

109.8 Subdivision 1. **Establishment.** Pursuant to the special rules established in subdivision  
109.9 2, the economic development authority of the city of Eden Prairie or the city of Eden Prairie  
109.10 may establish not more than two redevelopment districts located within the area of the city  
109.11 of Eden Prairie consisting of parcels, together with adjacent roads and rights-of-way, within  
109.12 the area surrounded by Flying Cloud Drive, West 78th Street, and Prairie Center Drive.

109.13 Subd. 2. **Special rules.** If the city or authority establishes a tax increment financing  
109.14 district under this section, the following special rules apply:

109.15 (1) the districts are deemed to meet the requirements of Minnesota Statutes, section  
109.16 469.174, subdivision 10; and

109.17 (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.

109.18 Subd. 3. **Expiration.** The authority to approve a tax increment financing plan to establish  
109.19 a tax increment financing district under this section expires December 31, 2030.

109.20 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
109.21 city of Eden Prairie and its chief clerical officer comply with Minnesota Statutes, section  
109.22 645.021, subdivisions 2 and 3.

109.23 Sec. 9. **CITY OF EDINA; 72ND & FRANCE 2 TIF DISTRICT; FIVE-YEAR RULE**  
109.24 **EXTENSION; DURATION EXTENSION.**

109.25 (a) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
109.26 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
109.27 4, relating to the use of increment after the expiration of the five-year period, is extended  
109.28 to 11 years for Tax Increment Financing District 72nd & France 2 in the city of Edina.

109.29 (b) Notwithstanding Minnesota Statutes, section 469.176, subdivisions 1b and 1d, the  
109.30 city of Edina or its housing and redevelopment authority may elect to extend the duration  
109.31 of the district by five years for Tax Increment Financing District 72nd & France 2.

**EFFECTIVE DATE.** Paragraph (a) is effective the day after the governing body of the city of Edina and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance by the city of Edina, Hennepin County, and Independent School District No. 273 with the requirements of Minnesota Statutes, section 469.1782, subdivision 2.

Sec. 10. **CITY OF EDINA; 70TH & FRANCE TIF DISTRICT; FIVE-YEAR RULE EXTENSION; DURATION EXTENSION.**

(a) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision 4, relating to the use of increment after the expiration of the five-year period, is extended to 11 years for Tax Increment Financing District 70th & France in the city of Edina.

(b) Notwithstanding Minnesota Statutes, section 469.176, subdivisions 1b and 1d, the city of Edina or its housing and redevelopment authority may elect to extend the duration of the district by five years for Tax Increment Financing District 70th & France.

**EFFECTIVE DATE.** Paragraph (a) is effective the day after the governing body of the city of Edina and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance by the city of Edina, Hennepin County, and Independent School District No. 273 with the requirements of Minnesota Statutes, section 469.1782, subdivision 2.

Sec. 11. **CITY OF MINNETONKA; TAX INCREMENT FINANCING AUTHORITY; FIVE-YEAR RULE EXTENSION.**

The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision 4, relating to the use of increment after the expiration of the five-year period, is extended to 11 years for the renewal and renovation tax increment financing district established in 2021 by the economic development authority in the city of Minnetonka.

**EFFECTIVE DATE.** This section is effective the day after the governing body of the city of Minnetonka and its chief clerical officer comply with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.



111.1     Sec. 12. **CITY OF MOORHEAD; TAX INCREMENT FINANCING DISTRICT**  
111.2     **NO. 31; FIVE-YEAR RULE EXTENSION.**

111.3         (a) The requirements of Minnesota Statutes, section 469.1763, subdivision 3, that  
111.4     activities must be undertaken within a five-year period from the date of certification of a  
111.5     tax increment financing district, are extended to ten years for Tax Increment Financing  
111.6     District No. 31 administered by the city of Moorhead.

111.7         (b) The requirements of Minnesota Statutes, section 469.1763, subdivision 4, relating  
111.8     to the use of increment after the expiration of the five-year period under Minnesota Statutes,  
111.9     section 469.1763, subdivision 3, are extended to the 11th year for Tax Increment Financing  
111.10     District No. 31 administered by the city of Moorhead.

111.11         **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
111.12     city of Moorhead and its chief clerical officer comply with the requirements of Minnesota  
111.13     Statutes, section 645.021, subdivisions 2 and 3.

111.14     Sec. 13. **CITY OF PLYMOUTH; TAX INCREMENT FINANCING;**  
111.15     **ESTABLISHMENT.**

111.16         Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
111.17     city of Plymouth may establish not more than two redevelopment districts located wholly  
111.18     within the city of Plymouth, Hennepin County, Minnesota, limited to the area identified as  
111.19     the city center district in the Plymouth, Minnesota Zoning Map in effect on January 1, 2024,  
111.20     and adopted pursuant to section 21000.12 of the Plymouth Zoning Code of Ordinances.

111.21         Subd. 2. **Special rules.** If the city establishes a tax increment financing district under  
111.22     this section, the following special rules apply:

111.23         (1) the district is deemed to meet the requirements of Minnesota Statutes, section 469.174,  
111.24     subdivision 10;

111.25         (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district;  
111.26     and

111.27         (3) the five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
111.28     extended to ten years, and the period under Minnesota Statutes, section 469.1763, subdivision  
111.29     4, relating to the use of increment after the expiration of the five-year period, is extended  
111.30     to 11 years.

111.31         Subd. 3. **Expiration.** The authority to approve a tax increment financing plan to establish  
111.32     a tax increment financing district under this section expires December 31, 2030.

**EFFECTIVE DATE.** This section is effective the day after the governing body of the city of Plymouth and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 14. **CITY OF ST. CLOUD; TAX INCREMENT FINANCING; ESTABLISHMENT.**

**Subdivision 1. Establishment.** Under the special rules established in subdivision 2, the economic development authority of the city of St. Cloud or the city of St. Cloud may establish not more than two redevelopment districts adjacent to the Division Street corridor or within the Central Business District or Fringe Central District, limited to the following parcels identified by tax identification numbers, together with the adjacent roads and rights-of-way:

(1) in Stearns County: 82517020000 (Lady Slipper Catalyst Site); 82515440001 (North Riverfront Catalyst Site); 82515470000; 82515480000 (Empire Catalyst Site); 82518760015 (Swan Lot Catalyst Site); 82528850020 (Riverboat Lot Catalyst Site); and 82528850001 (Former Herbergers); and

(2) in Benton County: 170037810 (Transit Oriented Development Catalyst Site); 170058101 (Ace Block Catalyst Site); 170042000; 170041600; 170041100; 170041601; 170041200; 170041800; 170059600 (Star Bank Catalyst Site); 170059300 (Riverfront South Catalyst Site); 170058300; 170059200; 170058600; 170058800; 170059100; and 170058900.

**Subd. 2. Special rules.** If the city or authority establishes a tax increment financing district under this section, the following special rules apply:

(1) the districts are deemed to meet all the requirements of Minnesota Statutes, section 469.174, subdivision 10;

(2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district; and

(3) increments generated from the districts may be expended for the reconstruction, expansion, or new construction of adjacent public infrastructure, including but not limited to public parking, streets, and utilities necessary to serve the development, and all expenditures under this clause are deemed expended on activities within the district for purposes of Minnesota Statutes, section 469.1763.

**Subd. 3. Expiration.** The authority to approve a tax increment financing plan to establish a tax increment financing district under this section expires on December 31, 2030.

**EFFECTIVE DATE.** This section is effective the day after the city of St. Cloud and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

## ARTICLE 6 LOCAL SALES AND USE TAXES

Section 1. Minnesota Statutes 2023 Supplement, section 297A.99, subdivision 1, is amended to read:

Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose a general sales tax (1) under section 297A.9915, (2) under section 297A.992, (3) under section 297A.9925, (4) under section 297A.993, (5) if permitted by special law, or (6) if the political subdivision enacted and imposed the tax before January 1, 1982, and its predecessor provision.

(b) This section governs the imposition of a general sales tax by the political subdivision. The provisions of this section preempt the provisions of any special law:

(1) enacted before June 2, 1997~~;~~<sup>or</sup>;

(2) enacted on or after June 2, 1997, that does not explicitly exempt the special law provision from this section's rules by reference~~;~~<sup>;</sup> or

(3) enacted before July 1, 2024.

(c) This section does not apply to or preempt a sales tax on motor vehicles. Beginning July 1, 2019, no political subdivision may impose a special excise tax on motor vehicles unless it is imposed under section 297A.993.

(d) A political subdivision may not advertise or expend funds for the promotion of a referendum to support imposing a local sales tax and may only spend funds related to imposing a local sales tax to:

(1) conduct the referendum;

(2) disseminate information included in the resolution adopted under subdivision 2, but only if the disseminated information includes a list of specific projects and the cost of each individual project;

(3) provide notice of, and conduct public forums at which proponents and opponents on the merits of the referendum are given equal time to express their opinions on the merits of the referendum;

114.1 (4) provide facts and data on the impact of the proposed local sales tax on consumer  
114.2 purchases; and

114.3 (5) provide facts and data related to the individual programs and projects to be funded  
114.4 with the local sales tax.

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

114.6 Sec. 2. Minnesota Statutes 2022, section 297A.99, subdivision 3, is amended to read:

114.7 Subd. 3. **Legislative authority required before voter approval; requirements for**  
114.8 **adoption, use, termination.** (a) A political subdivision must receive legislative authority  
114.9 to impose a local sales tax before submitting the tax for approval by voters of the political  
114.10 subdivision. Imposition of a local sales tax is subject to approval by voters of the political  
114.11 subdivision at a general election. The election must be conducted at a general election within  
114.12 the two-year period after the governing body of the political subdivision has received  
114.13 authority to impose the tax. If the authorizing legislation allows the tax to be imposed for  
114.14 more than one project, there must be a separate question approving the use of the tax revenue  
114.15 for each project. Notwithstanding the authorizing legislation, a project that is not approved  
114.16 by the voters may not be funded with the local sales tax revenue and the termination date  
114.17 of the tax set in the authorizing legislation must be reduced proportionately based on the  
114.18 share of that project's cost to the total costs of all projects included in the authorizing  
114.19 legislation.

114.20 (b) The proceeds of the tax must be dedicated exclusively to payment of the construction  
114.21 and rehabilitation costs and associated bonding costs related to the specific capital  
114.22 improvement projects that were approved by the voters under paragraph (a). The political  
114.23 subdivision must not commingle revenue from a tax for a project or projects approved by  
114.24 the voters under this section with revenue from a local sales tax authorized under section  
114.25 297A.9901 or any other law, ordinance, city charter, or other provision, including an  
114.26 extension of or modification to the uses of a local sales tax for a different project.

114.27 (c) The political subdivision imposing the tax must notify the commissioner at least 60  
114.28 days before the date the political subdivision anticipates that revenues raised from the tax  
114.29 are sufficient to fund the projects approved by the voters under paragraph (a). The notification  
114.30 applies to each authorization of a tax and each project approved by the voters under paragraph  
114.31 (a), regardless of whether the legislature has authorized the tax notwithstanding the  
114.32 requirements of paragraph (d). The tax must terminate after the revenues raised are sufficient  
114.33 to fund the projects approved by the voters under paragraph (a). The political subdivision

115.1 must notify the commissioner within 30 days of the date that sufficient revenues have been  
115.2 raised to fund the projects approved by the voters under paragraph (a).

115.3 (d) After a sales tax imposed by a political subdivision has expired or been terminated,  
115.4 the political subdivision is prohibited from imposing a local sales tax for a period of one  
115.5 year.

115.6 ~~(e) Notwithstanding paragraph (a), if a political subdivision received voter approval to~~  
115.7 ~~seek authority for a local sales tax at the November 6, 2018, general election and is granted~~  
115.8 ~~authority to impose a local sales tax before January 1, 2021, the tax may be imposed without~~  
115.9 ~~an additional referendum provided that it meets the requirements of subdivision 2 and the~~  
115.10 ~~list of specific projects contained in the resolution does not conflict with the projects listed~~  
115.11 ~~in the approving referendum.~~

115.12 ~~(f)~~ (e) If a tax is terminated because sufficient revenues have been raised, any amount  
115.13 of tax collected under subdivision 9, after sufficient revenues have been raised and before  
115.14 the quarterly termination required under subdivision 12, paragraph (a), that is greater than  
115.15 the average quarterly revenues collected over the immediately preceding 12 calendar months  
115.16 must be retained by the commissioner for deposit in the general fund.

115.17 (f) The total tax rate imposed by a political subdivision under this section or any other  
115.18 law, ordinance, or city charter and section 297A.9901 must not exceed one percent, except  
115.19 that this limit does not apply to taxes authorized under this section or any other law,  
115.20 ordinance, or city charter before June 1, 2023. Upon expiration of a tax authorized under  
115.21 this section or any other law, ordinance, or city charter, the limit in this paragraph applies.  
115.22 If a local sales tax is imposed by a county, the limit under this paragraph includes any tax  
115.23 authorized under section 297A.993.

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

115.25 Sec. 3. **[297A.9901] SPECIFIED CAPITAL PROJECTS; LOCAL AUTHORIZATION**  
115.26 **ALLOWED; REQUIREMENTS.**

115.27 Subdivision 1. Definitions. (a) For purposes of this section, the following definitions  
115.28 have the meanings given.

115.29 (b) "Airport" means an airport not subject to the governance of the metropolitan airports  
115.30 commission organized under the provisions of sections 473.601 to 473.679.

115.31 (c) "Associated bonding costs" means the cost of issuing bonds to finance a specified  
115.32 capital project including but not limited to the costs of issuance of the bonds, capitalized  
115.33 interest, and the payment of principal and interest on the bonds.

116.1 (d) "Convention center" means a structure:

116.2 (1) that has a minimum of 50,000 square feet for exhibit and meeting spaces; and

116.3 (2) the square footage of which is expressly designed and constructed for the purposes  
116.4 of presenting conventions, public meetings, and exhibitions, and includes parking facilities  
116.5 that serve the center.

116.6 (e) "Correctional facility" means a public facility licensed and inspected by the  
116.7 commissioner of corrections established and operated for the detention and confinement of  
116.8 adults or juveniles, including but not limited to programs or facilities operating under chapter  
116.9 401, secure juvenile detention facilities, municipal holding facilities, juvenile temporary  
116.10 holdover facilities, regional or local jails, lockups, work houses, work farms, and detention  
116.11 facilities.

116.12 (f) "District court" means one of the ten judicial district courts in the state of Minnesota  
116.13 subject to chapter 484.

116.14 (g) "Law enforcement center" means a facility that serves multiple communities and  
116.15 provides public safety functions, including a fire or police station and including a facility  
116.16 that provides emergency 911 and dispatch functions, training facilities, court security and  
116.17 support, emergency operations, evidence and record retention, and other public safety  
116.18 services.

116.19 (h) "Library" means a library that is part of a regional public library system as designated  
116.20 by the regional library board under section 134.20, excluding a library located within a  
116.21 metropolitan county.

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

116.23 (j) "Park" means a park of regional significance located entirely outside of a metropolitan  
116.24 county that meets at least three of the criteria specified in items 1, 2, and 4 to 6 in the  
116.25 Department of Natural Resources Parks and Trails Legacy Plan dated February 14, 2011,  
116.26 required by Laws 2009, chapter 172, article 3, section 2, paragraph (e).

116.27 (k) "Political subdivision" means a county located in Minnesota or a statutory or home  
116.28 rule charter city located in Minnesota.

116.29 (l) "Prevailing wage rate" has the meaning given in section 177.42, subdivision 6.

116.30 (m) "Regional community center" means a structure that is expressly designed and  
116.31 constructed for the purposes of recreational, cultural, educational, or public group activities,



117.1 or for civic engagement or social support, serving both residents and nonresidents of the  
117.2 community.

117.3 (n) "Regional sports complex" means a defined area of sports pavilions, stadiums,  
117.4 gymnasiums, swimming pools, or similar facilities where regional tournaments may be  
117.5 hosted, and where members of the public engage in physical exercise, participate in athletic  
117.6 competitions, witness sporting events, and host regional tournaments.

117.7 (o) "Specified capital project" means an airport, convention center, correctional facility,  
117.8 district court, law enforcement center, library, park, regional community center, regional  
117.9 sports complex, or trail.

117.10 (p) "Trail" means a trail of regional significance located entirely outside of a metropolitan  
117.11 county that meets at least three of the criteria specified in items 1 to 5 in the Department of  
117.12 Natural Resources Parks and Trails Legacy Plan dated February 14, 2011, required by Laws  
117.13 2009, chapter 172, article 3, section 2, paragraph (e).

117.14 Subd. 2. **Policy; requirements.** It is the public policy of the state of Minnesota that local  
117.15 sales taxes are to be used instead of traditional local revenues only for construction and  
117.16 rehabilitation of capital projects when a clear regional benefit beyond the taxing jurisdiction  
117.17 can be demonstrated. Capital projects funded by local sales taxes must serve a regional  
117.18 population, provide economic development benefits and opportunities, or draw individuals  
117.19 to the region. If charged, access fees for the use of capital projects funded by a local sales  
117.20 tax must be equal for residents and nonresidents of the taxing jurisdiction. Use of local sales  
117.21 tax revenues for local projects decreases the benefits to taxpayers of the deductibility of  
117.22 local property taxes and the state assistance provided through the property tax refund system  
117.23 and increases the fiscal inequities between similar communities.

117.24 Subd. 3. **Local authorization allowed.** Notwithstanding section 477A.016, or any other  
117.25 law or ordinance, a political subdivision may impose, extend, or modify the uses of a local  
117.26 sales tax to finance a specified capital project without legislative authorization by  
117.27 demonstrating the regional significance of each specified capital project as provided in  
117.28 subdivisions 4 and 7 to 9. The authorization under this section applies to an extension to or  
117.29 modification of a local sales tax authorized under special law or the requirements of section  
117.30 297A.99.

117.31 Subd. 4. **Demonstration of regional benefit; resolution required.** (a) A political  
117.32 subdivision seeking to impose a local sales tax must conduct a public hearing to provide  
117.33 information regarding each specified capital project the political subdivision proposes to

118.1 fund with the local sales tax. Notice of the hearing must be provided at least 60 days in  
118.2 advance of the hearing and must include:

118.3 (1) the tax rate;

118.4 (2) a description of each project proposed to be funded by the local sales tax; and

118.5 (3) the amount of tax revenue that would be used for each project and the estimated time  
118.6 needed to raise that amount of revenue, inclusive of the amount distributed under subdivision  
118.7 6, paragraph (a), clause (3), if that option is selected.

118.8 (b) After conducting the public hearing required under paragraph (a) and before the  
118.9 governing body of a political subdivision seeks voter approval to impose a local sales tax,  
118.10 the governing body shall adopt a resolution indicating its approval of the tax. The resolution  
118.11 must include:

118.12 (1) the proposed tax rate;

118.13 (2) a detailed description of no more than three projects to be funded with revenue from  
118.14 the tax;

118.15 (3) documentation of the regional significance of each project, including:

118.16 (i) the share of the economic benefit to or use of each project by persons residing, or  
118.17 businesses located, outside of the jurisdiction; and

118.18 (ii) demonstration that the project meets the requirements of the applicable definitions  
118.19 in subdivision 1;

118.20 (4) the amount of local sales tax revenue that would be used for each project and the  
118.21 estimated time needed to raise that amount of revenue; and

118.22 (5) the total revenue that will be raised for all projects before the tax expires, and the  
118.23 estimated length of time that the tax will be in effect if all proposed projects are funded.

118.24 (c) The jurisdiction seeking authority to impose a local sales tax by special law must  
118.25 submit the resolution and the documentation required under paragraph (b) to the  
118.26 commissioner pursuant to section 297A.9902.

118.27 Subd. 5. **Voter approval required.** (a) Imposition of a local sales tax under this section  
118.28 is subject to approval by voters of the political subdivision at a general or special election.  
118.29 The election must be held within two years of the date the political subdivision receives  
118.30 approval from the commissioner under section 297A.9902. A political subdivision may  
118.31 choose to conduct the election at a general or special election held on the first Tuesday after  
118.32 the first Monday in November. There must be a separate question approving the use of the

119.1 tax revenue for each project. A project that is not approved by the voters may not be funded  
119.2 with the local sales tax revenue. For purposes of this section, "general election" and "special  
119.3 election" have the meanings given in section 200.02, except that a general election or special  
119.4 election held under this section must be held on the first Tuesday after the first Monday in  
119.5 November.

119.6 (b) Each ballot question presented to voters must include:

119.7 (1) a description of each specified capital project, including acknowledgment of any  
119.8 state mandate for a government service that necessitates the construction of the project, if  
119.9 applicable;

119.10 (2) acknowledgment that the political subdivision is seeking authorization from voters  
119.11 to impose the sales tax;

119.12 (3) the total cost of each capital project, inclusive of the amount required under  
119.13 subdivision 6, paragraph (a), clause (3);

119.14 (4) the start date of the project and maximum project cost that may be generated for a  
119.15 period lasting no longer than 30 years;

119.16 (5) the tax rate;

119.17 (6) a statement that by voting "yes" the voter is voting for the tax at the rate specified  
119.18 in clause (5) to:

119.19 (i) impose a new local sales tax;

119.20 (ii) increase a local sales tax; or

119.21 (iii) extend a local sales tax that would otherwise expire; and

119.22 (7) in combination with the statement required under clause (6), a statement that by  
119.23 voting "no" the voter acknowledges that the project subject to approval in the question may  
119.24 be funded by increased property taxes.

119.25 Subd. 6. **Administration; termination.** (a) The proceeds of the tax must be dedicated  
119.26 exclusively to payment of the construction and rehabilitation costs and associated bonding  
119.27 costs related to the specified capital projects approved by the voters under subdivision 5,  
119.28 paragraph (a). The political subdivision must not commingle revenue from a tax approved  
119.29 by the voters under this section with revenue from a local sales tax authorized under section  
119.30 297A.99 or any other law, ordinance, city charter, or other provision, including an extension  
119.31 of or modification to the uses of a local sales tax for a different project.

120.1 (b) The political subdivision imposing the tax must notify the commissioner at least 60  
120.2 days before the date the political subdivision anticipates that revenues raised from the tax  
120.3 are sufficient to fund the projects approved by the voters under subdivision 5, paragraph  
120.4 (a). The notification applies to each authorization of a tax and each project approved by the  
120.5 voters under subdivision 5, paragraph (a), regardless of whether the legislature has authorized  
120.6 the tax notwithstanding the requirements of paragraph (c). The tax must terminate after the  
120.7 revenues raised are sufficient to fund the projects approved by the voters under subdivision  
120.8 5, paragraph (a). The political subdivision must notify the commissioner within 30 days of  
120.9 the date that sufficient revenues have been raised to fund the projects approved by the voters  
120.10 under subdivision 5, paragraph (a).

120.11 (c) After a sales tax imposed by a political subdivision has expired or been terminated,  
120.12 the political subdivision is prohibited from imposing a local sales tax for a period of one  
120.13 year.

120.14 (d) If a tax is terminated because sufficient revenues have been raised, any amount of  
120.15 tax collected after sufficient revenues have been raised and before the quarterly termination  
120.16 required under section 297A.99, subdivision 12, paragraph (a), that is greater than the  
120.17 average quarterly revenues collected over the immediately preceding 12 calendar months,  
120.18 must be retained by the commissioner for deposit in the general fund.

120.19 Subd. 7. **Regional sports complexes; regional community centers.** To impose a local  
120.20 sales tax to fund construction or remodeling of, or improvements to, a regional sports  
120.21 complex or regional community center, a political subdivision must:

120.22 (1) conduct an analysis of the surrounding region to demonstrate that there is no similar  
120.23 regional sports complex or regional community center open to nonresidents at the same  
120.24 cost as to residents;

120.25 (2) obtain resolutions adopted by at least two adjacent counties, or adjacent statutory or  
120.26 home rule charter cities or townships affirming there is a regional need for the regional  
120.27 sports complex or regional community center. A county in which a statutory or home rule  
120.28 charter city or a township is located and a statutory or home rule charter city or a township  
120.29 located within a county qualifies as "adjacent" for purposes of this clause; or

120.30 (3) develop and present a model for the sharing of local sales tax revenues with  
120.31 surrounding counties, statutory or home rule charter cities, or townships for projects that  
120.32 meet needs of the counties, statutory or home rule charter cities, or townships.

121.1 Subd. 8. **Criminal justice facilities.** (a) To impose a local sales tax to fund construction  
121.2 or remodeling of or improvements to a correctional facility, a political subdivision must  
121.3 demonstrate the need for the facility by providing:

121.4 (1) official documentation of the age of the facility; and

121.5 (2)(i) official correspondence from the Department of Corrections that includes an  
121.6 analysis of the facility and description of the improvements or updates needed; or

121.7 (ii) if the facility is a joint project between two or more counties, the joint powers  
121.8 agreement or other official documentation between at least one other county demonstrating  
121.9 that the facility will serve public safety functions for the region.

121.10 (b) To impose a local sales tax to fund construction or remodeling of or improvements  
121.11 to a district court office, a political subdivision must demonstrate the need for the facility  
121.12 by providing the age of the facility and a description of improvements needed.

121.13 (c) To impose a local sales tax to fund construction or remodeling of or improvements  
121.14 to a law enforcement center, a political subdivision must provide resolutions from  
121.15 surrounding counties, statutory or home rule charter cities, or townships affirming that the  
121.16 functions of the law enforcement center will meet the needs of the surrounding county,  
121.17 statutory or home rule charter city, or township.

121.18 Subd. 9. **Convention centers; airports; parks and trails.** (a) To impose a local sales  
121.19 tax to finance construction or remodeling of or improvements to a convention center, a  
121.20 political subdivision must demonstrate that the convention center meets the requirements  
121.21 of subdivision 1, paragraph (c).

121.22 (b) To impose a local sales tax to finance construction or remodeling of or improvements  
121.23 to an airport, a political subdivision must demonstrate the regional necessity of the airport.

121.24 (c) To impose a local sales tax to finance construction of or improvements to a park, a  
121.25 political subdivision must demonstrate how the project meets the criteria described in  
121.26 subdivision 1, paragraph (h).

121.27 (d) To impose a local sales tax to finance construction of or improvements to a trail, a  
121.28 political subdivision must demonstrate how the project meets the criteria described in  
121.29 subdivision 1, paragraph (n).

121.30 Subd. 10. **Other provisions apply.** (a) The provisions of section 297A.99, subdivisions  
121.31 4 to 13, apply to taxes authorized under this subdivision.

122.1 (b) The prevailing wage rate applies to all contracts for construction of specified capital  
122.2 projects under this section.

122.3 (c) The total tax rate imposed by a political subdivision under this section and section  
122.4 297A.99 must not exceed one percent. If a local sales tax is imposed by a county, the limit  
122.5 under this paragraph includes any tax authorized under section 297A.993.

122.6 (d) The maximum collection period for a tax imposed under this section is the earlier  
122.7 of the amount of time necessary to collect the revenue equal to the cost of the specified  
122.8 capital projects approved by the voters, including as associated bonding costs, or 30 years.

122.9 Subd. 11. **Bonds; authorization.** (a) A political subdivision may issue bonds under  
122.10 chapter 475 to finance all or a portion of the costs of a specified capital project. The aggregate  
122.11 principal amount of bonds issued must not exceed the cost of a qualifying capital project  
122.12 approved by the voters, plus associated bonding costs. The bonds may be paid from or  
122.13 secured by any funds available to the political subdivision, including the tax authorized  
122.14 under this section and approved by the voters. The issuance of bonds under this subdivision  
122.15 is not subject to sections 275.60 and 275.61.

122.16 (b) A separate election to approve the bonds under section 475.58 is not required.

122.17 Subd. 12. **Filing and imposition requirements.** (a) A political subdivision that has  
122.18 received approval to impose a tax from the commissioner under this section must file a  
122.19 certificate of local approval with the secretary of state within 60 days after receiving voter  
122.20 approval for the tax to be lawfully imposed. If the tax is approved by the voters, the political  
122.21 subdivision must impose the tax within 15 months of receiving the voter approval. If the  
122.22 tax is not imposed within 15 months, the authority to impose the tax under this section  
122.23 expires.

122.24 (b) If, after receiving voter approval, a political subdivision cancels a project approved  
122.25 by the voters, the political subdivision must notify the commissioner. The commissioner  
122.26 must proportionately decrease the maximum amount of tax revenue the political subdivision  
122.27 may collect and must adjust the termination of the tax accordingly. If the political subdivision  
122.28 has already collected revenue for the canceled project, the political subdivision must return  
122.29 the funds to the commissioner for deposit to the general fund. The political subdivision  
122.30 must use any other source of revenue available to pay any outstanding debt on the bonds  
122.31 that were issued for the canceled project.

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





124.1 Sec. 2. Minnesota Statutes 2023 Supplement, section 123B.71, subdivision 12, is amended  
124.2 to read:

124.3 Subd. 12. **Publication.** (a) At least 48 days but not more than ~~60~~ 88 days before a  
124.4 referendum for bonds under chapter 475 or solicitation of bids for a project that has received  
124.5 a positive or unfavorable review and comment under section 123B.70, the school board  
124.6 shall publish a summary of the commissioner's review and comment of that project in the  
124.7 legal newspaper of the district. The school board must hold a public meeting to discuss the  
124.8 commissioner's review and comment before ~~the~~ such a referendum for bonds. Supplementary  
124.9 information shall be available to the public. Where no such referendum for bonds is required,  
124.10 the publication and public meeting requirements of this subdivision shall not apply.

124.11 (b) The publication requirement in paragraph (a) does not apply to alternative facilities  
124.12 projects approved under section 123B.595.

124.13 Sec. 3. Minnesota Statutes 2023 Supplement, section 126C.40, subdivision 6, is amended  
124.14 to read:

124.15 Subd. 6. **Lease purchase; installment buys.** (a) Upon application to, and approval by,  
124.16 the commissioner in accordance with the procedures and limits in subdivision 1, paragraphs  
124.17 (a) and (b), a district, as defined in this subdivision, may:

124.18 (1) purchase real or personal property under an installment contract or may lease real  
124.19 or personal property with an option to purchase under a lease purchase agreement, by which  
124.20 installment contract or lease purchase agreement title is kept by the seller or vendor or  
124.21 assigned to a third party as security for the purchase price, including interest, if any; and

124.22 (2) annually levy the amounts necessary to pay the district's obligations under the  
124.23 installment contract or lease purchase agreement.

124.24 (b) The obligation created by the installment contract or the lease purchase agreement  
124.25 must not be included in the calculation of net debt for purposes of section 475.53, and does  
124.26 not constitute debt under other law. An election is not required in connection with the  
124.27 execution of the installment contract or the lease purchase agreement.

124.28 (c) The proceeds of the levy authorized by this subdivision must not be used to acquire  
124.29 a facility to be primarily used for athletic or school administration purposes.

124.30 (d) For the purposes of this subdivision, "district" means:

124.31 (1) Special School District No. 1, Minneapolis, Independent School District No. 625,  
124.32 St. Paul, Independent School District No. 709, Duluth, or Independent School District No.

125.1 535, Rochester, if the district's desegregation plan has been determined by the commissioner  
125.2 to be in compliance with Department of Education rules relating to equality of educational  
125.3 opportunity and where the acquisition of property under this subdivision is determined by  
125.4 the commissioner to contribute to the implementation of the desegregation plan; or

125.5 (2) other districts eligible for revenue under section 124D.862 if the facility acquired  
125.6 under this subdivision is to be primarily used for a joint program for interdistrict  
125.7 desegregation and the commissioner determines that the joint programs are being undertaken  
125.8 to implement the districts' desegregation plan.

125.9 (e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease  
125.10 or rent a district-owned building to itself does not apply to levies otherwise authorized by  
125.11 this subdivision.

125.12 (f) For the purposes of this subdivision, any references in subdivision 1 to building or  
125.13 land shall include personal property.

125.14 (g) Projects funded under this subdivision that require an expenditure in excess of  
125.15 \$500,000 per school site if the school district has a capital loan outstanding, or \$2,000,000  
125.16 per school site if the school district does not have a capital loan outstanding, are subject to  
125.17 review and comment under section 123B.71, subdivision 8, in the same manner as other  
125.18 school construction projects.

125.19 Sec. 4. Minnesota Statutes 2022, section 446A.086, subdivision 1, is amended to read:

125.20 Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the  
125.21 meanings given.

125.22 (b) "Authority" means the Minnesota Public Facilities Authority.

125.23 (c) "Commissioner" means the commissioner of management and budget.

125.24 (d) "Debt obligation" means:

125.25 (1) a general obligation bond or note issued by a county, a bond or note to which the  
125.26 general obligation of a county is pledged under section 469.034, subdivision 2, or a bond  
125.27 or note payable from a county lease obligation under section 641.24, to provide funds for  
125.28 the construction of:

125.29 (i) jails;

125.30 (ii) correctional facilities;

125.31 (iii) law enforcement facilities;

126.1 (iv) a court house or justice center, if connected to a jail, correctional facility, or other  
126.2 law enforcement facility;

126.3 ~~(iv)~~ (v) social services and human services facilities;

126.4 ~~(v)~~ (vi) solid waste facilities; or

126.5 ~~(vi)~~ (vii) qualified housing development projects as defined in section 469.034,  
126.6 subdivision 2; or

126.7 (2) a general obligation bond or note issued by a governmental unit to provide funds for  
126.8 the construction, improvement, or rehabilitation of:

126.9 (i) wastewater facilities;

126.10 (ii) drinking water facilities;

126.11 (iii) stormwater facilities; or

126.12 (iv) any publicly owned building or infrastructure improvement that has received partial  
126.13 funding from grants awarded by the commissioner of employment and economic development  
126.14 related to redevelopment, contaminated site cleanup, bioscience, small cities development  
126.15 programs, and rural business infrastructure programs, for which bonds are issued by the  
126.16 authority under section 446A.087.

126.17 (e) "Governmental unit" means a county or a statutory or home rule charter city.

126.18 Sec. 5. Minnesota Statutes 2022, section 469.104, is amended to read:

126.19 **469.104 SECTIONS THAT APPLY IF FEDERAL LIMIT APPLIES.**

126.20 Sections 474A.01 to 474A.21 apply to obligations issued under sections 469.090 to  
126.21 469.108 that are ~~limited~~ required by federal tax law as defined in section 474A.02,  
126.22 subdivision 8, to obtain an allocation of volume cap.

126.23 Sec. 6. Minnesota Statutes 2022, section 474A.091, subdivision 2, is amended to read:

126.24 Subd. 2. **Application for residential rental projects.** (a) Issuers may apply for an  
126.25 allocation for residential rental bonds under this section by submitting to the department an  
126.26 application on forms provided by the department accompanied by:

126.27 (1) a preliminary resolution;

126.28 (2) a statement of bond counsel that the proposed issue of obligations requires an  
126.29 allocation under this chapter and the Internal Revenue Code;

127.1 (3) an application deposit in the amount of two percent of the requested allocation;

127.2 (4) a sworn statement from the applicant identifying the project as a preservation project,  
127.3 30 percent AMI residential rental project, 50 percent AMI residential rental project, 100  
127.4 percent LIHTC project, 20 percent LIHTC project, or any other residential rental project;  
127.5 and

127.6 (5) a certification from the applicant or its accountant stating that the requested allocation  
127.7 does not exceed the aggregate bond limitation.

127.8 The issuer must pay the application deposit to the Department of Management and Budget.  
127.9 An entitlement issuer may not apply for an allocation for residential rental project bonds  
127.10 under this section unless it has either permanently issued bonds equal to the amount of its  
127.11 entitlement allocation for the current year plus any amount carried forward from previous  
127.12 years or returned for reallocation all of its unused entitlement allocation. For purposes of  
127.13 this subdivision, its entitlement allocation includes an amount obtained under section  
127.14 474A.04, subdivision 6.

127.15 (b) An issuer that receives an allocation under this subdivision must permanently issue  
127.16 obligations equal to all or a portion of the allocation received on or before the earlier of:  
127.17 (1) 180 days of the allocation; or (2) the last business day of December. If an issuer that  
127.18 receives an allocation under this subdivision does not permanently issue obligations equal  
127.19 to all or a portion of the allocation received within the time period provided in this paragraph  
127.20 or returns the allocation to the commissioner, the amount of the allocation is canceled and  
127.21 returned for reallocation through the unified pool.

127.22 (c) The Minnesota Housing Finance Agency may apply for and receive an allocation  
127.23 under this section without submitting an application deposit.

127.24 Sec. 7. Minnesota Statutes 2022, section 474A.091, subdivision 2a, is amended to read:

127.25 Subd. 2a. **Application for all other types of qualified bonds.** (a) Issuers may apply  
127.26 for an allocation for all types of qualified bonds other than residential rental bonds under  
127.27 this section by submitting to the department an application on forms provided by the  
127.28 department accompanied by:

127.29 (1) a preliminary resolution;

127.30 (2) a statement of bond counsel that the proposed issue of obligations requires an  
127.31 allocation under this chapter and the Internal Revenue Code;

127.32 (3) the type of qualified bonds to be issued;

(4) an application deposit in the amount of two percent of the requested allocation; and

(5) a public purpose scoring worksheet for manufacturing and enterprise zone

applications.

The issuer must pay the application deposit to the Department of Management and Budget.

An entitlement issuer may not apply for an allocation for public facility bonds or mortgage

bonds under this section unless it has either permanently issued bonds equal to the amount

of its entitlement allocation for the current year plus any amount carried forward from

previous years or returned for reallocation all of its unused entitlement allocation. For

purposes of this subdivision, an entitlement allocation includes an amount obtained under

section 474A.04, subdivision 6.

(b) An issuer that receives an allocation under this subdivision must permanently issue obligations equal to all or a portion of the allocation received on or before the earlier of:

(1) 120 days of the allocation; or (2) the last business day of December. If an issuer that

receives an allocation under this subdivision does not permanently issue obligations equal

to all or a portion of the allocation received within the time period provided in this paragraph

or returns the allocation to the commissioner, the amount of the allocation is canceled and

returned for reallocation through the unified pool.

(c) Notwithstanding the restrictions imposed on entitlement issuers under this subdivision,

the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds

under this section prior to the first Monday in October, but may be awarded allocations for

mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota

Housing Finance Agency, the Minnesota Office of Higher Education, and the Minnesota

Rural Finance Authority may apply for and receive an allocation under this section without

submitting an application deposit.

## ARTICLE 8

### MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 270C.21, is amended to read:

#### **270C.21 TAXPAYER ASSISTANCE GRANTS; TAX CREDIT OUTREACH GRANTS.**

Subdivision 1. **Taxpayer assistance.** When the commissioner awards grants to eligible organizations to coordinate, facilitate, encourage, and aid in the provision of taxpayer

assistance services under this section, the commissioner must provide public notice of the

grants in a timely manner so that the grant process is completed and grants are awarded by



October 1, in order for recipient ~~eligible~~ organizations to adequately plan expenditures for the filing season. At the time the commissioner provides public notice, the commissioner must also notify ~~eligible~~ organizations that received grants in the previous biennium. Amounts appropriated for grants under this section are not subject to retention of administrative costs under section 16B.98, subdivision 14.

Subd. 2. **Eligible organization Definitions.** ~~"Eligible organization" means an organization that meets the definition of eligible organization provided in section 7526A(e)(2)(B) of the Internal Revenue Code.~~

(a) For the purposes of this section, the following terms have the meanings given.

(b) "Eligible credit" means a credit, refund, or other tax preference targeting low-income taxpayers, including but not limited to the credits under sections 290.0661, 290.0671, 290.0674, and 290.0693, and chapter 290A.

(c) "Tax outreach organization" means a nonprofit organization or federally recognized Indian Tribe with experience serving demographic groups or geographic regions that have historically had low rates of participation in eligible credits.

(d) "Taxpayer assistance services" means accounting and tax preparation services provided by volunteers to low-income, elderly, and disadvantaged Minnesota residents to help them file federal and state income tax returns and Minnesota property tax refund claims and to provide personal representation before the Department of Revenue and Internal Revenue Service.

(e) "Volunteer taxpayer assistance organization" means an eligible organization qualifying under section 7526A(e)(2)(B) of the Internal Revenue Code of 1986.

Subd. 3. **Taxpayer assistance grants.** The commissioner must make grants to one or more volunteer taxpayer assistance organizations to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services.

Subd. 4. **Tax credit outreach grants.** The commissioner must make one or more grants to tax outreach organizations and volunteer assistance organizations. Grants provided under this subdivision must be used to:

(1) publicize and promote the availability of eligible credits to taxpayers likely to be eligible for those credits; or

(2) provide taxpayer assistance services.

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

130.1 Sec. 2. Minnesota Statutes 2022, section 270C.33, is amended by adding a subdivision to  
130.2 read:

130.3 Subd. 4a. **Limitations; sales, corporate, and income taxes.** (a) The provisions of this  
130.4 subdivision are a limitation on the assessment authority of the commissioner under this  
130.5 section.

130.6 (b) The commissioner must not assess additional tax due under chapter 290 or 297A if  
130.7 each of the following requirements are met:

130.8 (1) the tax reported by the taxpayer is consistent with and based on past reporting or  
130.9 other practices of the taxpayer that were fully disclosed to the commissioner and were  
130.10 approved, in writing, to the taxpayer by the commissioner, including by issuing an audit  
130.11 assessing no additional tax liability with respect to that item for a prior taxable period; and

130.12 (2) effective for a taxable period beginning after the period covered by clause (1), neither  
130.13 the statute or administrative rule on which the reporting or other practice is based has been  
130.14 materially changed, and the commissioner has not issued a revenue notice or directly notified  
130.15 the taxpayer, in writing, of a change in the commissioner's position as to the proper reporting  
130.16 or other treatment of the relevant income, transaction, deduction, or other item.

130.17 (c) For an audit of a prior taxable period by the commissioner, paragraph (b), clause (1),  
130.18 applies only to the issues within the scope of and specifically addressed by the audit.

130.19 **EFFECTIVE DATE.** This section is effective for assessments made after June 30,  
130.20 2024.

130.21 Sec. 3. Minnesota Statutes 2023 Supplement, section 297H.13, subdivision 2, is amended  
130.22 to read:

130.23 Subd. 2. **Allocation of revenues.** (a) Of the amounts remitted under this chapter, 70  
130.24 percent must be credited to the environmental fund established in section 16A.531,  
130.25 subdivision 1.

130.26 (b) In addition to the amounts credited to the environmental fund in paragraph (a), ~~in~~  
130.27 ~~fiscal year 2024 and later,~~ three percent of the amounts remitted under this chapter shall be  
130.28 deposited into the resource management account in the environmental fund. For fiscal year  
130.29 2025 only, an additional \$3,252,000 must be deposited in the resource management account  
130.30 in the environmental fund.

130.31 (c) The remainder must be deposited into the general fund.

(d) ~~Beginning in fiscal year 2024 and annually thereafter,~~ The money deposited in the resource management account in the environmental fund under paragraph (b) is appropriated to the commissioner of the Pollution Control Agency for distribution to counties under section 115A.557, subdivision 2, paragraph (a), clauses (1) to (7) and (9) to (11). Amounts appropriated for distribution under this section are not subject to retention of administrative costs under section 16B.98, subdivision 14.

**EFFECTIVE DATE.** This section is effective July 1, 2024.

Sec. 4. **APPROPRIATION; CITY OF SOUTH ST. PAUL; GRANT.**

(a) \$250,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of revenue for a grant to the city of South St. Paul. This is a onetime appropriation. The grant must be paid by June 30, 2024. The grant under this section is not subject to retention of administrative costs under Minnesota Statutes, section 16B.98, subdivision 14.

(b) The grant under this section must be used by the city of South St. Paul to pay for planning and development costs within the city.

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

Sec. 5. **APPROPRIATION; TAX CREDIT OUTREACH GRANTS; TAXPAYER ASSISTANCE GRANTS.**

(a) \$1,000,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of revenue for tax credit outreach grants under Minnesota Statutes, section 270C.21, subdivision 4. This appropriation is in addition to the amount appropriated in Laws 2023, chapter 64, article 7, section 30.

(b) The base for the \$1,000,000 appropriation in paragraph (a) is \$1,044,000 in fiscal year 2026 and \$1,045,000 in fiscal year 2027.

(c) \$750,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of revenue for taxpayer assistance grants under Minnesota Statutes, section 270C.21, subdivision 3. This appropriation is in addition to the amount appropriated for taxpayer assistance in Laws 2023, chapter 62, article 1, section 14, subdivision 2.

132.1 **ARTICLE 9**

132.2 **DEPARTMENT OF REVENUE; INDIVIDUAL INCOME AND CORPORATE**  
132.3 **FRANCHISE TAXES**

132.4 Section 1. Minnesota Statutes 2022, section 116U.27, subdivision 2, is amended to read:

132.5 Subd. 2. **Credit allowed.** A taxpayer is eligible for a credit up to 25 percent of eligible  
132.6 production costs paid in ~~a taxable year~~ any consecutive 12-month period as described in  
132.7 subdivision 1, paragraph (h). A taxpayer may only claim a credit if the taxpayer was issued  
132.8 a credit certificate under subdivision 4.

132.9 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
132.10 after December 31, 2022.

132.11 Sec. 2. Minnesota Statutes 2023 Supplement, section 290.01, subdivision 19, is amended  
132.12 to read:

132.13 Subd. 19. **Net income.** (a) For a trust or estate taxable under section 290.03, and a  
132.14 corporation taxable under section 290.02, the term "net income" means the federal taxable  
132.15 income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through  
132.16 the date named in this subdivision, incorporating the federal effective dates of changes to  
132.17 the Internal Revenue Code and any elections made by the taxpayer in accordance with the  
132.18 Internal Revenue Code in determining federal taxable income for federal income tax  
132.19 purposes, and with the modifications provided in sections 290.0131 to 290.0136.

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

132.22 (c) In the case of a regulated investment company or a fund thereof, as defined in section  
132.23 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment  
132.24 company taxable income as defined in section 852(b)(2) of the Internal Revenue Code,  
132.25 except that:

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

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

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

133.4 (d) The net income of a real estate investment trust as defined and limited by section  
133.5 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust  
133.6 taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

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

133.10 (f) The Internal Revenue Code of 1986, as amended through May 1, 2023, applies for  
133.11 taxable years beginning after December 31, 1996.

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

133.15 (h) In the case of a partnership electing to file a composite return under section 289A.08,  
133.16 subdivision 7, "net income" means the partner's share of federal adjusted gross income from  
133.17 the partnership modified by the additions provided in section 290.0131, subdivisions 8 to  
133.18 10, 16, and 17, and the subtractions provided in: (1) section 290.0132, subdivisions 9, 27,  
133.19 ~~and 28, and 31~~, to the extent the amount is assignable or allocable to Minnesota under section  
133.20 290.17; and (2) section 290.0132, subdivision 14. The subtraction allowed under section  
133.21 290.0132, subdivision 9, is only allowed on the composite tax computation to the extent  
133.22 the electing partner would have been allowed the subtraction.

133.23 (i) In the case of a qualifying entity electing to pay the pass-through entity tax under  
133.24 section 289A.08, subdivision 7a, "net income" means the qualifying owner's share of federal  
133.25 adjusted gross income from the qualifying entity modified by the additions provided in  
133.26 section 290.0131, subdivisions 5, 8 to 10, 16, and 17, and the subtractions provided in: (1)  
133.27 section 290.0132, subdivisions 3, 9, 27, ~~and 28, and 31~~, to the extent the amount is assignable  
133.28 or allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14.  
133.29 The subtraction allowed under section 290.0132, subdivision 9, is only allowed on the  
133.30 pass-through entity tax computation to the extent the qualifying owners would have been  
133.31 allowed the subtraction. ~~The income of both a resident and nonresident qualifying owner~~  
133.32 ~~is allocated and assigned to this state as provided for nonresident partners and shareholders~~  
133.33 ~~under sections 290.17, 290.191, and 290.20.~~

134.1 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
134.2 after December 31, 2022.

134.3 Sec. 3. Minnesota Statutes 2023 Supplement, section 290.0132, subdivision 26, is amended  
134.4 to read:

134.5 Subd. 26. **Social Security benefits.** (a) A taxpayer is allowed a subtraction equal to the  
134.6 greater of the simplified subtraction allowed under paragraph (b) or the alternate subtraction  
134.7 determined under paragraph (e).

134.8 (b) A taxpayer's simplified subtraction equals the amount of taxable social security  
134.9 benefits, as reduced under paragraphs (c) and (d).

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

134.14 (1) \$100,000 for a married taxpayer filing a joint return or surviving spouse;

134.15 (2) \$78,000 for a single or head of household taxpayer; and

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

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

134.21 (e) A taxpayer's alternate subtraction equals the lesser of taxable Social Security benefits  
134.22 or a maximum subtraction subject to the limits under paragraphs (f), (g), and (h).

134.23 (f) For married taxpayers filing a joint return and surviving spouses, the maximum  
134.24 subtraction under paragraph ~~(e)~~ (e) equals \$5,840. The maximum subtraction is reduced by  
134.25 20 percent of provisional income over \$88,630. In no case is the subtraction less than zero.

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

134.29 (h) For married taxpayers filing separate returns, the maximum subtraction under  
134.30 paragraph ~~(e)~~ (e) equals one-half the maximum subtraction for joint returns under paragraph  
134.31 (f). The maximum subtraction is reduced by 20 percent of provisional income over one-half  
134.32 the threshold amount specified in paragraph (d). In no case is the subtraction less than zero.



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

(j) The commissioner shall adjust the phaseout threshold amounts in paragraphs (c) ~~and (d)~~, clauses (1) and (2), as provided in section 270C.22. The statutory year is taxable year 2023. The maximum subtraction and threshold amounts as adjusted must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount is rounded up to the nearest \$10 amount.

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

Sec. 4. Minnesota Statutes 2023 Supplement, section 290.0132, subdivision 34, is amended to read:

Subd. 34. **Qualified retirement benefits.** (a) The amount of qualified public pension income is a subtraction. The subtraction in this section is limited to:

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 5. Minnesota Statutes 2023 Supplement, section 290.0134, subdivision 20, is amended to read:

Subd. 20. **Delayed business interest.** (a) For each taxable year an addition is required under section ~~290.0131, subdivision 19~~ 290.0133, subdivision 15, the amount of the addition, less the sum of all amounts subtracted under this paragraph in all prior taxable years, that does not exceed the limitation on business interest in section 163(j) of the Internal Revenue Code of 1986, as amended through December 15, 2022, notwithstanding the special rule in section 163(j)(10) of the Internal Revenue Code, is a subtraction. Any excess is a delayed business interest carryforward, the entire amount of which must be carried to the earliest taxable year. No subtraction is allowed under this paragraph for taxable years beginning after December 31, 2022.

(b) For each of the five taxable years beginning after December 31, 2022, there is allowed a subtraction equal to one-fifth of the sum of all carryforward amounts that remain after the expiration of paragraph (a).

(c) Entities that are part of a combined reporting group under the unitary rules of section 290.17, subdivision 4, must compute deductions and additions as required under section 290.34, subdivision 5.

137.1 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
137.2 after December 31, 2019.

137.3 Sec. 6. Minnesota Statutes 2023 Supplement, section 290.0693, subdivision 1, is amended  
137.4 to read:

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

137.7 (b) "Dependent" means any individual who is considered a dependent under sections  
137.8 151 and 152 of the Internal Revenue Code and was claimed by the taxpayer as a dependent.

137.9 (c) "Disability" has the meaning given in section 290A.03, subdivision 10.

137.10 (d) "Exemption amount" means the exemption amount under section 290.0121,  
137.11 subdivision 1, paragraph (b).

137.12 (e) "Gross rent" means rent paid for the right of occupancy, at arm's length, of a  
137.13 homestead, exclusive of charges for any medical services furnished by the landlord as a  
137.14 part of the rental agreement, whether expressly set out in the rental agreement or not. The  
137.15 gross rent of a resident of a nursing home or intermediate care facility is \$600 per month.  
137.16 The gross rent of a resident of an adult foster care home is \$930 per month. The commissioner  
137.17 shall annually adjust the amounts in this paragraph as provided in section 270C.22. The  
137.18 statutory year is 2023. If the landlord and tenant have not dealt with each other at arm's  
137.19 length and the commissioner determines that the gross rent charged was excessive, the  
137.20 commissioner may adjust the gross rent to a reasonable amount for purposes of this section.

137.21 (f) "Homestead" has the meaning given in section 290A.03, subdivision 6.

137.22 (g) "Household" has the meaning given in section 290A.03, subdivision 4.

137.23 (h) "Household income" means all income received by all persons of a household in a  
137.24 taxable year while members of the household, other than income of a dependent.

137.25 (i) "Income" means adjusted gross income, minus:

137.26 (1) for the taxpayer's first dependent, the exemption amount multiplied by 1.4;

137.27 (2) for the taxpayer's second dependent, the exemption amount multiplied by 1.3;

137.28 (3) for the taxpayer's third dependent, the exemption amount multiplied by 1.2;

137.29 (4) for the taxpayer's fourth dependent, the exemption amount multiplied by 1.1;

137.30 (5) for the taxpayer's fifth dependent, the exemption amount; and

(6) if the taxpayer or taxpayer's spouse had a disability or attained the age of 65 on or before the close of the taxable year, the exemption amount.

(j) "Rent constituting property taxes" means 17 percent of the gross rent actually paid in cash, or its equivalent, or the portion of rent paid in lieu of property taxes, in any taxable year by a claimant for the right of occupancy of the claimant's Minnesota homestead in the taxable year, and which rent constitutes the basis, in the succeeding taxable year of a claim for a credit under this section by the claimant. If an individual occupies a homestead with another person or persons not related to the individual as the individual's spouse or as dependents, and the other person or persons are residing at the homestead under a rental or lease agreement with the individual, the amount of rent constituting property tax for the individual equals that portion not covered by the rental agreement.

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

Sec. 7. Minnesota Statutes 2023 Supplement, section 290.0693, subdivision 6, is amended to read:

**Subd. 6. Residents of nursing homes, intermediate care facilities, long-term care facilities, or facilities accepting housing support payments.** (a) A taxpayer must not claim a credit under this section if the taxpayer is a resident of a nursing home, intermediate care facility, long-term residential facility, or a facility that accepts housing support payments whose rent constituting property taxes is paid pursuant to the Supplemental Security Income program under title XVI of the Social Security Act, the Minnesota supplemental aid program under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX of the Social Security Act, or the housing support program under chapter 256I.

(b) If only a portion of the rent constituting property taxes is paid by these programs, the resident is eligible for a credit, but the credit calculated must be multiplied by a fraction, the numerator of which is adjusted gross income, ~~reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program~~ and the denominator of which is adjusted gross income, plus vendor payments under the medical assistance program, to determine the allowable credit.

(c) Notwithstanding paragraphs (a) and (b), if the taxpayer was a resident of the nursing home, intermediate care facility, long-term residential facility, or facility for which the rent was paid for the claimant by the housing support program for only a portion of the taxable year covered by the claim, the taxpayer may compute rent constituting property taxes by disregarding the rent constituting property taxes from the nursing home or facility and may

use only that amount of rent constituting property taxes or property taxes payable relating to that portion of the year when the taxpayer was not in the facility. The taxpayer's household income is the income for the entire taxable year covered by the claim.

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

Sec. 8. Minnesota Statutes 2023 Supplement, section 290.0693, subdivision 8, is amended to read:

Subd. 8. **One claimant per household.** Only one taxpayer per household per year is entitled to claim a credit under this section. In the case of a married couple filing a joint return, the couple may claim a credit under this section based on the total amount of both spouses' gross rent. In the case of a married taxpayer filing a separate return, only one spouse may claim the credit under this section. The credit amount for the spouse that claims the credit must be calculated based on household income and not solely on the income of the spouse.

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

Sec. 9. Minnesota Statutes 2023 Supplement, section 290.0695, subdivision 2, is amended to read:

Subd. 2. **Credit allowed; limitation; carryover.** (a) An eligible taxpayer is allowed a credit against tax due under this chapter equal to 50 percent of ~~eligible expenses, not to exceed \$3,000 per mile, multiplied by the number of miles of railroad track owned or leased within the state by the eligible taxpayer for which the taxpayer made the~~ qualified railroad reconstruction or replacement expenditures as of the close of the taxable year for which the credit is claimed made by an eligible taxpayer within this state during the taxable year for which the credit is claimed.

(b) The credit allowed under paragraph (a) for any taxable year must not exceed the product of:

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

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

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

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

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

Sec. 10. Laws 2023, chapter 1, section 22, is amended to read:

**Sec. 22. TEMPORARY ADDITIONS AND SUBTRACTIONS; INDIVIDUALS, ESTATES, AND TRUSTS.**

(a) For the purposes of this section:

(1) "subtraction" has the meaning given in Minnesota Statutes, section 290.0132, subdivision 1, and the rules in that subdivision apply to this section;

(2) "addition" has the meaning given in Minnesota Statutes, section 290.0131, subdivision 1, and the rules in that subdivision apply to this section; and

(3) the definitions in Minnesota Statutes, section 290.01, apply to this section.

(b) The following amounts are subtractions:

(1) the amount of wages used for the calculation of the employee retention credit for employers affected by qualified disasters, to the extent not deducted from income, under Public Law 116-94, division Q, section 203, or Public Law 116-260, division EE, section 303;

(2) the amount of wages used for the calculation of the payroll credit for required paid sick leave, to the extent not deducted from income, under Public Law 116-127, section 7001, as amended by section 9641 of Public Law 117-2;



141.1 (3) the amount of wages or expenses used for the calculation of the payroll credit for  
141.2 required paid family leave, to the extent not deducted from income, under Public Law  
141.3 116-127, section 7003, as amended by section 9641 of Public Law 117-2;

141.4 (4) the amount of wages used for the calculation of the employee retention credit for  
141.5 employers subject to closure due to COVID-19, to the extent not deducted from income,  
141.6 under Public Law 116-136, section 2301, as amended by Public Law 116-260, division EE,  
141.7 section 207, and Public Law 117-2, section 9651; and

141.8 (5) the amount required to be added to gross income to claim the credit in section 6432  
141.9 of the Internal Revenue Code.

141.10 (c) The following amounts are additions:

141.11 (1) the amount subtracted for qualified tuition expenses under section 222 of the Internal  
141.12 Revenue Code, as amended by Public Law 116-94, division Q, section 104;

141.13 (2) the amount of above the line charitable contributions deducted under section 2204  
141.14 of Public Law 116-136;

141.15 (3) the amount of meal expenses in excess of the 50 percent limitation under section  
141.16 274(n)(1) of the Internal Revenue Code allowed under subsection (n), paragraph (2),  
141.17 subparagraph (D), of that section; and

141.18 (4) the amount of charitable contributions deducted from federal taxable income by a  
141.19 trust for taxable year 2020 under Public Law 116-136, section 2205(a).

141.20 (d) The commissioner of revenue must apply the subtractions in paragraph (b) and the  
141.21 additions in paragraph (c), when calculating the following:

141.22 (1) the percentage under Minnesota Statutes, section 290.06, subdivision 2c, paragraph  
141.23 (e);

141.24 (2) a taxpayer's alternative minimum taxable income under Minnesota Statutes, section  
141.25 290.091; and

141.26 (3) "income" as defined in Minnesota Statutes, section 289A.08, subdivision 7, paragraph  
141.27 (j), for the purposes of determining the tax for composite filers and the pass-through entity  
141.28 tax, means the partner's share of federal adjusted gross income from the partnership modified  
141.29 by the additions provided in Minnesota Statutes, section 290.0131, subdivisions 8 to 10,  
141.30 16, 17, and 19, and the subtractions provided in (i) Minnesota Statutes, section 290.0132,  
141.31 subdivisions 9, 27, and 28, to the extent the amount is assignable or allocable to Minnesota  
141.32 under Minnesota Statutes, section 290.17; and (ii) Minnesota Statutes, section 290.0132,

142.1 subdivision 14. The subtraction allowed under Minnesota Statutes, section 290.0132,  
142.2 subdivision 9, is only allowed on the composite tax computation to the extent the electing  
142.3 partner would have been allowed the subtraction.

142.4 (e) For the purpose of calculating property tax refunds under Minnesota Statutes, chapter  
142.5 290A, any amounts allowed as a subtraction in paragraph (b) are excluded from "income,"  
142.6 as defined in Minnesota Statutes, section 290A.03, subdivision 3.

142.7 **EFFECTIVE DATE.** This section is effective retroactively at the same time the changes  
142.8 in Laws 2023, chapter 1, section 22, were effective for federal purposes.

## 142.9 **ARTICLE 10**

### 142.10 **DEPARTMENT OF REVENUE; PROPERTY TAXES AND LOCAL GOVERNMENT** 142.11 **AIDS**

142.12 Section 1. Minnesota Statutes 2022, section 273.13, subdivision 22, is amended to read:

142.13 Subd. 22. **Class 1.** (a) Except as provided in subdivision 23 and in paragraphs (b) and  
142.14 (c), real estate which is residential and used for homestead purposes is class 1a. In the case  
142.15 of a duplex or triplex in which one of the units is used for homestead purposes, the entire  
142.16 property is deemed to be used for homestead purposes. The market value of class 1a property  
142.17 must be determined based upon the value of the house, garage, and land.

142.18 The first \$500,000 of market value of class 1a property has a net classification rate of  
142.19 one percent of its market value; and the market value of class 1a property that exceeds  
142.20 \$500,000 has a classification rate of 1.25 percent of its market value.

142.21 (b) Class 1b property includes homestead real estate or homestead manufactured homes  
142.22 used for the purposes of a homestead by:

142.23 (1) any person who is blind as defined in section 256D.35, or the person who is blind  
142.24 and the spouse of the person who is blind;

142.25 (2) any person who is permanently and totally disabled or by the person with a disability  
142.26 and the spouse of the person with a disability; or

142.27 (3) the surviving spouse of a veteran who was permanently and totally disabled  
142.28 homesteading a property classified under this paragraph for taxes payable in 2008.

142.29 Property is classified and assessed under clause (2) only if the government agency or  
142.30 income-providing source certifies, upon the request of the homestead occupant, that the  
142.31 homestead occupant satisfies the disability requirements of this paragraph, and that the  
142.32 property is not eligible for the valuation exclusion under subdivision 34.

143.1 Property is classified and assessed under paragraph (b) only if the commissioner of  
143.2 revenue or the county assessor certifies that the homestead occupant satisfies the requirements  
143.3 of this paragraph.

143.4 Permanently and totally disabled for the purpose of this subdivision means a condition  
143.5 which is permanent in nature and totally incapacitates the person from working at an  
143.6 occupation which brings the person an income. The first \$50,000 market value of class 1b  
143.7 property has a net classification rate of .45 percent of its market value. The remaining market  
143.8 value of class 1b property is classified as class 1a, ~~or~~ class 2a property, or class 4d(2)  
143.9 whichever is appropriate.

143.10 (c) Class 1c property is commercial use real and personal property that abuts public  
143.11 water as defined in section 103G.005, subdivision 15, or abuts a state trail administered by  
143.12 the Department of Natural Resources, and is devoted to temporary and seasonal residential  
143.13 occupancy for recreational purposes but not devoted to commercial purposes for more than  
143.14 250 days in the year preceding the year of assessment, and that includes a portion used as  
143.15 a homestead by the owner, which includes a dwelling occupied as a homestead by a  
143.16 shareholder of a corporation that owns the resort, a partner in a partnership that owns the  
143.17 resort, or a member of a limited liability company that owns the resort even if the title to  
143.18 the homestead is held by the corporation, partnership, or limited liability company. For  
143.19 purposes of this paragraph, property is devoted to a commercial purpose on a specific day  
143.20 if any portion of the property, excluding the portion used exclusively as a homestead, is  
143.21 used for residential occupancy and a fee is charged for residential occupancy. Class 1c  
143.22 property must contain three or more rental units. A "rental unit" is defined as a cabin,  
143.23 condominium, townhouse, sleeping room, or individual camping site equipped with water  
143.24 and electrical hookups for recreational vehicles. Class 1c property must provide recreational  
143.25 activities such as the rental of ice fishing houses, boats and motors, snowmobiles, downhill  
143.26 or cross-country ski equipment; provide marina services, launch services, or guide services;  
143.27 or sell bait and fishing tackle. Any unit in which the right to use the property is transferred  
143.28 to an individual or entity by deeded interest, or the sale of shares or stock, no longer qualifies  
143.29 for class 1c even though it may remain available for rent. A camping pad offered for rent  
143.30 by a property that otherwise qualifies for class 1c is also class 1c, regardless of the term of  
143.31 the rental agreement, as long as the use of the camping pad does not exceed 250 days. If  
143.32 the same owner owns two separate parcels that are located in the same township, and one  
143.33 of those properties is classified as a class 1c property and the other would be eligible to be  
143.34 classified as a class 1c property if it was used as the homestead of the owner, both properties  
143.35 will be assessed as a single class 1c property; for purposes of this sentence, properties are

144.1 deemed to be owned by the same owner if each of them is owned by a limited liability  
144.2 company, and both limited liability companies have the same membership. The portion of  
144.3 the property used as a homestead is class 1a property under paragraph (a). The remainder  
144.4 of the property is classified as follows: the first \$600,000 of market value is tier I, the next  
144.5 \$1,700,000 of market value is tier II, and any remaining market value is tier III. The  
144.6 classification rates for class 1c are: tier I, 0.50 percent; tier II, 1.0 percent; and tier III, 1.25  
144.7 percent. Owners of real and personal property devoted to temporary and seasonal residential  
144.8 occupancy for recreation purposes in which all or a portion of the property was devoted to  
144.9 commercial purposes for not more than 250 days in the year preceding the year of assessment  
144.10 desiring classification as class 1c, must submit a declaration to the assessor designating the  
144.11 cabins or units occupied for 250 days or less in the year preceding the year of assessment  
144.12 by January 15 of the assessment year. Those cabins or units and a proportionate share of  
144.13 the land on which they are located must be designated as class 1c as otherwise provided.  
144.14 The remainder of the cabins or units and a proportionate share of the land on which they  
144.15 are located must be designated as class 3a commercial. The owner of property desiring  
144.16 designation as class 1c property must provide guest registers or other records demonstrating  
144.17 that the units for which class 1c designation is sought were not occupied for more than 250  
144.18 days in the year preceding the assessment if so requested. The portion of a property operated  
144.19 as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center or meeting room, and (5)  
144.20 other nonresidential facility operated on a commercial basis not directly related to temporary  
144.21 and seasonal residential occupancy for recreation purposes does not qualify for class 1c.

144.22 (d) Class 1d property includes structures that meet all of the following criteria:

144.23 (1) the structure is located on property that is classified as agricultural property under  
144.24 section 273.13, subdivision 23;

144.25 (2) the structure is occupied exclusively by seasonal farm workers during the time when  
144.26 they work on that farm, and the occupants are not charged rent for the privilege of occupying  
144.27 the property, provided that use of the structure for storage of farm equipment and produce  
144.28 does not disqualify the property from classification under this paragraph;

144.29 (3) the structure meets all applicable health and safety requirements for the appropriate  
144.30 season; and

144.31 (4) the structure is not salable as residential property because it does not comply with  
144.32 local ordinances relating to location in relation to streets or roads.

144.33 The market value of class 1d property has the same classification rates as class 1a property  
144.34 under paragraph (a).

145.1 **EFFECTIVE DATE.** This section is effective for assessment year 2025 and thereafter.

145.2 Sec. 2. Minnesota Statutes 2022, section 375.192, subdivision 2, is amended to read:

145.3 Subd. 2. **Procedure, conditions.** Upon written application by the owner of any property,  
145.4 the county board may grant the reduction or abatement of estimated market valuation or  
145.5 taxes and of any costs, penalties, or interest on them as the board deems just and equitable  
145.6 and order the refund in whole or part of any taxes, costs, penalties, or interest which have  
145.7 been erroneously or unjustly paid. Except as provided in sections 469.1812 to 469.1815,  
145.8 no reduction or abatement may be granted on the basis of providing an incentive for economic  
145.9 development or redevelopment. Except as provided in section 375.194, the county board  
145.10 may consider and grant reductions or abatements on applications only as they relate to taxes  
145.11 payable in the current year and the two prior years; provided that reductions or abatements  
145.12 for the two prior years shall be considered or granted only for (i) clerical errors, or (ii) when  
145.13 the taxpayer fails to file for a reduction or an adjustment due to hardship, as determined by  
145.14 the county board. The application must include the Social Security number or individual  
145.15 taxpayer identification number of the applicant. The Social Security number ~~is~~ and individual  
145.16 taxpayer identification number are private data on individuals as defined by section 13.02,  
145.17 subdivision 12. All applications must be approved by the county assessor, or, if the property  
145.18 is located in a city of the first or second class having a city assessor, by the city assessor,  
145.19 and by the county auditor before consideration by the county board, except that the part of  
145.20 the application which is for the abatement of penalty or interest must be approved by the  
145.21 county treasurer and county auditor. Approval by the county or city assessor is not required  
145.22 for abatements of penalty or interest. No reduction, abatement, or refund of any special  
145.23 assessments made or levied by any municipality for local improvements shall be made  
145.24 unless it is also approved by the board of review or similar taxing authority of the  
145.25 municipality. On any reduction or abatement when the reduction of taxes, costs, penalties,  
145.26 and interest exceed \$10,000, the county board shall give notice within 20 days to the school  
145.27 board and the municipality in which the property is located. The notice must describe the  
145.28 property involved, the actual amount of the reduction being sought, and the reason for the  
145.29 reduction.

145.30 An appeal may not be taken to the Tax Court from any order of the county board made  
145.31 in the exercise of the discretionary authority granted in this section.

145.32 The county auditor shall notify the commissioner of revenue of all abatements resulting  
145.33 from the erroneous classification of real property, for tax purposes, as nonhomestead property.  
145.34 For the abatements relating to the current year's tax processed through June 30, the auditor



shall notify the commissioner on or before July 31 of that same year of all abatement applications granted. For the abatements relating to the current year's tax processed after June 30 through the balance of the year, the auditor shall notify the commissioner on or before the following January 31 of all applications granted. The county auditor shall submit a form containing the Social Security number or individual taxpayer identification number of the applicant and such other information the commissioner prescribes.

**EFFECTIVE DATE.** This section is effective retroactively for abatement applications filed in 2023 and thereafter.

Sec. 3. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 6, is amended to read:

Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount of aid payable to each tier I city and county under this section. ~~By August 1 of each year, the commissioner must certify the distribution factors of each tier I city and county to be used in the following year. The commissioner must pay local affordable housing aid annually at the times provided in section 477A.015, distributing the amounts available on the immediately preceding June 1 under the accounts established in section 477A.37, subdivisions 2 and 3.~~ On or before September 1 of each year, the commissioner of revenue must certify the amount to be paid to each tier I city and county in that year. By July 15, 2024, and annually thereafter, the commissioner of management and budget must certify to the commissioner of revenue the balances in the accounts established in section 477A.37, subdivisions 2 and 3, as of the immediately preceding June 1. The commissioner of revenue must pay the full amount of aid on October 1 annually.

(b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later than December 1 of each year, to the Minnesota Housing Finance Agency. The report must include documentation of the location of any unspent funds distributed under this section and of qualifying projects completed or planned with funds under this section. If a tier I city or county fails to submit a report, if a tier I city or county fails to spend funds within the timeline imposed under subdivision 5, paragraph (b), or if a tier I city or county uses funds for a project that does not qualify under this section, the Minnesota Housing Finance Agency shall notify the Department of Revenue and the cities and counties that must repay funds under paragraph (c) by February 15 of the following year.

(c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a tier I city or county must pay to the Minnesota Housing Finance Agency funds the city or county received under this section if the city or county:



(1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);

(2) spends the funds on anything other than a qualifying project; or

(3) fails to submit a report documenting use of the funds.

(d) The commissioner of revenue must stop distributing funds to a tier I city or county that, in three consecutive years, the Minnesota Housing Finance Agency has reported, pursuant to paragraph (b), to have failed to use funds, misused funds, or failed to report on its use of funds.

(e) The commissioner may resume distributing funds to a tier I city or county to which the commissioner has stopped payments in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project.

(f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph (c) must be deposited in the housing development fund. Funds deposited under this paragraph are appropriated to the commissioner of the Minnesota Housing Finance Agency for use on the family homeless prevention and assistance program under section 462A.204, the economic development and housing challenge program under section 462A.33, and the workforce and affordable homeownership development program under section 462A.38.

**EFFECTIVE DATE.** This section is effective for aids payable in 2024 and thereafter.

## ARTICLE 11

### DEPARTMENT OF REVENUE; MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 270C.445, subdivision 6, is amended to read:

**Subd. 6. Enforcement; administrative order; penalties; cease and desist.** (a) The commissioner may impose an administrative penalty of not more than \$1,000 per violation of subdivision 3 or 5, or section 270C.4451, provided that a penalty may not be imposed for any conduct for which a tax preparer penalty is imposed under section 289A.60, subdivision 13. The commissioner may terminate a tax preparer's authority to transmit returns electronically to the state, if the commissioner determines the tax preparer engaged in a pattern and practice of violating this section. Imposition of a penalty under this paragraph is subject to the contested case procedure under chapter 14. The commissioner shall collect the penalty in the same manner as the income tax. There is no right to make a claim for refund under section 289A.50 of the penalty imposed under this paragraph. Penalties imposed under this paragraph are public data.

148.1 (b) In addition to the penalty under paragraph (a), if the commissioner determines that  
148.2 a tax preparer has violated subdivision 3 or 5, or section 270C.4451, the commissioner may  
148.3 issue an administrative order to the tax preparer requiring the tax preparer to cease and  
148.4 desist from committing the violation. The administrative order may include an administrative  
148.5 penalty provided in paragraph (a).

148.6 (c) If the commissioner issues an administrative order under paragraph (b), the  
148.7 commissioner must send the order to the tax preparer addressed to the last known address  
148.8 of the tax preparer.

148.9 (d) A cease and desist order under paragraph (b) must:

148.10 (1) describe the act, conduct, or practice committed and include a reference to the law  
148.11 that the act, conduct, or practice violates; and

148.12 (2) provide notice that the tax preparer may request a hearing as provided in this  
148.13 subdivision.

148.14 (e) Within 30 days after the commissioner issues an administrative order under paragraph  
148.15 (b), the tax preparer may request a hearing to review the commissioner's action. The request  
148.16 for hearing must be made in writing and must be served on the commissioner at the address  
148.17 specified in the order. The hearing request must specifically state the reasons for seeking  
148.18 review of the order. The date on which a request for hearing is served by mail is the postmark  
148.19 date on the envelope in which the request for hearing is mailed.

148.20 (f) If a tax preparer does not timely request a hearing regarding an administrative order  
148.21 issued under paragraph (b), the order becomes a final order of the commissioner and is not  
148.22 subject to review by any court or agency.

148.23 (g) If a tax preparer timely requests a hearing regarding an administrative order issued  
148.24 under paragraph (b), the hearing must be commenced by the issuance of a notice of and  
148.25 order for hearing by the commissioner within ~~ten~~ 30 days after the commissioner receives  
148.26 the request for a hearing.

148.27 (h) A hearing timely requested under paragraph (e) is subject to the contested case  
148.28 procedure under chapter 14, as modified by this subdivision. The administrative law judge  
148.29 must issue a report containing findings of fact, conclusions of law, and a recommended  
148.30 order within ~~ten~~ 30 days after the completion of the hearing, the receipt of late-filed exhibits,  
148.31 or the submission of written arguments, whichever is later.

148.32 (i) Within ~~five~~ 15 days of the date of the administrative law judge's report issued under  
148.33 paragraph (h), any party aggrieved by the administrative law judge's report may submit

149.1 written exceptions and arguments to the commissioner. Within ~~15~~ 45 days after receiving  
149.2 the administrative law judge's report, the commissioner must issue an order vacating,  
149.3 modifying, or making final the administrative order.

149.4 (j) The commissioner and the tax preparer requesting a hearing may by agreement  
149.5 lengthen any time periods prescribed in paragraphs (g) to (i).

149.6 (k) An administrative order issued under paragraph (b) is in effect until it is modified  
149.7 or vacated by the commissioner or an appellate court. The administrative hearing provided  
149.8 by paragraphs (e) to (i) and any appellate judicial review as provided in chapter 14 constitute  
149.9 the exclusive remedy for a tax preparer aggrieved by the order.

149.10 (l) The commissioner may impose an administrative penalty, in addition to the penalty  
149.11 under paragraph (a), up to \$5,000 per violation of a cease and desist order issued under  
149.12 paragraph (b). Imposition of a penalty under this paragraph is subject to the contested case  
149.13 procedure under chapter 14. Within 30 days after the commissioner imposes a penalty under  
149.14 this paragraph, the tax preparer assessed the penalty may request a hearing to review the  
149.15 penalty order. The request for hearing must be made in writing and must be served on the  
149.16 commissioner at the address specified in the order. The hearing request must specifically  
149.17 state the reasons for seeking review of the order. The cease and desist order issued under  
149.18 paragraph (b) is not subject to review in a proceeding to challenge the penalty order under  
149.19 this paragraph. The date on which a request for hearing is served by mail is the postmark  
149.20 date on the envelope in which the request for hearing is mailed. If the tax preparer does not  
149.21 timely request a hearing, the penalty order becomes a final order of the commissioner and  
149.22 is not subject to review by any court or agency. A penalty imposed by the commissioner  
149.23 under this paragraph may be collected and enforced by the commissioner as an income tax  
149.24 liability. There is no right to make a claim for refund under section 289A.50 of the penalty  
149.25 imposed under this paragraph. A penalty imposed under this paragraph is public data.

149.26 (m) If a tax preparer violates a cease and desist order issued under paragraph (b), the  
149.27 commissioner may terminate the tax preparer's authority to transmit returns electronically  
149.28 to the state. Termination under this paragraph is public data.

149.29 (n) A cease and desist order issued under paragraph (b) is public data when it is a final  
149.30 order.

149.31 (o) Notwithstanding any other law, the commissioner may impose a penalty or take other  
149.32 action under this subdivision against a tax preparer, with respect to a return, within the  
149.33 period to assess tax on that return as provided by sections 289A.38 to 289A.382.

(p) Notwithstanding any other law, the imposition of a penalty or any other action against a tax preparer under this subdivision, other than with respect to a return, must be taken by the commissioner within five years of the violation of statute.

**EFFECTIVE DATE.** This section is effective for penalties assessed and orders issued after the day following final enactment.

Sec. 2. Minnesota Statutes 2022, section 289A.12, subdivision 18, is amended to read:

Subd. 18. ~~Returns~~ **Return by qualified heirs.** A qualified heir, as defined in section 291.03, subdivision 8, paragraph (c), must file ~~two returns~~ a return with the commissioner attesting that no disposition or cessation as provided by section 291.03, subdivision 11, paragraph (a), occurred. ~~The first return must be filed no earlier than 24 months and no later than 26 months after the decedent's death.~~ The second return must be filed no earlier than 36 months and no later than 39 months after the decedent's death.

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

Sec. 3. Minnesota Statutes 2023 Supplement, section 297E.06, subdivision 4, is amended to read:

Subd. 4. ~~Annual audit, and certified inventory, and cash count.~~ (a) An organization licensed under chapter 349 with gross receipts from lawful gambling of more than \$750,000 in any year must have an annual financial audit of its lawful gambling activities and funds for that year. For the purposes of this subdivision, "gross receipts" does not include a licensed organization's receipts from electronic pull-tabs regulated under chapter 349 provided the electronic pull-tab manufacturer has completed an annual system and organization controls audit, containing standards that must incorporate and be consistent with standards prescribed by the American Institute of Certified Public Accountants.

(b) The commissioner may require a financial audit of the lawful gambling activities and funds of an organization licensed under chapter 349, with gross receipts less than \$750,000 annually, when an organization has:

(1) failed to timely file required gambling tax returns;

(2) failed to timely pay the gambling tax or regulatory fee;

(3) filed fraudulent gambling tax returns;

(4) failed to take corrective actions required by the commissioner; or

(5) failed to otherwise comply with this chapter.

151.1 (c) Audits under this subdivision must be performed by an independent accountant firm  
151.2 licensed in accordance with chapter 326A.

151.3 (d) An organization licensed under chapter 349 must perform an annual certified inventory  
151.4 ~~and cash count report~~ report at the end of its fiscal year and submit the report to the commissioner  
151.5 within 30 days after the end of its fiscal year. The report shall be on a form prescribed by  
151.6 the commissioner.

151.7 (e) The commissioner of revenue shall prescribe standards for the audits, and certified  
151.8 inventory, ~~and cash count reports~~ report required under this subdivision. The standards may  
151.9 vary based on the gross receipts of the organization. The standards must incorporate and  
151.10 be consistent with standards prescribed by the American Institute of Certified Public  
151.11 Accountants. A complete, true, and correct copy of the audits, and certified inventory, ~~and~~  
151.12 ~~cash count~~ report must be filed as prescribed by the commissioner.

151.13 **EFFECTIVE DATE.** This section is effective July 1, 2024.

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

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

151.24 (b) This subdivision expires January 1, ~~2025~~ 2031, for taxable years beginning after and  
151.25 premiums received after December 31, ~~2024~~ 2030.

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

151.27 Sec. 5. Laws 2023, chapter 1, section 28, is amended to read:

151.28 **Sec. 28. EXTENSION OF STATUTE OF LIMITATIONS.**

151.29 (a) Notwithstanding any law to the contrary, a taxpayer whose tax liability changes as  
151.30 a result of this act may file an amended return by December 31, 2023. The commissioner  
151.31 may review and assess the return of a taxpayer covered by this provision for the later of:



152.1 (1) the periods under Minnesota Statutes, sections 289A.38; ~~289.39~~ 289A.39, subdivision  
152.2 3; and 289A.40; or

152.3 (2) one year from the time the amended return is filed as a result of a change in tax  
152.4 liability under this section.

152.5 (b) Interest on any additional liabilities as a result of any provision in this act accrue  
152.6 beginning on January 1, 2024.

152.7 **EFFECTIVE DATE.** This section is effective retroactively at the same time the changes  
152.8 incorporated in Laws 2023, chapter 1, were effective for federal purposes."

152.9 Delete the title and insert:

152.10 "A bill for an act

152.11 relating to taxation; modifying individual income taxes, corporate franchise taxes,  
152.12 property taxes, local government aids, minerals taxes, sales and use taxes, gross  
152.13 receipts taxes, excise taxes, and other tax-related provisions; modifying and  
152.14 establishing income tax credits and subtractions; expanding the child tax credit  
152.15 and providing for a minimum credit; providing for nonconformity to certain worker  
152.16 classification rules; providing for an online political contribution refund system;  
152.17 modifying property tax exemptions, classifications, and abatements; adjusting  
152.18 local government aid calculations and payments and forgiving local government  
152.19 aid penalties; providing for transfers and distributions of proceeds of minerals  
152.20 taxes; providing for issuance of revenue bonds; modifying sales and use tax  
152.21 exemptions; providing sales and use tax construction materials exemptions;  
152.22 repealing the tax on illegal marijuana and controlled substances; providing special  
152.23 tax increment financing authority; authorizing cities and counties to impose local  
152.24 sales and use taxes for certain projects; providing for taxpayer assistance and  
152.25 outreach grants; providing aid for various uses; providing for certain policy and  
152.26 technical modifications; requiring reports; transferring money; appropriating  
152.27 money; amending Minnesota Statutes 2022, sections 10A.02, subdivision 11b;  
152.28 10A.322, subdivision 4; 116U.27, subdivision 2; 123B.53, subdivision 1; 123B.71,  
152.29 subdivision 8; 270C.21; 270C.33, by adding a subdivision; 270C.445, subdivision  
152.30 6; 272.01, subdivision 2; 272.02, subdivision 19, by adding subdivisions; 273.13,  
152.31 subdivisions 22, 23; 273.135, subdivision 2; 273.38; 273.41; 275.065, by adding  
152.32 a subdivision; 276.04, by adding a subdivision; 276A.01, subdivision 17; 276A.06,  
152.33 subdivision 8; 289A.08, subdivision 1; 289A.12, subdivision 18; 290.0132, by  
152.34 adding subdivisions; 290.0686; 295.53, subdivision 4a; 297A.68, subdivision 42;  
152.35 297A.70, subdivision 19; 297A.75, subdivision 1, as amended; 297A.99,  
152.36 subdivision 3; 297F.01, subdivisions 10b, 19; 297I.20, subdivision 4; 298.17;  
152.37 298.2215, subdivision 1; 298.28, subdivision 8; 298.282, subdivision 1; 298.292,  
152.38 subdivision 2; 375.192, subdivision 2; 446A.086, subdivision 1; 469.104; 469.1812,  
152.39 by adding a subdivision; 469.1813, subdivisions 1, 6, by adding a subdivision;  
152.40 474A.091, subdivisions 2, 2a; 609.902, subdivision 4; Minnesota Statutes 2023  
152.41 Supplement, sections 123B.71, subdivision 12; 126C.40, subdivision 6; 273.128,  
152.42 subdivision 1; 290.01, subdivisions 19, 31; 290.0132, subdivisions 4, 26, 34;  
152.43 290.0134, subdivision 20; 290.06, subdivision 23; 290.0661, subdivisions 7, 8, by  
152.44 adding a subdivision; 290.0674, subdivision 1a; 290.0693, subdivisions 1, 6, 8;  
152.45 290.0695, subdivisions 1, 2, 3; 290.091, subdivision 2; 290A.03, subdivision 3;  
152.46 297A.67, subdivision 40; 297A.99, subdivision 1; 297E.06, subdivision 4; 297H.13,  
152.47 subdivision 2; 298.018, subdivision 1; 298.28, subdivisions 7a, 16; 477A.015;  
152.48 477A.35, subdivisions 2, 4, 5, 6, by adding a subdivision; 477A.40, subdivisions  
152.49 4, 5; Laws 2010, chapter 389, article 7, section 22, as amended; Laws 2014, chapter  
152.50 308, article 6, section 9, as amended; Laws 2017, First Special Session chapter 1,



153.1 article 6, section 22; Laws 2023, chapter 1, sections 22; 28; Laws 2023, chapter  
153.2 64, article 4, section 27, by adding a subdivision; article 5, section 25, subdivision  
153.3 1; proposing coding for new law in Minnesota Statutes, chapters 270C; 290; 297A;  
153.4 repealing Minnesota Statutes 2022, sections 13.4967, subdivision 5; 297D.02;  
153.5 297D.03; 297D.05; 297D.09, subdivisions 1, 2; 297D.12; 297D.13; Minnesota  
153.6 Statutes 2023 Supplement, sections 297A.99, subdivision 3a; 297D.01; 297D.04;  
153.7 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10;  
153.8 297D.11; 477A.35, subdivision 1; Laws 2023, chapter 64, article 15, section 24."