

1.1 Senator moves to amend S.F. No. 47 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2024, section 136A.121, is amended by adding a subdivision
1.4 to read:

1.5 Subd. 12b. **State grant participation fee compliance.** To be eligible for student aid
1.6 under this section, an eligible institution must pay any fees required under section 136A.1212.

1.7 Sec. 2. Minnesota Statutes 2024, section 136A.121, is amended by adding a subdivision
1.8 to read:

1.9 Subd. 22. **Higher education assets growth account.** The higher education assets growth
1.10 account is created in the special revenue fund in the state treasury. Unless otherwise
1.11 appropriated, money in the account is appropriated to the commissioner for the state grant
1.12 program under this section. Earnings, such as interest, dividends, and any other earnings
1.13 arising from the assets of the account, are credited to the account. Money remaining in the
1.14 account at the end of a fiscal year is not canceled to the general fund but remains available
1.15 until expended.

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

1.17 Sec. 3. **[136A.1212] STATE GRANT PROGRAM PARTICIPATION FEE BASED**
1.18 **ON ASSETS GROWTH OF COLLEGES AND UNIVERSITIES.**

1.19 Subdivision 1. **Participation fee.** (a) To be eligible to receive student aid under section
1.20 136A.121, an applicable educational institution must pay a fee equal to a percentage of the
1.21 asset growth of the applicable educational institution, calculated according to the percentages
1.22 listed in subdivision 2.

1.23 (b) An eligible institution must pay the fee required by this section by May 30 to receive
1.24 student aid under section 136A.121 in the next academic year.

1.25 Subd. 2. **Calculation of fee.** The fee required under subdivision 1 is calculated as follows:

1.26 (1) for per student assets over \$74,999 but not over \$150,000, 15 percent of asset growth;

1.27 (2) for per student assets over \$150,000 but not over \$250,000, 20 percent of asset
1.28 growth; and

1.29 (3) for per student assets over \$250,000, 25 percent of asset growth.

2.1 Subd. 3. **Definitions.** (a) For purposes of this subdivision, the following terms have the
2.2 meanings given.

2.3 (b) "Applicable educational institution" means an eligible institution under section
2.4 136A.103:

2.5 (1) with total assets at any time during a taxable year in excess of \$100,000,000;

2.6 (2) having at least 500 tuition-paying students during the preceding taxable year; and

2.7 (3) having more than 50 percent of tuition-paying students located in Minnesota.

2.8 (c) "Asset growth" means the positive difference between the value of assets at the close
2.9 of the current taxable year and the value of assets at the close of the immediately preceding
2.10 taxable year.

2.11 (d) "Assets" means assets not used directly in carrying out an applicable educational
2.12 institution's exempt purpose, as provided by Code of Federal Regulations, title 26, section
2.13 4968-1(b)(5)(2020).

2.14 (e) "Per student assets" means the value of an applicable educational institution's assets
2.15 at the close of the current taxable year divided by the number of tuition-paying students at
2.16 the close of the current taxable year.

2.17 (f) "Related organization" has the meaning given in section 4968(d)(2) of the Internal
2.18 Revenue Code.

2.19 Subd. 4. **Other provisions apply.** Assets of related organizations of eligible institutions
2.20 are treated as assets of the eligible institution, except that unless the related organization is
2.21 controlled by the eligible institution or is an organization described in section 509(a)(3) of
2.22 the Internal Revenue Code, assets not intended or available for use or benefit of the eligible
2.23 institution are excluded from the calculation of per student endowment growth differential.

2.24 Subd. 5. **Payment of fee.** An applicable educational institution must report the fee on a
2.25 form prescribed by the commissioner and must remit the fee in a form and manner prescribed
2.26 by the commissioner.

2.27 Subd. 6. **Deposit of revenues; account established.** The commissioner must deposit
2.28 the revenues, including penalties and interest, minus any refunds, derived from the fee
2.29 imposed by this section in the higher education endowment growth account in the special
2.30 revenue fund.

2.31 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
2.32 31, 2025, and for student financial aid for the 2026-2027 academic year."

3.1 Amend the title accordingly