

1.1 moves to amend H.F. No. 3669 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 FEDERAL CONFORMITY

1.5 Section 1. Minnesota Statutes 2020, section 289A.02, subdivision 7, is amended to read:

1.6 Subd. 7. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal
1.7 Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December~~
1.8 ~~31, 2018~~ November 15, 2021.

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

1.12 Sec. 2. Minnesota Statutes 2021 Supplement, section 289A.08, subdivision 7, is amended
1.13 to read:

1.14 Subd. 7. **Composite income tax returns for nonresident partners, shareholders, and**
1.15 **beneficiaries.** (a) The commissioner may allow a partnership with nonresident partners to
1.16 file a composite return and to pay the tax on behalf of nonresident partners who have no
1.17 other Minnesota source income. This composite return must include the names, addresses,
1.18 Social Security numbers, income allocation, and tax liability for the nonresident partners
1.19 electing to be covered by the composite return.

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

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

2.5 (d) The electing partner must not have any Minnesota source income other than the
2.6 income from the partnership, other electing partnerships, and other qualifying entities
2.7 electing to file and pay the pass-through entity tax under subdivision 7a. If it is determined
2.8 that the electing partner has other Minnesota source income, the inclusion of the income
2.9 and tax liability for that partner under this provision will not constitute a return to satisfy
2.10 the requirements of subdivision 1. The tax paid for the individual as part of the composite
2.11 return is allowed as a payment of the tax by the individual on the date on which the composite
2.12 return payment was made. If the electing nonresident partner has no other Minnesota source
2.13 income, filing of the composite return is a return for purposes of subdivision 1.

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

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

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

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

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

2.33 (j) For the purposes of this subdivision, "income" means the partner's share of federal
2.34 adjusted gross income from the partnership modified by the additions provided in section

3.1 290.0131, subdivisions 8 to 10, 16, ~~and 17,~~ and 19, and the subtractions provided in: (1)
3.2 section 290.0132, subdivisions 9, 27, and 28, to the extent the amount is assignable or
3.3 allocable to Minnesota under section 290.17; and (2) section 290.0132, ~~subdivision~~
3.4 subdivisions 14 and 31. The subtraction allowed under section 290.0132, subdivision 9, is
3.5 only allowed on the composite tax computation to the extent the electing partner would
3.6 have been allowed the subtraction.

3.7 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
3.8 31, 2021.

3.9 Sec. 3. Minnesota Statutes 2021 Supplement, section 290.01, subdivision 19, is amended
3.10 to read:

3.11 Subd. 19. **Net income.** (a) For a trust or estate taxable under section 290.03, and a
3.12 corporation taxable under section 290.02, the term "net income" means the federal taxable
3.13 income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through
3.14 the date named in this subdivision, incorporating the federal effective dates of changes to
3.15 the Internal Revenue Code and any elections made by the taxpayer in accordance with the
3.16 Internal Revenue Code in determining federal taxable income for federal income tax
3.17 purposes, and with the modifications provided in sections 290.0131 to 290.0136.

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

3.20 (c) In the case of a regulated investment company or a fund thereof, as defined in section
3.21 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment
3.22 company taxable income as defined in section 852(b)(2) of the Internal Revenue Code,
3.23 except that:

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

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

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

4.1 (d) The net income of a real estate investment trust as defined and limited by section
4.2 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust
4.3 taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

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

4.7 (f) The Internal Revenue Code of 1986, as amended through ~~December 31, 2018~~
4.8 November 15, 2021, applies for taxable years beginning after December 31, 1996, ~~except~~
4.9 ~~the sections of federal law in section 290.0111 shall also apply.~~

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

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

4.16 Sec. 4. Minnesota Statutes 2021 Supplement, section 290.01, subdivision 31, is amended
4.17 to read:

4.18 Subd. 31. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal
4.19 Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December~~
4.20 ~~31, 2018, except the sections of federal law in section 290.0111 shall also apply~~ November
4.21 15, 2021. Internal Revenue Code also includes any uncodified provision in federal law that
4.22 relates to provisions of the Internal Revenue Code that are incorporated into Minnesota law.

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

4.26 Sec. 5. Minnesota Statutes 2020, section 290.0131, is amended by adding a subdivision
4.27 to read:

4.28 Subd. 19. **Meal expenses.** The amount of meal expenses in excess of the 50 percent
4.29 limitation under section 274(n)(1) of the Internal Revenue Code allowed under subsection
4.30 (n), paragraph (2), subparagraph (D), of that section is an addition.

4.31 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
4.32 31, 2021.

5.1 Sec. 6. Minnesota Statutes 2020, section 290.0132, subdivision 18, is amended to read:

5.2 Subd. 18. **Net operating losses.** (a) The amount of the net operating loss allowed under
5.3 section 290.095, subdivision 11, paragraph (c), is a subtraction.

5.4 (b) The unused portion of a net operating loss carryover under section 290.095,
5.5 subdivision 11, paragraph (d), is a subtraction. The subtraction is the lesser of:

5.6 (1) the amount carried into the taxable year minus any subtraction made under this
5.7 section for prior taxable years; or

5.8 (2) 80 percent of Minnesota taxable net income in a single taxable year and determined
5.9 without regard to this subtraction.

5.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
5.11 31, 2021.

5.12 Sec. 7. Minnesota Statutes 2020, section 290.0132, is amended by adding a subdivision
5.13 to read:

5.14 Subd. 31. **Delayed business interest.** (a) For each of the five taxable years beginning
5.15 after December 31, 2021, there is allowed a subtraction equal to one-fifth of the adjustment
5.16 amount, to the extent not already deducted, for the exclusion under section 290.993,
5.17 subdivision 2, paragraph (c), clause (11), due to the Coronavirus Aid, Relief and Economic
5.18 Security Act, Public Law 116-136, section 2306.

5.19 (b) This subdivision expires for taxable years beginning after December 31, 2026.

5.20 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
5.21 31, 2021.

5.22 Sec. 8. Minnesota Statutes 2020, section 290.0133, is amended by adding a subdivision
5.23 to read:

5.24 Subd. 15. **Meal expenses.** The amount of meal expenses in excess of the 50 percent
5.25 limitation under section 274(n)(1) of the Internal Revenue Code allowed under section
5.26 274(n)(2)(D) of the Internal Revenue Code is an addition.

5.27 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
5.28 31, 2021.

6.1 Sec. 9. Minnesota Statutes 2020, section 290.0134, is amended by adding a subdivision
6.2 to read:

6.3 Subd. 20. **Delayed business interest.** (a) For each of the five taxable years beginning
6.4 after December 31, 2021, there is allowed a subtraction equal to one-fifth of the adjustment
6.5 amount, to the extent not already deducted, for the exclusion under section 290.993,
6.6 subdivision 2, paragraph (c), clause (11), due to the Coronavirus Aid, Relief and Economic
6.7 Security Act, Public Law 116-136, section 2306.

6.8 (b) This subdivision expires for taxable years beginning after December 31, 2026.

6.9 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
6.10 31, 2021.

6.11 Sec. 10. Minnesota Statutes 2021 Supplement, section 290.06, subdivision 2c, is amended
6.12 to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7.21 (i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, ~~and~~
7.22 17, and 19, and 290.0137, paragraph (a); and reduced by

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

7.27 (2) the denominator is the individual's federal adjusted gross income as defined in section
7.28 62 of the Internal Revenue Code, increased by:

7.29 (i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, ~~and~~
7.30 17, and 19, and 290.0137, paragraph (a); and reduced by

7.31 (ii) the subtractions under sections 290.0132, subdivisions 2, 9, 10, 14, 15, 17, 18, ~~and~~
7.32 27, and 31, and 290.0137, paragraph (c).

8.1 (f) If an individual who is not a Minnesota resident for the entire year is a qualifying
8.2 owner of a qualifying entity that elects to pay tax as provided in section 289A.08, subdivision
8.3 7a, paragraph (b), the individual must compute the individual's Minnesota income tax as
8.4 provided in paragraph (e), and also must include, to the extent attributed to the electing
8.5 qualifying entity:

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

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

8.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
8.11 31, 2021.

8.12 Sec. 11. Minnesota Statutes 2020, section 290.091, subdivision 2, is amended to read:

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

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

8.17 (1) the taxpayer's federal alternative minimum taxable income as defined in section
8.18 55(b)(2) of the Internal Revenue Code;

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

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

8.22 (ii) the medical expense deduction;

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

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

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

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

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

9.6 (6) the amount of addition required by section 290.0131, subdivisions 9, 10, ~~and 16,~~ and
 9.7 19;

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

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

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

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

9.15 (ii) an overpayment of state income tax as provided by section 290.0132, subdivision
 9.16 3, to the extent included in federal alternative minimum taxable income;

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

9.21 (iv) amounts subtracted from federal taxable or adjusted gross income as provided by
 9.22 section 290.0132, subdivisions 7, 9 to 15, 17, 21, 24, and 26 to ~~29~~ 33;

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

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

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

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

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

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

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

10.7 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
10.8 31, 2021.

10.9 Sec. 12. Minnesota Statutes 2020, section 290.095, subdivision 11, is amended to read:

10.10 Subd. 11. **Carryback or carryover adjustments.** (a) Except as provided in paragraph
10.11 (c), for individuals, estates, and trusts the amount of a net operating loss that may be carried
10.12 back or carried over shall be the same dollar amount allowable in the determination of
10.13 federal taxable income, provided that, notwithstanding any other provision, estates and
10.14 trusts must apply the following adjustments to the amount of the net operating loss that may
10.15 be carried back or carried over:

10.16 (1) Nonassignable income or losses as required by section 290.17.

10.17 (2) Deductions not allocable to Minnesota under section 290.17.

10.18 (b) The net operating loss carryback or carryover applied as a deduction in the taxable
10.19 year to which the net operating loss is carried back or carried over shall be equal to the net
10.20 operating loss carryback or carryover applied in the taxable year in arriving at federal taxable
10.21 income provided that trusts and estates must apply the following modifications:

10.22 (1) Increase the amount of carryback or carryover applied in the taxable year by the
10.23 amount of losses and interest, taxes and other expenses not assignable or allowable to
10.24 Minnesota incurred in the taxable year.

10.25 (2) Decrease the amount of carryback or carryover applied in the taxable year by the
10.26 amount of income not assignable to Minnesota earned in the taxable year. For estates and
10.27 trusts, the net operating loss carryback or carryover to the next consecutive taxable year
10.28 shall be the net operating loss carryback or carryover as calculated in clause (b) less the
10.29 amount applied in the earlier taxable year(s). No additional net operating loss carryback or
10.30 carryover shall be allowed to estates and trusts if the entire amount has been used to offset
10.31 Minnesota income in a year earlier than was possible on the federal return. However, if a
10.32 net operating loss carryback or carryover was allowed to offset federal income in a year

11.1 earlier than was possible on the Minnesota return, an estate or trust shall still be allowed to
11.2 offset Minnesota income but only if the loss was assignable to Minnesota in the year the
11.3 loss occurred.

11.4 (c) This paragraph does not apply to eligible small businesses that make a valid election
11.5 to carry back their losses for federal purposes under section 172(b)(1)(H) of the Internal
11.6 Revenue Code as amended through March 31, 2009.

11.7 (1) A net operating loss of an individual, estate, or trust that is allowed under this
11.8 subdivision and for which the taxpayer elects to carry back for more than two years under
11.9 section 172(b)(1)(H) of the Internal Revenue Code is a net operating loss carryback to each
11.10 of the two taxable years preceding the loss, and unused portions may be carried forward for
11.11 20 taxable years after the loss.

11.12 (2) The entire amount of the net operating loss for any taxable year must be carried to
11.13 the earliest of the taxable years to which the loss may be carried. The portion of the loss
11.14 which may be carried to each of the other taxable years is the excess, if any, of the amount
11.15 of the loss over the greater of the taxable net income or alternative minimum taxable income
11.16 for each of the taxable years to which the loss may be carried.

11.17 (d) For net operating loss carryovers or carrybacks arising in taxable years beginning
11.18 after December 31, 2017, and before December 31, 2021, a net operating loss carryover or
11.19 carryback is allowed as provided in the Internal Revenue Code as amended through December
11.20 31, 2018, as follows:

11.21 (1) the entire amount of the net operating loss, to the extent not already deducted, must
11.22 be carried to the earliest taxable year and any unused portion may be carried forward for
11.23 20 taxable years after the loss; and

11.24 (2) the portion of the loss which may be carried to each of the other taxable years is the
11.25 excess, if any, of the amount of the loss over the greater of the taxable net income or
11.26 alternative minimum taxable income for each of the taxable years to which the loss may be
11.27 carried.

11.28 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
11.29 after December 31, 2017.

12.1 Sec. 13. Minnesota Statutes 2021 Supplement, section 290.993, is amended to read:

12.2 **290.993 SPECIAL LIMITED ADJUSTMENT.**

12.3 Subdivision 1. Tax year 2018. (a) For an individual, estate, or trust, or a partnership
12.4 that elects to file a composite return under section 289A.08, subdivision 7, for taxable years
12.5 beginning after December 31, 2017, and before January 1, 2019, the following special rules
12.6 apply:

12.7 (1) an individual income taxpayer may: (i) take the standard deduction; or (ii) make an
12.8 election under section 63(e) of the Internal Revenue Code to itemize, for Minnesota individual
12.9 income tax purposes, regardless of the choice made on their federal return; and

12.10 (2) there is an adjustment to tax equal to the difference between the tax calculated under
12.11 this chapter using the Internal Revenue Code as amended through December 16, 2016, and
12.12 the tax calculated under this chapter using the Internal Revenue Code amended through
12.13 December 31, 2018, before the application of credits. The end result must be zero additional
12.14 tax due or refund.

12.15 (b) The adjustment in ~~paragraph (a), clause (2),~~ this subdivision does not apply to any
12.16 changes due to sections 11012, 13101, 13201, 13202, 13203, 13204, 13205, 13207, 13301,
12.17 13302, 13303, 13313, 13502, 13503, 13801, 14101, 14102, 14211 through 14215, and
12.18 14501 of Public Law 115-97; and section 40411 of Public Law 115-123.

12.19 Subd. 2. Tax years prior to 2022. (a) For all taxpayers, including an entity that elects
12.20 to file a composite return under section 289A.08, subdivision 7, and an entity that elects to
12.21 pay the pass-through entity tax under section 289A.08, subdivision 7a, for taxable years
12.22 beginning after December 31, 2016, and before January 1, 2022, the provisions in this
12.23 subdivision apply.

12.24 (b) There is an adjustment to tax equal to the difference between the amount calculated
12.25 and reported under this chapter incorporating the Internal Revenue Code as amended through
12.26 Laws 2021, First Special Session chapter 14, and the amount calculated under this chapter
12.27 incorporating the Internal Revenue Code as amended through November 15, 2021. For
12.28 taxable years beginning before January 1, 2022, the end result of incorporating the Internal
12.29 Revenue Code as amended through November 15, 2021, must be zero additional tax due
12.30 or refund, except as provided in paragraph (c).

12.31 (c) The adjustment does not apply to changes due to:

12.32 (1) any provisions of federal law adopted under Laws 2021, First Special Session chapter
12.33 14, article 1, section 6;

13.1 (2) the Taxpayer Certainty and Disaster Relief Act of 2020, Public Law 116-260, section
 13.2 114, exclusion of gross income of discharge of qualified principal residence indebtedness;

13.3 (3) the Taxpayer Certainty and Disaster Relief Act of 2020, Public Law 116-260, section
 13.4 304(b), special rules for disaster-related personal casualty losses;

13.5 (4) the COVID-related Tax Relief Act of 2020, Public Law 116-260, section 278,
 13.6 paragraphs (a) and (d), clarification of tax treatment of certain loan forgiveness and other
 13.7 business financial assistance;

13.8 (5) the American Rescue Plan Act, Public Law 117-2, section 9672, tax treatment of
 13.9 targeted EIDL advances;

13.10 (6) the American Rescue Plan Act, Public Law 117-2, section 9673, tax treatment of
 13.11 restaurant revitalization grants; and

13.12 (7) the American Rescue Plan Act, Public Law 117-2, section 9675, modification of
 13.13 treatment of student loan forgiveness.

13.14 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 13.15 before January 1, 2022.

13.16 Sec. 14. Minnesota Statutes 2020, section 290A.03, subdivision 15, is amended to read:

13.17 Subd. 15. **Internal Revenue Code.** "Internal Revenue Code" means the Internal Revenue
 13.18 Code of 1986, as amended through ~~December 31, 2018~~ November 15, 2021.

13.19 **EFFECTIVE DATE.** This section is effective for property tax refunds based on property
 13.20 taxes payable in 2023 and rent paid in 2022 and thereafter.

13.21 Sec. 15. Minnesota Statutes 2020, section 291.005, subdivision 1, is amended to read:

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

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

13.26 (2) "Federal gross estate" means the gross estate of a decedent as required to be valued
 13.27 and otherwise determined for federal estate tax purposes under the Internal Revenue Code,
 13.28 increased by the value of any property in which the decedent had a qualifying income interest
 13.29 for life and for which an election was made under section 291.03, subdivision 1d, for
 13.30 Minnesota estate tax purposes, but was not made for federal estate tax purposes.

14.1 (3) "Internal Revenue Code" means the United States Internal Revenue Code of 1986,
14.2 as amended through ~~December 31, 2018~~ November 15, 2021.

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

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

14.9 (6) "Personal representative" means the executor, administrator or other person appointed
14.10 by the court to administer and dispose of the property of the decedent. If there is no executor,
14.11 administrator or other person appointed, qualified, and acting within this state, then any
14.12 person in actual or constructive possession of any property having a situs in this state which
14.13 is included in the federal gross estate of the decedent shall be deemed to be a personal
14.14 representative to the extent of the property and the Minnesota estate tax due with respect
14.15 to the property.

14.16 (7) "Resident decedent" means an individual whose domicile at the time of death was
14.17 in Minnesota. The provisions of section 290.01, subdivision 7, paragraphs (c) and (d), apply
14.18 to determinations of domicile under this chapter.

14.19 (8) "Situs of property" means, with respect to:

14.20 (i) real property, the state or country in which it is located;

14.21 (ii) tangible personal property, the state or country in which it was normally kept or
14.22 located at the time of the decedent's death or for a gift of tangible personal property within
14.23 three years of death, the state or country in which it was normally kept or located when the
14.24 gift was executed;

14.25 (iii) a qualified work of art, as defined in section 2503(g)(2) of the Internal Revenue
14.26 Code, owned by a nonresident decedent and that is normally kept or located in this state
14.27 because it is on loan to an organization, qualifying as exempt from taxation under section
14.28 501(c)(3) of the Internal Revenue Code, that is located in Minnesota, the situs of the art is
14.29 deemed to be outside of Minnesota, notwithstanding the provisions of item (ii); and

14.30 (iv) intangible personal property, the state or country in which the decedent was domiciled
14.31 at death or for a gift of intangible personal property within three years of death, the state or
14.32 country in which the decedent was domiciled when the gift was executed.

15.1 For a nonresident decedent with an ownership interest in a pass-through entity with
 15.2 assets that include real or tangible personal property, situs of the real or tangible personal
 15.3 property, including qualified works of art, is determined as if the pass-through entity does
 15.4 not exist and the real or tangible personal property is personally owned by the decedent. If
 15.5 the pass-through entity is owned by a person or persons in addition to the decedent, ownership
 15.6 of the property is attributed to the decedent in proportion to the decedent's capital ownership
 15.7 share of the pass-through entity.

15.8 (9) "Pass-through entity" includes the following:

15.9 (i) an entity electing S corporation status under section 1362 of the Internal Revenue
 15.10 Code;

15.11 (ii) an entity taxed as a partnership under subchapter K of the Internal Revenue Code;

15.12 (iii) a single-member limited liability company or similar entity, regardless of whether
 15.13 it is taxed as an association or is disregarded for federal income tax purposes under Code
 15.14 of Federal Regulations, title 26, section 301.7701-3; or

15.15 (iv) a trust to the extent the property is includable in the decedent's federal gross estate;
 15.16 but excludes

15.17 (v) an entity whose ownership interest securities are traded on an exchange regulated
 15.18 by the Securities and Exchange Commission as a national securities exchange under section
 15.19 6 of the Securities Exchange Act, United States Code, title 15, section 78f.

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

15.23 Sec. 16. **NONCONFORMITY ADJUSTMENT.**

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

15.26 **(b) For an individual, estate, or trust:**

15.27 **(1) "subtraction" has the meaning given in Minnesota Statutes, section 290.0132,**
 15.28 **subdivision 1, and the rules in that subdivision apply for this section; and**

15.29 **(2) "addition" has the meaning given in Minnesota Statutes, section 290.0131, subdivision**
 15.30 **1, and the rules in that subdivision apply for this section.**

15.31 **(c) For a corporation other than an S corporation:**

16.1 (1) "subtraction" has the meaning given in Minnesota Statutes, section 290.0134,
16.2 subdivision 1, and the rules in that subdivision apply for this section; and

16.3 (2) "addition" has the meaning given in Minnesota Statutes, section 290.0133, subdivision
16.4 1, and the rules in that subdivision apply for this section.

16.5 (d) "Pass-through entity" means an entity that is not subject to the tax imposed under
16.6 section 290.02, including but not limited to S corporations, partnerships, estates, and trusts
16.7 other than grantor trusts.

16.8 (e) The definitions in Minnesota Statutes, section 290.01, apply for this section.

16.9 Subd. 2. **Calculation of nonconformity adjustment** A taxpayer's nonconformity
16.10 adjustment equals the difference between adjusted gross income, as defined under section
16.11 62 of the Internal Revenue Code for individuals, and federal taxable income as defined
16.12 under section 63 of the Internal Revenue Code for all other taxpayers incorporating the
16.13 Internal Revenue Code as amended through Laws 2021, First Special Session chapter 14,
16.14 and the amount calculated under this chapter incorporating the Internal Revenue Code as
16.15 amended through November 15, 2021, but does not include impacts to state tax credits. The
16.16 nonconformity adjustment is an addition or subtraction to net income but does not include
16.17 the following federal law changes:

16.18 (1) Taxpayer Certainty and Disaster Relief Act of 2019, Public Law 116-94, section
16.19 104, deduction of qualified tuition and related expenses;

16.20 (2) Taxpayer Certainty and Disaster Relief Act of 2019, Public Law 116-94, section
16.21 203, employee retention credit for employers affected by qualified disasters;

16.22 (3) Families First Coronavirus Response Act, Public Law 116-127, section 7001, payroll
16.23 credit for required paid sick leave;

16.24 (4) Families First Coronavirus Response Act, Public Law 116-127, section 7003, payroll
16.25 credit for required paid family leave;

16.26 (5) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section
16.27 2204, allowance of partial above the line deduction for charitable contributions;

16.28 (6) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section
16.29 2205(a), modification of limitations on charitable contributions during 2020;

16.30 (7) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section
16.31 2301, employee retention credit for employers subject to closure due to COVID-19;

- 17.1 (8) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section
17.2 2303, modifications for net operating losses;
- 17.3 (9) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section
17.4 2304, modification of limitation on losses for taxpayers other than corporations;
- 17.5 (10) Coronavirus Aid, Relief and Economic Security Act, Public Law 116-136, section
17.6 2306, limitation on business interest;
- 17.7 (11) Taxpayer Certainty and Disaster Relief Act of 2020, Public Law 116-260, section
17.8 207, extension and modification of employee retention and rehiring credit;
- 17.9 (12) Taxpayer Certainty and Disaster Relief Act of 2020, Public Law 116-260, section
17.10 210, temporary allowance of full deduction for business meals;
- 17.11 (13) Taxpayer Certainty and Disaster Relief Act of 2020, Public Law 116-260, section
17.12 212, certain charitable contributions by nonitemizers;
- 17.13 (14) Taxpayer Certainty and Disaster Relief Act of 2020, Public Law 116-260, section
17.14 213, modification of limitations on charitable contributions;
- 17.15 (15) Taxpayer Certainty and Disaster Relief Act of 2020, Public Law 116-260, section
17.16 303, employee retention credit for employers affected by qualified disasters;
- 17.17 (16) Taxpayer Certainty and Disaster Relief Act of 2020, Public Law 116-260, section
17.18 304(a), special rules for qualified disaster relief contributions;
- 17.19 (17) American Rescue Plan Act, Public Law 117-2, section 9501(b), preserving health
17.20 benefits for workers;
- 17.21 (18) American Rescue Plan Act, Public Law 117-2, section 9631, refundability and
17.22 enhancement of child and dependent care tax credit;
- 17.23 (19) American Rescue Plan Act, Public Law 117-2, section 9641, payroll sick and family
17.24 leave credits;
- 17.25 (20) American Rescue Plan Act, Public Law 117-2, section 9651, extension of employee
17.26 retention credit; and
- 17.27 (21) any changes excluded from the special limited adjustment under section 290.993,
17.28 subdivision 2, paragraph (c).
- 17.29 Subd. 3. **Timing of adjustment for pass-through entities.** Partners, shareholders, or
17.30 beneficiaries who file their returns on a calendar year basis, and who received an addition
17.31 or subtraction from a pass-through entity filing their return on a fiscal year basis, must make

18.1 the addition or subtraction under this section in the taxable year it is received as required
18.2 for federal income tax purposes.

18.3 Subd. 4. **Special limited adjustment addition; individuals, estates, and trusts.** For
18.4 an individual, estate, or trust, the amount of a nonconformity adjustment under subdivision
18.5 2 that increases net income for the taxable year is an addition.

18.6 Subd. 5. **Special limited adjustment subtraction; individuals, estates, and trusts.** For
18.7 an individual, estate, or trust, the amount of a nonconformity adjustment under subdivision
18.8 2 that decreases net income for the taxable year is a subtraction.

18.9 Subd. 6. **Special limited adjustment addition; C corporations.** For a corporation other
18.10 than an S corporation, the amount of a nonconformity adjustment under subdivision 2 that
18.11 increases net income for the taxable year is an addition.

18.12 Subd. 7. **Special limited adjustment subtraction; individuals, estates, and trusts.** For
18.13 a corporation other than an S corporation, the amount of a nonconformity adjustment under
18.14 subdivision 2 that decreases net income for the taxable year is a subtraction.

18.15 Subd. 8. **Nonresident apportionment; alternative minimum tax.** (a) The commissioner
18.16 of revenue must apply each of the subtractions and additions in this section when calculating
18.17 the following amounts:

18.18 (1) the percentage under Minnesota Statutes, section 290.06, subdivision 2c, paragraph
18.19 (e);

18.20 (2) a taxpayer's alternative minimum taxable income under Minnesota Statutes, section
18.21 290.091.

18.22 (b) The commissioner of revenue must consider each of the subtractions and additions
18.23 in this section when calculating "income" as defined in Minnesota Statutes, section 289A.08.

18.24 **EFFECTIVE DATE.** (a) Subdivisions 1 to 7 are effective for taxable years beginning
18.25 after December 31, 2021 and before January 1, 2023, except for a pass-through entity
18.26 covered by subdivision 3, subdivisions 1 to 7 are effective retroactively for the taxable years
18.27 the addition or subtraction is required in that subdivision.

18.28 (b) Subdivision 8 is effective retroactively for any taxable year in which a taxpayer had
18.29 an addition or a subtraction under this section.

18.30 Sec. 17. **REPEALER.**

18.31 Minnesota Statutes 2021 Supplement, section 290.0111, is repealed.

19.1 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
19.2 the changes incorporated by federal changes are effective retroactively at the same time as
19.3 the changes were effective for federal purposes.

19.4 ARTICLE 2

19.5 INDIVIDUAL INCOME AND CORPORATE FRANCHISE TAXES

19.6 Section 1. Minnesota Statutes 2020, section 41B.0391, subdivision 1, is amended to read:

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

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

19.11 (c) "Beginning farmer" means an individual, or a limited liability company owned by
19.12 an individual, who:

19.13 (1) is a resident of Minnesota;

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

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

19.16 (4) is not and whose spouse is not a family member of the owner of the agricultural
19.17 assets from whom the beginning farmer is seeking to purchase or rent agricultural assets;

19.18 (5) is not and whose spouse is not a family member of a partner, member, shareholder,
19.19 or trustee of the owner of agricultural assets from whom the beginning farmer is seeking to
19.20 purchase or rent agricultural assets; and

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

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

19.24 (ii) provides the majority of the day-to-day physical labor and management of the farm;

19.25 (iii) has, by the judgment of the authority, adequate farming experience or demonstrates
19.26 knowledge in the type of farming for which the beginning farmer seeks assistance from the
19.27 authority;

19.28 (iv) demonstrates to the authority a profit potential by submitting projected earnings
19.29 statements;

20.1 (v) asserts to the satisfaction of the authority that farming will be a significant source
20.2 of income for the beginning farmer;

20.3 (vi) is enrolled in or has completed within ten years of their first year of farming a
20.4 financial management program approved by the authority or the commissioner of agriculture;

20.5 (vii) agrees to notify the authority if the beginning farmer no longer meets the eligibility
20.6 requirements within the three-year certification period, in which case the beginning farmer
20.7 is no longer eligible for credits under this section; and

20.8 (viii) has other qualifications as specified by the authority.

20.9 The authority may waive the requirement in item (vi) if the participant requests a waiver
20.10 and has a four-year degree in an agricultural program or related field, reasonable agricultural
20.11 job-related experience, or certification as an adult farm management instructor.

20.12 (d) "Family member" means a family member within the meaning of the Internal Revenue
20.13 Code, section 267(c)(4).

20.14 (e) "Farm product" means plants and animals useful to humans and includes, but is not
20.15 limited to, forage and sod crops, oilseeds, grain and feed crops, dairy and dairy products,
20.16 poultry and poultry products, livestock, fruits, and vegetables.

20.17 (f) "Farming" means the active use, management, and operation of real and personal
20.18 property for the production of a farm product.

20.19 (g) "Limited liability company" means a family farm limited liability company, an
20.20 authorized farm limited liability company, or other limited liability company authorized to
20.21 engage in farming and own, acquire, or otherwise obtain an interest in agricultural land
20.22 under section 500.24.

20.23 ~~(g)~~ (h) "Owner of agricultural assets" means an individual, trust, or pass-through entity
20.24 that is the owner in fee of agricultural land or has legal title to any other agricultural asset.
20.25 Owner of agricultural assets does not mean an equipment dealer, livestock dealer defined
20.26 in section 17A.03, subdivision 7, or comparable entity that is engaged in the business of
20.27 selling agricultural assets for profit and that is not engaged in farming as its primary business
20.28 activity. An owner of agricultural assets approved and certified by the authority under
20.29 subdivision 4 must notify the authority if the owner no longer meets the definition in this
20.30 paragraph within the three year certification period and is then no longer eligible for credits
20.31 under this section.

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

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

21.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 21.6 31, 2021.

21.7 Sec. 2. Minnesota Statutes 2020, section 41B.0391, subdivision 2, is amended to read:

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

21.12 (1) five percent of the lesser of the sale price or the fair market value of the agricultural
 21.13 asset, up to a maximum of \$32,000;

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

21.16 (3) 15 percent of the cash equivalent of the gross rental income in each of the first,
 21.17 second, and third years of a share rent agreement, up to a maximum of \$10,000 per year.

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

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

21.25 (d) An owner of agricultural assets or beginning farmer may terminate a rental agreement,
 21.26 including a share rent agreement, for reasonable cause upon approval of the authority. If a
 21.27 rental agreement is terminated without the fault of the owner of agricultural assets, the tax
 21.28 credits shall not be retroactively disallowed. In determining reasonable cause, the authority
 21.29 must look at which party was at fault in the termination of the agreement. If the authority
 21.30 determines the owner of agricultural assets did not have reasonable cause, the owner of
 21.31 agricultural assets must repay all credits received as a result of the rental agreement to the
 21.32 commissioner of revenue. The repayment is additional income tax for the taxable year in

22.1 which the authority makes its decision or when a final adjudication under subdivision 5,
22.2 paragraph (a), is made, whichever is later.

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

22.7 (f) Notwithstanding subdivision 1, paragraph (c), for purposes of the credit for the sale
22.8 of an agricultural asset under paragraph (a), clause (1), the family member definitional
22.9 exclusions in subdivision 1, paragraph (c), clauses (4) and (5), do not apply.

22.10 (g) For a qualifying sale to a family member to qualify for the credit under paragraph
22.11 (a), clause (1), the sale price of the agricultural asset must equal or exceed the assessed
22.12 value of the asset as of the date of the sale. If there is no assessed value, the sale price must
22.13 equal or exceed 80 percent of the fair market value of the asset as of the date of the sale.

22.14 (h) For the purposes of this section, "qualifying sale to a family member" means a sale
22.15 to a beginning farmer in which the beginning farmer or the beginning farmer's spouse is a
22.16 family member of:

22.17 (1) the owner of the agricultural asset; or

22.18 (2) a partner, member, shareholder, or trustee of the owner of the agricultural asset.

22.19 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
22.20 31, 2021.

22.21 Sec. 3. Minnesota Statutes 2020, section 41B.0391, subdivision 4, is amended to read:

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

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

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

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

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

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

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

23.12 (c) For credits for owners of agricultural assets allowed under subdivision 2, the authority
23.13 must not allocate more than:

23.14 (1) \$5,000,000 for taxable years beginning after December 31, 2017, and before January
23.15 1, 2019, and must not allocate more than;

23.16 (2) \$6,000,000 for taxable years beginning after December 31, 2018, and before January
23.17 1, 2022; and

23.18 (3) \$5,700,000 for taxable years beginning after December 31, 2021.

23.19 (d) The authority must allocate credits on a first-come, first-served basis beginning on
23.20 January 1 of each year, except that recertifications for the second and third years of credits
23.21 under subdivision 2, paragraph (a), clauses (1) and (2), have first priority. Any amount
23.22 authorized but not allocated in any taxable year does not cancel and is added to the allocation
23.23 for the next taxable year.

23.24 (e) \$300,000 in fiscal year 2023 and \$300,000 in fiscal year 2024 are appropriated from
23.25 the general fund to the Rural Finance Authority to develop an online application system
23.26 and administer the credits under this section. The base for the appropriation is \$0 in fiscal
23.27 year 2025 and later.

23.28 (f) To encourage socially disadvantaged farmers and ranchers to apply for and receive
23.29 credits under this section, the authority must promote the availability of this credit to socially
23.30 disadvantaged farmers and ranchers, and must provide application assistance targeted to
23.31 socially disadvantaged farmers and ranchers. For the purposes of this section, "socially
23.32 disadvantaged farmer or rancher" has the meaning given in United States Code, title 7,
23.33 section 2279(a)(5).

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

24.3 Sec. 4. Minnesota Statutes 2021 Supplement, section 116J.8737, subdivision 5, is amended
24.4 to read:

24.5 Subd. 5. **Credit allowed.** (a) A qualified investor or qualified fund is eligible for a credit
24.6 equal to 25 percent of the qualified investment in a qualified small business. Investments
24.7 made by a pass-through entity qualify for a credit only if the entity is a qualified fund. The
24.8 commissioner must not allocate to qualified investors or qualified funds more than the dollar
24.9 amount in credits allowed for the taxable years listed in paragraph (i). For each taxable year,
24.10 50 percent must be allocated to credits for qualified investments in qualified greater
24.11 Minnesota businesses and minority-owned, women-owned, or veteran-owned qualified
24.12 small businesses in Minnesota. Any portion of a taxable year's credits that is reserved for
24.13 qualified investments in greater Minnesota businesses and minority-owned, women-owned,
24.14 or veteran-owned qualified small businesses in Minnesota that is not allocated by September
24.15 30 of the taxable year is available for allocation to other credit applications beginning on
24.16 October 1. Any portion of a taxable year's credits that is not allocated by the commissioner
24.17 does not cancel and may be carried forward to subsequent taxable years until all credits
24.18 have been allocated.

24.19 (b) The commissioner may not allocate more than a total maximum amount in credits
24.20 for a taxable year to a qualified investor for the investor's cumulative qualified investments
24.21 as an individual qualified investor and as an investor in a qualified fund; for married couples
24.22 filing joint returns the maximum is \$250,000, and for all other filers the maximum is
24.23 \$125,000. The commissioner may not allocate more than a total of \$1,000,000 in credits
24.24 over all taxable years for qualified investments in any one qualified small business.

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

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

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

24.32 A member of the family of an individual disqualified by this paragraph is not eligible for a
24.33 credit under this section. For a married couple filing a joint return, the limitations in this

25.1 paragraph apply collectively to the investor and spouse. For purposes of determining the
25.2 ownership interest of an investor under this paragraph, the rules under section 267(c) and
25.3 267(e) of the Internal Revenue Code apply.

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

25.6 (e) Qualified investors and qualified funds must apply to the commissioner for tax credits.
25.7 Tax credits must be allocated to qualified investors or qualified funds in the order that the
25.8 tax credit request applications are filed with the department. The commissioner must approve
25.9 or reject tax credit request applications within 15 days of receiving the application. The
25.10 investment specified in the application must be made within 60 days of the allocation of
25.11 the credits. If the investment is not made within 60 days, the credit allocation is canceled
25.12 and available for reallocation. A qualified investor or qualified fund that fails to invest as
25.13 specified in the application, within 60 days of allocation of the credits, must notify the
25.14 commissioner of the failure to invest within five business days of the expiration of the
25.15 60-day investment period.

25.16 (f) All tax credit request applications filed with the department on the same day must
25.17 be treated as having been filed contemporaneously. If two or more qualified investors or
25.18 qualified funds file tax credit request applications on the same day, and the aggregate amount
25.19 of credit allocation claims exceeds the aggregate limit of credits under this section or the
25.20 lesser amount of credits that remain unallocated on that day, then the credits must be allocated
25.21 among the qualified investors or qualified funds who filed on that day on a pro rata basis
25.22 with respect to the amounts claimed. The pro rata allocation for any one qualified investor
25.23 or qualified fund is the product obtained by multiplying a fraction, the numerator of which
25.24 is the amount of the credit allocation claim filed on behalf of a qualified investor and the
25.25 denominator of which is the total of all credit allocation claims filed on behalf of all
25.26 applicants on that day, by the amount of credits that remain unallocated on that day for the
25.27 taxable year.

25.28 (g) A qualified investor or qualified fund, or a qualified small business acting on their
25.29 behalf, must notify the commissioner when an investment for which credits were allocated
25.30 has been made, and the taxable year in which the investment was made. A qualified fund
25.31 must also provide the commissioner with a statement indicating the amount invested by
25.32 each investor in the qualified fund based on each investor's share of the assets of the qualified
25.33 fund at the time of the qualified investment. After receiving notification that the investment
25.34 was made, the commissioner must issue credit certificates for the taxable year in which the
25.35 investment was made to the qualified investor or, for an investment made by a qualified

26.1 fund, to each qualified investor who is an investor in the fund. The certificate must state
 26.2 that the credit is subject to revocation if the qualified investor or qualified fund does not
 26.3 hold the investment in the qualified small business for at least three years, consisting of the
 26.4 calendar year in which the investment was made and the two following years. The three-year
 26.5 holding period does not apply if:

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

26.8 (2) 80 percent or more of the assets of the qualified small business is sold before the end
 26.9 of the three-year period;

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

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

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

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

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

26.17 (1) \$10,000,000 for taxable years beginning after December 31, 2020, and before January
 26.18 1, 2022; and

26.19 (2) ~~\$5,000,000~~ \$12,000,000 for taxable years beginning after December 31, 2021, and
 26.20 before January 1, 2023.

26.21 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 26.22 after December 31, 2021.

26.23 Sec. 5. Minnesota Statutes 2021 Supplement, section 116U.27, subdivision 1, is amended
 26.24 to read:

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

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

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

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

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

27.3 (f) "Eligible production costs" means eligible production costs as defined in section
27.4 116U.26, paragraph (b), clause (1), incurred in Minnesota that are directly attributable to
27.5 the production of a film project in Minnesota.

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

27.7 (h) "Project" means a film:

27.8 (1) that includes the promotion of Minnesota;

27.9 (2) for which the taxpayer has expended at least \$1,000,000 in ~~the taxable year~~ any
27.10 consecutive twelve-month period for eligible production costs, provided that the taxpayer
27.11 designates the months used for the period to the commissioner and does not designate a
27.12 month previously designated; and

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

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

27.18 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
27.19 31, 2021.

27.20 Sec. 6. Minnesota Statutes 2021 Supplement, section 116U.27, subdivision 2, is amended
27.21 to read:

27.22 Subd. 2. **Credit allowed.** A taxpayer is eligible for a credit up to 25 percent of any
27.23 eligible production costs paid in a taxable year. A taxpayer may only claim a credit if the
27.24 taxpayer was issued a credit certificate under subdivision 4.

27.25 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
27.26 31, 2021.

27.27 Sec. 7. Minnesota Statutes 2021 Supplement, section 289A.08, subdivision 7a, is amended
27.28 to read:

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

28.1 (1) "income" has the meaning given in subdivision 7, paragraph (j), modified by the
 28.2 addition provided in section 290.0131, subdivision 5, and the subtraction provided in section
 28.3 290.0132, subdivision 3, except that the provisions that apply to a partnership apply to a
 28.4 qualifying entity and the provisions that apply to a partner apply to a qualifying owner. The
 28.5 income of ~~both a resident and~~ qualifying owner of an entity taxed as a partnership under
 28.6 the Internal Revenue Code is not subject to allocation outside this state as provided for
 28.7 resident individuals under section 290.17, subdivision 1, paragraph (a). The income of a
 28.8 nonresident qualifying owner or the income of a qualifying owner of an entity taxed as an
 28.9 S corporation including a qualified subchapter S subsidiary organized under section
 28.10 1361(b)(3)(B) of the Internal Revenue Code is allocated and assigned to this state as provided
 28.11 for nonresident partners and shareholders under sections 290.17, 290.191, and 290.20;

28.12 (2) "qualifying entity" means a partnership, limited liability company taxed as a
 28.13 partnership or S corporation, or S corporation including a qualified subchapter S subsidiary
 28.14 organized under section 1361(b)(3)(B) of the Internal Revenue Code. Qualifying entity ~~does~~
 28.15 ~~not~~ may include a partnership, limited liability company, or corporation that has a ~~partnership,~~
 28.16 ~~limited liability company other than a disregarded entity,~~ or corporation as a partner, member,
 28.17 or shareholder, provided those entities are excluded from the qualifying entity's tax return;
 28.18 the entity is taxed as a partnership, limited liability company, or S corporation; and is not
 28.19 a publicly traded partnership, as defined in section 7704 of the Internal Revenue Code, as
 28.20 amended through January 1, 2021; and

28.21 (3) "qualifying owner" means:

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

28.24 (ii) ~~a resident or nonresident trust that is a shareholder of a qualifying entity that is an~~
 28.25 ~~S corporation~~ an entity taxed as a partnership under the Internal Revenue Code; or

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

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

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

29.1 (2) may only be made by qualifying owners who collectively hold more than a 50 percent
29.2 ownership interest in the qualifying entity;

29.3 (3) is binding on all qualifying owners who have an ownership interest in the qualifying
29.4 entity; and

29.5 (4) once made is irrevocable for the taxable year.

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

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

29.11 (1) nonbusiness deductions, standard deductions, or personal exemptions are not allowed;
29.12 and

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

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

29.17 (f) This subdivision does not negate the requirement that a qualifying owner pay estimated
29.18 tax if the qualifying owner's tax liability would exceed the requirements set forth in section
29.19 289A.25. The qualifying owner's liability to pay estimated tax on the qualifying owner's
29.20 tax liability as determined under paragraph (d) is, however, satisfied when the qualifying
29.21 entity pays estimated tax in the manner prescribed in section 289A.25 for composite estimated
29.22 tax.

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

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

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

30.1 (j) If a nonresident qualifying owner of a qualifying entity making the election to file
 30.2 and pay the tax under this subdivision has no other Minnesota source income, filing of the
 30.3 pass-through entity tax return is a return for purposes of subdivision 1, provided that the
 30.4 nonresident qualifying owner must not have any Minnesota source income other than the
 30.5 income from the qualifying entity, other electing qualifying entities, and other partnerships
 30.6 electing to file a composite return under subdivision 7. If it is determined that the nonresident
 30.7 qualifying owner has other Minnesota source income, the inclusion of the income and tax
 30.8 liability for that owner under this provision will not constitute a return to satisfy the
 30.9 requirements of subdivision 1. The tax paid for the qualifying owner as part of the
 30.10 pass-through entity tax return is allowed as a payment of the tax by the qualifying owner
 30.11 on the date on which the pass-through entity tax return payment was made.

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

30.14 Sec. 8. Minnesota Statutes 2021 Supplement, section 289A.382, subdivision 2, is amended
 30.15 to read:

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

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

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

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

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

30.32 (4) file amended withholding reports for all direct partners who were or should have
 30.33 been subject to nonresident withholding under section 290.92, subdivision 4b, in the reviewed

31.1 year, and pay the additional amount that would have been due had the federal adjustments
31.2 been reported properly as required; and

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

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

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

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

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

31.18 Sec. 9. Minnesota Statutes 2020, section 290.0131, is amended by adding a subdivision
31.19 to read:

31.20 **Subd. 20. Dependent flexible spending accounts.** For a taxpayer who claims the credit
31.21 under section 290.067, or for a married taxpayer filing a separate return whose spouse claims
31.22 the credit under that section, the amount of dependent care assistance that is excluded from
31.23 gross income under section 129 of the Internal Revenue Code is an addition.

31.24 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
31.25 31, 2021.

31.26 Sec. 10. Minnesota Statutes 2020, section 290.0132, subdivision 21, is amended to read:

31.27 **Subd. 21. Military service pension; retirement pay.** (a) To the extent included in
31.28 federal adjusted gross income, compensation received from a pension or other retirement
31.29 pay from the federal government for service in the military, ~~as~~ is a subtraction. Only the
31.30 following amounts may be subtracted under this subdivision:

32.1 (1) compensation computed under United States Code, title 10, sections 1401 to 1414,
 32.2 1447 to 1455, and 12733, is a subtraction;

32.3 (2) the total amount of a federal employee retirement system pension under United States
 32.4 Code, title 5, chapter 84, multiplied by the taxpayer's military service ratio; and

32.5 (3) the total amount of a civil service retirement system pension under United States
 32.6 Code, title 5, chapter 83, subchapter III, multiplied by the taxpayer's military service ratio.

32.7 (b) The subtraction is limited to individuals who do not claim the credit under section
 32.8 290.0677.

32.9 (c) For purposes of this subdivision, "military service ratio" means:

32.10 (1) in the case of a federal employee retirement system pension, the years of service
 32.11 credited to the taxpayer for military service under United States Code, title 5, section 8411,
 32.12 divided by the total service credited to the taxpayer under that section; and

32.13 (2) in the case of a civil service retirement system pension, the years of service credited
 32.14 to the taxpayer for military service under United States Code, title 5, section 8322, divided
 32.15 by the total service credited to the taxpayer under that section.

32.16 (d) For purposes of calculating the ratio under paragraph (b), the commissioner must
 32.17 consider the number of full years and months credited to the taxpayer, excluding any
 32.18 fractional part of a month, if any.

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

32.21 Sec. 11. Minnesota Statutes 2020, section 290.0132, subdivision 26, is amended to read:

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

32.26 (b) A taxpayer's simplified subtraction equals the amount of taxable Social Security
 32.27 benefits. For a taxpayer with adjusted gross income above the phaseout threshold, the
 32.28 subtraction is reduced by ten percent for each \$4,000 of adjusted gross income, or fraction
 32.29 thereof, in excess of the threshold. The phaseout threshold equals:

32.30 (1) \$75,000 for a married taxpayer filing a joint return or surviving spouse;

32.31 (2) \$58,600 for a single or head of household taxpayer; or

33.1 (3) half the amount allowed under clause (1) for a married taxpayer filing a separate
 33.2 return.

33.3 (c) A taxpayer's alternate subtraction equals the lesser of taxable Social Security benefits
 33.4 or a maximum subtraction subject to the limits under paragraphs ~~(b)~~, ~~(e)~~, and (d), (e), and
 33.5 (f).

33.6 ~~(b)~~ (d) For married taxpayers filing a joint return and surviving spouses, the maximum
 33.7 subtraction under paragraph (c) equals ~~\$5,150~~ \$5,450. The maximum subtraction is reduced
 33.8 by 20 percent of provisional income over ~~\$78,180~~ \$82,770. In no case is the subtraction
 33.9 less than zero.

33.10 ~~(e)~~ (e) For single or head-of-household taxpayers, the maximum subtraction under
 33.11 paragraph (c) equals ~~\$4,020~~ \$4,260. The maximum subtraction is reduced by 20 percent of
 33.12 provisional income over ~~\$61,080~~ \$64,670. In no case is the subtraction less than zero.

33.13 ~~(d)~~ (f) For married taxpayers filing separate returns, the maximum subtraction under
 33.14 paragraph (c) equals one-half the maximum subtraction for joint returns under paragraph
 33.15 ~~(b)~~ (d). The maximum subtraction is reduced by 20 percent of provisional income over
 33.16 one-half the threshold amount specified in paragraph ~~(b)~~ (d). In no case is the subtraction
 33.17 less than zero.

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

33.22 ~~(f)~~ (h) The commissioner shall adjust the maximum subtraction and threshold amounts
 33.23 in paragraphs (b) to ~~(d)~~ (f) as provided in section 270C.22. The statutory year is taxable
 33.24 year ~~2019~~ 2022. The ~~maximum subtraction and phaseout~~ threshold amounts as adjusted
 33.25 must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount is rounded
 33.26 up to the nearest \$10 amount.

33.27 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 33.28 31, 2021.

33.29 Sec. 12. Minnesota Statutes 2020, section 290.0132, is amended by adding a subdivision
 33.30 to read:

33.31 Subd. 32. **Emergency assistance for postsecondary student grants.** The portion of
 33.32 an emergency grant for postsecondary students that is not used for qualified tuition and

34.1 related expenses, as defined in Internal Revenue Code section 117, paragraph (b), clause
34.2 (2), is a subtraction.

34.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
34.4 31, 2021.

34.5 Sec. 13. Minnesota Statutes 2020, section 290.0132, is amended by adding a subdivision
34.6 to read:

34.7 **Subd. 33. Workforce incentive fund grant payments.** The amount of workforce
34.8 incentive grants under section 256.4778 is a subtraction.

34.9 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
34.10 31, 2021.

34.11 Sec. 14. Minnesota Statutes 2021 Supplement, section 290.06, subdivision 22, is amended
34.12 to read:

34.13 **Subd. 22. Credit for taxes paid to another state.** (a) A taxpayer who is liable for taxes
34.14 based on net income to another state, as provided in paragraphs (b) through (f), upon income
34.15 allocated or apportioned to Minnesota, is entitled to a credit for the tax paid to another state
34.16 if the tax is actually paid in the taxable year or a subsequent taxable year. A taxpayer who
34.17 is a resident of this state pursuant to section 290.01, subdivision 7, paragraph (b), and who
34.18 is subject to income tax as a resident in the state of the individual's domicile is not allowed
34.19 this credit unless the state of domicile does not allow a similar credit.

34.20 (b) For an individual, estate, or trust, the credit is determined by multiplying the tax
34.21 payable under this chapter by the ratio derived by dividing the income subject to tax in the
34.22 other state that is also subject to tax in Minnesota while a resident of Minnesota by the
34.23 taxpayer's federal adjusted gross income, as defined in section 62 of the Internal Revenue
34.24 Code, modified by the addition required by section 290.0131, subdivision 2, and the
34.25 subtraction allowed by section 290.0132, subdivision 2, to the extent the income is allocated
34.26 or assigned to Minnesota under sections 290.081 and 290.17.

34.27 (c) If the taxpayer is an athletic team that apportions all of its income under section
34.28 290.17, subdivision 5, the credit is determined by multiplying the tax payable under this
34.29 chapter by the ratio derived from dividing the total net income subject to tax in the other
34.30 state by the taxpayer's Minnesota taxable income.

35.1 (d)(1) The credit determined under paragraph (b) or (c) shall not exceed the amount of
35.2 tax so paid to the other state on the gross income earned within the other state subject to
35.3 tax under this chapter; and

35.4 (2) the allowance of the credit does not reduce the taxes paid under this chapter to an
35.5 amount less than what would be assessed if the gross income earned within the other state
35.6 were excluded from taxable net income.

35.7 (e) In the case of the tax assessed on a lump-sum distribution under section 290.032, the
35.8 credit allowed under paragraph (a) is the tax assessed by the other state on the lump-sum
35.9 distribution that is also subject to tax under section 290.032, and shall not exceed the tax
35.10 assessed under section 290.032. To the extent the total lump-sum distribution defined in
35.11 section 290.032, subdivision 1, includes lump-sum distributions received in prior years or
35.12 is all or in part an annuity contract, the reduction to the tax on the lump-sum distribution
35.13 allowed under section 290.032, subdivision 2, includes tax paid to another state that is
35.14 properly apportioned to that distribution.

35.15 (f) If a Minnesota resident reported an item of income to Minnesota and is assessed tax
35.16 in such other state on that same income after the Minnesota statute of limitations has expired,
35.17 the taxpayer shall receive a credit for that year under paragraph (a), notwithstanding any
35.18 statute of limitations to the contrary. The claim for the credit must be submitted within one
35.19 year from the date the taxes were paid to the other state. The taxpayer must submit sufficient
35.20 proof to show entitlement to a credit.

35.21 (g) For the purposes of this subdivision, a resident shareholder of a corporation treated
35.22 as an "S" corporation under section 290.9725, must be considered to have paid a tax imposed
35.23 on the shareholder in an amount equal to the shareholder's pro rata share of any net income
35.24 tax paid by the S corporation to another state. For the purposes of the preceding sentence,
35.25 the term "net income tax" means any tax imposed on or measured by a corporation's net
35.26 income.

35.27 (h) For the purposes of this subdivision, a resident partner of an entity taxed as a
35.28 partnership under the Internal Revenue Code must be considered to have paid a tax imposed
35.29 on the partner in an amount equal to the partner's pro rata share of any net income tax paid
35.30 by the partnership to another state. For purposes of the preceding sentence, the term "net
35.31 income" tax means any tax imposed on or measured by a partnership's net income. For
35.32 purposes of this paragraph, "partnership" includes a limited liability company and "partner"
35.33 includes a member of a limited liability company.

35.34 (i) For the purposes of this subdivision, "another state":

36.1 (1) includes:

36.2 (i) the District of Columbia; and

36.3 (ii) a province or territory of Canada; but

36.4 (2) excludes Puerto Rico and the several territories organized by Congress.

36.5 (j) The limitations on the credit in paragraphs (b), (c), and (d), are imposed on a state
36.6 by state basis.

36.7 (k) For a tax imposed by a province or territory of Canada, the tax for purposes of this
36.8 subdivision is the excess of the tax over the amount of the foreign tax credit allowed under
36.9 section 27 of the Internal Revenue Code. In determining the amount of the foreign tax credit
36.10 allowed, the net income taxes imposed by Canada on the income are deducted first. Any
36.11 remaining amount of the allowable foreign tax credit reduces the provincial or territorial
36.12 tax that qualifies for the credit under this subdivision.

36.13 (l)(1) The credit allowed to a qualifying individual under this section for tax paid to a
36.14 qualifying state equals the credit calculated under paragraphs (b) and (d), plus the amount
36.15 calculated by multiplying:

36.16 (i) the difference between the preliminary credit and the credit calculated under paragraphs
36.17 (b) and (d), by

36.18 (ii) the ratio derived by dividing the income subject to tax in the qualifying state that
36.19 consists of compensation for performance of personal or professional services by the total
36.20 amount of income subject to tax in the qualifying state.

36.21 (2) If the amount of the credit that a qualifying individual is eligible to receive under
36.22 clause (1) for tax paid to a qualifying state exceeds the tax due under this chapter before
36.23 the application of the credit calculated under clause (1), the commissioner shall refund the
36.24 excess to the qualifying individual. An amount sufficient to pay the refunds required by this
36.25 subdivision is appropriated to the commissioner from the general fund.

36.26 (3) For purposes of this paragraph, "preliminary credit" means the credit that a qualifying
36.27 individual is eligible to receive under paragraphs (b) and (d) for tax paid to a qualifying
36.28 state without regard to the limitation in paragraph (d), clause (2); "qualifying individual"
36.29 means a Minnesota resident under section 290.01, subdivision 7, paragraph (a), who received
36.30 compensation during the taxable year for the performance of personal or professional services
36.31 within a qualifying state; and "qualifying state" means a state with which an agreement
36.32 under section 290.081 is not in effect for the taxable year but was in effect for a taxable
36.33 year beginning before January 1, 2010.

37.1 (m) For purposes of this subdivision, a resident sole member of a disregarded limited
 37.2 liability company must be considered to have paid a tax imposed on the sole member in an
 37.3 amount equal to the net income tax paid by the disregarded limited liability company to
 37.4 another state. For the purposes of this paragraph, the term "disregarded limited liability
 37.5 company" means a limited liability company that is disregarded as an entity separate from
 37.6 its owner under the Internal Revenue Code; and "net income" tax means any tax imposed
 37.7 on or measured by a disregarded limited liability company's net income.

37.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 37.9 31, 2021.

37.10 Sec. 15. Minnesota Statutes 2020, section 290.067, is amended to read:

37.11 **290.067 DEPENDENT GREAT START CHILD CARE AND DEPENDENT CARE**
 37.12 **CREDIT.**

37.13 Subdivision 1. **Amount of credit.** (a) A taxpayer may take as a credit against the tax
 37.14 due from the taxpayer and a spouse, if any, under this chapter an amount equal to the
 37.15 ~~dependent care credit for which the taxpayer is eligible pursuant to the provisions of section~~
 37.16 ~~21 of the Internal Revenue Code except that in determining whether the child qualified as~~
 37.17 ~~a dependent, income received as a Minnesota family investment program grant or allowance~~
 37.18 ~~to or on behalf of the child must not be taken into account in determining whether the child~~
 37.19 ~~received more than half of the child's support from the taxpayer~~ the taxpayer's eligible
 37.20 dependent care expenses, as determined under subdivisions 1a and 1b, multiplied by the
 37.21 taxpayer's credit percentage, as determined under subdivision 1c.

37.22 ~~(b) If a child who has not attained the age of six years at the close of the taxable year is~~
 37.23 ~~cared for at a licensed family day care home operated by the child's parent, the taxpayer is~~
 37.24 ~~deemed to have paid employment-related expenses. If the child is 16 months old or younger~~
 37.25 ~~at the close of the taxable year, the amount of expenses deemed to have been paid equals~~
 37.26 ~~the maximum limit for one qualified individual under section 21(c) and (d) of the Internal~~
 37.27 ~~Revenue Code. If the child is older than 16 months of age but has not attained the age of~~
 37.28 ~~six years at the close of the taxable year, the amount of expenses deemed to have been paid~~
 37.29 ~~equals the amount the licensee would charge for the care of a child of the same age for the~~
 37.30 ~~same number of hours of care.~~

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

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

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

38.1 ~~(3) does not participate in a dependent care assistance program as defined in section 129~~
 38.2 ~~of the Internal Revenue Code, in lieu of the actual employment related expenses paid for~~
 38.3 ~~that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of (i)~~
 38.4 ~~the combined earned income of the couple or (ii) the amount of the maximum limit for one~~
 38.5 ~~qualified individual under section 21(e) and (d) of the Internal Revenue Code will be deemed~~
 38.6 ~~to be the employment related expense paid for that child. The earned income limitation of~~
 38.7 ~~section 21(d) of the Internal Revenue Code shall not apply to this deemed amount. These~~
 38.8 ~~deemed amounts apply regardless of whether any employment related expenses have been~~
 38.9 ~~paid.~~

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

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

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

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

38.20 ~~(e) (b) In the case of a nonresident, part-year resident, or a person who has earned income~~
 38.21 ~~not subject to tax under this chapter including earned income excluded pursuant to section~~
 38.22 ~~290.0132, subdivision 10, the credit determined under section 21 of the Internal Revenue~~
 38.23 ~~Code this section must be allocated based on the ratio by which the earned income of the~~
 38.24 ~~claimant and the claimant's spouse from Minnesota sources bears to the total earned income~~
 38.25 ~~of the claimant and the claimant's spouse using the percentage calculated in section 290.06,~~
 38.26 ~~subdivision 2c, paragraph (e).~~

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

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

38.30 ~~(2) "qualifying individual" has the meaning given in section 21(b)(1) of the Internal~~
 38.31 ~~Revenue Code, except that in determining whether the child qualified as a dependent, income~~
 38.32 ~~received as a Minnesota family investment program grant or allowance to or on behalf of~~

39.1 the child must not be taken into account in determining whether the child received more
 39.2 than half of the child's support from the taxpayer; and

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

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

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

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

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

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

39.22 (1) \$3,000 if there was one qualifying individual with respect to the taxpayer; or

39.23 (2) \$6,000 if there were two or more qualifying individuals with respect to the taxpayer.

39.24 Subd. 1b. **Special rules for tax years 2022 to 2028.** For taxable years beginning after
 39.25 December 31, 2021, and before January 1, 2029, for a taxpayer with a young child, the limit
 39.26 in paragraph (b) is increased as follows:

39.27 (1) for a taxpayer with one young child with respect to the taxpayer, the limit is increased
 39.28 by \$3,000;

39.29 (2) for a taxpayer with two young children with respect to the taxpayer, the limit is
 39.30 increased by \$6,000; or

39.31 (3) for a taxpayer with three or more young children with respect to the taxpayer, the
 39.32 limit is increased by \$9,000.

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

40.3 (b) A taxpayer's credit percentage is reduced by one percentage point for each \$2,000,
40.4 or fraction thereof, by which the taxpayer's adjusted gross income exceeds \$125,000, until
40.5 the credit percentage equals 20 percent.

40.6 (c) For a taxpayer with adjusted gross income in excess of \$400,000, the credit percentage
40.7 equals 20 percent, reduced by one percentage point for each \$2,000, or fraction thereof, by
40.8 which the taxpayer's adjusted gross income exceeds \$400,000.

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

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

40.18 (b) If a married couple:

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

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

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

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

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

41.1 Subd. 2d. **Taxpayers not filing a federal return.** If the taxpayer is not required and
41.2 does not file a federal individual income tax return for the tax year, no credit is allowed for
41.3 any amount paid to any person unless:

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

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

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

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

41.22 **Subd. 5. Employment-related expenses.** For the purposes of determining
41.23 employment-related expenses, the provisions of the Internal Revenue Code, section 21(d)
41.24 apply.

41.25 **Subd. 6. Rules for married couples filing separate returns.** For a married couple filing
41.26 separate returns, only one spouse may claim the credit allowed under this section.

41.27 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
41.28 31, 2020.

41.29 **Sec. 16. Minnesota Statutes 2021 Supplement, section 290.0671, subdivision 1, is amended**
41.30 **to read:**

41.31 **Subdivision 1. Credit allowed.** (a) An individual who is a resident of Minnesota is
41.32 allowed a credit against the tax imposed by this chapter equal to a percentage of earned

42.1 income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the
42.2 Internal Revenue Code, except that:

42.3 (1) a taxpayer with no qualifying children who has attained the age of 19, but not attained
42.4 age 65 before the close of the taxable year and is otherwise eligible for a credit under section
42.5 32 of the Internal Revenue Code may also receive a credit; ~~and~~

42.6 (2) a taxpayer who is otherwise eligible for a credit under section 32 of the Internal
42.7 Revenue Code remains eligible for the credit even if the taxpayer's earned income or adjusted
42.8 gross income exceeds the income limitation under section 32 of the Internal Revenue Code;
42.9 and

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

42.11 (b) For individuals with no qualifying children, the credit equals 3.9 percent of the first
42.12 \$7,150 of earned income. The credit is reduced by 2.0 percent of earned income or adjusted
42.13 gross income, whichever is greater, in excess of the phaseout threshold, but in no case is
42.14 the credit less than zero.

42.15 (c) For individuals with one qualifying child, the credit equals 9.35 percent of the first
42.16 \$11,950 of earned income. The credit is reduced by 6.0 percent of earned income or adjusted
42.17 gross income, whichever is greater, in excess of the phaseout threshold, but in no case is
42.18 the credit less than zero.

42.19 (d) For individuals with two qualifying children, the credit equals 11 percent of the first
42.20 \$19,600 of earned income. The credit is reduced by 10.5 percent of earned income or adjusted
42.21 gross income, whichever is greater, in excess of the phaseout threshold, but in no case is
42.22 the credit less than zero.

42.23 (e) For individuals with three or more qualifying children, the credit equals 12.5 percent
42.24 of the first \$20,000 of earned income. The credit is reduced by 10.5 percent of earned income
42.25 or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in
42.26 no case is the credit less than zero.

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

42.29 (g) For a person who was a resident for the entire tax year and has earned income not
42.30 subject to tax under this chapter, including income excluded under section 290.0132,
42.31 subdivision 10, the credit must be allocated based on the ratio of federal adjusted gross
42.32 income reduced by the earned income not subject to tax under this chapter over federal

43.1 adjusted gross income. For purposes of this paragraph, the following clauses are not
43.2 considered "earned income not subject to tax under this chapter":

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

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

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

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

43.8 (1) \$14,570 for married taxpayers filing joint returns with no qualifying children;

43.9 (2) \$8,730 for all other taxpayers with no qualifying children;

43.10 (3) \$28,610 for married taxpayers filing joint returns with one qualifying child;

43.11 (4) \$22,770 for all other taxpayers with one qualifying child;

43.12 (5) \$32,840 for married taxpayers filing joint returns with two qualifying children;

43.13 (6) \$27,000 for all other taxpayers with two qualifying children;

43.14 (7) \$33,140 for married taxpayers filing joint returns with three or more qualifying
43.15 children; and

43.16 (8) \$27,300 for all other taxpayers with three or more qualifying children.

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

43.21 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
43.22 31, 2021.

43.23 Sec. 17. Minnesota Statutes 2020, section 290.0674, subdivision 2, is amended to read:

43.24 Subd. 2. **Limitations.** (a) For claimants with adjusted gross income not greater than
43.25 ~~\$33,500~~ \$70,000, the maximum credit allowed for a family is \$1,000 multiplied by the
43.26 number of qualifying children in kindergarten through grade 12 in the family. The maximum
43.27 credit for families with one qualifying child in kindergarten through grade 12 is reduced by
43.28 \$1 for each \$4 of ~~household~~ adjusted gross income over ~~\$33,500~~ \$70,000, and the maximum
43.29 credit for families with two or more qualifying children in kindergarten through grade 12

44.1 is reduced by \$2 for each \$4 of ~~household~~ adjusted gross income over ~~\$33,500~~ \$70,000,
 44.2 but in no case is the credit less than zero.

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

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

44.8 (d) The commissioner shall annually adjust the household income limitation in paragraph
 44.9 (a) as provided in section 270C.22. The statutory year is 2022.

44.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 44.11 31, 2021.

44.12 Sec. 18. Minnesota Statutes 2020, section 290.0681, subdivision 2, is amended to read:

44.13 Subd. 2. **Credit or grant allowed; certified historic structure.** (a) A credit is allowed
 44.14 against the tax imposed under this chapter equal to not more than 100 percent of the credit
 44.15 allowed under section 47(a) of the Internal Revenue Code for a project. ~~The credit is payable~~
 44.16 ~~in five equal yearly installments beginning with the year the project is placed in service.~~
 44.17 Notwithstanding the provisions of section 47(a) of the Internal Revenue Code that require
 44.18 the federal credit to be allocated ratably over a five-year period, the full amount of the credit
 44.19 under this section is allowed in the taxable year in which the qualified rehabilitated building
 44.20 is placed in service. To qualify for the credit:

44.21 (1) the project must receive Part 3 certification and be placed in service during the taxable
 44.22 year; and

44.23 (2) the taxpayer must be allowed the federal credit and be issued a credit certificate for
 44.24 the taxable year as provided in subdivision 4.

44.25 (b) The commissioner of administration may pay a grant in lieu of the credit. The grant
 44.26 equals 90 percent of the credit that would be allowed for the project. The grant is payable
 44.27 ~~in five equal yearly installments beginning with~~ in the year the project is placed in service.

44.28 (c) In lieu of the credit under paragraph (a), an insurance company may claim a credit
 44.29 against the insurance premiums tax imposed under chapter 297I.

44.30 **EFFECTIVE DATE.** This section is effective for property placed in service after June
 44.31 30, 2022.

45.1 Sec. 19. Minnesota Statutes 2020, section 290.0681, subdivision 3, is amended to read:

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

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

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

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

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

45.21 (4) state the fiscal year in which the credit or grant is allocated, and:

45.22 (i) for property placed in service before July 1, 2022, that the taxpayer or grant recipient
45.23 is entitled to receive one-fifth of the total amount of either the credit or the grant at the time
45.24 the project is placed in service, provided that date is within three calendar years following
45.25 the issuance of the allocation certificate; or

45.26 (ii) for property placed in service after June 30, 2022, that the taxpayer or grant recipient
45.27 is entitled to receive the full amount of the credit or the grant in the taxable year that the
45.28 project is placed in service, provided that date is within three calendar years following the
45.29 issuance of the allocation certificate.

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

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

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

46.6 **EFFECTIVE DATE.** This section is effective retroactively for allocation certificates
46.7 issued prior to the date of enactment for property placed in service after June 30, 2022.

46.8 Sec. 20. Minnesota Statutes 2020, section 290.0681, subdivision 4, is amended to read:

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

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

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

46.17 (b) The recipient of a credit certificate may assign the certificate to another taxpayer
46.18 before the ~~first one-fifth~~ payment is claimed, which is then allowed the credit under this
46.19 section or section 297I.20, subdivision 3. An assignment is not valid unless the assignee
46.20 notifies the commissioner within 30 days of the date that the assignment is made. The
46.21 commissioner shall prescribe the forms necessary for notifying the commissioner of the
46.22 assignment of a credit certificate and for claiming a credit by assignment.

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

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

46.27 **EFFECTIVE DATE.** This section is effective for property placed in service after June
46.28 30, 2022.

47.1 Sec. 21. Minnesota Statutes 2021 Supplement, section 290.0681, subdivision 10, is amended
47.2 to read:

47.3 Subd. 10. **Sunset.** This section expires after fiscal year ~~2022~~ 2030, except that the office's
47.4 authority to issue credit certificates under subdivision 4 based on allocation certificates that
47.5 were issued before fiscal year ~~2023~~ 2031 remains in effect through ~~2025~~ 2033, and the
47.6 reporting requirements in subdivision 9 remain in effect through the year following the year
47.7 in which all allocation certificates have either been canceled or resulted in issuance of credit
47.8 certificates, or ~~2026~~ 2034, whichever is earlier.

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

47.10 Sec. 22. Minnesota Statutes 2021 Supplement, section 290.0682, is amended by adding
47.11 a subdivision to read:

47.12 Subd. 3. **Credit refundable; appropriation.** (a) If the amount of credit which a claimant
47.13 is eligible to receive under this section exceeds the claimant's tax liability under this chapter,
47.14 the commissioner shall refund the excess to the claimant.

47.15 (b) An amount sufficient to pay the refunds required by this section is appropriated to
47.16 the commissioner from the general fund.

47.17 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
47.18 31, 2021.

47.19 Sec. 23. Minnesota Statutes 2021 Supplement, section 290.0682, is amended by adding
47.20 a subdivision to read:

47.21 Subd. 4. **Special rules for tax years 2022 to 2028.** For taxable years beginning after
47.22 December 31, 2021, and before January 1, 2029, the maximum credit under subdivision 2,
47.23 paragraph (b), clause (4), is \$1,400.

47.24 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
47.25 31, 2021, and before January 1, 2029.

47.26 Sec. 24. Minnesota Statutes 2020, section 290.0685, subdivision 1, is amended to read:

47.27 Subdivision 1. **Credit allowed.** (a) An eligible individual is allowed a credit against the
47.28 tax imposed by this chapter equal to \$2,000 for each ~~birth for which a certificate of birth~~
47.29 ~~resulting in stillbirth has been issued under section 144.2151~~ stillbirth. The credit under this
47.30 section is allowed only in the taxable year in which the stillbirth occurred ~~and if the child~~

48.1 ~~would have been a dependent of the taxpayer as defined in section 152 of the Internal~~
 48.2 ~~Revenue Code.~~

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

48.5 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 48.6 after December 31, 2015.

48.7 Sec. 25. Minnesota Statutes 2020, section 290.0685, is amended by adding a subdivision
 48.8 to read:

48.9 Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the
 48.10 meanings given, unless the context clearly indicates otherwise.

48.11 (b) "Certificate of birth" means the printed certificate of birth resulting in stillbirth issued
 48.12 under section 144.2151 or for a birth occurring in another state or country a similar certificate
 48.13 issued under that state's or country's law.

48.14 (c) "Eligible individual" means an individual who is:

48.15 (1)(i) a resident; or

48.16 (ii) the nonresident spouse of a resident who is a member of armed forces of the United
 48.17 States or the United Nations; and

48.18 (2)(i) the individual who gave birth resulting in stillbirth and is listed as a parent on the
 48.19 certificate of birth;

48.20 (ii) if no individual meets the requirements of clause (i) for a stillbirth that occurs in this
 48.21 state, then the first parent listed on the certificate of birth resulting in still birth; or

48.22 (iii) the individual who gave birth resulting in stillbirth for a birth outside of this state
 48.23 for which no certificate of birth was issued.

48.24 (d) "Stillbirth" means a birth for which a fetal death report would be required under
 48.25 section 144.222, subdivision 1, if the birth occurred in this state.

48.26 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 48.27 after December 31, 2015.

48.28 Sec. 26. Minnesota Statutes 2021 Supplement, section 290A.03, subdivision 3, is amended
 48.29 to read:

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

- 49.1 (1) federal adjusted gross income as defined in the Internal Revenue Code; and
- 49.2 (2) the sum of the following amounts to the extent not included in clause (1):
- 49.3 (i) all nontaxable income;
- 49.4 (ii) the amount of a passive activity loss that is not disallowed as a result of section 469,
- 49.5 paragraph (i) or (m) of the Internal Revenue Code and the amount of passive activity loss
- 49.6 carryover allowed under section 469(b) of the Internal Revenue Code;
- 49.7 (iii) an amount equal to the total of any discharge of qualified farm indebtedness of a
- 49.8 solvent individual excluded from gross income under section 108(g) of the Internal Revenue
- 49.9 Code;
- 49.10 (iv) cash public assistance and relief;
- 49.11 (v) any pension or annuity (including railroad retirement benefits, all payments received
- 49.12 under the federal Social Security Act, Supplemental Security Income, and veterans benefits),
- 49.13 which was not exclusively funded by the claimant or spouse, or which was funded exclusively
- 49.14 by the claimant or spouse and which funding payments were excluded from federal adjusted
- 49.15 gross income in the years when the payments were made;
- 49.16 (vi) interest received from the federal or a state government or any instrumentality or
- 49.17 political subdivision thereof;
- 49.18 (vii) workers' compensation;
- 49.19 (viii) nontaxable strike benefits;
- 49.20 (ix) the gross amounts of payments received in the nature of disability income or sick
- 49.21 pay as a result of accident, sickness, or other disability, whether funded through insurance
- 49.22 or otherwise;
- 49.23 (x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of
- 49.24 1986, as amended through December 31, 1995;
- 49.25 (xi) contributions made by the claimant to an individual retirement account, including
- 49.26 a qualified voluntary employee contribution; simplified employee pension plan;
- 49.27 self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of
- 49.28 the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal
- 49.29 Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for
- 49.30 the claimant and spouse;
- 49.31 (xii) to the extent not included in federal adjusted gross income, distributions received
- 49.32 by the claimant or spouse from a traditional or Roth style retirement account or plan;

- 50.1 (xiii) nontaxable scholarship or fellowship grants;
- 50.2 (xiv) alimony received to the extent not included in the recipient's income;
- 50.3 (xv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue
- 50.4 Code;
- 50.5 (xvi) the amount deducted for tuition expenses under section 222 of the Internal Revenue
- 50.6 Code; and
- 50.7 (xvii) the amount deducted for certain expenses of elementary and secondary school
- 50.8 teachers under section 62(a)(2)(D) of the Internal Revenue Code.

50.9 In the case of an individual who files an income tax return on a fiscal year basis, the

50.10 term "federal adjusted gross income" shall mean federal adjusted gross income reflected in

50.11 the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced

50.12 by the amount of a net operating loss carryback or carryforward or a capital loss carryback

50.13 or carryforward allowed for the year.

50.14 (b) "Income" does not include:

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

50.16 (2) amounts of any pension or annuity which was exclusively funded by the claimant

50.17 or spouse and which funding payments were not excluded from federal adjusted gross

50.18 income in the years when the payments were made;

50.19 (3) to the extent included in federal adjusted gross income, amounts contributed by the

50.20 claimant or spouse to a traditional or Roth style retirement account or plan, but not to exceed

50.21 the retirement base amount reduced by the amount of contributions excluded from federal

50.22 adjusted gross income, but not less than zero;

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

50.24 (5) relief granted under this chapter;

50.25 (6) child support payments received under a temporary or final decree of dissolution or

50.26 legal separation;

50.27 (7) restitution payments received by eligible individuals and excludable interest as

50.28 defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001,

50.29 Public Law 107-16;

50.30 (8) alimony paid; ~~or~~

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

51.1 (10) workforce incentive grant payments under section 256.4778.

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

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

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

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

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

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

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

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

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

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

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

51.20 **EFFECTIVE DATE.** This section is effective for refunds based on rent paid in 2022
51.21 and property taxes payable in 2023.

51.22 **Sec. 27. SPECIAL PROVISIONS FOR ALLOCATION CERTIFICATES ISSUED**
51.23 **PRIOR TO EFFECTIVE DATE.**

51.24 (a) For allocation certificates issued prior to the enactment of sections ... to ..., the director
51.25 of the State Historic Preservation Office shall, in consultation with the commissioner of
51.26 revenue, amend each allocation certificate for credits approved on property not placed in
51.27 service prior to July 1, 2022, to state that the taxpayer or grant recipient is entitled to receive
51.28 the full amount of the credit or grant at the time the project is placed in service.

51.29 (b) The changes provided in section 2 for property placed in service before July 1, 2022,
51.30 do not prohibit a taxpayer or grant recipient that received an allocation certificate stating
51.31 the taxpayer or grant recipient is entitled to claim the full amount of the credit in the taxable

52.1 year the property is placed in service from claiming the full amount of the credit and no
 52.2 amendment to the taxpayer's or grant recipient's allocation certificate is required.

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

52.4 Sec. 28. **TEMPORARY INDIVIDUAL INCOME TAX SUBTRACTION;**
 52.5 **UNEMPLOYMENT INSURANCE BENEFITS.**

52.6 (a) For the purposes of this section the following terms having the meanings given:

52.7 (1) "adjusted gross income" has the meaning given in Minnesota Statutes, section 290.01,
 52.8 subdivision 21a;

52.9 (2) "Internal Revenue Code" has the meaning given in Minnesota Statutes, section
 52.10 290.01, subdivision 31;

52.11 (3) "subtraction" has the meaning given in Minnesota Statutes, section 290.0132,
 52.12 subdivision 1;

52.13 (4) "taxable year" has the meaning given in Minnesota Statutes, section 290.01,
 52.14 subdivision 9; and

52.15 (5) "unemployment compensation" has the meaning given in section 85(b) of the Internal
 52.16 Revenue Code.

52.17 (b) For taxable years beginning after December 31, 2020, and before January 1, 2022,
 52.18 an individual taxpayer is allowed a subtraction equal to the amount of unemployment
 52.19 compensation received in the taxable year, subject to the limit in paragraphs (c) and (d).

52.20 (c) The subtraction is limited to \$10,200, except for a married taxpayer filing a joint
 52.21 return the subtraction is limited to \$10,200 in unemployment compensation received by
 52.22 each spouse.

52.23 (d) The limit in paragraph (c) is reduced by five percent of adjusted gross income in
 52.24 excess of:

52.25 (1) \$150,000 for a joint return; or

52.26 (2) \$75,000 for all other filers.

52.27 In no case is the limit less than \$0.

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

53.1 **Sec. 29. INCOME TAX REBATES FOR PARENTS OF QUALIFYING CHILDREN.**

53.2 **Subdivision 1. Definitions.** (a) For the purposes of this section, "qualifying child" has
53.3 the meaning given in section 24(c) of the Internal Revenue Code.

53.4 (b) The definitions in Minnesota Statutes, section 290.01 apply to this subdivision.

53.5 **Subd. 2. Credit allowed.** (a) An individual income taxpayer is allowed a credit against
53.6 the taxes imposed in Minnesota Statutes, sections 290.03 and 290.091. The credit equals
53.7 \$325 multiplied by the number of individuals who were a qualifying child of the taxpayer
53.8 for the taxable year.

53.9 (b) The credit under this section is reduced by ten percent of adjusted gross income in
53.10 excess of:

53.11 (1) \$140,000 for a married taxpayer filing a joint return; or

53.12 (2) \$70,000 for all other filers.

53.13 **Subd. 3. Part-year residents.** For an individual who was a resident of Minnesota for
53.14 less than the entire taxable year, the credit equals the amount determined under subdivision
53.15 2 for their filing status, multiplied by the percentage determined pursuant to Minnesota
53.16 Statutes, section 290.06, subdivision 2c, paragraph (e).

53.17 **Subd. 4. Credit refundable; appropriation.** (a) If the amount of credit which a claimant
53.18 is eligible to receive under this section exceeds the claimant's liability for tax, the
53.19 commissioner shall refund the excess to the claimant.

53.20 (b) An amount sufficient to pay the refunds required by this section is appropriated to
53.21 the commissioner from the general fund.

53.22 **Subd. 5. Distribution of credit payments; filing process for taxpayers without tax**
53.23 **liability.** (a) To the extent feasible, the commissioner of revenue must automatically adjust
53.24 the return of any taxpayer who filed a return for a taxable year in which the credit under
53.25 this section applies. If a taxpayer is eligible for a refund as a result of the credit under this
53.26 section, to the extent feasible, the commissioner must distribute the refund via direct deposit
53.27 to the taxpayer's bank account, check, or any other mechanism the commissioner deems
53.28 appropriate.

53.29 (b) The commissioner of revenue must establish a simplified filing process through
53.30 which a taxpayer who did not file a return due to a lack of individual income tax liability
53.31 may file a return for the taxable years in which the credit is available. The filing process
53.32 and forms may be in the form or manner determined by the commissioner, but must be

54.1 designed to reduce the complexity of the filing process and the time needed to file for
 54.2 individuals without an income tax liability for the taxable year.

54.3 Subd. 6. **Recapture of payments forbidden.** The commissioner of revenue must not
 54.4 apply, and must not certify to another agency to apply, a payment resulting from the credit
 54.5 under this section to any unpaid tax or nontax debt owed by an individual.

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

54.8 **Sec. 30. REPEALER.**

54.9 Minnesota Statutes 2020, section 290.0674, subdivision 2a, is repealed.

54.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 54.11 31, 2021.

54.12 **ARTICLE 3**

54.13 **SALES AND USE TAXES**

54.14 Section 1. Minnesota Statutes 2020, section 38.27, subdivision 4, is amended to read:

54.15 **Subd. 4. Use of a portion of county fair revenues.** A county agricultural society must
 54.16 annually determine the amount of sales tax savings attributable to section 297A.70,
 54.17 subdivision 21. ~~If the county agricultural society owns its own fairgrounds, it, and~~ must use
 54.18 the amount equal to the sales tax savings to maintain, improve, or expand society-owned
 54.19 buildings and facilities on the fairgrounds; ~~otherwise it must transfer this amount to the~~
 54.20 ~~owner of the fairgrounds. An owner that receives a transfer of money under this subdivision~~
 54.21 ~~must use the transferred amount to maintain, improve, and expand entity-owned buildings~~
 54.22 ~~and facilities on the county fairgrounds.~~

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

54.24 **Sec. 2. [240A.15] AMATEUR SPORTS ACCOUNT.**

54.25 An amateur sports account is established in the special revenue fund and consists of
 54.26 money deposited under section 297A.94, paragraph (k). Money in the account, including
 54.27 interest, is appropriated to the commission for the promotion and development of amateur
 54.28 sports as provided in section 240A.04. Money in the account does not cancel and is available
 54.29 until spent.

54.30 **EFFECTIVE DATE.** This section is effective July 1, 2022.

55.1 Sec. 3. Minnesota Statutes 2020, section 297A.61, subdivision 12, is amended to read:

55.2 Subd. 12. **Farm machinery.** (a) "Farm machinery" means new or used machinery,
55.3 equipment, implements, accessories, and contrivances used directly and principally in
55.4 agricultural production of tangible personal property intended to be sold ultimately at retail
55.5 including, but not limited to:

55.6 (1) machinery for the preparation, seeding, or cultivation of soil for growing agricultural
55.7 crops;

55.8 (2) barn cleaners, milking systems, grain dryers, feeding systems including stationary
55.9 feed bunks, fencing material, and similar installations, whether or not the equipment is
55.10 installed by the seller and becomes part of the real property; and

55.11 (3) irrigation equipment sold for exclusively agricultural use, including pumps, pipe
55.12 fittings, valves, sprinklers, and other equipment necessary to the operation of an irrigation
55.13 system when sold as part of an irrigation system, whether or not the equipment is installed
55.14 by the seller and becomes part of the real property.

55.15 (b) Farm machinery does not include:

55.16 (1) repair or replacement parts;

55.17 (2) tools, shop equipment, grain bins, ~~fencing material~~, communication equipment, and
55.18 other farm supplies;

55.19 (3) motor vehicles taxed under chapter 297B;

55.20 (4) snowmobiles or snow blowers;

55.21 (5) lawn mowers except those used in the production of sod for sale, or garden-type
55.22 tractors or garden tillers; or

55.23 (6) machinery, equipment, implements, accessories, and contrivances used directly in
55.24 the production of horses not raised for slaughter, fur-bearing animals, or research animals.

55.25 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
55.26 made after June 30, 2021.

55.27 Sec. 4. Minnesota Statutes 2020, section 297A.68, subdivision 25, is amended to read:

55.28 Subd. 25. **Sale of property used in a trade or business.** (a) The sale of tangible personal
55.29 property primarily used in a trade or business is exempt if the sale is not made in the normal
55.30 course of business of selling that kind of property and if one of the following conditions is
55.31 satisfied:

56.1 (1) the sale occurs in a transaction subject to or described in section 118, 331, 332, 336,
 56.2 337, 338, 351, 355, 368, 721, 731, 1031, or 1033 of the Internal Revenue Code, as amended
 56.3 through December 16, 2016;

56.4 (2) the sale is between members of a controlled group as defined in section 1563(a) of
 56.5 the Internal Revenue Code;

56.6 (3) the sale is between a sole member of a disregarded limited liability company and the
 56.7 disregarded limited liability company;

56.8 ~~(3)~~ (4) the sale is a sale of farm machinery;

56.9 ~~(4)~~ (5) the sale is a farm auction sale;

56.10 ~~(5)~~ (6) the sale is a sale of substantially all of the assets of a trade or business; or

56.11 ~~(6)~~ (7) the total amount of gross receipts from the sale of trade or business property made
 56.12 during the calendar month of the sale and the preceding 11 calendar months does not exceed
 56.13 \$1,000.

56.14 The use, storage, distribution, or consumption of tangible personal property acquired as
 56.15 a result of a sale exempt under this subdivision is also exempt.

56.16 (b) For purposes of this subdivision, the following terms have the meanings given.

56.17 (1) "Disregarded limited liability company" means a limited liability company that is
 56.18 disregarded as an entity separate from its owner under the Internal Revenue Code.

56.19 ~~(4)~~ (2) A "farm auction" is a public auction conducted by a licensed auctioneer if
 56.20 substantially all of the property sold consists of property used in the trade or business of
 56.21 farming and property not used primarily in a trade or business.

56.22 ~~(2)~~ (3) "Trade or business" includes the assets of a separate division, branch, or
 56.23 identifiable segment of a trade or business if, before the sale, the income and expenses
 56.24 attributable to the separate division, branch, or identifiable segment could be separately
 56.25 ascertained from the books of account or record (the lease or rental of an identifiable segment
 56.26 does not qualify for the exemption).

56.27 ~~(3)~~ (4) A "sale of substantially all of the assets of a trade or business" must occur as a
 56.28 single transaction or a series of related transactions within the 12-month period beginning
 56.29 on the date of the first sale of assets intended to qualify for the exemption provided in
 56.30 paragraph (a), clause (5).

56.31 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
 56.32 30, 2022.

57.1 Sec. 5. Minnesota Statutes 2020, section 297A.68, is amended by adding a subdivision to
57.2 read:

57.3 Subd. 35b. **Fiber and conduit; broadband and Internet access.** To the extent not
57.4 exempt under subdivision 35a, fiber and conduit purchased or leased for use directly by a
57.5 broadband or Internet service provider, primarily in the provision of broadband or Internet
57.6 access services that are ultimately to be sold at retail, are exempt.

57.7 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
57.8 made after June 30, 2017.

57.9 Sec. 6. Minnesota Statutes 2020, section 297A.68, is amended by adding a subdivision to
57.10 read:

57.11 Subd. 46. **Food service establishment equipment.** (a) The purpose of the exemption
57.12 provided by this subdivision is to create parity between the treatment of capital equipment
57.13 used in the manufacturing industry and food service equipment used for the production of
57.14 prepared food and beverages. The goal is to provide the same exemption for equipment
57.15 used by food service establishments in the production of prepared food and furnishing of
57.16 beverages, as is provided for capital equipment pursuant to subdivision 5.

57.17 (b) Food service equipment purchased or leased for use in this state by a food service
57.18 establishment in the production of prepared food or furnishing of beverages, up to the point
57.19 the prepared food or beverage is ready for delivery or service to the customer, is exempt.

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

57.21 (1) "catering service" means a business that prepares food and beverages for service in
57.22 support of an event with a predetermined guest list such as a reception, party, luncheon,
57.23 conference, ceremony, or trade show;

57.24 (2) "food service equipment" means machinery, equipment, fixtures, and supplies used
57.25 by a food service establishment that are integral to the production of prepared food or the
57.26 furnishing of beverages and that meet the standards imposed under Minnesota Rules, chapter
57.27 4626. Food service equipment:

57.28 (i) includes cooking utensils, serving utensils, ovens, grills, coolers, microwave ovens,
57.29 freezers, refrigerators and refrigerator stations, holding cabinets, deep fryers, condiment
57.30 stations, dishwashers, steamers, coffee machines, ice machines, water heaters, sinks, faucets,
57.31 food warmers and warming trays, tabletop chaffing equipment, buffets and buffet equipment,
57.32 self-service condiment equipment, self-service beverage equipment, beer dispensing systems,

58.1 equipment needed for bar service, and any other item that is integral to the production of
 58.2 prepared food or the furnishing of beverages; and

58.3 (ii) excludes items used by customers such as linens, paper napkins, glasses, cups, mugs,
 58.4 utensils, tables, and chairs. Also excluded are delivery vehicles or any motor vehicles
 58.5 purchased by a food service establishment;

58.6 (3) "food service establishment" means a restaurant as defined in section 157.15,
 58.7 subdivision 12, a mobile food unit as defined in section 157.15, subdivision 9, or a catering
 58.8 service as defined in this paragraph;

58.9 (4) "furnishing of beverages" means the production of beverages, including alcoholic
 58.10 beverages, by a bartender, server, caterer, or other person employed by a food service
 58.11 establishment;

58.12 (5) "prepared food" has the meaning given in section 297A.61, subdivision 31; and

58.13 (6) "production" means an operation or series of operations where ingredients are changed
 58.14 in form, composition, or condition that results in the creation of prepared food or a beverage.

58.15 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
 58.16 30, 2022.

58.17 Sec. 7. Minnesota Statutes 2020, section 297A.70, subdivision 21, is amended to read:

58.18 Subd. 21. **County agricultural society sales at county fairs.** Sales by a county
 58.19 agricultural society during and prior to a regularly scheduled county fair are exempt. For
 58.20 purposes of this subdivision, sales include admissions to and parking at the county
 58.21 fairgrounds, admissions to separately ticketed events run by the county agricultural society,
 58.22 and concessions and other sales made by employees or volunteers of the county agricultural
 58.23 society on the county fairgrounds. This exemption does not apply to sales ~~or~~ for events ~~by~~
 58.24 ~~a county agricultural society~~ held at a time other than at the time of the regularly scheduled
 58.25 county fair, or events not held on the county fairgrounds.

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

58.27 Sec. 8. Minnesota Statutes 2020, section 297A.71, subdivision 51, is amended to read:

58.28 Subd. 51. **Properties destroyed by fire.** (a) Building materials and supplies used or
 58.29 consumed in, and equipment incorporated into, the construction or replacement of real
 58.30 property affected by, and capital equipment to replace equipment destroyed in, the fire on
 58.31 March 11, 2018, in the city of Mazeppa are exempt. The tax must be imposed and collected

59.1 as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner
 59.2 provided in section 297A.75. For purposes of this subdivision, "capital equipment" includes
 59.3 durable equipment used in a restaurant for food storage, preparation, and serving.

59.4 (b) The exemption under this subdivision applies to sales and purchases made after
 59.5 March 11, 2018, and before January 1, ~~2022~~ 2024.

59.6 **EFFECTIVE DATE.** This section is effective retroactively from March 11, 2018.

59.7 Sec. 9. Minnesota Statutes 2021 Supplement, section 297A.71, subdivision 52, is amended
 59.8 to read:

59.9 **Subd. 52. Construction; certain local government facilities.** (a) Materials and supplies
 59.10 used in and equipment incorporated into the construction, reconstruction, upgrade, expansion,
 59.11 or remodeling of the following local government owned facilities are exempt:

59.12 (1) a new fire station, which includes firefighting, emergency management, public safety
 59.13 training, and other public safety facilities in the city of Monticello if materials, supplies,
 59.14 and equipment are purchased after January 31, 2019, and before January 1, 2022;

59.15 (2) a new fire station, which includes firefighting and public safety training facilities
 59.16 and public safety facilities, in the city of Inver Grove Heights if materials, supplies, and
 59.17 equipment are purchased after June 30, 2018, and before January 1, 2021;

59.18 (3) a fire station and police station, including access roads, lighting, sidewalks, and
 59.19 utility components, on or adjacent to the property on which the fire station or police station
 59.20 are located that are necessary for safe access to and use of those buildings, in the city of
 59.21 Minnetonka if materials, supplies, and equipment are purchased after May 23, 2019, and
 59.22 before January 1, 2022;

59.23 (4) the school building in Independent School District No. 414, Minneota, if materials,
 59.24 supplies, and equipment are purchased after January 1, 2018, and before January 1, 2021;

59.25 (5) a fire station in the city of Mendota Heights, if materials, supplies, and equipment
 59.26 are purchased after December 31, 2018, and before January 1, 2021; ~~and~~

59.27 (6) a Dakota County law enforcement collaboration center, also known as the Safety
 59.28 and Mental Health Alternative Response Training (SMART) Center, if materials, supplies,
 59.29 and equipment are purchased after June 30, 2019, and before July 1, 2021.;

59.30 (7) new construction, upgrades, and remodeling to the Itasca County courts and
 59.31 courthouse in conjunction and coordination with the new construction of a correctional

60.1 facility, if materials, supplies, and equipment are purchased after April 30, 2021, and before
60.2 January 1, 2025;

60.3 (8) the North Metro Regional Public Safety Training Facility in Maple Grove, if materials,
60.4 supplies, and equipment are purchased after August 31, 2021, and before December 31,
60.5 2023; and

60.6 (9) the following projects in Wayzata if materials, supplies, and equipment are purchased
60.7 after March 31, 2020, and before January 1, 2025:

60.8 (i) expansion and remodeling of Depot Park;

60.9 (ii) construction of community docks for purposes of access from Lake Minnetonka;

60.10 (iii) construction of a lakeside boardwalk of approximately 1,500 lineal feet;

60.11 (iv) shoreline restoration, including installation of native plants, trees, and natural habitat;

60.12 (v) restoration of Section Foreman House, including installation of a learning center to
60.13 provide indoor and outdoor classroom and community space;

60.14 (vi) construction of Eco Park, including shoreline restoration and marsh and water quality
60.15 improvement, a pier extension of the lakeside boardwalk, and creation of eco-living
60.16 classrooms;

60.17 (vii) construction of a public plaza with a restroom, 9/11 memorial, interactive water
60.18 display, and gathering space;

60.19 (viii) construction of a regional multiuse trail; and

60.20 (ix) construction of railroad crossings.

60.21 (b) The tax must be imposed and collected as if the rate under section 297A.62,
60.22 subdivision 1, applied and then refunded in the manner provided in section 297A.75.

60.23 (c) The total refund for the project listed in paragraph (a), clause (3), must not exceed
60.24 \$850,000.

60.25 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
60.26 made during the periods indicated in paragraph (a), clauses (7) to (9).

61.1 Sec. 10. Minnesota Statutes 2020, section 297A.71, is amended by adding a subdivision
61.2 to read:

61.3 Subd. 54. **Building materials; farm fencing material.** Materials and supplies used or
61.4 consumed in, and equipment incorporated into, the construction or improvement of farm
61.5 fencing material that is not exempt under section 297A.61, subdivision 12, are exempt.

61.6 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
61.7 made after June 30, 2021.

61.8 Sec. 11. Minnesota Statutes 2020, section 297A.71, is amended by adding a subdivision
61.9 to read:

61.10 Subd. 55. **Construction materials purchased by contractors; exemption for certain**
61.11 **entities.** (a) Materials and supplies used or consumed in and equipment incorporated into
61.12 the construction, reconstruction, repair, maintenance, or improvement of buildings or
61.13 facilities used principally by the following entities are exempt if the materials, supplies, and
61.14 equipment are purchased after June 30, 2021, and before January 1, 2023:

61.15 (1) school districts, as defined under section 297A.70, subdivision 2, paragraph (c);

61.16 (2) local governments, as defined under section 297A.70, subdivision 2, paragraph (d);

61.17 (3) hospitals and nursing homes owned and operated by political subdivisions of the
61.18 state, as described under section 297A.70, subdivision 2, paragraph (a), clause (3);

61.19 (4) county law libraries under chapter 134A and public libraries, regional public library
61.20 systems, and multicounty, multitype library systems, as defined in section 134.001;

61.21 (5) nonprofit groups, as defined under section 297A.70, subdivision 4;

61.22 (6) hospitals, outpatient surgical centers, and critical access dental providers, as defined
61.23 under section 297A.70, subdivision 7; and

61.24 (7) nursing homes and boarding care homes, as defined under section 297A.70,
61.25 subdivision 18.

61.26 (b) Materials and supplies used or consumed in and equipment incorporated into the
61.27 construction, reconstruction, repair, maintenance, or improvement of public infrastructure
61.28 of any kind, including but not limited to roads, bridges, culverts, drinking water facilities,
61.29 and wastewater facilities, purchased by a contractor, subcontractor, or builder as part of a
61.30 contract with the following entities are exempt if the materials, supplies, and equipment are
61.31 purchased after June 30, 2021, and before January 1, 2023:

62.1 (1) school districts, as defined under section 297A.70, subdivision 2, paragraph (c); or

62.2 (2) local governments, as defined under section 297A.70, subdivision 2, paragraph (d).

62.3 (c) The tax on purchases exempt under this subdivision must be imposed and collected
 62.4 as if the rate under section 297A.62, subdivision 1, applied, and then refunded in the manner
 62.5 provided in section 297A.75. Refunds for eligible purchases must not be issued after June
 62.6 30, 2023.

62.7 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
 62.8 made after June 30, 2021.

62.9 Sec. 12. Minnesota Statutes 2020, section 297A.71, is amended by adding a subdivision
 62.10 to read:

62.11 Subd. 56. **Construction materials purchased by contractors; exemption for certain**
 62.12 **projects at the Minneapolis-St. Paul International Airport.** (a) Materials and supplies
 62.13 used in, and equipment incorporated into, the construction, reconstruction, repair,
 62.14 maintenance, or improvement of public infrastructure at the Minneapolis-St. Paul
 62.15 International Airport purchased by a contractor or subcontractor for the following projects
 62.16 are exempt if purchased after June 30, 2021, and before January 1, 2023:

62.17 (1) security improvements to the rental automobile quick turnaround facility at Terminal
 62.18 1;

62.19 (2) replacing air handling units at Terminal 1 and Terminal 2;

62.20 (3) improvements to the C concourse loading dock at Terminal 1;

62.21 (4) lighting upgrades to LED;

62.22 (5) restroom upgrades at Terminal 1;

62.23 (6) renovation of mechanical rooms in Terminal 1, a MAC storage facility, and a liquid
 62.24 deicer storage facility;

62.25 (7) a new trades storage facility;

62.26 (8) a new liquid deicer storage facility; and

62.27 (9) Terminal 1 passenger arrivals and departures replacement, rehabilitation, and
 62.28 operational improvements.

62.29 (b) The tax on purchases exempt under this subdivision must be imposed and collected
 62.30 as if the rate under section 297A.62, subdivision 1, applied, and then refunded in the manner
 62.31 provided in section 297A.75. Refunds for eligible purchases must not be made after June

63.1 30, 2023. The exemption allowed under this subdivision only applies to sales and purchases
63.2 for which an exemption is not claimed under subdivision 55.

63.3 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
63.4 made after June 30, 2021, and before January 1, 2023.

63.5 Sec. 13. Minnesota Statutes 2021 Supplement, section 297A.75, subdivision 1, is amended
63.6 to read:

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

63.10 (1) building materials for an agricultural processing facility exempt under section
63.11 297A.71, subdivision 13;

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

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

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

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

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

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

63.22 (8) equipment and materials used for the generation, transmission, and distribution of
63.23 electrical energy and an aerial camera package exempt under section 297A.68, subdivision
63.24 37;

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

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

63.29 (11) materials, supplies, and equipment for construction, improvement, or expansion of
63.30 a biopharmaceutical manufacturing facility exempt under section 297A.71, subdivision 45;

64.1 (12) enterprise information technology equipment and computer software for use in a
64.2 qualified data center exempt under section 297A.68, subdivision 42;

64.3 (13) materials, supplies, and equipment for qualifying capital projects under section
64.4 297A.71, subdivision 44, paragraph (a), clause (1), and paragraph (b);

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

64.7 (15) items and services purchased under a business subsidy agreement for use or
64.8 consumption primarily in greater Minnesota exempt under section 297A.68, subdivision
64.9 44;

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

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

64.14 (18) building materials, equipment, and supplies for constructing, remodeling, expanding,
64.15 or improving a fire station, police station, or related facilities exempt under section 297A.71,
64.16 subdivision 53-₂;

64.17 (19) building construction or reconstruction materials, supplies, and equipment exempt
64.18 under section 297A.71, subdivision 55; and

64.19 (20) building construction or reconstruction materials, supplies, and equipment purchased
64.20 for qualifying projects at the Minneapolis-St. Paul International Airport under section
64.21 297A.71, subdivision 56.

64.22 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
64.23 made after June 30, 2021.

64.24 Sec. 14. Minnesota Statutes 2021 Supplement, section 297A.75, subdivision 2, is amended
64.25 to read:

64.26 Subd. 2. **Refund; eligible persons.** Upon application on forms prescribed by the
64.27 commissioner, a refund equal to the tax paid on the gross receipts of the exempt items must
64.28 be paid to the applicant. Only the following persons may apply for the refund:

64.29 (1) for subdivision 1, clauses (1), (2), and (14), the applicant must be the purchaser;

64.30 (2) for subdivision 1, clause (3), the applicant must be the governmental subdivision;

65.1 (3) for subdivision 1, clause (4), the applicant must be the recipient of the benefits
65.2 provided in United States Code, title 38, chapter 21;

65.3 (4) for subdivision 1, clause (5), the applicant must be the owner of the homestead
65.4 property;

65.5 (5) for subdivision 1, clause (6), the owner of the qualified low-income housing project;

65.6 (6) for subdivision 1, clause (7), the applicant must be a municipal electric utility or a
65.7 joint venture of municipal electric utilities;

65.8 (7) for subdivision 1, clauses (8), (11), (12), and (15), the owner of the qualifying
65.9 business;

65.10 (8) for subdivision 1, clauses (9), (10), (13), (17), and (18), the applicant must be the
65.11 governmental entity that owns or contracts for the project or facility; ~~and~~

65.12 (9) for subdivision 1, clause (16), the applicant must be the owner or developer of the
65.13 building or project;

65.14 (10) for subdivision 1, clause (19), the applicant must be the entity:

65.15 (i) listed in section 297A.71, subdivision 55, paragraph (a), that principally uses the
65.16 building or facility; or

65.17 (ii) listed in section 297A.71, subdivision 55, paragraph (b), that contracts with a
65.18 contractor, subcontractor, or builder for the public infrastructure project; and

65.19 (11) for subdivision 1, clause (20), the applicant must be an airport commission.

65.20 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
65.21 made after June 30, 2021.

65.22 Sec. 15. Minnesota Statutes 2021 Supplement, section 297A.75, subdivision 3, is amended
65.23 to read:

65.24 Subd. 3. **Application.** (a) The application must include sufficient information to permit
65.25 the commissioner to verify the tax paid. If the tax was paid by a contractor, subcontractor,
65.26 or builder, under subdivision 1, clauses (3) to (13) or (15) to ~~(18)~~ (20), the contractor,
65.27 subcontractor, or builder must furnish to the refund applicant a statement including the cost
65.28 of the exempt items and the taxes paid on the items unless otherwise specifically provided
65.29 by this subdivision. The provisions of sections 289A.40 and 289A.50 apply to refunds under
65.30 this section.

66.1 (b) An applicant may not file more than two applications per calendar year for refunds
66.2 for taxes paid on capital equipment exempt under section 297A.68, subdivision 5.

66.3 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
66.4 made after June 30, 2021.

66.5 Sec. 16. Minnesota Statutes 2020, section 297A.94, is amended to read:

66.6 **297A.94 DEPOSIT OF REVENUES.**

66.7 (a) Except as provided in this section, the commissioner shall deposit the revenues,
66.8 including interest and penalties, derived from the taxes imposed by this chapter in the state
66.9 treasury and credit them to the general fund.

66.10 (b) The commissioner shall deposit taxes in the Minnesota agricultural and economic
66.11 account in the special revenue fund if:

66.12 (1) the taxes are derived from sales and use of property and services purchased for the
66.13 construction and operation of an agricultural resource project; and

66.14 (2) the purchase was made on or after the date on which a conditional commitment was
66.15 made for a loan guaranty for the project under section 41A.04, subdivision 3.

66.16 The commissioner of management and budget shall certify to the commissioner the date on
66.17 which the project received the conditional commitment. The amount deposited in the loan
66.18 guaranty account must be reduced by any refunds and by the costs incurred by the Department
66.19 of Revenue to administer and enforce the assessment and collection of the taxes.

66.20 (c) The commissioner shall deposit the revenues, including interest and penalties, derived
66.21 from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3,
66.22 paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

66.23 (1) first to the general obligation special tax bond debt service account in each fiscal
66.24 year the amount required by section 16A.661, subdivision 3, paragraph (b); and

66.25 (2) after the requirements of clause (1) have been met, the balance to the general fund.

66.26 (d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit
66.27 in the state treasury the revenues collected under section 297A.64, subdivision 1, including
66.28 interest and penalties and minus refunds, and credit them to the highway user tax distribution
66.29 fund.

66.30 (e) The commissioner shall deposit the revenues, including interest and penalties,
66.31 collected under section 297A.64, subdivision 5, in the state treasury and credit them to the

67.1 general fund. By July 15 of each year the commissioner shall transfer to the highway user
67.2 tax distribution fund an amount equal to the excess fees collected under section 297A.64,
67.3 subdivision 5, for the previous calendar year.

67.4 (f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit
67.5 of revenues under paragraph (d), the commissioner shall deposit into the state treasury and
67.6 credit to the highway user tax distribution fund an amount equal to the estimated revenues
67.7 derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or
67.8 rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The
67.9 commissioner shall estimate the amount of sales tax revenue deposited under this paragraph
67.10 based on the amount of revenue deposited under paragraph (d).

67.11 (g) Starting after July 1, 2017, the commissioner shall deposit an amount of the
67.12 remittances monthly into the state treasury and credit them to the highway user tax
67.13 distribution fund as a portion of the estimated amount of taxes collected from the sale and
67.14 purchase of motor vehicle repair parts in that month. For the remittances between July 1,
67.15 2017, and June 30, 2019, the monthly deposit amount is \$2,628,000. For remittances in
67.16 each subsequent fiscal year, the monthly deposit amount is \$12,137,000. For purposes of
67.17 this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11,
67.18 and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories,
67.19 and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle
67.20 maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor
67.21 vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph,
67.22 "tire" means any tire of the type used on highway vehicles, if wholly or partially made of
67.23 rubber and if marked according to federal regulations for highway use.

67.24 (h) 72.43 percent of the revenues, including interest and penalties, transmitted to the
67.25 commissioner under section 297A.65, must be deposited by the commissioner in the state
67.26 treasury as follows:

67.27 (1) 50 percent of the receipts must be deposited in the heritage enhancement account in
67.28 the game and fish fund, and may be spent only on activities that improve, enhance, or protect
67.29 fish and wildlife resources, including conservation, restoration, and enhancement of land,
67.30 water, and other natural resources of the state;

67.31 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
67.32 be spent only for state parks and trails;

67.33 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
67.34 be spent only on metropolitan park and trail grants;

68.1 (4) three percent of the receipts must be deposited in the natural resources fund, and
68.2 may be spent only on local trail grants; and

68.3 (5) two percent of the receipts must be deposited in the natural resources fund, and may
68.4 be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory,
68.5 and the Duluth Zoo.

68.6 (i) The revenue dedicated under paragraph (h) may not be used as a substitute for
68.7 traditional sources of funding for the purposes specified, but the dedicated revenue shall
68.8 supplement traditional sources of funding for those purposes. Land acquired with money
68.9 deposited in the game and fish fund under paragraph (h) must be open to public hunting
68.10 and fishing during the open season, except that in aquatic management areas or on lands
68.11 where angling easements have been acquired, fishing may be prohibited during certain times
68.12 of the year and hunting may be prohibited. At least 87 percent of the money deposited in
68.13 the game and fish fund for improvement, enhancement, or protection of fish and wildlife
68.14 resources under paragraph (h) must be allocated for field operations.

68.15 (j) The commissioner must deposit the revenues, including interest and penalties minus
68.16 any refunds, derived from the sale of items regulated under section 624.20, subdivision 1,
68.17 that may be sold to persons 18 years old or older and that are not prohibited from use by
68.18 the general public under section 624.21, in the state treasury and credit:

68.19 (1) 25 percent to the volunteer fire assistance grant account established under section
68.20 88.068;

68.21 (2) 25 percent to the fire safety account established under section 297I.06, subdivision
68.22 3; and

68.23 (3) the remainder to the general fund.

68.24 For purposes of this paragraph, the percentage of total sales and use tax revenue derived
68.25 from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be
68.26 sold to persons 18 years old or older and are not prohibited from use by the general public
68.27 under section 624.21, is a set percentage of the total sales and use tax revenues collected in
68.28 the state, with the percentage determined under Laws 2017, First Special Session chapter
68.29 1, article 3, section 39.

68.30 (k) The commissioner shall deposit revenues, including interest and penalties, derived
68.31 from taxes on sales and purchases made at the National Sports Center in Blaine, in the
68.32 amateur sports account in the special revenue fund.

69.1 ~~(k)~~ (l) The revenues deposited under paragraphs (a) to ~~(j)~~ (k) do not include the revenues,
 69.2 including interest and penalties, generated by the sales tax imposed under section 297A.62,
 69.3 subdivision 1a, which must be deposited as provided under the Minnesota Constitution,
 69.4 article XI, section 15.

69.5 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
 69.6 30, 2022.

69.7 Sec. 17. Laws 2017, First Special Session chapter 1, article 3, section 26, the effective
 69.8 date, is amended to read:

69.9 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
 69.10 30, 2017, and before July 1, 2027 2030.

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

69.12 Sec. 18. **REFUNDS; FIBER AND CONDUIT.**

69.13 Notwithstanding limitations on claims for refund under Minnesota Statutes, section
 69.14 289A.40, requests for refunds of purchases exempt under Minnesota Statutes, section
 69.15 297A.68, subdivision 35b, made after July 1, 2017, and before July 1, 2022, must be
 69.16 submitted by December 31, 2022. Only the broadband or Internet service provider may
 69.17 apply for a refund. The application must include sufficient information to permit the
 69.18 commissioner to verify the tax paid. If the tax was paid by a contractor, subcontractor, or
 69.19 builder, the contractor, subcontractor, or builder must furnish to the broadband or Internet
 69.20 service provider a statement including the cost of the exempt items and the taxes paid on
 69.21 the items. An amount sufficient to pay the refunds is appropriated to the commissioner from
 69.22 the general fund. The provisions of Minnesota Statutes, section 297A.75, subdivision 4,
 69.23 apply to refunds issued under this section.

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

69.25 Sec. 19. **SPECIAL EXEMPTIONS; CONSTRUCTION SALES AND USE TAX.**

69.26 (a) The following provisions of Minnesota Statutes, section 297A.71, subdivision 54,
 69.27 do not apply to a special exemption:

69.28 (1) paragraph (a), limiting the exemption to purchases of materials, supplies, and
 69.29 equipment after June 30, 2021, and before January 1, 2023;

69.30 (2) paragraph (b), limiting the exemption to purchases of materials, supplies, and
 69.31 equipment after June 30, 2021, and before January 1, 2023; and

70.1 (3) paragraph (c), prohibiting refunds from being issued after June 30, 2023.

70.2 (b) Any provision of Minnesota Statutes, sections 297A.71, subdivision 54, and 297A.75,
 70.3 subdivisions 1, 2, and 3, inconsistent with a provision in a special exemption, do not apply
 70.4 to the special exemption.

70.5 (c) For purposes of this section, "special exemption" means one of the following
 70.6 exemptions provided in this article:

70.7 (1) the exemption for Duluth Public Schools in section 21;

70.8 (2) the exemption for Ely Public Schools in section 23;

70.9 (3) the exemption for Hibbing Public Schools in section 24;

70.10 (4) the exemption for Rock Ridge Public Schools in section 25;

70.11 (5) the exemption for Chisholm Public Schools in section 20;

70.12 (6) the exemption for Nashwauk-Keewatin Public Schools in section 22;

70.13 (7) the exemption for Northland Learning Center in section 26;

70.14 (8) the exemption for Northern Lights Academy in section 27;

70.15 (9) the exemption for Itasca County in section 9;

70.16 (10) the exemption for Maple Grove in section 9;

70.17 (11) the exemption for Wayzata in section 9; and

70.18 (12) the exemption for the public infrastructure project at the Minneapolis-St. Paul
 70.19 International Airport in section 12.

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

70.21 **Sec. 20. CHISHOLM PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**
 70.22 **CONSTRUCTION MATERIALS.**

70.23 Subdivision 1. Exemption; refund. (a) Materials and supplies used in and equipment
 70.24 incorporated into the construction and renovation projects for Chisholm Elementary School,
 70.25 Chisholm High School, and Vaughan Steffensrud School in Independent School District
 70.26 No. 695, Chisholm Public Schools, are exempt from sales and use tax imposed under
 70.27 Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after
 70.28 December 31, 2021, and before January 1, 2025.

70.29 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
 70.30 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects

71.1 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
 71.2 purchases must not be issued until after June 30, 2022.

71.3 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1
 71.4 is appropriated from the general fund to the commissioner of revenue.

71.5 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2022, and
 71.6 applies to sales and purchases made after December 31, 2021, and before January 1, 2025.

71.7 Sec. 21. **DULUTH PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**
 71.8 **CONSTRUCTION MATERIALS.**

71.9 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment
 71.10 incorporated into the construction of an administrative building and a transportation facility
 71.11 in Independent School District No. 709, Duluth Public Schools, are exempt from sales and
 71.12 use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and
 71.13 equipment are purchased after June 30, 2021, and before January 1, 2025.

71.14 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
 71.15 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
 71.16 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
 71.17 purchases must not be issued until after June 30, 2022.

71.18 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1
 71.19 is appropriated from the general fund to the commissioner of revenue.

71.20 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2021, and
 71.21 applies to sales and purchases made after June 30, 2021, and before January 1, 2025.

71.22 Sec. 22. **NASHWAUK-KEEWATIN PUBLIC SCHOOLS; SALES TAX EXEMPTION**
 71.23 **FOR CONSTRUCTION MATERIALS.**

71.24 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment
 71.25 incorporated into the construction of a new school building and attached community wellness
 71.26 center to replace Keewatin Elementary School and the Nashwauk High School in Independent
 71.27 School District No. 319, Nashwauk-Keewatin Public Schools, are exempt from sales and
 71.28 use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and
 71.29 equipment are purchased after December 31, 2021, and before January 1, 2025.

71.30 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
 71.31 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects

72.1 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
 72.2 purchases must not be issued until after June 30, 2022.

72.3 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1
 72.4 is appropriated from the general fund to the commissioner of revenue.

72.5 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2022, and
 72.6 applies to sales and purchases made after December 31, 2021, and before January 1, 2025.

72.7 Sec. 23. **ELY PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**
 72.8 **CONSTRUCTION MATERIALS.**

72.9 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment
 72.10 incorporated into the following projects in Independent School District No. 696, Ely Public
 72.11 Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter
 72.12 297A, if materials, supplies, and equipment are purchased after May 1, 2019, and before
 72.13 January 1, 2024:

72.14 (1) renovations to the elementary school building and high school building; and

72.15 (2) construction of a building that connects the elementary school and high school
 72.16 buildings, containing classrooms, a common area, gymnasium, and administrative offices.

72.17 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
 72.18 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
 72.19 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
 72.20 purchases must not be issued until after June 30, 2022.

72.21 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1
 72.22 is appropriated from the general fund to the commissioner of revenue.

72.23 **EFFECTIVE DATE.** This section is effective retroactively from May 2, 2019, and
 72.24 applies to sales and purchases made after May 1, 2019, and before January 1, 2024.

72.25 Sec. 24. **HIBBING PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**
 72.26 **CONSTRUCTION MATERIALS.**

72.27 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment
 72.28 incorporated into the following projects in the city of Hibbing are exempt from sales and
 72.29 use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and
 72.30 equipment are purchased after May 1, 2019, and before January 1, 2025:

73.1 (1) the addition of an Early Childhood Family Education Center to an existing elementary
73.2 school; and

73.3 (2) improvements to an existing athletic facility in Independent School District No. 701,
73.4 Hibbing Public Schools.

73.5 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
73.6 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
73.7 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
73.8 purchases must not be issued until after June 30, 2022.

73.9 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1
73.10 is appropriated from the general fund to the commissioner of revenue.

73.11 **EFFECTIVE DATE.** This section is effective retroactively from May 2, 2019, and
73.12 applies to sales and purchases made after May 1, 2019, and before January 1, 2025.

73.13 Sec. 25. **ROCK RIDGE PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**
73.14 **CONSTRUCTION MATERIALS.**

73.15 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment
73.16 incorporated into the construction of two new elementary school buildings and a new high
73.17 school building in Independent School District No. 2909, Rock Ridge Public Schools, are
73.18 exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials,
73.19 supplies, and equipment are purchased after May 1, 2019, and before January 1, 2024.

73.20 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
73.21 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
73.22 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
73.23 purchases must not be issued until after June 30, 2022.

73.24 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1
73.25 is appropriated from the general fund to the commissioner of revenue.

73.26 **EFFECTIVE DATE.** This section is effective retroactively from May 2, 2019, and
73.27 applies to sales and purchases made after May 1, 2019, and before January 1, 2024.

73.28 Sec. 26. **NORTHLAND LEARNING CENTER; SALES TAX EXEMPTION FOR**
73.29 **CONSTRUCTION MATERIALS.**

73.30 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment
73.31 incorporated into the renovation and addition to the James Madison Building for Northland

74.1 Learning Center, No. 6076, are exempt from sales and use tax imposed under Minnesota
 74.2 Statutes, chapter 297A, if materials, supplies, and equipment are purchased after December
 74.3 31, 2021, and before January 1, 2025.

74.4 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
 74.5 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
 74.6 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
 74.7 purchases must not be issued until after June 30, 2022.

74.8 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1
 74.9 is appropriated from the general fund to the commissioner of revenue.

74.10 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2022, and
 74.11 applies to sales and purchases made after December 31, 2021, and before January 1, 2025.

74.12 Sec. 27. **NORTHERN LIGHTS ACADEMY; SALES TAX EXEMPTION FOR**
 74.13 **CONSTRUCTION MATERIALS.**

74.14 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment
 74.15 incorporated into the construction of a new building for special education cooperative No.
 74.16 6096, Northern Lights Academy, are exempt from sales and use tax imposed under Minnesota
 74.17 Statutes, chapter 297A, if materials, supplies, and equipment are purchased after December
 74.18 31, 2021, and before January 1, 2025.

74.19 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
 74.20 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
 74.21 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
 74.22 purchases must not be issued until after June 30, 2022.

74.23 Subd. 2. **Appropriation.** The amount required to pay the refunds under subdivision 1
 74.24 is appropriated from the general fund to the commissioner of revenue.

74.25 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2022, and
 74.26 applies to sales and purchases made after December 31, 2021, and before January 1, 2025.

74.27 **ARTICLE 4**

74.28 **PROPERTY TAXES**

74.29 Section 1. Minnesota Statutes 2020, section 123B.595, subdivision 3, is amended to read:

74.30 Subd. 3. **Intermediate districts and other cooperative units.** (a) Upon approval through
 74.31 the adoption of a resolution by each member district school board of an intermediate district

75.1 or other cooperative ~~units~~ unit under section 123A.24, subdivision 2, or a joint powers
 75.2 district under section 471.59, and the approval of the commissioner of education, a school
 75.3 district may include in its authority under this section a proportionate share of the long-term
 75.4 maintenance costs of the intermediate district ~~or,~~ cooperative unit, or joint powers district.
 75.5 The cooperative unit or joint powers district may issue bonds to finance the project costs
 75.6 or levy for the costs; using long-term maintenance revenue transferred from member districts
 75.7 to make debt service payments or pay project costs or, for leased facilities, pay the portion
 75.8 of lease costs attributable to the amortized cost of long-term facilities maintenance projects
 75.9 completed by the landlord. Authority under this subdivision is in addition to the authority
 75.10 for individual district projects under subdivision 1.

75.11 (b) The resolution adopted under paragraph (a) may specify which member districts will
 75.12 share the project costs under this subdivision, except that debt service payments for bonds
 75.13 issued by a cooperative unit or joint powers district to finance long-term maintenance project
 75.14 costs must be the responsibility of all member districts.

75.15 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2024 and later.

75.16 Sec. 2. Minnesota Statutes 2021 Supplement, section 126C.10, subdivision 2e, is amended
 75.17 to read:

75.18 Subd. 2e. **Local optional revenue.** (a) For fiscal year 2021 and later, local optional
 75.19 revenue for a school district equals the sum of the district's first tier local optional revenue
 75.20 and second tier local optional revenue. A district's first tier local optional revenue equals
 75.21 \$300 times the adjusted pupil units of the district for that school year. A district's second
 75.22 tier local optional revenue equals \$424 times the adjusted pupil units of the district for that
 75.23 school year.

75.24 (b) For fiscal year 2021 and later, a district's local optional levy equals the sum of the
 75.25 first tier local optional levy and the second tier local optional levy.

75.26 (c) For fiscal years 2022 and 2023, a district's first tier local optional levy equals the
 75.27 district's first tier local optional revenue times the lesser of one or the ratio of the district's
 75.28 referendum market value per resident pupil unit to \$880,000. For fiscal year 2024 and later,
 75.29 a district's first tier local optional levy equals the district's first tier local optional revenue
 75.30 times the lesser of one or the ratio of the district's referendum market value per resident
 75.31 pupil unit to 170 percent of the local optional revenue equalizing factor defined in paragraph
 75.32 (d).

76.1 (d) A district's local optional revenue equalizing factor equals the quotient derived by
 76.2 dividing the referendum market value of all school districts in the state for the year before
 76.3 the year the levy is certified by the total number of resident pupil units in all school districts
 76.4 in the state in the year before the year the levy is certified.

76.5 ~~(d)~~ (e) For fiscal year 2022, a district's second tier local optional levy equals the district's
 76.6 second tier local optional revenue times the lesser of one or the ratio of the district's
 76.7 referendum market value per resident pupil unit to \$510,000. For fiscal year 2023, a district's
 76.8 second tier local optional levy equals the district's second tier local optional revenue times
 76.9 the lesser of one or the ratio of the district's referendum market value per resident pupil unit
 76.10 to \$548,842. For fiscal year 2024 and later, a district's second tier local optional levy equals
 76.11 the district's second tier local optional revenue times the lesser of one or the ratio of the
 76.12 district's referendum market value per resident pupil unit to \$510,000.

76.13 ~~(e)~~ (f) The local optional levy must be spread on referendum market value. A district
 76.14 may levy less than the permitted amount.

76.15 ~~(f)~~ (g) A district's local optional aid equals its local optional revenue minus its local
 76.16 optional levy. If a district's actual levy for first or second tier local optional revenue is less
 76.17 than its maximum levy limit for that tier, its aid must be proportionately reduced.

76.18 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2024 and later.

76.19 Sec. 3. Minnesota Statutes 2020, section 126C.40, subdivision 1, is amended to read:

76.20 Subdivision 1. **To lease building or land.** (a) When an independent or a special school
 76.21 district or a group of independent or special school districts finds it economically
 76.22 advantageous to rent or lease a building or land for any instructional purposes or for school
 76.23 storage or furniture repair, and it determines that the operating capital revenue authorized
 76.24 under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the
 76.25 commissioner for permission to make an additional capital expenditure levy for this purpose.
 76.26 An application for permission to levy under this subdivision must contain financial
 76.27 justification for the proposed levy, the terms and conditions of the proposed lease, and a
 76.28 description of the space to be leased and its proposed use.

76.29 (b) The criteria for approval of applications to levy under this subdivision must include:
 76.30 the reasonableness of the price, the appropriateness of the space to the proposed activity,
 76.31 the feasibility of transporting pupils to the leased building or land, conformity of the lease
 76.32 to the laws and rules of the state of Minnesota, and the appropriateness of the proposed
 76.33 lease to the space needs and the financial condition of the district. The commissioner must

77.1 not authorize a levy under this subdivision in an amount greater than the cost to the district
77.2 of renting or leasing a building or land for approved purposes. The proceeds of this levy
77.3 must not be used for custodial or other maintenance services. A district may not levy under
77.4 this subdivision for the purpose of leasing or renting a district-owned building or site to
77.5 itself.

77.6 (c) For agreements finalized after July 1, 1997, a district may not levy under this
77.7 subdivision for the purpose of leasing: (1) a newly constructed building used primarily for
77.8 regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed
77.9 building addition or additions used primarily for regular kindergarten, elementary, or
77.10 secondary instruction that contains more than 20 percent of the square footage of the
77.11 previously existing building.

77.12 (d) Notwithstanding paragraph (b), a district may levy under this subdivision for the
77.13 purpose of leasing or renting a district-owned building or site to itself only if the amount is
77.14 needed by the district to make payments required by a lease purchase agreement, installment
77.15 purchase agreement, or other deferred payments agreement authorized by law, and the levy
77.16 meets the requirements of paragraph (c). A levy authorized for a district by the commissioner
77.17 under this paragraph may be in the amount needed by the district to make payments required
77.18 by a lease purchase agreement, installment purchase agreement, or other deferred payments
77.19 agreement authorized by law, provided that any agreement include a provision giving the
77.20 school districts the right to terminate the agreement annually without penalty.

77.21 (e) The total levy under this subdivision for a district for any year must not exceed \$212
77.22 times the adjusted pupil units for the fiscal year to which the levy is attributable.

77.23 (f) For agreements for which a review and comment have been submitted to the
77.24 Department of Education after April 1, 1998, the term "instructional purpose" as used in
77.25 this subdivision excludes expenditures on stadiums.

77.26 (g) The commissioner of education may authorize a school district to exceed the limit
77.27 in paragraph (e) if the school district petitions the commissioner for approval. The
77.28 commissioner shall grant approval to a school district to exceed the limit in paragraph (e)
77.29 for not more than five years if the district meets the following criteria:

77.30 (1) the school district has been experiencing pupil enrollment growth in the preceding
77.31 five years;

77.32 (2) the purpose of the increased levy is in the long-term public interest;

77.33 (3) the purpose of the increased levy promotes collocation of government services; and

78.1 (4) the purpose of the increased levy is in the long-term interest of the district by avoiding
78.2 over construction of school facilities.

78.3 (h) A school district that is a member of an intermediate school district or other
78.4 cooperative unit under section 123A.24, subdivision 2, or a joint powers district under
78.5 section 471.59 may include in its authority under this section the costs associated with leases
78.6 of administrative and classroom space for ~~intermediate school district~~ programs of the
78.7 intermediate school district or other cooperative unit under section 123A.24, subdivision
78.8 2, or joint powers district under section 471.59. This authority must not exceed \$65 times
78.9 the adjusted pupil units of the member districts. This authority is in addition to any other
78.10 authority authorized under this section. The intermediate school district, other cooperative
78.11 unit, or joint powers district may specify which member districts will levy for lease costs
78.12 under this paragraph.

78.13 (i) In addition to the allowable capital levies in paragraph (a), for taxes payable in 2012
78.14 to 2023, a district that is a member of the "Technology and Information Education Systems"
78.15 data processing joint board, that finds it economically advantageous to enter into a lease
78.16 agreement to finance improvements to a building and land for a group of school districts
78.17 or special school districts for staff development purposes, may levy for its portion of lease
78.18 costs attributed to the district within the total levy limit in paragraph (e). The total levy
78.19 authority under this paragraph shall not exceed \$632,000.

78.20 (j) Notwithstanding paragraph (a), a district may levy under this subdivision for the
78.21 purpose of leasing administrative space if the district can demonstrate to the satisfaction of
78.22 the commissioner that the lease cost for the administrative space is no greater than the lease
78.23 cost for instructional space that the district would otherwise lease. The commissioner must
78.24 deny this levy authority unless the district passes a resolution stating its intent to lease
78.25 instructional space under this section if the commissioner does not grant authority under
78.26 this paragraph. The resolution must also certify that the lease cost for administrative space
78.27 under this paragraph is no greater than the lease cost for the district's proposed instructional
78.28 lease.

78.29 (k) Notwithstanding paragraph (a), a district may levy under this subdivision for the
78.30 district's proportionate share of deferred maintenance expenditures for a district-owned
78.31 building or site leased to a cooperative unit under section 123A.24, subdivision 2, or a joint
78.32 powers district under section 471.59 for any instructional purposes or for school storage.

78.33 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2024 and later.

79.1 Sec. 4. Minnesota Statutes 2020, section 272.01, subdivision 2, is amended to read:

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

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

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

79.13 (2) except as provided in paragraph (c), property of an airport owned by a city, town,
79.14 county, or group thereof which is:

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

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

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

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

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

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

79.26 (4) except as provided in paragraph (d), property constituting or used as a passenger
79.27 check-in area or ticket sale counter, boarding area, or luggage claim area in connection with
79.28 a public airport ~~but not the airports owned or operated by the Metropolitan Airports~~
79.29 ~~Commission or cities of over 50,000 population or an airport authority therein. Real estate~~
79.30 ~~owned by a municipality in connection with the operation of a public airport and leased or~~
79.31 ~~used for agricultural purposes is not exempt;~~

80.1 (5) property leased, loaned, or otherwise made available to a private individual,
 80.2 corporation, or association under a cooperative farming agreement made pursuant to section
 80.3 97A.135; or

80.4 (6) property leased, loaned, or otherwise made available to a private individual,
 80.5 corporation, or association under section 272.68, subdivision 4.

80.6 (c) The exception from taxation provided in paragraph (b), clause (2), does not apply
 80.7 to:

80.8 (1) property located at an airport owned or operated by:

80.9 (i) the Metropolitan Airports Commission; or

80.10 (ii) a city of over 50,000 population according to the most recent federal census or such
 80.11 a city's airport authority, except that, when calculating the tax imposed by this subdivision
 80.12 for property taxes payable in 2023 through 2034, the net tax capacity of such property is
 80.13 reduced by 50 percent if it is owned or operated by a city over 50,000 but under 150,000
 80.14 in population according to the most recent federal census or such a city's airport authority;
 80.15 or

80.16 (2) hangars leased by a private individual, association, or corporation in connection with
 80.17 a business conducted for profit other than an aviation-related business.

80.18 (d) The exception from taxation provided in paragraph (b), clause (4), does not apply
 80.19 to:

80.20 (1) the property described in paragraph (b), clause (4), at airports that are owned or
 80.21 operated by:

80.22 (i) the Metropolitan Airports Commission; or

80.23 (ii) a city of over 50,000 population or an airport authority therein, except that, when
 80.24 calculating the tax imposed by this subdivision for property taxes payable in 2023 through
 80.25 2034, the net tax capacity of such property is reduced by 50 percent if it is owned or operated
 80.26 by a city over 50,000 but under 150,000 in population according to the most recent federal
 80.27 census or such a city's airport authority; or

80.28 (2) real estate owned by a municipality in connection with the operation of a public
 80.29 airport and leased or used for agricultural purposes.

80.30 ~~(e)~~ (e) Taxes imposed by this subdivision are payable as in the case of personal property
 80.31 taxes and shall be assessed to the lessees or users of real or personal property in the same
 80.32 manner as taxes assessed to owners of real or personal property, except that such taxes shall

81.1 not become a lien against the property. When due, the taxes shall constitute a debt due from
 81.2 the lessee or user to the state, township, city, county, and school district for which the taxes
 81.3 were assessed and shall be collected in the same manner as personal property taxes. If
 81.4 property subject to the tax imposed by this subdivision is leased or used jointly by two or
 81.5 more persons, each lessee or user shall be jointly and severally liable for payment of the
 81.6 tax.

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

81.12 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
 81.13 in 2023.

81.14 Sec. 5. Minnesota Statutes 2020, section 272.02, subdivision 24, is amended to read:

81.15 Subd. 24. **Solar energy generating systems.** Personal property consisting of solar energy
 81.16 generating systems, as defined in section 272.0295, is exempt. If the real property upon
 81.17 which a solar energy generating system is located is used primarily for solar energy
 81.18 production subject to the production tax under section 272.0295, the real property shall be
 81.19 classified as class 3a. If the real property upon which a solar energy generating system is
 81.20 located is not used primarily for solar energy production subject to the production tax under
 81.21 section 272.0295, the real property shall be classified without regard to the system. If a
 81.22 parcel contains more than one solar energy generating system that cannot be combined with
 81.23 the nameplate capacity of another solar energy generating system for the purposes of the
 81.24 production tax under section 272.0295 but the capacity of the systems are in aggregate over
 81.25 one megawatt, the real property upon which the systems are located shall be classified as
 81.26 class 3a.

81.27 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
 81.28 in 2023 and thereafter.

81.29 Sec. 6. Minnesota Statutes 2020, section 272.02, subdivision 98, is amended to read:

81.30 Subd. 98. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

81.31 (1) was classified as 3a under section 273.13, subdivision 24, for taxes payable in 2013;

82.1 (2) is located in a city of the first class with a population greater than 300,000 as of the
82.2 2010 federal census;

82.3 (3) was on January 2, 2012, and is for the current assessment owned by a federally
82.4 recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota;
82.5 and

82.6 (4) is used exclusively for tribal purposes or institutions of purely public charity as
82.7 defined in subdivision 7.

82.8 (b) For purposes of this subdivision, a "tribal purpose" means a public purpose as defined
82.9 in subdivision 8 and includes noncommercial tribal government activities. Property that
82.10 qualifies for the exemption under this subdivision is limited to no more than two contiguous
82.11 parcels and structures that do not exceed in the aggregate 20,000 square feet. Property
82.12 acquired for single-family housing, market-rate apartments, agriculture, or forestry does
82.13 not qualify for this exemption. The exemption created by this subdivision expires with taxes
82.14 payable in ~~2024~~ 2034.

82.15 (c) Property exempt under this section is exempt from the requirements of section
82.16 272.025.

82.17 **EFFECTIVE DATE.** This section is effective for taxes payable in 2022.

82.18 Sec. 7. Minnesota Statutes 2020, section 272.02, is amended by adding a subdivision to
82.19 read:

82.20 Subd. 105. **Elderly living facility.** An elderly living facility is exempt from taxation if
82.21 it meets all of the following requirements:

82.22 (1) the facility is located in a city of the first class with a population of fewer than
82.23 110,000;

82.24 (2) the facility is owned and operated by a nonprofit organization organized under section
82.25 501(c)(3) of the Internal Revenue Code;

82.26 (3) construction of the facility was completed between January 1, 1963, and January 1,
82.27 1964;

82.28 (4) the facility is an assisted living facility licensed by the state of Minnesota;

82.29 (5) residents of the facility must be (i) at least 55 years of age, or (ii) disabled; and

82.30 (6) at least 30 percent of the units in the facility are occupied by persons whose annual
82.31 income does not exceed 50 percent of the median family income for the area.

83.1 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023
 83.2 and thereafter.

83.3 Sec. 8. Minnesota Statutes 2020, section 272.02, is amended by adding a subdivision to
 83.4 read:

83.5 Subd. 106. **Energy storage systems.** Real or personal property consisting of an energy
 83.6 storage system is exempt. For the purposes of this subdivision, "energy storage system" has
 83.7 the meaning given in section 216B.2422, subdivision 1, paragraph (f). The land on which
 83.8 the property is located remains taxable and must be classified as class 3a under section
 83.9 273.13, subdivision 24.

83.10 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2022.
 83.11 For assessment year 2022, an exemption application under this section must be filed with
 83.12 the county assessor by July 1, 2022.

83.13 Sec. 9. Minnesota Statutes 2021 Supplement, section 272.0295, subdivision 2, is amended
 83.14 to read:

83.15 Subd. 2. **Definitions.** (a) For the purposes of this section, the term "solar energy
 83.16 generating system" means a set of devices whose primary purpose is to produce electricity
 83.17 by means of any combination of collecting, transferring, or converting solar generated
 83.18 energy.

83.19 (b) The total size of a solar energy generating system under this subdivision shall be
 83.20 determined according to this paragraph. Unless the systems are interconnected with different
 83.21 distribution systems, the nameplate capacity of a solar energy generating system shall be
 83.22 combined with the nameplate capacity of any other solar energy generating system that:

83.23 (1) is constructed within the same 12-month period as the solar energy generating system;
 83.24 and

83.25 (2) exhibits characteristics at the time of development of being a single development,
 83.26 including but not limited to ownership structure, an umbrella sales arrangement, shared
 83.27 interconnection, revenue-sharing arrangements, and common debt or equity financing.

83.28 In the case of a dispute, the commissioner of commerce shall determine the total size of the
 83.29 system and shall draw all reasonable inferences in favor of combining the systems. In
 83.30 determining the total size of the system, the commissioner of commerce shall determine
 83.31 that a solar energy generating system with an application for an interconnection agreement
 83.32 submitted on or after September 25, 2015, pursuant to section 216B.1641, with the public

84.1 utility subject to section 116C.779, is considered to be a solar energy generating system
 84.2 with a capacity of one megawatt alternating current or less and is exempt from the tax
 84.3 imposed by this section.

84.4 For the purposes of making a determination under this paragraph, the original construction
 84.5 date of an existing solar energy conversion system is not changed if the system is replaced,
 84.6 repaired, or otherwise maintained or altered.

84.7 (c) In making a determination under paragraph (b), the commissioner of commerce may
 84.8 determine that two solar energy generating systems are under common ownership when the
 84.9 underlying ownership structure contains similar persons or entities, even if the ownership
 84.10 shares differ between the two systems. Solar energy generating systems are not under
 84.11 common ownership solely because the same person or entity provided equity financing for
 84.12 the systems.

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

84.14 Sec. 10. Minnesota Statutes 2021 Supplement, section 273.11, subdivision 12, is amended
 84.15 to read:

84.16 Subd. 12. **Community land trusts.** (a) A community land trust, as defined under chapter
 84.17 462A, is (i) a community-based nonprofit corporation organized under chapter 317A, which
 84.18 qualifies for tax exempt status under 501(c)(3), or (ii) a "city" as defined in section 462C.02,
 84.19 subdivision 6, which has received funding from the Minnesota housing finance agency for
 84.20 purposes of the community land trust program. The Minnesota Housing Finance Agency
 84.21 shall set the criteria for community land trusts.

84.22 (b) Before the community land trust can rent or sell a unit to an applicant, the community
 84.23 land trust shall verify to the satisfaction of the administering agency or the city that the
 84.24 family income of each person or family applying for a unit in the community land trust
 84.25 building is within the income criteria provided in section 462A.30, subdivision 9. The
 84.26 administering agency or the city shall verify to the satisfaction of the county assessor that
 84.27 the occupant meets the income criteria under section 462A.30, subdivision 9. The property
 84.28 tax benefits under paragraph (c) shall be granted only to property owned or rented by persons
 84.29 or families within the qualifying income limits. The family income criteria and verification
 84.30 is only necessary at the time of initial occupancy in the property.

84.31 (c) A unit which is owned by the occupant and used as a homestead by the occupant
 84.32 qualifies for homestead treatment as class 1a under section 273.13, subdivision 22 unless
 84.33 the unit meets the requirements of section 273.13, subdivision 25, paragraph (e), clause (2),

85.1 in which case the unit shall be classified as 4d(2). A unit which is rented by the occupant
85.2 and used as a homestead by the occupant shall be class 4a or 4b property, under section
85.3 273.13, subdivision 25, whichever is applicable. Any remaining portion of the property not
85.4 used for residential purposes shall be classified by the assessor in the appropriate class based
85.5 upon the use of that portion of the property owned by the community land trust. The land
85.6 upon which the building is located shall be assessed at the same classification rate as the
85.7 units within the building, provided that if the building contains some units assessed as class
85.8 1a or class 4d and some units assessed as class 4a or 4b, the market value of the land will
85.9 be assessed in the same proportions as the value of the building.

85.10 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
85.11 in 2023 and thereafter.

85.12 Sec. 11. Minnesota Statutes 2020, section 273.124, subdivision 3a, is amended to read:

85.13 Subd. 3a. **Manufactured home park cooperative.** (a) When a manufactured home park
85.14 is owned by a corporation or association organized under chapter 308A or 308B, and each
85.15 person who owns a share or shares in the corporation or association is entitled to occupy a
85.16 lot within the park, the corporation or association may claim homestead treatment for the
85.17 park. Each lot must be designated by legal description or number, and each lot is limited to
85.18 not more than one-half acre of land.

85.19 (b) The manufactured home park shall be entitled to homestead treatment if all of the
85.20 following criteria are met:

85.21 (1) the occupant or the cooperative corporation or association is paying the ad valorem
85.22 property taxes and any special assessments levied against the land and structure either
85.23 directly, or indirectly through dues to the corporation or association; and

85.24 (2) the corporation or association organized under chapter 308A or 308B is wholly
85.25 owned by persons having a right to occupy a lot owned by the corporation or association.

85.26 (c) A charitable corporation, organized under the laws of Minnesota with no outstanding
85.27 stock, and granted a ruling by the Internal Revenue Service for 501(c)(3) tax-exempt status,
85.28 qualifies for homestead treatment with respect to a manufactured home park if its members
85.29 hold residential participation warrants entitling them to occupy a lot in the manufactured
85.30 home park.

85.31 (d) "Homestead treatment" under this subdivision means the classification rate provided
85.32 for class 4c property classified under section 273.13, subdivision 25, paragraph (d), clause

86.1 (5), ~~item (ii)~~, and the homestead market value exclusion under section 273.13, subdivision
86.2 35, does not apply.

86.3 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
86.4 in 2024 and thereafter.

86.5 Sec. 12. Minnesota Statutes 2020, section 273.124, subdivision 6, is amended to read:

86.6 Subd. 6. **Leasehold cooperatives.** When one or more dwellings or one or more buildings
86.7 which each contain several dwelling units is owned by a nonprofit corporation subject to
86.8 the provisions of chapter 317A and qualifying under section 501(c)(3) or 501(c)(4) of the
86.9 Internal Revenue Code, or a limited partnership which corporation or partnership operates
86.10 the property in conjunction with a cooperative association, and has received public financing,
86.11 homestead treatment may be claimed by the cooperative association on behalf of the members
86.12 of the cooperative for each dwelling unit occupied by a member of the cooperative. The
86.13 cooperative association must provide the assessor with the Social Security numbers or
86.14 individual tax identification numbers of those members. To qualify for the treatment provided
86.15 by this subdivision, the following conditions must be met:

86.16 (a) the cooperative association must be organized under chapter 308A or 308B and all
86.17 voting members of the board of directors must be resident tenants of the cooperative and
86.18 must be elected by the resident tenants of the cooperative;

86.19 (b) the cooperative association must have a lease for occupancy of the property for a
86.20 term of at least 20 years, which permits the cooperative association, while not in default on
86.21 the lease, to participate materially in the management of the property, including material
86.22 participation in establishing budgets, setting rent levels, and hiring and supervising a
86.23 management agent;

86.24 (c) to the extent permitted under state or federal law, the cooperative association must
86.25 have a right under a written agreement with the owner to purchase the property if the owner
86.26 proposes to sell it; if the cooperative association does not purchase the property it is offered
86.27 for sale, the owner may not subsequently sell the property to another purchaser at a price
86.28 lower than the price at which it was offered for sale to the cooperative association unless
86.29 the cooperative association approves the sale;

86.30 (d) a minimum of 40 percent of the cooperative association's members must have incomes
86.31 at or less than 60 percent of area median gross income as determined by the United States
86.32 Secretary of Housing and Urban Development under section 142(d)(2)(B) of the Internal

87.1 Revenue Code. For purposes of this clause, "member income" means the income of a member
87.2 existing at the time the member acquires cooperative membership;

87.3 (e) if a limited partnership owns the property, it must include as the managing general
87.4 partner a nonprofit organization operating under the provisions of chapter 317A and
87.5 qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code and the limited
87.6 partnership agreement must provide that the managing general partner have sufficient powers
87.7 so that it materially participates in the management and control of the limited partnership;

87.8 (f) prior to becoming a member of a leasehold cooperative described in this subdivision,
87.9 a person must have received notice that (1) describes leasehold cooperative property in plain
87.10 language, including but not limited to the effects of classification under this subdivision on
87.11 rents, property taxes and tax credits or refunds, and operating expenses, and (2) states that
87.12 copies of the articles of incorporation and bylaws of the cooperative association, the lease
87.13 between the owner and the cooperative association, a sample sublease between the
87.14 cooperative association and a tenant, and, if the owner is a partnership, a copy of the limited
87.15 partnership agreement, can be obtained upon written request at no charge from the owner,
87.16 and the owner must send or deliver the materials within seven days after receiving any
87.17 request;

87.18 (g) if a dwelling unit of a building was occupied on the 60th day prior to the date on
87.19 which the unit became leasehold cooperative property described in this subdivision, the
87.20 notice described in paragraph (f) must have been sent by first class mail to the occupant of
87.21 the unit at least 60 days prior to the date on which the unit became leasehold cooperative
87.22 property. For purposes of the notice under this paragraph, the copies of the documents
87.23 referred to in paragraph (f) may be in proposed version, provided that any subsequent
87.24 material alteration of those documents made after the occupant has requested a copy shall
87.25 be disclosed to any occupant who has requested a copy of the document. Copies of the
87.26 articles of incorporation and certificate of limited partnership shall be filed with the secretary
87.27 of state after the expiration of the 60-day period unless the change to leasehold cooperative
87.28 status does not proceed;

87.29 (h) the county attorney of the county in which the property is located must certify to the
87.30 assessor that the property meets the requirements of this subdivision;

87.31 (i) the public financing received must be from at least one of the following sources:

87.32 (1) tax increment financing proceeds used for the acquisition or rehabilitation of the
87.33 building or interest rate write-downs relating to the acquisition of the building;

88.1 (2) government issued bonds exempt from taxes under section 103 of the Internal Revenue
88.2 Code, the proceeds of which are used for the acquisition or rehabilitation of the building;

88.3 (3) programs under section 221(d)(3), 202, or 236, of Title II of the National Housing
88.4 Act;

88.5 (4) rental housing program funds under Section 8 of the United States Housing Act of
88.6 1937, as amended, or the market rate family graduated payment mortgage program funds
88.7 administered by the Minnesota Housing Finance Agency that are used for the acquisition
88.8 or rehabilitation of the building;

88.9 (5) low-income housing credit under section 42 of the Internal Revenue Code;

88.10 (6) public financing provided by a local government used for the acquisition or
88.11 rehabilitation of the building, including grants or loans from (i) federal community
88.12 development block grants; (ii) HOME block grants; or (iii) residential rental bonds issued
88.13 under chapter 474A; or

88.14 (7) other rental housing program funds provided by the Minnesota Housing Finance
88.15 Agency for the acquisition or rehabilitation of the building;

88.16 (j) at the time of the initial request for homestead classification or of any transfer of
88.17 ownership of the property, the governing body of the municipality in which the property is
88.18 located must hold a public hearing and make the following findings:

88.19 (1) that the granting of the homestead treatment of the apartment's units will facilitate
88.20 safe, clean, affordable housing for the cooperative members that would otherwise not be
88.21 available absent the homestead designation;

88.22 (2) that the owner has presented information satisfactory to the governing body showing
88.23 that the savings garnered from the homestead designation of the units will be used to reduce
88.24 tenant's rents or provide a level of furnishing or maintenance not possible absent the
88.25 designation; and

88.26 (3) that the requirements of paragraphs (b), (d), and (i) have been met.

88.27 Homestead treatment must be afforded to units occupied by members of the cooperative
88.28 association and the units must be assessed as provided in subdivision 3, provided that any
88.29 unit not so occupied shall be classified and assessed pursuant to the appropriate class. No
88.30 more than three acres of land may, for assessment purposes, be included with each dwelling
88.31 unit that qualifies for homestead treatment under this subdivision.

89.1 When dwelling units no longer qualify under this subdivision, the current owner must
89.2 notify the assessor within 60 days. Failure to notify the assessor within 60 days shall result
89.3 in the loss of benefits under this subdivision for taxes payable in the year that the failure is
89.4 discovered. For these purposes, "benefits under this subdivision" means the difference in
89.5 the net tax capacity of the units which no longer qualify as computed under this subdivision
89.6 and as computed under the otherwise applicable law, times the local tax rate applicable to
89.7 the building for that taxes payable year. Upon discovery of a failure to notify, the assessor
89.8 shall inform the auditor of the difference in net tax capacity for the building or buildings in
89.9 which units no longer qualify, and the auditor shall calculate the benefits under this
89.10 subdivision. Such amount, plus a penalty equal to 100 percent of that amount, shall then be
89.11 demanded of the building's owner. The property owner may appeal the county's determination
89.12 by serving copies of a petition for review with county officials as provided in section 278.01
89.13 and filing a proof of service as provided in section 278.01 with the Minnesota Tax Court
89.14 within 60 days of the date of the notice from the county. The appeal shall be governed by
89.15 the Tax Court procedures provided in chapter 271, for cases relating to the tax laws as
89.16 defined in section 271.01, subdivision 5; disregarding sections 273.125, subdivision 5, and
89.17 278.03, but including section 278.05, subdivision 2. If the amount of the benefits under this
89.18 subdivision and penalty are not paid within 60 days, and if no appeal has been filed, the
89.19 county auditor shall certify the amount of the benefit and penalty to the succeeding year's
89.20 tax list to be collected as part of the property taxes on the affected buildings.

89.21 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications
89.22 filed in 2022 and thereafter.

89.23 Sec. 13. Minnesota Statutes 2021 Supplement, section 273.124, subdivision 13, is amended
89.24 to read:

89.25 Subd. 13. **Homestead application.** (a) A person who meets the homestead requirements
89.26 under subdivision 1 must file a homestead application with the county assessor to initially
89.27 obtain homestead classification.

89.28 (b) The commissioner shall prescribe the content, format, and manner of the homestead
89.29 application required to be filed under this chapter pursuant to section 270C.30. The
89.30 application must clearly inform the taxpayer that this application must be signed by all
89.31 owners who occupy the property or by the qualifying relative and returned to the county
89.32 assessor in order for the property to receive homestead treatment.

89.33 (c) Every property owner applying for homestead classification must furnish to the
89.34 county assessor the Social Security number or individual tax identification number of each

90.1 occupant who is listed as an owner of the property on the deed of record, the name and
90.2 address of each owner who does not occupy the property, and the name and Social Security
90.3 number or individual tax identification number of the spouse of each occupying owner. The
90.4 application must be signed by each owner who occupies the property and by each owner's
90.5 spouse who occupies the property, or, in the case of property that qualifies as a homestead
90.6 under subdivision 1, paragraph (c), by the qualifying relative.

90.7 If a property owner occupies a homestead, the property owner's spouse may not claim
90.8 another property as a homestead unless the property owner and the property owner's spouse
90.9 file with the assessor an affidavit or other proof required by the assessor stating that the
90.10 property qualifies as a homestead under subdivision 1, paragraph (e).

90.11 Owners or spouses occupying residences owned by their spouses and previously occupied
90.12 with the other spouse, either of whom fail to include the other spouse's name and Social
90.13 Security number or individual tax identification number on the homestead application or
90.14 provide the affidavits or other proof requested, will be deemed to have elected to receive
90.15 only partial homestead treatment of their residence. The remainder of the residence will be
90.16 classified as nonhomestead residential. When an owner or spouse's name and Social Security
90.17 number or individual tax identification number appear on homestead applications for two
90.18 separate residences and only one application is signed, the owner or spouse will be deemed
90.19 to have elected to homestead the residence for which the application was signed.

90.20 (d) If residential real estate is occupied and used for purposes of a homestead by a relative
90.21 of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for
90.22 the property to receive homestead status, a homestead application must be filed with the
90.23 assessor. The Social Security number or individual tax identification number of each relative
90.24 occupying the property and the name and Social Security number or individual tax
90.25 identification number of the spouse of a relative occupying the property shall be required
90.26 on the homestead application filed under this subdivision. If a different relative of the owner
90.27 subsequently occupies the property, the owner of the property must notify the assessor
90.28 within 30 days of the change in occupancy. The Social Security number or individual tax
90.29 identification number of a relative occupying the property or the spouse of a relative
90.30 occupying the property is private data on individuals as defined by section 13.02, subdivision
90.31 12, but may be disclosed to the commissioner of revenue, or, for the purposes of proceeding
90.32 under the Revenue Recapture Act to recover personal property taxes owing, to the county
90.33 treasurer.

90.34 (e) The homestead application shall also notify the property owners that if the property
90.35 is granted homestead status for any assessment year, that same property shall remain

91.1 classified as homestead until the property is sold or transferred to another person, or the
 91.2 owners, the spouse of the owner, or the relatives no longer use the property as their
 91.3 homestead. Upon the sale or transfer of the homestead property, a certificate of value must
 91.4 be timely filed with the county auditor as provided under section 272.115. Failure to notify
 91.5 the assessor within 30 days that the property has been sold, transferred, or that the owner,
 91.6 the spouse of the owner, or the relative is no longer occupying the property as a homestead,
 91.7 shall result in the penalty provided under this subdivision and the property will lose its
 91.8 current homestead status.

91.9 (f) If a homestead application has not been filed with the county by December 31, the
 91.10 assessor shall classify the property as nonhomestead for the current assessment year for
 91.11 taxes payable in the following year, provided that the owner may be entitled to receive the
 91.12 homestead classification by proper application under section 375.192.

91.13 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications
 91.14 filed in 2022 and thereafter.

91.15 Sec. 14. Minnesota Statutes 2020, section 273.124, subdivision 13a, is amended to read:

91.16 Subd. 13a. **Occupant list.** At the request of the commissioner, each county must give
 91.17 the commissioner a list that includes the name and Social Security number or individual
 91.18 tax identification number of each occupant of homestead property who is the property owner,
 91.19 property owner's spouse, qualifying relative of a property owner, or a spouse of a qualifying
 91.20 relative. The commissioner shall use the information provided on the lists as appropriate
 91.21 under the law, including for the detection of improper claims by owners, or relatives of
 91.22 owners, under chapter 290A.

91.23 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications
 91.24 filed in 2022 and thereafter.

91.25 Sec. 15. Minnesota Statutes 2020, section 273.124, subdivision 13c, is amended to read:

91.26 Subd. 13c. **Property lists.** In addition to lists of homestead properties, the commissioner
 91.27 may ask the counties to furnish lists of all properties and the record owners. The Social
 91.28 Security numbers, individual tax identification numbers, and federal identification numbers
 91.29 that are maintained by a county or city assessor for property tax administration purposes,
 91.30 and that may appear on the lists retain their classification as private or nonpublic data; but
 91.31 may be viewed, accessed, and used by the county auditor or treasurer of the same county
 91.32 for the limited purpose of assisting the commissioner in the preparation of microdata samples
 91.33 under section 270C.12. The commissioner shall use the information provided on the lists

92.1 as appropriate under the law, including for the detection of improper claims by owners, or
 92.2 relatives of owners, under chapter 290A.

92.3 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications
 92.4 filed in 2022 and thereafter.

92.5 Sec. 16. Minnesota Statutes 2020, section 273.124, subdivision 13d, is amended to read:

92.6 Subd. 13d. **Homestead data.** On or before April 30 each year beginning in 2007, each
 92.7 county must provide the commissioner with the following data for each parcel of homestead
 92.8 property by electronic means as defined in section 289A.02, subdivision 8:

92.9 (1) the property identification number assigned to the parcel for purposes of taxes payable
 92.10 in the current year;

92.11 (2) the name and Social Security number or individual tax identification number of each
 92.12 occupant of homestead property who is the property owner or qualifying relative of a property
 92.13 owner, and the spouse of the property owner who occupies homestead property or spouse
 92.14 of a qualifying relative of a property owner who occupies homestead property;

92.15 (3) the classification of the property under section 273.13 for taxes payable in the current
 92.16 year and in the prior year;

92.17 (4) an indication of whether the property was classified as a homestead for taxes payable
 92.18 in the current year because of occupancy by a relative of the owner or by a spouse of a
 92.19 relative;

92.20 (5) the property taxes payable as defined in section 290A.03, subdivision 13, for the
 92.21 current year and the prior year;

92.22 (6) the market value of improvements to the property first assessed for tax purposes for
 92.23 taxes payable in the current year;

92.24 (7) the assessor's estimated market value assigned to the property for taxes payable in
 92.25 the current year and the prior year;

92.26 (8) the taxable market value assigned to the property for taxes payable in the current
 92.27 year and the prior year;

92.28 (9) whether there are delinquent property taxes owing on the homestead;

92.29 (10) the unique taxing district in which the property is located; and

92.30 (11) such other information as the commissioner decides is necessary.

93.1 The commissioner shall use the information provided on the lists as appropriate under
 93.2 the law, including for the detection of improper claims by owners, or relatives of owners,
 93.3 under chapter 290A.

93.4 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications
 93.5 filed in 2022 and thereafter.

93.6 Sec. 17. Minnesota Statutes 2021 Supplement, section 273.124, subdivision 14, is amended
 93.7 to read:

93.8 Subd. 14. **Agricultural homesteads; special provisions.** (a) Real estate of less than ten
 93.9 acres that is the homestead of its owner must be classified as class 2a under section 273.13,
 93.10 subdivision 23, paragraph (a), if:

93.11 (1) the parcel on which the house is located is contiguous on at least two sides to (i)
 93.12 agricultural land, (ii) land owned or administered by the United States Fish and Wildlife
 93.13 Service, or (iii) land administered by the Department of Natural Resources on which in lieu
 93.14 taxes are paid under sections 477A.11 to 477A.14 or section 477A.17;

93.15 (2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20
 93.16 acres;

93.17 (3) the noncontiguous land is located not farther than four townships or cities, or a
 93.18 combination of townships or cities from the homestead; and

93.19 (4) the agricultural use value of the noncontiguous land and farm buildings is equal to
 93.20 at least 50 percent of the market value of the house, garage, and one acre of land.

93.21 Homesteads initially classified as class 2a under the provisions of this paragraph shall
 93.22 remain classified as class 2a, irrespective of subsequent changes in the use of adjoining
 93.23 properties, as long as the homestead remains under the same ownership, the owner owns a
 93.24 noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use
 93.25 value qualifies under clause (4). Homestead classification under this paragraph is limited
 93.26 to property that qualified under this paragraph for the 1998 assessment.

93.27 (b)(i) Agricultural property shall be classified as the owner's homestead, to the same
 93.28 extent as other agricultural homestead property, if all of the following criteria are met:

93.29 (1) the agricultural property consists of at least 40 acres including undivided government
 93.30 lots and correctional 40's;

93.31 (2) the owner, the owner's spouse, or a grandchild, child, sibling, or parent of the owner
 93.32 or of the owner's spouse, is actively farming the agricultural property, either on the person's

94.1 own behalf as an individual or on behalf of a partnership operating a family farm, family
94.2 farm corporation, joint family farm venture, or limited liability company of which the person
94.3 is a partner, shareholder, or member;

94.4 (3) both the owner of the agricultural property and the person who is actively farming
94.5 the agricultural property under clause (2), are Minnesota residents;

94.6 (4) neither the owner nor the spouse of the owner claims another agricultural homestead
94.7 in Minnesota; and

94.8 (5) neither the owner nor the person actively farming the agricultural property lives
94.9 farther than four townships or cities, or a combination of four townships or cities, from the
94.10 agricultural property, except that if the owner or the owner's spouse is required to live in
94.11 employer-provided housing, the owner or owner's spouse, whichever is actively farming
94.12 the agricultural property, may live more than four townships or cities, or combination of
94.13 four townships or cities from the agricultural property.

94.14 The relationship under this paragraph may be either by blood or marriage.

94.15 (ii) Property containing the residence of an owner who owns qualified property under
94.16 clause (i) shall be classified as part of the owner's agricultural homestead, if that property
94.17 is also used for noncommercial storage or drying of agricultural crops.

94.18 (iii) As used in this paragraph, "agricultural property" means class 2a property and any
94.19 class 2b property that is contiguous to and under the same ownership as the class 2a property.

94.20 (c) Noncontiguous land shall be included as part of a homestead under section 273.13,
94.21 subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached
94.22 land is located in the same township or city, or not farther than four townships or cities or
94.23 combination thereof from the homestead. Any taxpayer of these noncontiguous lands must
94.24 notify the county assessor that the noncontiguous land is part of the taxpayer's homestead,
94.25 and, if the homestead is located in another county, the taxpayer must also notify the assessor
94.26 of the other county.

94.27 (d) Agricultural land used for purposes of a homestead and actively farmed by a person
94.28 holding a vested remainder interest in it must be classified as a homestead under section
94.29 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other
94.30 dwellings on the land used for purposes of a homestead by persons holding vested remainder
94.31 interests who are actively engaged in farming the property, and up to one acre of the land
94.32 surrounding each homestead and reasonably necessary for the use of the dwelling as a home,
94.33 must also be assessed class 2a.

95.1 (e) Agricultural land and buildings that were class 2a homestead property under section
95.2 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as
95.3 agricultural homesteads for subsequent assessments if:

95.4 (1) the property owner abandoned the homestead dwelling located on the agricultural
95.5 homestead as a result of the April 1997 floods;

95.6 (2) the property is located in the county of Polk, Clay, Kittson, Marshall, Norman, or
95.7 Wilkin;

95.8 (3) the agricultural land and buildings remain under the same ownership for the current
95.9 assessment year as existed for the 1997 assessment year and continue to be used for
95.10 agricultural purposes;

95.11 (4) the dwelling occupied by the owner is located in Minnesota and is within 30 miles
95.12 of one of the parcels of agricultural land that is owned by the taxpayer; and

95.13 (5) the owner notifies the county assessor that the relocation was due to the 1997 floods,
95.14 and the owner furnishes the assessor any information deemed necessary by the assessor in
95.15 verifying the change in dwelling. Further notifications to the assessor are not required if the
95.16 property continues to meet all the requirements in this paragraph and any dwellings on the
95.17 agricultural land remain uninhabited.

95.18 (f) Agricultural land and buildings that were class 2a homestead property under section
95.19 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified
95.20 agricultural homesteads for subsequent assessments if:

95.21 (1) the property owner abandoned the homestead dwelling located on the agricultural
95.22 homestead as a result of damage caused by a March 29, 1998, tornado;

95.23 (2) the property is located in the county of Blue Earth, Brown, Cottonwood, LeSueur,
95.24 Nicollet, Nobles, or Rice;

95.25 (3) the agricultural land and buildings remain under the same ownership for the current
95.26 assessment year as existed for the 1998 assessment year;

95.27 (4) the dwelling occupied by the owner is located in this state and is within 50 miles of
95.28 one of the parcels of agricultural land that is owned by the taxpayer; and

95.29 (5) the owner notifies the county assessor that the relocation was due to a March 29,
95.30 1998, tornado, and the owner furnishes the assessor any information deemed necessary by
95.31 the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the
95.32 owner must notify the assessor by December 1, 1998. Further notifications to the assessor

96.1 are not required if the property continues to meet all the requirements in this paragraph and
96.2 any dwellings on the agricultural land remain uninhabited.

96.3 (g) Agricultural property of a family farm corporation, joint family farm venture, family
96.4 farm limited liability company, or partnership operating a family farm as described under
96.5 subdivision 8 shall be classified homestead, to the same extent as other agricultural homestead
96.6 property, if all of the following criteria are met:

96.7 (1) the property consists of at least 40 acres including undivided government lots and
96.8 correctional 40's;

96.9 (2) a shareholder, member, or partner of that entity is actively farming the agricultural
96.10 property;

96.11 (3) that shareholder, member, or partner who is actively farming the agricultural property
96.12 is a Minnesota resident;

96.13 (4) neither that shareholder, member, or partner, nor the spouse of that shareholder,
96.14 member, or partner claims another agricultural homestead in Minnesota; and

96.15 (5) that shareholder, member, or partner does not live farther than four townships or
96.16 cities, or a combination of four townships or cities, from the agricultural property.

96.17 Homestead treatment applies under this paragraph even if:

96.18 (i) the shareholder, member, or partner of that entity is actively farming the agricultural
96.19 property on the shareholder's, member's, or partner's own behalf; or

96.20 (ii) the family farm is operated by a family farm corporation, joint family farm venture,
96.21 partnership, or limited liability company other than the family farm corporation, joint family
96.22 farm venture, partnership, or limited liability company that owns the land, provided that:

96.23 (A) the shareholder, member, or partner of the family farm corporation, joint family
96.24 farm venture, partnership, or limited liability company that owns the land who is actively
96.25 farming the land is a shareholder, member, or partner of the family farm corporation, joint
96.26 family farm venture, partnership, or limited liability company that is operating the farm;
96.27 and

96.28 (B) more than half of the shareholders, members, or partners of each family farm
96.29 corporation, joint family farm venture, partnership, or limited liability company are persons
96.30 or spouses of persons who are a qualifying relative under section 273.124, subdivision 1,
96.31 paragraphs (c) and (d).

97.1 Homestead treatment applies under this paragraph for property leased to a family farm
 97.2 corporation, joint farm venture, limited liability company, or partnership operating a family
 97.3 farm if legal title to the property is in the name of an individual who is a member, shareholder,
 97.4 or partner in the entity.

97.5 (h) To be eligible for the special agricultural homestead under this subdivision, an initial
 97.6 full application must be submitted to the county assessor where the property is located.
 97.7 Owners and the persons who are actively farming the property shall be required to complete
 97.8 only a one-page abbreviated version of the application in each subsequent year provided
 97.9 that none of the following items have changed since the initial application:

97.10 (1) the day-to-day operation, administration, and financial risks remain the same;

97.11 (2) the owners and the persons actively farming the property continue to live within the
 97.12 four townships or city criteria and are Minnesota residents;

97.13 (3) the same operator of the agricultural property is listed with the Farm Service Agency;

97.14 (4) a Schedule F or equivalent income tax form was filed for the most recent year;

97.15 (5) the property's acreage is unchanged; and

97.16 (6) none of the property's acres have been enrolled in a federal or state farm program
 97.17 since the initial application.

97.18 The owners and any persons who are actively farming the property must include the
 97.19 appropriate Social Security numbers or individual tax identification numbers, and sign and
 97.20 date the application. If any of the specified information has changed since the full application
 97.21 was filed, the owner must notify the assessor, and must complete a new application to
 97.22 determine if the property continues to qualify for the special agricultural homestead. The
 97.23 commissioner of revenue shall prepare a standard reapplication form for use by the assessors.

97.24 (i) Agricultural land and buildings that were class 2a homestead property under section
 97.25 273.13, subdivision 23, paragraph (a), for the 2007 assessment shall remain classified
 97.26 agricultural homesteads for subsequent assessments if:

97.27 (1) the property owner abandoned the homestead dwelling located on the agricultural
 97.28 homestead as a result of damage caused by the August 2007 floods;

97.29 (2) the property is located in the county of Dodge, Fillmore, Houston, Olmsted, Steele,
 97.30 Wabasha, or Winona;

97.31 (3) the agricultural land and buildings remain under the same ownership for the current
 97.32 assessment year as existed for the 2007 assessment year;

98.1 (4) the dwelling occupied by the owner is located in this state and is within 50 miles of
 98.2 one of the parcels of agricultural land that is owned by the taxpayer; and

98.3 (5) the owner notifies the county assessor that the relocation was due to the August 2007
 98.4 floods, and the owner furnishes the assessor any information deemed necessary by the
 98.5 assessor in verifying the change in homestead dwelling. For taxes payable in 2009, the
 98.6 owner must notify the assessor by December 1, 2008. Further notifications to the assessor
 98.7 are not required if the property continues to meet all the requirements in this paragraph and
 98.8 any dwellings on the agricultural land remain uninhabited.

98.9 (j) Agricultural land and buildings that were class 2a homestead property under section
 98.10 273.13, subdivision 23, paragraph (a), for the 2008 assessment shall remain classified as
 98.11 agricultural homesteads for subsequent assessments if:

98.12 (1) the property owner abandoned the homestead dwelling located on the agricultural
 98.13 homestead as a result of the March 2009 floods;

98.14 (2) the property is located in the county of Marshall;

98.15 (3) the agricultural land and buildings remain under the same ownership for the current
 98.16 assessment year as existed for the 2008 assessment year and continue to be used for
 98.17 agricultural purposes;

98.18 (4) the dwelling occupied by the owner is located in Minnesota and is within 50 miles
 98.19 of one of the parcels of agricultural land that is owned by the taxpayer; and

98.20 (5) the owner notifies the county assessor that the relocation was due to the 2009 floods,
 98.21 and the owner furnishes the assessor any information deemed necessary by the assessor in
 98.22 verifying the change in dwelling. Further notifications to the assessor are not required if the
 98.23 property continues to meet all the requirements in this paragraph and any dwellings on the
 98.24 agricultural land remain uninhabited.

98.25 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications
 98.26 filed in 2022 and thereafter.

98.27 Sec. 18. Minnesota Statutes 2020, section 273.1245, subdivision 1, is amended to read:

98.28 Subdivision 1. **Private or nonpublic data.** The following data are private or nonpublic
 98.29 data as defined in section 13.02, subdivisions 9 and 12, when they are submitted to a county
 98.30 or local assessor under section 273.124, 273.13, or another section, to support a claim for
 98.31 the property tax homestead classification under section 273.13, or other property tax
 98.32 classification or benefit:

- 99.1 (1) Social Security numbers;
- 99.2 (2) individual tax identification numbers;
- 99.3 ~~(2)~~ (3) copies of state or federal income tax returns; and
- 99.4 ~~(3)~~ (4) state or federal income tax return information, including the federal income tax
- 99.5 schedule F.

99.6 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications

99.7 filed in 2022 and thereafter.

99.8 Sec. 19. Minnesota Statutes 2021 Supplement, section 273.13, subdivision 23, is amended

99.9 to read:

99.10 Subd. 23. **Class 2.** (a) An agricultural homestead consists of class 2a agricultural land

99.11 that is homesteaded, along with any class 2b rural vacant land that is contiguous to the class

99.12 2a land under the same ownership. The market value of the house and garage and immediately

99.13 surrounding one acre of land has the same classification rates as class 1a or 1b property

99.14 under subdivision 22. The value of the remaining land including improvements up to the

99.15 first tier valuation limit of agricultural homestead property has a classification rate of 0.5

99.16 percent of market value. The remaining property over the first tier has a classification rate

99.17 of one percent of market value. For purposes of this subdivision, the "first tier valuation

99.18 limit of agricultural homestead property" and "first tier" means the limit certified under

99.19 section 273.11, subdivision 23.

99.20 (b) Class 2a agricultural land consists of parcels of property, or portions thereof, that

99.21 are agricultural land and buildings. Class 2a property has a classification rate of one percent

99.22 of market value, unless it is part of an agricultural homestead under paragraph (a). Class 2a

99.23 property must also include any property that would otherwise be classified as 2b, but is

99.24 interspersed with class 2a property, including but not limited to sloughs, wooded wind

99.25 shelters, acreage abutting ditches, ravines, rock piles, land subject to a setback requirement,

99.26 and other similar land that is impractical for the assessor to value separately from the rest

99.27 of the property or that is unlikely to be able to be sold separately from the rest of the property.

99.28 An assessor may classify the part of a parcel described in this subdivision that is used

99.29 for agricultural purposes as class 2a and the remainder in the class appropriate to its use.

99.30 (c) Class 2b rural vacant land consists of parcels of property, or portions thereof, that

99.31 are unplatted real estate, rural in character and not used for agricultural purposes, including

99.32 land used for growing trees for timber, lumber, and wood and wood products, that is not

99.33 improved with a structure. The presence of a minor, ancillary nonresidential structure as

100.1 defined by the commissioner of revenue does not disqualify the property from classification
100.2 under this paragraph. Any parcel of 20 acres or more improved with a structure that is not
100.3 a minor, ancillary nonresidential structure must be split-classified, and ten acres must be
100.4 assigned to the split parcel containing the structure. If a parcel of 20 acres or more is enrolled
100.5 in the sustainable forest management incentive program under chapter 290C, the number
100.6 of acres assigned to the split parcel improved with a structure that is not a minor, ancillary
100.7 nonresidential structure must equal three acres or the number of acres excluded from the
100.8 sustainable forest incentive act covenant due to the structure, whichever is greater. Class
100.9 2b property has a classification rate of one percent of market value unless it is part of an
100.10 agricultural homestead under paragraph (a), or qualifies as class 2c under paragraph (d).

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

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

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

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

100.31 "Agricultural purposes" as used in this section means the raising, cultivation, drying, or
100.32 storage of agricultural products for sale, or the storage of machinery or equipment used in
100.33 support of agricultural production by the same farm entity. For a property to be classified
100.34 as agricultural based only on the drying or storage of agricultural products, the products

101.1 being dried or stored must have been produced by the same farm entity as the entity operating
101.2 the drying or storage facility. "Agricultural purposes" also includes (i) enrollment in a local
101.3 conservation program or the Reinvest in Minnesota program under sections 103F.501 to
101.4 103F.535 or the federal Conservation Reserve Program as contained in Public Law 99-198
101.5 or a similar state or federal conservation program if the property was classified as agricultural
101.6 (A) under this subdivision for taxes payable in 2003 because of its enrollment in a qualifying
101.7 program and the land remains enrolled or (B) in the year prior to its enrollment, or (ii) use
101.8 of land, not to exceed three acres, to provide environmental benefits such as buffer strips,
101.9 old growth forest restoration or retention, or retention ponds to prevent soil erosion. For
101.10 purposes of this section, a "local conservation program" means a program administered by
101.11 a town, statutory or home rule charter city, or county, including a watershed district, water
101.12 management organization, or soil and water conservation district, in which landowners
101.13 voluntarily enroll land and receive incentive payments equal to at least \$50 per acre in
101.14 exchange for use or other restrictions placed on the land. In order for property to qualify
101.15 under the local conservation program provision, a taxpayer must apply to the assessor by
101.16 February 1 of the assessment year and must submit the information required by the assessor,
101.17 including but not limited to a copy of the program requirements, the specific agreement
101.18 between the land owner and the local agency, if applicable, and a map of the conservation
101.19 area. Agricultural classification shall not be based upon the market value of any residential
101.20 structures on the parcel or contiguous parcels under the same ownership.

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

101.24 (f) Agricultural land under this section also includes:

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

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

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

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

102.1 (iii) for intensive market farming; for purposes of this paragraph, "market farming"
102.2 means the cultivation of one or more fruits or vegetables or production of animal or other
102.3 agricultural products for sale to local markets by the farmer or an organization with which
102.4 the farmer is affiliated.

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

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

102.10 Classification under this subdivision is not determinative for qualifying under section
102.11 273.111.

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

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

102.17 (1) livestock; dairy animals; dairy products; poultry and poultry products; fur-bearing
102.18 animals; horticultural and nursery stock; fruit of all kinds; vegetables; forage; grains;
102.19 hemp; bees; and apiary products by the owner;

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

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

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

102.27 (5) game birds and waterfowl bred and raised (i) on a game farm licensed under section
102.28 97A.105, provided that the annual licensing report to the Department of Natural Resources,
102.29 which must be submitted annually by March 30 to the assessor, indicates that at least 500
102.30 birds were raised or used for breeding stock on the property during the preceding year and
102.31 that the owner provides a copy of the owner's most recent schedule F; or (ii) for use on a
102.32 shooting preserve licensed under section 97A.115;

- 103.1 (6) insects primarily bred to be used as food for animals;
- 103.2 (7) trees, grown for sale as a crop, including short rotation woody crops, and not sold
103.3 for timber, lumber, wood, or wood products; and
- 103.4 (8) maple syrup taken from trees grown by a person licensed by the Minnesota
103.5 Department of Agriculture under chapter 28A as a food processor.
- 103.6 (j) If a parcel used for agricultural purposes is also used for commercial or industrial
103.7 purposes, including but not limited to:
- 103.8 (1) wholesale and retail sales;
- 103.9 (2) processing of raw agricultural products or other goods;
- 103.10 (3) warehousing or storage of processed goods; and
- 103.11 (4) office facilities for the support of the activities enumerated in clauses (1), (2), and
103.12 (3), the assessor shall classify the part of the parcel used for agricultural purposes as class
103.13 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use.
103.14 The grading, sorting, and packaging of raw agricultural products for first sale is considered
103.15 an agricultural purpose. A greenhouse or other building where horticultural or nursery
103.16 products are grown that is also used for the conduct of retail sales must be classified as
103.17 agricultural if it is primarily used for the growing of horticultural or nursery products from
103.18 seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products.
103.19 Use of a greenhouse or building only for the display of already grown horticultural or nursery
103.20 products does not qualify as an agricultural purpose.
- 103.21 (k) The assessor shall determine and list separately on the records the market value of
103.22 the homestead dwelling and the one acre of land on which that dwelling is located. If any
103.23 farm buildings or structures are located on this homesteaded acre of land, their market value
103.24 shall not be included in this separate determination.
- 103.25 (l) Class 2d airport landing area consists of a landing area or public access area of a
103.26 privately owned public use airport. It has a classification rate of one percent of market value.
103.27 To qualify for classification under this paragraph, a privately owned public use airport must
103.28 be licensed as a public airport under section 360.018. For purposes of this paragraph, "landing
103.29 area" means that part of a privately owned public use airport properly cleared, regularly
103.30 maintained, and made available to the public for use by aircraft and includes runways,
103.31 taxiways, aprons, and sites upon which are situated landing or navigational aids. A landing
103.32 area also includes land underlying both the primary surface and the approach surfaces that
103.33 comply with all of the following:

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

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

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

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

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

104.19 (1) a legal description of the property;

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

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

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

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

104.32 (n) When any portion of the property under this subdivision or subdivision 22 begins to
104.33 be actively mined, the owner must file a supplemental affidavit within 60 days from the

105.1 day any aggregate is removed stating the number of acres of the property that is actively
105.2 being mined. The acres actively being mined must be (1) valued and classified under
105.3 subdivision 24 in the next subsequent assessment year, and (2) removed from the aggregate
105.4 resource preservation property tax program under section 273.1115, if the land was enrolled
105.5 in that program. Copies of the original affidavit and all supplemental affidavits must be
105.6 filed with the county assessor, the local zoning administrator, and the Department of Natural
105.7 Resources, Division of Land and Minerals. A supplemental affidavit must be filed each
105.8 time a subsequent portion of the property is actively mined, provided that the minimum
105.9 acreage change is five acres, even if the actual mining activity constitutes less than five
105.10 acres.

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

105.14 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023
105.15 and thereafter.

105.16 Sec. 20. Minnesota Statutes 2021 Supplement, section 273.13, subdivision 25, is amended
105.17 to read:

105.18 Subd. 25. **Class 4.** (a) Class 4a is residential real estate containing four or more units
105.19 and used or held for use by the owner or by the tenants or lessees of the owner as a residence
105.20 for rental periods of 30 days or more, excluding property qualifying for class 4d. Class 4a
105.21 also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt
105.22 under section 272.02, and contiguous property used for hospital purposes, without regard
105.23 to whether the property has been platted or subdivided. The market value of class 4a property
105.24 has a classification rate of 1.25 percent.

105.25 (b) Class 4b includes:

105.26 (1) residential real estate containing less than four units, including property rented as a
105.27 short-term rental property for more than 14 days in the preceding year, that does not qualify
105.28 as class 4bb, other than seasonal residential recreational property;

105.29 (2) manufactured homes not classified under any other provision;

105.30 (3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm
105.31 classified under subdivision 23, paragraph (b) containing two or three units; and

105.32 (4) unimproved property that is classified residential as determined under subdivision
105.33 33.

106.1 For the purposes of this paragraph, "short-term rental property" means nonhomestead
106.2 residential real estate rented for periods of less than 30 consecutive days.

106.3 The market value of class 4b property has a classification rate of 1.25 percent.

106.4 (c) Class 4bb includes:

106.5 (1) nonhomestead residential real estate containing one unit, other than seasonal
106.6 residential recreational property;

106.7 (2) a single family dwelling, garage, and surrounding one acre of property on a
106.8 nonhomestead farm classified under subdivision 23, paragraph (b); and

106.9 (3) a condominium-type storage unit having an individual property identification number
106.10 that is not used for a commercial purpose.

106.11 Class 4bb property has the same classification rates as class 1a property under subdivision
106.12 22.

106.13 Property that has been classified as seasonal residential recreational property at any time
106.14 during which it has been owned by the current owner or spouse of the current owner does
106.15 not qualify for class 4bb.

106.16 (d) Class 4c property includes:

106.17 (1) except as provided in subdivision 22, paragraph (c), real and personal property
106.18 devoted to commercial temporary and seasonal residential occupancy for recreation purposes,
106.19 for not more than 250 days in the year preceding the year of assessment. For purposes of
106.20 this clause, property is devoted to a commercial purpose on a specific day if any portion of
106.21 the property is used for residential occupancy, and a fee is charged for residential occupancy.
106.22 Class 4c property under this clause must contain three or more rental units. A "rental unit"
106.23 is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site
106.24 equipped with water and electrical hookups for recreational vehicles. A camping pad offered
106.25 for rent by a property that otherwise qualifies for class 4c under this clause is also class 4c
106.26 under this clause regardless of the term of the rental agreement, as long as the use of the
106.27 camping pad does not exceed 250 days. In order for a property to be classified under this
106.28 clause, either (i) the business located on the property must provide recreational activities,
106.29 at least 40 percent of the annual gross lodging receipts related to the property must be from
106.30 business conducted during 90 consecutive days, and either (A) at least 60 percent of all paid
106.31 bookings by lodging guests during the year must be for periods of at least two consecutive
106.32 nights; or (B) at least 20 percent of the annual gross receipts must be from charges for
106.33 providing recreational activities, or (ii) the business must contain 20 or fewer rental units,

107.1 and must be located in a township or a city with a population of 2,500 or less located outside
107.2 the metropolitan area, as defined under section 473.121, subdivision 2, that contains a portion
107.3 of a state trail administered by the Department of Natural Resources. For purposes of item
107.4 (i)(A), a paid booking of five or more nights shall be counted as two bookings. Class 4c
107.5 property also includes commercial use real property used exclusively for recreational
107.6 purposes in conjunction with other class 4c property classified under this clause and devoted
107.7 to temporary and seasonal residential occupancy for recreational purposes, up to a total of
107.8 two acres, provided the property is not devoted to commercial recreational use for more
107.9 than 250 days in the year preceding the year of assessment and is located within two miles
107.10 of the class 4c property with which it is used. In order for a property to qualify for
107.11 classification under this clause, the owner must submit a declaration to the assessor
107.12 designating the cabins or units occupied for 250 days or less in the year preceding the year
107.13 of assessment by January 15 of the assessment year. Those cabins or units and a proportionate
107.14 share of the land on which they are located must be designated class 4c under this clause
107.15 as otherwise provided. The remainder of the cabins or units and a proportionate share of
107.16 the land on which they are located will be designated as class 3a. The owner of property
107.17 desiring designation as class 4c property under this clause must provide guest registers or
107.18 other records demonstrating that the units for which class 4c designation is sought were not
107.19 occupied for more than 250 days in the year preceding the assessment if so requested. The
107.20 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center
107.21 or meeting room, and (5) other nonresidential facility operated on a commercial basis not
107.22 directly related to temporary and seasonal residential occupancy for recreation purposes
107.23 does not qualify for class 4c. For the purposes of this paragraph, "recreational activities"
107.24 means renting ice fishing houses, boats and motors, snowmobiles, downhill or cross-country
107.25 ski equipment; providing marina services, launch services, or guide services; or selling bait
107.26 and fishing tackle;

107.27 (2) qualified property used as a golf course if:

107.28 (i) it is open to the public on a daily fee basis. It may charge membership fees or dues,
107.29 but a membership fee may not be required in order to use the property for golfing, and its
107.30 green fees for golfing must be comparable to green fees typically charged by municipal
107.31 courses; and

107.32 (ii) it meets the requirements of section 273.112, subdivision 3, paragraph (d).

107.33 A structure used as a clubhouse, restaurant, or place of refreshment in conjunction with
107.34 the golf course is classified as class 3a property;

108.1 (3) real property up to a maximum of three acres of land owned and used by a nonprofit
108.2 community service oriented organization and not used for residential purposes on either a
108.3 temporary or permanent basis, provided that:

108.4 (i) the property is not used for a revenue-producing activity for more than six days in
108.5 the calendar year preceding the year of assessment; or

108.6 (ii) the organization makes annual charitable contributions and donations at least equal
108.7 to the property's previous year's property taxes and the property is allowed to be used for
108.8 public and community meetings or events for no charge, as appropriate to the size of the
108.9 facility.

108.10 For purposes of this clause:

108.11 (A) "charitable contributions and donations" has the same meaning as lawful gambling
108.12 purposes under section 349.12, subdivision 25, excluding those purposes relating to the
108.13 payment of taxes, assessments, fees, auditing costs, and utility payments;

108.14 (B) "property taxes" excludes the state general tax;

108.15 (C) a "nonprofit community service oriented organization" means any corporation,
108.16 society, association, foundation, or institution organized and operated exclusively for
108.17 charitable, religious, fraternal, civic, or educational purposes, and which is exempt from
108.18 federal income taxation pursuant to section 501(c)(3), (8), (10), or (19) of the Internal
108.19 Revenue Code; and

108.20 (D) "revenue-producing activities" shall include but not be limited to property or that
108.21 portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt
108.22 liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling
108.23 alley, a retail store, gambling conducted by organizations licensed under chapter 349, an
108.24 insurance business, or office or other space leased or rented to a lessee who conducts a
108.25 for-profit enterprise on the premises.

108.26 Any portion of the property not qualifying under either item (i) or (ii) is class 3a. The
108.27 use of the property for social events open exclusively to members and their guests for periods
108.28 of less than 24 hours, when an admission is not charged nor any revenues are received by
108.29 the organization shall not be considered a revenue-producing activity.

108.30 The organization shall maintain records of its charitable contributions and donations
108.31 and of public meetings and events held on the property and make them available upon
108.32 request any time to the assessor to ensure eligibility. An organization meeting the requirement
108.33 under item (ii) must file an application by May 1 with the assessor for eligibility for the

109.1 current year's assessment. The commissioner shall prescribe a uniform application form
109.2 and instructions;

109.3 (4) postsecondary student housing of not more than one acre of land that is owned by a
109.4 nonprofit corporation organized under chapter 317A and is used exclusively by a student
109.5 cooperative, sorority, or fraternity for on-campus housing or housing located within two
109.6 miles of the border of a college campus;

109.7 (5)(i) manufactured home parks as defined in section 327.14, subdivision 3, ~~excluding~~
109.8 including manufactured home parks ~~described in items (ii) and (iii), (ii) manufactured home~~
109.9 ~~parks as defined in section 327.14, subdivision 3,~~ that are described in section 273.124,
109.10 subdivision 3a, ~~and (iii) class I manufactured home parks as defined in section 327C.01,~~
109.11 ~~subdivision 13;~~

109.12 (6) real property that is actively and exclusively devoted to indoor fitness, health, social,
109.13 recreational, and related uses, is owned and operated by a not-for-profit corporation, and is
109.14 located within the metropolitan area as defined in section 473.121, subdivision 2;

109.15 (7) a leased or privately owned noncommercial aircraft storage hangar not exempt under
109.16 section 272.01, subdivision 2, and the land on which it is located, provided that:

109.17 (i) the land is on an airport owned or operated by a city, town, county, Metropolitan
109.18 Airports Commission, or group thereof; and

109.19 (ii) the land lease, or any ordinance or signed agreement restricting the use of the leased
109.20 premise, prohibits commercial activity performed at the hangar.

109.21 If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be
109.22 filed by the new owner with the assessor of the county where the property is located within
109.23 60 days of the sale;

109.24 (8) a privately owned noncommercial aircraft storage hangar not exempt under section
109.25 272.01, subdivision 2, and the land on which it is located, provided that:

109.26 (i) the land abuts a public airport; and

109.27 (ii) the owner of the aircraft storage hangar provides the assessor with a signed agreement
109.28 restricting the use of the premises, prohibiting commercial use or activity performed at the
109.29 hangar; and

109.30 (9) residential real estate, a portion of which is used by the owner for homestead purposes,
109.31 and that is also a place of lodging, if all of the following criteria are met:

110.1 (i) rooms are provided for rent to transient guests that generally stay for periods of 14
110.2 or fewer days;

110.3 (ii) meals are provided to persons who rent rooms, the cost of which is incorporated in
110.4 the basic room rate;

110.5 (iii) meals are not provided to the general public except for special events on fewer than
110.6 seven days in the calendar year preceding the year of the assessment; and

110.7 (iv) the owner is the operator of the property.

110.8 The market value subject to the 4c classification under this clause is limited to five rental
110.9 units. Any rental units on the property in excess of five, must be valued and assessed as
110.10 class 3a. The portion of the property used for purposes of a homestead by the owner must
110.11 be classified as class 1a property under subdivision 22;

110.12 (10) real property up to a maximum of three acres and operated as a restaurant as defined
110.13 under section 157.15, subdivision 12, provided it: (i) is located on a lake as defined under
110.14 section 103G.005, subdivision 15, paragraph (a), clause (3); and (ii) is either devoted to
110.15 commercial purposes for not more than 250 consecutive days, or receives at least 60 percent
110.16 of its annual gross receipts from business conducted during four consecutive months. Gross
110.17 receipts from the sale of alcoholic beverages must be included in determining the property's
110.18 qualification under item (ii). The property's primary business must be as a restaurant and
110.19 not as a bar. Gross receipts from gift shop sales located on the premises must be excluded.
110.20 Owners of real property desiring 4c classification under this clause must submit an annual
110.21 declaration to the assessor by February 1 of the current assessment year, based on the
110.22 property's relevant information for the preceding assessment year;

110.23 (11) lakeshore and riparian property and adjacent land, not to exceed six acres, used as
110.24 a marina, as defined in section 86A.20, subdivision 5, which is made accessible to the public
110.25 and devoted to recreational use for marina services. The marina owner must annually provide
110.26 evidence to the assessor that it provides services, including lake or river access to the public
110.27 by means of an access ramp or other facility that is either located on the property of the
110.28 marina or at a publicly owned site that abuts the property of the marina. No more than 800
110.29 feet of lakeshore may be included in this classification. Buildings used in conjunction with
110.30 a marina for marina services, including but not limited to buildings used to provide food
110.31 and beverage services, fuel, boat repairs, or the sale of bait or fishing tackle, are classified
110.32 as class 3a property; and

110.33 (12) real and personal property devoted to noncommercial temporary and seasonal
110.34 residential occupancy for recreation purposes.

111.1 Class 4c property has a classification rate of 1.5 percent of market value, except that (i)
 111.2 each parcel of noncommercial seasonal residential recreational property under clause (12)
 111.3 has the same classification rates as class 4bb property, (ii) manufactured home parks assessed
 111.4 under clause (5), ~~item (i), have the same classification rate as class 4b property, the market~~
 111.5 ~~value of manufactured home parks assessed under clause (5), item (ii), have a classification~~
 111.6 ~~rate of 0.75 percent if more than 50 percent of the lots in the park are occupied by~~
 111.7 ~~shareholders in the cooperative corporation or association and a classification rate of one~~
 111.8 ~~percent if 50 percent or less of the lots are so occupied, and class I manufactured home~~
 111.9 ~~parks as defined in section 327C.01, subdivision 13, have a classification rate of 1.0~~ 0.75
 111.10 percent, (iii) commercial-use seasonal residential recreational property and marina
 111.11 recreational land as described in clause (11), has a classification rate of one percent for the
 111.12 first \$500,000 of market value, and 1.25 percent for the remaining market value, (iv) the
 111.13 market value of property described in clause (4) has a classification rate of one percent, (v)
 111.14 the market value of property described in clauses (2), (6), and (10) has a classification rate
 111.15 of 1.25 percent, (vi) that portion of the market value of property in clause (9) qualifying for
 111.16 class 4c property has a classification rate of 1.25 percent, and (vii) property qualifying for
 111.17 classification under clause (3) that is owned or operated by a congressionally chartered
 111.18 veterans organization has a classification rate of one percent. The commissioner of veterans
 111.19 affairs must provide a list of congressionally chartered veterans organizations to the
 111.20 commissioner of revenue by June 30, 2017, and by January 1, 2018, and each year thereafter.

111.21 (e) Class 4d property ~~is~~ includes:

111.22 (1) qualifying low-income rental housing certified to the assessor by the Housing Finance
 111.23 Agency under section 273.128, subdivision 3. If only a portion of the units in the building
 111.24 qualify as low-income rental housing units as certified under section 273.128, subdivision
 111.25 3, only the proportion of qualifying units to the total number of units in the building qualify
 111.26 for class 4d ~~4d(1)~~. The remaining portion of the building shall be classified by the assessor
 111.27 based upon its use. Class 4d ~~4d(1)~~ also includes the same proportion of land as the qualifying
 111.28 low-income rental housing units are to the total units in the building. For all properties
 111.29 qualifying as class 4d ~~4d(1)~~, the market value determined by the assessor must be based on
 111.30 the normal approach to value using normal unrestricted rents; and

111.31 (2) a unit that is owned by the occupant and used as a homestead by the occupant, and
 111.32 otherwise meets all the requirements for community land trust property under section 273.11,
 111.33 subdivision 12, provided that by December 31 of each assessment year, the community land
 111.34 trust certifies to the assessor that (i) the community land trust owns the real property on
 111.35 which the unit is located, and (ii) the unit owner is a member in good standing of the

112.1 community land trust. For all units qualifying as class 4d(2), the market value determined
 112.2 by the assessor must be based on the normal approach to value without regard to any
 112.3 restrictions that apply because the unit is a community land trust property.

112.4 (f) The first tier of market value of class ~~4d~~ 4d(1) property has a classification rate of
 112.5 0.75 percent. The remaining value of class ~~4d~~ 4d(1) property has a classification rate of
 112.6 0.25 percent. For the purposes of this paragraph, the "first tier of market value of class ~~4d~~
 112.7 4d(1) property" means the market value of each housing unit up to the first tier limit. For
 112.8 the purposes of this paragraph, all class 4d property value must be assigned to individual
 112.9 housing units. The first tier limit is \$100,000 for assessment years 2022 and 2023. For
 112.10 subsequent assessment years, the limit is adjusted each year by the average statewide change
 112.11 in estimated market value of property classified as class 4a and ~~4d~~ 4d(1) under this section
 112.12 for the previous assessment year, excluding valuation change due to new construction,
 112.13 rounded to the nearest \$1,000, provided, however, that the limit may never be less than
 112.14 \$100,000. Beginning with assessment year 2015, the commissioner of revenue must certify
 112.15 the limit for each assessment year by November 1 of the previous year. Class 4d(2) property
 112.16 has a classification rate of 0.75 percent.

112.17 **EFFECTIVE DATE.** (a) The amendments to paragraph (d) are effective for property
 112.18 taxes payable in 2024 and thereafter.

112.19 (b) The amendments to paragraphs (e) and (f) are effective for property taxes payable
 112.20 in 2023 and thereafter.

112.21 Sec. 21. Minnesota Statutes 2021 Supplement, section 273.13, subdivision 34, is amended
 112.22 to read:

112.23 Subd. 34. **Homestead of veteran with a disability or family caregiver.** (a) All or a
 112.24 portion of the market value of property owned by a veteran and serving as the veteran's
 112.25 homestead under this section is excluded in determining the property's taxable market value
 112.26 if the veteran has a service-connected disability of 70 percent or more as certified by the
 112.27 United States Department of Veterans Affairs. To qualify for exclusion under this subdivision,
 112.28 the veteran must have been honorably discharged from the United States armed forces, as
 112.29 indicated by United States Government Form DD214 or other official military discharge
 112.30 papers.

112.31 (b)(1) For a disability rating of 70 percent or more, \$150,000 of market value is excluded,
 112.32 except as provided in clause (2); and

113.1 (2) for a total (100 percent) and permanent disability, \$300,000 of market value is
113.2 excluded.

113.3 (c) If a veteran with a disability qualifying for a valuation exclusion under paragraph
113.4 (b), clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the
113.5 spouse holds the legal or beneficial title to the homestead and permanently resides there,
113.6 the exclusion shall carry over to the benefit of the veteran's spouse until such time as the
113.7 spouse remarries, or sells, transfers, or otherwise disposes of the property, except as otherwise
113.8 provided in paragraph (n). Qualification under this paragraph requires an application under
113.9 paragraph (h), and a spouse must notify the assessor if there is a change in the spouse's
113.10 marital status, ownership of the property, or use of the property as a permanent residence.
113.11 If a spouse had previously qualified under this paragraph and the exclusion expired before
113.12 taxes payable in 2020, the spouse may reapply under paragraph (h) for the exclusion under
113.13 this paragraph.

113.14 (d) If the spouse of a member of any branch or unit of the United States armed forces
113.15 who dies due to a service-connected cause while serving honorably in active service, as
113.16 indicated on United States Government Form DD1300 or DD2064, holds the legal or
113.17 beneficial title to a homestead and permanently resides there, the spouse is entitled to the
113.18 benefit described in paragraph (b), clause (2), until such time as the spouse remarries or
113.19 sells, transfers, or otherwise disposes of the property, except as otherwise provided in
113.20 paragraph (n). If a spouse had previously qualified under this paragraph and the exclusion
113.21 expired before taxes payable in 2020, the spouse may reapply under paragraph (h) for the
113.22 exclusion under this paragraph.

113.23 (e) If a veteran meets the disability criteria of paragraph (a) but does not own property
113.24 classified as homestead in the state of Minnesota, then the homestead of the veteran's primary
113.25 family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify
113.26 for under paragraph (b).

113.27 (f) In the case of an agricultural homestead, only the portion of the property consisting
113.28 of the house and garage and immediately surrounding one acre of land qualifies for the
113.29 valuation exclusion under this subdivision.

113.30 (g) A property qualifying for a valuation exclusion under this subdivision is not eligible
113.31 for the market value exclusion under subdivision 35, or classification under subdivision 22,
113.32 paragraph (b).

113.33 (h) To qualify for a valuation exclusion under this subdivision a property owner must
113.34 apply to the assessor by December 31 of the first assessment year for which the exclusion

114.1 is sought. Except as provided in paragraph (c), the owner of a property that has been accepted
114.2 for a valuation exclusion must notify the assessor if there is a change in ownership of the
114.3 property or in the use of the property as a homestead.

114.4 (i) A first-time application by a qualifying spouse for the market value exclusion under
114.5 paragraph (d) must be made any time within two years of the death of the service member,
114.6 within two years of the United States Department of Veterans Affairs Dependency and
114.7 Indemnity Compensation determination, or by December 31, 2023, whichever is later. A
114.8 qualifying spouse whose application was previously denied may reapply, pursuant to this
114.9 paragraph, by December 31, 2023.

114.10 (j) For purposes of this subdivision:

114.11 (1) "active service" has the meaning given in section 190.05;

114.12 (2) "own" means that the person's name is present as an owner on the property deed;

114.13 (3) "primary family caregiver" means a person who is approved by the secretary of the
114.14 United States Department of Veterans Affairs for assistance as the primary provider of
114.15 personal care services for an eligible veteran under the Program of Comprehensive Assistance
114.16 for Family Caregivers, codified as United States Code, title 38, section 1720G; and

114.17 (4) "veteran" has the meaning given the term in section 197.447.

114.18 (k) If a veteran dying after December 31, 2011, did not apply for or receive the exclusion
114.19 under paragraph (b), clause (2), before dying, the veteran's spouse is entitled to the benefit
114.20 under paragraph (b), clause (2), until the spouse remarries or sells, transfers, or otherwise
114.21 disposes of the property, except as otherwise provided in paragraph (n), if:

114.22 (1) the spouse files a first-time application within two years of the death of the service
114.23 member, within two years of the United States Department of Veterans Affairs Dependency
114.24 and Indemnity Compensation determination, if applicable, or by ~~June 1, 2019~~ December
114.25 31, 2023, whichever is later. A spouse whose application was previously denied may reapply,
114.26 pursuant to this paragraph, by December 31, 2023;

114.27 (2) upon the death of the veteran, the spouse holds the legal or beneficial title to the
114.28 homestead and permanently resides there;

114.29 (3) the veteran met the honorable discharge requirements of paragraph (a); and

114.30 (4) the United States Department of Veterans Affairs certifies that:

114.31 (i) the veteran met the total (100 percent) and permanent disability requirement under
114.32 paragraph (b), clause (2); or

115.1 (ii) the spouse has been awarded dependency and indemnity compensation.

115.2 (l) The purpose of this provision of law providing a level of homestead property tax
115.3 relief for veterans with a disability, their primary family caregivers, and their surviving
115.4 spouses is to help ease the burdens of war for those among our state's citizens who bear
115.5 those burdens most heavily.

115.6 (m) By ~~July 1~~ December 31, the county veterans service officer must certify the disability
115.7 rating and permanent address of each veteran receiving the benefit under paragraph (b) to
115.8 the assessor.

115.9 (n) A spouse who received the benefit in paragraph (c), (d), or (k) but no longer holds
115.10 the legal or beneficial title to the property may continue to receive the exclusion for a
115.11 property other than the property for which the exclusion was initially granted until the spouse
115.12 remarries or sells, transfers, or otherwise disposes of the property, provided that:

115.13 (1) the spouse applies under paragraph (h) for the continuation of the exclusion allowed
115.14 under this paragraph;

115.15 (2) the spouse holds the legal or beneficial title to the property for which the continuation
115.16 of the exclusion is sought under this paragraph, and permanently resides there;

115.17 (3) the estimated market value of the property for which the exclusion is sought under
115.18 this paragraph is less than or equal to the estimated market value of the property that first
115.19 received the exclusion, based on the value of each property on the date of the sale of the
115.20 property that first received the exclusion; and

115.21 (4) the spouse has not previously received the benefit under this paragraph for a property
115.22 other than the property for which the exclusion is sought.

115.23 **EFFECTIVE DATE.** This section is effective for assessment year 2022 and thereafter.

115.24 Sec. 22. Minnesota Statutes 2020, section 273.13, subdivision 35, is amended to read:

115.25 Subd. 35. **Homestead market value exclusion.** (a) Prior to determining a property's
115.26 net tax capacity under this section, property classified as class 1a or 1b under subdivision
115.27 22, and the portion of property classified as class 2a under subdivision 23 consisting of the
115.28 house, garage, and surrounding one acre of land, shall be eligible for a market value exclusion
115.29 as determined under paragraph (b).

115.30 (b) For a homestead valued at ~~\$76,000~~ \$80,300 or less, the exclusion is 40 percent of
115.31 market value. For a homestead valued ~~between \$76,000~~ over \$80,300 and ~~\$413,800~~ less
115.32 than \$437,100, the exclusion is ~~\$30,400~~ \$32,120 minus nine percent of the valuation over

116.1 ~~\$76,000~~ \$80,300. For a homestead valued at ~~\$413,800~~ \$437,100 or more, there is no valuation
 116.2 exclusion. The valuation exclusion shall be rounded to the nearest whole dollar, and may
 116.3 not be less than zero.

116.4 (c) Any valuation exclusions or adjustments under section 273.11 shall be applied prior
 116.5 to determining the amount of the valuation exclusion under this subdivision.

116.6 (d) In the case of a property that is classified as part homestead and part nonhomestead,
 116.7 (i) the exclusion shall apply only to the homestead portion of the property, but (ii) if a portion
 116.8 of a property is classified as nonhomestead solely because not all the owners occupy the
 116.9 property, not all the owners have qualifying relatives occupying the property, or solely
 116.10 because not all the spouses of owners occupy the property, the exclusion amount shall be
 116.11 initially computed as if that nonhomestead portion were also in the homestead class and
 116.12 then prorated to the owner-occupant's percentage of ownership. For the purpose of this
 116.13 section, when an owner-occupant's spouse does not occupy the property, the percentage of
 116.14 ownership for the owner-occupant spouse is one-half of the couple's ownership percentage.

116.15 **EFFECTIVE DATE.** This section is effective for assessment year 2023 and thereafter.

116.16 Sec. 23. Minnesota Statutes 2020, section 273.1315, subdivision 2, is amended to read:

116.17 Subd. 2. **Class 1b homestead declaration 2009 and thereafter.** (a) Any property owner
 116.18 seeking classification and assessment of the owner's homestead as class 1b property pursuant
 116.19 to section 273.13, subdivision 22, paragraph (b), after October 1, 2008, shall file with the
 116.20 county assessor a class 1b homestead declaration, on a form prescribed by the commissioner
 116.21 of revenue. The declaration must contain the following information:

116.22 (1) the information necessary to verify that, on or before June 30 of the filing year, the
 116.23 property owner or the owner's spouse satisfies the requirements of section 273.13, subdivision
 116.24 22, paragraph (b), for class 1b classification; and

116.25 (2) any additional information prescribed by the commissioner.

116.26 (b) The declaration must be filed on or before October 1 to be effective for property
 116.27 taxes payable during the succeeding calendar year. The Social Security numbers, individual
 116.28 tax identification numbers, and income and medical information received from the property
 116.29 owner pursuant to this subdivision are private data on individuals as defined in section
 116.30 13.02. If approved by the assessor, the declaration remains in effect until the property no
 116.31 longer qualifies under section 273.13, subdivision 22, paragraph (b). Failure to notify the
 116.32 assessor within 30 days that the property no longer qualifies under that paragraph because
 116.33 of a sale, change in occupancy, or change in the status or condition of an occupant shall

117.1 result in the penalty provided in section 273.124, subdivision 13b, computed on the basis
117.2 of the class 1b benefits for the property, and the property shall lose its current class 1b
117.3 classification.

117.4 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications
117.5 filed in 2022 and thereafter.

117.6 Sec. 24. Minnesota Statutes 2020, section 273.1387, subdivision 2, is amended to read:

117.7 Subd. 2. **Credit amount.** For each qualifying property, the school building bond
117.8 agricultural credit is equal to the credit percent multiplied by the property's eligible net tax
117.9 capacity multiplied by the school debt tax rate determined under section 275.08, subdivision
117.10 1b. For property taxes payable prior to 2020, the credit percent is equal to 40 percent. For
117.11 property taxes payable in 2020, the credit percent is equal to 50 percent. For property taxes
117.12 payable in 2021, the credit percent is equal to 55 percent. For property taxes payable in
117.13 2022, the credit percent is equal to 60 percent. For property taxes payable in 2023 ~~and~~
117.14 ~~thereafter~~, the credit percent is equal to 70 percent. For property taxes payable in 2024 and
117.15 thereafter, the credit percent is equal to 85 percent.

117.16 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
117.17 in 2024.

117.18 Sec. 25. Minnesota Statutes 2020, section 273.41, is amended to read:

117.19 **273.41 AMOUNT OF TAX; DISTRIBUTION.**

117.20 There is hereby imposed upon each such cooperative association on December 31 of
117.21 each year a tax of \$10 for each 100 members, or fraction thereof, of such association. The
117.22 tax, when paid, shall be in lieu of all personal property taxes, state, county, or local, upon
117.23 distribution lines and the attachments and appurtenances thereto of such associations located
117.24 in rural areas. For purposes of this section, "attachments and appurtenances" include all
117.25 cooperative association-owned metering equipment, streetlights, and any other infrastructure
117.26 that is physically or electrically connected to the cooperative association's distribution
117.27 system. The tax shall be payable on or before March 1 of the next succeeding year, to the
117.28 commissioner of revenue. If the tax, or any portion thereof, is not paid within the time herein
117.29 specified for the payment thereof, there shall be added thereto a specific penalty equal to
117.30 ten percent of the amount so remaining unpaid. Such penalty shall be collected as part of
117.31 said tax, and the amount of said tax not timely paid, together with said penalty, shall bear
117.32 interest at the rate specified in section 270C.40 from the time such tax should have been

118.1 paid until paid. The commissioner shall deposit the amount so received in the general fund
118.2 of the state treasury.

118.3 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

118.4 Sec. 26. Minnesota Statutes 2020, section 279.03, subdivision 1a, is amended to read:

118.5 Subd. 1a. **Rate.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), interest on
118.6 delinquent property taxes, penalties, and costs unpaid on or after January 1 is payable at the
118.7 per annum rate determined in section 270C.40, subdivision 5. ~~If the rate so determined is~~
118.8 ~~less than ten percent, the rate of interest is ten percent.~~ The maximum per annum rate is 14
118.9 percent if the rate specified under section 270C.40, subdivision 5, exceeds 14 percent. The
118.10 rate is subject to change on January 1 of each year.

118.11 (b) If a person is the owner of one or more parcels of property on which taxes are
118.12 delinquent, and the delinquent taxes are more than 25 percent of the prior year's school
118.13 district levy, interest on the delinquent property taxes, penalties, and costs unpaid is payable
118.14 at twice the rate determined under paragraph (a) for the year.

118.15 (c) A county board, by resolution, may establish an interest rate lower than the interest
118.16 rate determined under paragraph (a).

118.17 **EFFECTIVE DATE.** This section is effective for property taxes, penalties, and costs
118.18 determined to be delinquent on or after January 1, 2023.

118.19 Sec. 27. Minnesota Statutes 2020, section 282.261, subdivision 2, is amended to read:

118.20 Subd. 2. **Interest rate.** (a) Except as provided under paragraph (b), the unpaid balance
118.21 on any repurchase contract approved by the county board is subject to interest at the rate
118.22 determined in section 279.03, subdivision 1a. The interest rate is subject to change each
118.23 year on the unpaid balance in the manner provided for rate changes in section 279.03,
118.24 subdivision 1a.

118.25 (b) A county board, by resolution, or a county auditor, if delegated the responsibility to
118.26 administer tax-forfeited land assigned to the county board as provided under section 282.135,
118.27 may establish an interest rate lower than the interest rate determined under paragraph (a).

118.28 **EFFECTIVE DATE.** This section is effective January 1, 2023.

118.29 Sec. 28. Minnesota Statutes 2020, section 290A.03, subdivision 6, is amended to read:

118.30 Subd. 6. **Homestead.** "Homestead" means the dwelling occupied as the claimant's
118.31 principal residence and so much of the land surrounding it, not exceeding ten acres, as is

119.1 reasonably necessary for use of the dwelling as a home and any other property used for
 119.2 purposes of a homestead as defined in section 273.13, subdivision 22, ~~except for~~ or 273.13,
 119.3 subdivision 25, paragraph (e), clause (2). For agricultural land assessed as part of a homestead
 119.4 pursuant to section 273.13, subdivision 23, "homestead" is limited to the house and garage
 119.5 and immediately surrounding one acre of land. The homestead may be owned or rented and
 119.6 may be a part of a multidwelling or multipurpose building and the land on which it is built.
 119.7 A manufactured home, as defined in section 273.125, subdivision 8, or a park trailer taxed
 119.8 as a manufactured home under section 168.012, subdivision 9, assessed as personal property
 119.9 may be a dwelling for purposes of this subdivision.

119.10 **EFFECTIVE DATE.** This section is effective for refund claims based on taxes payable
 119.11 in 2023 and thereafter.

119.12 Sec. 29. Minnesota Statutes 2020, section 290B.03, subdivision 1, is amended to read:

119.13 Subdivision 1. **Program qualifications.** The qualifications for the senior citizens'
 119.14 property tax deferral program are as follows:

119.15 (1) the property must be owned and occupied as a homestead by a person 65 years of
 119.16 age or older. In the case of a married couple, at least one of the spouses must be at least 65
 119.17 years old at the time the first property tax deferral is granted, regardless of whether the
 119.18 property is titled in the name of one spouse or both spouses, or titled in another way that
 119.19 permits the property to have homestead status, and the other spouse must be at least 62 years
 119.20 of age;

119.21 (2) the total household income of the qualifying homeowners, as defined in section
 119.22 290A.03, subdivision 5, for the calendar year preceding the year of the initial application
 119.23 may not exceed ~~\$60,000~~ \$96,000;

119.24 (3) the homestead must have been owned and occupied as the homestead of at least one
 119.25 of the qualifying homeowners for at least ~~15~~ five years prior to the year the initial application
 119.26 is filed;

119.27 (4) there are no state or federal tax liens or judgment liens on the homesteaded property;

119.28 (5) there are no mortgages or other liens on the property that secure future advances,
 119.29 except for those subject to credit limits that result in compliance with clause (6); and

119.30 (6) the total unpaid balances of debts secured by mortgages and other liens on the
 119.31 property, including unpaid and delinquent special assessments and interest and any delinquent
 119.32 property taxes, penalties, and interest, but not including property taxes payable during the

120.1 year or debts secured by a residential PACE lien, as defined in section 216C.435, subdivision
120.2 10d, does not exceed 75 percent of the assessor's estimated market value for the year.

120.3 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes
120.4 payable in 2023 and thereafter.

120.5 Sec. 30. Minnesota Statutes 2020, section 290B.04, subdivision 3, is amended to read:

120.6 Subd. 3. **Excess-income certification by taxpayer.** A taxpayer whose initial application
120.7 has been approved under subdivision 2 shall notify the commissioner of revenue in writing
120.8 by July 1 if the taxpayer's household income for the preceding calendar year exceeded
120.9 ~~\$60,000~~ \$96,000. The certification must state the homeowner's total household income for
120.10 the previous calendar year. No property taxes may be deferred under this chapter in any
120.11 year following the year in which a program participant filed or should have filed an
120.12 excess-income certification under this subdivision, unless the participant has filed a
120.13 resumption of eligibility certification as described in subdivision 4.

120.14 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes
120.15 payable in 2023 and thereafter.

120.16 Sec. 31. Minnesota Statutes 2020, section 290B.04, subdivision 4, is amended to read:

120.17 Subd. 4. **Resumption of eligibility certification by taxpayer.** A taxpayer who has
120.18 previously filed an excess-income certification under subdivision 3 may resume program
120.19 participation if the taxpayer's household income for a subsequent year is ~~\$60,000~~ \$96,000
120.20 or less. If the taxpayer chooses to resume program participation, the taxpayer must notify
120.21 the commissioner of revenue in writing by July 1 of the year following a calendar year in
120.22 which the taxpayer's household income is ~~\$60,000~~ \$96,000 or less. The certification must
120.23 state the taxpayer's total household income for the previous calendar year. Once a taxpayer
120.24 resumes participation in the program under this subdivision, participation will continue until
120.25 the taxpayer files a subsequent excess-income certification under subdivision 3 or until
120.26 participation is terminated under section 290B.08, subdivision 1.

120.27 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes
120.28 payable in 2023 and thereafter.

120.29 Sec. 32. Minnesota Statutes 2020, section 290B.05, subdivision 1, is amended to read:

120.30 Subdivision 1. **Determination by commissioner.** The commissioner shall determine
120.31 each qualifying homeowner's "annual maximum property tax amount" following approval
120.32 of the homeowner's initial application and following the receipt of a resumption of eligibility

121.1 certification. The "annual maximum property tax amount" equals three percent of the
 121.2 homeowner's total household income for the year preceding either the initial application or
 121.3 the resumption of eligibility certification, whichever is applicable. Following approval of
 121.4 the initial application, the commissioner shall determine the qualifying homeowner's
 121.5 "maximum allowable deferral." No tax may be deferred relative to the appropriate assessment
 121.6 year for any homeowner whose total household income for the previous year exceeds
 121.7 ~~\$60,000~~ \$96,000. No tax shall be deferred in any year in which the homeowner does not
 121.8 meet the program qualifications in section 290B.03. The maximum allowable total deferral
 121.9 is equal to 75 percent of the assessor's estimated market value for the year, less the balance
 121.10 of any mortgage loans and other amounts secured by liens against the property at the time
 121.11 of application, including any unpaid and delinquent special assessments and interest and
 121.12 any delinquent property taxes, penalties, and interest, but not including property taxes
 121.13 payable during the year.

121.14 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes
 121.15 payable in 2023 and thereafter.

121.16 Sec. 33. **CHILD PROTECTION COST STUDY.**

121.17 (a) The legislative auditor is requested to conduct a special review of the costs to
 121.18 Minnesota counties for the provision of child protective services. The review would need
 121.19 to include:

121.20 (1) an overview of the roles and responsibilities of counties in Minnesota's child protective
 121.21 services system and a comparison of these roles and responsibilities to those in other states;

121.22 (2) from 2013 through 2022, the amount each county spent on duties related to child
 121.23 protective services;

121.24 (3) from 2013 through 2022, the amount of federal and state funds received by each
 121.25 county for duties related to child protective services; and

121.26 (4) from 2013 through 2022, the amount each county paid for child protective services
 121.27 using property tax revenue.

121.28 (b) The legislative auditor would need to complete the review by August 1, 2023, and
 121.29 report the results of the review to the chairs and ranking minority members of the legislative
 121.30 committees with jurisdiction over property taxation.

122.1 Sec. 34. **APPROPRIATION.**

122.2 \$..... in fiscal year 2023 is appropriated from the general fund to the Office of the
 122.3 Legislative Auditor for the purposes of conducting the review required by section 33. This
 122.4 is a onetime appropriation.

122.5 Sec. 35. **REPEALER.**

122.6 Minnesota Statutes 2020, sections 327C.01, subdivision 13; and 327C.16, are repealed.

122.7 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
 122.8 in 2024 and thereafter.

122.9 **ARTICLE 5**122.10 **STATE AIDS**

122.11 Section 1. Minnesota Statutes 2020, section 477A.011, is amended by adding a subdivision
 122.12 to read:

122.13 **Subd. 3b. Population age 65 and over.** "Population age 65 and over" means the
 122.14 population age 65 and over established as of July 15 in an aid calculation year by the most
 122.15 recent federal census, by a special census conducted under contract with the United States
 122.16 Bureau of the Census, by a population estimate made by the Metropolitan Council, or by a
 122.17 population estimate of the state demographer made pursuant to section 4A.02, whichever
 122.18 is the most recent as to the stated date of the count or estimate for the preceding calendar
 122.19 year and which has been certified to the commissioner of revenue on or before July 15 of
 122.20 the aid calculation year. A revision to an estimate or count is effective for these purposes
 122.21 only if certified to the commissioner on or before July 15 of the aid calculation year. Clerical
 122.22 errors in the certification or use of estimates and counts established as of July 15 in the aid
 122.23 calculation year are subject to correction within the time periods allowed under section
 122.24 477A.014.

122.25 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 122.26 and thereafter.

122.27 Sec. 2. Minnesota Statutes 2020, section 477A.011, is amended by adding a subdivision
 122.28 to read:

122.29 **Subd. 3c. Transformed population.** "Transformed population" means the logarithm to
 122.30 the base 10 of the population.

123.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 123.2 and thereafter.

123.3 Sec. 3. Minnesota Statutes 2020, section 477A.011, subdivision 34, is amended to read:

123.4 Subd. 34. **City revenue need.** (a) For a city with a population equal to or greater than
 123.5 10,000, "city revenue need" is 1.15 times the sum of (1) ~~4.59~~ 8.559 times the pre-1940
 123.6 housing percentage; plus (2) ~~0.622~~ times the percent of housing built between 1940 and
 123.7 ~~1970~~ 7.629 times the city age index; plus (3) ~~169.415~~ times the jobs per capita 5.461 times
 123.8 the commercial industrial utility percentage; plus (4) ~~the sparsity adjustment~~ 8.481 times
 123.9 peak population decline; plus (5) ~~307.664~~ 297.789.

123.10 (b) For a city with a population equal to or greater than 2,500 and less than 10,000, "city
 123.11 revenue need" is 1.15 times the sum of (1) ~~572.62~~ 502.094; plus (2) ~~5.026~~ 4.285 times the
 123.12 pre-1940 housing percentage; ~~minus~~ plus (3) ~~53.768~~ times household size 6.699 times the
 123.13 commercial industrial utility percentage; plus (4) ~~14.022~~ 17.645 times peak population
 123.14 ~~decline; plus (5) the sparsity adjustment.~~

123.15 (c) For a city with a population less than 2,500, "city revenue need" is the sum of (1)
 123.16 ~~410~~ 79.351; plus (2) ~~0.367~~ 246.428 times the city's transformed population ~~over 100~~; ~~plus~~
 123.17 ~~(3) the sparsity adjustment. The city revenue need for a city under this paragraph shall not~~
 123.18 ~~exceed 630 plus the city's sparsity adjustment.~~

123.19 (d) For a city with a population of at least 2,500 but less than 3,000, the "city revenue
 123.20 need" equals (1) the transition factor times the city's revenue need calculated in paragraph
 123.21 (b); plus (2) ~~630~~ the city's revenue need calculated under the formula in paragraph (c) times
 123.22 the difference between one and the transition factor. For a city with a population of at least
 123.23 10,000 but less than 11,000, the "city revenue need" equals (1) the transition factor times
 123.24 the city's revenue need calculated in paragraph (a); plus (2) the city's revenue need calculated
 123.25 under the formula in paragraph (b) times the difference between one and the transition
 123.26 factor. For purposes of the first sentence of this paragraph "transition factor" is 0.2 percent
 123.27 times the amount that the city's population exceeds the minimum threshold. For purposes
 123.28 of the second sentence of this paragraph, "transition factor" is 0.1 percent times the amount
 123.29 that the city's population exceeds the minimum threshold.

123.30 (e) The city revenue need cannot be less than zero.

123.31 (f) For calendar year ~~2015~~ 2023 and subsequent years, the city revenue need for a city,
 123.32 as determined in paragraphs (a) to (e), is multiplied by the ratio of the annual implicit price
 123.33 deflator for government consumption expenditures and gross investment for state and local

124.1 governments as prepared by the United States Department of Commerce, for the most
124.2 recently available year to the ~~2013~~ 2020 implicit price deflator for state and local government
124.3 purchases.

124.4 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
124.5 and thereafter.

124.6 Sec. 4. Minnesota Statutes 2020, section 477A.011, is amended by adding a subdivision
124.7 to read:

124.8 Subd. 46. **City age index.** "City age index" means 100 times the ratio of (1) the population
124.9 age 65 and over within the city, to (2) the population of the city.

124.10 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
124.11 and thereafter.

124.12 Sec. 5. Minnesota Statutes 2020, section 477A.011, is amended by adding a subdivision
124.13 to read:

124.14 Subd. 47. **Commercial industrial utility percentage.** The "commercial industrial utility
124.15 percentage" for a city is 100 times the ratio of (1) the sum of the estimated market values
124.16 of all real and personal property in the city classified as class 3 under section 273.13,
124.17 subdivision 24, to (2) the total market value of all taxable real and personal property in the
124.18 city. The market values are the amounts computed before any adjustments for fiscal
124.19 disparities under section 276A.06 or 473F.08. The market values used for this subdivision
124.20 are not equalized.

124.21 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
124.22 and thereafter.

124.23 Sec. 6. Minnesota Statutes 2020, section 477A.0124, subdivision 2, is amended to read:

124.24 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the
124.25 meanings given them.

124.26 (b) "County program aid" means the sum of "county need aid," "county tax base
124.27 equalization aid," and "county transition aid."

124.28 (c) "Age-adjusted population" means a county's population multiplied by the county age
124.29 index.

125.1 (d) "County age index" means the percentage of the population age 65 and over within
 125.2 the county divided by the percentage of the population age 65 and over within the state,
 125.3 except that the age index for any county may not be greater than 1.8 nor less than 0.8.

125.4 (e) "Population age 65 and over" ~~means the population age 65 and over established as~~
 125.5 ~~of July 15 in an aid calculation year by the most recent federal census, by a special census~~
 125.6 ~~conducted under contract with the United States Bureau of the Census, by a population~~
 125.7 ~~estimate made by the Metropolitan Council, or by a population estimate of the state~~
 125.8 ~~demographer made pursuant to section 4A.02, whichever is the most recent as to the stated~~
 125.9 ~~date of the count or estimate for the preceding calendar year and which has been certified~~
 125.10 ~~to the commissioner of revenue on or before July 15 of the aid calculation year. A revision~~
 125.11 ~~to an estimate or count is effective for these purposes only if certified to the commissioner~~
 125.12 ~~on or before July 15 of the aid calculation year. Clerical errors in the certification or use of~~
 125.13 ~~estimates and counts established as of July 15 in the aid calculation year are subject to~~
 125.14 ~~correction within the time periods allowed under section 477A.014~~ has the meaning given
 125.15 in section 477A.011, subdivision 3b.

125.16 (f) "Part I crimes" means the three-year average annual number of Part I crimes reported
 125.17 for each county by the Department of Public Safety for the most recent years available. By
 125.18 July 1 of each year, the commissioner of public safety shall certify to the commissioner of
 125.19 revenue the number of Part I crimes reported for each county for the three most recent
 125.20 calendar years available.

125.21 (g) "Households receiving Supplemental Nutrition Assistance Program (SNAP) benefits"
 125.22 means the average monthly number of households receiving SNAP benefits for the three
 125.23 most recent years for which data is available. By July 1 of each year, the commissioner of
 125.24 human services must certify to the commissioner of revenue the average monthly number
 125.25 of households in the state and in each county that receive SNAP benefits, for the three most
 125.26 recent calendar years available.

125.27 (h) "County net tax capacity" means the county's adjusted net tax capacity under section
 125.28 273.1325.

125.29 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 125.30 and thereafter.

125.31 Sec. 7. Minnesota Statutes 2020, section 477A.013, subdivision 8, is amended to read:

125.32 Subd. 8. **City formula aid.** (a) For aids payable in 2018 2023 and thereafter, the formula
 125.33 aid for a city is equal to the product of (1) the difference between its unmet need and its

126.1 certified aid in the previous year ~~and before any aid adjustment under subdivision 13~~, and
 126.2 (2) the aid gap percentage.

126.3 (b) The applicable aid gap percentage must be calculated by the Department of Revenue
 126.4 so that the total of the aid under subdivision 9 equals the total amount available for aid under
 126.5 section 477A.03. The aid gap percentage must be the same for all cities subject to paragraph
 126.6 (a). Data used in calculating aids to cities under sections 477A.011 to 477A.013 shall be
 126.7 the most recently available data as of January 1 in the year in which the aid is calculated.

126.8 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 126.9 and thereafter.

126.10 Sec. 8. Minnesota Statutes 2020, section 477A.013, subdivision 9, is amended to read:

126.11 Subd. 9. **City aid distribution.** (a) In calendar year ~~2018~~ 2023 and thereafter, if a city's
 126.12 certified aid ~~before any aid adjustment under subdivision 13~~ for the previous year is less
 126.13 than its current unmet need, the city shall receive an aid distribution equal to the sum of (1)
 126.14 its certified aid in the previous year ~~before any aid adjustment under subdivision 13~~, and
 126.15 (2) the city formula aid under subdivision 8, ~~and (3) its aid adjustment under subdivision~~
 126.16 ~~13.~~

126.17 (b) ~~For aids payable in 2020 only, no city's aid amount before any adjustment under~~
 126.18 ~~subdivision 13 may be less than its pay 2019 certified aid amount, less any aid adjustment~~
 126.19 ~~under subdivision 13 for that year.~~ For aids payable in ~~2020~~ 2023 and thereafter, if a city's
 126.20 certified aid ~~before any aid adjustment under subdivision 13~~ for the previous year is equal
 126.21 to or greater than its current unmet need, the total aid for a city is equal to the greater of (1)
 126.22 its unmet need ~~plus any aid adjustment under subdivision 13~~, or (2) the amount it was
 126.23 certified to receive in the previous year minus the sum of (i) ~~any adjustment under subdivision~~
 126.24 ~~13 that was paid in the previous year but has expired, and (ii) the lesser of (i) \$10 multiplied~~
 126.25 by its population, or (ii) five percent of its net levy in the year prior to the aid distribution.
 126.26 No city may have a total aid amount less than \$0.

126.27 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 126.28 and thereafter.

126.29 Sec. 9. Minnesota Statutes 2020, section 477A.03, subdivision 2a, is amended to read:

126.30 Subd. 2a. **Cities.** ~~For aids payable in 2016 and 2017, the total aid paid under section~~
 126.31 ~~477A.013, subdivision 9, is \$519,398,012. For aids payable in 2018 and 2019, the total aid~~
 126.32 ~~paid under section 477A.013, subdivision 9, is \$534,398,012. For aids payable in 2020, the~~

127.1 ~~total aid paid under section 477A.013, subdivision 9, is \$560,398,012.~~ For aids payable in
 127.2 2021 and ~~thereafter~~ 2022, the total aid payable under section 477A.013, subdivision 9, is
 127.3 \$564,398,012. For aids payable in 2023 and thereafter, the total aid payable under section
 127.4 477A.013, subdivision 9, is \$598,617,913.

127.5 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 127.6 and thereafter.

127.7 Sec. 10. Minnesota Statutes 2021 Supplement, section 477A.03, subdivision 2b, is amended
 127.8 to read:

127.9 Subd. 2b. **Counties.** (a) ~~For aids payable in 2018 and 2019, the total aid payable under~~
 127.10 ~~section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be allocated~~
 127.11 ~~as required under Laws 2014, chapter 150, article 4, section 6.~~ For aids payable in 2020,
 127.12 ~~the total aid payable under section 477A.0124, subdivision 3, is \$116,795,000, of which~~
 127.13 ~~\$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section~~
 127.14 ~~6.~~ For aids payable in 2021 ~~through 2024~~ and 2022, the total aid payable under section
 127.15 477A.0124, subdivision 3, is \$118,795,000, of which \$3,000,000 shall be allocated as
 127.16 required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2023 and
 127.17 2024, the total aid payable under section 477A.0124, subdivision 3, is \$124,547,834, of
 127.18 which \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4,
 127.19 section 6. For aids payable in 2025 and thereafter, the total aid payable under section
 127.20 477A.0124, subdivision 3, is ~~\$115,795,000~~ \$121,547,834. On or before the first installment
 127.21 date provided in section 477A.015, paragraph (a), \$500,000 of this appropriation shall be
 127.22 transferred each year by the commissioner of revenue to the Board of Public Defense for
 127.23 the payment of services under section 611.27. Any transferred amounts not expended or
 127.24 encumbered in a fiscal year shall be certified by the Board of Public Defense to the
 127.25 commissioner of revenue on or before October 1 and shall be included in the next certification
 127.26 of county need aid.

127.27 (b) ~~For aids payable in 2018 and 2019, the total aid under section 477A.0124, subdivision~~
 127.28 ~~4, is \$130,873,444.~~ For aids payable in 2020, the total aid under section 477A.0124,
 127.29 ~~subdivision 4, is \$143,873,444.~~ For aids payable in 2021 and ~~thereafter~~ 2022, the total aid
 127.30 under section 477A.0124, subdivision 4, is \$145,873,444. For aids payable in 2023 and
 127.31 thereafter, the total aid under section 477A.0124, subdivision 4, is \$153,120,610. The
 127.32 commissioner of revenue shall transfer to the Legislative Budget Office \$207,000 annually
 127.33 for the cost of preparation of local impact notes as required by section 3.987, and other local
 127.34 government activities. The commissioner of revenue shall transfer to the commissioner of

128.1 education \$7,000 annually for the cost of preparation of local impact notes for school districts
 128.2 as required by section 3.987. The commissioner of revenue shall deduct the amounts
 128.3 transferred under this paragraph from the appropriation under this paragraph. The amounts
 128.4 transferred are appropriated to the Legislative Coordinating Commission and the
 128.5 commissioner of education respectively.

128.6 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 128.7 and thereafter.

128.8 Sec. 11. Minnesota Statutes 2020, section 477A.12, subdivision 1, is amended to read:

128.9 Subdivision 1. **Types of land; payments.** The following amounts are annually
 128.10 appropriated to the commissioner of natural resources from the general fund for transfer to
 128.11 the commissioner of revenue. The commissioner of revenue shall pay the transferred funds
 128.12 to counties as required by sections 477A.11 to 477A.14. The amounts, based on the acreage
 128.13 as of July 1 of each year prior to the payment year, are:

128.14 (1) \$5.133 multiplied by the total number of acres of acquired natural resources land or,
 128.15 at the county's option three-fourths of one percent of the appraised value of all acquired
 128.16 natural resources land in the county, whichever is greater;

128.17 (2) \$5.133, multiplied by the total number of acres of transportation wetland or, at the
 128.18 county's option, three-fourths of one percent of the appraised value of all transportation
 128.19 wetland in the county, whichever is greater;

128.20 (3) \$5.133, multiplied by the total number of acres of wildlife management land, or, at
 128.21 the county's option, three-fourths of one percent of the appraised value of all wildlife
 128.22 management land in the county, whichever is greater;

128.23 (4) 50 percent of the dollar amount as determined under clause (1), multiplied by the
 128.24 number of acres of military refuge land in the county;

128.25 (5) ~~\$2~~ \$3, multiplied by the number of acres of county-administered other natural
 128.26 resources land in the county;

128.27 (6) \$5.133, multiplied by the total number of acres of land utilization project land in the
 128.28 county;

128.29 (7) ~~\$2~~ \$3, multiplied by the number of acres of commissioner-administered other natural
 128.30 resources land in the county; ~~and~~

128.31 (8) \$0.18, multiplied by the total number of acres in the county eligible for payment
 128.32 under clauses (1) to (7), provided that the total number of acres in the county eligible for

129.1 payment under clauses (1) to (7) is equal to or greater than 25 percent of the total acreage
129.2 in the county;

129.3 (9) \$0.08, multiplied by the total number of acres in the county eligible for payment
129.4 under clauses (1) to (7), provided that the total number of acres in the county eligible for
129.5 payment under clauses (1) to (7) is equal to or greater than ten percent, but less than 25
129.6 percent of the total acreage in the county; and

129.7 (10) without regard to acreage, and notwithstanding the rules adopted under section
129.8 84A.55, \$300,000 for local assessments under section 84A.55, subdivision 9, that shall be
129.9 divided and distributed to the counties containing state-owned lands within a conservation
129.10 area in proportion to each county's percentage of the total annual ditch assessments.

129.11 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2023.

129.12 Sec. 12. Minnesota Statutes 2020, section 477A.12, subdivision 3, is amended to read:

129.13 Subd. 3. **Determination of appraised value.** For the purposes of this section, the
129.14 appraised value of acquired natural resources land is the purchase price until the next six-year
129.15 appraisal required under this subdivision. The appraised value of acquired natural resources
129.16 land received as a donation is the value determined for the commissioner of natural resources
129.17 by a licensed appraiser, or the county assessor's estimated market value if no appraisal is
129.18 done. The appraised value must be determined by the county assessor every six years, except
129.19 that the appraised value shall not be less than the most recent appraised value. All reappraisals
129.20 shall be done in the same year as county assessors are required to assess exempt land under
129.21 section 273.18.

129.22 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2023.

129.23 Sec. 13. Minnesota Statutes 2020, section 477A.12, is amended by adding a subdivision
129.24 to read:

129.25 Subd. 4. **Adjustment.** The commissioner shall annually adjust the amounts in subdivision
129.26 1, clauses (1) to (10), as provided in section 270C.22, subdivision 1, except as provided in
129.27 this subdivision. To determine the dollar amounts for payments in calendar year 2024, the
129.28 commissioner shall determine the percentage change in the index for the 12-month period
129.29 ending on August 31, 2023, and increase each of the unrounded dollar amounts in section
129.30 477A.12, subdivision 1, by that percentage change. For each subsequent year, the
129.31 commissioner shall increase the dollar amounts by the percentage change in the index from
129.32 August 31 of the year preceding the statutory year, to August 31 of the year preceding the

130.1 taxable year. The commissioner shall round the amounts as adjusted to the nearest tenth of
130.2 a cent.

130.3 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2023.

130.4 Sec. 14. **[477A.23] SOIL AND WATER CONSERVATION DISTRICT AID.**

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

130.7 (1) "nonpublic land" means tract, lot, parcel, and piece or parcel of land as defined by
130.8 section 272.03, subdivision 6, that is not owned by the federal government, the state, or a
130.9 local government unit; and

130.10 (2) "soil and water conservation district" means a district under chapter 103C that is
130.11 implementing the duties under that chapter as determined by the Board of Water and Soil
130.12 Resources as of the date the board provides the certification to the commissioner of revenue
130.13 required by subdivision 4.

130.14 Subd. 2. **Purpose.** The purpose of this section is to provide ongoing financial support
130.15 to soil and water conservation districts to aid in the execution of chapter 103C and other
130.16 duties and services prescribed by statute.

130.17 Subd. 3. **Distribution.** The Board of Water and Soil Resources must calculate the amount
130.18 of aid to be distributed to the certified soil and water conservation districts from the
130.19 appropriation in subdivision 7 as follows:

130.20 (1) 70 percent of the appropriation must be distributed equally among the districts; and

130.21 (2) 30 percent of the appropriation must be distributed proportionally among the districts
130.22 according to the amount of nonpublic land located in a district as compared to the amount
130.23 of nonpublic land in the state.

130.24 Subd. 4. **Certification to commissioner.** On or before June 1 each year, the Board of
130.25 Water and Soil Resources must certify to the commissioner of revenue the soil and water
130.26 conservation districts that will receive a payment under this section and the amount of each
130.27 payment.

130.28 Subd. 5. **Use of proceeds.** (a) Notwithstanding section 103C.401, subdivision 2, a soil
130.29 and water conservation district that receives a distribution under this section must use the
130.30 proceeds to implement chapter 103C and other duties and services prescribed by statute.

131.1 (b) The board of each soil and water conservation district must establish, by resolution,
131.2 annual guidelines for using payments received under this section. Current year guidelines
131.3 and guidelines from the year immediately prior must be posted on the district website.

131.4 (c) A soil and water conservation district that receives a payment under this section may
131.5 appropriate any portion of the payment to a governmental unit with which the district has
131.6 a cooperative agreement under section 103C.231. Any payment received under this section
131.7 and appropriated by the district must be used as required by this section.

131.8 Subd. 6. **Payments.** The commissioner of revenue must distribute soil and water
131.9 conservation district aid in the same manner and at the same times as aid payments provided
131.10 under section 477A.015.

131.11 Subd. 7. **Appropriation.** \$22,000,000 is annually appropriated from the general fund
131.12 to the commissioner of revenue to make the payments required under his section.

131.13 Subd. 8. **Aid amount corrections.** If, due to a clerical error, the amount certified by the
131.14 Board of Soil and Water Resources to a soil and water conservation district is less than the
131.15 amount to which the district is entitled under this section, the Board of Water and Soil
131.16 Resources shall recertify the correct amount to the commissioner of revenue and communicate
131.17 the error and the corrected amount to the affected soil and water conservation district as
131.18 soon as practical after the error is discovered. The commissioner of revenue shall then
131.19 distribute additional aid payments in the same manner as additional aid payments are made
131.20 under section 477A.014. The additional aid payments shall be made from the general fund
131.21 and shall not diminish the distributions made to other soil and water conservation districts
131.22 under this section.

131.23 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2022 and
131.24 thereafter.

131.25 Sec. 15. **[477A.31] MAHNOMEN PROPERTY TAX REIMBURSEMENT AID.**

131.26 Subdivision 1. **Aid appropriation.** (a) The commissioner of revenue shall make
131.27 reimbursement aid payments to compensate for the loss of property tax revenue related to
131.28 the trust conversion application of the Shooting Star Casino. The commissioner shall pay
131.29 the county of Mahnomen, \$900,000; the city of Mahnomen, \$320,000; and Independent
131.30 School District No. 432, Mahnomen, \$140,000.

131.31 (b) The payments shall be made annually on July 20.

131.32 Subd. 2. **Appropriation.** An amount sufficient to pay reimbursement aid under this
131.33 section is annually appropriated from the general fund to the commissioner of revenue.

132.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
132.2 and thereafter.

132.3 Sec. 16. **[477A.35] LOCAL AFFORDABLE HOUSING AID.**

132.4 Subdivision 1. **Purpose.** The purpose of this section is to help local governments to
132.5 develop and preserve affordable housing within their jurisdictions in order to keep families
132.6 from losing housing and to help those experiencing homelessness find housing.

132.7 Subd. 2. **Definitions.** For the purposes of this section, the following terms have the
132.8 meanings given:

132.9 (1) "city" means a statutory or home rule charter city with a population of at least 10,000;

132.10 (2) "city distribution factor" means the number of households in a city that are
132.11 cost-burdened divided by the total number of households that are cost-burdened in Minnesota
132.12 cities. The number of cost-burdened households shall be determined using the most recent
132.13 estimates or experimental estimates provided by the American Community Survey of the
132.14 United States Census Bureau as of May 1 of the aid calculation year;

132.15 (3) "cost-burdened household" means a household in which gross rent is 30 percent or
132.16 more of household income or in which homeownership costs are 30 percent or more of
132.17 household income;

132.18 (4) "county distribution factor" means the number of households in a county that are
132.19 cost-burdened divided by the total number of households in Minnesota that are cost-burdened.
132.20 The number of cost-burdened households shall be determined using the most recent estimates
132.21 or experimental estimates provided by the American Community Survey of the United
132.22 States Census Bureau as of May 1 of the aid calculation year; and

132.23 (5) "population" has the meaning given in section 477A.011, subdivision 3.

132.24 Subd. 3. **Distribution.** (a) Each county shall receive the sum of:

132.25 (1) \$6,000; plus

132.26 (2) the product of:

132.27 (i) the county distribution factor; multiplied by

132.28 (ii) the total amount available to counties under this section minus the product of clause

132.29 (1) multiplied by the number of Minnesota counties.

133.1 (b) The commissioner of revenue shall determine the amount of funding available to a
133.2 city under this section by multiplying the city's city distribution factor and the amount of
133.3 funding available to cities under this section.

133.4 Subd. 4. Grants to nonqualifying local governments. (a) The commissioner of the
133.5 Minnesota Housing Finance Agency shall establish a program to award grants of at least
133.6 \$25,000 to local governments that do not qualify for a distribution of aid under subdivision
133.7 3. The agency shall develop program guidelines and criteria in consultation with the League
133.8 of Minnesota Cities.

133.9 (b) The agency shall attempt to award grants in approximately equal amounts to local
133.10 governments outside and within the metropolitan area. Among comparable proposals, the
133.11 agency shall prioritize grants to local governments that have a higher proportion of
133.12 cost-burdened households.

133.13 (c) A grantee must use its grant on a qualifying project.

133.14 (d) In making grants, the agency shall determine the circumstances under which and the
133.15 terms and conditions under which all or any portion thereof will be repaid and shall determine
133.16 the appropriate security should repayment be required. Any repaid funds shall be returned
133.17 to the account or accounts established pursuant to paragraph (e).

133.18 (e) The agency shall establish a bookkeeping account or accounts in the housing
133.19 development fund for money distributed to it for grants under this subdivision. By May 1
133.20 of each year, the Minnesota Housing Finance Agency shall report to the Department of
133.21 Revenue on the amount in the account or accounts.

133.22 Subd. 5. Qualifying projects. (a) Qualifying projects shall include projects designed
133.23 for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing
133.24 structures, construction financing, permanent financing, interest rate reduction, refinancing,
133.25 and gap financing of housing to provide affordable housing to households that have incomes
133.26 which do not exceed, for homeownership projects, 115 percent of the greater of state or
133.27 area median income as determined by the United States Department of Housing and Urban
133.28 Development, and for rental housing projects, 80 percent of the greater of state or area
133.29 median income as determined by the United States Department of Housing and Urban
133.30 Development, except that the housing developed or rehabilitated with funds under this
133.31 section must be affordable to the local work force.

133.32 (b) Gap financing is either:

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

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

134.5 (c) If a grant under this section is used for demolition or removal of existing structures,
134.6 the cleared land must be used for the construction of housing to be owned or rented by
134.7 persons who meet the income limits of paragraph (a).

134.8 Subd. 6. Use of proceeds. (a) Any funds distributed under this section must be spent on
134.9 a qualifying project. If a city or county demonstrates to the Minnesota Housing Finance
134.10 Agency that it cannot expend funds on a qualifying project by the deadline imposed by
134.11 paragraph (b) due to factors outside the control of the city or county, funds shall be considered
134.12 spent on a qualifying project if they are transferred to a local housing trust fund. Funds
134.13 transferred to a local housing trust fund must be spent on a project or household meeting
134.14 the affordability requirements of subdivision 6, paragraph (a).

134.15 (b) Any unspent funds must be returned to the commissioner of revenue by December
134.16 31 in the third year following the year after the aid was received.

134.17 Subd. 7. Administration. (a) The commissioner of revenue must compute the amount
134.18 of aid payable to each city and county under this section. Prior to computing the amount of
134.19 aid for counties and after receiving the report required by subdivision 4, paragraph (e), the
134.20 commissioner shall transfer from the funds available to counties to the Minnesota Housing
134.21 Finance Agency a sum sufficient to increase the amount in the account or accounts established
134.22 under that paragraph to \$4,000,000. By August 1 of each year, the commissioner must
134.23 certify the amount to be paid to each county and city in the following year. The commissioner
134.24 must pay local affordable housing aid annually at the times provided in section 477A.015.

134.25 (b) Beginning in 2024, cities and counties shall submit a report annually, no later than
134.26 December 1 of each year, to the Minnesota Housing Finance Agency. The report shall
134.27 include documentation of the location of any unspent funds distributed under this section
134.28 and of qualifying projects completed or planned with funds under this section. If a city or
134.29 county fails to submit a report, if a city or county failed to spend funds within the timeline
134.30 imposed under subdivision 6, paragraph (b), or if a city or county uses funds for a project
134.31 that does not qualify under this section, the Minnesota Housing Finance Agency shall notify
134.32 the Department of Revenue and the cities and counties that must repay funds under paragraph
134.33 (c) by February 15 of the following year.

135.1 (c) By May 15 after receiving notice from the Minnesota Housing Finance Agency, a
 135.2 city or county must repay to the commissioner of revenue funds it received under this section
 135.3 if it:

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

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

135.6 (3) fails to submit a report documenting use of the funds.

135.7 (d) The commissioner of revenue must stop distributing funds to any city or county if
 135.8 it has been reported by the Minnesota Housing Finance Agency to have, in three consecutive
 135.9 years, failed to use funds, misused funds, or failed to report on its use of funds.

135.10 (e) The commissioner may resume distributing funds to any city or county to which it
 135.11 has stopped payments once the Minnesota Housing Finance Agency certifies that the city
 135.12 or county has submitted documentation of plans for a qualifying project.

135.13 (f) By May 1, any funds repaid to the commissioner of revenue by cities under paragraph
 135.14 (c) must be added to the overall distribution of aids certified under this section for cities in
 135.15 the following year. By May 1, any funds repaid to the commissioner of revenue by counties
 135.16 under paragraph (c) must be added to the overall distribution of aids certified under this
 135.17 section for counties in the following year.

135.18 Subd. 8. **County consultation with local governments.** A county that receives funding
 135.19 under this section shall regularly consult with the local governments in the jurisdictions of
 135.20 which its qualifying projects are planned or located.

135.21 Subd. 9. **Appropriations.** (a) \$32,000,000 is annually appropriated from the general
 135.22 fund to the commissioner of revenue to make payments to counties as required under this
 135.23 section, except that in fiscal year 2024 the amount appropriated is \$29,600,000.

135.24 (b) \$8,000,000 is annually appropriated from the general fund to the commissioner of
 135.25 revenue to make payments to cities as required under this section, except that in fiscal year
 135.26 2024 the amount appropriated is \$7,400,000.

135.27 (c) \$..... is annually appropriated from the general fund to the commissioner of revenue
 135.28 to implement this section.

135.29 (d) \$..... is annually appropriated from the general fund to the commissioner of the
 135.30 Minnesota Housing Finance Agency to implement this section.

135.31 **EFFECTIVE DATE.** This section is effective beginning with aids payable in calendar
 135.32 year 2023.

136.1 **Sec. 17. [477A.40] STRONGER COMMUNITY AID.**

136.2 **Subdivision 1. Purpose.** The purpose of this section is to enhance the local performance
136.3 measurement program administered by the Office of the State Auditor by implementing a
136.4 permanent aid program set to compensate participating local units of government for
136.5 implementing a performance measurement program. Participation in this program is
136.6 voluntary. For purposes of this section, "local units of government" means all counties and
136.7 all statutory and home rule charter cities.

136.8 **Subd. 2. Duties of the Office of the State Auditor.** (a) To assist participating local units
136.9 of government, the Office of the State Auditor must provide on its website guidance for
136.10 compliance with the requirements of this section, including but not limited to:

136.11 (1) performance measures for counties;

136.12 (2) performance measures for cities;

136.13 (3) a sample resolution for counties and cities; and

136.14 (4) reporting requirements.

136.15 (b) Under subdivision 7, the state auditor must prescribe the form on which participating
136.16 local units of government certify their compliance with the requirements of this section.

136.17 (c) Under subdivision 9, the state auditor must certify to the commissioner of revenue
136.18 by April 1 of each year the list of participating local units of government that are eligible
136.19 to receive aid under this section.

136.20 **Subd. 3. Program performance measures.** (a) Each year, a local unit of government
136.21 that elects to participate in this section must adopt and implement a set of ten performance
136.22 measures prescribed by the Office of the State Auditor.

136.23 (b) A local unit of government that elects to participate in this section must adopt its
136.24 performance measures by June 1 each year.

136.25 **Subd. 4. Citizen performance measure and budget workshop meetings.** (a) A local
136.26 unit of government that elects to participate in this section must hold an annual citizen
136.27 performance measure and budget workshop meeting. This meeting must be used to: (i)
136.28 discuss performance measures selected for the upcoming year; (ii) review and report the
136.29 performance measure results for the current year and compare these results to previous
136.30 years, if applicable; (iii) discuss the budget process and budget priorities; and (iv) receive
136.31 public input.

137.1 (b) The meeting described in this subdivision must be held between June 15 and August
137.2 15 of each year, not before 6:00 p.m., with notice to the public provided at least 15 days
137.3 before the meeting is held by posting on the local unit of government's official website or
137.4 by direct mail.

137.5 Subd. 5. **Preliminary budget meeting.** At the meeting at which a local unit of
137.6 government participating in this section sets its preliminary budget and levy pursuant to
137.7 section 275.065, subdivision 1, the participating local unit of government must identify at
137.8 least two performance measures needing improvement and determine a strategy and plan
137.9 for improving these measures.

137.10 Subd. 6. **Final budget meeting; resolution.** At the meeting at which a local unit of
137.11 government participating in this section sets its final budget and levy pursuant to section
137.12 275.07, the participating local unit of government must approve a resolution declaring that:

137.13 (1) the participating local unit of government adopted and implemented the appropriate
137.14 number of performance measures prescribed by the Office of the State Auditor;

137.15 (2) the participating local unit of government held a citizen performance measure and
137.16 budget workshop meeting before the preliminary budget meeting in subdivision 5, during
137.17 which the local unit of government discussed the budget process, reported the results of the
137.18 performance measures from the previous year to the public, and allowed for public input;

137.19 (3) performance measure results from the previous year, if applicable, were made public
137.20 through the local unit of government's official website or by direct mail; and

137.21 (4) the participating local unit of government identified at least two performance measures
137.22 for improvement and developed a plan for improving these measures and a strategy for
137.23 evaluating the improvements in the next year.

137.24 Subd. 7. **Certification to the Office of the State Auditor.** A participating local unit of
137.25 government must certify to the Office of the State Auditor, on a form prescribed by the
137.26 auditor, that it has met the requirements of subdivisions 3 to 6 by February 1 of the aid
137.27 distribution year.

137.28 Subd. 8. **Aid calculation.** (a) Beginning in calendar year 2023 and thereafter, each local
137.29 jurisdiction that has satisfied the requirements under this section is eligible for an aid payment
137.30 of \$0.14 per capita, but not exceed \$25,000 for any jurisdiction.

137.31 (b) For purposes of this section, the population data used in calculating the aid to each
137.32 participating local unit of government must be the most recently available data as of January
137.33 1 of the year in which the aid is distributed.

138.1 Subd. 9. Aid certification and payment. (a) By April 1 of the aid distribution year, the
138.2 Office of the State Auditor must certify to the commissioner of revenue a list of the local
138.3 units of government that have certified, pursuant to subdivision 7, that they have met the
138.4 requirements of this section and are eligible to receive aid.

138.5 (b) The commissioner of revenue must annually make all necessary calculations and
138.6 make payments directly to the local units of government that are eligible to receive aid. In
138.7 addition, the commissioner must notify the local units of government of the aid amounts
138.8 and statewide total figures before August 1 of the aid distribution year.

138.9 (c) The commissioner of revenue must make the payments to qualifying local units of
138.10 government on December 26 annually.

138.11 Subd. 10. Appropriation. An amount sufficient to make the payments required by the
138.12 commissioner of revenue under subdivision 9 is annually appropriated from the general
138.13 fund to the commissioner of revenue.

138.14 **EFFECTIVE DATE.** This section is effective for aids payable in 2023 and thereafter.

138.15 Sec. 18. Laws 2006, chapter 259, article 11, section 3, as amended by Laws 2008, chapter
138.16 154, article 1, section 4, and Laws 2013, chapter 143, article 2, section 33, is amended to
138.17 read:

138.18 Sec. 3. **MAHNOMEN COUNTY; COUNTY, CITY, SCHOOL DISTRICT,**
138.19 **PROPERTY TAX REIMBURSEMENT.**

138.20 Subdivision 1. **Aid appropriation. (a)** \$1,200,000 is appropriated annually from the
138.21 general fund to the commissioner of revenue to be used to make payments to compensate
138.22 for the loss of property tax revenue related to the trust conversion application of the Shooting
138.23 Star Casino. The commissioner shall pay the county of Mahnomen, \$900,000; the city of
138.24 Mahnomen, \$160,000; and Independent School District No. 432, Mahnomen, \$140,000.
138.25 The payments shall be made on July 20, of 2013 and each subsequent year.

138.26 (b) This section expires after aids payable year 2022.

138.27 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
138.28 and thereafter.

139.1 **Sec. 19. COUNTY GRANTS FOR COMMUNITY CAREER WORKFORCE**
139.2 **ACADEMIES.**

139.3 **Subdivision 1. Purpose.** The purpose of this section is to help local governments address
139.4 the state's severe workforce shortage by funding collaborative public-private efforts that
139.5 create a strong pipeline of workers in high-demand areas and upskilling the current workforce
139.6 with an emphasis on minority populations, new Minnesota residents, and underskilled
139.7 workers.

139.8 **Subd. 2. Establishment.** (a) Community Career Workforce Academies are established
139.9 as a public-private partnership between school districts, higher education, business, local
139.10 governments, and nonprofits that will prepare students and adults for high-skill jobs of the
139.11 future in identified growth industries and address the state's workforce shortage.

139.12 (b) Community Career Workforce Academies must deliver six core benefits to students:

139.13 (1) a rigorous, relevant education in grades 9 to postsecondary, inclusive, focused on
139.14 high-wage, high-demand careers;

139.15 (2) workplace learning that includes career exploration activities such as mentoring by
139.16 industry professionals, worksite visits, speakers, and internships;

139.17 (3) intensive, individualized academic support by both secondary and postsecondary
139.18 faculty within an extended academic year or school day that enables students to progress
139.19 through the program at their own pace;

139.20 (4) an opportunity to earn a postsecondary credential or degree;

139.21 (5) a commitment to students who complete the program to be first in line for a job with
139.22 participating business partners following completion of the program; and

139.23 (6) upskilling the current adult workforce with an emphasis on minority populations,
139.24 new Minnesota residents, underskilled workers, and those who are unemployed or
139.25 underemployed.

139.26 **Subd. 3. Objectives.** (a) A Community Career Workforce Academy must accomplish
139.27 the following:

139.28 (1) develop programs of study in high-wage, high-skill, and high-demand career areas
139.29 for students and adults while addressing the workforce shortage;

139.30 (2) align school, college, and community systems in the programs of study developed
139.31 under this section;

139.32 (3) support strong academic performance by program participants;

140.1 (4) promote informed and appropriate career exploration choices and preparation; and
140.2 (5) ensure that employers in key technical and high-demand fields and occupations have
140.3 access to a talented and skilled workforce.

140.4 (b) Through the programs of study developed under this section, participating students
140.5 must be able to earn college course credits toward a postsecondary credential or degree.
140.6 Career pathways must include workplace learning and high school and postsecondary
140.7 coursework. These pathways will provide a seamless sequence of study to ensure alignment
140.8 to high-wage, high-demand careers.

140.9 Subd. 4. **Application.** (a) Counties, through resolution by the county board, may apply
140.10 to the commissioner of employment and economic development for grants to be used in
140.11 accordance with subdivision 5. The applications must be submitted by January 31, 2023,
140.12 and must be rated on:

140.13 (1) the ability for the county to provide adequate facilities for a Community Career
140.14 Workforce Academy that provides the benefits described in subdivision 2;

140.15 (2) the ability for the Community Career Workforce Academy in the county to provide
140.16 adequate programming;

140.17 (3) the ability for the Community Career Workforce Academy in the county to meet the
140.18 objectives in subdivisions 2 and 3; and

140.19 (4) a regional workforce and talent plan.

140.20 (b) The commissioner of employment and economic development must rate applications
140.21 using the criteria in this subdivision and determine which counties will receive grants under
140.22 this section. Grants awarded to each county must not exceed \$10,000,000. By March 31,
140.23 2023, the commissioner of employment and economic development must certify to the
140.24 commissioner of revenue the grant amounts to be issued to each county.

140.25 Subd. 5. **Use of grants.** Counties receiving grants under this section must use the funds
140.26 to establish or support a Community Career Workforce Academy that meets the criteria
140.27 under subdivisions 2 and 3. The funds provided under this section to a Community Career
140.28 Workforce Academy by a county may be used for facility capital needs and programming.
140.29 The county or a designee must administer the grant.

140.30 Subd. 6. **Appropriation.** (a) \$40,000,000 in fiscal year 2023 is appropriated from the
140.31 general fund to the commissioner of revenue for payments to counties for grants under this
140.32 section. The appropriation under this section must be used for the following purposes:

141.1 (1) up to \$30,000,000 must be used for grants under subdivision 7, paragraph (a); and

141.2 (2) \$10,000,000 must be used for a grant under subdivision 7, paragraph (b).

141.3 (b) This is a onetime appropriation. Any amount unexpended after August 15, 2023, is
141.4 canceled.

141.5 Subd. 7. **Grants.** (a) The commissioner of revenue must make payment of the grant
141.6 amounts to counties certified by the commissioner of employment and economic development
141.7 under subdivision 4.

141.8 (b) Clay County shall be issued a onetime grant in the amount of \$10,000,000 for the
141.9 Moorhead Career Workforce Academy for capital facility needs and programming, provided
141.10 that the facility meets the criteria in subdivisions 2 and 3.

141.11 (c) Grants under paragraph (a) must be paid to counties within 60 days of the certification
141.12 by the commissioner of employment and economic development. The grant under paragraph
141.13 (b) must be paid by August 1, 2022.

141.14 (d) Grants and the process of making grants under this subdivision are exempt from the
141.15 following statutes and related policies: Minnesota Statutes, sections 16A.15, subdivision 3;
141.16 16B.97; and 16B.98, subdivisions 5, 7, and 8. A county opting to use a third party to
141.17 administer grants is exempt from Minnesota Statutes, section 471.345, in the selection of
141.18 the third-party administrator. The exemptions under this paragraph expire after June 30,
141.19 2023.

141.20 Subd. 8. **Report.** By January 31, 2024, the commissioner of employment and economic
141.21 development must report to the legislative committees with jurisdiction over economic
141.22 development policy and finance and taxes on the grants and the effectiveness of the
141.23 Community Career Workforce Academies in meeting the objectives of subdivisions 2 and
141.24 3 and the grant application.

141.25 Sec. 20. **STUDY OF STATE-OWNED LAKESHORE.**

141.26 No later than January 31, 2023, the commissioner of revenue, in consultation with the
141.27 Department of Natural Resources and counties, must produce a report on valuation methods
141.28 used to value the acreage and shoreline areas within all commissioner-administered and
141.29 county-administered other natural resources land, as defined in Minnesota Statutes, section
141.30 477A.11, subdivision 4. The report must include, by county, the most recent assessed value
141.31 and acreage, and the assessed value and acreage for the two most recent assessments, as
141.32 required under Minnesota Statutes, section 273.18, paragraph (b), aggregated by parcels
141.33 containing shoreline and by parcels not containing shoreline area. Counties must report to

142.1 the commissioner of revenue any necessary data by September 30, 2022. The commissioner
142.2 must provide a copy of the report to the chairs and ranking minority members of the
142.3 legislative committees with jurisdiction over taxes and property taxation.

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

142.5 **Sec. 21. 2021 AID PENALTY FORGIVENESS; CITY OF ECHO.**

142.6 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Echo
142.7 must receive its aid payment for calendar year 2021 under Minnesota Statutes, section
142.8 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3,
142.9 and its small city assistance payment for calendar year 2021 under Minnesota Statutes,
142.10 section 162.145, that was withheld under Minnesota Statutes, section 162.145, subdivision
142.11 3, paragraph (c), provided that the state auditor certifies to the commissioner of revenue
142.12 that it received the annual financial reporting form for 2020 from the city by June 1, 2022.
142.13 The commissioner of revenue must make a payment of \$46,060 to the city by June 30, 2022.

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

142.15 **Sec. 22. 2021 AID PENALTY FORGIVENESS; CITY OF MORTON.**

142.16 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Morton
142.17 must receive its aid payment for calendar year 2021 under Minnesota Statutes, section
142.18 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3,
142.19 and its small city assistance payment for calendar year 2021 under Minnesota Statutes,
142.20 section 162.145, that was withheld under Minnesota Statutes, section 162.145, subdivision
142.21 3, paragraph (c), provided that the state auditor certifies to the commissioner of revenue
142.22 that it received the annual financial reporting form for 2020 from the city by June 1, 2022.
142.23 The commissioner of revenue must make a payment of \$79,476 to the city by June 30, 2022.

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

142.25 **Sec. 23. REPEALER.**

142.26 (a) Minnesota Statutes 2020, sections 477A.011, subdivisions 30a, 38, 42, and 45; and
142.27 477A.013, subdivision 13, are repealed.

142.28 (b) Minnesota Statutes 2020, section 6.91, is repealed.

142.29 **EFFECTIVE DATE.** Paragraph (a) is effective for aids payable in calendar year 2023
142.30 and thereafter. Paragraph (b) is effective January 1, 2023.

143.1 **ARTICLE 6**

143.2 **TAX INCREMENT FINANCING**

143.3 Section 1. Minnesota Statutes 2020, section 469.174, subdivision 14, is amended to read:

143.4 Subd. 14. **Administrative expenses.** (a) "Administrative expenses" or "administrative
 143.5 costs" means all documented expenditures of an authority other than or municipality,
 143.6 including but not limited to:

143.7 (1) amounts paid for services provided by bond counsel, fiscal consultants, and economic
 143.8 development consultants;

143.9 (2) allocated expenses and staff time of the authority or municipality for administering
 143.10 a project, including but not limited to preparing the tax increment financing plan, negotiating
 143.11 and preparing agreements, accounting for segregated funds of the district, preparing and
 143.12 submitting required reporting for the district, and reviewing and monitoring compliance
 143.13 with sections 469.174 to 469.1794;

143.14 (3) amounts paid to publish annual disclosures and provide notices under section 469.175;

143.15 (4) amounts to provide for the usual and customary maintenance and operation of
 143.16 properties purchased with tax increments, including necessary reserves for repairs and the
 143.17 cost of any insurance;

143.18 (5) amounts allocated or paid to prepare a development action response plan for a soils
 143.19 condition district or hazardous substance subdistrict; and

143.20 (6) amounts used to pay bonds, interfund loans, or other financial obligations to the
 143.21 extent those obligations were used to finance costs described in clauses (1) to (5).

143.22 (b) Administrative expenses and administrative costs do not include:

143.23 (1) amounts paid for the purchase of land and buildings;

143.24 (2) amounts paid to contractors or others providing materials and services, including
 143.25 architectural and engineering services, directly connected with the physical development
 143.26 of the real property in the project, including architectural and engineering services and
 143.27 materials and services for demolition, soil correction, and the construction or installation
 143.28 of public improvements;

143.29 (3) relocation benefits paid to or services provided for persons residing or businesses
 143.30 located in the project;

143.31 ~~(4) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount~~
 143.32 ~~bonds issued pursuant to section 469.178; or~~

144.1 ~~(5)~~ (4) amounts paid for property taxes or payments in lieu of taxes; and

144.2 (5) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount
 144.3 bonds issued pursuant to section 469.178 or other financial obligations to the extent those
 144.4 obligations were used to finance costs described in clauses (1) to ~~(3)~~ (4).

144.5 ~~For districts for which the requests for certifications were made before August 1, 1979,~~
 144.6 ~~or after June 30, 1982, "administrative expenses" includes amounts paid for services provided~~
 144.7 ~~by bond counsel, fiscal consultants, and planning or economic development consultants.~~

144.8 This definition does not apply to administrative expenses or administrative costs referenced
 144.9 under section 469.176, subdivision 4h.

144.10 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 144.11 applies to all districts, regardless of when the request for certification was made.

144.12 Sec. 2. Minnesota Statutes 2020, section 469.174, is amended by adding a subdivision to
 144.13 read:

144.14 Subd. 30. **Pay-as-you-go contract and note.** "Pay-as-you-go contract and note" means
 144.15 a written note or contractual obligation under which all of the following apply:

144.16 (1) the note or contractual obligation evidences an authority's commitment to reimburse
 144.17 a developer, property owner, or note holder for the payment of costs of activities, including
 144.18 any interest on unreimbursed costs;

144.19 (2) the reimbursement is made from tax increment revenues identified in the note or
 144.20 contractual obligation as received by a municipality or authority as taxes are paid; and

144.21 (3) the risk that available tax increments may be insufficient to fully reimburse the costs
 144.22 is borne by the developer, property owner, or note holder.

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

144.24 Sec. 3. Minnesota Statutes 2020, section 469.176, subdivision 3, is amended to read:

144.25 Subd. 3. **Limitation on administrative expenses.** (a) For districts for which certification
 144.26 was requested before August 1, 2001, no tax increment shall be used to pay any
 144.27 administrative expenses for a project which exceed ten percent of the total estimated tax
 144.28 increment expenditures authorized by the tax increment financing plan or ten percent of the
 144.29 total tax increment expenditures for the project net of any amounts returned to the county
 144.30 auditor as excess increment, as returned increment under section 469.1763, subdivision 4,
 144.31 paragraph (g), or as remedies under section 469.1771, subdivision 2, whichever is less.

145.1 (b) For districts for which certification was requested after July 31, 2001, no tax increment
 145.2 may be used to pay any administrative expenses for a project which exceed ten percent of
 145.3 total estimated tax increment expenditures authorized by the tax increment financing plan
 145.4 or ten percent of the total tax increments, as defined in section 469.174, subdivision 25,
 145.5 clause (1), from received for the district net of any amounts returned to the county auditor
 145.6 as excess increment or as remedies under section 469.1771, subdivision 2, whichever is
 145.7 less.

145.8 (c) Increments used to pay the county's administrative expenses under subdivision 4h
 145.9 are not subject to the percentage limits in this subdivision.

145.10 (d) Increments defined under section 469.174, subdivision 25, clause (2), used for
 145.11 administrative expenses described under section 469.174, subdivision 14, paragraph (a),
 145.12 clause (4), are not subject to the percentage limits in this subdivision.

145.13 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 145.14 applies to all districts, regardless of when the request for certification was made.

145.15 Sec. 4. Minnesota Statutes 2020, section 469.176, subdivision 4, is amended to read:

145.16 Subd. 4. **Limitation on use of tax increment; general rule.** All revenues derived from
 145.17 tax increment shall be used in accordance with the tax increment financing plan. The revenues
 145.18 shall be used solely for the following purposes: (1) to pay the principal of and interest on
 145.19 bonds issued to finance a project; (2) by a rural development financing authority for the
 145.20 purposes stated in section 469.142₂; by a port authority or municipality exercising the powers
 145.21 of a port authority to finance or otherwise pay the cost of redevelopment pursuant to sections
 145.22 469.048 to 469.068₂; by an economic development authority to finance or otherwise pay
 145.23 the cost of redevelopment pursuant to sections 469.090 to 469.108₂; by a housing and
 145.24 redevelopment authority or economic development authority to finance or otherwise pay
 145.25 public redevelopment costs pursuant to sections 469.001 to 469.047₂; by a municipality or
 145.26 economic development authority to finance or otherwise pay the capital and administration
 145.27 costs of a development district pursuant to sections 469.124 to 469.133₂; by a municipality
 145.28 or authority to finance or otherwise pay the costs of developing and implementing a
 145.29 development action response plan₂; by a municipality or redevelopment agency to finance
 145.30 or otherwise pay premiums for insurance or other security guaranteeing the payment when
 145.31 due of principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to
 145.32 469.165, or both, or to accumulate and maintain a reserve securing the payment when due
 145.33 of the principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to
 145.34 469.165, or both, which revenues in the reserve shall not exceed, subsequent to the fifth

146.1 anniversary of the date of issue of the first bond issue secured by the reserve, an amount
146.2 equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased
146.3 bonds secured by the reserve; and (3) to pay administrative expenses.

146.4 **EFFECTIVE DATE.** This section is effective the day following final enactment and
146.5 applies to all districts, regardless of when the request for certification was made.

146.6 Sec. 5. Minnesota Statutes 2021 Supplement, section 469.1763, subdivision 2, is amended
146.7 to read:

146.8 Subd. 2. **Expenditures outside district.** (a) For each tax increment financing district,
146.9 an amount equal to at least 75 percent of the total revenue derived from tax increments paid
146.10 by properties in the district must be expended on activities in the district or to pay bonds,
146.11 to the extent that the proceeds of the bonds were used to finance activities in the district or
146.12 to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other
146.13 than redevelopment districts for which the request for certification was made after June 30,
146.14 1995, the in-district percentage for purposes of the preceding sentence is 80 percent. Not
146.15 more than 25 percent of the total revenue derived from tax increments paid by properties
146.16 in the district may be expended, through a development fund or otherwise, on activities
146.17 outside of the district but within the defined geographic area of the project except to pay,
146.18 or secure payment of, debt service on credit enhanced bonds. For districts, other than
146.19 redevelopment districts for which the request for certification was made after June 30, 1995,
146.20 the pooling percentage for purposes of the preceding sentence is 20 percent. The revenues
146.21 derived from tax increments paid by properties in the district that are expended on costs
146.22 under section 469.176, subdivision 4h, paragraph (b), may be deducted first before calculating
146.23 the percentages that must be expended within and without the district.

146.24 (b) In the case of a housing district, a housing project, as defined in section 469.174,
146.25 subdivision 11, is an activity in the district.

146.26 (c) All administrative expenses are considered to be expenditures for activities outside
146.27 of the district, except that if the only expenses for activities outside of the district under this
146.28 subdivision are for the purposes described in paragraph (d), administrative expenses will
146.29 be considered as expenditures for activities in the district.

146.30 (d) The authority may elect, in the tax increment financing plan for the district, to increase
146.31 by up to ten percentage points the permitted amount of expenditures for activities located
146.32 outside the geographic area of the district under paragraph (a). As permitted by section
146.33 469.176, subdivision 4k, the expenditures, including the permitted expenditures under
146.34 paragraph (a), need not be made within the geographic area of the project. Expenditures

147.1 that meet the requirements of this paragraph are legally permitted expenditures of the district,
147.2 notwithstanding section 469.176, subdivisions 4b, 4c, and 4j. To qualify for the increase
147.3 under this paragraph, the expenditures must:

147.4 (1) be used exclusively to assist housing that meets the requirement for a qualified
147.5 low-income building, as that term is used in section 42 of the Internal Revenue Code; and

147.6 (2) not exceed the qualified basis of the housing, as defined under section 42(c) of the
147.7 Internal Revenue Code, less the amount of any credit allowed under section 42 of the Internal
147.8 Revenue Code; and

147.9 (3) be used to:

147.10 (i) acquire and prepare the site of the housing;

147.11 (ii) acquire, construct, or rehabilitate the housing; or

147.12 (iii) make public improvements directly related to the housing; or

147.13 (4) be used to develop housing:

147.14 (i) if the market value of the housing does not exceed the lesser of:

147.15 (A) 150 percent of the average market value of single-family homes in that municipality;
147.16 or

147.17 (B) \$200,000 for municipalities located in the metropolitan area, as defined in section
147.18 473.121, or \$125,000 for all other municipalities; and

147.19 (ii) if the expenditures are used to pay the cost of site acquisition, relocation, demolition
147.20 of existing structures, site preparation, and pollution abatement on one or more parcels, if
147.21 the parcel contains a residence containing one to four family dwelling units that has been
147.22 vacant for six or more months and is in foreclosure as defined in section 325N.10, subdivision
147.23 7, but without regard to whether the residence is the owner's principal residence, and only
147.24 after the redemption period has expired; or

147.25 (5) to assist owner-occupied housing that meets the requirements of section 469.1761,
147.26 subdivision 2.

147.27 (e) The authority under paragraph (d), clause (4), expires on December 31, 2016.

147.28 Increments may continue to be expended under this authority after that date, if they are used
147.29 to pay bonds or binding contracts that would qualify under subdivision 3, paragraph (a), if
147.30 December 31, 2016, is considered to be the last date of the five-year period after certification
147.31 under that provision.

148.1 (f) For purposes of determining whether the minimum percentage of expenditures for
148.2 activities in the district and maximum percentages of expenditures allowed on activities
148.3 outside the district have been met under this subdivision, any amounts returned to the county
148.4 auditor as excess increment, as returned increment under subdivision 4, paragraph (g), or
148.5 as remedies under section 469.1771, subdivision 2, shall first be subtracted from the total
148.6 revenues derived from tax increments paid by properties in the district. Any other amounts
148.7 returned to the county auditor for purposes other than a remedy under section 469.1771,
148.8 subdivision 3, are considered to be expenditures for activities in the district.

148.9 **EFFECTIVE DATE.** This section is effective the day following final enactment and
148.10 applies to all districts with a request for certification date after April 30, 1990, except that
148.11 paragraph (f) shall apply to districts decertifying after December 31, 2022.

148.12 Sec. 6. Minnesota Statutes 2021 Supplement, section 469.1763, subdivision 3, is amended
148.13 to read:

148.14 **Subd. 3. Five-year rule.** (a) Revenues derived from tax increments paid by properties
148.15 in the district ~~that are considered to have been~~ expended on an activity within the district
148.16 ~~under~~ will instead be considered to have been expended on an activity outside the district
148.17 for purposes of subdivision 2 only if one of the following occurs unless:

148.18 (1) before or within five years after certification of the district, the revenues are actually
148.19 paid to a third party with respect to the activity;

148.20 (2) bonds, the proceeds of which must be used to finance the activity, are issued and
148.21 sold to a third party before or within five years after certification of the district, the revenues
148.22 are spent to repay the bonds, and the proceeds of the bonds either are, on the date of issuance,
148.23 reasonably expected to be spent before the end of the later of (i) the five-year period, or (ii)
148.24 a reasonable temporary period within the meaning of the use of that term under section
148.25 148(c)(1) of the Internal Revenue Code, or are deposited in a reasonably required reserve
148.26 or replacement fund;

148.27 (3) binding contracts with a third party are entered into for performance of the activity
148.28 before or within five years after certification of the district and the revenues are spent under
148.29 the contractual obligation;

148.30 (4) costs with respect to the activity are paid before or within five years after certification
148.31 of the district and the revenues are spent to reimburse a party for payment of the costs,
148.32 including interest on unreimbursed costs; or

149.1 ~~(5) expenditures are made~~ revenues are spent for housing purposes as ~~permitted~~ described
 149.2 by subdivision 2, ~~paragraphs~~ paragraph (b) ~~and (d)~~, or for public infrastructure purposes
 149.3 ~~within a zone as permitted by subdivision 2, paragraph (e).~~

149.4 (b) For purposes of this subdivision, bonds include subsequent refunding bonds if the
 149.5 original refunded bonds meet the requirements of paragraph (a), clause (2).

149.6 (c) For a redevelopment district or a renewal and renovation district certified after June
 149.7 30, 2003, and before April 20, 2009, the five-year periods described in paragraph (a) are
 149.8 extended to ten years after certification of the district. For a redevelopment district certified
 149.9 after April 20, 2009, and before June 30, 2012, the five-year periods described in paragraph
 149.10 (a) are extended to eight years after certification of the district. This extension is provided
 149.11 primarily to accommodate delays in development activities due to unanticipated economic
 149.12 circumstances.

149.13 (d) For a redevelopment district that was certified after December 31, 2017, and before
 149.14 June 30, 2020, the five-year periods described in paragraph (a) are extended to eight years
 149.15 after certification of the district.

149.16 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 149.17 applies to all districts with a request for certification date after April 30, 1990.

149.18 Sec. 7. Minnesota Statutes 2021 Supplement, section 469.1763, subdivision 4, is amended
 149.19 to read:

149.20 **Subd. 4. Use of revenues for decertification.** ~~(a) In each year beginning with the sixth~~
 149.21 ~~year following certification of the district, or beginning with the ninth year following~~
 149.22 ~~certification of the district for districts whose five-year rule is extended to eight years under~~
 149.23 ~~subdivision 3, paragraph (d), if the applicable in-district percent of the revenues derived~~
 149.24 ~~from tax increments paid by properties in the district exceeds the amount of expenditures~~
 149.25 ~~that have been made for costs permitted under subdivision 3, an amount equal to the~~
 149.26 ~~difference between the in-district percent of the revenues derived from tax increments paid~~
 149.27 ~~by properties in the district and the amount of expenditures that have been made for costs~~
 149.28 ~~permitted under subdivision 3 must be used and only used to pay or defease the following~~
 149.29 ~~or be set aside to pay the following:~~

149.30 ~~(1) outstanding bonds, as defined in subdivision 3, paragraphs (a), clause (2), and (b);~~

149.31 ~~(2) contracts, as defined in subdivision 3, paragraph (a), clauses (3) and (4);~~

149.32 ~~(3) credit enhanced bonds to which the revenues derived from tax increments are pledged,~~
 149.33 ~~but only to the extent that revenues of the district for which the credit enhanced bonds were~~

150.1 ~~issued are insufficient to pay the bonds and to the extent that the increments from the~~
 150.2 ~~applicable pooling percent share for the district are insufficient; or~~

150.3 ~~(4) the amount provided by the tax increment financing plan to be paid under subdivision~~
 150.4 ~~2, paragraphs (b), (d), and (e).~~

150.5 ~~(b) The~~ (a) Beginning with the sixth year following certification of the district, or
 150.6 beginning with the year following the extended period for districts whose five-year period
 150.7 is extended under subdivision 3, paragraphs (c) and (d), a district must be decertified and
 150.8 the pledge of tax increment discharged when the outstanding bonds have been defeased and
 150.9 when sufficient money has been set aside to pay, based on the product of the applicable
 150.10 in-district percentage multiplied by the increment to be cumulative revenues derived from
 150.11 tax increments paid by properties in the district that have been collected through the end of
 150.12 the calendar year, equals or exceeds an amount sufficient to pay the following amounts:

150.13 ~~(1) contractual~~ any costs and obligations as defined described in subdivision 3, paragraph
 150.14 paragraphs (a), clauses (3) and (4); and (b), excluding those under a qualifying pay-as-you-go
 150.15 contract and note;

150.16 ~~(2) the amount specified in the tax increment financing plan for activities qualifying~~
 150.17 ~~under subdivision 2, paragraph (b), that have not been funded with the proceeds of bonds~~
 150.18 ~~qualifying under paragraph (a), clause (1); and~~

150.19 ~~(3) the additional expenditures permitted by the tax increment financing plan for housing~~
 150.20 ~~activities under an election under subdivision 2, paragraph (d), that have not been funded~~
 150.21 ~~with the proceeds of bonds qualifying under paragraph (a), clause (1).~~

150.22 (2) any accrued interest on the costs and obligations in clause (1), payable in accordance
 150.23 with the terms thereof; and

150.24 (3) any administrative expenses falling within the exception in subdivision 2, paragraph
 150.25 (c).

150.26 (b) For districts with an outstanding qualifying pay-as-you-go contract and note, the
 150.27 required decertification under paragraph (a) is deferred until the end of the remaining term
 150.28 of the last outstanding qualifying pay-as-you-go contract and note, and the applicable
 150.29 in-district percentage of cumulative revenues derived from tax increments paid by properties
 150.30 in the district are sufficient to pay the obligations identified in subdivision 3, paragraphs
 150.31 (a) and (b), provided that the deferral shall not exceed the district's duration limit under
 150.32 section 469.176. During the deferral, beginning at the time paragraph (a) would otherwise
 150.33 require decertification, the authority must annually either:

151.1 (1) remove from the district, by the end of the year, all parcels that will no longer have
151.2 their tax increment revenue pledged or subject to a qualifying pay-as-you-go contract and
151.3 note or other costs and obligations described in subdivision 3, paragraphs (a) and (b), after
151.4 the end of the year; or

151.5 (2) use the applicable in-district percentage of revenues derived from tax increments
151.6 paid by those parcels to prepay an outstanding qualifying pay-as-you-go contract and note
151.7 of the district or other costs and obligations described in subdivision 3, paragraphs (a) and
151.8 (b), or to accumulate and use revenues derived from tax increments paid by those parcels
151.9 as permitted under paragraph (i).

151.10 The authority must remove any parcels as required by this paragraph by modification
151.11 of the tax increment financing plan and notify the county auditor of the removed parcels by
151.12 the end of the same calendar year. Notwithstanding section 469.175, subdivision 4,
151.13 paragraphs (b), clause (1), and (e), the notice, discussion, public hearing, and findings
151.14 required for approval of the original plan are not required for such a modification.

151.15 (c) Notwithstanding paragraph (a) or (b), if tax increment was pledged prior to August
151.16 1, 2022, to a bond other than a pay-as-you-go contract and note or interfund loan, and the
151.17 proceeds of the bond were used solely or in part to pay authorized costs for activities outside
151.18 the district, the requirement to decertify under paragraph (a) or remove parcels under
151.19 paragraph (b) shall not apply prior to the bond being fully paid or defeased.

151.20 (d) For purposes of this subdivision, "applicable in-district percentage" means the
151.21 percentage of tax increment revenue that is restricted for expenditures within the district,
151.22 as determined under subdivision 2, paragraphs (a) and (d), for the district.

151.23 (e) For purposes of this subdivision, "qualifying pay-as-you-go contract and note" means
151.24 a pay-as-you-go contract and note that is considered to be for activities within the district
151.25 under subdivision 3, paragraph (a).

151.26 (f) For purposes of this subdivision, the reference in paragraph (a) to cumulative revenues
151.27 derived from tax increments paid by properties in the district through the end of the calendar
151.28 year shall include any final settlement distributions made in the following January. For
151.29 purposes of the calculation in paragraph (a), any amounts returned to the county auditor as
151.30 excess increment or as remedies under section 469.1771, subdivision 2, shall first be
151.31 subtracted from the cumulative revenues derived from tax increments paid by properties in
151.32 the district.

151.33 (g) The timing and implementation of a decertification pursuant to paragraphs (a) and
151.34 (b) shall be subject to the following:

152.1 (1) when a decertification is required under paragraph (a) and not deferred under
152.2 paragraph (b), the authority must, as soon as practical and no later than the final settlement
152.3 distribution date of January 25 as identified in section 276.111 for the property taxes payable
152.4 in the calendar year identified in paragraph (a), make the decertification by resolution
152.5 effective for the end of the calendar year identified in paragraph (a), and communicate the
152.6 decertification to the county auditor;

152.7 (2) when a decertification is deferred under paragraph (b), the authority must, by
152.8 December 31 of the year in which the last qualifying pay-as-you-go contract and note reaches
152.9 termination, make the decertification by resolution effective for the end of that calendar
152.10 year and communicate the decertification to the county auditor;

152.11 (3) if the county auditor is unable to prevent tax increments from being calculated for
152.12 taxes payable in the year following the year for which the decertification is made effective,
152.13 the county auditor may redistribute the tax increments in the same manner as excess
152.14 increments under section 469.176, subdivision 2, paragraph (c), clause (4), without first
152.15 distributing them to the authority; and

152.16 (4) if tax increments are distributed to an authority for a taxes payable year after the year
152.17 for which the decertification was required to be effective, the authority must return the
152.18 amount of the distributions to the county auditor for redistribution in the same manner as
152.19 excess increments under section 469.176, subdivision 2, paragraph (c), clause (4).

152.20 (h) The provisions of this subdivision do not apply to a housing district.

152.21 (i) Notwithstanding anything to the contrary in paragraph (a) or (b), if an authority has
152.22 made the election in the tax increment financing plan for the district under subdivision 2,
152.23 paragraph (d), then the requirement to decertify under paragraph (a) or remove parcels under
152.24 paragraph (b) shall not apply prior to such time that the accumulated revenues derived from
152.25 tax increments paid by properties in the district that are eligible to be expended for housing
152.26 purposes described under subdivision 2, paragraph (d), equals the lesser of the amount the
152.27 authority is permitted to expend for housing purposes described under subdivision 2,
152.28 paragraph (d), or the amount authorized for such purposes in the tax increment financing
152.29 plan. Increment revenues collected after the district would have decertified under paragraph
152.30 (a) or from parcels which otherwise would be subject to removal under paragraph (b), absent
152.31 the exception of this paragraph, shall be used solely for housing purposes as described in
152.32 subdivision 2, paragraph (d).

152.33 **EFFECTIVE DATE.** This section is effective the day following final enactment and
152.34 applies to all districts with a request for certification after April 30, 1990, except that the

153.1 requirements under paragraph (b) to remove parcels or use revenues from such parcels as
 153.2 prescribed in paragraph (b) apply only to districts for which the request for certification
 153.3 was made after the day following final enactment.

153.4 Sec. 8. Minnesota Statutes 2020, section 469.1763, subdivision 6, is amended to read:

153.5 Subd. 6. **Pooling permitted for deficits.** (a) This subdivision applies only to districts
 153.6 for which the request for certification was made before August 1, 2001, and without regard
 153.7 to whether the request for certification was made prior to August 1, 1979.

153.8 (b) The municipality for the district may transfer available increments from another tax
 153.9 increment financing district located in the municipality, if the transfer is necessary to
 153.10 eliminate a deficit in the district to which the increments are transferred. The municipality
 153.11 may transfer increments as provided by this subdivision without regard to whether the
 153.12 transfer or expenditure is authorized by the tax increment financing plan for the district
 153.13 from which the transfer is made. A deficit in the district for purposes of this subdivision
 153.14 means the lesser of the following two amounts:

153.15 (1)~~(i)~~ the amount due during the calendar year to pay preexisting obligations of the
 153.16 district; minus the sum of

153.17 ~~(ii)~~ (i) the total increments collected or to be collected from properties located within
 153.18 the district that are available for the calendar year including amounts collected in prior years
 153.19 that are currently available; plus

153.20 ~~(iii)~~ (ii) total increments from properties located in other districts in the municipality
 153.21 including amounts collected in prior years that are available to be used to meet the district's
 153.22 obligations under this section, excluding this subdivision, or other provisions of law; or

153.23 (2) the reduction in increments collected from properties located in the district for the
 153.24 calendar year as a result of the changes in classification rates in Laws 1997, chapter 231,
 153.25 article 1; Laws 1998, chapter 389, article 2; and Laws 1999, chapter 243, and Laws 2001,
 153.26 First Special Session chapter 5, or the elimination of the general education tax levy under
 153.27 Laws 2001, First Special Session chapter 5.

153.28 The authority may compute the deficit amount under clause (1) only (without regard to
 153.29 the limit under clause (2)) if the authority makes an irrevocable commitment, by resolution,
 153.30 to use increments from the district to which increments are to be transferred and any
 153.31 transferred increments are only used to pay preexisting obligations and administrative
 153.32 expenses for the district that are required to be paid under section 469.176, subdivision 4h,
 153.33 paragraph (a).

154.1 (c) A preexisting obligation means:

154.2 (1) bonds issued and sold before August 1, 2001, or bonds issued pursuant to a binding
154.3 contract requiring the issuance of bonds entered into before July 1, 2001, and bonds issued
154.4 to refund such bonds or to reimburse expenditures made in conjunction with a signed
154.5 contractual agreement entered into before August 1, 2001, to the extent that the bonds are
154.6 secured by a pledge of increments from the tax increment financing district; and

154.7 (2) binding contracts entered into before August 1, 2001, to the extent that the contracts
154.8 require payments secured by a pledge of increments from the tax increment financing district.

154.9 (d) The municipality may require a development authority, other than a seaway port
154.10 authority, to transfer available increments including amounts collected in prior years that
154.11 are currently available for any of its tax increment financing districts in the municipality to
154.12 make up an insufficiency in another district in the municipality, regardless of whether the
154.13 district was established by the development authority or another development authority.
154.14 This authority applies notwithstanding any law to the contrary, but applies only to a
154.15 development authority that:

154.16 (1) was established by the municipality; or

154.17 (2) the governing body of which is appointed, in whole or part, by the municipality or
154.18 an officer of the municipality or which consists, in whole or part, of members of the
154.19 governing body of the municipality. The municipality may use this authority only after it
154.20 has first used all available increments of the receiving development authority to eliminate
154.21 the insufficiency and exercised any permitted action under section 469.1792, subdivision
154.22 3, for preexisting districts of the receiving development authority to eliminate the
154.23 insufficiency.

154.24 (e) The authority under this subdivision to spend tax increments outside of the area of
154.25 the district from which the tax increments were collected:

154.26 (1) is an exception to the restrictions under section 469.176, subdivisions 4b, 4c, 4d, 4e,
154.27 4i, and 4j; the expenditure limits under section 469.176, subdivision 1c; and the other
154.28 provisions of this section; and the percentage restrictions under subdivision 2 must be
154.29 calculated after deducting increments spent under this subdivision from the total increments
154.30 for the district; and

154.31 (2) applies notwithstanding the provisions of the Tax Increment Financing Act in effect
154.32 for districts for which the request for certification was made before June 30, 1982, or any
154.33 other law to the contrary.

155.1 (f) If a preexisting obligation requires the development authority to pay an amount that
 155.2 is limited to the increment from the district or a specific development within the district and
 155.3 if the obligation requires paying a higher amount to the extent that increments are available,
 155.4 the municipality may determine that the amount due under the preexisting obligation equals
 155.5 the higher amount and may authorize the transfer of increments under this subdivision to
 155.6 pay up to the higher amount. The existence of a guarantee of obligations by the individual
 155.7 or entity that would receive the payment under this paragraph is disregarded in the
 155.8 determination of eligibility to pool under this subdivision. The authority to transfer increments
 155.9 under this paragraph may only be used to the extent that the payment of all other preexisting
 155.10 obligations in the municipality due during the calendar year have been satisfied.

155.11 (g) For transfers of increments made in calendar year 2005 and later, the reduction in
 155.12 increments as a result of the elimination of the general education tax levy for purposes of
 155.13 paragraph (b), clause (2), for a taxes payable year equals the general education tax rate for
 155.14 the school district under Minnesota Statutes 2000, section 273.1382, subdivision 1, for taxes
 155.15 payable in 2001, multiplied by the captured tax capacity of the district for the current taxes
 155.16 payable year.

155.17 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 155.18 applies only to districts for which the request for certification was made before August 1,
 155.19 2001, and without regard to whether the request for certification was made prior to August
 155.20 1, 1979.

155.21 Sec. 9. Minnesota Statutes 2020, section 469.1771, subdivision 2, is amended to read:

155.22 Subd. 2. **Collection of increment.** If an authority includes or retains a parcel of property
 155.23 in a tax increment financing district that does not qualify for inclusion or retention within
 155.24 the district, the authority must pay to the county auditor an amount of money equal to the
 155.25 increment collected from the property for the year or years. The property must be eliminated
 155.26 from the original and captured tax capacity of the district effective for the current property
 155.27 tax assessment year. ~~This subdivision does not apply to a failure to decertify a district at~~
 155.28 ~~the end of the duration limit specified in the tax increment financing plan.~~

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

155.30 Sec. 10. Minnesota Statutes 2020, section 469.1771, subdivision 2a, is amended to read:

155.31 Subd. 2a. **Suspension of distribution of tax increment.** (a) If an authority fails to make
 155.32 a disclosure or to submit a report containing the information required by section 469.175,
 155.33 subdivisions 5 and 6, regarding a tax increment financing district within the time provided

156.1 in section 469.175, subdivisions 5 and 6, the state auditor shall mail to the authority a written
156.2 notice that it or the municipality has failed to make the required disclosure or to submit a
156.3 required report with respect to a particular district. The state auditor shall mail the notice
156.4 on or before the third Tuesday of August of the year in which the disclosure or report was
156.5 required to be made or submitted. The notice must describe the consequences of failing to
156.6 disclose or submit a report as provided in paragraph (b). If the state auditor has not received
156.7 a copy of a disclosure or a report described in this paragraph on or before the first day of
156.8 October of the year in which the disclosure or report was required to be made or submitted,
156.9 the state auditor shall mail a written notice to the county auditor to hold the distribution of
156.10 tax increment from a particular district.

156.11 (b) Upon receiving written notice from the state auditor to hold the distribution of tax
156.12 increment, the county auditor shall hold: all tax increment that otherwise would be distributed
156.13 after receipt of the notice, until further notified under paragraph (c).

156.14 ~~(1) 100 percent of the amount of tax increment that otherwise would be distributed, if~~
156.15 ~~the distribution is made after the first day of October but during the year in which the~~
156.16 ~~disclosure or report was required to be made or submitted; or~~

156.17 ~~(2) 100 percent of the amount of tax increment that otherwise would be distributed, if~~
156.18 ~~the distribution is made after December 31 of the year in which the disclosure or report was~~
156.19 ~~required to be made or submitted.~~

156.20 (c) Upon receiving the copy of the disclosure and all of the reports described in paragraph
156.21 (a) with respect to a district regarding which the state auditor has mailed to the county
156.22 auditor a written notice to hold distribution of tax increment, the state auditor shall mail to
156.23 the county auditor a written notice lifting the hold and authorizing the county auditor to
156.24 distribute to the authority or municipality any tax increment that the county auditor had held
156.25 pursuant to paragraph (b). The state auditor shall mail the written notice required by this
156.26 paragraph within five working days after receiving the last outstanding item. The county
156.27 auditor shall distribute the tax increment to the authority or municipality within 15 working
156.28 days after receiving the written notice required by this paragraph.

156.29 (d) Notwithstanding any law to the contrary, any interest that accrues on tax increment
156.30 while it is being held by the county auditor pursuant to paragraph (b) is not tax increment
156.31 and may be retained by the county.

156.32 (e) For purposes of sections 469.176, subdivisions 1a to 1g, and 469.177, subdivision
156.33 11, tax increment being held by the county auditor pursuant to paragraph (b) is considered

157.1 distributed to or received by the authority or municipality as of the time that it would have
 157.2 been distributed or received but for paragraph (b).

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

157.4 Sec. 11. Minnesota Statutes 2020, section 469.1771, subdivision 3, is amended to read:

157.5 Subd. 3. **Expenditure of increment.** If an authority expends revenues derived from tax
 157.6 increments, including the proceeds of tax increment bonds, (1) for a purpose that is not a
 157.7 permitted project under ~~section 469.176~~ sections 469.174 to 469.1794, (2) for a purpose
 157.8 that is not permitted under ~~section 469.176~~ sections 469.174 to 469.1794 for the district
 157.9 from which the increment was received, or (3) on activities outside of the geographic area
 157.10 in which the revenues may be expended under this chapter, the authority must pay to the
 157.11 county auditor an amount equal to the expenditures made in violation of the law.

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

157.13 Sec. 12. Laws 2003, chapter 127, article 10, section 31, subdivision 1, as amended by
 157.14 Laws 2008, chapter 366, article 5, section 21, and Laws 2019, First Special Session chapter
 157.15 6, article 7, section 1, is amended to read:

157.16 Subdivision 1. **District extension.** (a) The governing body of the city of Hopkins may
 157.17 elect to extend the duration of its redevelopment tax increment financing district 2-11 by
 157.18 up to four additional years.

157.19 (b) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, effective upon
 157.20 approval of this subdivision, no increments may be spent on activities located outside of
 157.21 the area of the district, other than:

157.22 (1) to pay administrative expenses, not to exceed ten percent of the total tax increments
 157.23 from the district; or

157.24 (2) to pay the costs of housing or redevelopment activities that are consistent with
 157.25 Minnesota Statutes, section 469.176, subdivision 4j, ~~provided that expenditures under this~~
 157.26 ~~clause may not exceed 20 percent of the total tax increments from the district.~~

157.27 The total amount of increment that may be spent on activities located outside the area of
 157.28 the district under this section shall be limited to ~~25~~ 30 percent.

157.29 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 157.30 city of Hopkins and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 157.31 subdivisions 2 and 3.

158.1 Sec. 13. Laws 2014, chapter 308, article 6, section 12, subdivision 2, is amended to read:

158.2 Subd. 2. **Special rules.** (a) If the city elects, upon the adoption of the tax increment
158.3 financing plan for a district, the rules under this section apply to a redevelopment district,
158.4 renewal and renovation district, soil condition district, or soil deficiency district established
158.5 by the city or a development authority of the city in the project area.

158.6 (b) Prior to or upon the adoption of the first tax increment plan subject to the special
158.7 rules under this subdivision, the city must find by resolution that parcels consisting of at
158.8 least 80 percent of the acreage of the project area, excluding street and railroad rights-of-way,
158.9 are characterized by one or more of the following conditions:

158.10 (1) peat or other soils with geotechnical deficiencies that impair development of
158.11 commercial buildings or infrastructure;

158.12 (2) soils or terrain that require substantial filling in order to permit the development of
158.13 commercial buildings or infrastructure;

158.14 (3) landfills, dumps, or similar deposits of municipal or private waste;

158.15 (4) quarries or similar resource extraction sites;

158.16 (5) floodway; and

158.17 (6) substandard buildings, within the meaning of Minnesota Statutes, section 469.174,
158.18 subdivision 10.

158.19 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the
158.20 relevant condition if at least 70 percent of the area of the parcel contains the relevant
158.21 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by
158.22 substandard buildings if substandard buildings occupy at least 30 percent of the area of the
158.23 parcel.

158.24 (d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is
158.25 extended to ~~eight~~ 11 years for any district; the five-year rule under Minnesota Statutes,
158.26 section 469.175, subdivision 4, paragraph (f), is extended to eight years for any district; and
158.27 Minnesota Statutes, section 469.1763, subdivision 4, does not apply to any district.

158.28 (e) Notwithstanding any provision to the contrary in Minnesota Statutes, section 469.1763,
158.29 subdivision 2, paragraph (a), not more than 40 percent of the total revenue derived from tax
158.30 increments paid by properties in any district, measured over the life of the district, may be
158.31 expended on activities outside the district but within the project area.

158.32 (f) For a soil deficiency district:

159.1 (1) increments may be collected through 20 years after the receipt by the authority of
159.2 the first increment from the district;

159.3 (2) increments may be used only to:

159.4 (i) acquire parcels on which the improvements described in item (ii) will occur;

159.5 (ii) pay for the cost of correcting the unusual terrain or soil deficiencies and the additional
159.6 cost of installing public improvements directly caused by the deficiencies; and

159.7 (iii) pay for the administrative expenses of the authority allocable to the district; and

159.8 (3) any parcel acquired with increments from the district must be sold at no less than
159.9 their fair market value.

159.10 (g) Increments spent for any infrastructure costs, whether inside a district or outside a
159.11 district but within the project area, are deemed to satisfy the requirements of Minnesota
159.12 Statutes, section 469.176, subdivision 4j.

159.13 (h) The authority to approve tax increment financing plans to establish tax increment
159.14 financing districts under this section expires June 30, 2020.

159.15 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
159.16 city of Savage and its chief clerical officer comply with Minnesota Statutes, section 645.021,
159.17 subdivisions 2 and 3.

159.18 Sec. 14. **CITY OF FRIDLEY; TAX INCREMENT FINANCING DISTRICT;**
159.19 **SPECIAL RULES.**

159.20 **Subdivision 1. Transfer of increment.** Notwithstanding Minnesota Statutes, section
159.21 469.176, subdivision 4j, the city of Fridley, or its economic development authority, may
159.22 transfer tax increment accumulated from Fridley Tax Increment Financing District No. 20
159.23 to the Fridley Housing and Redevelopment Authority for the purposes authorized in
159.24 subdivision 2. Only increment allowed to be expended outside of the district pursuant to
159.25 Minnesota Statutes, section 469.1763, subdivision 2, may be transferred under this section.

159.26 **Subd. 2. Allowable use.** Increment transferred under subdivision 1 may only be expended
159.27 on housing programs adopted by the Fridley Housing and Redevelopment Authority on or
159.28 prior to December 31, 2021.

159.29 **Subd. 3. Annual financial reporting.** Tax increment transferred under this section is
159.30 subject to the annual reporting requirements under Minnesota Statutes, section 469.175,
159.31 subdivision 6.

160.1 Subd. 4. **Legislative reports.** By February 1, 2024, and February 1, 2026, the city of
160.2 Fridley must issue a report to the chairs and ranking minority members of the legislative
160.3 committees with jurisdiction over taxes and property taxes. Each report must include detailed
160.4 information relating to each program financed with increment transferred under this section.

160.5 Subd. 5. **Expiration.** The authority to make transfers under subdivision 1 expires
160.6 December 31, 2026.

160.7 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
160.8 city of Fridley and its chief clerical officer comply with the requirements of Minnesota
160.9 Statutes, section 645.021, subdivisions 2 and 3.

160.10 Sec. 15. **CITY OF PLYMOUTH; TIF AUTHORITY.**

160.11 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2 of
160.12 this section, the city of Plymouth may establish a redevelopment district located wholly
160.13 within the city of Plymouth, Hennepin County, Minnesota, limited to the following parcels,
160.14 identified by tax identification numbers, together with adjacent roads and rights-of-way:
160.15 34-119-22-44-0002, 03-118-22-12-0002, 03-118-22-11-0007, 02-118-22-22-0005, and
160.16 03-118-22-14-0032.

160.17 Subd. 2. **Special rules.** If the city establishes a tax increment financing district under
160.18 this section, the following special rules apply:

160.19 (1) the district meets all the requirements of Minnesota Statutes, section 469.174,
160.20 subdivision 10;

160.21 (2) the five-year rule period under Minnesota Statutes, section 469.1763, subdivision 3,
160.22 is extended to ten years;

160.23 (3) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district;
160.24 and

160.25 (4) increments generated from the district may be expended on improvements to Hennepin
160.26 County Road 47 outside the project area, and all such expenditures are deemed expended
160.27 on activities within the district for the purposes of Minnesota Statutes, section 469.1763.

160.28 Subd. 3. **Expiration.** The authority to approve a tax increment financing plan to establish
160.29 a tax increment financing district under this section expires December 31, 2029.

160.30 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
160.31 city of Plymouth and its chief clerical officer comply with the requirements of Minnesota
160.32 Statutes, section 645.021, subdivisions 2 and 3.

161.1 **Sec. 16. CITY OF WOODBURY; TIF DISTRICT NO. 13; EXPENDITURES**

161.2 **ALLOWED; DURATION EXTENSION.**

161.3 (a) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, or any other
 161.4 law to the contrary, the city of Woodbury may expend increments generated from Tax
 161.5 Increment Financing District No. 13 for the maintenance and facility and infrastructure
 161.6 upgrades to Central Park. All such expenditures are deemed expended on activities within
 161.7 the district.

161.8 (b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, the city of
 161.9 Woodbury may elect to extend the duration of Tax Increment Financing District No. 13 by
 161.10 five years.

161.11 **EFFECTIVE DATE.** Paragraph (a) is effective the day after the governing body of the
 161.12 city of Woodbury and its chief clerical officer comply with the requirements of Minnesota
 161.13 Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance
 161.14 by the city of Woodbury, Washington County, and Independent School District No. 833
 161.15 with the requirements of Minnesota Statutes, sections 469.1782, subdivision 2, and 645.021,
 161.16 subdivisions 2 and 3.

161.17 **ARTICLE 7**

161.18 **LOCAL TAXES**

161.19 Section 1. Minnesota Statutes 2020, section 297A.99, subdivision 1, is amended to read:

161.20 Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose
 161.21 a general sales tax (1) under section 297A.992, (2) under section 297A.993, (3) if permitted
 161.22 by special law, or (4) if the political subdivision enacted and imposed the tax before January
 161.23 1, 1982, and its predecessor provision.

161.24 (b) This section governs the imposition of a general sales tax by the political subdivision.
 161.25 The provisions of this section preempt the provisions of any special law:

161.26 (1) enacted before June 2, 1997, or

161.27 (2) enacted on or after June 2, 1997, that does not explicitly exempt the special law
 161.28 provision from this section's rules by reference.

161.29 (c) This section does not apply to or preempt a sales tax on motor vehicles. Beginning
 161.30 July 1, 2019, no political subdivision may impose a special excise tax on motor vehicles
 161.31 unless it is imposed under section 297A.993.

162.1 (d) A political subdivision may not advertise or expend funds for the promotion of a
 162.2 referendum to support imposing a local sales tax ~~and may only spend funds related to~~
 162.3 ~~imposing a local sales tax to:~~

162.4 (e) Notwithstanding paragraph (d), a political subdivision may only spend funds related
 162.5 to imposing a local sales tax to:

162.6 (1) conduct the referendum;

162.7 (2) disseminate information included in the resolution adopted and submitted under
 162.8 subdivision 2, but only if the disseminated information includes a list of specific projects
 162.9 and the cost of each individual project;

162.10 (3) provide notice of, and conduct public forums at which proponents and opponents on
 162.11 the merits of the referendum are given equal time to express their opinions on the merits of
 162.12 the referendum;

162.13 (4) provide facts and data on the impact of the proposed local sales tax on consumer
 162.14 purchases; and

162.15 (5) provide facts and data related to the individual programs and projects to be funded
 162.16 with the local sales tax.

162.17 **EFFECTIVE DATE.** This section is effective for local sales tax proposals submitted
 162.18 for approval after the day of final enactment.

162.19 Sec. 2. Minnesota Statutes 2021 Supplement, section 297A.99, subdivision 2, is amended
 162.20 to read:

162.21 Subd. 2. **Local resolution before application for authority.** ~~(a) Before the governing~~
 162.22 ~~body of a political subdivision requests legislative approval to impose a local sales tax~~
 162.23 ~~authorized by a special law, it shall adopt a resolution indicating its approval of the tax. The~~
 162.24 ~~resolution must include the following information:~~ The governing body of a political
 162.25 subdivision seeking legislative approval to either impose a new local sales tax authorized
 162.26 by special law or modify an existing local sales tax authorized by special law must adopt a
 162.27 resolution indicating its approval of the tax each year it requests legislative approval. The
 162.28 resolution must include the following information:

162.29 (1) the proposed tax rate;

162.30 (2) a detailed description of no more than five capital projects that will be funded with
 162.31 revenue from the tax;

163.1 (3) documentation of the regional significance of each project, including the share of
 163.2 the economic benefit to or use of each project by persons residing, or businesses located,
 163.3 outside of the jurisdiction;

163.4 (4) the amount of local sales tax revenue that would be used for each project and the
 163.5 estimated time needed to raise that amount of revenue; ~~and~~

163.6 (5) the total revenue that will be raised for all projects before the tax expires, and the
 163.7 estimated length of time that the tax will be in effect if all proposed projects are funded;
 163.8 and

163.9 (6) a description of the nexus between the nonresident users of a project and the payment
 163.10 of the tax, as required in paragraph (e).

163.11 (b) ~~The jurisdiction seeking authority to impose a local sales tax by special law~~ must
 163.12 submit the resolution in paragraph (a) along with underlying documentation indicating how
 163.13 the benefits under paragraph (a), clause (3), were determined, to the chairs and ranking
 163.14 minority members of the ~~legislative~~ committees of the house of representatives and senate
 163.15 with jurisdiction over taxes no later than January 31 of ~~the~~ each year in which the jurisdiction
 163.16 is seeking a special law authorizing or modifying the tax. The jurisdiction must submit an
 163.17 amended resolution if, after meeting the requirements of this paragraph, the jurisdiction
 163.18 seeks to:

163.19 (1) add a project that will be funded with the revenue from the tax;

163.20 (2) increase the amount that will be used for any project;

163.21 (3) increase the total revenue raised for all projects before the tax expires; or

163.22 (4) increase the estimated length of time that the tax will be in effect if all proposed
 163.23 projects are funded.

163.24 (c) The special legislation granting or modifying local sales tax authority is not required
 163.25 to allow funding for all projects listed in the resolution with the revenue from the local sales
 163.26 tax, but must not include any projects not contained in the resolution.

163.27 (d) For purposes of this section, a "capital project" or "project" means:

163.28 (1) a single building or structure including associated infrastructure needed to safely
 163.29 access or use the building or structure;

163.30 (2) improvements within a single park or named recreation area; or

163.31 (3) a contiguous trail.

164.1 (e) The resolution required in paragraph (a) must also include a description of the nexus
 164.2 between the nonresident users of a project and the payment of tax. Nexus requires that two
 164.3 of the following requirements are met:

164.4 (1) a significant number of the users of the project will be nonresidents of the political
 164.5 subdivision imposing the tax;

164.6 (2) the project includes a unique or uncommon characteristic;

164.7 (3) the project is part of a regional or statewide network or system for providing facilities
 164.8 or services;

164.9 (4) the project promotes an activity having a duration long enough to encourage retail
 164.10 activity incident to the project, in the political subdivision imposing the tax; and

164.11 (5) the project includes improvements or amenities to facilities that increase the project's
 164.12 capacity to serve visitors at a volume that exceeds the capacity for facilities that serve a
 164.13 local population, including but not limited to heating, ventilation, and air conditioning
 164.14 systems, parking facilities, including accessibility upgrades, and other improvements
 164.15 necessary for compliance with state building codes for the improved facilities.

164.16 **EFFECTIVE DATE.** This section is effective for local sales tax proposals submitted
 164.17 for approval after the day of final enactment.

164.18 Sec. 3. Minnesota Statutes 2020, section 297A.99, subdivision 3, is amended to read:

164.19 Subd. 3. **Legislative authority required before voter approval; requirements for**
 164.20 **adoption, use, termination.** (a) A political subdivision must receive legislative authority
 164.21 to impose or modify a local sales tax before submitting the tax for approval by voters of the
 164.22 political subdivision. Imposition or modification of a local sales tax is subject to approval
 164.23 by voters of the political subdivision at a general election. The election must be conducted
 164.24 ~~at a general election~~ on the first Tuesday after the first Monday in November within the
 164.25 two-year period after the governing body of the political subdivision has received authority
 164.26 to impose or modify the tax. If the authorizing legislation ~~allows~~ authorizes or modifies the
 164.27 tax ~~to be imposed~~ for more than one project, there must be a separate question approving
 164.28 the use of the tax revenue for each project. Notwithstanding the authorizing legislation or
 164.29 special law modifying the tax, a project that is not approved by the voters may not be funded
 164.30 with the local sales tax revenue and the termination date of the tax set in the authorizing
 164.31 legislation or special law modifying the tax must be reduced proportionately based on the
 164.32 share of that project's cost to the total costs of all projects included in the authorizing
 164.33 legislation or special law modifying the tax.

165.1 (b) The proceeds of the tax must be dedicated exclusively to payment of the construction
165.2 and rehabilitation costs and associated bonding costs related to the specific capital
165.3 improvement projects that were approved by the voters under paragraph (a).

165.4 (c) The tax must terminate after the revenues raised are sufficient to fund the projects
165.5 approved by the voters under paragraph (a).

165.6 (d) After a sales tax imposed by a political subdivision has expired or been terminated,
165.7 the political subdivision is prohibited from imposing a local sales tax for a period of one
165.8 year.

165.9 (e) Notwithstanding paragraph (a), if a political subdivision received voter approval to
165.10 seek authority for a local sales tax at the November 6, 2018, general election and is granted
165.11 authority to impose a local sales tax before January 1, 2021, the tax may be imposed without
165.12 an additional referendum provided that it meets the requirements of subdivision 2 and the
165.13 list of specific projects contained in the resolution does not conflict with the projects listed
165.14 in the approving referendum.

165.15 (f) If a tax is terminated because sufficient revenues have been raised, any amount of
165.16 tax collected under subdivision 9, after sufficient revenues have been raised and before the
165.17 quarterly termination required under subdivision 12, paragraph (a), that is greater than the
165.18 average quarterly revenues collected over the immediately preceding 12 calendar months
165.19 must be retained by the commissioner for deposit in the general fund.

165.20 **EFFECTIVE DATE.** This section is effective for local sales tax proposals submitted
165.21 for approval after the day of final enactment.

165.22 Sec. 4. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First
165.23 Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session
165.24 chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections
165.25 11, 12, and 13, is amended by adding a subdivision to read:

165.26 **Subd. 1a. Authorization; extension.** Notwithstanding Minnesota Statutes, section
165.27 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at a
165.28 general election as required under Minnesota Statutes, section 297A.99, subdivision 3, the
165.29 city of Rochester may extend the sales and use tax of one-half of one percent authorized
165.30 under subdivision 1, paragraph (a), for the purposes specified in subdivision 3a. Except as
165.31 otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,
165.32 govern the imposition, administration, collection, and enforcement of the tax authorized

166.1 under this subdivision. The tax imposed under this subdivision is in addition to any local
166.2 sales and use tax imposed under any other special law.

166.3 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
166.4 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
166.5 645.021, subdivisions 2 and 3.

166.6 Sec. 5. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First
166.7 Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session
166.8 chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections
166.9 11, 12, and 13, is amended by adding a subdivision to read:

166.10 **Subd. 3a. Use of sales and use tax revenues; additional projects.** The revenues derived
166.11 from the extension of the tax authorized under subdivision 1a must be used by the city of
166.12 Rochester to pay the costs of collecting and administering the tax and paying for the following
166.13 projects in the city, including securing and paying debt service on bonds issued to finance
166.14 all or part of the following projects:

166.15 (1) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),
166.16 \$50,000,000, plus associated bonding costs for street reconstruction;

166.17 (2) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),
166.18 \$40,000,000, plus associated bonding costs for flood control and water quality;

166.19 (3) \$65,000,000, plus associated bonding costs for a Regional Community and Recreation
166.20 Complex; and

166.21 (4) additional project costs for the projects described in clauses (1) to (3), provided that
166.22 sufficient revenue from the tax has been received to pay for the project costs in clauses (1)
166.23 to (3) and to pay the costs related to issuance of any bonds under subdivision 4a, paragraph
166.24 (b).

166.25 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
166.26 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
166.27 645.021, subdivisions 2 and 3.

166.28 Sec. 6. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First
166.29 Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session

167.1 chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections
167.2 11, 12, and 13, is amended by adding a subdivision to read:

167.3 Subd. 4a. **Bonding authority; additional projects and extension of tax.** (a) The city
167.4 of Rochester may issue bonds under Minnesota Statutes, chapter 475, to finance all or a
167.5 portion of the costs of the projects authorized in subdivision 3a and approved by the voters
167.6 as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The
167.7 bonds may be paid from or secured by any funds available to the city of Rochester, including
167.8 the tax authorized under subdivision 1a and the full faith and credit of the city. The issuance
167.9 of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and
167.10 275.61.

167.11 (b) The aggregate principal amount of bonds issued under this subdivision for the projects
167.12 described in subdivision 3a, clauses (1) to (3), may not exceed \$155,000,000, plus an amount
167.13 to be applied to the payment of the costs of issuing the bonds.

167.14 (c) The bonds are not included in computing any debt limitation applicable to the city
167.15 of Rochester, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
167.16 and interest on the bonds is not subject to any levy limitation. A separate election to approve
167.17 the bonds under Minnesota Statutes, section 475.58, is not required.

167.18 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
167.19 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
167.20 645.021, subdivisions 2 and 3.

167.21 Sec. 7. Laws 1998, chapter 389, article 8, section 43, subdivision 5, as amended by Laws
167.22 2005, First Special Session chapter 3, article 5, section 30, Laws 2011, First Special Session
167.23 chapter 7, article 4, section 7, and Laws 2013, chapter 143, article 10, section 13, is amended
167.24 to read:

167.25 Subd. 5. **Termination of taxes.** (a) The taxes imposed under subdivisions 1 and 2 expire
167.26 at the later of (1) December 31, 2009, or (2) when the city council determines that sufficient
167.27 funds have been received from the taxes to finance the first \$71,500,000 of capital
167.28 expenditures and bonds for the projects authorized in subdivision 3, including the amount
167.29 to prepay or retire at maturity the principal, interest, and premium due on any bonds issued
167.30 for the projects under subdivision 4, unless the taxes are extended as allowed in paragraph
167.31 (b). Any funds remaining after completion of the project and retirement or redemption of
167.32 the bonds shall also be used to fund the projects under subdivision 3. The taxes imposed
167.33 under subdivisions 1 and 2 may expire at an earlier time if the city so determines by
167.34 ordinance.

168.1 (b) Notwithstanding Minnesota Statutes, sections 297A.99 and 477A.016, or any other
168.2 contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance,
168.3 extend the taxes authorized in subdivisions 1 and 2 beyond December 31, 2009, if approved
168.4 by the voters of the city at a special election in 2005 or the general election in 2006. The
168.5 question put to the voters must indicate that an affirmative vote would allow up to an
168.6 additional \$40,000,000 of sales tax revenues be raised and up to \$40,000,000 of bonds to
168.7 be issued above the amount authorized in the June 23, 1998, referendum for the projects
168.8 specified in subdivision 3. If the taxes authorized in subdivisions 1 and 2 are extended under
168.9 this paragraph, the taxes expire when the city council determines that sufficient funds have
168.10 been received from the taxes to finance the projects and to prepay or retire at maturity the
168.11 principal, interest, and premium due on any bonds issued for the projects under subdivision
168.12 4. Any funds remaining after completion of the project and retirement or redemption of the
168.13 bonds may be placed in the general fund of the city.

168.14 (c) Notwithstanding Minnesota Statutes, sections 297A.99 and 477A.016, or any other
168.15 contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance,
168.16 extend the taxes authorized in subdivisions 1, paragraph (a), and 2, up to December 31,
168.17 2049, provided that all additional revenues above those necessary to fund the projects and
168.18 associated financing costs listed in subdivision 3, paragraphs (a) to (e), are committed to
168.19 fund public infrastructure projects contained in the development plan adopted under
168.20 Minnesota Statutes, section 469.43, including all financing costs; otherwise the taxes
168.21 terminate when the city council determines that sufficient funds have been received from
168.22 the taxes to finance expenditures and bonds for the projects authorized in subdivision 3,
168.23 paragraphs (a) to (e), plus an amount equal to the costs of issuance of the bonds and including
168.24 the amount to prepay or retire at maturity the principal, interest, and premiums due on any
168.25 bonds issued for the projects under subdivision 4.

168.26 (d) The tax imposed under subdivision 1, paragraph (b), expires at the earlier of December
168.27 31, 2049, or when the city council determines that sufficient funds have been raised from
168.28 the tax plus all other city funding sources authorized in this article to meet the city obligation
168.29 for financing the public infrastructure projects contained in the development plan adopted
168.30 under Minnesota Statutes, section 469.43, including all financing costs.

168.31 (e) The tax imposed under subdivision 1a expires at the earlier of (1) 16-1/2 years after
168.32 first imposed, or (2) when the city council determines that the amount of revenues received
168.33 from the tax is sufficient to pay for the project costs authorized under subdivision 3a for
168.34 projects approved by the voters as required under Minnesota Statutes, section 297A.99,
168.35 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance

169.1 of the bonds under subdivision 4a, including interest on the bonds. Except as otherwise
 169.2 provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds
 169.3 remaining after payment of the allowed costs due to the timing of the termination of the tax
 169.4 under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general
 169.5 fund of the city. The tax imposed under subdivision 1a may expire at an earlier time if the
 169.6 city so determines by ordinance.

169.7 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 169.8 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
 169.9 645.021, subdivisions 2 and 3.

169.10 Sec. 8. Laws 2008, chapter 366, article 7, section 17, is amended to read:

169.11 Sec. 17. **COOK COUNTY; LODGING AND ADMISSIONS TAXES TAX.**

169.12 Subdivision 1. **Lodging tax.** Notwithstanding Minnesota Statutes, section 477A.016,
 169.13 or any other provision of law, ordinance, or city charter, the Board of Commissioners of
 169.14 Cook County may impose, by ordinance, a tax of up to one percent on the gross receipts
 169.15 subject to the lodging tax under Minnesota Statutes, section 469.190. This tax is in addition
 169.16 to any tax imposed under Minnesota Statutes, section 469.190, and the total tax imposed
 169.17 under that section and this provision must not exceed four percent.

169.18 ~~Subd. 2. **Admissions and recreation tax.** Notwithstanding Minnesota Statutes, section~~
 169.19 ~~477A.016, or any other provision of law, ordinance, or city charter, the Board of~~
 169.20 ~~Commissioners of Cook County may impose, by ordinance, a tax of up to three percent on~~
 169.21 ~~admissions to entertainment and recreational facilities and rental of recreation equipment.~~

169.22 Subd. 3. **Use of taxes.** The ~~taxes tax~~ imposed in ~~subdivisions~~ subdivision 1 and 2 must
 169.23 be used to fund a new Cook County Event and Visitors Bureau as established by the Board
 169.24 of Commissioners of Cook County. The Board of Commissioners of Cook County must
 169.25 annually review the budget of the Cook County Event and Visitors Bureau. The event and
 169.26 visitors bureau may not receive revenues raised from the ~~taxes tax~~ imposed in ~~subdivisions~~
 169.27 subdivision 1 and 2 until the board of commissioners approves the annual budget.

169.28 Subd. 4. **Termination.** The ~~taxes tax~~ imposed in ~~subdivisions~~ subdivision 1 and 2
 169.29 ~~terminate 15~~ terminates 30 years after ~~they are~~ it is first imposed.

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

170.1 Sec. 9. Laws 2011, First Special Session chapter 7, article 4, section 14, is amended to
170.2 read:

170.3 Sec. 14. **CITY OF MARSHALL; SALES AND USE TAX.**

170.4 Subdivision 1. **Authorization.** Notwithstanding Minnesota Statutes, section 297A.99,
170.5 subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city charter, the city of
170.6 Marshall, if approved by the voters at a general election held within two years of the date
170.7 of final enactment of this section, may impose the tax authorized under subdivision 2. Two
170.8 separate ballot questions must be presented to the voters, one for each of the two facility
170.9 projects named in subdivision 3.

170.10 Subd. 2. **Sales and use tax authorized.** The city of Marshall may impose by ordinance
170.11 a sales and use tax of up to one-half of one percent for the purposes specified in subdivision
170.12 3. The provisions of Minnesota Statutes, section 297A.99, except subdivisions 1 and 2,
170.13 govern the imposition, administration, collection, and enforcement of the tax authorized
170.14 under this subdivision.

170.15 Subd. 2a. **Authorization; extension.** Notwithstanding Minnesota Statutes, section
170.16 297A.99, subdivision 3, paragraph (d), or 477A.016, or any other law, ordinance, or city
170.17 charter, after payment of the bonds authorized under subdivision 4, and if approved by the
170.18 voters at a general election as required under Minnesota Statutes, section 297A.99,
170.19 subdivision 3, the city of Marshall may extend the sales and use tax of one-half of one
170.20 percent authorized under subdivision 2 for the purposes specified in subdivision 3a. Except
170.21 as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,
170.22 govern the imposition, administration, collection, and enforcement of the tax authorized
170.23 under this subdivision. The tax imposed under this subdivision is in addition to any local
170.24 sales and use tax imposed under any other special law.

170.25 Subd. 3. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
170.26 under subdivision 2 must be used by the city of Marshall to pay the costs of collecting and
170.27 administering the sales and use tax and to pay all or part of the costs of the new and existing
170.28 facilities of the Minnesota Emergency Response and Industry Training Center and all or
170.29 part of the costs of the new facilities of the Southwest Minnesota Regional Amateur Sports
170.30 Center. Authorized expenses include, but are not limited to, acquiring property, predesign,
170.31 design, and paying construction, furnishing, and equipment costs related to these facilities
170.32 and paying debt service on bonds or other obligations issued by the city of Marshall under
170.33 subdivision 4 to finance the capital costs of these facilities.

171.1 Subd. 3a. Use of sales and use tax revenues; aquatic center. The revenues derived
171.2 from the extension of the tax authorized under subdivision 2a must be used by the city of
171.3 Marshall to pay the costs of collecting and administering the tax and paying for \$16,000,000
171.4 plus associated bonding costs for the construction of a new municipal aquatic center in the
171.5 city, including securing and paying debt service on bonds issued to finance the project.

171.6 Subd. 4. **Bonds.** (a) If the imposition of a sales and use tax is approved by the voters,
171.7 the city of Marshall may issue bonds under Minnesota Statutes, chapter 475, to finance all
171.8 or a portion of the costs of the facilities authorized in subdivision 3, and may issue bonds
171.9 to refund bonds previously issued. The aggregate principal amount of bonds issued under
171.10 this subdivision may not exceed \$17,290,000, plus an amount to be applied to the payment
171.11 of the costs of issuing the bonds. The bonds may be paid from or secured by any funds
171.12 available to the city of Marshall, including the tax authorized under subdivision 2.

171.13 (b) The bonds are not included in computing any debt limitation applicable to the city
171.14 of Marshall, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
171.15 and interest on the bonds, is not subject to any levy limitation. A separate election to approve
171.16 the bonds under Minnesota Statutes, section 475.58, is not required.

171.17 Subd. 4a. Bonds; additional use and extension of tax. (a) After payment of the bonds
171.18 authorized under subdivision 4, the city of Marshall may issue bonds under Minnesota
171.19 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
171.20 subdivision 2a and approved by the voters as required under Minnesota Statutes, section
171.21 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
171.22 under this subdivision may not exceed \$16,000,000, plus an amount to be applied to the
171.23 payment of the costs of issuing the bonds. The bonds may be paid from or secured by any
171.24 funds available to the city of Marshall, including the tax authorized under subdivision 2a.
171.25 The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections
171.26 275.60 and 275.61.

171.27 (b) The bonds are not included in computing any debt limitation applicable to the city
171.28 of Marshall, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
171.29 and interest on the bonds is not subject to any levy limitation. A separate election to approve
171.30 the bonds under Minnesota Statutes, section 475.58, is not required.

171.31 Subd. 5. **Termination of taxes.** (a) The tax imposed under subdivision 2 expires at the
171.32 earlier of (1) 15 years after the tax is first imposed, or (2) when the city council determines
171.33 that the amount of revenues received from the tax to pay for the capital and administrative
171.34 costs of the facilities under subdivision 3 first equals or exceeds the amount authorized to

172.1 be spent for the facilities plus the additional amount needed to pay the costs related to
 172.2 issuance of the bonds under subdivision 4, including interest on the bonds. Any funds
 172.3 remaining after payment of all such costs and retirement or redemption of the bonds shall
 172.4 be placed in the general fund of the city. The tax imposed under subdivision 2 may expire
 172.5 at an earlier time if the city so determines by ordinance.

172.6 (b) The tax imposed under subdivision 2a expires at the earlier of (1) 30 years after the
 172.7 tax under subdivision 2 is first imposed, or (2) when the city council determines that the
 172.8 amount of revenues received from the tax is sufficient to pay for the project costs authorized
 172.9 under subdivision 3a for the project approved by the voters as required under Minnesota
 172.10 Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay
 172.11 the costs related to issuance of the bonds under subdivision 4a, including interest on the
 172.12 bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision
 172.13 3, paragraph (f), any funds remaining after payment of the allowed costs due to the timing
 172.14 of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12,
 172.15 shall be placed in the general fund of the city. The tax imposed under subdivision 2a may
 172.16 expire at an earlier time if the city so determines by ordinance.

172.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 172.18 city of Marshall and its chief clerical officer comply with Minnesota Statutes, section
 172.19 645.021, subdivisions 2 and 3.

172.20 Sec. 10. Laws 2019, First Special Session chapter 6, article 6, section 25, is amended to
 172.21 read:

172.22 **Sec. 25. CITY OF PLYMOUTH; LOCAL LODGING TAX AUTHORIZED.**

172.23 (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of
 172.24 law, ordinance, or city charter, the city council for the city of Plymouth may impose by
 172.25 ordinance a tax of up to three percent on the gross receipts subject to the lodging tax under
 172.26 Minnesota Statutes, section 469.190. This tax is in addition to any tax imposed under
 172.27 Minnesota Statutes, section 469.190, and the total tax imposed under that section and this
 172.28 provision must not exceed six percent.

172.29 (b) Two-thirds of the revenue from the tax imposed under this section must be dedicated
 172.30 and used for capital improvements to public recreational facilities and marketing and
 172.31 promotion of the community, and the remaining one-third of the revenue must be used for
 172.32 the same purposes as a tax imposed under Minnesota Statutes, section 469.190.

173.1 ~~(e) The tax imposed under this authority terminates at the earlier of: (1) ten years after~~
 173.2 ~~the tax is first imposed; or (2) December 31, 2030.~~

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

173.4 Sec. 11. Laws 2021, First Special Session chapter 14, article 8, section 5, is amended to
 173.5 read:

173.6 **Sec. 5. CITY OF EDINA; TAXES AUTHORIZED.**

173.7 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 173.8 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 173.9 and if approved by the voters at a general election as required under Minnesota Statutes,
 173.10 section 297A.99, subdivision 3, the city of Edina may impose by ordinance a sales and use
 173.11 tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise
 173.12 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the
 173.13 imposition, administration, collection, and enforcement of the tax authorized under this
 173.14 subdivision. The tax imposed under this subdivision is in addition to any local sales and
 173.15 use tax imposed under any other special law.

173.16 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 173.17 under subdivision 1 must be used by the city of Edina to pay the costs of collecting and
 173.18 administering the tax and paying for the following projects in the city, including securing
 173.19 and paying debt service on bonds issued to finance all or part of the following projects:

173.20 (1) \$17,700,000 plus associated bonding costs for development of Fred Richards Park
 173.21 as identified in the Fred Richards Park Master Plan; ~~and~~

173.22 (2) ~~\$21,600,000~~ \$46,900,000 plus associated bonding costs for improvements to Braemar
 173.23 Park as identified in the Braemar Park Master Plan.; and

173.24 (3) capital improvement projects to the city's park and recreation system, plus associated
 173.25 bonding costs, provided that sufficient revenue from the tax has been received to pay for
 173.26 the project costs in clauses (1) and (2) and to pay the costs related to issuance of any bonds
 173.27 under subdivision 3, paragraph (b).

173.28 Subd. 3. **Bonding authority.** ~~(a) The city of Edina may issue bonds under Minnesota~~
 173.29 ~~Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in~~
 173.30 ~~subdivision 2 and approved by the voters as required under Minnesota Statutes, section~~
 173.31 ~~297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued~~
 173.32 ~~under this subdivision may not exceed: (1) \$17,700,000 for the project listed in subdivision~~

174.1 ~~2, clause (1), plus an amount to be applied to the payment of the costs of issuing the bonds;~~
 174.2 ~~and (2) \$21,600,000 for the project listed in subdivision 2, clause (2), plus an amount to be~~
 174.3 ~~applied to the payment of the costs of issuing the bonds. The bonds may be paid from or~~
 174.4 ~~secured by any funds available to the city of Edina, including the tax authorized under~~
 174.5 ~~subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota~~
 174.6 ~~Statutes, sections 275.60 and 275.61.~~

174.7 (a) The city of Edina may issue bonds under Minnesota Statutes, chapter 475, to finance
 174.8 all or a portion of the costs of the projects authorized in subdivision 2 and approved by the
 174.9 voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a).
 174.10 The bonds may be paid from or secured by any funds available to the city of Edina, including
 174.11 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not
 174.12 subject to Minnesota Statutes, sections 275.60 and 275.61.

174.13 (b) For the projects described in subdivision 2, clauses (1) and (2), the aggregate principal
 174.14 amount of bonds issued under this subdivision may not exceed:

174.15 (1) \$17,700,000 for the project listed in subdivision 2, clause (1), plus an amount to be
 174.16 applied to the payment of the costs of issuing the bonds; and

174.17 (2) \$46,900,000 for the project listed in subdivision 2, clause (2), plus an amount to be
 174.18 applied to the payment of the costs of issuing the bonds.

174.19 ~~(b)~~ (c) The bonds are not included in computing any debt limitation applicable to the
 174.20 city of Edina, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
 174.21 and interest on the bonds is not subject to any levy limitation. A separate election to approve
 174.22 the bonds under Minnesota Statutes, section 475.58, is not required.

174.23 **Subd. 4. Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
 174.24 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) ~~19~~ 17 years
 174.25 after the tax is first imposed, or (2) when the city council determines that the amount received
 174.26 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
 174.27 projects approved by voters as required under Minnesota Statutes, section 297A.99,
 174.28 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
 174.29 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
 174.30 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
 174.31 any funds remaining after payment of the allowed costs due to the timing of the termination
 174.32 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the
 174.33 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
 174.34 if the city so determines by ordinance.

175.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
175.2 city of Edina and its chief clerical officer comply with Minnesota Statutes, section 645.021,
175.3 subdivisions 2 and 3.

175.4 Sec. 12. Laws 2021, First Special Session chapter 14, article 8, section 7, is amended to
175.5 read:

175.6 Sec. 7. **CITY OF GRAND RAPIDS; TAXES AUTHORIZED.**

175.7 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
175.8 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
175.9 and if approved by the voters at a general election as required under Minnesota Statutes,
175.10 section 297A.99, subdivision 3, the city of Grand Rapids may impose by ordinance a sales
175.11 and use tax of one-half of one percent for the purposes specified in subdivision 2. Except
175.12 as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,
175.13 govern the imposition, administration, collection, and enforcement of the tax authorized
175.14 under this subdivision. The tax imposed under this subdivision is in addition to any local
175.15 sales and use tax imposed under any other special law.

175.16 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
175.17 under subdivision 1 must be used by the city of Grand Rapids to pay the costs of collecting
175.18 and administering the tax including securing and paying debt service on bonds issued and
175.19 to finance up to ~~\$5,980,000~~ \$10,600,000 for reconstruction, remodeling, and upgrades to
175.20 the Grand Rapids IRA Civic Center. Authorized costs include design, construction,
175.21 reconstruction, mechanical upgrades, and engineering costs, as well as the associated bond
175.22 costs for any bonds issued under subdivision 3.

175.23 Subd. 3. **Bonding authority.** (a) The city of Grand Rapids may issue bonds under
175.24 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
175.25 authorized in subdivision 2. The aggregate principal amount of bonds issued under this
175.26 subdivision may not exceed ~~\$5,980,000~~ \$10,600,000, plus an amount to be applied to the
175.27 payment of the costs of issuing the bonds. The bonds may be paid from or secured by any
175.28 funds available to the city of Grand Rapids, including the tax authorized under subdivision
175.29 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections
175.30 275.60 and 275.61.

175.31 (b) The bonds are not included in computing any debt limitation applicable to the city
175.32 of Grand Rapids, and any levy of taxes under Minnesota Statutes, section 475.61, to pay

176.1 principal and interest on the bonds is not subject to any levy limitation. A separate election
176.2 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

176.3 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
176.4 earlier of: (1) ~~seven~~ 12 years after the tax is first imposed; or (2) when the city council
176.5 determines that it has received from this tax ~~\$5,980,000~~ \$10,600,000 to fund the project
176.6 listed in subdivision 2 for projects approved by the voters as required under Minnesota
176.7 Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay
176.8 the costs related to issuance of any bonds authorized under subdivision 3, including interest
176.9 on the bonds. Any funds remaining after payment of all such costs and retirement or
176.10 redemption of the bonds shall be placed in the general fund of the city, except for funds
176.11 required to be retained in the state general fund under Minnesota Statutes, section 297A.99,
176.12 subdivision 3. The tax imposed under subdivision 1 may expire at an earlier time if the city
176.13 so determines by ordinance.

176.14 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
176.15 city of Grand Rapids and its chief clerical officer comply with Minnesota Statutes, section
176.16 645.021, subdivisions 2 and 3.

176.17 Sec. 13. **CITY OF AITKIN; TAXES AUTHORIZED.**

176.18 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
176.19 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
176.20 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
176.21 the city of Aitkin may impose by ordinance a sales and use tax of one percent for the purposes
176.22 specified in subdivision 2. Except as otherwise provided in this section, the provisions of
176.23 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and
176.24 enforcement of the tax authorized under this subdivision. The tax imposed under this
176.25 subdivision is in addition to any local sales and use tax imposed under any other special
176.26 law.

176.27 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
176.28 under subdivision 1 must be used by the city of Aitkin to pay the costs of collecting and
176.29 administering the tax and paying for the following projects in the city, including securing
176.30 and paying debt service on bonds issued to finance all or part of the following projects:

176.31 (1) \$8,300,000 plus associated bonding costs for construction of a new municipal
176.32 building; and

176.33 (2) \$1,000,000 plus associated bonding costs for improvements to parks and trails.

177.1 Subd. 3. **Bonding authority.** (a) The city of Aitkin may issue bonds under Minnesota
177.2 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in
177.3 subdivision 2 and approved by the voters as required under Minnesota Statutes, section
177.4 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
177.5 under this subdivision may not exceed:

177.6 (1) \$8,300,000 for the project listed in subdivision 2, clause (1), plus an amount to be
177.7 applied to the payment of the costs of issuing the bonds; and

177.8 (2) \$1,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be
177.9 applied to the payment of the costs of issuing the bonds.

177.10 The bonds may be paid from or secured by any funds available to the city of Aitkin, including
177.11 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not
177.12 subject to Minnesota Statutes, sections 275.60 and 275.61.

177.13 (b) The bonds are not included in computing any debt limitation applicable to the city
177.14 of Aitkin, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
177.15 and interest on the bonds is not subject to any levy limitation. A separate election to approve
177.16 the bonds under Minnesota Statutes, section 475.58, is not required.

177.17 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
177.18 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 19 years
177.19 after being first imposed, or (2) when the city council determines that the amount received
177.20 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
177.21 projects approved by voters as required under Minnesota Statutes, section 297A.99,
177.22 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
177.23 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
177.24 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
177.25 any funds remaining after payment of the allowed costs due to the timing of the termination
177.26 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
177.27 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
177.28 if the city so determines by ordinance.

177.29 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
177.30 city of Aitkin and its chief clerical officer comply with Minnesota Statutes, section 645.021,
177.31 subdivisions 2 and 3.

178.1 **Sec. 14. CITY OF BLACKDUCK; TAXES AUTHORIZED.**

178.2 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
178.3 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
178.4 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
178.5 the city of Blackduck may impose by ordinance a sales and use tax of one-half of one percent
178.6 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
178.7 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
178.8 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
178.9 under this subdivision is in addition to any local sales and use tax imposed under any other
178.10 special law.

178.11 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
178.12 under subdivision 1 must be used by the city of Blackduck to pay the costs of collecting
178.13 and administering the tax and paying for the following projects in the city, including securing
178.14 and paying debt service on bonds issued to finance all or part of the following projects:

178.15 (1) \$200,000 plus associated bonding costs for improvements to a city campground;

178.16 (2) \$300,000 plus associated bonding costs for improvements to a walking trail;

178.17 (3) \$250,000 plus associated bonding costs for improvements to a wayside rest;

178.18 (4) \$150,000 plus associated bonding costs for golf course irrigation improvements; and

178.19 (5) \$100,000 plus associated bonding costs for reconstruction of a library.

178.20 **Subd. 3. Bonding authority.** (a) The city of Blackduck may issue bonds under Minnesota
178.21 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in
178.22 subdivision 2 and approved by the voters as required under Minnesota Statutes, section
178.23 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
178.24 under this subdivision may not exceed:

178.25 (1) \$200,000 for the project listed in subdivision 2, clause (1), plus an amount to be
178.26 applied to the payment of the costs of issuing the bonds;

178.27 (2) \$300,000 for the project listed in subdivision 2, clause (2), plus an amount to be
178.28 applied to the payment of the costs of issuing the bonds;

178.29 (3) \$250,000 for the project listed in subdivision 2, clause (3), plus an amount to be
178.30 applied to the payment of the costs of issuing the bonds;

178.31 (4) \$150,000 for the project listed in subdivision 2, clause (4), plus an amount to be
178.32 applied to the payment of the costs of issuing the bonds; and

179.1 (5) \$100,000 for the project listed in subdivision 2, clause (5), plus an amount to be
179.2 applied to the payment of the costs of issuing the bonds.

179.3 The bonds may be paid from or secured by any funds available to the city of Blackduck,
179.4 including the tax authorized under subdivision 1. The issuance of bonds under this
179.5 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

179.6 (b) The bonds are not included in computing any debt limitation applicable to the city
179.7 of Blackduck, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
179.8 principal and interest on the bonds is not subject to any levy limitation. A separate election
179.9 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

179.10 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
179.11 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
179.12 after being first imposed, or (2) when the city council determines that the amount received
179.13 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
179.14 projects approved by voters as required under Minnesota Statutes, section 297A.99,
179.15 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
179.16 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
179.17 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
179.18 any funds remaining after payment of the allowed costs due to the timing of the termination
179.19 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
179.20 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
179.21 if the city so determines by ordinance.

179.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
179.23 city of Blackduck and its chief clerical officer comply with Minnesota Statutes, section
179.24 645.021, subdivisions 2 and 3.

179.25 Sec. 15. **CITY OF BLOOMINGTON; TAXES AUTHORIZED.**

179.26 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
179.27 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
179.28 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
179.29 the city of Bloomington may impose by ordinance a sales and use tax of one-half of one
179.30 percent for the purposes specified in subdivision 2. Except as otherwise provided in this
179.31 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
179.32 administration, collection, and enforcement of the tax authorized under this subdivision.
179.33 The tax imposed under this subdivision is in addition to any local sales and use tax imposed
179.34 under any other special law.

180.1 Subd. 2. Use of sales and use tax revenues. (a) The revenues derived from the tax
180.2 authorized under subdivision 1 must be used by the city of Bloomington to pay the costs of
180.3 collecting and administering the tax and paying for the following projects in the city,
180.4 including securing and paying debt service on bonds issued to finance all or part of the
180.5 following projects:

180.6 (1) \$32,000,000 plus associated bonding costs for construction of improvements and
180.7 rehabilitation of the Bloomington Ice Garden and associated infrastructure;

180.8 (2) \$70,000,000 plus associated bonding costs for construction of a new Community
180.9 Health and Wellness Center and associated infrastructure; and

180.10 (3) \$33,000,000 plus associated bonding costs for construction of an expansion to the
180.11 Bloomington Center for the Arts Concert Hall and associated infrastructure.

180.12 (b)(1) For purposes of this subdivision, "associated infrastructure" includes any or all
180.13 of the following activities: demolition, reconstruction, expansion, improvement, construction,
180.14 or rehabilitation, related to the existing facility or the new project, or both.

180.15 (2) Associated infrastructure activities described in clause (1) include but are not limited
180.16 to the following activities associated with the capital project or projects that are needed for
180.17 safe access or use: facilities, roads, lighting, sidewalks, parking, landscaping, or utilities.

180.18 (3) Costs include all the costs associated with delivering the projects.

180.19 Subd. 3. Bonding authority. (a) The city of Bloomington may issue bonds under
180.20 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
180.21 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,
180.22 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
180.23 issued under this subdivision may not exceed:

180.24 (1) \$32,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be
180.25 applied to the payment of the costs of issuing the bonds;

180.26 (2) \$70,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be
180.27 applied to the payment of the costs of issuing the bonds; and

180.28 (3) \$33,000,000 for the project listed in subdivision 2, clause (3), plus an amount to be
180.29 applied to the payment of the costs of issuing the bonds.

180.30 The bonds may be paid from or secured by any funds available to the city of Bloomington,
180.31 including the tax authorized under subdivision 1. The issuance of bonds under this
180.32 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

181.1 (b) The bonds are not included in computing any debt limitation applicable to the city
181.2 of Bloomington, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
181.3 principal and interest on the bonds is not subject to any levy limitation. A separate election
181.4 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

181.5 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
181.6 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
181.7 after being first imposed, or (2) when the city council determines that the amount received
181.8 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
181.9 projects approved by voters as required under Minnesota Statutes, section 297A.99,
181.10 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
181.11 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
181.12 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
181.13 any funds remaining after payment of the allowed costs due to the timing of the termination
181.14 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
181.15 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
181.16 if the city so determines by ordinance.

181.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
181.18 city of Bloomington and its chief clerical officer comply with Minnesota Statutes, section
181.19 645.021, subdivisions 2 and 3.

181.20 Sec. 16. **CITY OF BROOKLYN CENTER; TAXES AUTHORIZED.**

181.21 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
181.22 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
181.23 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
181.24 the city of Brooklyn Center may impose by ordinance a sales and use tax of one-half of one
181.25 percent for the purposes specified in subdivision 2. Except as otherwise provided in this
181.26 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
181.27 administration, collection, and enforcement of the tax authorized under this subdivision.
181.28 The tax imposed under this subdivision is in addition to any local sales and use tax imposed
181.29 under any other special law.

181.30 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
181.31 under subdivision 1 must be used by the city of Brooklyn Center to pay the costs of collecting
181.32 and administering the tax and to finance up to \$55,000,000, plus associated bonding costs,
181.33 for the renovation and expansion of the Brooklyn Center Community Center.

182.1 Subd. 3. **Bonding authority.** (a) The city of Brooklyn Center may issue bonds under
182.2 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
182.3 authorized in subdivision 2. The aggregate principal amount of bonds issued under this
182.4 subdivision may not exceed \$55,000,000 plus an amount to be applied to the payment of
182.5 the costs of issuing the bonds. The bonds may be paid from or secured by any funds available
182.6 to the city of Brooklyn Center, including the tax authorized under subdivision 1 and the full
182.7 faith and credit of the city. The issuance of bonds under this subdivision is not subject to
182.8 Minnesota Statutes, sections 275.60 and 275.61.

182.9 (b) The bonds are not included in computing any debt limitation applicable to the city
182.10 of Brooklyn Center and any levy of taxes under Minnesota Statutes, section 475.61, to pay
182.11 principal and interest on the bonds is not subject to any levy limitation. A separate election
182.12 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

182.13 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
182.14 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
182.15 after being first imposed, or (2) when the city council determines that the amount received
182.16 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
182.17 projects approved by voters as required under Minnesota Statutes, section 297A.99,
182.18 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
182.19 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
182.20 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
182.21 any funds remaining after payment of the allowed costs due to the timing of the termination
182.22 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
182.23 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
182.24 if the city so determines by ordinance.

182.25 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
182.26 city of Brooklyn Center and its chief clerical officer comply with Minnesota Statutes, section
182.27 645.021, subdivisions 2 and 3.

182.28 Sec. 17. **CITY OF EAST GRAND FORKS; TAXES AUTHORIZED.**

182.29 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
182.30 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
182.31 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
182.32 the city of East Grand Forks may impose by ordinance a sales and use tax of 1.25 percent
182.33 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
182.34 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,

183.1 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
183.2 under this subdivision is in addition to any local sales and use tax imposed under any other
183.3 special law.

183.4 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
183.5 under subdivision 1 must be used by the city of East Grand Forks to pay the costs of
183.6 collecting and administering the tax and paying for the following projects in the city,
183.7 including securing and paying debt service on bonds issued to finance all or part of the
183.8 following projects:

183.9 (1) \$15,500,000 plus associated bonding costs for reconstruction and remodeling of,
183.10 and upgrades and additions to, the Civic Center Sports Complex; and

183.11 (2) \$6,000,000 plus associated bonding costs for reconstruction and remodeling of, and
183.12 upgrades and additions to, the VFW Memorial and Blue Line Arena.

183.13 Subd. 3. **Bonding authority.** (a) The city of East Grand Forks may issue bonds under
183.14 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
183.15 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,
183.16 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
183.17 issued under this subdivision may not exceed:

183.18 (1) \$15,500,000 for the projects listed in subdivision 2, clause (1), plus an amount to be
183.19 applied to the payment of the costs of issuing the bonds; and

183.20 (2) \$6,000,000 for the projects listed in subdivision 2, clause (2), plus an amount to be
183.21 applied to the payment of the costs of issuing the bonds.

183.22 (b) The bonds may be paid from or secured by any funds available to the city of East
183.23 Grand Forks, including the tax authorized under subdivision 1 and the full faith and credit
183.24 of the city. The issuance of bonds under this subdivision is not subject to Minnesota Statutes,
183.25 sections 275.60 and 275.61.

183.26 (c) The bonds are not included in computing any debt limitation applicable to the city
183.27 of East Grand Forks and any levy of taxes under Minnesota Statutes, section 475.61, to pay
183.28 principal and interest on the bonds is not subject to any levy limitation. A separate election
183.29 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

183.30 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
183.31 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
183.32 after being first imposed, or (2) when the city council determines that the amount received
183.33 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for

184.1 projects approved by voters as required under Minnesota Statutes, section 297A.99,
 184.2 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
 184.3 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
 184.4 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
 184.5 any funds remaining after payment of the allowed costs due to the timing of the termination
 184.6 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
 184.7 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
 184.8 if the city so determines by ordinance.

184.9 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 184.10 city of East Grand Forks and its chief clerical officer comply with Minnesota Statutes,
 184.11 section 645.021, subdivisions 2 and 3.

184.12 **Sec. 18. CITY OF GOLDEN VALLEY; TAXES AUTHORIZED.**

184.13 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 184.14 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
 184.15 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
 184.16 the city of Golden Valley may impose by ordinance a sales and use tax of three-quarters of
 184.17 one percent for the purposes specified in subdivision 2. Except as otherwise provided in
 184.18 this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
 184.19 administration, collection, and enforcement of the tax authorized under this subdivision.
 184.20 The tax imposed under this subdivision is in addition to any local sales and use tax imposed
 184.21 under any other special law.

184.22 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 184.23 under subdivision 1 must be used by the city of Golden Valley to pay the costs of collecting
 184.24 and administering the tax and paying for the following projects in the city, including securing
 184.25 and paying debt service on bonds issued to finance all or part of the following projects:

184.26 (1) \$38,000,000 plus associated bonding costs for construction of a new public works
 184.27 facility; and

184.28 (2) \$35,000,000 plus associated bonding costs for construction of a new public safety
 184.29 facility.

184.30 Subd. 3. **Bonding authority.** (a) The city of Golden Valley may issue bonds under
 184.31 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects
 184.32 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,

185.1 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
185.2 issued under this subdivision may not exceed:

185.3 (1) \$38,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be
185.4 applied to the payment of the costs of issuing the bonds; and

185.5 (2) \$35,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be
185.6 applied to the payment of the costs of issuing the bonds.

185.7 (b) The bonds may be paid from or secured by any funds available to the city of Golden
185.8 Valley, including the tax authorized under subdivision 1. The issuance of bonds under this
185.9 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

185.10 (c) The bonds are not included in computing any debt limitation applicable to the city
185.11 of Golden Valley, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
185.12 principal and interest on the bonds is not subject to any levy limitation. A separate election
185.13 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

185.14 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
185.15 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years
185.16 after the tax is first imposed, or (2) when the city council determines that the amount received
185.17 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
185.18 projects approved by voters as required under Minnesota Statutes, section 297A.99,
185.19 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
185.20 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
185.21 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
185.22 any funds remaining after payment of the allowed costs due to the timing of the termination
185.23 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the
185.24 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
185.25 if the city so determines by ordinance.

185.26 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
185.27 city of Golden Valley and its chief clerical officer comply with Minnesota Statutes, section
185.28 645.021, subdivisions 2 and 3.

185.29 Sec. 19. **CITY OF HENDERSON; TAXES AUTHORIZED.**

185.30 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
185.31 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
185.32 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
185.33 the city of Henderson may impose by ordinance a sales and use tax of one-half of one percent

186.1 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
186.2 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
186.3 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
186.4 under this subdivision is in addition to any local sales and use tax imposed under any other
186.5 special law.

186.6 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
186.7 under subdivision 1 must be used by the city of Henderson to pay the costs of collecting
186.8 and administering the tax, and to finance up to \$240,000 plus associated bonding costs for
186.9 the Allanson's Park Campground and Trail project. Authorized project costs include
186.10 improvements to trails, improvements to the park campground and related facilities, utility
186.11 improvements, handicap access improvements, and other improvements related to linkage
186.12 to other local trails, as well as the associated bond costs for any bonds issued under
186.13 subdivision 3.

186.14 Subd. 3. **Bonding authority.** (a) The city of Henderson may issue bonds under Minnesota
186.15 Statutes, chapter 475, to finance up to \$240,000 of the portion of the costs of the project
186.16 authorized in subdivision 2, and approved by the voters as required under Minnesota Statutes,
186.17 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
186.18 issued under this subdivision may not exceed \$240,000 plus an amount to be applied to the
186.19 payment of the costs of issuing the bonds. The bonds may be paid from or secured by any
186.20 funds available to the city of Henderson, including the tax authorized under subdivision 1.
186.21 The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections
186.22 275.60 and 275.61.

186.23 (b) The bonds are not included in computing any debt limitation applicable to the city
186.24 of Henderson, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
186.25 principal and interest on the bonds is not subject to any levy limitation. A separate election
186.26 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

186.27 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
186.28 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 15 years
186.29 after the tax is first imposed; or (2) when the city council determines that the amount received
186.30 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
186.31 projects approved by voters as required under Minnesota Statutes, section 297A.99,
186.32 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
186.33 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
186.34 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
186.35 any funds remaining after payment of the allowed costs due to the timing of the termination

187.1 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
187.2 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
187.3 if the city so determines by ordinance.

187.4 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
187.5 city of Henderson and its chief clerical officer comply with Minnesota Statutes, section
187.6 645.021, subdivisions 2 and 3.

187.7 **Sec. 20. CITY OF PROCTOR; TAXES AUTHORIZED.**

187.8 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
187.9 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
187.10 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
187.11 the city of Proctor may impose by ordinance a sales and use tax of one-half of one percent
187.12 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
187.13 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
187.14 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
187.15 under this subdivision is in addition to any local sales and use tax imposed under any other
187.16 special law.

187.17 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
187.18 under subdivision 1 must be used by the city of Proctor to pay the costs of collecting and
187.19 administering the tax and to finance up to \$3,850,000 plus associated bonding costs for
187.20 construction of a new regional and statewide trail spur in the city, including securing and
187.21 paying debt service on bonds issued to finance all or part of the project.

187.22 Subd. 3. **Bonding authority.** The city of Proctor may issue bonds under Minnesota
187.23 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in
187.24 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
187.25 not exceed \$3,850,000, plus an amount to be applied to the payment of the costs of issuing
187.26 the bonds.

187.27 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
187.28 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
187.29 after being first imposed, or (2) when the city council determines that the amount received
187.30 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus
187.31 an amount sufficient to pay the costs related to issuance of any bonds authorized under
187.32 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota
187.33 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment
187.34 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,

188.1 section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax
188.2 imposed under subdivision 1 may expire at an earlier time if the city so determines by
188.3 ordinance.

188.4 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
188.5 city of Proctor and its chief clerical officer comply with Minnesota Statutes, section 645.021,
188.6 subdivisions 2 and 3.

188.7 **Sec. 21. RICE COUNTY; TAXES AUTHORIZED.**

188.8 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
188.9 section 477A.016, or any other law or ordinance, and if approved by the voters at a general
188.10 election as required under Minnesota Statutes, section 297A.99, subdivision 3, Rice County
188.11 may impose by ordinance a sales and use tax of three-eighths of one percent for the purposes
188.12 specified in subdivision 2. Except as otherwise provided in this section, the provisions of
188.13 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and
188.14 enforcement of the tax authorized under this subdivision. The tax imposed under this
188.15 subdivision is in addition to any local sales and use tax imposed under any other special
188.16 law.

188.17 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
188.18 under subdivision 1 must be used by Rice County to pay the costs of collecting and
188.19 administering the tax and paying for up to \$77,000,000 plus associated bonding costs for
188.20 construction of a public safety facility in the county, including associated bond costs for
188.21 any bonds issued under subdivision 3.

188.22 Subd. 3. **Bonding authority.** (a) Rice County may issue bonds under Minnesota Statutes,
188.23 chapter 475, to finance all or a portion of the costs of the facilities authorized in subdivision
188.24 2 and approved by the voters as required under Minnesota Statutes, section 297A.99,
188.25 subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this
188.26 subdivision may not exceed \$77,000,000, plus an amount to be applied to the payment of
188.27 the costs of issuing the bonds. The bonds may be paid from or secured by any funds available
188.28 to Rice County, including the tax authorized under subdivision 1. The issuance of bonds
188.29 under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

188.30 (b) The bonds are not included in computing any debt limitation applicable to Rice
188.31 County, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
188.32 and interest on the bonds is not subject to any levy limitation. A separate election to approve
188.33 the bonds under Minnesota Statutes, section 475.58, is not required.

189.1 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
 189.2 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years
 189.3 after being first imposed, or (2) when the county board of commissioners determines that
 189.4 the amount received from the tax is sufficient to pay for the project costs authorized under
 189.5 subdivision 2, plus an amount sufficient to pay the costs related to issuance of any bonds
 189.6 authorized under subdivision 3, including interest on the bonds. Except as otherwise provided
 189.7 in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining
 189.8 after payment of the allowed costs due to the timing of the termination of the tax under
 189.9 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of
 189.10 the county. The tax imposed under subdivision 1 may expire at an earlier time if the county
 189.11 so determines by ordinance.

189.12 **EFFECTIVE DATE.** This section is effective the day after the governing body of Rice
 189.13 County and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 189.14 subdivisions 2 and 3.

189.15 Sec. 22. **CITY OF ROSEVILLE; TAXES AUTHORIZED.**

189.16 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 189.17 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
 189.18 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
 189.19 the city of Roseville may impose by ordinance a sales and use tax of one-half of one percent
 189.20 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
 189.21 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 189.22 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
 189.23 under this subdivision is in addition to any local sales and use tax imposed under any other
 189.24 special law.

189.25 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 189.26 under subdivision 1 must be used by the city of Roseville to pay the costs of collecting and
 189.27 administering the tax and paying for the following projects in the city, including securing
 189.28 and paying debt service on bonds issued to finance all or part of the following projects:

189.29 (1) \$42,000,000 plus associated bonding costs for construction of a new maintenance
 189.30 facility;

189.31 (2) \$7,000,000 plus associated bonding costs for construction of a new license and
 189.32 passport center; and

189.33 (3) \$16,000,000 plus associated bonding costs for construction of a pedestrian bridge.

190.1 Subd. 3. **Bonding authority.** (a) The city of Roseville may issue bonds under Minnesota
190.2 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in
190.3 subdivision 2 and approved by the voters as required under Minnesota Statutes, section
190.4 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
190.5 under this subdivision may not exceed:

190.6 (1) \$42,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be
190.7 applied to the payment of the costs of issuing the bonds;

190.8 (2) \$7,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be
190.9 applied to the payment of the costs of issuing the bonds; and

190.10 (3) \$16,000,000 for the project listed in subdivision 2, clause (3), plus an amount to be
190.11 applied to the payment of the costs of issuing the bonds.

190.12 The bonds may be paid from or secured by any funds available to the city of Roseville,
190.13 including the tax authorized under subdivision 1. The issuance of bonds under this
190.14 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

190.15 (b) The bonds are not included in computing any debt limitation applicable to the city
190.16 of Roseville, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
190.17 and interest on the bonds is not subject to any levy limitation. A separate election to approve
190.18 the bonds under Minnesota Statutes, section 475.58, is not required.

190.19 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
190.20 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 16 years
190.21 after the tax is first imposed, or (2) when the city council determines that the amount received
190.22 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
190.23 projects approved by voters as required under Minnesota Statutes, section 297A.99,
190.24 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
190.25 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
190.26 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
190.27 any funds remaining after payment of the allowed costs due to the timing of the termination
190.28 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
190.29 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
190.30 if the city so determines by ordinance.

190.31 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
190.32 city of Roseville and its chief clerical officer comply with Minnesota Statutes, section
190.33 645.021, subdivisions 2 and 3.

191.1 **Sec. 23. WINONA COUNTY; TAXES AUTHORIZED.**

191.2 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
191.3 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
191.4 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
191.5 Winona County may impose, by ordinance, a sales and use tax of one-quarter of one percent
191.6 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
191.7 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
191.8 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
191.9 under this subdivision is in addition to any local sales and use tax imposed under any other
191.10 special law.

191.11 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
191.12 under subdivision 1 must be used by Winona County to pay the costs of collecting and
191.13 administering the tax, and to finance up to \$28,000,000 plus associated bonding costs for
191.14 construction of a new correctional facility or upgrades to an existing correctional facility,
191.15 as well as the associated bond costs for any bonds issued under subdivision 3.

191.16 **Subd. 3. Bonding authority.** (a) Winona County may issue bonds under Minnesota
191.17 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
191.18 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
191.19 not exceed \$28,000,000, plus an amount applied to the payment of costs of issuing the
191.20 bonds. The bonds may be paid from or secured by any funds available to the county,
191.21 including the tax authorized under subdivision 1. The issuance of bonds under this
191.22 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

191.23 (b) The bonds are not included in computing any debt limitation applicable to the county.
191.24 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
191.25 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
191.26 under Minnesota Statutes, section 475.58, is not required.

191.27 **Subd. 4. Termination of taxes.** The tax imposed under subdivision 1 expires at the
191.28 earlier of: (1) 25 years after the tax is first imposed; or (2) when the county determines that
191.29 it has received from this tax \$28,000,000 to fund the project listed in subdivision 2, plus an
191.30 amount sufficient to pay costs related to issuance of any bonds authorized under subdivision
191.31 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes,
191.32 section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the
191.33 allowed costs due to timing of the termination of the tax under Minnesota Statutes, section

192.1 297A.99, subdivision 12, shall be placed in the county's general fund. The tax imposed
 192.2 under subdivision 1 may expire at an earlier time if the county determines by ordinance.

192.3 **EFFECTIVE DATE.** This section is effective the day after the governing body of
 192.4 Winona County and its chief clerical officer comply with Minnesota Statutes, section
 192.5 645.021, subdivisions 2 and 3.

192.6 Sec. 24. **CITY OF WOODBURY; LOCAL LODGING TAX AUTHORIZED.**

192.7 Notwithstanding the disposition of proceeds requirement in Minnesota Statutes, section
 192.8 469.190, subdivision 3, or any other provision of law, ordinance, or city charter, the city
 192.9 council for the city of Woodbury may by ordinance dedicate two-thirds of the revenue
 192.10 derived from a tax imposed under Minnesota Statutes, section 469.190, to be used for capital
 192.11 improvements to public recreational facilities. The remaining one-third must be used as
 192.12 required under Minnesota Statutes, section 469.190, subdivision 3.

192.13 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 192.14 city of Woodbury and its chief clerical officer comply with Minnesota Statutes, section
 192.15 645.021, subdivisions 2 and 3.

192.16 **ARTICLE 8**

192.17 **RENTER'S TAX CREDIT**

192.18 Section 1. Minnesota Statutes 2020, section 270B.12, subdivision 8, is amended to read:

192.19 Subd. 8. **County assessors; homestead classification and ~~renter~~ renter's credit.** The
 192.20 commissioner may disclose names and Social Security numbers of individuals who have
 192.21 applied for both homestead classification under section 273.13 and a ~~property tax refund~~
 192.22 ~~as a renter under chapter 290A~~ renter's credit under section 290.0693 for the purpose of and
 192.23 to the extent necessary to administer section 290A.25.

192.24 **EFFECTIVE DATE.** This section is effective for credits based on rent paid after
 192.25 December 31, 2021.

192.26 Sec. 2. Minnesota Statutes 2020, section 289A.38, subdivision 4, is amended to read:

192.27 Subd. 4. **Property tax refund.** For purposes of computing the limitation under this
 192.28 section, the due date of the property tax refund return as provided for in chapter 290A is
 192.29 the due date for an income tax return covering ~~the year in which the rent was paid or the~~
 192.30 year preceding the year in which the property taxes are payable.

193.1 **EFFECTIVE DATE.** This section is effective for credits based on rent paid after
193.2 December 31, 2021.

193.3 Sec. 3. Minnesota Statutes 2020, section 289A.56, subdivision 6, is amended to read:

193.4 Subd. 6. **Property tax refunds under chapter 290A.** ~~(a) When a renter is owed a~~
193.5 ~~property tax refund, an unpaid refund bears interest after August 14, or 60 days after the~~
193.6 ~~refund claim was made, whichever is later, until the date the refund is paid.~~

193.7 ~~(b) When any other~~ a claimant is owed a property tax refund under chapter 290A, the
193.8 unpaid refund bears interest after September 29, or 60 days after the refund claim was made,
193.9 whichever is later, until the date the refund is paid.

193.10 **EFFECTIVE DATE.** This section is effective for credits based on rent paid after
193.11 December 31, 2021.

193.12 Sec. 4. Minnesota Statutes 2020, section 289A.60, subdivision 12, is amended to read:

193.13 Subd. 12. **Penalties relating to property tax refunds.** (a) If it is determined that a
193.14 property tax refund claim is excessive and was negligently prepared, a claimant is liable
193.15 for a penalty of ten percent of the disallowed claim. If the claim has been paid, the amount
193.16 disallowed must be recovered by assessment and collection.

193.17 (b) An owner who without reasonable cause fails to give a certificate of rent constituting
193.18 property tax to a renter, as required by ~~section~~ sections 290.0693, subdivision 4, and 290A.19,
193.19 paragraph (a), is liable to the commissioner for a penalty of \$100 for each failure.

193.20 (c) If the owner or managing agent knowingly gives rent certificates that report total
193.21 rent constituting property taxes in excess of the amount of actual rent constituting property
193.22 taxes paid on the rented part of a property, the owner or managing agent is liable for a
193.23 penalty equal to the greater of (1) \$100 or (2) 50 percent of the excess that is reported. An
193.24 overstatement of rent constituting property taxes is presumed to be knowingly made if it
193.25 exceeds by ten percent or more the actual rent constituting property taxes.

193.26 **EFFECTIVE DATE.** This section is effective for credits based on rent paid after
193.27 December 31, 2021.

193.28 Sec. 5. **[290.0693] RENTER'S CREDIT.**

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

194.1 (b) "Dependent" means any individual who is considered a dependent under sections
194.2 151 and 152 of the Internal Revenue Code.

194.3 (c) "Disability" has the meaning given in section 290A.03, subdivision 10.

194.4 (d) "Exemption amount" means the exemption amount under section 290.0121,
194.5 subdivision 1, paragraph (b).

194.6 (e) "Gross rent" means rent paid for the right of occupancy, at arm's length, of a
194.7 homestead, exclusive of charges for any medical services furnished by the landlord as a
194.8 part of the rental agreement, whether expressly set out in the rental agreement or not. The
194.9 gross rent of a resident of a nursing home or intermediate care facility is \$530 per month.
194.10 The gross rent of a resident of an adult foster care home is \$830 per month. The commissioner
194.11 shall annually adjust the amounts in this paragraph as provided in section 270C.22. The
194.12 statutory year is 2022. If the landlord and tenant have not dealt with each other at arm's
194.13 length and the commissioner determines that the gross rent charged was excessive, the
194.14 commissioner may adjust the gross rent to a reasonable amount for purposes of this chapter.

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

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

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

194.19 (i) "Income" means adjusted gross income, minus:

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

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

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

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

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

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

194.27 (j) "Rent constituting property taxes" means 17 percent of the gross rent actually paid
194.28 in cash, or its equivalent, or the portion of rent paid in lieu of property taxes, in any taxable
194.29 year by a claimant for the right of occupancy of the claimant's Minnesota homestead in the
194.30 taxable year, and which rent constitutes the basis, in the succeeding taxable year of a claim
194.31 for a credit under this section by the claimant. If an individual occupies a homestead with

195.1 another person or persons not related to the individual as the individual's spouse or as
 195.2 dependents, and the other person or persons are residing at the homestead under a rental or
 195.3 lease agreement with the individual, the amount of rent constituting property tax for the
 195.4 individual equals that portion not covered by the rental agreement.

195.5 Subd. 2. Credit allowed; refundable. (a) An individual is allowed a credit against the
 195.6 tax due under this chapter equal to the amount that rent constituting property taxes exceeds
 195.7 the percentage of the household income of the claimant specified in subdivision 3 in the
 195.8 taxable year in which the rent was paid as specified in that subdivision.

195.9 (b) If the amount of credit which a taxpayer is eligible to receive under this section
 195.10 exceeds the taxpayer's liability for tax under this chapter, the commissioner shall refund the
 195.11 excess to the taxpayer.

195.12 Subd. 3. Renters. (a) A taxpayer whose rent constituting property taxes exceeds the
 195.13 percentage of the household income stated below must pay an amount equal to the percent
 195.14 of income shown for the appropriate household income level along with the co-payment of
 195.15 the remaining amount of rent constituting property taxes. The credit under subdivision 2
 195.16 equals the amount of rent constituting property taxes that remain, up to the maximum credit
 195.17 amount shown below.

	<u>Household Income</u>	<u>Percent of Income</u>	<u>Co-payment</u>	<u>Maximum Credit</u>
195.18				
195.19	<u>\$0 to 5,879</u>	<u>1.0 percent</u>	<u>5 percent</u>	<u>\$ 2,400</u>
195.20	<u>5,880 to 7,809</u>	<u>1.0 percent</u>	<u>10 percent</u>	<u>\$ 2,400</u>
195.21	<u>7,810 to 9,769</u>	<u>1.1 percent</u>	<u>10 percent</u>	<u>\$ 2,330</u>
195.22	<u>9,770 to 13,699</u>	<u>1.2 percent</u>	<u>10 percent</u>	<u>\$ 2,280</u>
195.23	<u>13,700 to 17,609</u>	<u>1.3 percent</u>	<u>15 percent</u>	<u>\$ 2,210</u>
195.24	<u>17,610 to 19,559</u>	<u>1.4 percent</u>	<u>15 percent</u>	<u>\$ 2,150</u>
195.25	<u>19,560 to 21,499</u>	<u>1.4 percent</u>	<u>20 percent</u>	<u>\$ 2,100</u>
195.26	<u>21,500 to 25,429</u>	<u>1.5 percent</u>	<u>20 percent</u>	<u>\$ 2,030</u>
195.27	<u>25,430 to 27,379</u>	<u>1.6 percent</u>	<u>20 percent</u>	<u>\$ 1,980</u>
195.28	<u>27,380 to 29,329</u>	<u>1.7 percent</u>	<u>25 percent</u>	<u>\$ 1,980</u>
195.29	<u>29,330 to 33,249</u>	<u>1.8 percent</u>	<u>25 percent</u>	<u>\$ 1,980</u>
195.30	<u>33,250 to 35,189</u>	<u>1.9 percent</u>	<u>30 percent</u>	<u>\$ 1,980</u>
195.31	<u>35,190 to 41,059</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$ 1,980</u>
195.32	<u>41,060 to 46,919</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$ 1,980</u>
195.33	<u>46,920 to 54,759</u>	<u>2.0 percent</u>	<u>40 percent</u>	<u>\$ 1,980</u>
195.34	<u>54,760 to 56,699</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,800</u>
195.35	<u>56,700 to 58,669</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,620</u>
195.36	<u>58,670 to 60,629</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,370</u>

196.1	<u>60,630 to 62,569</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 1,190</u>
196.2	<u>62,570 to 64,539</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 1,080</u>
196.3	<u>64,540 to 66,489</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 600</u>
196.4	<u>66,490 to 68,439</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 230</u>

196.5 The credit is the amount calculated under this subdivision. No credit is allowed if the
 196.6 taxpayer's household income is \$68,440 or more.

196.7 (b) The commissioner must annually adjust the dollar amounts of the income thresholds
 196.8 and the maximum refunds in paragraph (a), as provided in section 270C.22. The statutory
 196.9 year is 2022.

196.10 (c) The commissioner shall construct and make available to taxpayers a comprehensive
 196.11 table showing the rent constituting property taxes to be paid and refund allowed at various
 196.12 levels of income and assessment. The table shall follow the schedule of income percentages,
 196.13 maximums, and other provisions specified in paragraph (a), except that the commissioner
 196.14 may graduate the transition between income brackets. All refunds shall be computed in
 196.15 accordance with tables prepared and issued by the commissioner.

196.16 **Subd. 4. Owner or managing agent to furnish rent certificate.** (a) The owner or
 196.17 managing agent of any property for which rent is paid for occupancy as a homestead must
 196.18 furnish a certificate of rent paid to a person who is a renter on December 31, in the form
 196.19 prescribed by the commissioner. If the renter moves before December 31, the owner or
 196.20 managing agent may give the certificate to the renter at the time of moving, or mail the
 196.21 certificate to the forwarding address if an address has been provided by the renter. The
 196.22 certificate must be made available to the renter before February 1 of the year following the
 196.23 year in which the rent was paid. The owner or managing agent must retain a duplicate of
 196.24 each certificate or an equivalent record showing the same information for a period of three
 196.25 years. The duplicate or other record must be made available to the commissioner upon
 196.26 request.

196.27 (b) The commissioner may require the owner or managing agent, through a simple
 196.28 process, to furnish to the commissioner on or before March 1 a copy of each certificate of
 196.29 rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe
 196.30 the content, format, and manner of the form pursuant to section 270C.30. Before
 196.31 implementation, the commissioner, after consulting with representatives of owners or
 196.32 managing agents, shall develop an implementation and administration plan for the
 196.33 requirements of this paragraph that attempts to minimize financial burdens, administration
 196.34 and compliance costs, and takes into consideration existing systems of owners and managing
 196.35 agents.

197.1 Subd. 5. **Eligibility; residency.** (a) A taxpayer is eligible for the credit under this section
197.2 if the taxpayer is an individual, other than a dependent, as defined under sections 151 and
197.3 152 of the Internal Revenue Code, disregarding section 152(b)(3) of the Internal Revenue
197.4 Code, who filed for a credit and who was a resident of this state during the taxable year for
197.5 which the credit was claimed.

197.6 (b) In the case of a credit for rent constituting property taxes of a part-year Minnesota
197.7 resident, the household income and rent constituting property taxes reflected in this
197.8 computation shall be for the period of Minnesota residency only. Any rental expenses paid
197.9 that may be reflected in arriving at federal adjusted gross income cannot be utilized for this
197.10 computation.

197.11 (c) When two individuals of a household are able to meet the qualifications to claim a
197.12 credit under this section, the individuals may determine among them as to which individual
197.13 may claim the credit. If the individuals are unable to agree, the matter shall be referred to
197.14 the commissioner of revenue whose decision shall be final.

197.15 (d) To claim a credit under this section, the taxpayer must have resided in a rented or
197.16 leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes,
197.17 including payments of special assessments imposed in lieu of ad valorem taxes, are payable
197.18 at some time during the taxable year for which the taxpayer claimed the credit.

197.19 Subd. 6. **Residents of nursing homes, intermediate care facilities, long-term care**
197.20 **facilities, or facilities accepting housing support payments.** (a) A taxpayer must not claim
197.21 a credit under this section if the taxpayer is a resident of a nursing home, intermediate care
197.22 facility, long-term residential facility, or a facility that accepts housing support payments
197.23 whose rent constituting property taxes is paid pursuant to the Supplemental Security Income
197.24 program under title XVI of the Social Security Act, the Minnesota supplemental aid program
197.25 under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX
197.26 of the Social Security Act, or the housing support program under chapter 256I.

197.27 (b) If only a portion of the rent constituting property taxes is paid by these programs,
197.28 the resident is eligible for a credit, but the credit calculated must be multiplied by a fraction,
197.29 the numerator of which is adjusted gross income, reduced by the total amount of income
197.30 from the above sources other than vendor payments under the medical assistance program
197.31 and the denominator of which is adjusted gross income, plus vendor payments under the
197.32 medical assistance program, to determine the allowable credit.

197.33 (c) Notwithstanding paragraphs (a) and (b), if the taxpayer was a resident of the nursing
197.34 home, intermediate care facility, long-term residential facility, or facility for which the rent

198.1 was paid for the claimant by the housing support program for only a portion of the taxable
198.2 year covered by the claim, the taxpayer may compute rent constituting property taxes by
198.3 disregarding the rent constituting property taxes from the nursing home or facility and may
198.4 use only that amount of rent constituting property taxes or property taxes payable relating
198.5 to that portion of the year when the taxpayer was not in the facility. The taxpayer's household
198.6 income is the income for the entire taxable year covered by the claim.

198.7 Subd. 7. **Credit for unmarried taxpayers residing in the same household.** If a
198.8 homestead is occupied by two or more renters who are not married to each other, the rent
198.9 shall be deemed to be paid equally by each renter, and separate claims shall be filed by each
198.10 renter. The income of each renter shall be each renter's household income for purposes of
198.11 computing the amount of credit to be allowed.

198.12 Subd. 8. **One claimant per household.** Only one taxpayer per household per year is
198.13 entitled to claim a credit under this section. In the case of a married taxpayer filing a separate
198.14 return, only one spouse may claim the credit under this section. The credit amount for the
198.15 spouse that claims the credit must be calculated based on household income and not solely
198.16 on the income of the spouse.

198.17 Subd. 9. **Proof of claim.** (a) Every taxpayer claiming a credit under this section shall
198.18 supply to the commissioner of revenue, in support of the claim, proof of eligibility under
198.19 this section, including but not limited to amount of rent paid, name and address of owner
198.20 or managing agent of property rented, changes in household membership, and household
198.21 income.

198.22 (b) Taxpayers with a disability shall submit proof of disability in the form and manner
198.23 as the commissioner prescribes. The department may require examination and certification
198.24 by the taxpayer's physician or by a physician designated by the commissioner. The cost of
198.25 any examination shall be borne by the taxpayer, unless the examination proves the disability,
198.26 in which case the cost of the examination shall be borne by the commissioner.

198.27 (c) A determination of disability of a taxpayer by the Social Security Administration
198.28 under Title II or Title XVI of the Social Security Act shall constitute presumptive proof of
198.29 disability.

198.30 Subd. 10. **No relief allowed in certain cases.** No claim for a credit under this section
198.31 shall be allowed if the commissioner determines that the claimant received tenancy to the
198.32 homestead primarily for the purpose of receiving a credit under this section and not for bona
198.33 fide residence purposes.

199.1 Subd. 11. **Appropriation.** The amount necessary to pay the refunds under this section
 199.2 is appropriated from the general fund to the commissioner.

199.3 Subd. 12. **Simplified filing for individuals without an income tax liability.** The
 199.4 commissioner of revenue must establish a simplified filing process through which a taxpayer
 199.5 who did not file an individual income tax return due to a lack of tax liability may file a
 199.6 return to claim the credit under this section. The filing process and forms may be in the
 199.7 form or manner determined by the commissioner, but must be designed to reduce the
 199.8 complexity of the filing process and the time needed to file for individuals without an income
 199.9 tax liability.

199.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 199.11 31, 2021.

199.12 Sec. 6. Minnesota Statutes 2020, section 290A.02, is amended to read:

199.13 **290A.02 PURPOSE.**

199.14 The purpose of this chapter is to provide property tax relief to certain persons who own
 199.15 ~~or rent~~ their homesteads.

199.16 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 199.17 and following years.

199.18 Sec. 7. Minnesota Statutes 2021 Supplement, section 290A.03, subdivision 3, is amended
 199.19 to read:

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

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

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

199.23 (i) all nontaxable income;

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

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

199.30 (iv) cash public assistance and relief;

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

200.6 (vi) interest received from the federal or a state government or any instrumentality or
200.7 political subdivision thereof;

200.8 (vii) workers' compensation;

200.9 (viii) nontaxable strike benefits;

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

200.13 (x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of
200.14 1986, as amended through December 31, 1995;

200.15 (xi) contributions made by the claimant to an individual retirement account, including
200.16 a qualified voluntary employee contribution; simplified employee pension plan;
200.17 self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of
200.18 the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal
200.19 Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for
200.20 the claimant and spouse;

200.21 (xii) to the extent not included in federal adjusted gross income, distributions received
200.22 by the claimant or spouse from a traditional or Roth style retirement account or plan;

200.23 (xiii) nontaxable scholarship or fellowship grants;

200.24 (xiv) alimony received to the extent not included in the recipient's income;

200.25 (xv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue
200.26 Code;

200.27 (xvi) the amount deducted for tuition expenses under section 222 of the Internal Revenue
200.28 Code; and

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

200.31 In the case of an individual who files an income tax return on a fiscal year basis, the
200.32 term "federal adjusted gross income" shall mean federal adjusted gross income reflected in

201.1 the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced
201.2 by the amount of a net operating loss carryback or carryforward or a capital loss carryback
201.3 or carryforward allowed for the year.

201.4 (b) "Income" does not include:

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

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

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

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

201.14 (5) relief granted under this chapter;

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

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

201.20 (8) alimony paid; or

201.21 (9) veterans disability compensation paid under title 38 of the United States Code.

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

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

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

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

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

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

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

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

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

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

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

202.10 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
202.11 and following years.

202.12 Sec. 8. Minnesota Statutes 2020, section 290A.03, subdivision 6, is amended to read:

202.13 Subd. 6. **Homestead.** "Homestead" means the dwelling occupied as the claimant's
202.14 principal residence and so much of the land surrounding it, not exceeding ten acres, as is
202.15 reasonably necessary for use of the dwelling as a home and any other property used for
202.16 purposes of a homestead as defined in section 273.13, subdivision 22, except for agricultural
202.17 land assessed as part of a homestead pursuant to section 273.13, subdivision 23, "homestead"
202.18 is limited to the house and garage and immediately surrounding one acre of land. The
202.19 homestead may be owned ~~or rented and may be~~ as a part of a multidwelling or multipurpose
202.20 building and the land on which it is built. A manufactured home, as defined in section
202.21 273.125, subdivision 8, or a park trailer taxed as a manufactured home under section 168.012,
202.22 subdivision 9, assessed as personal property may be a dwelling for purposes of this
202.23 subdivision.

202.24 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
202.25 and following years.

202.26 Sec. 9. Minnesota Statutes 2020, section 290A.03, subdivision 8, is amended to read:

202.27 Subd. 8. **Claimant.** ~~(a)~~ "Claimant" means a person, other than a dependent, as defined
202.28 under sections 151 and 152 of the Internal Revenue Code disregarding section 152(b)(3)
202.29 of the Internal Revenue Code, who filed a claim authorized by this chapter and who was a
202.30 resident of this state as provided in chapter 290 during the calendar year for which the claim
202.31 for relief was filed.

203.1 ~~(b) In the case of a claim relating to rent constituting property taxes, the claimant shall~~
203.2 ~~have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu~~
203.3 ~~of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem~~
203.4 ~~taxes, are payable at some time during the calendar year covered by the claim.~~

203.5 ~~(c) "Claimant" shall not include a resident of a nursing home, intermediate care facility,~~
203.6 ~~long-term residential facility, or a facility that accepts housing support payments whose~~
203.7 ~~rent constituting property taxes is paid pursuant to the Supplemental Security Income~~
203.8 ~~program under title XVI of the Social Security Act, the Minnesota supplemental aid program~~
203.9 ~~under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX~~
203.10 ~~of the Social Security Act, or the housing support program under chapter 256I.~~

203.11 ~~If only a portion of the rent constituting property taxes is paid by these programs, the~~
203.12 ~~resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant~~
203.13 ~~to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as~~
203.14 ~~defined in subdivision 3, paragraphs (a) and (b), reduced by the total amount of income~~
203.15 ~~from the above sources other than vendor payments under the medical assistance program~~
203.16 ~~and the denominator of which is income as defined in subdivision 3, paragraphs (a) and (b),~~
203.17 ~~plus vendor payments under the medical assistance program, to determine the allowable~~
203.18 ~~refund pursuant to this chapter.~~

203.19 ~~(d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home,~~
203.20 ~~intermediate care facility, long-term residential facility, or facility for which the rent was~~
203.21 ~~paid for the claimant by the housing support program for only a portion of the calendar year~~
203.22 ~~covered by the claim, the claimant may compute rent constituting property taxes by~~
203.23 ~~disregarding the rent constituting property taxes from the nursing home or facility and use~~
203.24 ~~only that amount of rent constituting property taxes or property taxes payable relating to~~
203.25 ~~that portion of the year when the claimant was not in the facility. The claimant's household~~
203.26 ~~income is the income for the entire calendar year covered by the claim.~~

203.27 ~~(e) In the case of a claim for rent constituting property taxes of a part-year Minnesota~~
203.28 ~~resident, the income and rent reflected in this computation shall be for the period of~~
203.29 ~~Minnesota residency only. Any rental expenses paid which may be reflected in arriving at~~
203.30 ~~federal adjusted gross income cannot be utilized for this computation. When two individuals~~
203.31 ~~of a household are able to meet the qualifications for a claimant, they may determine among~~
203.32 ~~them as to who the claimant shall be. If they are unable to agree, the matter shall be referred~~
203.33 ~~to the commissioner of revenue whose decision shall be final. If a homestead property owner~~
203.34 ~~was a part-year Minnesota resident, the income reflected in the computation made pursuant~~

204.1 to section 290A.04 shall be for the entire calendar year, including income not assignable to
204.2 Minnesota.

204.3 ~~(f) If a homestead is occupied by two or more renters, who are not married to each other,~~
204.4 ~~the rent shall be deemed to be paid equally by each, and separate claims shall be filed by~~
204.5 ~~each. The income of each shall be each renter's household income for purposes of computing~~
204.6 ~~the amount of credit to be allowed.~~

204.7 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
204.8 and following years.

204.9 Sec. 10. Minnesota Statutes 2020, section 290A.03, subdivision 12, is amended to read:

204.10 Subd. 12. **Gross rent.** (a) "Gross rent" means rent paid for the right of occupancy, at
204.11 arm's length, of a site on which a homestead, ~~exclusive of charges for any medical services~~
204.12 ~~furnished by the landlord as a part of the rental agreement, whether expressly set out in the~~
204.13 ~~rental agreement or not~~ which is a manufactured home as defined in section 273.125,
204.14 subdivision 8, including a manufactured home located in a manufactured home community
204.15 owned by a cooperative organized under chapter 308A or 308B, and park trailers taxed as
204.16 manufactured homes under section 168.012, subdivision 9, is located.

204.17 ~~(b) The gross rent of a resident of a nursing home or intermediate care facility is \$500~~
204.18 ~~per month. The gross rent of a resident of an adult foster care home is \$780 per month. The~~
204.19 ~~commissioner shall annually adjust the amounts in this paragraph as provided in section~~
204.20 ~~270C.22. The statutory year is 2018.~~

204.21 ~~(e)~~ (b) If the landlord and tenant have not dealt with each other at arm's length and the
204.22 commissioner determines that the gross rent charged was excessive, the commissioner may
204.23 adjust the gross rent to a reasonable amount for purposes of this chapter.

204.24 ~~(d)~~ (c) Any amount paid by a claimant residing in property assessed pursuant to section
204.25 273.124, subdivision 3, 4, 5, or 6 for occupancy in that property ~~shall be excluded from~~
204.26 ~~gross rent for purposes of this chapter. However, property taxes imputed to the homestead~~
204.27 ~~of the claimant or the dwelling unit occupied by the claimant that qualifies for homestead~~
204.28 ~~treatment pursuant to section 273.124, subdivision 3, 4, 5, or 6 shall be included within the~~
204.29 term "property taxes payable" as defined in subdivision 13, to the extent allowed,
204.30 notwithstanding the fact that ownership is not in the name of the claimant.

204.31 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
204.32 and following years.

205.1 Sec. 11. Minnesota Statutes 2020, section 290A.04, subdivision 1, is amended to read:

205.2 Subdivision 1. **Refund.** A refund shall be allowed each claimant in the amount that
 205.3 property taxes payable ~~or rent constituting property taxes~~ exceed the percentage of the
 205.4 household income of the claimant specified in subdivision 2 ~~or 2a~~ in the year for which the
 205.5 taxes were levied ~~or in the year in which the rent was paid~~ as specified in subdivision 2 ~~or~~
 205.6 ~~2a~~. If the amount of property taxes payable ~~or rent constituting property taxes~~ is equal to
 205.7 or less than the percentage of the household income of the claimant specified in subdivision
 205.8 ~~2 or 2a~~ in the year for which the taxes were levied ~~or in the year in which the rent was paid~~,
 205.9 the claimant shall not be eligible for a state refund pursuant to this section.

205.10 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 205.11 and following years.

205.12 Sec. 12. Minnesota Statutes 2020, section 290A.04, subdivision 4, is amended to read:

205.13 Subd. 4. **Inflation adjustment.** The commissioner shall annually adjust the dollar
 205.14 amounts of the income thresholds and the maximum refunds under ~~subdivisions~~ subdivision
 205.15 ~~2 and 2a~~ as provided in section 270C.22. The statutory year is 2018.

205.16 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 205.17 and following years.

205.18 Sec. 13. Minnesota Statutes 2020, section 290A.05, is amended to read:

205.19 **290A.05 COMBINED HOUSEHOLD INCOME; RENTAL AGREEMENTS AND**
 205.20 **REDUCTION OF PROPERTY TAXES PAYABLE.**

205.21 (a) If a person occupies a homestead with another person not related to the person as
 205.22 the person's spouse, excluding dependents, roomers or boarders on contract, and has property
 205.23 tax payable with respect to the homestead, the household income of the claimant or claimants
 205.24 for the purpose of computing the refund allowed by section 290A.04 shall include the total
 205.25 income received by the other persons residing in the homestead. For purposes of this section,
 205.26 "dependent" includes a parent of the claimant or spouse who lives in the claimant's homestead
 205.27 and does not have an ownership interest in the homestead.

205.28 (b) If a person occupies a homestead with another person or persons not related to the
 205.29 person as the person's spouse or as dependents, ~~the property tax payable or rent constituting~~
 205.30 ~~property tax shall be reduced as follows.~~

206.1 ~~If~~ and the other person or persons are residing at the homestead under a rental or lease
 206.2 agreement with the homeowner, the amount of property tax payable ~~or rent constituting~~
 206.3 ~~property tax shall be~~ equals that portion not covered by the rental agreement.

206.4 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 206.5 and property taxes payable in 2023, and following years.

206.6 Sec. 14. Minnesota Statutes 2020, section 290A.07, subdivision 2a, is amended to read:

206.7 Subd. 2a. **Time of payment to ~~renter~~ or manufactured home homeowner.** A claimant
 206.8 who is a ~~renter~~ or a homeowner who occupies a manufactured home, as defined in section
 206.9 273.125, subdivision 8, paragraph (c), or a park trailer taxed as a manufactured home under
 206.10 section 168.012, subdivision 9, shall receive full payment after August 1 and before August
 206.11 15 or 60 days after receipt of the application, whichever is later.

206.12 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 206.13 and following years.

206.14 Sec. 15. Minnesota Statutes 2020, section 290A.08, is amended to read:

206.15 **290A.08 ONE CLAIMANT PER HOUSEHOLD.**

206.16 Only one claimant per household per year is entitled to relief under this chapter. Payment
 206.17 of the claim for relief may be made payable to the spouses as one claimant. The
 206.18 commissioner, upon written request, may issue separate checks, to the spouses for one-half
 206.19 of the relief provided the original check has not been issued or has been returned. Individuals
 206.20 related as spouses who were married during the year may elect to file a joint claim which
 206.21 shall include each spouse's income, ~~rent constituting property taxes~~, and property taxes
 206.22 payable. Spouses who were married for the entire year and were domiciled in the same
 206.23 household for the entire year must file a joint claim. The maximum dollar amount allowable
 206.24 for a joint claim shall not exceed the amount that one person could receive.

206.25 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 206.26 and following years.

206.27 Sec. 16. Minnesota Statutes 2020, section 290A.09, is amended to read:

206.28 **290A.09 PROOF OF CLAIM.**

206.29 Every claimant shall supply to the commissioner of revenue, in support of the claim,
 206.30 proof of eligibility under this chapter, including but not limited to amount of ~~rent paid or~~
 206.31 ~~property taxes accrued, name and address of owner or managing agent of property rented,~~

207.1 changes in homestead, household membership, household income, size and nature of property
207.2 claimed as a homestead.

207.3 Persons with a disability filing claims shall submit proof of disability in the form and
207.4 manner as the commissioner may prescribe. The department may require examination and
207.5 certification by the claimant's physician or by a physician designated by the commissioner.
207.6 The cost of any examination shall be borne by the claimant, unless the examination proves
207.7 the disability, in which case the cost of the examination shall be borne by the commissioner.

207.8 A determination of disability of a claimant by the Social Security Administration under
207.9 Title II or Title XVI of the Social Security Act shall constitute presumptive proof of disability.

207.10 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
207.11 and following years.

207.12 Sec. 17. Minnesota Statutes 2020, section 290A.091, is amended to read:

207.13 **290A.091 CLAIMS OF TENANTS IN LEASEHOLD COOPERATIVES.**

207.14 The cooperative manager of a leasehold cooperative shall furnish a statement to each
207.15 tenant by March 31 of the year in which the property tax is payable showing each unit's
207.16 share of the gross property tax and each unit's share of any property tax credits. Each tenant
207.17 may apply for a property tax refund under this chapter as a homeowner based on each
207.18 tenant's share of property taxes. The tenant may not ~~include any rent constituting property~~
207.19 ~~taxes paid on that unit~~ claim the renter's credit under section 290.0693. For the purposes of
207.20 this section, a leasehold cooperative is formed on the day that leasehold cooperative status
207.21 is granted by the appropriate county official.

207.22 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
207.23 and following years.

207.24 Sec. 18. Minnesota Statutes 2020, section 290A.13, is amended to read:

207.25 **290A.13 NO RELIEF ALLOWED IN CERTAIN CASES.**

207.26 No claim for relief under this chapter shall be allowed if the commissioner determines
207.27 that the claimant received title ~~or tenancy~~ to the homestead primarily for the purpose of
207.28 receiving benefits under this chapter and not for bona fide residence purposes.

207.29 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
207.30 and following years.

208.1 Sec. 19. Minnesota Statutes 2020, section 290A.19, is amended to read:

208.2 **290A.19 OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE.**

208.3 (a) The park owner ~~or managing agent of any~~ of a property for which rent is paid for
 208.4 occupancy as a homestead must furnish a certificate of rent paid to a person who is a renter
 208.5 on December 31, in the form prescribed by the commissioner. If the renter moves before
 208.6 December 31, the park owner ~~or managing agent~~ may give the certificate to the renter at
 208.7 the time of moving, or mail the certificate to the forwarding address if an address has been
 208.8 provided by the renter. The certificate must be made available to the renter before February
 208.9 1 of the year following the year in which the rent was paid. The park owner ~~or managing~~
 208.10 ~~agent~~ must retain a duplicate of each certificate or an equivalent record showing the same
 208.11 information for a period of three years. The duplicate or other record must be made available
 208.12 to the commissioner upon request.

208.13 (b) The commissioner may require the park owner ~~or managing agent~~, through a simple
 208.14 process, to furnish to the commissioner on or before March 1 a copy of each certificate of
 208.15 rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe
 208.16 the content, format, and manner of the form pursuant to section 270C.30. Prior to
 208.17 implementation, the commissioner, after consulting with representatives of park owners ~~or~~
 208.18 ~~managing agents~~, shall develop an implementation and administration plan for the
 208.19 requirements of this paragraph that attempts to minimize financial burdens, administration
 208.20 and compliance costs, and takes into consideration existing systems of park owners ~~and~~
 208.21 ~~managing agents~~.

208.22 (c) For the purposes of this section, ~~"owner" includes~~ "park owner" means a park owner
 208.23 as defined under section 327C.01, subdivision 6, and "property" includes a lot as defined
 208.24 under section 327C.01, subdivision 3.

208.25 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 208.26 and following years.

208.27 Sec. 20. Minnesota Statutes 2020, section 290A.25, is amended to read:

208.28 **290A.25 VERIFICATION OF SOCIAL SECURITY NUMBERS.**

208.29 Annually, the commissioner of revenue shall furnish a list to the county assessor
 208.30 containing the names and Social Security numbers of persons who have applied for both
 208.31 homestead classification under section 273.13 and a ~~property tax refund as a renter under~~
 208.32 ~~this chapter~~ renter's credit under section 290.0693.

209.1 Within 90 days of the notification, the county assessor shall investigate to determine if
209.2 the homestead classification was improperly claimed. If the property owner does not qualify,
209.3 the county assessor shall notify the county auditor who will determine the amount of
209.4 homestead benefits that has been improperly allowed. For the purpose of this section,
209.5 "homestead benefits" has the meaning given in section 273.124, subdivision 13b. The county
209.6 auditor shall send a notice to persons who owned the affected property at the time the
209.7 homestead application related to the improper homestead was filed, demanding
209.8 reimbursement of the homestead benefits plus a penalty equal to 100 percent of the homestead
209.9 benefits. The person notified may appeal the county's determination with the Minnesota
209.10 Tax Court within 60 days of the date of the notice from the county as provided in section
209.11 273.124, subdivision 13b.

209.12 If the amount of homestead benefits and penalty is not paid within 60 days, and if no
209.13 appeal has been filed, the county auditor shall certify the amount of taxes and penalty to
209.14 the county treasurer. The county treasurer will add interest to the unpaid homestead benefits
209.15 and penalty amounts at the rate provided for delinquent personal property taxes for the
209.16 period beginning 60 days after demand for payment was made until payment. If the person
209.17 notified is the current owner of the property, the treasurer may add the total amount of
209.18 benefits, penalty, interest, and costs to the real estate taxes otherwise payable on the property
209.19 in the following year. If the person notified is not the current owner of the property, the
209.20 treasurer may collect the amounts due under the Revenue Recapture Act in chapter 270A,
209.21 or use any of the powers granted in sections 277.20 and 277.21 without exclusion, to enforce
209.22 payment of the benefits, penalty, interest, and costs, as if those amounts were delinquent
209.23 tax obligations of the person who owned the property at the time the application related to
209.24 the improperly allowed homestead was filed. The treasurer may relieve a prior owner of
209.25 personal liability for the benefits, penalty, interest, and costs, and instead extend those
209.26 amounts on the tax lists against the property for taxes payable in the following year to the
209.27 extent that the current owner agrees in writing.

209.28 Any amount of homestead benefits recovered by the county from the property owner
209.29 shall be distributed to the county, city or town, and school district where the property is
209.30 located in the same proportion that each taxing district's levy was to the total of the three
209.31 taxing districts' levy for the current year. Any amount recovered attributable to taconite
209.32 homestead credit shall be transmitted to the St. Louis County auditor to be deposited in the
209.33 taconite property tax relief account. Any amount recovered that is attributable to supplemental
209.34 homestead credit is to be transmitted to the commissioner of revenue for deposit in the

210.1 general fund of the state treasury. The total amount of penalty collected must be deposited
210.2 in the county general fund.

210.3 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
210.4 and following years.

210.5 Sec. 21. Minnesota Statutes 2020, section 462A.05, subdivision 24, is amended to read:

210.6 Subd. 24. **Housing for elderly, persons with physical or developmental disabilities,**
210.7 **and single parent families.** (a) It may engage in housing programs for low- and
210.8 moderate-income elderly, persons with physical or developmental disabilities, or single
210.9 parent families in the case of home sharing programs, as defined by the agency, to provide
210.10 grants or loans, with or without interest, for:

210.11 (1) accessibility improvements to residences occupied by elderly persons;

210.12 (2) housing sponsors, as defined by the agency, of home sharing programs to match
210.13 existing homeowners with prospective tenants who will contribute either rent or services
210.14 to the homeowner, where either the homeowner or the prospective tenant is elderly, a person
210.15 with physical or developmental disabilities, or the head of a single parent family;

210.16 (3) the construction of or conversion of existing buildings into structures for occupancy
210.17 by the elderly that contain from three to 12 private sleeping rooms with shared cooking
210.18 facilities and common space; and

210.19 (4) housing sponsors, as defined by the agency, to demonstrate the potential for home
210.20 equity conversion in Minnesota for the elderly, in both rural and urban areas, and to determine
210.21 the need in those equity conversions for consumer safeguards.

210.22 (b) In making the grants or loans, the agency shall determine the terms and conditions
210.23 of repayment and the appropriate security, if any, should repayment be required. The agency
210.24 may provide technical assistance to sponsors of home sharing programs or may contract or
210.25 delegate the provision of the technical assistance in accordance with section 462A.07,
210.26 subdivision 12.

210.27 (c) Housing sponsors who receive funding through these programs shall provide
210.28 homeowners and tenants participating in a home sharing program with information regarding
210.29 their rights and obligations as they relate to federal and state tax law including, but not
210.30 limited to, taxable rental income, homestead classification under chapter 273, the renter's
210.31 credit under section 290.0693, and the property tax refund act under chapter 290A.

211.1 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 211.2 and following years.

211.3 Sec. 22. **REPEALER.**

211.4 Minnesota Statutes 2020, sections 290A.03, subdivisions 9 and 11; 290A.04, subdivisions
 211.5 2a and 5; and 290A.23, subdivision 1, are repealed.

211.6 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2022
 211.7 and following years.

211.8 ARTICLE 9

211.9 PUBLIC FINANCE

211.10 Section 1. Minnesota Statutes 2020, section 123B.61, is amended to read:

211.11 **123B.61 PURCHASE OF CERTAIN EQUIPMENT.**

211.12 The board of a district may issue general obligation certificates of indebtedness or capital
 211.13 notes subject to the district debt limits to: (a) purchase vehicles, computers, telephone
 211.14 systems, cable equipment, photocopy and office equipment, technological equipment for
 211.15 instruction, and other capital equipment having an expected useful life at least as long as
 211.16 the terms of the certificates or notes; (b) purchase computer hardware and software, without
 211.17 regard to its expected useful life, whether bundled with machinery or equipment or
 211.18 unbundled, together with application development services and training related to the use
 211.19 of the computer; and (c) prepay special assessments. The certificates or notes must be
 211.20 payable in not more than ~~ten~~ 20 years and must be issued on the terms and in the manner
 211.21 determined by the board, ~~except that certificates or notes issued to prepay special assessments~~
 211.22 ~~must be payable in not more than 20 years.~~ The certificates or notes may be issued by
 211.23 resolution and without the requirement for an election. The certificates or notes are general
 211.24 obligation bonds for purposes of section 126C.55. A tax levy must be made for the payment
 211.25 of the principal and interest on the certificates or notes, in accordance with section 475.61,
 211.26 as in the case of bonds. The sum of the tax levies under this section and section 123B.62
 211.27 for each year must not exceed the lesser of the amount of the district's total operating capital
 211.28 revenue or the sum of the district's levy in the general and community service funds excluding
 211.29 the adjustments under this section for the year preceding the year the initial debt service
 211.30 levies are certified. The district's general fund levy for each year must be reduced by the
 211.31 sum of (1) the amount of the tax levies for debt service certified for each year for payment
 211.32 of the principal and interest on the certificates or notes issued under this section as required
 211.33 by section 475.61, (2) the amount of the tax levies for debt service certified for each year

212.1 for payment of the principal and interest on bonds issued under section 123B.62, and (3)
 212.2 any excess amount in the debt redemption fund used to retire bonds, certificates, or notes
 212.3 issued under this section or section 123B.62 after April 1, 1997, other than amounts used
 212.4 to pay capitalized interest. If the district's general fund levy is less than the amount of the
 212.5 reduction, the balance shall be deducted first from the district's community service fund
 212.6 levy, and next from the district's general fund or community service fund levies for the
 212.7 following year. A district using an excess amount in the debt redemption fund to retire the
 212.8 certificates or notes shall report the amount used for this purpose to the commissioner by
 212.9 July 15 of the following fiscal year. A district having an outstanding capital loan under
 212.10 section 126C.69 or an outstanding debt service loan under section 126C.68 must not use an
 212.11 excess amount in the debt redemption fund to retire the certificates or notes.

212.12 Sec. 2. Minnesota Statutes 2020, section 366.095, subdivision 1, is amended to read:

212.13 Subdivision 1. **Certificates of indebtedness.** The town board may issue certificates of
 212.14 indebtedness within the debt limits for a town purpose otherwise authorized by law. The
 212.15 certificates shall be payable in not more than ~~ten~~ 20 years and be issued on the terms and
 212.16 in the manner as determined by the board ~~may determine, provided that notes issued for~~
 212.17 ~~projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause (2), must~~
 212.18 ~~be payable in not more than 20 years.~~ If the amount of the certificates to be issued exceeds
 212.19 0.25 percent of the estimated market value of the town, they shall not be issued for at least
 212.20 ten days after publication in a newspaper of general circulation in the town of the board's
 212.21 resolution determining to issue them. If within that time, a petition asking for an election
 212.22 on the proposition signed by voters equal to ten percent of the number of voters at the last
 212.23 regular town election is filed with the clerk, the certificates shall not be issued until their
 212.24 issuance has been approved by a majority of the votes cast on the question at a regular or
 212.25 special election. A tax levy shall be made to pay the principal and interest on the certificates
 212.26 as in the case of bonds.

212.27 Sec. 3. Minnesota Statutes 2020, section 373.01, subdivision 3, is amended to read:

212.28 Subd. 3. **Capital notes.** (a) A county board may, by resolution and without referendum,
 212.29 issue capital notes subject to the county debt limit to purchase capital equipment useful for
 212.30 county purposes that has an expected useful life at least equal to the term of the notes. The
 212.31 notes shall be payable in not more than ~~ten~~ 20 years and shall be issued on the terms and in
 212.32 a the manner determined by the board determines. A tax levy shall be made for payment of
 212.33 the principal and interest on the notes, in accordance with section 475.61, as in the case of
 212.34 bonds.

213.1 (b) For purposes of this subdivision, "capital equipment" means:

213.2 (1) public safety, ambulance, road construction or maintenance, ~~and~~ medical equipment,
213.3 and other capital equipment; and

213.4 (2) computer hardware and software, whether bundled with machinery or equipment or
213.5 unbundled, together with application development services and training related to the use
213.6 of the computer hardware or software.

213.7 Sec. 4. Minnesota Statutes 2020, section 383B.117, subdivision 2, is amended to read:

213.8 Subd. 2. **Equipment acquisition; capital notes.** The board may, by resolution and
213.9 without public referendum, issue capital notes within existing debt limits for the purpose
213.10 of purchasing ambulance and other medical equipment, road construction or maintenance
213.11 equipment, public safety equipment and other capital equipment having an expected useful
213.12 life at least equal to the term of the notes issued. The notes shall be payable in not more
213.13 than ~~ten~~ 20 years and shall be issued on the terms and in a the manner as determined by the
213.14 ~~board determines, provided that notes issued for projects that eliminate R-22, as defined in~~
213.15 ~~section 240A.09, paragraph (b), clause (2), must be payable in not more than 20 years.~~ The
213.16 total principal amount of the notes issued for any fiscal year shall not exceed one percent
213.17 of the total annual budget for that year and shall be issued solely for the purchases authorized
213.18 in this subdivision. A tax levy shall be made for the payment of the principal and interest
213.19 on such notes as in the case of bonds. For purposes of this subdivision, "equipment" includes
213.20 computer hardware and software, whether bundled with machinery or equipment or
213.21 unbundled. For purposes of this subdivision, the term "medical equipment" includes computer
213.22 hardware and software and other intellectual property for use in medical diagnosis, medical
213.23 procedures, research, record keeping, billing, and other hospital applications, together with
213.24 application development services and training related to the use of the computer hardware
213.25 and software and other intellectual property, all without regard to their useful life. For
213.26 purposes of determining the amount of capital notes which the county may issue in any
213.27 year, the budget of the county and Hennepin Healthcare System, Inc. shall be combined
213.28 and the notes issuable under this subdivision shall be in addition to obligations issuable
213.29 under section 373.01, subdivision 3.

214.1 Sec. 5. Minnesota Statutes 2020, section 410.32, is amended to read:

214.2 **410.32 CITIES MAY ISSUE CAPITAL NOTES FOR CAPITAL EQUIPMENT.**

214.3 (a) Notwithstanding any contrary provision of other law or charter, a home rule charter
214.4 city may, by resolution and without public referendum, issue capital notes subject to the
214.5 city debt limit to purchase capital equipment.

214.6 (b) For purposes of this section, "capital equipment" means:

214.7 (1) public safety equipment, ambulance and other medical equipment, road construction
214.8 and maintenance equipment, and other capital equipment; and

214.9 (2) computer hardware and software, whether bundled with machinery or equipment or
214.10 unbundled, together with application development services and training related to the use
214.11 of the computer hardware and software.

214.12 (c) The equipment or software must have an expected useful life at least as long as the
214.13 term of the notes.

214.14 (d) The notes shall be payable in not more than ~~ten~~ 20 years and be issued on the terms
214.15 and in the manner determined by the city determines, ~~provided that notes issued for projects~~
214.16 ~~that eliminate R-22, as defined in section 240A.09, paragraph (b), clause (2), must be payable~~
214.17 ~~in not more than 20 years~~. The total principal amount of the capital notes issued in a fiscal
214.18 year shall not exceed 0.03 percent of the estimated market value of taxable property in the
214.19 city for that year.

214.20 (e) A tax levy shall be made for the payment of the principal and interest on the notes,
214.21 in accordance with section 475.61, as in the case of bonds.

214.22 (f) Notes issued under this section shall require an affirmative vote of two-thirds of the
214.23 governing body of the city.

214.24 (g) Notwithstanding a contrary provision of other law or charter, a home rule charter
214.25 city may also issue capital notes subject to its debt limit in the manner and subject to the
214.26 limitations applicable to statutory cities pursuant to section 412.301.

214.27 Sec. 6. Minnesota Statutes 2020, section 412.301, is amended to read:

214.28 **412.301 FINANCING PURCHASE OF CERTAIN EQUIPMENT.**

214.29 (a) The council may issue certificates of indebtedness or capital notes subject to the city
214.30 debt limits to purchase capital equipment.

214.31 (b) For purposes of this section, "capital equipment" means:

215.1 (1) public safety equipment, ambulance and other medical equipment, road construction
215.2 and maintenance equipment, and other capital equipment; and

215.3 (2) computer hardware and software, whether bundled with machinery or equipment or
215.4 unbundled, together with application development services and training related to the use
215.5 of the computer hardware or software.

215.6 (c) The equipment or software must have an expected useful life at least as long as the
215.7 terms of the certificates or notes.

215.8 (d) Such certificates or notes shall be payable in not more than ~~ten~~ 20 years and shall
215.9 be issued on ~~such~~ the terms and in ~~such~~ the manner as determined by the council ~~may~~
215.10 ~~determine, provided, however, that notes issued for projects that eliminate R-22, as defined~~
215.11 ~~in section 240A.09, paragraph (b), clause (2), must be payable in not more than 20 years.~~

215.12 (e) If the amount of the certificates or notes to be issued to finance any such purchase
215.13 exceeds 0.25 percent of the estimated market value of taxable property in the city, they shall
215.14 not be issued for at least ten days after publication in the official newspaper of a council
215.15 resolution determining to issue them; and if before the end of that time, a petition asking
215.16 for an election on the proposition signed by voters equal to ten percent of the number of
215.17 voters at the last regular municipal election is filed with the clerk, such certificates or notes
215.18 shall not be issued until the proposition of their issuance has been approved by a majority
215.19 of the votes cast on the question at a regular or special election.

215.20 (f) A tax levy shall be made for the payment of the principal and interest on such
215.21 certificates or notes, in accordance with section 475.61, as in the case of bonds.

215.22

ARTICLE 10

215.23

MISCELLANEOUS

215.24 Section 1. Minnesota Statutes 2021 Supplement, section 16A.152, subdivision 2, is
215.25 amended to read:

215.26 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund
215.27 revenues and expenditures, the commissioner of management and budget determines that
215.28 there will be a positive unrestricted budgetary general fund balance at the close of the
215.29 biennium, the commissioner of management and budget must allocate money to the following
215.30 accounts and purposes in priority order:

215.31 (1) the cash flow account established in subdivision 1 until that account reaches
215.32 \$350,000,000;

216.1 (2) the budget reserve account established in subdivision 1a until that account reaches
216.2 \$2,377,399,000;

216.3 (3) the amount necessary to increase the aid payment schedule for school district aids
216.4 and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest
216.5 tenth of a percent without exceeding the amount available and with any remaining funds
216.6 deposited in the budget reserve;

216.7 (4) the amount necessary to restore all or a portion of the net aid reductions under section
216.8 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75,
216.9 subdivision 5, by the same amount;

216.10 (5) the amount necessary to increase the Minnesota 21st century fund by not more than
216.11 the difference between \$5,000,000 and the sum of the amounts credited and canceled to it
216.12 in the previous 12 months under Laws 2020, chapter 71, article 1, section 11, until the sum
216.13 of all transfers under this section and all amounts credited or canceled under Laws 2020,
216.14 chapter 71, article 1, section 11, equals \$20,000,000; ~~and~~

216.15 (6) for a forecast in November only, the amount remaining after the transfer under clause
216.16 (5) must be used to reduce the percentage of accelerated June liability mortgage registry,
216.17 deed, sales, cigarette and tobacco, and liquor tax payments required under ~~section~~ sections
216.18 287.12, paragraph (c); 287.29, subdivision 1, paragraph (c); 289A.20, subdivision 4,
216.19 paragraph (b); 297F.09, subdivision 10; and 297G.09, subdivision 9, until the percentage
216.20 equals zero, rounded to the nearest tenth of a percent. By March 15 following the November
216.21 forecast, the commissioner must provide the commissioner of revenue with the percentage
216.22 of accelerated June liability owed based on the reduction required by this clause. By April
216.23 15 each year, the commissioner of revenue must certify the percentage of June liability
216.24 owed by vendors, counties, and distributors based on the reduction required by this clause;
216.25 and

216.26 (7) for a forecast in November only, the amount remaining after the transfer under clause
216.27 (6) must be used to decrease the percentage of the aids payable in calendar year 2023 and
216.28 every year thereafter for the payments due on July 20 under section 477A.015 until the
216.29 percentage equals zero, rounded to the nearest tenth of a percent. By January 15 following
216.30 the November forecast, the commissioner must provide the commissioner of revenue with
216.31 the percentage reduction in the payments due on July 20, based on the reductions required
216.32 by this clause. By February 15 each year, the commissioner of revenue must notify local
216.33 taxing jurisdictions of the percentage reduction for the payments due on July 20, based on
216.34 the reduction of the payments due on July 20 required by this clause.

217.1 (b) The amounts necessary to meet the requirements of this section are appropriated
217.2 from the general fund within two weeks after the forecast is released or, in the case of
217.3 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations
217.4 schedules otherwise established in statute.

217.5 (c) The commissioner of management and budget shall certify the total dollar amount
217.6 of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education.
217.7 The commissioner of education shall increase the aid payment percentage and reduce the
217.8 property tax shift percentage by these amounts and apply those reductions to the current
217.9 fiscal year and thereafter.

217.10 **EFFECTIVE DATE.** This section is effective July 1, 2022.

217.11 Sec. 2. Minnesota Statutes 2020, section 270A.03, subdivision 2, is amended to read:

217.12 Subd. 2. **Claimant agency.** "Claimant agency" means any state agency, as defined by
217.13 section 14.02, subdivision 2, the regents of the University of Minnesota, any district court
217.14 of the state, any county, any statutory or home rule charter city, including a city that is
217.15 presenting a claim for a municipal hospital or a public library or a municipal ambulance
217.16 service, a hospital district, ~~a private nonprofit hospital that leases its building from the county~~
217.17 ~~or city in which it is located~~, any ambulance service licensed under chapter 144E, any public
217.18 agency responsible for child support enforcement, any public agency responsible for the
217.19 collection of court-ordered restitution, and any public agency established by general or
217.20 special law that is responsible for the administration of a low-income housing program.

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

217.22 Sec. 3. Minnesota Statutes 2020, section 270C.11, is amended by adding a subdivision to
217.23 read:

217.24 Subd. 7. **Tax expenditure effective dates.** Notwithstanding section 3.192, the expiration
217.25 of an enacted tax expenditure is as provided in the applicable enacting law. Compliance
217.26 with section 3.192 is not subject to judicial review.

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

218.1 Sec. 4. Minnesota Statutes 2020, section 287.12, is amended to read:

218.2 **287.12 TAXES, HOW APPORTIONED.**

218.3 (a) All taxes paid to the county treasurer under the provisions of sections 287.01 to
218.4 287.12 must be apportioned, 97 percent to the general fund of the state, and three percent
218.5 to the county revenue fund.

218.6 (b) On or before the 20th day of each month the county treasurer shall determine and
218.7 pay to the commissioner of revenue for deposit in the state treasury and credit to the general
218.8 fund the state's portion of the receipts from the mortgage registry tax during the preceding
218.9 month subject to the electronic payment requirements of section 270C.42. The county
218.10 treasurer shall provide any related reports requested by the commissioner of revenue.

218.11 (c) Counties must remit 100 percent of the state's portion of the June receipts collected
218.12 through June 25, or a reduced percentage of the June receipts as certified by the commissioner
218.13 under section 16A.152, subdivision 2, paragraph (a), clause (6), and 100 percent of the
218.14 estimated state's portion of the receipts to be collected during the remainder of the month
218.15 or a reduced percentage of the June receipts as certified by the commissioner under section
218.16 16A.152, subdivision 2, paragraph (a), clause (6), to the commissioner of revenue two
218.17 business days before June 30 of each year. The remaining amount of the June receipts is
218.18 due on August 20. This paragraph expires after the percentage of estimated payment is
218.19 reduced to zero in accordance with section 16A.152, subdivision 2, paragraph (a), clause
218.20 (6).

218.21 **EFFECTIVE DATE.** This section is effective for remittances required after July 1,
218.22 2022.

218.23 Sec. 5. Minnesota Statutes 2020, section 287.29, is amended to read:

218.24 **287.29 PAYMENT OF RECEIPTS TO STATE GENERAL FUND; REPORTS.**

218.25 Subdivision 1. **Appointment and payment of tax proceeds.** (a) The proceeds of the
218.26 taxes levied and collected under sections 287.21 to 287.385 must be apportioned, 97 percent
218.27 to the general fund of the state, and three percent to the county revenue fund.

218.28 (b) On or before the 20th day of each month, the county treasurer shall determine and
218.29 pay to the commissioner of revenue for deposit in the state treasury and credit to the general
218.30 fund the state's portion of the receipts for deed tax from the preceding month subject to the
218.31 electronic transfer requirements of section 270C.42. The county treasurer shall provide any
218.32 related reports requested by the commissioner of revenue.

219.1 (c) Counties must remit 100 percent of the state's portion of the June receipts collected
219.2 through June 25, or a reduced percentage of the June receipts as certified by the commissioner
219.3 under section 16A.152, subdivision 2, paragraph (a), clause (6), and 100 percent of the
219.4 estimated state's portion of the receipts to be collected during the remainder of the month
219.5 or a reduced percentage of the June receipts as certified by the commissioner under section
219.6 16A.152, subdivision 2, paragraph (a), clause (6), to the commissioner of revenue two
219.7 business days before June 30 of each year. The remaining amount of the June receipts is
219.8 due on August 20. This paragraph expires after the percentage of estimated payment is
219.9 reduced to zero in accordance with section 16A.152, subdivision 2, paragraph (a), clause
219.10 (6).

219.11 **EFFECTIVE DATE.** This section is effective for remittances required after July 1,
219.12 2022.

219.13 Sec. 6. Minnesota Statutes 2020, section 287.31, subdivision 3, is amended to read:

219.14 Subd. 3. **Underpayments of accelerated payment of June tax receipts.** (a) If a county
219.15 fails to timely remit the state portion of the actual June tax receipts at the time required by
219.16 section 287.12 or 287.29, the county shall pay a penalty equal to ten percent of the state
219.17 portion of actual June receipts, or a reduced percentage of the June receipts as certified by
219.18 the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), less the
219.19 amount remitted to the commissioner of revenue in June. The penalty must not be imposed,
219.20 however, if the amount remitted in June equals either:

219.21 (1) 90 percent of the state's portion of the preceding May's receipts, or a reduced
219.22 percentage of the May receipts using the reduced percentage for June receipts as certified
219.23 by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6); or

219.24 (2) 90 percent of the average monthly amount of the state's portion for the previous
219.25 calendar year, or a reduced percentage of the average receipts using the reduced percentage
219.26 for June receipts as certified by the commissioner under section 16A.152, subdivision 2,
219.27 paragraph (a), clause (6).

219.28 (b) This subdivision expires after the percentage of estimated payment is reduced to
219.29 zero in accordance with section 16A.152, subdivision 2, paragraph (a), clause (6).

219.30 **EFFECTIVE DATE.** This section is effective for remittances required after July 1,
219.31 2022.

220.1 Sec. 7. Minnesota Statutes 2020, section 290A.04, subdivision 2, is amended to read:

220.2 Subd. 2. **Homeowners; homestead credit refund.** A claimant whose property taxes
 220.3 payable are in excess of the percentage of the household income stated below shall pay an
 220.4 amount equal to the percent of income shown for the appropriate household income level
 220.5 along with the percent to be paid by the claimant of the remaining amount of property taxes
 220.6 payable. The state refund equals the amount of property taxes payable that remain, up to
 220.7 the state refund amount shown below.

220.8			Percent Paid by	Maximum
220.9	Household Income	Percent of Income	Claimant	State
220.10				Refund
220.11	\$0 to 1,739			2,770
220.12	<u>\$0 to \$1,939</u>	1.0 percent	15 percent	\$ <u>3,290</u>
220.13	1,740 to 3,459			2,770
220.14	<u>\$1,940 to \$3,859</u>	1.1 percent	15 percent	\$ <u>3,290</u>
220.15	3,460 to 5,239			2,770
220.16	<u>\$3,860 to \$5,849</u>	1.2 percent	15 percent	\$ <u>3,290</u>
220.17	5,240 to 6,989			2,770
220.18	<u>\$5,850 to \$7,799</u>	1.3 percent	20 percent	\$ <u>3,290</u>
220.19	6,990 to 8,719			2,770
220.20	<u>\$7,800 to \$9,729</u>	1.4 percent	20 percent	\$ <u>3,290</u>
220.21	8,720 to 12,219			2,770
220.22	<u>\$9,730 to \$13,639</u>	1.5 percent	20 percent	\$ <u>3,290</u>
220.23	12,220 to 13,949			2,770
220.24	<u>\$13,640 to \$15,569</u>	1.6 percent	20 percent	\$ <u>3,290</u>
220.25	13,950 to 15,709			2,770
220.26	<u>\$15,570 to \$17,529</u>	1.7 percent	20 percent	\$ <u>3,290</u>
220.27	15,710 to 17,449			2,770
220.28	<u>\$17,530 to \$19,479</u>	1.8 percent	20 percent	\$ <u>3,290</u>
220.29	17,450 to 19,179			2,770
220.30	<u>\$19,480 to \$21,409</u>	1.9 percent	25 percent	\$ <u>3,290</u>
220.31	19,180 to 24,429	2.0 percent		2,770
220.32	<u>\$21,410 to \$27,269</u>	<u>1.9 percent</u>	25 percent	\$ <u>3,290</u>
220.33	24,430 to 26,169	2.0 percent		2,770
220.34	<u>\$27,270 to \$29,209</u>	<u>1.9 percent</u>	30 percent	\$ <u>3,290</u>
220.35	26,170 to 29,669	2.0 percent		2,770
220.36	<u>\$29,210 to \$33,119</u>	<u>1.9 percent</u>	30 percent	\$ <u>3,290</u>
220.37	29,670 to 41,859		35 percent	2,770
220.38	<u>\$33,120 to \$46,719</u>	2.0 percent	<u>30 percent</u>	\$ <u>3,290</u>
220.39	41,860 to 61,049		35 percent	2,240
220.40	<u>\$46,720 to \$68,139</u>	2.0 percent	<u>30 percent</u>	\$ <u>2,700</u>
220.41	61,050 to 69,769		40 percent	1,960
220.42	<u>\$68,140 to \$77,869</u>	2.0 percent	<u>35 percent</u>	\$ <u>2,390</u>

221.1	69,770 to 78,499			1,620
221.2	<u>\$77,870 to \$87,619</u>	2.1 percent	40 percent	\$ <u>2,010</u>
221.3	78,500 to 87,219			1,450
221.4	<u>\$87,620 to \$97,349</u>	2.2 percent	40 percent	\$ <u>1,820</u>
221.5	87,220 to 95,939			1,270
221.6	<u>\$97,350 to \$107,079</u>	2.3 percent	40 percent	\$ <u>1,620</u>
221.7	95,940 to 101,179			1,070
221.8	<u>\$107,080 to \$112,929</u>	2.4 percent	45 percent	\$ <u>1,390</u>
221.9	101,180 to 104,689			890
221.10	<u>\$112,930 to \$116,849</u>	2.5 percent	45 percent	\$ <u>1,190</u>
221.11	104,690 to 108,919			730
221.12	<u>\$116,850 to \$121,569</u>	2.5 percent	50 percent	\$ <u>1,010</u>
221.13	108,920 to 113,149			540
221.14	<u>\$121,570 to \$126,289</u>	2.5 percent	50 percent	\$ <u>800</u>

221.15 The payment made to a claimant shall be the amount of the state refund calculated under
 221.16 this subdivision. No payment is allowed if the claimant's household income is ~~\$113,150~~
 221.17 \$126,290 or more.

221.18 **EFFECTIVE DATE.** This section is effective for claims based on property taxes payable
 221.19 in 2023 and following years.

221.20 Sec. 8. Minnesota Statutes 2020, section 290A.04, subdivision 2h, is amended to read:

221.21 Subd. 2h. **Additional refund.** (a) If the gross property taxes payable on a homestead
 221.22 increase more than ~~12~~ ten percent over the property taxes payable in the prior year on the
 221.23 same property that is owned and occupied by the same owner on January 2 of both years,
 221.24 and the amount of that increase is \$100 or more, a claimant who is a homeowner shall be
 221.25 allowed an additional refund equal to 60 percent of the amount of the increase over the
 221.26 greater of ~~12~~ ten percent of the prior year's property taxes payable or \$100. This subdivision
 221.27 shall not apply to any increase in the gross property taxes payable attributable to
 221.28 improvements made to the homestead after the assessment date for the prior year's taxes.
 221.29 This subdivision shall not apply to any increase in the gross property taxes payable
 221.30 attributable to the termination of valuation exclusions under section 273.11, subdivision
 221.31 16.

221.32 The maximum refund allowed under this subdivision is ~~\$1,000~~ \$2,000.

221.33 (b) For purposes of this subdivision "gross property taxes payable" means property taxes
 221.34 payable determined without regard to the refund allowed under this subdivision.

222.1 (c) In addition to the other proofs required by this chapter, each claimant under this
222.2 subdivision shall file with the property tax refund return a copy of the property tax statement
222.3 for taxes payable in the preceding year or other documents required by the commissioner.

222.4 (d) Upon request, the appropriate county official shall make available the names and
222.5 addresses of the property taxpayers who may be eligible for the additional property tax
222.6 refund under this section. The information shall be provided on a magnetic computer disk.
222.7 The county may recover its costs by charging the person requesting the information the
222.8 reasonable cost for preparing the data. The information may not be used for any purpose
222.9 other than for notifying the homeowner of potential eligibility and assisting the homeowner,
222.10 without charge, in preparing a refund claim.

222.11 **EFFECTIVE DATE.** This section is effective for refund claims based on taxes payable
222.12 in 2023 and thereafter.

222.13 Sec. 9. Minnesota Statutes 2020, section 290A.04, subdivision 4, is amended to read:

222.14 Subd. 4. **Inflation adjustment.** The commissioner shall annually adjust the dollar
222.15 amounts of the income thresholds and the maximum refunds under subdivisions 2 and 2a
222.16 as provided in section 270C.22. The statutory year for subdivision 2 is 2022. The statutory
222.17 year for subdivision 2a is 2018.

222.18 **EFFECTIVE DATE.** This section is effective for claims based on property taxes payable
222.19 in 2024 and following years.

222.20 Sec. 10. Minnesota Statutes 2021 Supplement, section 297F.09, subdivision 10, is amended
222.21 to read:

222.22 Subd. 10. **Accelerated tax payment.** A cigarette distributor, tobacco products distributor,
222.23 retailer, or out-of-state retailer having a liability of \$250,000 or more during a fiscal year
222.24 ending June 30, shall remit the June liability for the next year in the following manner:

222.25 (a) Two business days before June 30 of calendar year 2021, the distributor shall remit
222.26 the actual May liability and 87.5 percent of the estimated June liability to the commissioner
222.27 and file the return in the form and manner prescribed by the commissioner. Two business
222.28 days before June 30 of calendar year 2022 and each calendar year thereafter, the distributor
222.29 must remit the actual May liability and 84.5 percent, or a reduced percentage as certified
222.30 by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), of the
222.31 estimated June liability to the commissioner and file the return in the form and manner
222.32 prescribed by the commissioner.

223.1 (b) On or before August 18 of the year, the distributor, retailer, or out-of-state retailer
223.2 shall submit a return showing the actual June liability and pay any additional amount of tax
223.3 not remitted in June. A penalty is imposed equal to ten percent of the amount of June liability
223.4 required to be paid in June, less the amount remitted in June. However, the penalty is not
223.5 imposed if the amount remitted in June equals:

223.6 (1) for calendar year 2021, the lesser of 87.5 percent of the actual June liability for that
223.7 calendar year or 87.5 percent of the May liability for that calendar year; or

223.8 (2) for calendar year 2022 and each calendar year thereafter, the lesser of 84.5 percent,
223.9 or a reduced percentage as certified by the commissioner under section 16A.152, subdivision
223.10 2, paragraph (a), clause (6), of the actual June liability for that calendar year or 84.5 percent,
223.11 or a reduced percentage as certified by the commissioner under section 16A.152, subdivision
223.12 2, paragraph (a), clause (6), of the May liability for that calendar year.

223.13 (c) This subdivision expires after the percentage of estimated payment is reduced to zero
223.14 in accordance with section 16A.152, subdivision 2, paragraph (a), clause (6).

223.15 **EFFECTIVE DATE.** This section is effective for estimated payments required to be
223.16 made after July 1, 2022.

223.17 Sec. 11. Minnesota Statutes 2021 Supplement, section 297G.09, subdivision 9, is amended
223.18 to read:

223.19 Subd. 9. **Accelerated tax payment; penalty.** A person liable for tax under this chapter
223.20 having a liability of \$250,000 or more during a fiscal year ending June 30, shall remit the
223.21 June liability for the next year in the following manner:

223.22 (a) Two business days before June 30 of calendar year 2021, the taxpayer shall remit
223.23 the actual May liability and 87.5 percent of the estimated June liability to the commissioner
223.24 and file the return in the form and manner prescribed by the commissioner. Two business
223.25 days before June 30 of calendar year 2022 and each calendar year thereafter, the distributor
223.26 must remit the actual May liability and 84.5 percent, or a reduced percentage as certified
223.27 by the commissioner under section 16A.152, subdivision 2, paragraph (a), clause (6), of the
223.28 estimated June liability to the commissioner and file the return in the form and manner
223.29 prescribed by the commissioner.

223.30 (b) On or before August 18 of the year, the taxpayer shall submit a return showing the
223.31 actual June liability and pay any additional amount of tax not remitted in June. A penalty
223.32 is imposed equal to ten percent of the amount of June liability required to be paid in June

224.1 less the amount remitted in June. However, the penalty is not imposed if the amount remitted
224.2 in June equals:

224.3 (1) for calendar year 2021, the lesser of 87.5 percent of the actual June liability for that
224.4 calendar year or 87.5 percent of the May liability for that calendar year; or

224.5 (2) for calendar year 2022 and each calendar year thereafter, the lesser of 84.5 percent,
224.6 or a reduced percentage as certified by the commissioner under section 16A.152, subdivision
224.7 2, paragraph (a), clause (6), of the actual June liability for that calendar year or 84.5 percent,
224.8 or a reduced percentage as certified by the commissioner under section 16A.152, subdivision
224.9 2, paragraph (a), clause (6), of the May liability for that calendar year.

224.10 (c) This subdivision expires after the percentage of estimated payment is reduced to zero
224.11 in accordance with section 16A.152, subdivision 2, paragraph (a), clause (6).

224.12 **EFFECTIVE DATE.** This section is effective for estimated payments required to be
224.13 made after July 1, 2022.

224.14 Sec. 12. Minnesota Statutes 2020, section 297H.13, subdivision 2, is amended to read:

224.15 Subd. 2. **Allocation of revenues.** (a) ~~\$33,760,000, or 70 percent, whichever is greater,~~
224.16 Of the amounts remitted under this chapter, 73 percent in fiscal year 2023 and thereafter
224.17 must be credited to the environmental fund established in section 16A.531, subdivision 1.

224.18 (b) The remainder must be deposited into the general fund.

224.19 (c) Beginning in fiscal year 2023 and continuing each year thereafter, the difference
224.20 between the amount deposited in the environmental fund under paragraph (a) and the amount
224.21 that would have been deposited under paragraph (a) before being amended by this act must
224.22 be expended on activities listed in section 115A.557, subdivision 2, paragraph (a), clauses
224.23 (1) to (7) and (9) to (11).

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

224.25 Sec. 13. Minnesota Statutes 2020, section 298.28, subdivision 7a, is amended to read:

224.26 Subd. 7a. **Iron Range school consolidation and cooperatively operated school**
224.27 **account.** (a) The following amounts must be allocated to the commissioner of Iron Range
224.28 resources and rehabilitation to be deposited in the Iron Range school consolidation and
224.29 cooperatively operated school account that is hereby created:

224.30 (1)(i) for distributions in 2015 through ~~2023~~ 2043, ten cents per taxable ton of the tax
224.31 imposed under section 298.24; and

225.1 (ii) for distributions beginning in ~~2024~~ 2044, five cents per taxable ton of the tax imposed
225.2 under section 298.24;

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

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

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

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

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

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

225.22 Sec. 14. Minnesota Statutes 2020, section 298.28, subdivision 9b, is amended to read:

225.23 Subd. 9b. **Taconite environmental fund.** Five cents per ton through distributions in
225.24 2043 must be paid to the taconite environmental fund for use under section 298.2961,
225.25 subdivision 4. Beginning with distributions in 2044, ten cents per ton must be paid to the
225.26 taconite environmental fund of which five cents per ton must be used as provided under
225.27 section 298.2961, subdivision 4.

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

225.29 Sec. 15. **[428B.01] DEFINITIONS.**

225.30 Subdivision 1. **Applicability.** As used in sections 428B.01 to 428B.09, the terms in this
225.31 section have the meanings given them.

226.1 Subd. 2. **Activity.** "Activity" means but is not limited to all of the following:

226.2 (1) promotion of tourism within the district;

226.3 (2) promotion of business activity, including but not limited to tourism, of businesses
226.4 subject to the service charge within the tourism improvement district;

226.5 (3) marketing, sales, and economic development; and

226.6 (4) other services provided for the purpose of conferring benefits upon businesses located
226.7 in the tourism improvement district that are subject to the tourism improvement district
226.8 service charge.

226.9 Subd. 3. **Business.** "Business" means the type or class of lodging business that is
226.10 described in the municipality's ordinance, which benefits from district activities, adopted
226.11 under section 428B.02.

226.12 Subd. 4. **Business owner.** "Business owner" means a person recognized by a municipality
226.13 as the owner of a business.

226.14 Subd. 5. **City.** "City" means a home rule charter or statutory city.

226.15 Subd. 6. **Clerk.** "Clerk" means the chief clerical officer of the municipality.

226.16 Subd. 7. **Governing body.** "Governing body" means, with respect to a city, a city council
226.17 or other governing body of a city. With respect to a town, governing body means a town
226.18 board or other governing body of a town. With respect to a county, governing body means
226.19 a board of commissioners or other governing body of a county.

226.20 Subd. 8. **Impacted business owners.** "Impacted business owners" means a majority of
226.21 business owners located within a proposed or established tourism improvement district.

226.22 Subd. 9. **Municipality.** "Municipality" means a county, city, or town.

226.23 Subd. 10. **Tourism improvement association.** "Tourism improvement association"
226.24 means a new or existing and tax-exempt nonprofit corporation, entity, or agency charged
226.25 with promoting tourism within the tourism improvement district and that is under contract
226.26 with the municipality to administer the tourism improvement district and implement the
226.27 activities and improvements listed in the municipality's ordinance.

226.28 Subd. 11. **Tourism improvement district.** "Tourism improvement district" means a
226.29 tourism improvement district established under this chapter.

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

227.1 Sec. 16. **[428B.02] ESTABLISHMENT OF TOURISM IMPROVEMENT DISTRICT.**

227.2 Subdivision 1. Ordinance. (a) Upon a petition by impacted business owners, a governing
227.3 body of a municipality may adopt an ordinance establishing a tourism improvement district
227.4 after holding a public hearing on the district. The ordinance must include:

227.5 (1) a map that identifies the tourism improvement district boundaries in sufficient detail
227.6 to allow a business owner to determine whether a business is located within the tourism
227.7 improvement district boundaries;

227.8 (2) the name of the tourism improvement association designated to administer the tourism
227.9 improvement district and implement the approved activities and improvements;

227.10 (3) a list of the proposed activities and improvements in the tourism improvement district;

227.11 (4) the time and manner of collecting the service charge and any interest and penalties
227.12 for nonpayment;

227.13 (5) a definition describing the type or class of businesses to be included in the tourism
227.14 improvement district and subject to the service charge;

227.15 (6) the rate, method, and basis of the service charge with intent, and penalties on
227.16 delinquent payments for the district, including the portion dedicated to covering expenses
227.17 listed in subdivision 4, paragraph (b); and

227.18 (7) the number of years the service charge will be in effect.

227.19 (b) If the boundaries of a proposed tourism improvement district overlap with the
227.20 boundaries of an existing special service district, the tourism improvement district ordinance
227.21 may list measures to avoid any impediments on the ability of the special service district to
227.22 continue to provide its services to benefit its property owners.

227.23 Subd. 2. Notice. A municipality must provide notice of the hearing by publication in at
227.24 least two issues of the official newspaper of the municipality. The two publications must
227.25 be two weeks apart and the municipality must hold the hearing at least three days after the
227.26 last publication. Not less than ten days before the hearing, the municipality must mail, or
227.27 deliver by electronic means, notice to the business owner of each business subject to the
227.28 proposed service charge by the tourism improvement district. The notice must include:

227.29 (1) a map showing the boundaries of the proposed district;

227.30 (2) the time and place of the hearing;

227.31 (3) a statement that all interested persons will be given an opportunity to be heard at the
227.32 hearing regarding the proposed service charge; and

228.1 (4) a brief description of the proposed activities, improvements, and service charge.

228.2 Subd. 3. **Business owner determination.** A business must provide ownership information
228.3 to the municipality. A municipality has no obligation to obtain other information regarding
228.4 the ownership of businesses, and its determination of ownership shall be final for the purposes
228.5 of this chapter. If this chapter requires the signature of a business owner, the signature of
228.6 the authorized representative of a business owner is sufficient.

228.7 Subd. 4. **Service charges; relationship to services.** (a) A municipality may impose a
228.8 service charge on a business pursuant to this chapter for the purpose of providing activities
228.9 and improvements that will provide benefits to a business that is located within the tourism
228.10 improvement district and subject to the tourism improvement district service charge. Each
228.11 business paying a service charge within a district must benefit directly or indirectly from
228.12 improvements provided by a tourism improvement association, provided, however, the
228.13 business need not benefit equally. Service charges must be based on a percent of gross
228.14 business revenue, a fixed dollar amount per transaction, or any other reasonable method
228.15 based upon benefit and approved by the municipality.

228.16 (b) Service charges may be used to cover the costs of collections, as well as other
228.17 administrative costs associated with operating, forming, or maintaining the district.

228.18 Subd. 5. **Public hearing.** At the hearing regarding the adoption of the ordinance
228.19 establishing a tourism improvement district, business owners and persons affected by the
228.20 proposed district may testify on issues relevant to the proposed district. The hearing may
228.21 be adjourned from time to time. The ordinance establishing the district may be adopted at
228.22 any time within six months after the date of the conclusion of the hearing by a vote of the
228.23 majority of the governing body of the municipality.

228.24 Subd. 6. **Appeal to district court.** Within 45 days after the adoption of the ordinance
228.25 establishing a tourism improvement district, a person aggrieved, who is not precluded by
228.26 failure to object before or at the hearing, may appeal to the district court by serving a notice
228.27 on the clerk of the municipality or governing body. The validity of the tourism improvement
228.28 district and the service charge imposed under this chapter shall not be contested in an action
228.29 or proceeding unless the action or proceeding is commenced within 45 days after the adoption
228.30 of the ordinance establishing a tourism improvement district. The petitioner must file notice
228.31 with the court administrator of the district court within ten days after its service. The clerk
228.32 of the municipality must provide the petitioner with a certified copy of the findings and
228.33 determination of the governing body. The court may affirm the action objected to or, if the
228.34 petitioner's objections have merit, modify or cancel it. If the petitioner does not prevail on

229.1 the appeal, the costs incurred shall be charged to the petitioner by the court and judgment
229.2 entered for them. All objections shall be deemed waived unless presented on appeal.

229.3 Subd. 7. **Notice to the commissioner of revenue.** Within 30 days of adoption of the
229.4 ordinance, the governing body must send a copy of the ordinance to the commissioner of
229.5 revenue.

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

229.7 Sec. 17. **[428B.03] SERVICE CHARGE AUTHORITY; NOTICE; HEARING**
229.8 **REQUIREMENT.**

229.9 Subdivision 1. **Authority.** A municipality may impose service charges authorized under
229.10 section 428B.02, subdivision 4, to finance an activity or improvement in the tourism
229.11 improvement district that is provided by the municipality if the activity or improvement is
229.12 provided in the tourism improvement district at an increased level of service. The service
229.13 charges may be imposed in the amount needed to pay for the increased level of service
229.14 provided by the activity or improvement.

229.15 Subd. 2. **Annual hearing requirement; notice.** Beginning one year after the
229.16 establishment of the tourism improvement district, the municipality must hold an annual
229.17 public hearing regarding continuation of the service charges in the tourism improvement
229.18 district. The municipality must provide notice of the hearing by publication in the official
229.19 newspaper at least seven days before the hearing. The municipality must mail, or deliver
229.20 by electronic means, notice of the hearing to business owners subject to the service charge
229.21 at least seven days before the hearing. At the hearing, a person affected by the proposed
229.22 district may testify on issues relevant to the proposed district. Within six months of the
229.23 hearing, the municipality may adopt a resolution to continue imposing service charges within
229.24 the district not exceeding the amount or rate expressed in the notice. For purposes of this
229.25 section, the notice must include:

229.26 (1) a map showing the boundaries of the district;

229.27 (2) the time and place of the hearing;

229.28 (3) a statement that all interested persons will be given an opportunity to be heard at the
229.29 hearing regarding the proposed service charge;

229.30 (4) a brief description of the proposed activities and improvements;

229.31 (5) the estimated annual amount of proposed expenditures for activities and
229.32 improvements;

230.1 (6) the rate of the service charge for the district during the year and the nature and
 230.2 character of the proposed activities and improvements for the district during the year in
 230.3 which service charges are collected;

230.4 (7) the number of years the service charge will be in effect; and

230.5 (8) a statement that the petition requirement of section 428B.07 has either been met or
 230.6 does not apply to the proposed service charge.

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

230.8 Sec. 18. **[428B.04] MODIFICATION OF ORDINANCE.**

230.9 **Subdivision 1. Adoption of ordinance; request for modification.** Upon written request
 230.10 of the tourism improvement association, the governing body of a municipality may adopt
 230.11 an ordinance to modify the district after conducting a public hearing on the proposed
 230.12 modifications. If the modification includes a change to the rate, method, and basis of
 230.13 imposing the service charge or the expansion of the tourism improvement district's geographic
 230.14 boundaries, a petition as described in section 428B.07 must be submitted by impacted
 230.15 business owners to initiate proceedings for modification.

230.16 **Subd. 2. Notice of modification.** A municipality must provide notice of the hearing by
 230.17 publication in at least two issues of the municipality's official newspaper. The two
 230.18 publications must be two weeks apart and the municipality must hold a hearing at least three
 230.19 days after the last publication. Not less than ten days before the hearing, the municipality
 230.20 must mail, or deliver by electronic means, notice to the business owner of each business
 230.21 subject to the service charge by the tourism improvement district. The notice must include:

230.22 (1) a map showing the boundaries of the district and any proposed changes to the
 230.23 boundaries of the district;

230.24 (2) the time and place of the hearing;

230.25 (3) a statement that all interested persons will be given an opportunity to be heard at the
 230.26 hearing regarding the proposed service charge; and

230.27 (4) a brief description of the proposed modification to the ordinance.

230.28 **Subd. 3. Hearing on modification.** At the hearing regarding modification to the
 230.29 ordinance, business owners and persons affected by the proposed modification may testify
 230.30 on issues relevant to the proposed modification. Within six months after the conclusion of
 230.31 the hearing, the municipality may adopt the ordinance modifying the district by a vote of

231.1 the majority of the governing body in accordance with the request for modification by the
 231.2 tourism improvement association and as described in the notice.

231.3 Subd. 4. **Objection.** If the modification of the ordinance includes the expansion of the
 231.4 tourism improvement district's geographic boundaries, the ordinance modifying the district
 231.5 may be adopted after following the notice and veto requirements in section 428B.08;
 231.6 however, a successful objection will be determined based on a majority of business owners
 231.7 who will pay the service charge in the expanded area of the district. For all other
 231.8 modifications, the ordinance modifying the district may be adopted following the notice
 231.9 and veto requirements in section 428B.08.

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

231.11 Sec. 19. **[428B.05] COLLECTION OF SERVICE CHARGES; PENALTIES.**

231.12 The service charges imposed under this chapter may be collected by the municipality,
 231.13 tourism improvement association, or other designated agency or entity. Collection of the
 231.14 service charges must be made at the time and in the manner set forth in the ordinance. The
 231.15 entity collecting the service charges may charge interest and penalties on delinquent payments
 231.16 for service charges imposed under this chapter as set forth in the municipality's ordinance.

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

231.18 Sec. 20. **[428B.06] TOURISM IMPROVEMENT ASSOCIATION.**

231.19 Subdivision 1. **Composition and duties.** The tourism improvement association must
 231.20 be designated in the municipality's ordinance. The tourism improvement association shall
 231.21 appoint a governing board or committee composed of a majority of business owners who
 231.22 pay the tourism improvement district service charge, or the representatives of those business
 231.23 owners. The governing board or committee must manage the funds raised by the tourism
 231.24 improvement district and fulfill the obligations of the tourism improvement district. A
 231.25 tourism improvement association has full discretion to select the specific activities and
 231.26 improvements that are funded with tourism improvement district service charges within the
 231.27 authorized activities and improvements described in the ordinance.

231.28 Subd. 2. **Annual report.** The tourism improvement association must submit to the
 231.29 municipality an annual report for each year in which a service charge is imposed. The report
 231.30 must include a financial statement of revenue raised by the district. The municipality may
 231.31 also, as part of the enabling ordinance, require the submission of other relevant information
 231.32 related to the association.

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

232.2 Sec. 21. **[428B.07] PETITION REQUIRED.**

232.3 A municipality may not establish a tourism improvement district under section 428B.02
232.4 unless impacted business owners file a petition requesting a public hearing on the proposed
232.5 action with the clerk of the municipality.

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

232.7 Sec. 22. **[428B.08] VETO POWER OF OWNERS.**

232.8 Subdivision 1. **Notice of right to file objections.** The effective date of an ordinance or
232.9 resolution adopted under this chapter must be at least 45 days after it is adopted by the
232.10 municipality. Within five days after the municipality adopts the ordinance or resolution,
232.11 the municipality must mail a summary of the ordinance or resolution to each business owner
232.12 subject to the service charge within the tourism improvement district in the same manner
232.13 that notice is mailed, or delivered by electronic means, under section 428B.02. The mailing
232.14 must include a notice that business owners subject to the service charge have the right to
232.15 veto, by a simple majority, the ordinance or resolution by filing the required number of
232.16 objections with the clerk of the municipality before the effective date of the ordinance or
232.17 resolution and include notice that a copy of the ordinance or resolution is available for public
232.18 inspection with the clerk of the municipality.

232.19 Subd. 2. **Requirements for veto.** If impacted business owners file an objection to the
232.20 ordinance or resolution before the effective date of the ordinance or resolution, the ordinance
232.21 or resolution does not become effective.

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

232.23 Sec. 23. **[428B.09] DISESTABLISHMENT.**

232.24 Subdivision 1. **Procedure for disestablishment.** An ordinance adopted under this chapter
232.25 must provide a 30-day period each year in which business owners subject to the service
232.26 charge may request disestablishment of the district. Beginning one year after establishment
232.27 of the tourism improvement district, an annual 30-day period of disestablishment begins
232.28 with the anniversary of the date of establishment. Upon submission of a petition from
232.29 impacted business owners, the municipality may disestablish a tourism improvement district
232.30 by adopting an ordinance after holding a public hearing on the disestablishment. Prior to
232.31 the hearing, the municipality must publish notice of the hearing on disestablishment in at
232.32 least two issues of the municipality's official newspaper. The two publications must be two

233.1 weeks apart and the municipality must hold the hearing at least three days after the last
 233.2 publication. Not less than ten days before the hearing, the municipality must mail, or deliver
 233.3 by electronic means, notice to the business owner of each business subject to the service
 233.4 charge. The notice must include:

233.5 (1) the time and place of the hearing;

233.6 (2) a statement that all interested persons will be given an opportunity to be heard at the
 233.7 hearing regarding disestablishment;

233.8 (3) the reason for disestablishment; and

233.9 (4) a proposal to dispose of any assets acquired with the revenues of the service charge
 233.10 imposed under the tourism improvement district.

233.11 Subd. 2. **Objection.** An ordinance disestablishing the tourism improvement district
 233.12 becomes effective following the notice and veto requirements in section 428B.08.

233.13 Subd. 3. **Refund to business owners.** (a) Upon the disestablishment of a tourism
 233.14 improvement district, any remaining revenues derived from the service charge, or any
 233.15 revenues derived from the sale of assets acquired with the service charge revenues, shall
 233.16 be refunded to business owners located and operating within the tourism improvement
 233.17 district in which service charges were imposed by applying the same method and basis that
 233.18 was used to calculate the service charges levied in the fiscal year in which the district is
 233.19 disestablished.

233.20 (b) If the disestablishment occurs before the service charge is imposed for the fiscal
 233.21 year, the method and basis that was used to calculate the service charge imposed in the
 233.22 immediate prior fiscal year shall be used to calculate the amount of a refund, if any.

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

233.24 Sec. 24. **[428B.10] COORDINATION OF DISTRICTS.**

233.25 If a county establishes a tourism improvement district in a city or town under this chapter,
 233.26 a city or town may not establish a tourism improvement district in the part of the city or
 233.27 town located in the county-established district. If a city or town establishes a tourism
 233.28 improvement district under this chapter, a county may not establish a tourism improvement
 233.29 district in the part of the city or town located in the city- or town-established district.

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

234.1 Sec. 25. Minnesota Statutes 2020, section 462A.38, is amended to read:

234.2 **462A.38 WORKFORCE AND AFFORDABLE HOMEOWNERSHIP**
234.3 **DEVELOPMENT PROGRAM.**

234.4 Subdivision 1. **Establishment.** A workforce and affordable homeownership development
234.5 program is established to award homeownership development grants and loans to cities,
234.6 counties, Tribal governments, nonprofit organizations, cooperatives created under chapter
234.7 308A or 308B, and community land trusts created for the purposes outlined in section
234.8 462A.31, subdivision 1, for development of workforce and affordable homeownership
234.9 projects. The purpose of the program is to increase the supply of workforce and affordable,
234.10 owner-occupied multifamily or single-family housing throughout Minnesota.

234.11 Subd. 2. **Use of funds.** (a) Grant funds and loans awarded under this program may be
234.12 used for:

234.13 (1) development costs;

234.14 (2) rehabilitation;

234.15 (3) land development; and

234.16 (4) residential housing, including storm shelters and related community facilities.

234.17 (b) A project funded through ~~the grant~~ this program shall serve households that meet
234.18 the income limits as provided in section 462A.33, subdivision 5, unless a project is intended
234.19 for the purpose outlined in section 462A.02, subdivision 6.

234.20 Subd. 3. **Application.** The commissioner shall develop forms and procedures for soliciting
234.21 and reviewing applications for grants and loans under this section. The commissioner shall
234.22 consult with interested stakeholders when developing the guidelines and procedures for the
234.23 program. In making grants and loans, the commissioner shall establish semiannual application
234.24 deadlines in which grants and loans will be authorized from all or part of the available
234.25 appropriations.

234.26 Subd. 4. **Awarding grants and loans.** Among comparable proposals, preference must
234.27 be given to proposals that include contributions from nonstate resources for the greatest
234.28 portion of the total development cost.

234.29 Subd. 5. **Statewide program.** The agency shall attempt to make grants and loans in
234.30 approximately equal amounts to applicants outside and within the metropolitan area, as
234.31 defined in section 473.121, subdivision 2.

235.1 Subd. 6. **Report.** Beginning January 15, ~~2018~~ 2023, the commissioner must annually
 235.2 submit a report to the chairs and ranking minority members of the senate and house of
 235.3 representatives committees having jurisdiction over housing and workforce development
 235.4 specifying the projects that received grants and loans under this section and the specific
 235.5 purposes for which the grant or loan funds were used.

235.6 Subd. 7. **Workforce and affordable homeownership development account.** A
 235.7 workforce and affordable homeownership development account is established in the housing
 235.8 development fund. Money in the account, including interest, is appropriated to the
 235.9 commissioner of the Housing Finance Agency for the purposes of this section. The amount
 235.10 appropriated under this section must supplement traditional sources of funding for this
 235.11 purpose and must not be used as a substitute or to pay debt service on bonds.

235.12 Subd. 8. **Deposits; funding amount.** (a) In fiscal years 2023 to 2030, an amount equal
 235.13 to \$10,000,000 of the state's portion of the proceeds derived from the mortgage registry tax
 235.14 imposed under section 287.035 and the deed tax imposed under section 287.21 is appropriated
 235.15 from the general fund to the commissioner of the Housing Finance Agency to transfer to
 235.16 the housing development fund for deposit into the workforce and affordable homeownership
 235.17 development account. The appropriation must be made annually by September 15.

235.18 (b) All loan repayments received under this section are to be deposited into the workforce
 235.19 and affordable homeownership development account in the housing development fund.

235.20 (c) This subdivision expires September 16, 2029.

235.21 **EFFECTIVE DATE.** This section is effective July 1, 2022.

235.22 Sec. 26. Minnesota Statutes 2020, section 477A.015, is amended to read:

235.23 **477A.015 PAYMENT DATES.**

235.24 (a) The commissioner of revenue shall annually make the payments of local government
 235.25 aid to affected taxing authorities in two installments. The first installment of 50 percent, or
 235.26 a reduced percentage certified by the commissioner under section 16A.152, subdivision 2,
 235.27 paragraph (a), clause (7), of the payment is due on July 20 and the remaining amount of the
 235.28 first installment, if any, is due on March 15. The second installment of 50 percent is due on
 235.29 December 26 annually.

235.30 ~~(b) Notwithstanding paragraph (a), for aids payable in 2019 only, the commissioner of~~
 235.31 ~~revenue shall make payments of the aid payable under section 477A.013, subdivision 9, in~~
 235.32 ~~three installments as follows: (1) 14.6 percent of the aid shall be paid on June 15, 2019; (2)~~

236.1 ~~35.4 percent of the aid shall be paid on July 20, 2019; and (3) 50 percent of the aid shall be~~
 236.2 ~~paid on December 26, 2019.~~

236.3 ~~(e)~~ (b) When the commissioner of public safety determines that a local government has
 236.4 suffered financial hardship due to a natural disaster, the commissioner of public safety shall
 236.5 notify the commissioner of revenue, who shall make payments of aids under sections
 236.6 477A.011 to 477A.014, which are otherwise due on December 26, as soon as is practical
 236.7 after the determination is made but not before July 20.

236.8 ~~(d)~~ (c) The commissioner may pay all or part of the payments of aids under sections
 236.9 477A.011 to 477A.014, which are due on December 26 at any time after August 15 if a
 236.10 local government requests such payment as being necessary for meeting its cash flow needs.

236.11 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 236.12 and thereafter.

236.13 Sec. 27. **CITY OF VIRGINIA; NET DEBT LIMIT EXEMPTION.**

236.14 The city of Virginia may finance the construction of a public safety building in the city
 236.15 of Virginia by obtaining a loan from the United States Department of Agriculture secured
 236.16 by its general obligation pledge. Any bonds issued relating to this construction project or
 236.17 repayment of the loan must not be included in the computation of the city's limit on net debt
 236.18 under Minnesota Statutes, section 475.53, subdivision 1.

236.19 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 236.20 city of Virginia and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 236.21 subdivisions 2 and 3.

236.22 Sec. 28. **POLAR VORTEX RESPONSE; DISCLOSURE OF COSTS;**
 236.23 **REIMBURSEMENT FOR RESERVE FUNDS.**

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

236.26 (b) "Critical period" means the period beginning February 12, 2021, and ending February
 236.27 17, 2021.

236.28 (c) "Impacted volume" means the volume of natural gas a utility purchased for immediate
 236.29 delivery in Minnesota during the critical period.

237.1 (d) "Incremental cost" means the incremental cost of natural gas purchased during the
237.2 critical period, calculated by multiplying the utility's incremental price by its impacted
237.3 volume.

237.4 (e) "Incremental price" means the average unit price a utility paid for natural gas
237.5 purchased for immediate delivery during the critical period, minus the average natural gas
237.6 unit price for wholesale natural gas the utility paid during the period between February 5,
237.7 2021, and February 10, 2021.

237.8 (f) "Utility" means a nonprofit municipal utility established under Minnesota Statutes,
237.9 chapter 412, that (1) is owned by the city to which it provides service, and (2) sells natural
237.10 gas to retail customers in Minnesota.

237.11 Subd. 2. **Utilities must disclose increased energy costs.** No later than July 1, 2022, a
237.12 utility must calculate, for each customer to which the utility provided natural gas service
237.13 during the critical period, the incremental price multiplied by the volume of natural gas
237.14 consumed by the customer during the critical period. The utility must certify and forward
237.15 that calculation in a written notice to each customer.

237.16 Subd. 3. **Reimbursement for reserve revenues.** A utility that paid for wholesale natural
237.17 gas purchased during the critical period, in whole or in part, by drawing down accumulated
237.18 reserve revenues may apply to the commissioner of commerce for a rebate equal to its
237.19 incremental cost minus any payment of its incremental cost by natural gas customers. The
237.20 commissioner shall require a utility to submit evidence supporting the rebate request amount
237.21 with a rebate application.

237.22 Subd. 4. **Appropriation.** \$20,000,000 in fiscal year 2023 is appropriated from the general
237.23 fund to the commissioner of commerce for the purpose of making rebates to municipal
237.24 utilities under subdivision 3. This is a onetime appropriation. Any unexpended funds
237.25 remaining on December 31, 2022, cancel to the general fund.

237.26 Sec. 29. **TAX CREDIT FOR EXCESS ENERGY COSTS DUE TO THE POLAR**
237.27 **VORTEX.**

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

237.30 (b) "Excess energy costs" means the amount of energy costs disclosed to a taxpayer by
237.31 a utility under section ..., subdivision 2.

237.32 (c) The definitions in section ..., subdivision 1, and Minnesota Statutes, section 290.01,
237.33 apply for this section.

238.1 Subd. 2. Credit allowed. (a) An individual income taxpayer is allowed a credit against
238.2 the tax due under Minnesota Statutes, chapter 290, equal to the amount of the taxpayer's
238.3 excess energy costs.

238.4 (b) Credits allowed to a partnership, a limited liability company taxed as a partnership,
238.5 or an S corporation are passed through pro rata to the partners, members, or shareholders
238.6 based on their share of the entity's income for the taxable year.

238.7 Subd. 3. Credit refundable. (a) If the amount of credit which a taxpayer would be
238.8 eligible to receive under this section exceeds the claimant's tax liability under Minnesota
238.9 Statutes, chapter 290, the excess amount of the credit shall be refunded to the claimant by
238.10 the commissioner of revenue.

238.11 (b) An amount sufficient to pay the refunds required by this section is appropriated to
238.12 the commissioner of revenue from the general fund.

238.13 Subd. 4. Denial of double benefit. For a taxpayer who deducted excess energy costs in
238.14 calculating adjusted gross income and claimed the credit under this section, the amount of
238.15 excess energy costs is an addition, as defined in Minnesota Statutes, section 290.0131,
238.16 subdivision 1. The rules governing additions in that section apply for this subdivision.

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

238.19 **Sec. 30. INCOME TAX SUBTRACTION; COVID-19 BUSINESS ASSISTANCE**
238.20 **PROGRAMS.**

238.21 Subdivision 1. Definitions. For the purposes of this section:

238.22 (1) for an individual, estate, or trust, "subtraction" has the meaning given in Minnesota
238.23 Statutes, section 290.0132, subdivision 1, and the rules in that subdivision apply for this
238.24 section;

238.25 (2) for a corporation other than an S corporation, "subtraction" has the meaning given
238.26 in Minnesota Statutes, section 290.0134, subdivision 1, and the rules in that subdivision
238.27 apply for this section;

238.28 (3) the definitions in Minnesota Statutes, section 290.01, apply for this section; and

238.29 (4) "qualifying business assistance" means grants, forgivable loans, and other financial
238.30 assistance to businesses by the state, county, or local government that were included in
238.31 adjusted gross income, and that meet the criteria in subdivision 4.

239.1 Subd. 2. **Business assistance subtraction; individuals, estates, and trusts.** For an
239.2 individual, estate, or trust, the amount of qualifying business assistance is a subtraction.

239.3 Subd. 3. **Business assistance subtraction; C corporations.** For a corporation other
239.4 than an S corporation, the amount of qualifying business assistance is a subtraction.

239.5 Subd. 4. **Programs eligible for a subtraction.** Only qualifying business assistance
239.6 provided under the following sections of state or federal law is considered qualifying business
239.7 assistance for the purposes of this section:

239.8 (1) business assistance provided under section ...;

239.9 (2) forgivable loans under Executive Order No. 20-15;

239.10 (3) small business relief grants under Laws 2020, First Special Session chapter 1, section
239.11 4;

239.12 (4) business relief payments under Laws 2020, Seventh Special Session chapter 2, article
239.13 1;

239.14 (5) grants to movie theaters and convention centers under Laws 2020, Seventh Special
239.15 Session chapter 2, article 4;

239.16 (6) county relief grants to local businesses under Laws 2020, Seventh Special Session
239.17 chapter 2, article 5;

239.18 (7) grants through the Main Street Economic Revitalization Program in Laws 2021, First
239.19 Special Session chapter 10, article 2, section 5;

239.20 (8) main street COVID-19 relief grants under Laws 2021, First Special Session chapter
239.21 10, article 2, section 22;

239.22 (9) forgivable loans under Laws 2021, First Special Session chapter 10, article 2, section
239.23 24;

239.24 (10) financial assistance to businesses provided by a county, city, or township using
239.25 funds from the Coronavirus Relief Fund under section 5001 of Public Law 116-136; or

239.26 (11) financial assistance to businesses provided by a county, city, or township using
239.27 funds from the State and Local Fiscal Recovery Fund in section 9901 of Public Law 117-2.

239.28 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
239.29 after December 31, 2019.

240.1 **Sec. 31. COUNTY PANDEMIC BUSINESS AND COMMUNITY RELIEF AID;**
240.2 **APPROPRIATION.**

240.3 Subdivision 1. **Appropriation.** (a) \$75,000,000 in fiscal year 2023 is appropriated from
240.4 the general fund to the commissioner of revenue for payments to counties under this section.

240.5 This is a onetime appropriation.

240.6 (b) Of the amount under paragraph (a), \$50,000,000 must be used for payments to
240.7 counties for economic assistance and aid to businesses under subdivision 2.

240.8 (c) Of the amount under paragraph (a), \$25,000,000 must be used for payments to
240.9 counties to provide rental assistance under subdivision 6.

240.10 (d) Any unexpended amount from the appropriation in paragraph (a) after June 30, 2023,
240.11 is canceled.

240.12 Subd. 2. **Economic assistance and aid to local businesses.** (a) From the amount available
240.13 under subdivision 1, paragraph (b), each county shall be issued a payment of a per capita
240.14 amount determined by reference to the population of each county according to the most
240.15 recently available 2020 population estimate from the state demographer as of January 1,
240.16 2022.

240.17 (b) A county must use funds received under paragraph (a) to provide economic assistance
240.18 to underserved communities under subdivision 3, aid to businesses under subdivision 4, or
240.19 aid to venues under subdivision 5. A county may use funds for one or more of the approved
240.20 uses in subdivisions 3, 4, and 5, but each county must assess the degree of need in the county
240.21 for assistance to underserved communities under subdivision 3. A county that determines
240.22 there is a need for assistance to underserved communities must prioritize aid to businesses
240.23 under that subdivision.

240.24 (c) Each county may use the greater of \$6,250 or 2.5 percent of the total amount received
240.25 under this subdivision for administrative costs incurred from making payments under this
240.26 subdivision. A county may contract with a third party to administer the program on behalf
240.27 of the county.

240.28 (d) Payments under this subdivision must be awarded by March 15, 2023.

240.29 Subd. 3. **Economic assistance to underserved communities.** (a) A county may use
240.30 funds received under subdivision 2 to provide economic assistance to qualifying businesses.
240.31 Economic assistance under this paragraph must be provided to qualifying businesses located
240.32 in areas designated by the county as underserved communities. Economic assistance includes
240.33 but is not limited to:

241.1 (1) grants, loans, or other financial assistance to businesses that pay their employees a
 241.2 living wage;

241.3 (2) grants, loans, or other financial assistance for maintenance and repair of commercial
 241.4 properties;

241.5 (3) down payment assistance for businesses seeking to purchase commercial property;
 241.6 or

241.7 (4) payments to commercial property owners to reduce rent costs for businesses.

241.8 (b) To provide economic assistance to businesses under paragraph (a), a county must
 241.9 designate census tracts representing five percent or less of the population in the county as
 241.10 "underserved communities." In making a designation under this subdivision, the county
 241.11 must consider the following characteristics of a census tract, among other considerations
 241.12 deemed relevant by the county:

241.13 (1) the unemployment rate;

241.14 (2) the poverty rate;

241.15 (3) the median income of the tract relative to the rest of the county; and

241.16 (4) the number of vacant commercial properties.

241.17 (c) For the purposes of this section:

241.18 (1) "qualifying business" means a business with 50 or fewer employees; and

241.19 (2) "living wage" means 150 percent of the minimum wage for large employers for 2022
 241.20 under Minnesota Statutes, section 177.24.

241.21 Subd. 4. **Aid to businesses without income in 2019.** A county may use funds received
 241.22 under subdivision 2 to provide economic assistance to businesses that were in operation in
 241.23 calendar year 2020 or 2021, but not in calendar year 2019, and were ineligible to participate
 241.24 in a state or federal business assistance program due to the lack of operations or revenue in
 241.25 calendar year 2019. Economic assistance includes but is not limited to grants, loans, or any
 241.26 other financial assistance deemed appropriate by the county.

241.27 Subd. 5. **Aid to venues.** (a) A county may use funds received under subdivision 2 to
 241.28 provide grants to Minnesota-registered businesses in good standing or Minnesota-registered
 241.29 nonprofits in good standing that:

241.30 (1) are directly engaged in the procurement, promotion, production, or presentation of
 241.31 live entertainment events to an in-person audience; and

- 242.1 (2) experienced a decrease in revenues due to the COVID-19 pandemic.
- 242.2 (b) To qualify for a grant under this subdivision, a business or nonprofit must:
- 242.3 (1) meet the following revenue requirements:
- 242.4 (i) have derived at least 33 percent of its 2019 revenue from the sale of tickets for live
- 242.5 events; or
- 242.6 (ii) be directly reliant on ticketed live entertainment events but not directly in receipt of
- 242.7 those ticket revenues because the event is free to the general public and the revenue is
- 242.8 derived from avenues other than ticket sales;
- 242.9 (2) employ no more than 60 full-time equivalent employees, defined as an employee
- 242.10 who worked on average at least 30 hours per week or 130 hours per month;
- 242.11 (3) have been restricted from operating above 25 percent capacity or 250 attendees,
- 242.12 whichever is less, pursuant to an executive order issued during a peacetime emergency
- 242.13 declared regarding the infectious disease known as COVID-19;
- 242.14 (4) not have any current tax delinquency with the Department of Revenue at the time
- 242.15 of application; and
- 242.16 (5) have its principal place of business in Minnesota.
- 242.17 (c) The following entities are ineligible for grants under this subdivision:
- 242.18 (1) bars, restaurants, and other facilities whose primary source of revenue is not
- 242.19 entertainment events;
- 242.20 (2) multinational or publicly owned companies; and
- 242.21 (3) adult entertainment operations.
- 242.22 (d) Notwithstanding the requirements of paragraph (b), a county may authorize a grant
- 242.23 to a business under this subdivision if the county determines that the business has
- 242.24 substantially met the requirements of this subdivision, but was a new entertainment venue
- 242.25 that had planned on opening in 2020 but was unable to begin operations based solely on
- 242.26 the fact that COVID-19-related closures prevented the business from doing so. The business
- 242.27 shall submit, on a form required by the county, any documentation the county deems
- 242.28 necessary to determine whether the business applies for a discretionary grant under this
- 242.29 subdivision.
- 242.30 Subd. 6. **Rental assistance payments.** (a) From the amount available under subdivision
- 242.31 1, paragraph (c), each county shall be issued a payment equal to the product of the amount

243.1 available under subdivision 1, paragraph (c), multiplied by the number of rent-burdened
 243.2 households in the county, divided by the number of rent-burdened households in the state.
 243.3 The number of rent-burdened households shall be determined using the 2020 experimental
 243.4 estimates provided by the American Community Survey of the United States Census Bureau.

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

243.6 (1) "eligible household" means a household in which household income is at or below
 243.7 50 percent of area median income, as adjusted for household size;

243.8 (2) "rent-burdened household" means a household in which gross rent is 30 percent or
 243.9 more of household income; and

243.10 (3) "rental assistance" means payments for:

243.11 (i) rent;

243.12 (ii) rental arrears;

243.13 (iii) utilities and home energy costs;

243.14 (iv) utilities and home energy costs arrears; and

243.15 (v) other expenses related to housing incurred due, directly or indirectly, to the novel
 243.16 coronavirus disease COVID-19 outbreak.

243.17 (c) A county receiving a payment under this subdivision must spend at least 90 percent
 243.18 of the payment received to provide rental assistance to eligible households.

243.19 (d) A county receiving a payment under this subdivision may use up to ten percent of
 243.20 the payment received for administrative costs attributable to providing rental assistance.

243.21 (e) A county receiving aid under this subdivision may distribute the aid to a community
 243.22 action agency or a nonprofit to provide rental assistance to eligible households.

243.23 Subd. 7. **Grants.** Grants and the process of making grants under this section are exempt
 243.24 from the following statutes and related policies: Minnesota Statutes, sections 16A.15,
 243.25 subdivision 3; 16B.97; and 16B.98, subdivisions 5, 7, and 8. A county opting to use a third
 243.26 party to administer grants is exempt from Minnesota Statutes, section 471.345, in the
 243.27 selection of the third-party administrator. The exemptions under this paragraph expire on
 243.28 March 15, 2023.

243.29 Subd. 8. **Report.** By January 31, 2024, the commissioner of revenue shall report to the
 243.30 legislative committees with jurisdiction over taxes on the grants provided under this section.
 243.31 The report must comply with Minnesota Statutes, sections 3.195 and 3.197. By July 1, 2023,

244.1 each county must report to the commissioner of revenue how the county used the funds
244.2 provided under this section.

244.3 **Sec. 32. INDEPENDENT SCHOOL DISTRICT NO. 696, ELY; BONDS.**

244.4 **Subdivision 1. Authorization.** Independent School District No. 696, Ely, may issue
244.5 bonds in an aggregate principal amount not exceeding \$9,500,000, in addition to any bonds
244.6 already issued or authorized, to provide funds to construct, equip, furnish, remodel,
244.7 rehabilitate, and acquire land for school facilities and buildings. The district may spend the
244.8 proceeds of the bond sale for those purposes and any architectural, engineering, and legal
244.9 fees incidental to those purposes or the sale. Bonds may be issued under this section without
244.10 a referendum. Except as permitted by this section, the bonds shall be authorized, issued,
244.11 sold, executed, and delivered in the manner provided by Minnesota Statutes, chapter 475.
244.12 An election on the question of issuing the bonds is not required. A resolution of the board
244.13 levying taxes for the payment of principal and interest on the bonds as authorized by this
244.14 section and pledging the proceeds of the levies for the payment of principal and interest on
244.15 the bonds shall be deemed to be in compliance with the provisions of Minnesota Statutes,
244.16 chapter 475, with respect to the levying of taxes for their payment.

244.17 **Subd. 2. Levy limitations.** Taxes levied pursuant to this section shall be disregarded in
244.18 the calculation of any other tax levies or limits on tax levies provided by other law.

244.19 **Subd. 3. Bonding limitations.** Bonds may be issued under authority of this section
244.20 notwithstanding any limitations upon the indebtedness of a district, and their amounts shall
244.21 not be included in computing the indebtedness of a district for any purpose, including the
244.22 issuance of subsequent bonds and the incurring of subsequent indebtedness.

244.23 **Subd. 4. Local approval required.** This section is effective for Independent School
244.24 District No. 696, Ely, the day after its governing body complies with Minnesota Statutes,
244.25 section 645.021, subdivision 3.

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

244.27 **Sec. 33. DEPARTMENT OF REVENUE FREE FILING REPORT.**

244.28 **(a)** By January 15, 2023, the commissioner of revenue must provide a written report to
244.29 the chairs and ranking minority members of the legislative committees with jurisdiction
244.30 over taxes. The report must comply with the requirements of Minnesota Statutes, sections
244.31 3.195 and 3.197, and must also provide information on free electronic filing options for
244.32 preparing and filing Minnesota individual income tax returns.

245.1 (b) The commissioner must survey tax preparation software vendors for information on
245.2 a free electronic preparation and filing option for taxpayers to file Minnesota individual
245.3 income tax returns. The survey must request information from vendors that addresses the
245.4 following concerns:

245.5 (1) system development, capability, security, and costs for consumer-based tax filing
245.6 software;

245.7 (2) costs per return that would be charged to the state of Minnesota to provide an
245.8 electronic individual income tax return preparation, submission, and payment remittance
245.9 process;

245.10 (3) providing customer service and issue resolution to taxpayers using the software;

245.11 (4) providing and maintaining an appropriate link between the Department of Revenue
245.12 and the Internal Revenue Service Modernized Electronic Filing Program;

245.13 (5) ensuring that taxpayer return information is maintained and protected as required by
245.14 Minnesota Statutes, chapters 13 and 270B, Internal Revenue Service Publication 1075, and
245.15 any other applicable requirements; and

245.16 (6) current availability of products for the free filing and submitting of both Minnesota
245.17 and federal returns offered to customers and the income thresholds for using those products.

245.18 (c) The report by the commissioner must include at a minimum:

245.19 (1) a review of options that other states use for state electronic filing;

245.20 (2) an assessment of taxpayer needs for electronic filing, including current filing practices;

245.21 (3) an analysis of alternative options to provide free filing, such as tax credits, vendor
245.22 incentives, or other benefits; and

245.23 (4) an analysis of the Internal Revenue Service Free File Program usage.

245.24 **Sec. 34. APPROPRIATION; DEPARTMENT OF REVENUE FREE FILING**
245.25 **REPORT.**

245.26 \$175,000 in fiscal year 2023 is appropriated from the general fund to the commissioner
245.27 of revenue for the free filing report required under section 33. This is a onetime appropriation.

ARTICLE 11

PARTNERSHIP TAXES

246.1

246.2

246.3 Section 1. Minnesota Statutes 2021 Supplement, section 289A.08, subdivision 7a, is
246.4 amended to read:

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

246.7 (1) "income" has the meaning given in subdivision 7, paragraph (j), modified by the
246.8 addition provided in section 290.0131, subdivision 5, and the subtraction provided in section
246.9 290.0132, subdivision 3, except that the provisions that apply to a partnership apply to a
246.10 qualifying entity and the provisions that apply to a partner apply to a qualifying owner. The
246.11 income of both a resident and nonresident qualifying owner is allocated and assigned to
246.12 this state as provided for nonresident partners and shareholders under sections 290.17,
246.13 290.191, and 290.20;

246.14 (2) "qualifying entity" means a partnership, limited liability company taxed as a
246.15 partnership or S corporation, or S corporation including a qualified subchapter S subsidiary
246.16 organized under section 1361(b)(3)(B) of the Internal Revenue Code. Qualifying entity does
246.17 not include a partnership, limited liability company, or corporation that has a partnership,
246.18 limited liability company other than a disregarded entity, or corporation as a partner, member,
246.19 or shareholder; and

246.20 (3) "qualifying owner" means:

246.21 (i) a resident or nonresident individual or estate that is a partner, member, or shareholder
246.22 of a qualifying entity; or

246.23 (ii) a resident or nonresident trust that is a shareholder of a qualifying entity that is an
246.24 S corporation.

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

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

246.31 (2) may only be made by qualifying owners who collectively hold more than a 50 percent
246.32 ownership interest in the qualifying entity;

247.1 (3) is binding on all qualifying owners who have an ownership interest in the qualifying
247.2 entity; and

247.3 (4) once made is irrevocable for the taxable year.

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

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

247.9 (1) nonbusiness deductions, standard deductions, or personal exemptions are not allowed;
247.10 and

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

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

247.15 (f) This subdivision does not negate the requirement that a qualifying owner pay estimated
247.16 tax if the qualifying owner's tax liability would exceed the requirements set forth in section
247.17 289A.25. The qualifying owner's liability to pay estimated tax on the qualifying owner's
247.18 tax liability as determined under paragraph (d) is, however, satisfied when the qualifying
247.19 entity pays estimated tax in the manner prescribed in section 289A.25 for composite estimated
247.20 tax.

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

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

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

247.30 (j) If a nonresident qualifying owner of a qualifying entity making the election to file
247.31 and pay the tax under this subdivision has no other Minnesota source income, filing of the
247.32 pass-through entity tax return is a return for purposes of subdivision 1, provided that the

248.1 nonresident qualifying owner must not have any Minnesota source income other than the
248.2 income from the qualifying entity, other electing qualifying entities, and other partnerships
248.3 electing to file a composite return under subdivision 7. If it is determined that the nonresident
248.4 qualifying owner has other Minnesota source income, the inclusion of the income and tax
248.5 liability for that owner under this provision will not constitute a return to satisfy the
248.6 requirements of subdivision 1. The tax paid for the qualifying owner as part of the
248.7 pass-through entity tax return is allowed as a payment of the tax by the qualifying owner
248.8 on the date on which the pass-through entity tax return payment was made.

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

248.11 Sec. 2. Minnesota Statutes 2021 Supplement, section 289A.382, subdivision 2, is amended
248.12 to read:

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

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

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

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

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

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

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

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

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

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

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

249.16 ARTICLE 12

249.17 SALES AND USE TAXES AND SPECIAL TAXES

249.18 Section 1. Minnesota Statutes 2020, section 296A.083, subdivision 3, is amended to read:

249.19 Subd. 3. **Surcharge rate.** (a) By ~~July 16, 2008, and each April 1 thereafter~~ May 1 each
 249.20 year, the commissioner of revenue shall calculate and publish a surcharge as provided in
 249.21 ~~paragraphs~~ paragraph (b) and (e). The surcharge is imposed ~~from August 1, 2008, through~~
 249.22 ~~June 30, 2009, and each new surcharge thereafter is imposed~~ the following beginning July
 249.23 1 of the year it is published through June 30 of the following year.

249.24 ~~(b) For fiscal years 2009 through 2012, the commissioner shall set the surcharge as~~
 249.25 ~~specified in the following surcharge rate schedule.~~

249.26 Surcharge Rate Schedule

249.27	Fiscal Year	Rate (in cents per gallon)
249.28	2009	0.5
249.29	2010	2.1
249.30	2011	2.5
249.31	2012	3.0

250.1 ~~(e) For fiscal year 2013 and thereafter,~~ (b) The commissioner shall set the surcharge at
 250.2 the lesser of (1) 3.5 cents, or (2) an amount calculated so that the total proceeds from the
 250.3 surcharge deposited in the trunk highway fund from fiscal year 2009 to the upcoming fiscal
 250.4 year equals the total amount of debt service from fiscal years 2009 to 2039, and the surcharge
 250.5 is rounded to the nearest 0.1 cent.

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

250.7 Sec. 2. Minnesota Statutes 2020, section 297A.61, subdivision 29, is amended to read:

250.8 Subd. 29. **State.** Unless specifically provided otherwise, "state" means any state of the
 250.9 United States, ~~the Commonwealth of Puerto Rico, and the District of Columbia,~~ and any
 250.10 territory of the United States, including American Samoa, Guam, Northern Mariana Islands,
 250.11 Puerto Rico, and the U.S. Virgin Islands.

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

250.13 ARTICLE 13

250.14 FIRE AND POLICE STATE AIDS

250.15 Section 1. Minnesota Statutes 2020, section 6.495, subdivision 3, is amended to read:

250.16 Subd. 3. ~~Report~~ **Reports to commissioner of revenue.** (a) On or before September 15,
 250.17 November 1, March 1, and June 1, the state auditor ~~shall~~ must file with the commissioner
 250.18 of revenue a financial compliance report certifying for each relief association:

250.19 (1) the completion of the annual financial report required under section 424A.014 and
 250.20 the auditing or certification of those financial reports under subdivision 1; and

250.21 (2) the receipt of any actuarial valuations required under section 424A.093 or Laws
 250.22 2013, chapter 111, article 5, sections 31 to 42.

250.23 (b) The commissioner of revenue shall prescribe the content, format, and manner of the
 250.24 financial compliance reports required by paragraph (a), pursuant to section 270C.30.

250.25 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 250.26 and thereafter.

250.27 Sec. 2. Minnesota Statutes 2020, section 477B.01, is amended by adding a subdivision to
 250.28 read:

250.29 Subd. 1a. **Apportionment agreement.** "Apportionment agreement" means an agreement
 250.30 between two or more fire departments that provide contracted fire protection service to the

251.1 same municipality and establishes the percentage of the population and the percentage of
 251.2 the estimated market value within the municipality serviced by each fire department.

251.3 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 251.4 and thereafter.

251.5 Sec. 3. Minnesota Statutes 2020, section 477B.01, subdivision 5, is amended to read:

251.6 Subd. 5. **Fire department.** (a) "Fire department" ~~includes~~ means:

251.7 (1) a municipal fire department and;

251.8 (2) an independent nonprofit firefighting corporation;

251.9 (3) a fire department established as or operated by a joint powers entity; or

251.10 (4) a fire protection special taxing district established under chapter 144F or special law.

251.11 (b) This subdivision only applies to this chapter.

251.12 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 251.13 and thereafter.

251.14 Sec. 4. Minnesota Statutes 2020, section 477B.01, is amended by adding a subdivision to
 251.15 read:

251.16 Subd. 7a. **Joint powers entity.** "Joint powers entity" means a joint powers entity created
 251.17 under section 471.59.

251.18 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 251.19 and thereafter.

251.20 Sec. 5. Minnesota Statutes 2020, section 477B.01, subdivision 10, is amended to read:

251.21 Subd. 10. **Municipality.** (a) "Municipality" means:

251.22 (1) a home rule charter or statutory city;

251.23 (2) an organized town;

251.24 (3) ~~a park district subject to chapter 398~~ a joint powers entity;

251.25 (4) ~~the University of Minnesota~~ a fire protection special taxing district; and or

251.26 (5) an American Indian tribal government entity located within a federally recognized
 251.27 American Indian reservation.

251.28 (b) This subdivision only applies to this chapter ~~477B~~.

252.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 252.2 and thereafter.

252.3 Sec. 6. Minnesota Statutes 2020, section 477B.01, subdivision 11, is amended to read:

252.4 Subd. 11. **Secretary.** (a) "Secretary" means:

252.5 (1) the secretary of an independent nonprofit firefighting corporation that has a subsidiary
 252.6 incorporated firefighters' relief association or whose firefighters participate in the statewide
 252.7 volunteer firefighter plan; or

252.8 (2) the secretary of a joint powers entity or fire protection special taxing district or, if
 252.9 there is no such person, the person primarily responsible for managing the finances of a
 252.10 joint powers entity or fire protection special taxing district.

252.11 (b) This subdivision only applies to this chapter.

252.12 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 252.13 and thereafter.

252.14 Sec. 7. Minnesota Statutes 2020, section 477B.02, subdivision 2, is amended to read:

252.15 Subd. 2. **Establishment of fire department.** (a) An independent nonprofit firefighting
 252.16 corporation must be created under the nonprofit corporation act of this state operating for
 252.17 the exclusive purpose of firefighting, or the governing body of a municipality must officially
 252.18 establish a fire department.

252.19 (b) The fire department must have provided firefighting services for at least one calendar
 252.20 year, and must have a current fire department identification number issued by the state fire
 252.21 marshal.

252.22 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 252.23 and thereafter.

252.24 Sec. 8. Minnesota Statutes 2020, section 477B.02, subdivision 3, is amended to read:

252.25 Subd. 3. ~~Personnel and Benefits requirements.~~ ~~(a) A fire department must have a~~
 252.26 ~~minimum of ten paid or volunteer firefighters, including a fire chief and assistant fire chief.~~

252.27 ~~(b) The fire department must have regular scheduled meetings and frequent drills that~~
 252.28 ~~include instructions in firefighting tactics and in the use, care, and operation of all fire~~
 252.29 ~~apparatus and equipment.~~

253.1 ~~(e)~~ (a) The fire department must have a separate subsidiary incorporated firefighters'
 253.2 relief association that provides retirement benefits or must participate in the statewide
 253.3 volunteer firefighter plan; or if the municipality solely employs full-time firefighters as
 253.4 defined in section 299N.03, subdivision 5, retirement coverage must be provided by the
 253.5 public employees police and fire retirement plan. For purposes of retirement benefits, a fire
 253.6 department may be associated with only one volunteer firefighters' relief association or one
 253.7 account in the voluntary statewide volunteer firefighter retirement plan at one time.

253.8 ~~(d)~~ (b) Notwithstanding paragraph ~~(e)~~ (a), a municipality without a relief association as
 253.9 described under section 424A.08, paragraph (a), may still qualify to receive fire state aid if
 253.10 all other requirements of this section are met.

253.11 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 253.12 and thereafter.

253.13 Sec. 9. Minnesota Statutes 2020, section 477B.02, is amended by adding a subdivision to
 253.14 read:

253.15 **Subd. 4a. Public safety answering point requirement.** The fire department must be
 253.16 dispatched by a public safety answering point as defined in section 403.02, subdivision 19.

253.17 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 253.18 and thereafter.

253.19 Sec. 10. Minnesota Statutes 2020, section 477B.02, subdivision 5, is amended to read:

253.20 **Subd. 5. Fire service contract or agreement; apportionment agreement filing**
 253.21 **requirement requirements.** (a) Every municipality or independent nonprofit firefighting
 253.22 corporation must file a copy of any duly executed and valid fire service contract or agreement
 253.23 with the commissioner (1) a copy of any duly executed and valid fire service contracts, (2)
 253.24 written notification of any fire service contract terminations, and (3) written notification of
 253.25 any dissolution of a fire department, within 60 days of contract execution or termination,
 253.26 or department dissolution.

253.27 (b) If more than one fire department provides service to a municipality, the fire
 253.28 departments furnishing service must enter into an agreement apportioning among themselves
 253.29 the percentage of the population and the percentage of the estimated market value of each
 253.30 shared service fire department service area. The agreement must be in writing and must be
 253.31 filed file an apportionment agreement with the commissioner.

254.1 (c) When a municipality is a joint powers entity, it must file its joint powers agreement
254.2 with the commissioner. If the joint powers agreement does not include sufficient information
254.3 defining the fire department service area of the joint powers entity for the purposes of
254.4 calculating fire state aid, the secretary must file a written statement with the commissioner
254.5 defining the fire department service area.

254.6 (d) When a municipality is a fire protection special taxing district, it must file its
254.7 resolution establishing the fire protection special taxing district, and any agreements required
254.8 for the establishment of the fire protection special taxing district, with the commissioner.
254.9 If the resolution or agreement does not include sufficient information defining the fire
254.10 department service area of the fire protection special taxing district, the secretary must file
254.11 a written statement with the commissioner defining the fire department service area.

254.12 (e) The commissioner shall prescribe the content, format, and manner of the notifications,
254.13 apportionment agreements, and written statements under paragraphs (a) to (d), pursuant to
254.14 section 270C.30, except that copies of fire service contracts, joint powers agreements, and
254.15 resolutions establishing fire protection special taxing districts shall be filed in their existing
254.16 form.

254.17 (f) A document filed with the commissioner under this subdivision must be refiled any
254.18 time it is updated within 60 days of the update. An apportionment agreement must be refiled
254.19 only when a change in the averaged sum of the percentage of population and percentage of
254.20 estimated market value serviced by a fire department subject to the apportionment agreement
254.21 is at least one percent. The percentage amount must be rounded to the nearest whole
254.22 percentage.

254.23 (g) Upon the request of the commissioner, the county auditor must provide information
254.24 that the commissioner requires to accurately apportion the estimated market value of a fire
254.25 department service area for a fire department providing service to an unorganized territory
254.26 located in the county.

254.27 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
254.28 and thereafter.

254.29 Sec. 11. Minnesota Statutes 2020, section 477B.02, subdivision 8, is amended to read:

254.30 Subd. 8. **PERA certification to commissioner.** On or before February 1 each year, if
254.31 ~~retirement coverage for a fire department is provided by the statewide volunteer firefighter~~
254.32 ~~plan,~~ the executive director of the Public Employees Retirement Association must certify
254.33 ~~the existence of retirement coverage.~~ to the commissioner the fire departments that transferred

255.1 retirement coverage to, or terminated participation in, the voluntary statewide volunteer
 255.2 firefighter retirement plan since the previous certification under this paragraph. This
 255.3 certification must include the number of active volunteer firefighters under section 477B.03,
 255.4 subdivision 5, paragraph (e).

255.5 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 255.6 and thereafter.

255.7 Sec. 12. Minnesota Statutes 2020, section 477B.02, subdivision 9, is amended to read:

255.8 Subd. 9. **Fire department certification to commissioner.** On or before March 15 of
 255.9 each year, the municipal clerk or the secretary, ~~and the fire chief,~~ must jointly certify to the
 255.10 commissioner ~~that the fire department exists and meets the qualification requirements of~~
 255.11 ~~this section~~ the fire department service area as of December 31 of the previous year, and
 255.12 that the fire department meets the qualification requirements of this section. The municipal
 255.13 clerk or the secretary must provide the commissioner with documentation that the
 255.14 commissioner deems necessary for determining eligibility for fire state aid or for calculating
 255.15 and apportioning fire state aid under section 477B.03. The commissioner shall prescribe
 255.16 the content, format, and manner of the certification ~~must be on a form prescribed by the~~
 255.17 ~~commissioner and must include all other information that the commissioner requires pursuant~~
 255.18 to section 270C.30. The municipal clerk or the secretary must send a copy of the certification
 255.19 filed under this subdivision to the fire chief within five business days of the date the
 255.20 certification was filed with the commissioner.

255.21 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 255.22 and thereafter.

255.23 Sec. 13. Minnesota Statutes 2020, section 477B.03, subdivision 2, is amended to read:

255.24 Subd. 2. **Apportionment of fire state aid.** (a) The amount of fire state aid available for
 255.25 apportionment, before the addition of the minimum fire state aid allocation amount under
 255.26 subdivision 5, is equal to 107 percent of the amount of premium taxes paid to the state upon
 255.27 the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the
 255.28 commissioner by companies or insurance companies on the Minnesota Fire Premium Report,
 255.29 except that credits claimed under section 297I.20, subdivisions 3, 4, and 5, do not affect the
 255.30 calculation of the amount of fire state aid available for apportionment. This amount must
 255.31 be reduced by the amount required to pay the state auditor's costs and expenses of the audits
 255.32 or exams of the firefighters' relief associations.

256.1 (b) The total amount available for apportionment must not be less than two percent of
 256.2 the premiums less return premiums reported to the commissioner by companies or insurance
 256.3 companies on the Minnesota Fire Premium Report after subtracting the following amounts:

256.4 (1) the amount required to pay the state auditor's costs and expenses of the audits or
 256.5 exams of the firefighters' relief associations; and

256.6 (2) one percent of the premiums reported by township mutual insurance companies and
 256.7 mutual property and casualty companies with total assets of \$5,000,000 or less.

256.8 (c) The commissioner must apportion the fire state aid to each municipality or independent
 256.9 nonprofit firefighting corporation qualified under section 477B.02 relative to the premiums
 256.10 reported on the Minnesota Fire Premium Reports filed under this chapter.

256.11 (d) The commissioner must calculate the percentage of increase or decrease reflected in
 256.12 the apportionment over or under the previous year's available state aid using the same
 256.13 premiums as a basis for comparison.

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

256.15 Sec. 14. Minnesota Statutes 2020, section 477B.03, subdivision 3, is amended to read:

256.16 Subd. 3. **Population and estimated market value.** (a) ~~Official statewide federal census~~
 256.17 ~~figures~~ The most recent population estimates made by the state demographer pursuant to
 256.18 section 4A.02, paragraph (d), must be used in calculations requiring the use of population
 256.19 figures under this chapter. ~~Increases or decreases in population disclosed by reason of any~~
 256.20 ~~special census must not be taken into consideration.~~

256.21 (b) The ~~latest available~~ estimated market value property figures for the assessment year
 256.22 immediately preceding the year the aid is distributed must be used in calculations requiring
 256.23 the use of estimated market value property figures under this chapter.

256.24 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 256.25 and thereafter.

256.26 Sec. 15. Minnesota Statutes 2020, section 477B.03, subdivision 4, is amended to read:

256.27 Subd. 4. **Initial fire state aid allocation amount.** (a) The initial fire state aid allocation
 256.28 amount is the amount available for apportionment as fire state aid under subdivision 2,
 256.29 without the inclusion of any additional funding amount to support a minimum fire state aid
 256.30 amount under section 423A.02, subdivision 3. The initial fire state aid allocation amount
 256.31 is allocated one-half in proportion to the population for each fire department service area

257.1 and one-half in proportion to the estimated market value of each fire department service
257.2 area, including (1) the estimated market value of tax-exempt property, and (2) the estimated
257.3 market value of natural resources lands receiving in lieu payments under sections 477A.11
257.4 to 477A.14 and 477A.17. The estimated market value of minerals is excluded.

257.5 (b) In the case of a municipality or independent nonprofit firefighting corporation
257.6 furnishing fire protection to other municipalities as evidenced by valid fire service contracts,
257.7 joint powers agreements, resolutions, and other supporting documents filed with the
257.8 commissioner under section 477B.02, subdivision 5, the distribution must be adjusted
257.9 proportionately to take into consideration the crossover fire protection service. Necessary
257.10 adjustments must be made to subsequent apportionments.

257.11 (c) In the case of municipalities or independent nonprofit firefighting corporations
257.12 qualifying for aid, the commissioner must calculate the state aid for the municipality or
257.13 independent nonprofit firefighting corporation on the basis of the population and the estimated
257.14 market value of the area furnished fire protection service by the fire department as evidenced
257.15 by valid fire service agreements contracts, joint powers agreements, resolutions, and other
257.16 supporting documents filed with the commissioner under section 477B.02, subdivision 5.

257.17 (d) In the case of more than one fire department furnishing contracted fire service to a
257.18 municipality, the population and estimated market value in the apportionment agreement
257.19 filed with the commissioner under section 477B.02, subdivision 5, must be used in calculating
257.20 the state aid.

257.21 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
257.22 and thereafter.

257.23 Sec. 16. Minnesota Statutes 2020, section 477B.03, subdivision 5, is amended to read:

257.24 Subd. 5. **Minimum fire state aid allocation amount.** (a) The minimum fire state aid
257.25 allocation amount is the amount derived from any additional funding amount to support a
257.26 minimum fire state aid amount under section 423A.02, subdivision 3. The minimum fire
257.27 state aid allocation amount is allocated to municipalities or independent nonprofit firefighting
257.28 corporations with volunteer firefighters' relief associations or covered by the statewide
257.29 volunteer firefighter plan. The amount is based on the number of active volunteer firefighters
257.30 who are (1) members of the relief association as reported to the Office of the State Auditor
257.31 in a specific annual financial reporting year as specified in paragraphs (b) to (d), or (2)
257.32 covered by the statewide volunteer firefighter plan as specified in paragraph (e).

258.1 (b) For relief associations established in calendar year 1993 or a prior year, the number
 258.2 of active volunteer firefighters equals the number of active volunteer firefighters who were
 258.3 members of the relief association as reported in the annual financial reporting for calendar
 258.4 year 1993, but not to exceed 30 active volunteer firefighters.

258.5 (c) For relief associations established in calendar year 1994 through calendar year 1999,
 258.6 the number of active volunteer firefighters equals the number of active volunteer firefighters
 258.7 who were members of the relief association as reported in the annual financial reporting for
 258.8 calendar year 1998 to the Office of the State Auditor, but not to exceed 30 active volunteer
 258.9 firefighters.

258.10 (d) For relief associations established after calendar year 1999, the number of active
 258.11 volunteer firefighters equals the number of active volunteer firefighters who are members
 258.12 of the relief association as reported in the first annual financial reporting submitted to the
 258.13 Office of the State Auditor, but not to exceed 20 active volunteer firefighters.

258.14 (e) ~~If a relief association is terminated as a result of~~ For a municipality or independent
 258.15 nonprofit firefighting corporation that is providing retirement coverage for volunteer
 258.16 firefighters by the statewide volunteer firefighter plan under chapter 353G, the number of
 258.17 active volunteer firefighters equals the number of active volunteer firefighters of the
 258.18 municipality or independent nonprofit firefighting corporation covered by the statewide
 258.19 plan as certified by the executive director of the Public Employees Retirement Association
 258.20 to the commissioner and the state auditor by February 1 immediately following the date the
 258.21 municipality or independent nonprofit firefighting corporation begins coverage in the plan,
 258.22 but not to exceed 30 active firefighters.

258.23 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 258.24 and thereafter.

258.25 Sec. 17. Minnesota Statutes 2020, section 477B.03, subdivision 7, is amended to read:

258.26 Subd. 7. **Appeal.** A municipality, an independent nonprofit firefighting corporation, a
 258.27 fire relief association, or the statewide volunteer firefighter plan may object to the amount
 258.28 of fire state aid apportioned to it by filing a written request with the commissioner to review
 258.29 and adjust the apportionment of funds within the state. The objection of a municipality, an
 258.30 independent nonprofit firefighting corporation, a fire relief association, or the voluntary
 258.31 statewide volunteer firefighter retirement plan must be filed with the commissioner within
 258.32 60 days of the date the amount of apportioned fire state aid is paid. The decision of the
 258.33 commissioner is subject to appeal, review, and adjustment by the district court in the county
 258.34 in which the applicable municipality or independent nonprofit firefighting corporation is

259.1 located or by the Ramsey County District Court with respect to the statewide volunteer
259.2 firefighter plan.

259.3 EFFECTIVE DATE. This section is effective for aids payable in calendar year 2023
259.4 and thereafter.

259.5 Sec. 18. Minnesota Statutes 2020, section 477B.04, subdivision 1, is amended to read:

259.6 Subdivision 1. **Payments.** (a) The commissioner must make payments to the Public
259.7 Employees Retirement Association for deposit in the statewide volunteer firefighter fund
259.8 on behalf of a municipality or independent nonprofit firefighting corporation that is a member
259.9 of the statewide volunteer firefighter plan under chapter 353G, ~~or directly to a municipality~~
259.10 ~~or county designated by an independent nonprofit firefighting corporation.~~ The commissioner
259.11 must directly pay all other municipalities qualifying for fire state aid, except as provided in
259.12 paragraph (d). The payment is equal to the amount of fire state aid apportioned to the
259.13 applicable fire state aid recipient under section 477B.03.

259.14 (b) Fire state aid is payable on October 1 annually. The amount of state aid due and not
259.15 paid by October 1 accrues interest payable to the recipient at the rate of one percent for each
259.16 month or part of a month that the amount remains unpaid after October 1.

259.17 (c) If the commissioner of revenue does not receive a financial compliance report
259.18 described in section 6.495, subdivision 3, for a relief association, the amount of fire state
259.19 aid apportioned to a municipality or independent nonprofit firefighting corporation under
259.20 section 477B.03 for that relief association must be withheld from payment to the Public
259.21 Employees Retirement Association or the municipality. The commissioner of revenue must
259.22 issue a withheld payment within ten business days of receipt of a financial compliance report
259.23 under section 6.495, subdivision 3. The interest under paragraph (b) does not apply ~~when~~
259.24 ~~to a payment has not been made by October 1 due to noncompliance with sections 424A.014~~
259.25 ~~and 477B.02, subdivision 7~~ withheld under this paragraph.

259.26 (d) The commissioner must make payments directly to the largest municipality in
259.27 population located within any area included in a joint powers entity that does not have a
259.28 designated agency under section 471.59, subdivision 3, or within the fire department service
259.29 area of an eligible independent nonprofit firefighting corporation. If there is no city or town
259.30 within the fire department service area of an eligible independent nonprofit firefighting
259.31 corporation, fire state aid must be paid to the county where the independent nonprofit
259.32 firefighting corporation is located.

260.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
260.2 and thereafter.

260.3 Sec. 19. Minnesota Statutes 2020, section 477B.04, is amended by adding a subdivision
260.4 to read:

260.5 Subd. 4. **Aid amount corrections.** (a) An adjustment needed to correct a fire state aid
260.6 overpayment or underpayment due to a clerical error must be made to subsequent fire state
260.7 aid payments as provided in paragraphs (b) and (c). The authority to correct an aid payment
260.8 under this subdivision is limited to three years after the payment was issued.

260.9 (b) If an overpayment equals more than ten percent of the most recently paid aid amount,
260.10 the commissioner must reduce the aid a municipality or independent nonprofit firefighting
260.11 corporation is to receive by the amount overpaid over a period of no more than three years.
260.12 If an overpayment equals or is less than ten percent of the most recently paid aid amount,
260.13 the commissioner must reduce the next aid payment occurring in 30 days or more by the
260.14 amount overpaid.

260.15 (c) In the event of an underpayment, the commissioner must distribute the amount of
260.16 underpaid funds to the municipality or independent nonprofit firefighting corporation over
260.17 a period of no more than three years. An additional distribution to a municipality or
260.18 independent nonprofit firefighting corporation must be paid from the general fund and must
260.19 not diminish the payments made to other municipalities or independent nonprofit firefighting
260.20 corporations under this chapter.

260.21 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
260.22 and thereafter.

260.23 Sec. 20. Minnesota Statutes 2020, section 477C.03, subdivision 2, is amended to read:

260.24 Subd. 2. **Apportionment of police state aid.** (a) The total amount available for
260.25 apportionment as police state aid is equal to 104 percent of the amount of premium taxes
260.26 paid to the state on the premiums reported to the commissioner by companies or insurance
260.27 companies on the Minnesota Aid to Police Premium Report, except that credits claimed
260.28 under section 297I.20, subdivisions 3, 4, and 5, do not affect the calculation of the total
260.29 amount of police state aid available for apportionment. The total amount for apportionment
260.30 for the police state aid program must not be less than two percent of the amount of premiums
260.31 reported to the commissioner by companies or insurance companies on the Minnesota Aid
260.32 to Police Premium Report.

261.1 (b) The commissioner must calculate the percentage of increase or decrease reflected in
 261.2 the apportionment over or under the previous year's available state aid using the same
 261.3 premiums as a basis for comparison.

261.4 (c) In addition to the amount for apportionment of police state aid under paragraph (a),
 261.5 each year \$100,000 must be apportioned for police state aid. An amount sufficient to pay
 261.6 this increase is annually appropriated from the general fund.

261.7 (d) The commissioner must apportion police state aid to all municipalities in proportion
 261.8 to the relationship that the total number of peace officers employed by that municipality for
 261.9 the prior calendar year and the proportional or fractional number who were employed less
 261.10 than a calendar year as credited under section 477C.02, subdivision 1, paragraph (c), bears
 261.11 to the total number of peace officers employed by all municipalities subject to any reduction
 261.12 under subdivision 3.

261.13 ~~(e) Any necessary additional adjustments must be made to subsequent police state aid~~
 261.14 ~~apportionments.~~

261.15 **EFFECTIVE DATE.** (a) The amendment to paragraph (a) is effective the day following
 261.16 final enactment.

261.17 (b) The amendment striking paragraph (e) is effective for aids payable in calendar year
 261.18 2023 and thereafter.

261.19 Sec. 21. Minnesota Statutes 2020, section 477C.03, subdivision 5, is amended to read:

261.20 Subd. 5. **Appeal.** A municipality may object to the amount of police state aid apportioned
 261.21 to it by filing a written request with the commissioner to review and adjust the apportionment
 261.22 of funds to the municipality. The objection of a municipality must be filed with the
 261.23 commissioner within 60 days of the date the amount of apportioned police state aid is paid.
 261.24 The decision of the commissioner is subject to appeal, review, and adjustment by the district
 261.25 court in the county in which the applicable municipality is located or by the Ramsey County
 261.26 District Court with respect to the Departments of Natural Resources or Public Safety.

261.27 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 261.28 and thereafter.

261.29 Sec. 22. Minnesota Statutes 2020, section 477C.04, is amended by adding a subdivision
 261.30 to read:

261.31 **Subd. 4. Aid amount corrections.** (a) An adjustment needed to correct a police state
 261.32 aid overpayment or underpayment due to a clerical error must be made to subsequent police

262.1 state aid payments as provided in paragraphs (b) and (c). The authority to correct an aid
 262.2 payment under this subdivision is limited to three years after the payment was issued.

262.3 (b) If an overpayment equals more than ten percent of the most recently paid aid amount,
 262.4 the commissioner must reduce the aid a municipality is to receive by the amount overpaid
 262.5 over a period of no more than three years. If an overpayment equals or is less than ten
 262.6 percent of the most recently paid aid amount, the commissioner must reduce the next aid
 262.7 payment occurring in 30 days or more by the amount overpaid.

262.8 (c) In the event of an underpayment, the commissioner must distribute the amount of
 262.9 underpaid funds to the municipality over a period of no more than three years. An additional
 262.10 distribution to a municipality must be paid from the general fund and must not diminish the
 262.11 payments made to other municipalities under this chapter.

262.12 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 262.13 and thereafter.

262.14 Sec. 23. **REPEALER.**

262.15 Minnesota Statutes 2020, sections 477B.02, subdivision 4; and 477B.03, subdivision 6,
 262.16 are repealed.

262.17 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2023
 262.18 and thereafter.

262.19

ARTICLE 14

262.20

MISCELLANEOUS TAX PROVISIONS

262.21 Section 1. Minnesota Statutes 2020, section 290A.03, subdivision 13, is amended to read:

262.22 Subd. 13. **Property taxes payable.** "Property taxes payable" means the property tax
 262.23 exclusive of special assessments, penalties, and interest payable on a claimant's homestead
 262.24 after deductions made under sections 273.135, 273.1384, 273.1391, 273.42, subdivision 2,
 262.25 and any other state paid property tax credits in any calendar year, and after any refund
 262.26 claimed and allowable under section 290A.04, subdivision 2h, that is first payable in the
 262.27 year that the property tax is payable. In the case of a claimant who makes ground lease
 262.28 payments, "property taxes payable" includes the amount of the payments directly attributable
 262.29 to the property taxes assessed against the parcel on which the house is located. Regardless
 262.30 of the limitations in section 280A(c)(5) of the Internal Revenue Code, "property taxes
 262.31 payable" must be apportioned or reduced for the use of a portion of the claimant's homestead
 262.32 for a business purpose if the claimant deducts any business depreciation expenses for the

263.1 use of a portion of the homestead or deducts expenses under section 280A of the Internal
263.2 Revenue Code for a business operated in the claimant's homestead. For homesteads which
263.3 are manufactured homes as defined in section 273.125, subdivision 8, including manufactured
263.4 homes located in a manufactured home community owned by a cooperative organized under
263.5 chapter 308A or 308B, and park trailers taxed as manufactured homes under section 168.012,
263.6 subdivision 9, "property taxes payable" shall also include 17 percent of the gross rent paid
263.7 in the preceding year for the site on which the homestead is located. When a homestead is
263.8 owned by two or more persons as joint tenants or tenants in common, such tenants shall
263.9 determine between them which tenant may claim the property taxes payable on the
263.10 homestead. If they are unable to agree, the matter shall be referred to the commissioner of
263.11 revenue whose decision shall be final. Property taxes are considered payable in the year
263.12 prescribed by law for payment of the taxes.

263.13 In the case of a claim relating to "property taxes payable," the claimant must have owned
263.14 and occupied the homestead on January 2 of the year in which the tax is payable and (i) the
263.15 property must have been classified as homestead property pursuant to section 273.124, on
263.16 or before December ~~15~~ 31 of the assessment year to which the "property taxes payable"
263.17 relate; or (ii) the claimant must provide documentation from the local assessor that application
263.18 for homestead classification has been made on or before December ~~15~~ 31 of the year in
263.19 which the "property taxes payable" were payable and that the assessor has approved the
263.20 application.

263.21 **EFFECTIVE DATE.** This section is effective for refund claims based on property taxes
263.22 payable in 2022 and thereafter.

263.23 Sec. 2. Minnesota Statutes 2020, section 290A.19, is amended to read:

263.24 **290A.19 OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE.**

263.25 (a) The owner or managing agent of any property for which rent is paid for occupancy
263.26 as a homestead must furnish a certificate of rent paid to a person who is a renter on December
263.27 31, in the form prescribed by the commissioner. If the renter moves before December 31,
263.28 the owner or managing agent may give the certificate to the renter at the time of moving,
263.29 or mail the certificate to the forwarding address if an address has been provided by the
263.30 renter. The certificate must be made available to the renter before February 1 of the year
263.31 following the year in which the rent was paid. The owner or managing agent must retain a
263.32 duplicate of each certificate or an equivalent record showing the same information for a
263.33 period of three years. The duplicate or other record must be made available to the
263.34 commissioner upon request.

264.1 (b) The commissioner may require the owner or managing agent, through a simple
 264.2 process, to furnish to the commissioner on or before March 1 a copy of each certificate of
 264.3 rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe
 264.4 the content, format, and manner of the form pursuant to section 270C.30. The commissioner
 264.5 may require the Social Security number, individual taxpayer identification number, federal
 264.6 employer identification number, or Minnesota taxpayer identification number of the owner
 264.7 or managing agent who is required to furnish a certificate of rent paid under this paragraph.
 264.8 Prior to implementation, the commissioner, after consulting with representatives of owners
 264.9 or managing agents, shall develop an implementation and administration plan for the
 264.10 requirements of this paragraph that attempts to minimize financial burdens, administration
 264.11 and compliance costs, and takes into consideration existing systems of owners and managing
 264.12 agents.

264.13 (c) For the purposes of this section, "owner" includes a park owner as defined under
 264.14 section 327C.01, subdivision 6, and "property" includes a lot as defined under section
 264.15 327C.01, subdivision 3.

264.16 **EFFECTIVE DATE.** This section is effective for refund claims based on rent paid in
 264.17 2022 and thereafter."

264.18 Delete the title and insert:

264.19 "A bill for an act

264.20 relating to taxation; modifying provisions governing individual income and
 264.21 corporate franchise taxes, sales and use taxes, property taxes, certain state aid
 264.22 programs, certain local taxes, tax increment financing, and various other taxes and
 264.23 tax-related provisions; providing for certain federal tax conformity; modifying
 264.24 and proposing certain income tax credits and subtractions; providing for certain
 264.25 sales tax exemptions; modifying property tax refunds and programs; proposing
 264.26 additional local government aid programs; authorizing certain tax increment
 264.27 financing; authorizing certain local taxes; converting the renter's property tax
 264.28 refund into a refundable individual income tax credit; requiring reports;
 264.29 appropriating money; amending Minnesota Statutes 2020, sections 6.495,
 264.30 subdivision 3; 38.27, subdivision 4; 41B.0391, subdivisions 1, 2, 4; 123B.595,
 264.31 subdivision 3; 123B.61; 126C.40, subdivision 1; 270A.03, subdivision 2; 270B.12,
 264.32 subdivision 8; 270C.11, by adding a subdivision; 272.01, subdivision 2; 272.02,
 264.33 subdivisions 24, 98, by adding subdivisions; 273.124, subdivisions 3a, 6, 13a, 13c,
 264.34 13d; 273.1245, subdivision 1; 273.13, subdivision 35; 273.1315, subdivision 2;
 264.35 273.1387, subdivision 2; 273.41; 279.03, subdivision 1a; 282.261, subdivision 2;
 264.36 287.12; 287.29; 287.31, subdivision 3; 289A.02, subdivision 7; 289A.38,
 264.37 subdivision 4; 289A.56, subdivision 6; 289A.60, subdivision 12; 290.0131, by
 264.38 adding subdivisions; 290.0132, subdivisions 18, 21, 26, by adding subdivisions;
 264.39 290.0133, by adding a subdivision; 290.0134, by adding a subdivision; 290.067;
 264.40 290.0674, subdivision 2; 290.0681, subdivisions 2, 3, 4; 290.0685, subdivision 1,
 264.41 by adding a subdivision; 290.091, subdivision 2; 290.095, subdivision 11; 290A.02;
 264.42 290A.03, subdivisions 6, 8, 12, 13, 15; 290A.04, subdivisions 1, 2, 2h, 4; 290A.05;
 264.43 290A.07, subdivision 2a; 290A.08; 290A.09; 290A.091; 290A.13; 290A.19;
 264.44 290A.25; 290B.03, subdivision 1; 290B.04, subdivisions 3, 4; 290B.05, subdivision
 264.45 1; 291.005, subdivision 1; 296A.083, subdivision 3; 297A.61, subdivisions 12,

265.1 29; 297A.68, subdivision 25, by adding subdivisions; 297A.70, subdivision 21;
 265.2 297A.71, subdivision 51, by adding subdivisions; 297A.94; 297A.99, subdivisions
 265.3 1, 3; 297H.13, subdivision 2; 298.28, subdivisions 7a, 9b; 366.095, subdivision
 265.4 1; 373.01, subdivision 3; 383B.117, subdivision 2; 410.32; 412.301; 462A.05,
 265.5 subdivision 24; 462A.38; 469.174, subdivision 14, by adding a subdivision;
 265.6 469.176, subdivisions 3, 4; 469.1763, subdivision 6; 469.1771, subdivisions 2, 2a,
 265.7 3; 477A.011, subdivision 34, by adding subdivisions; 477A.0124, subdivision 2;
 265.8 477A.013, subdivisions 8, 9; 477A.015; 477A.03, subdivision 2a; 477A.12,
 265.9 subdivisions 1, 3, by adding a subdivision; 477B.01, subdivisions 5, 10, 11, by
 265.10 adding subdivisions; 477B.02, subdivisions 2, 3, 5, 8, 9, by adding a subdivision;
 265.11 477B.03, subdivisions 2, 3, 4, 5, 7; 477B.04, subdivision 1, by adding a subdivision;
 265.12 477C.03, subdivisions 2, 5; 477C.04, by adding a subdivision; Minnesota Statutes
 265.13 2021 Supplement, sections 16A.152, subdivision 2; 116J.8737, subdivision 5;
 265.14 116U.27, subdivisions 1, 2; 126C.10, subdivision 2e; 272.0295, subdivision 2;
 265.15 273.11, subdivision 12; 273.124, subdivisions 13, 14; 273.13, subdivisions 23, 25,
 265.16 34; 289A.08, subdivisions 7, 7a; 289A.382, subdivision 2; 290.01, subdivisions
 265.17 19, 31; 290.06, subdivisions 2c, 22; 290.0671, subdivision 1; 290.0681, subdivision
 265.18 10; 290.0682, by adding subdivisions; 290.993; 290A.03, subdivision 3; 297A.71,
 265.19 subdivision 52; 297A.75, subdivisions 1, 2, 3; 297A.99, subdivision 2; 297F.09,
 265.20 subdivision 10; 297G.09, subdivision 9; 469.1763, subdivisions 2, 3, 4; 477A.03,
 265.21 subdivision 2b; Laws 1998, chapter 389, article 8, section 43, as amended; Laws
 265.22 2003, chapter 127, article 10, section 31, subdivision 1, as amended; Laws 2006,
 265.23 chapter 259, article 11, section 3, as amended; Laws 2008, chapter 366, article 7,
 265.24 section 17; Laws 2011, First Special Session chapter 7, article 4, section 14; Laws
 265.25 2014, chapter 308, article 6, section 12, subdivision 2; Laws 2017, First Special
 265.26 Session chapter 1, article 3, section 26; Laws 2019, First Special Session chapter
 265.27 6, article 6, section 25; Laws 2021, First Special Session chapter 14, article 8,
 265.28 sections 5; 7; proposing coding for new law in Minnesota Statutes, chapters 240A;
 265.29 290; 477A; proposing coding for new law as Minnesota Statutes, chapter 428B;
 265.30 repealing Minnesota Statutes 2020, sections 6.91; 290.0674, subdivision 2a;
 265.31 290A.03, subdivisions 9, 11; 290A.04, subdivisions 2a, 5; 290A.23, subdivision
 265.32 1; 327C.01, subdivision 13; 327C.16; 477A.011, subdivisions 30a, 38, 42, 45;
 265.33 477A.013, subdivision 13; 477B.02, subdivision 4; 477B.03, subdivision 6;
 265.34 Minnesota Statutes 2021 Supplement, section 290.0111."