

1.1 A bill for an act

1.2 relating to financing and operation of state and local government; providing

1.3 conformity and nonconformity to certain federal tax law changes; modifying

1.4 individual income and corporate franchise taxes, estate taxes, sales and use taxes,

1.5 special and excise taxes, property taxes, local government aids, provisions related

1.6 to local taxes, tax increment financing, and public finance, and other miscellaneous

1.7 taxes and tax provisions; modifying indexing provisions; changing the starting

1.8 point for state individual income tax calculation from federal taxable income to

1.9 federal adjusted gross income; providing for various individual and corporate

1.10 additions and subtractions to income; modifying certain allowances and adjustments

1.11 to income; modifying individual income tax brackets; modifying certain income

1.12 tax credits; modifying and allowing certain exemptions from sales and use taxes;

1.13 establishing property tax exemptions; modifying agricultural homestead provisions;

1.14 modifying state general levy; modifying expiration and termination of agricultural

1.15 preserves; allowing certain refunds for disabled veterans; modifying certain

1.16 deadlines; modifying referendum equalization levy; phasing out school building

1.17 bond agricultural credit; modifying aid and providing grants to cities and counties;

1.18 modifying approval requirements for certain local sales taxes; modifying and

1.19 authorizing certain local sales taxes; requiring reports; appropriating money;

1.20 amending Minnesota Statutes 2018, sections 6.495, subdivision 3; 37.31,

1.21 subdivision 1; 38.27, by adding a subdivision; 103D.905, subdivisions 5, 9;

1.22 103E.611, subdivision 2; 116J.8737, subdivisions 1, 2, 3, 4, 5, 6, 12; 123B.595,

1.23 subdivision 5; 126C.17, subdivision 6; 138.053; 144E.42, subdivision 2; 162.145,

1.24 subdivision 3; 197.603, subdivision 2; 256J.02, subdivision 2; 270A.03, subdivision

1.25 5; 270B.08, subdivision 2; 270C.57; 270C.85, subdivision 2; 270C.89, subdivisions

1.26 1, 2; 270C.91; 272.02, subdivisions 27, 49, 81, by adding subdivisions; 272.115,

1.27 subdivision 1; 273.032; 273.061, subdivision 9; 273.0755; 273.113, subdivision

1.28 3; 273.119, subdivision 2; 273.1231, subdivision 3; 273.124, subdivisions 3a, 8,

1.29 13, 14, 21, by adding a subdivision; 273.1245, subdivision 2; 273.13, subdivisions

1.30 22, 23, 34; 273.136, subdivision 2; 273.1384, subdivisions 2, 3; 273.1387,

1.31 subdivisions 2, 3; 273.18; 273.371, subdivision 1; 273.3711; 274.14; 274.16;

1.32 275.025, subdivision 1, by adding a subdivision; 276.131; 282.01, subdivision 6;

1.33 287.21, subdivision 1; 289A.08, subdivisions 1, 6, 7; 289A.20, subdivision 4;

1.34 289A.25, subdivision 1; 289A.31, subdivision 2; 289A.37, subdivision 6; 289A.38,

1.35 subdivision 7; 289A.60, subdivision 15; 290.01, subdivisions 4a, 29a, 31, by adding

1.36 subdivisions; 290.0131, subdivisions 1, 3, by adding subdivisions; 290.0132,

1.37 subdivisions 1, 7, 19, 20, 26, by adding subdivisions; 290.0133, subdivision 6;

1.38 290.0134, by adding subdivisions; 290.0137; 290.032, subdivision 2; 290.05,

2.1 subdivisions 1, 3; 290.06, subdivisions 2c, 2d, 2h; 290.067, subdivision 2b;

2.2 290.0671, subdivisions 1, 6, 7; 290.0672, subdivision 2; 290.0675, subdivision 1;

2.3 290.0681, subdivisions 1, 2, 3, 4; 290.0684, subdivision 2; 290.0802, subdivisions

2.4 2, 3; 290.091, subdivisions 2, 3; 290.0921, subdivisions 2, 3; 290.0922, subdivision

2.5 1; 290.095, subdivision 2; 290.17, subdivision 4; 290.191, subdivision 5; 290.21,

1.1 A bill for an act

1.2 relating to relating to financing and operation of state and local government;

1.3 providing conformity and nonconformity to certain federal tax law changes;

1.4 modifying individual income and corporate franchise taxes, estate taxes, sales and

1.5 use taxes, special and excise taxes, property taxes, local government aids, provisions

1.6 related to local taxes, tax increment financing, and public finance, and other

1.7 miscellaneous taxes and tax provisions; modifying indexing provisions; changing

1.8 the starting point for state individual income tax calculation from federal taxable

1.9 income to federal adjusted gross income; providing for various individual and

1.10 corporate additions and subtractions to income; modifying certain allowances and

1.11 adjustments to income; modifying individual income tax brackets; modifying

1.12 certain income tax credits; modifying and allowing certain exemptions from sales

1.13 and use taxes; establishing property tax exemptions; modifying agricultural

1.14 homestead provisions; modifying state general levy; modifying expiration and

1.15 termination of agricultural preserves; allowing certain refunds for disabled veterans;

1.16 modifying certain deadlines; modifying referendum equalization levy; phasing

1.17 out school building bond agricultural credit; modifying aid and providing grants

1.18 to cities and counties; modifying approval requirements for certain local sales

1.19 taxes; modifying and authorizing certain local sales taxes; requiring reports;

1.20 appropriating money; amending Minnesota Statutes 2018, sections 6.495,

1.21 subdivision 3; 37.31, subdivision 1; 38.27, by adding a subdivision; 103D.905,

1.22 subdivisions 5, 9; 103E.611, subdivision 2; 116J.8737, subdivisions 1, 2, 3, 4, 5,

1.23 6, 12; 123B.595, subdivision 5; 126C.17, subdivision 6; 138.053; 144E.42,

1.24 subdivision 2; 162.145, subdivision 3; 197.603, subdivision 2; 256J.02, subdivision

1.25 2; 270A.03, subdivision 5; 270B.08, subdivision 2; 270C.57; 270C.85, subdivision

1.26 2; 270C.89, subdivisions 1, 2; 270C.91; 272.02, subdivisions 27, 49, 81, by adding

1.27 subdivisions; 272.115, subdivision 1; 273.032; 273.061, subdivision 9; 273.0755;

1.28 273.113, subdivision 3; 273.119, subdivision 2; 273.1231, subdivision 3; 273.124,

1.29 subdivisions 3a, 8, 13, 14, 21, by adding a subdivision; 273.1245, subdivision 2;

1.30 273.13, subdivisions 22, 23, 34; 273.136, subdivision 2; 273.1384, subdivisions

1.31 2, 3; 273.1387, subdivisions 2, 3; 273.18; 273.371, subdivision 1; 273.3711; 274.14;

1.32 274.16; 275.025, subdivision 1, by adding a subdivision; 276.131; 282.01,

1.33 subdivision 6; 287.21, subdivision 1; 289A.08, subdivisions 1, 6, 7; 289A.20,

1.34 subdivision 4; 289A.25, subdivision 1; 289A.31, subdivision 2; 289A.37,

1.35 subdivision 6; 289A.38, subdivision 7; 289A.60, subdivision 15; 290.01,

1.36 subdivisions 29a, 31, by adding subdivisions; 290.0131, subdivisions 1, 3, by

1.37 adding subdivisions; 290.0132, subdivisions 1, 7, 19, 20, 26, by adding

1.38 subdivisions; 290.0133, subdivision 6, by adding a subdivision; 290.0134, by

2.1 adding subdivisions; 290.0137; 290.032, subdivision 2; 290.05, subdivision 3;

2.2 290.06, subdivisions 2c, 2d, 2h; 290.067, subdivision 2b; 290.0671, subdivisions

2.3 1, 6, 7; 290.0672, subdivision 2; 290.0675, subdivision 1; 290.0681, subdivisions

2.4 1, 2, 3, 4; 290.0684, subdivision 2; 290.0802, subdivisions 2, 3; 290.091,

2.5 subdivisions 2, 3; 290.0921, subdivisions 2, 3; 290.0922, subdivision 1; 290.095,

2.6 subdivision 4, by adding a subdivision; 290.34, by adding a subdivision; 290.92,
2.7 subdivisions 1, 5, 28; 290A.03, subdivisions 3, 4, 8, 12, 13; 290A.04, subdivision
2.8 4; 290A.05; 290A.08; 290A.09; 290B.04, subdivision 1; 290B.09, subdivision 1;
2.9 291.03, subdivisions 9, 10; 295.50, subdivisions 3, 4, 9b, 14, 15, by adding
2.10 subdivisions; 295.51, subdivision 1a; 295.52, subdivisions 1, 1a, 2, 3, 4, 8; 295.53,
2.11 subdivision 1; 295.57, subdivisions 3, 5; 295.582, subdivision 1; 296A.03,
2.12 subdivision 2; 296A.04, by adding a subdivision; 296A.05, by adding a subdivision;
2.13 296A.06; 297A.61, subdivision 18; 297A.66, subdivisions 1, 2, 3; 297A.67,
2.14 subdivisions 6, 12, by adding a subdivision; 297A.68, subdivisions 17, 25, 42, 44;
2.15 297A.70, subdivisions 3, 4, 10, 16, 20, by adding a subdivision; 297A.71,
2.16 subdivisions 22, 45, 50, by adding subdivisions; 297A.75, subdivisions 1, 2;
2.17 297A.77, by adding a subdivision; 297A.84; 297A.85; 297A.99, subdivisions 1,
2.18 2, 3, by adding a subdivision; 297A.993, subdivisions 1, 2, by adding a subdivision;
2.19 297B.01, subdivisions 14, 16; 297B.03; 297F.01, subdivisions 19, 23, by adding
2.20 a subdivision; 297F.08, subdivisions 8, 9; 297F.09, subdivision 10; 297G.09,
2.21 subdivision 9; 297I.20, subdivision 3; 298.018, subdivision 1, by adding a
2.22 subdivision; 298.225, subdivision 1; 298.28, subdivisions 3, 11; 298.282,
2.23 subdivision 1; 353.27, subdivision 3c; 353.505; 353G.01, subdivision 9; 353G.05,
2.24 subdivision 2; 353G.08, subdivisions 1, 1a; 353G.17, subdivision 2; 356.20,
2.25 subdivision 4a; 356.219, subdivision 8; 423A.02, subdivisions 1b, 3; 423A.022,
2.26 subdivisions 2, 4; 424A.016, subdivisions 2, 4; 424A.02, subdivisions 1, 3a, 10;
2.27 424A.03, subdivision 2; 424A.05, subdivisions 2, 3, by adding a subdivision;
2.28 424A.07; 424A.091, subdivision 3; 424A.092, subdivisions 3, 4; 424A.093,
2.29 subdivision 5; 424B.09; 462D.03, subdivision 2; 469.169, by adding a subdivision;
2.30 469.171, subdivision 4; 469.177, subdivision 1; 469.316, subdivision 1; 471.831;
2.31 473H.08, subdivisions 1, 4, by adding a subdivision; 473H.09, by adding a
2.32 subdivision; 474A.02, subdivision 22b; 475.521, subdivision 1; 477A.013,
2.33 subdivision 9; 477A.03, subdivisions 2a, 2b; Minnesota Statutes 2019 Supplement,
2.34 sections 289A.02, subdivision 7; 289A.12, subdivision 14; 289A.35; 290.01,
2.35 subdivision 19; 290.0132, subdivision 21; 290.0672, subdivision 1; 290.0684,
2.36 subdivision 1; 290.091, subdivision 2; 290.17, subdivision 2; 290A.03, subdivision
2.37 15; 291.005, subdivision 1; 462D.06, subdivisions 1, 2; Laws 1980, chapter 511,
2.38 section 1, subdivision 1; Laws 1986, chapter 396, section 5, as amended; Laws
2.39 1986, chapter 462, section 31, as amended; Laws 1994, chapter 587, article 9,
2.40 section 11; Laws 1998, chapter 389, article 8, section 45, subdivisions 1, 3, as
2.41 amended, 4, 5; Laws 2003, chapter 127, article 10, section 31, subdivision 1, as
2.42 amended; Laws 2003, First Special Session chapter 14, article 13C, section 2,
2.43 subdivision 6, as amended; Laws 2008, chapter 366, article 5, sections 26, as
2.44 amended; 33, as amended; Laws 2009, chapter 88, article 2, section 46, subdivisions
2.45 1, as amended, 2, 3, as amended, 4, 5; Laws 2009, chapter 122, section 3,
2.46 subdivisions 1, 2; Laws 2011, First Special Session chapter 7, article 4, section
2.47 10, subdivision 3; Laws 2014, chapter 308, article 6, section 8, subdivision 1, as
2.48 amended; Laws 2017, First Special Session chapter 1, article 3, section 32; article

2.6 subdivision 2; 290.191, subdivision 5; 290.21, subdivision 4, by adding a
2.7 subdivision; 290.34, by adding a subdivision; 290.92, subdivisions 1, 5, 28;
2.8 290A.03, subdivisions 3, 4, 8, 12, 13; 290A.04, subdivision 4; 290A.05; 290A.08;
2.9 290A.09; 290B.04, subdivision 1; 290B.09, subdivision 1; 291.03, subdivisions
2.10 9, 10; 295.50, subdivisions 3, 4, 9b, 14, 15, by adding subdivisions; 295.51,
2.11 subdivision 1a; 295.52, subdivisions 1, 1a, 2, 3, 4, 8; 295.53, subdivision 1; 295.57,
2.12 subdivisions 3, 5; 295.582, subdivision 1; 296A.03, subdivision 2; 296A.04, by
2.13 adding a subdivision; 296A.05, by adding a subdivision; 296A.06; 297A.61,
2.14 subdivision 18; 297A.66, subdivisions 1, 2, 3; 297A.67, subdivisions 6, 12, by
2.15 adding a subdivision; 297A.68, subdivisions 17, 25, 42, 44; 297A.70, subdivisions
2.16 3, 4, 10, 16, 20, by adding a subdivision; 297A.71, subdivisions 22, 45, 50, by
2.17 adding subdivisions; 297A.75, subdivisions 1, 2; 297A.77, by adding a subdivision;
2.18 297A.84; 297A.85; 297A.99, subdivisions 1, 2, 3, by adding a subdivision;
2.19 297A.993, subdivisions 1, 2, by adding a subdivision; 297B.01, subdivisions 14,
2.20 16; 297B.03; 297F.01, subdivisions 19, 23, by adding a subdivision; 297F.08,
2.21 subdivisions 8, 9; 297F.09, subdivision 10; 297G.09, subdivision 9; 297I.20,
2.22 subdivision 3; 298.018, subdivision 1, by adding a subdivision; 298.225, subdivision
2.23 1; 298.28, subdivisions 3, 11; 298.282, subdivision 1; 353.27, subdivision 3c;
2.24 353.505; 353G.01, subdivision 9; 353G.05, subdivision 2; 353G.08, subdivisions
2.25 1, 1a; 353G.17, subdivision 2; 356.20, subdivision 4a; 356.219, subdivision 8;
2.26 423A.02, subdivisions 1b, 3; 423A.022, subdivisions 2, 4; 424A.016, subdivisions
2.27 2, 4; 424A.02, subdivisions 1, 3a, 10; 424A.03, subdivision 2; 424A.05,
2.28 subdivisions 2, 3, by adding a subdivision; 424A.07; 424A.091, subdivision 3;
2.29 424A.092, subdivisions 3, 4; 424A.093, subdivision 5; 424B.09; 462D.03,
2.30 subdivision 2; 469.169, by adding a subdivision; 469.171, subdivision 4; 469.177,
2.31 subdivision 1; 469.316, subdivision 1; 471.831; 473H.08, subdivisions 1, 4, by
2.32 adding a subdivision; 473H.09, by adding a subdivision; 474A.02, subdivision
2.33 22b; 475.521, subdivision 1; 477A.013, subdivision 9; 477A.03, subdivisions 2a,
2.34 2b; Minnesota Statutes 2019 Supplement, sections 289A.02, subdivision 7;
2.35 289A.12, subdivision 14; 289A.35; 290.01, subdivision 19; 290.0132, subdivision
2.36 21; 290.0672, subdivision 1; 290.0684, subdivision 1; 290.091, subdivision 2;
2.37 290.17, subdivision 2; 290A.03, subdivision 15; 291.005, subdivision 1; 462D.06,
2.38 subdivisions 1, 2; Laws 1980, chapter 511, section 4; Laws 1986, chapter 396,
2.39 section 5, as amended; Laws 1986, chapter 462, section 31, as amended; Laws
2.40 1994, chapter 587, article 9, section 11; Laws 1998, chapter 389, article 8, section
2.41 45, subdivisions 1, 3, as amended, 4, 5; Laws 2003, chapter 127, article 10, section
2.42 31, subdivision 1, as amended; Laws 2003, First Special Session chapter 14, article
2.43 13C, section 2, subdivision 6, as amended; Laws 2008, chapter 366, article 5,
2.44 sections 26, as amended; 33, as amended; Laws 2009, chapter 88, article 2, section
2.45 46, subdivisions 1, as amended, 2, 3, as amended, 4, 5; Laws 2009, chapter 122,
2.46 section 3, subdivisions 1, 2; Laws 2011, First Special Session chapter 7, article 4,
2.47 section 10, subdivision 3; Laws 2014, chapter 308, article 6, section 8, subdivision
2.48 1, as amended; Laws 2017, First Special Session chapter 1, article 3, section 32;

2.49 8, section 3; article 10, section 4; Laws 2018, chapter 211, article 14, section 26;
 2.50 proposing coding for new law in Minnesota Statutes, chapters 16A; 270B; 270C;
 2.51 290; 297I; 424A; 469; proposing coding for new law as Minnesota Statutes,
 2.52 chapters 477B; 477C; repealing Minnesota Statutes 2018, sections 37.31,
 2.53 subdivision 8; 69.011, subdivisions 1, 2, 2b, 2c, 3, 4; 69.021, subdivisions 1, 2, 3,
 2.54 4, 5, 7, 7a, 8, 9, 10, 11; 69.022; 69.031, subdivisions 1, 3, 5; 69.041; 69.051,
 2.55 subdivisions 1, 1a, 1b, 2, 3, 4; 69.33; 69.80; 270C.131; 275.29; 290.0131,
 2.56 subdivisions 7, 11, 12, 13; 290.0132, subdivision 8; 290.0133, subdivisions 13,
 2.57 14; 290.0671, subdivision 6a; 290.10, subdivision 2; 296A.03, subdivision 5;
 2.58 296A.04, subdivision 2; 296A.05, subdivision 2; 297A.66, subdivision 4b; 297F.08,
 3.1 subdivision 5; 297I.25, subdivision 2; Laws 2011, First Special Session chapter
 3.2 9, article 6, section 97, subdivision 6; Minnesota Rules, part 8125.0410, subpart
 3.3 1.

3.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

3.5 ARTICLE 1

3.6 FEDERAL CONFORMITY

3.7 Section 1. Minnesota Statutes 2018, section 270A.03, subdivision 5, is amended to read:

3.8 Subd. 5. **Debt; debtor.** (a) "Debt" means a legal obligation of a natural person to pay a
 3.9 fixed and certain amount of money, which equals or exceeds \$25 and which is due and
 3.10 payable to a claimant agency. The term includes criminal fines imposed under section 609.10
 3.11 or 609.125, fines imposed for petty misdemeanors as defined in section 609.02, subdivision
 3.12 4a, and restitution. A debt may arise under a contractual or statutory obligation, a court
 3.13 order, or other legal obligation, but need not have been reduced to judgment.

3.14 A debt includes any legal obligation of a current recipient of assistance which is based
 3.15 on overpayment of an assistance grant where that payment is based on a client waiver or
 3.16 an administrative or judicial finding of an intentional program violation; or where the debt
 3.17 is owed to a program wherein the debtor is not a client at the time notification is provided
 3.18 to initiate recovery under this chapter and the debtor is not a current recipient of food support,
 3.19 transitional child care, or transitional medical assistance.

3.20 (b) A debt does not include any legal obligation to pay a claimant agency for medical
 3.21 care, including hospitalization if the income of the debtor at the time when the medical care
 3.22 was rendered does not exceed the following amount:

- 3.23 (1) for an unmarried debtor, an income of \$12,560 or less;
- 3.24 (2) for a debtor with one dependent, an income of \$16,080 or less;
- 3.25 (3) for a debtor with two dependents, an income of \$19,020 or less;

2.49 article 8, section 3; article 10, section 4; Laws 2018, chapter 211, article 14, section
 2.50 26; proposing coding for new law in Minnesota Statutes, chapters 16A; 270B;
 2.51 270C; 290; 297I; 424A; 469; proposing coding for new law as Minnesota Statutes,
 2.52 chapters 477B; 477C; repealing Minnesota Statutes 2018, sections 37.31,
 2.53 subdivision 8; 69.011, subdivisions 1, 2, 2b, 2c, 3, 4; 69.021, subdivisions 1, 2, 3,
 2.54 4, 5, 7, 7a, 8, 9, 10, 11; 69.022; 69.031, subdivisions 1, 3, 5; 69.041; 69.051,
 2.55 subdivisions 1, 1a, 1b, 2, 3, 4; 69.33; 69.80; 270C.131; 275.29; 290.0131,
 2.56 subdivisions 7, 11, 12, 13; 290.0132, subdivision 8; 290.0133, subdivisions 13,
 2.57 14; 290.0671, subdivision 6a; 290.10, subdivision 2; 296A.03, subdivision 5;
 2.58 296A.04, subdivision 2; 296A.05, subdivision 2; 297A.66, subdivision 4b; 297F.08,
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 3.2 9, article 6, section 97, subdivision 6; Minnesota Rules, part 8125.0410, subpart
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3.8 Subd. 5. **Debt; debtor.** (a) "Debt" means a legal obligation of a natural person to pay a
 3.9 fixed and certain amount of money, which equals or exceeds \$25 and which is due and
 3.10 payable to a claimant agency. The term includes criminal fines imposed under section 609.10
 3.11 or 609.125, fines imposed for petty misdemeanors as defined in section 609.02, subdivision
 3.12 4a, and restitution. A debt may arise under a contractual or statutory obligation, a court
 3.13 order, or other legal obligation, but need not have been reduced to judgment.

3.14 A debt includes any legal obligation of a current recipient of assistance which is based
 3.15 on overpayment of an assistance grant where that payment is based on a client waiver or
 3.16 an administrative or judicial finding of an intentional program violation; or where the debt
 3.17 is owed to a program wherein the debtor is not a client at the time notification is provided
 3.18 to initiate recovery under this chapter and the debtor is not a current recipient of food support,
 3.19 transitional child care, or transitional medical assistance.

3.20 (b) A debt does not include any legal obligation to pay a claimant agency for medical
 3.21 care, including hospitalization if the income of the debtor at the time when the medical care
 3.22 was rendered does not exceed the following amount:

- 3.23 (1) for an unmarried debtor, an income of \$12,560 or less;
- 3.24 (2) for a debtor with one dependent, an income of \$16,080 or less;
- 3.25 (3) for a debtor with two dependents, an income of \$19,020 or less;

- 3.26 (4) for a debtor with three dependents, an income of \$21,580 or less;
- 3.27 (5) for a debtor with four dependents, an income of \$22,760 or less; and
- 3.28 (6) for a debtor with five or more dependents, an income of \$23,730 or less.

3.29 For purposes of this paragraph, "debtor" means the individual whose income, together
 3.30 with the income of the individual's spouse, other than a separated spouse, brings the
 3.31 individual within the income provisions of this paragraph. For purposes of this paragraph,
 3.32 a spouse, other than a separated spouse, shall be considered a dependent.

4.1 (c) The commissioner shall annually adjust the ~~income~~ amounts in paragraph (b) ~~by the~~
 4.2 ~~percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue~~
 4.3 ~~Code, except that in section 1(f)(3)(B) the word "2014" shall be substituted for the word~~
 4.4 ~~"1992." For 2016, the commissioner shall then determine the percent change from the 12~~
 4.5 ~~months ending on August 31, 2014, to the 12 months ending on August 31, 2015, and in~~
 4.6 ~~each subsequent year, from the 12 months ending on August 31, 2014, to the 12 months~~
 4.7 ~~ending on August 31 of the year preceding the taxable year. The determination of the~~
 4.8 ~~commissioner pursuant to this subdivision shall not be considered a "rule" and shall not be~~
 4.9 ~~subject to the Administrative Procedure Act contained in chapter 14. The income amount~~
 4.10 ~~as adjusted must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount~~
 4.11 ~~is rounded up to the nearest \$10 amount as provided in section 270C.22. The statutory year~~
 4.12 ~~is taxable year 2019.~~

4.13 (d) Debt also includes an agreement to pay a MinnesotaCare premium, regardless of the
 4.14 dollar amount of the premium authorized under section 256L.15, subdivision 1a.

4.15 **EFFECTIVE DATE.** This section is effective for adjustments beginning with taxable
 4.16 years beginning after December 31, 2019.

4.17 **Sec. 2. [270C.22] COST OF LIVING ADJUSTMENT.**

4.18 **Subdivision 1. Adjustment; definition; period; rounding.** (a) The commissioner shall
 4.19 annually make a cost of living adjustment to the dollar amounts noted in sections that
 4.20 reference this section. The commissioner shall adjust the amounts based on the index as
 4.21 provided in this section. For purposes of this section, "index" means the Chained Consumer
 4.22 Price Index for All Urban Consumers published by the Bureau of Labor Statistics. The
 4.23 values of the index used to determine the adjustments under this section are the latest
 4.24 published values when the Bureau of Labor Statistics publishes the initial value of the index
 4.25 for August of the year preceding the year to which the adjustment applies.

4.26 (b) For the purposes of this section, "statutory year" means the year preceding the first
 4.27 year for which dollar amounts are to be adjusted for inflation under sections that reference
 4.28 this section. For adjustments under chapter 290A, the statutory year refers to the year in
 4.29 which a taxpayer's household income used to calculate refunds under chapter 290A was

- 3.26 (4) for a debtor with three dependents, an income of \$21,580 or less;
- 3.27 (5) for a debtor with four dependents, an income of \$22,760 or less; and
- 3.28 (6) for a debtor with five or more dependents, an income of \$23,730 or less.

3.29 For purposes of this paragraph, "debtor" means the individual whose income, together
 3.30 with the income of the individual's spouse, other than a separated spouse, brings the
 3.31 individual within the income provisions of this paragraph. For purposes of this paragraph,
 3.32 a spouse, other than a separated spouse, shall be considered a dependent.

4.1 (c) The commissioner shall annually adjust the ~~income~~ amounts in paragraph (b) ~~by the~~
 4.2 ~~percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue~~
 4.3 ~~Code, except that in section 1(f)(3)(B) the word "2014" shall be substituted for the word~~
 4.4 ~~"1992." For 2016, the commissioner shall then determine the percent change from the 12~~
 4.5 ~~months ending on August 31, 2014, to the 12 months ending on August 31, 2015, and in~~
 4.6 ~~each subsequent year, from the 12 months ending on August 31, 2014, to the 12 months~~
 4.7 ~~ending on August 31 of the year preceding the taxable year. The determination of the~~
 4.8 ~~commissioner pursuant to this subdivision shall not be considered a "rule" and shall not be~~
 4.9 ~~subject to the Administrative Procedure Act contained in chapter 14. The income amount~~
 4.10 ~~as adjusted must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount~~
 4.11 ~~is rounded up to the nearest \$10 amount as provided in section 270C.22. The statutory year~~
 4.12 ~~is taxable year 2019.~~

4.13 (d) Debt also includes an agreement to pay a MinnesotaCare premium, regardless of the
 4.14 dollar amount of the premium authorized under section 256L.15, subdivision 1a.

4.15 **EFFECTIVE DATE.** This section is effective for adjustments beginning with taxable
 4.16 years beginning after December 31, 2019.

4.17 **Sec. 2. [270C.22] COST OF LIVING ADJUSTMENT.**

4.18 **Subdivision 1. Adjustment; definition; period; rounding.** (a) The commissioner shall
 4.19 annually make a cost of living adjustment to the dollar amounts noted in sections that
 4.20 reference this section. The commissioner shall adjust the amounts based on the index as
 4.21 provided in this section. For purposes of this section, "index" means the Chained Consumer
 4.22 Price Index for All Urban Consumers published by the Bureau of Labor Statistics. The
 4.23 values of the index used to determine the adjustments under this section are the latest
 4.24 published values when the Bureau of Labor Statistics publishes the initial value of the index
 4.25 for August of the year preceding the year to which the adjustment applies.

4.26 (b) For the purposes of this section, "statutory year" means the year preceding the first
 4.27 year for which dollar amounts are to be adjusted for inflation under sections that reference
 4.28 this section. For adjustments under chapter 290A, the statutory year refers to the year in
 4.29 which a taxpayer's household income used to calculate refunds under chapter 290A was

4.30 earned and not the year in which refunds are payable. For all other adjustments, the statutory
 4.31 year refers to the taxable year unless otherwise specified.

4.32 (c) To determine the dollar amounts for taxable year 2020, the commissioner shall
 4.33 determine the percentage change in the index for the 12-month period ending on August
 4.34 31, 2019, and increase each of the unrounded dollar amounts in the sections referencing
 5.1 this section by that percentage change. For each subsequent taxable year, the commissioner
 5.2 shall increase the dollar amounts by the percentage change in the index from August 31 of
 5.3 the year preceding the statutory year to August 31 of the year preceding the taxable year.

5.4 (d) To determine the dollar amounts for refunds payable in 2020 under chapter 290A,
 5.5 the commissioner shall determine the percentage change in the index for the 12-month
 5.6 period ending on August 31, 2019, and increase each of the unrounded dollar amounts in
 5.7 the sections referencing this section by that percentage change. For each subsequent year,
 5.8 the commissioner shall increase the dollar amounts by the percentage change in the index
 5.9 from August 31 of the year preceding the statutory year to August 31 of the year preceding
 5.10 the year in which refunds are payable.

5.11 (e) Unless otherwise provided, the commissioner shall round the amounts as adjusted
 5.12 to the nearest \$10 amount. If an amount ends in \$5, the amount is rounded up to the nearest
 5.13 \$10 amount.

5.14 Subd. 2. **Publication.** The commissioner shall announce and publish the adjusted dollar
 5.15 amounts required by subdivision 1 on the Department of Revenue's website on or before
 5.16 December 15 of each year.

5.17 Subd. 3. **Special provision.** The determination of the commissioner under this subdivision
 5.18 is not a rule and is not subject to the Administrative Procedure Act under chapter 14,
 5.19 including section 14.386.

5.20 **EFFECTIVE DATE.** This section is effective for adjustments beginning with taxable
 5.21 years beginning after December 31, 2019, calendar years beginning after December 31,
 5.22 2019, and for refunds based on rent paid in 2019 and property taxes payable in 2020.

5.23 Sec. 3. Minnesota Statutes 2018, section 289A.02, subdivision 7, is amended to read:

5.24 Subd. 7. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal
 5.25 Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December~~
 5.26 ~~16, 2016~~ December 31, 2018.

5.27 **EFFECTIVE DATE.** This section is effective the day following final enactment except
 5.28 the changes incorporated by federal changes are effective retroactively at the same time the
 5.29 changes became effective for federal purposes.

4.30 earned and not the year in which refunds are payable. For all other adjustments, the statutory
 4.31 year refers to the taxable year unless otherwise specified.

4.32 (c) To determine the dollar amounts for taxable year 2020, the commissioner shall
 4.33 determine the percentage change in the index for the 12-month period ending on August
 4.34 31, 2019, and increase each of the unrounded dollar amounts in the sections referencing
 5.1 this section by that percentage change. For each subsequent taxable year, the commissioner
 5.2 shall increase the dollar amounts by the percentage change in the index from August 31 of
 5.3 the year preceding the statutory year to August 31 of the year preceding the taxable year.

5.4 (d) To determine the dollar amounts for refunds payable in 2020 under chapter 290A,
 5.5 the commissioner shall determine the percentage change in the index for the 12-month
 5.6 period ending on August 31, 2019, and increase each of the unrounded dollar amounts in
 5.7 the sections referencing this section by that percentage change. For each subsequent year,
 5.8 the commissioner shall increase the dollar amounts by the percentage change in the index
 5.9 from August 31 of the year preceding the statutory year to August 31 of the year preceding
 5.10 the year in which refunds are payable.

5.11 (e) Unless otherwise provided, the commissioner shall round the amounts as adjusted
 5.12 to the nearest \$10 amount. If an amount ends in \$5, the amount is rounded up to the nearest
 5.13 \$10 amount.

5.14 Subd. 2. **Publication.** The commissioner shall announce and publish the adjusted dollar
 5.15 amounts required by subdivision 1 on the Department of Revenue's website on or before
 5.16 December 15 of each year.

5.17 Subd. 3. **Special provision.** The determination of the commissioner under this subdivision
 5.18 is not a rule and is not subject to the Administrative Procedure Act under chapter 14,
 5.19 including section 14.386.

5.20 **EFFECTIVE DATE.** This section is effective for adjustments beginning with taxable
 5.21 years beginning after December 31, 2019, calendar years beginning after December 31,
 5.22 2019, and for refunds based on rent paid in 2019 and property taxes payable in 2020.

5.23 Sec. 3. Minnesota Statutes 2018, section 289A.02, subdivision 7, is amended to read:

5.24 Subd. 7. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal
 5.25 Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December~~
 5.26 ~~16, 2016~~ December 31, 2018.

5.27 **EFFECTIVE DATE.** This section is effective the day following final enactment except
 5.28 the changes incorporated by federal changes are effective retroactively at the same time the
 5.29 changes became effective for federal purposes.

6.1 Sec. 4. Minnesota Statutes 2018, section 289A.08, subdivision 1, is amended to read:

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

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

6.9 (2) an individual who is a Minnesota resident is not required to file a Minnesota income
6.10 tax return if the individual's gross income derived from Minnesota sources as determined
6.11 under section 290.17, less the subtractions allowed under section 290.0132, subdivisions
6.12 12 and 15, is less than the filing requirements for a single individual who is a full-year
6.13 resident of Minnesota.

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

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

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

6.25 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
6.26 31, 2018.

6.27 Sec. 5. Minnesota Statutes 2018, section 289A.08, subdivision 7, is amended to read:

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

7.1 (b) The computation of a partner's tax liability must be determined by multiplying the
7.2 income allocated to that partner by the highest rate used to determine the tax liability for

6.1 Sec. 4. Minnesota Statutes 2018, section 289A.08, subdivision 1, is amended to read:

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

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

6.9 (2) an individual who is a Minnesota resident is not required to file a Minnesota income
6.10 tax return if the individual's gross income derived from Minnesota sources as determined
6.11 under section 290.17, less the subtractions allowed under section 290.0132, subdivisions
6.12 12 and 15, is less than the filing requirements for a single individual who is a full-year
6.13 resident of Minnesota.

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

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

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

6.25 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
6.26 31, 2018.

6.27 Sec. 5. Minnesota Statutes 2018, section 289A.08, subdivision 7, is amended to read:

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

7.1 (b) The computation of a partner's tax liability must be determined by multiplying the
7.2 income allocated to that partner by the highest rate used to determine the tax liability for

7.3 individuals under section 290.06, subdivision 2c. Nonbusiness deductions, standard
7.4 deductions, or personal exemptions are not allowed.

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

7.9 (d) The electing partner must not have any Minnesota source income other than the
7.10 income from the partnership and other electing partnerships. If it is determined that the
7.11 electing partner has other Minnesota source income, the inclusion of the income and tax
7.12 liability for that partner under this provision will not constitute a return to satisfy the
7.13 requirements of subdivision 1. The tax paid for the individual as part of the composite return
7.14 is allowed as a payment of the tax by the individual on the date on which the composite
7.15 return payment was made. If the electing nonresident partner has no other Minnesota source
7.16 income, filing of the composite return is a return for purposes of subdivision 1.

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

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

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

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

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

8.3 (j) For the purposes of this subdivision, "income" means the partner's share of federal
8.4 adjusted gross income from the partnership modified by the additions provided in section
8.5 290.0131, subdivisions 8 to ~~++ 10 and 16~~, and the subtractions provided in: (1) section
8.6 290.0132, subdivision 9, to the extent the amount is assignable or allocable to Minnesota

7.3 individuals under section 290.06, subdivision 2c. Nonbusiness deductions, standard
7.4 deductions, or personal exemptions are not allowed.

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

7.9 (d) The electing partner must not have any Minnesota source income other than the
7.10 income from the partnership and other electing partnerships. If it is determined that the
7.11 electing partner has other Minnesota source income, the inclusion of the income and tax
7.12 liability for that partner under this provision will not constitute a return to satisfy the
7.13 requirements of subdivision 1. The tax paid for the individual as part of the composite return
7.14 is allowed as a payment of the tax by the individual on the date on which the composite
7.15 return payment was made. If the electing nonresident partner has no other Minnesota source
7.16 income, filing of the composite return is a return for purposes of subdivision 1.

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

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

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

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

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

8.3 (j) For the purposes of this subdivision, "income" means the partner's share of federal
8.4 adjusted gross income from the partnership modified by the additions provided in section
8.5 290.0131, subdivisions 8 to ~~++ 10 and 16~~, and the subtractions provided in: (1) section
8.6 290.0132, subdivision 9, to the extent the amount is assignable or allocable to Minnesota

8.7 under section 290.17; and (2) section 290.0132, subdivision 14. The subtraction allowed
 8.8 under section 290.0132, subdivision 9, is only allowed on the composite tax computation
 8.9 to the extent the electing partner would have been allowed the subtraction.

8.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 8.11 31, 2018.

8.12 Sec. 6. Minnesota Statutes 2018, section 289A.12, subdivision 14, is amended to read:

8.13 Subd. 14. **Reporting exempt interest and exempt-interest dividends.** (a) A regulated
 8.14 investment company paying \$10 or more in exempt-interest dividends to an individual who
 8.15 is a resident of Minnesota, or any person receiving \$10 or more of exempt interest or
 8.16 exempt-interest dividends and paying as nominee to an individual who is a resident of
 8.17 Minnesota, must make a return indicating the amount of the exempt interest or
 8.18 exempt-interest dividends, the name, address, and Social Security number of the recipient,
 8.19 and any other information that the commissioner specifies. The return must be provided to
 8.20 the recipient by February 15 of the year following the year of the payment. The return
 8.21 provided to the recipient must include a clear statement, in the form prescribed by the
 8.22 commissioner, that the exempt interest or exempt-interest dividends must be included in
 8.23 the computation of Minnesota taxable income. By June 1 of each year, the payer must file
 8.24 a copy of the return with the commissioner.

8.25 (b) For purposes of this subdivision, the following definitions apply.

8.26 (1) "Exempt-interest dividends" mean exempt-interest dividends as defined in section
 8.27 852(b)(5) of the Internal Revenue Code, but does not include the portion of exempt-interest
 8.28 dividends that are not required to be added to federal ~~taxable~~ adjusted gross income under
 8.29 section 290.0131, subdivision 2, paragraph (b).

8.30 (2) "Regulated investment company" means regulated investment company as defined
 8.31 in section 851(a) of the Internal Revenue Code or a fund of the regulated investment company
 8.32 as defined in section 851(g) of the Internal Revenue Code.

9.1 (3) "Exempt interest" means income on obligations of any state other than Minnesota,
 9.2 or a political or governmental subdivision, municipality, or governmental agency or
 9.3 instrumentality of any state other than Minnesota, and exempt from federal income taxes
 9.4 under the Internal Revenue Code or any other federal statute.

9.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 9.6 31, 2018.

8.7 under section 290.17; and (2) section 290.0132, subdivision 14. The subtraction allowed
 8.8 under section 290.0132, subdivision 9, is only allowed on the composite tax computation
 8.9 to the extent the electing partner would have been allowed the subtraction.

8.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 8.11 31, 2018.

8.12 Sec. 6. Minnesota Statutes 2018, section 289A.12, subdivision 14, is amended to read:

8.13 Subd. 14. **Reporting exempt interest and exempt-interest dividends.** (a) A regulated
 8.14 investment company paying \$10 or more in exempt-interest dividends to an individual who
 8.15 is a resident of Minnesota, or any person receiving \$10 or more of exempt interest or
 8.16 exempt-interest dividends and paying as nominee to an individual who is a resident of
 8.17 Minnesota, must make a return indicating the amount of the exempt interest or
 8.18 exempt-interest dividends, the name, address, and Social Security number of the recipient,
 8.19 and any other information that the commissioner specifies. The return must be provided to
 8.20 the recipient by February 15 of the year following the year of the payment. The return
 8.21 provided to the recipient must include a clear statement, in the form prescribed by the
 8.22 commissioner, that the exempt interest or exempt-interest dividends must be included in
 8.23 the computation of Minnesota taxable income. By June 1 of each year, the payer must file
 8.24 a copy of the return with the commissioner.

8.25 (b) For purposes of this subdivision, the following definitions apply.

8.26 (1) "Exempt-interest dividends" mean exempt-interest dividends as defined in section
 8.27 852(b)(5) of the Internal Revenue Code, but does not include the portion of exempt-interest
 8.28 dividends that are not required to be added to federal ~~taxable~~ adjusted gross income under
 8.29 section 290.0131, subdivision 2, paragraph (b).

8.30 (2) "Regulated investment company" means regulated investment company as defined
 8.31 in section 851(a) of the Internal Revenue Code or a fund of the regulated investment company
 8.32 as defined in section 851(g) of the Internal Revenue Code.

9.1 (3) "Exempt interest" means income on obligations of any state other than Minnesota,
 9.2 or a political or governmental subdivision, municipality, or governmental agency or
 9.3 instrumentality of any state other than Minnesota, and exempt from federal income taxes
 9.4 under the Internal Revenue Code or any other federal statute.

9.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 9.6 31, 2018.

9.7 Sec. 7. Minnesota Statutes 2018, section 289A.35, is amended to read:

9.8 **289A.35 ASSESSMENTS ON RETURNS.**

9.9 (a) The commissioner may audit and adjust the taxpayer's computation of federal adjusted
9.10 gross income, federal taxable income, items of federal tax preferences, or federal credit
9.11 amounts to make them conform with the provisions of chapter 290 or section 298.01. If a
9.12 return has been filed, the commissioner shall enter the liability reported on the return and
9.13 may make any audit or investigation that is considered necessary.

9.14 (b) Upon petition by a taxpayer, and when the commissioner determines that it is in the
9.15 best interest of the state, the commissioner may allow S corporations and partnerships to
9.16 receive orders of assessment issued under section 270C.33, subdivision 4, on behalf of their
9.17 owners, and to pay liabilities shown on such orders. In such cases, the owners' liability must
9.18 be calculated using the method provided in section 289A.08, subdivision 7, paragraph (b).

9.19 (c) A taxpayer may petition the commissioner for the use of the method described in
9.20 paragraph (b) after the taxpayer is notified that an audit has been initiated and before an
9.21 order of assessment has been issued.

9.22 (d) A determination of the commissioner under paragraph (b) to grant or deny the petition
9.23 of a taxpayer cannot be appealed to the Tax Court or any other court.

9.24 (e) The commissioner may audit and adjust the taxpayer's computation of tax under
9.25 chapter 291. In the case of a return filed pursuant to section 289A.10, the commissioner
9.26 shall notify the estate no later than nine months after the filing date, as provided by section
9.27 289A.38, subdivision 2, whether the return is under examination or the return has been
9.28 processed as filed.

9.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
9.30 31, 2018.

10.1 Sec. 8. Minnesota Statutes 2018, section 290.01, is amended by adding a subdivision to
10.2 read:

10.3 **Subd. 3c. Determination of marital status.** The determination of marital status is made
10.4 by section 7703 of the Internal Revenue Code.

10.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
10.6 31, 2018.

10.7 Sec. 9. Minnesota Statutes 2018, section 290.01, is amended by adding a subdivision to
10.8 read:

10.9 **Subd. 14a. Surviving spouse.** The term "surviving spouse" means an individual who is
10.10 a surviving spouse under section 2(a) of the Internal Revenue Code for the taxable year.

9.7 Sec. 7. Minnesota Statutes 2018, section 289A.35, is amended to read:

9.8 **289A.35 ASSESSMENTS ON RETURNS.**

9.9 (a) The commissioner may audit and adjust the taxpayer's computation of federal adjusted
9.10 gross income, federal taxable income, items of federal tax preferences, or federal credit
9.11 amounts to make them conform with the provisions of chapter 290 or section 298.01. If a
9.12 return has been filed, the commissioner shall enter the liability reported on the return and
9.13 may make any audit or investigation that is considered necessary.

9.14 (b) Upon petition by a taxpayer, and when the commissioner determines that it is in the
9.15 best interest of the state, the commissioner may allow S corporations and partnerships to
9.16 receive orders of assessment issued under section 270C.33, subdivision 4, on behalf of their
9.17 owners, and to pay liabilities shown on such orders. In such cases, the owners' liability must
9.18 be calculated using the method provided in section 289A.08, subdivision 7, paragraph (b).

9.19 (c) A taxpayer may petition the commissioner for the use of the method described in
9.20 paragraph (b) after the taxpayer is notified that an audit has been initiated and before an
9.21 order of assessment has been issued.

9.22 (d) A determination of the commissioner under paragraph (b) to grant or deny the petition
9.23 of a taxpayer cannot be appealed to the Tax Court or any other court.

9.24 (e) The commissioner may audit and adjust the taxpayer's computation of tax under
9.25 chapter 291. In the case of a return filed pursuant to section 289A.10, the commissioner
9.26 shall notify the estate no later than nine months after the filing date, as provided by section
9.27 289A.38, subdivision 2, whether the return is under examination or the return has been
9.28 processed as filed.

9.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
9.30 31, 2018.

10.1 Sec. 8. Minnesota Statutes 2018, section 290.01, is amended by adding a subdivision to
10.2 read:

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10.4 by section 7703 of the Internal Revenue Code.

10.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
10.6 31, 2018.

10.7 Sec. 9. Minnesota Statutes 2018, section 290.01, is amended by adding a subdivision to
10.8 read:

10.9 **Subd. 14a. Surviving spouse.** The term "surviving spouse" means an individual who is
10.10 a surviving spouse under section 2(a) of the Internal Revenue Code for the taxable year.

10.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
10.12 31, 2018.

10.13 Sec. 10. Minnesota Statutes 2018, section 290.01, subdivision 19, is amended to read:

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

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

10.23 (c) In the case of a regulated investment company or a fund thereof, as defined in section
10.24 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment
10.25 company taxable income as defined in section 852(b)(2) of the Internal Revenue Code,
10.26 except that:

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

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

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

11.6 (d) The net income of a real estate investment trust as defined and limited by section
11.7 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust
11.8 taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

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

11.12 (f) The Internal Revenue Code of 1986, as amended through ~~December 16, 2016~~
11.13 December 31, 2018, shall be in effect for taxable years beginning after December 31, 1996.

10.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
10.12 31, 2018.

10.13 Sec. 10. Minnesota Statutes 2018, section 290.01, subdivision 19, is amended to read:

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

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

10.23 (c) In the case of a regulated investment company or a fund thereof, as defined in section
10.24 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment
10.25 company taxable income as defined in section 852(b)(2) of the Internal Revenue Code,
10.26 except that:

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

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

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

11.6 (d) The net income of a real estate investment trust as defined and limited by section
11.7 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust
11.8 taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

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

11.12 (f) The Internal Revenue Code of 1986, as amended through ~~December 16, 2016~~
11.13 December 31, 2018, shall be in effect for taxable years beginning after December 31, 1996.

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

11.17 **EFFECTIVE DATE.** (a) The amendments to paragraphs (a) and (b) are effective for
 11.18 taxable years beginning after December 31, 2018.

11.19 (b) The amendment to paragraph (f) is effective the day following final enactment, except
 11.20 the changes incorporated by federal changes are effective retroactively at the same time as
 11.21 the changes became effective for federal purposes, but are subject to the application of
 11.22 Minnesota Statutes, section 290.993.

11.23 Sec. 11. Minnesota Statutes 2018, section 290.01, is amended by adding a subdivision to
 11.24 read:

11.25 Subd. 19i. **Deferred foreign income.** "Deferred foreign income" means the income of
 11.26 a domestic corporation that is included in net income under section 965 of the Internal
 11.27 Revenue Code.

11.28 **EFFECTIVE DATE.** This section is effective retroactively at the same time as the
 11.29 changes in Public Law 115-97 relating to deferred foreign income were effective for federal
 11.30 purposes.

12.1 Sec. 12. Minnesota Statutes 2018, section 290.01, is amended by adding a subdivision to
 12.2 read:

12.3 Subd. 21a. **Adjusted gross income; federal adjusted gross income.** The terms "adjusted
 12.4 gross income" and "federal adjusted gross income" mean adjusted gross income, as defined
 12.5 in section 62 of the Internal Revenue Code, as amended through the date named in
 12.6 subdivision 19, paragraph (f), incorporating the federal effective date of changes to the
 12.7 Internal Revenue Code and any elections made by the taxpayer under the Internal Revenue
 12.8 Code in determining federal adjusted gross income for federal income tax purposes.

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

12.10 Sec. 13. Minnesota Statutes 2018, section 290.01, subdivision 29a, is amended to read:

12.11 Subd. 29a. **State itemized deduction.** "State itemized deduction" means
 12.12 federal itemized deductions, as defined in section 63(d) of the Internal Revenue Code,
 12.13 disregarding any limitation under section 68 of the Internal Revenue Code, and reduced by
 12.14 the amount of the addition required under section 290.0131, subdivision 13 the itemized
 12.15 deductions for individual income tax allowed under section 290.0122, subdivision 1, reduced
 12.16 by the limit under section 290.0122, subdivision 2.

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

11.17 **EFFECTIVE DATE.** (a) The amendments to paragraphs (a) and (b) are effective for
 11.18 taxable years beginning after December 31, 2018.

11.19 (b) The amendment to paragraph (f) is effective the day following final enactment, except
 11.20 the changes incorporated by federal changes are effective retroactively at the same time as
 11.21 the changes became effective for federal purposes, but are subject to the application of
 11.22 Minnesota Statutes, section 290.993.

11.23 Sec. 11. Minnesota Statutes 2018, section 290.01, is amended by adding a subdivision to
 11.24 read:

11.25 Subd. 19i. **Deferred foreign income.** "Deferred foreign income" means the income of
 11.26 a domestic corporation that is included in net income under section 965 of the Internal
 11.27 Revenue Code.

11.28 **EFFECTIVE DATE.** This section is effective retroactively at the same time as the
 11.29 changes in Public Law 115-97 relating to deferred foreign income were effective for federal
 11.30 purposes.

12.1 Sec. 12. Minnesota Statutes 2018, section 290.01, is amended by adding a subdivision to
 12.2 read:

12.3 Subd. 21a. **Adjusted gross income; federal adjusted gross income.** The terms "adjusted
 12.4 gross income" and "federal adjusted gross income" mean adjusted gross income, as defined
 12.5 in section 62 of the Internal Revenue Code, as amended through the date named in
 12.6 subdivision 19, paragraph (f), incorporating the federal effective date of changes to the
 12.7 Internal Revenue Code and any elections made by the taxpayer under the Internal Revenue
 12.8 Code in determining federal adjusted gross income for federal income tax purposes.

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

12.10 Sec. 13. Minnesota Statutes 2018, section 290.01, subdivision 29a, is amended to read:

12.11 Subd. 29a. **State itemized deduction.** "State itemized deduction" means
 12.12 federal itemized deductions, as defined in section 63(d) of the Internal Revenue Code,
 12.13 disregarding any limitation under section 68 of the Internal Revenue Code, and reduced by
 12.14 the amount of the addition required under section 290.0131, subdivision 13 the itemized
 12.15 deductions for individual income tax allowed under section 290.0122, subdivision 1, reduced
 12.16 by the limit under section 290.0122, subdivision 2.

12.17 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
12.18 31, 2018.

12.19 Sec. 14. Minnesota Statutes 2018, section 290.01, subdivision 31, is amended to read:

12.20 Subd. 31. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal
12.21 Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December~~
12.22 ~~16, 2016~~ December 31, 2018. Internal Revenue Code also includes any uncodified provision
12.23 in federal law that relates to provisions of the Internal Revenue Code that are incorporated
12.24 into Minnesota law.

12.25 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
12.26 the changes incorporated by the federal changes are effective retroactively at the same time
12.27 as the changes became effective for federal purposes, but are subject to the application of
12.28 Minnesota Statutes, section 290.993.

12.29 Sec. 15. **[290.0121] DEPENDENT EXEMPTION.**

12.30 Subdivision 1. **Exemption amount.** (a) A taxpayer's dependent exemption equals:

13.1 (1) the exemption amount multiplied by the number of individuals who are dependents,
13.2 as defined in sections 151 and 152 of the Internal Revenue Code, of the taxpayer for the
13.3 taxable year; minus

13.4 (2) the disallowed exemption amount under subdivision 2, but the remainder may not
13.5 be less than zero.

13.6 (b) The exemption amount equals \$4,250.

13.7 Subd. 2. **Disallowed exemption amount.** (a) The disallowed exemption amount equals
13.8 the dependent exemption allowed under subdivision 1, paragraph (a), clause (1), multiplied
13.9 by the applicable percentage.

13.10 (b) For a married individual filing a separate return, "applicable percentage" means two
13.11 percentage points for each \$1,250, or fraction of that amount, by which the taxpayer's federal
13.12 adjusted gross income for the taxable year exceeds the threshold amount. For all other filers,
13.13 applicable percentage means two percentage points for each \$2,500, or fraction of that
13.14 amount, by which the taxpayer's federal adjusted gross income for the taxable year exceeds
13.15 the threshold amount. The applicable percentage must not exceed 100 percent.

13.16 (c) "Threshold amount" means:

13.17 (1) \$291,950 for a joint return or a surviving spouse;

13.18 (2) \$243,300 for a head of a household;

12.17 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
12.18 31, 2018.

12.19 Sec. 14. Minnesota Statutes 2018, section 290.01, subdivision 31, is amended to read:

12.20 Subd. 31. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal
12.21 Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December~~
12.22 ~~16, 2016~~ December 31, 2018. Internal Revenue Code also includes any uncodified provision
12.23 in federal law that relates to provisions of the Internal Revenue Code that are incorporated
12.24 into Minnesota law.

12.25 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
12.26 the changes incorporated by the federal changes are effective retroactively at the same time
12.27 as the changes became effective for federal purposes, but are subject to the application of
12.28 Minnesota Statutes, section 290.993.

12.29 Sec. 15. **[290.0121] DEPENDENT EXEMPTION.**

12.30 Subdivision 1. **Exemption amount.** (a) A taxpayer's dependent exemption equals:

13.1 (1) the exemption amount multiplied by the number of individuals who are dependents,
13.2 as defined in sections 151 and 152 of the Internal Revenue Code, of the taxpayer for the
13.3 taxable year; minus

13.4 (2) the disallowed exemption amount under subdivision 2, but the remainder may not
13.5 be less than zero.

13.6 (b) The exemption amount equals \$4,250.

13.7 Subd. 2. **Disallowed exemption amount.** (a) The disallowed exemption amount equals
13.8 the dependent exemption allowed under subdivision 1, paragraph (a), clause (1), multiplied
13.9 by the applicable percentage.

13.10 (b) For a married individual filing a separate return, "applicable percentage" means two
13.11 percentage points for each \$1,250, or fraction of that amount, by which the taxpayer's federal
13.12 adjusted gross income for the taxable year exceeds the threshold amount. For all other filers,
13.13 applicable percentage means two percentage points for each \$2,500, or fraction of that
13.14 amount, by which the taxpayer's federal adjusted gross income for the taxable year exceeds
13.15 the threshold amount. The applicable percentage must not exceed 100 percent.

13.16 (c) "Threshold amount" means:

13.17 (1) \$291,950 for a joint return or a surviving spouse;

13.18 (2) \$243,300 for a head of a household;

13.19 (3) \$194,650 for an individual who is not married and who is not a surviving spouse or
 13.20 head of a household; and

13.21 (4) half the amount for a joint return for a married individual filing a separate return.

13.22 Subd. 3. **Inflation adjustment.** For taxable years beginning after December 31, 2019,
 13.23 the commissioner must adjust for inflation the exemption amount in subdivision 1, paragraph
 13.24 (a), clause (1), and the threshold amounts in subdivision 2, as provided in section 270C.22.
 13.25 The statutory year is taxable year 2019. The amounts as adjusted must be rounded down to
 13.26 the nearest \$50 amount. If the amount ends in \$25, the amount is rounded down to the
 13.27 nearest \$50 amount. The threshold amount for married individuals filing separate returns
 13.28 must be one-half of the adjusted amount for married individuals filing joint returns.

13.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 13.30 31, 2018.

14.1 Sec. 16. **[290.0122] ITEMIZED DEDUCTIONS.**

14.2 Subdivision 1. **Itemized deductions.** A taxpayer's itemized deductions equal the sum
 14.3 of the amounts allowed as a deduction under this section, reduced by the amount calculated
 14.4 under subdivision 2.

14.5 Subd. 2. **Deductions limited; inflation adjustment.** (a) The itemized deductions of a
 14.6 taxpayer with adjusted gross income in excess of the applicable amount are reduced by the
 14.7 lesser of:

14.8 (1) three percent of the excess of the taxpayer's federal adjusted gross income over the
 14.9 applicable amount; or

14.10 (2) 80 percent of the amount of the taxpayer's itemized deductions.

14.11 (b) "Applicable amount" means \$194,650, or \$97,325 for a married individual filing a
 14.12 separate return.

14.13 (c) For the purposes of this subdivision, "itemized deductions" means the itemized
 14.14 deductions otherwise allowable to the taxpayer under subdivision 1, except itemized
 14.15 deductions excludes:

14.16 (1) the portion of the deduction for interest under subdivision 5 that represents investment
 14.17 interest;

14.18 (2) the deduction for medical expenses under subdivision 6; and

14.19 (3) the deduction for losses under subdivision 8.

14.20 (d) For taxable years beginning after December 31, 2019, the commissioner must adjust
 14.21 for inflation the applicable amounts under paragraph (b) as provided in section 270C.22.

13.19 (3) \$194,650 for an individual who is not married and who is not a surviving spouse or
 13.20 head of a household; and

13.21 (4) half the amount for a joint return for a married individual filing a separate return.

13.22 Subd. 3. **Inflation adjustment.** For taxable years beginning after December 31, 2019,
 13.23 the commissioner must adjust for inflation the exemption amount in subdivision 1, paragraph
 13.24 (a), clause (1), and the threshold amounts in subdivision 2, as provided in section 270C.22.
 13.25 The statutory year is taxable year 2019. The amounts as adjusted must be rounded down to
 13.26 the nearest \$50 amount. If the amount ends in \$25, the amount is rounded down to the
 13.27 nearest \$50 amount. The threshold amount for married individuals filing separate returns
 13.28 must be one-half of the adjusted amount for married individuals filing joint returns.

13.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 13.30 31, 2018.

14.1 Sec. 16. **[290.0122] ITEMIZED DEDUCTIONS.**

14.2 Subdivision 1. **Itemized deductions.** A taxpayer's itemized deductions equal the sum
 14.3 of the amounts allowed as a deduction under this section, reduced by the amount calculated
 14.4 under subdivision 2.

14.5 Subd. 2. **Deductions limited; inflation adjustment.** (a) The itemized deductions of a
 14.6 taxpayer with adjusted gross income in excess of the applicable amount are reduced by the
 14.7 lesser of:

14.8 (1) three percent of the excess of the taxpayer's federal adjusted gross income over the
 14.9 applicable amount; or

14.10 (2) 80 percent of the amount of the taxpayer's itemized deductions.

14.11 (b) "Applicable amount" means \$194,650, or \$97,325 for a married individual filing a
 14.12 separate return.

14.13 (c) For the purposes of this subdivision, "itemized deductions" means the itemized
 14.14 deductions otherwise allowable to the taxpayer under subdivision 1, except itemized
 14.15 deductions excludes:

14.16 (1) the portion of the deduction for interest under subdivision 5 that represents investment
 14.17 interest;

14.18 (2) the deduction for medical expenses under subdivision 6; and

14.19 (3) the deduction for losses under subdivision 8.

14.20 (d) For taxable years beginning after December 31, 2019, the commissioner must adjust
 14.21 for inflation the applicable amounts under paragraph (b) as provided in section 270C.22.

14.22 The statutory year is taxable year 2019. The amounts as adjusted must be rounded down to
 14.23 the nearest \$50 amount. The threshold amount for married individuals filing separate returns
 14.24 must be one-half of the adjusted amount for married individuals filing joint returns.

14.25 Subd. 3. **Taxes paid.** (a) A taxpayer is allowed a deduction for taxes paid. The deduction
 14.26 equals the sum of the following amounts for the taxable year:

14.27 (1) state and local personal property taxes and real property taxes, in a total amount for
 14.28 both types not to exceed \$10,000, or \$5,000 for a married taxpayer filing a separate return;

14.29 (2) foreign income, war profits, and excess profits taxes to the extent not reduced by the
 14.30 federal foreign tax credit; and

15.1 (3) for individuals who are allowed a federal foreign tax credit for taxes that do not
 15.2 qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover
 15.3 of subnational foreign taxes for the taxable year, but not to exceed the total subnational
 15.4 foreign taxes reported in claiming the foreign tax credit, and to the extent not deducted
 15.5 under clause (2).

15.6 (b) For purposes of this subdivision, the following terms have the meanings given them:

15.7 (1) "carryover of subnational foreign taxes" equals the carryover allowed under section
 15.8 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they
 15.9 exceed the federal foreign tax credit;

15.10 (2) "federal foreign tax credit" means the credit allowed under section 27 of the Internal
 15.11 Revenue Code; and

15.12 (3) "foreign, income, war profits, and excess profits taxes" and "state and local real and
 15.13 personal property taxes" have the meanings given in section 164 of the Internal Revenue
 15.14 Code.

15.15 Subd. 4. **Charitable contributions.** (a) A taxpayer is allowed a deduction for charitable
 15.16 contributions. The deduction equals the amount of the charitable contribution deduction
 15.17 allowable to the taxpayer under section 170 of the Internal Revenue Code, including the
 15.18 denial of the deduction under section 408(d)(8), except that the provisions of section
 15.19 170(b)(1)(G) apply regardless of the taxable year.

15.20 (b) For taxable years beginning after December 31, 2017, the determination of carryover
 15.21 amounts must be made by applying the rules under section 170 of the Internal Revenue
 15.22 Code based on the charitable contribution deductions claimed and allowable under this
 15.23 section.

15.24 Subd. 5. **Interest.** A taxpayer is allowed a deduction for interest. The deduction equals
 15.25 the amount allowed to the taxpayer as interest paid or accrued during the taxable year under
 15.26 section 163 of the Internal Revenue Code with the following exceptions:

14.22 The statutory year is taxable year 2019. The amounts as adjusted must be rounded down to
 14.23 the nearest \$50 amount. The threshold amount for married individuals filing separate returns
 14.24 must be one-half of the adjusted amount for married individuals filing joint returns.

14.25 Subd. 3. **Taxes paid.** (a) A taxpayer is allowed a deduction for taxes paid. The deduction
 14.26 equals the sum of the following amounts for the taxable year:

14.27 (1) state and local personal property taxes and real property taxes, in a total amount for
 14.28 both types not to exceed \$10,000, or \$5,000 for a married taxpayer filing a separate return;

14.29 (2) foreign income, war profits, and excess profits taxes to the extent not reduced by the
 14.30 federal foreign tax credit; and

15.1 (3) for individuals who are allowed a federal foreign tax credit for taxes that do not
 15.2 qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover
 15.3 of subnational foreign taxes for the taxable year, but not to exceed the total subnational
 15.4 foreign taxes reported in claiming the foreign tax credit, and to the extent not deducted
 15.5 under clause (2).

15.6 (b) For purposes of this subdivision, the following terms have the meanings given them:

15.7 (1) "carryover of subnational foreign taxes" equals the carryover allowed under section
 15.8 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they
 15.9 exceed the federal foreign tax credit;

15.10 (2) "federal foreign tax credit" means the credit allowed under section 27 of the Internal
 15.11 Revenue Code; and

15.12 (3) "foreign, income, war profits, and excess profits taxes" and "state and local real and
 15.13 personal property taxes" have the meanings given in section 164 of the Internal Revenue
 15.14 Code.

15.15 Subd. 4. **Charitable contributions.** (a) A taxpayer is allowed a deduction for charitable
 15.16 contributions. The deduction equals the amount of the charitable contribution deduction
 15.17 allowable to the taxpayer under section 170 of the Internal Revenue Code, including the
 15.18 denial of the deduction under section 408(d)(8), except that the provisions of section
 15.19 170(b)(1)(G) apply regardless of the taxable year.

15.20 (b) For taxable years beginning after December 31, 2017, the determination of carryover
 15.21 amounts must be made by applying the rules under section 170 of the Internal Revenue
 15.22 Code based on the charitable contribution deductions claimed and allowable under this
 15.23 section.

- 15.27 (1) qualified residence interest excludes home equity interest;
- 15.28 (2) acquisition indebtedness must not exceed \$750,000, or \$375,000 for a married
- 15.29 separate return, for indebtedness incurred on or after December 16, 2017; and
- 15.30 (3) mortgage insurance premiums treated as interest under section 163(h)(3)(E) are not
- 15.31 interest for the purposes of this subdivision.
- 16.1 Subd. 6. **Medical expenses.** A taxpayer is allowed a deduction for medical expenses.
- 16.2 The deduction equals the amount allowed under section 213 of the Internal Revenue Code,
- 16.3 except that the threshold percentage of adjusted gross income in paragraph (a) is ten percent
- 16.4 regardless of the federal percentage for the taxable year.
- 16.5 Subd. 7. **Unreimbursed employee expenses.** A taxpayer is allowed a deduction for
- 16.6 unreimbursed employee expenses. The deduction equals the amount of the taxpayer's trade
- 16.7 or business expenses incurred as an employee and allowed under section 162 of the Internal
- 16.8 Revenue Code in excess of two percent of the taxpayer's adjusted gross income, disregarding
- 16.9 the suspension of the deduction in section 67, paragraph (g), of the Internal Revenue Code.
- 16.10 Subd. 8. **Losses.** A taxpayer is allowed a deduction for losses. The deduction equals the
- 16.11 amount allowed under sections 165(d) and 165(h) of the Internal Revenue Code, disregarding
- 16.12 the limitation on personal casualty losses in paragraph (h)(5).
- 16.13 Subd. 9. **Miscellaneous deduction.** A taxpayer is allowed a miscellaneous deduction.
- 16.14 The deduction equals the sum of the following amounts for the taxable year:
- 16.15 (1) impairment-related work expenses allowed under section 67(d) of the Internal Revenue
- 16.16 Code;
- 16.17 (2) the deduction for estate tax under section 691(c) of the Internal Revenue Code;
- 16.18 (3) any deduction allowable in connection with personal property used in a short sale
- 16.19 as described under section 67(b)(8);
- 16.20 (4) the deduction under section 1341 of the Internal Revenue Code;
- 16.21 (5) the deduction under section 72(b)(3) of the Internal Revenue Code;
- 16.22 (6) the deduction under section 171 of the Internal Revenue Code; and
- 16.23 (7) the deduction under section 216 of the Internal Revenue Code.
- 16.24 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
- 16.25 31, 2018.

- 15.24 Subd. 5. **Interest.** A taxpayer is allowed a deduction for interest. The deduction equals
- 15.25 the amount allowed to the taxpayer as interest paid or accrued during the taxable year under
- 15.26 section 163 of the Internal Revenue Code with the following exceptions:
- 15.27 (1) qualified residence interest excludes home equity interest;
- 15.28 (2) acquisition indebtedness must not exceed \$750,000, or \$375,000 for a married
- 15.29 separate return, for indebtedness incurred on or after December 16, 2017; and
- 15.30 (3) mortgage insurance premiums treated as interest under section 163(h)(3)(E) are not
- 15.31 interest for the purposes of this subdivision.
- 16.1 Subd. 6. **Medical expenses.** A taxpayer is allowed a deduction for medical expenses.
- 16.2 The deduction equals the amount allowed under section 213 of the Internal Revenue Code,
- 16.3 except that the threshold percentage of adjusted gross income in paragraph (a) is ten percent
- 16.4 regardless of the federal percentage for the taxable year.
- 16.5 Subd. 7. **Unreimbursed employee expenses.** A taxpayer is allowed a deduction for
- 16.6 unreimbursed employee expenses. The deduction equals the amount of the taxpayer's trade
- 16.7 or business expenses incurred as an employee and allowed under section 162 of the Internal
- 16.8 Revenue Code in excess of two percent of the taxpayer's adjusted gross income, disregarding
- 16.9 the suspension of the deduction in section 67, paragraph (g), of the Internal Revenue Code.
- 16.10 Subd. 8. **Losses.** A taxpayer is allowed a deduction for losses. The deduction equals the
- 16.11 amount allowed under sections 165(d) and 165(h) of the Internal Revenue Code, disregarding
- 16.12 the limitation on personal casualty losses in paragraph (h)(5).
- 16.13 Subd. 9. **Miscellaneous deduction.** A taxpayer is allowed a miscellaneous deduction.
- 16.14 The deduction equals the sum of the following amounts for the taxable year:
- 16.15 (1) impairment-related work expenses allowed under section 67(d) of the Internal Revenue
- 16.16 Code;
- 16.17 (2) the deduction for estate tax under section 691(c) of the Internal Revenue Code;
- 16.18 (3) any deduction allowable in connection with personal property used in a short sale
- 16.19 as described under section 67(b)(8);
- 16.20 (4) the deduction under section 1341 of the Internal Revenue Code;
- 16.21 (5) the deduction under section 72(b)(3) of the Internal Revenue Code;
- 16.22 (6) the deduction under section 171 of the Internal Revenue Code; and
- 16.23 (7) the deduction under section 216 of the Internal Revenue Code.

16.26 Sec. 17. **[290.0123] STANDARD DEDUCTION.**

16.27 Subdivision 1. **Standard deduction amount.** A taxpayer's standard deduction equals:

16.28 (1) for a married joint filer or a surviving spouse, \$24,400;

16.29 (2) for a head of household filer, \$18,350; or

16.30 (3) for any other filer, one-half the amount in clause (1); plus

17.1 (4) the additional amount for the taxpayer under subdivision 2.

17.2 A taxpayer's standard deduction amount is reduced in accordance with subdivision 5.

17.3 Subd. 2. **Additional amount for seniors or blind taxpayers.** (a) The additional amount

17.4 equals the sum of the following amounts:

17.5 (1) \$1,300 if the taxpayer has attained age 65 before the close of the taxable year or

17.6 \$1,650 for such a taxpayer who is not married or a surviving spouse;

17.7 (2) \$1,300 for the spouse of the taxpayer if the spouse has attained the age of 65 before

17.8 the close of the taxable year and qualifies for an exemption under section 151(b) of the

17.9 Internal Revenue Code;

17.10 (3) \$1,300 if the taxpayer is blind at the close of the taxable year or \$1,650 for such a

17.11 taxpayer who is not married or a surviving spouse; and

17.12 (4) \$1,300 for the spouse of the taxpayer if the spouse is blind as of the close of the

17.13 taxable year and qualifies for an exemption under section 151(b) of the Internal Revenue

17.14 Code.

17.15 (b) The commissioner must disregard section 151(d)(5) of the Internal Revenue Code

17.16 when determining if the taxpayer's spouse is eligible for an exemption under paragraph (a).

17.17 Subd. 3. **Amount for dependents.** For an individual who is a dependent, as defined in

17.18 sections 151 and 152 of the Internal Revenue Code, of another taxpayer for a taxable year

17.19 beginning in the calendar year in which the individual's taxable year begins, the standard

17.20 deduction for that individual is limited to the greater of:

17.21 (1) \$1,100; or

16.24 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December

16.25 31, 2018.

16.26 Sec. 17. **[290.0123] STANDARD DEDUCTION.**

16.27 Subdivision 1. **Standard deduction amount.** A taxpayer's standard deduction equals:

16.28 (1) for a married joint filer or a surviving spouse, \$24,400;

16.29 (2) for a head of household filer, \$18,350; or

16.30 (3) for any other filer, one-half the amount in clause (1); plus

17.1 (4) the additional amount for the taxpayer under subdivision 2.

17.2 A taxpayer's standard deduction amount is reduced in accordance with subdivision 5.

17.3 Subd. 2. **Additional amount for seniors or blind taxpayers.** (a) The additional amount

17.4 equals the sum of the following amounts:

17.5 (1) \$1,300 if the taxpayer has attained age 65 before the close of the taxable year or

17.6 \$1,650 for such a taxpayer who is not married or a surviving spouse;

17.7 (2) \$1,300 for the spouse of the taxpayer if the spouse has attained the age of 65 before

17.8 the close of the taxable year and qualifies for an exemption under section 151(b) of the

17.9 Internal Revenue Code;

17.10 (3) \$1,300 if the taxpayer is blind at the close of the taxable year or \$1,650 for such a

17.11 taxpayer who is not married or a surviving spouse; and

17.12 (4) \$1,300 for the spouse of the taxpayer if the spouse is blind as of the close of the

17.13 taxable year and qualifies for an exemption under section 151(b) of the Internal Revenue

17.14 Code.

17.15 (b) The commissioner must disregard section 151(d)(5) of the Internal Revenue Code

17.16 when determining if the taxpayer's spouse is eligible for an exemption under paragraph (a).

17.17 Subd. 3. **Amount for dependents.** For an individual who is a dependent, as defined in

17.18 sections 151 and 152 of the Internal Revenue Code, of another taxpayer for a taxable year

17.19 beginning in the calendar year in which the individual's taxable year begins, the standard

17.20 deduction for that individual is limited to the greater of:

17.21 (1) \$1,100; or

17.22 (2) the lesser of (i) the sum of \$350 and that individual's earned income, as defined in

17.23 section 32(c) of the Internal Revenue Code; or (ii) the standard deduction amount allowed

17.24 under subdivision 1, clause (3).

17.22 (2) the lesser of (i) the sum of \$350 and that individual's earned income, as defined in
 17.23 section 32(c) of the Internal Revenue Code; or (ii) the standard deduction amount allowed
 17.24 under subdivision 1, clause (3).

17.25 Subd. 4. **Deduction disallowed.** The standard deduction is zero for: (1) a married
 17.26 individual filing a separate return if either spouse itemizes deductions; (2) an individual
 17.27 making a return for a period of less than twelve months on account of changes in the annual
 17.28 accounting period; and (3) a nonresident alien individual, except as allowed under a United
 17.29 States income tax treaty.

17.30 Subd. 5. **Deduction limited.** (a) The standard deduction of a taxpayer with adjusted
 17.31 gross income in excess of the applicable amount is reduced by the lesser of:

18.1 (1) three percent of the excess of the taxpayer's federal adjusted gross income over the
 18.2 applicable amount; or

18.3 (2) 80 percent of the standard deduction otherwise allowable under this section.

18.4 (b) "Applicable amount" means \$194,650, or \$97,325 for a married individual filing a
 18.5 separate return.

18.6 Subd. 6. **Inflation adjustment.** For taxable years beginning after December 31, 2019,
 18.7 the commissioner must adjust for inflation the standard deduction amounts in subdivision
 18.8 1, the additional amounts in subdivision 2, the amounts in subdivision 3, and the applicable
 18.9 amounts in subdivision 5 as provided in section 270C.22. The statutory year is taxable year
 18.10 2019. The amounts as adjusted must be rounded down to the nearest \$50 amount. The
 18.11 standard deduction amount for married individuals filing separate returns is one-half of the
 18.12 adjusted amount for married individuals filing joint returns.

18.13 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 18.14 31, 2018.

18.15 Sec. 18. Minnesota Statutes 2018, section 290.0131, subdivision 1, is amended to read:

18.16 Subdivision 1. **Definition; scope.** (a) For the purposes of this section, "addition" means
 18.17 an amount that must be added to federal taxable income for a trust or an estate or federal
 18.18 adjusted gross income for an individual in computing net income for the taxable year to
 18.19 which the amounts relate.

18.20 (b) The additions in this section apply to individuals, estates, and trusts.

18.21 (c) Unless specifically indicated or unless the context clearly indicates otherwise, only
 18.22 amounts that were deducted or excluded in computing federal taxable income for a trust or
 18.23 an estate or federal adjusted gross income for individuals are an addition under this section.

17.25 Subd. 4. **Deduction disallowed.** The standard deduction is zero for: (1) a married
 17.26 individual filing a separate return if either spouse itemizes deductions; (2) an individual
 17.27 making a return for a period of less than twelve months on account of changes in the annual
 17.28 accounting period; and (3) a nonresident alien individual, except as allowed under a United
 17.29 States income tax treaty.

17.30 Subd. 5. **Deduction limited.** (a) The standard deduction of a taxpayer with adjusted
 17.31 gross income in excess of the applicable amount is reduced by the lesser of:

18.1 (1) three percent of the excess of the taxpayer's federal adjusted gross income over the
 18.2 applicable amount; or

18.3 (2) 80 percent of the standard deduction otherwise allowable under this section.

18.4 (b) "Applicable amount" means \$194,650, or \$97,325 for a married individual filing a
 18.5 separate return.

18.6 Subd. 6. **Inflation adjustment.** For taxable years beginning after December 31, 2019,
 18.7 the commissioner must adjust for inflation the standard deduction amounts in subdivision
 18.8 1, the additional amounts in subdivision 2, the amounts in subdivision 3, and the applicable
 18.9 amounts in subdivision 5 as provided in section 270C.22. The statutory year is taxable year
 18.10 2019. The amounts as adjusted must be rounded down to the nearest \$50 amount. The
 18.11 standard deduction amount for married individuals filing separate returns is one-half of the
 18.12 adjusted amount for married individuals filing joint returns.

18.13 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 18.14 31, 2018.

18.15 Sec. 18. Minnesota Statutes 2018, section 290.0131, subdivision 1, is amended to read:

18.16 Subdivision 1. **Definition; scope.** (a) For the purposes of this section, "addition" means
 18.17 an amount that must be added to federal taxable income for a trust or an estate or federal
 18.18 adjusted gross income for an individual in computing net income for the taxable year to
 18.19 which the amounts relate.

18.20 (b) The additions in this section apply to individuals, estates, and trusts.

18.21 (c) Unless specifically indicated or unless the context clearly indicates otherwise, only
 18.22 amounts that were deducted or excluded in computing federal taxable income for a trust or
 18.23 an estate or federal adjusted gross income for individuals are an addition under this section.

18.24 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
18.25 31, 2018.

18.26 Sec. 19. Minnesota Statutes 2018, section 290.0131, subdivision 3, is amended to read:

18.27 Subd. 3. **Income, sales and use, motor vehicle sales, or excise taxes paid.** ~~(a)~~ For trusts
18.28 and estates, the amount of income, sales and use, motor vehicle sales, or excise taxes paid
18.29 or accrued within the taxable year under this chapter and the amount of taxes based on net
18.30 income, sales and use, motor vehicle sales, or excise taxes paid to any other state or to any
19.1 province or territory of Canada is an addition to the extent deducted under section 63(d) of
19.2 the Internal Revenue Code.

19.3 ~~(b) The addition under paragraph (a) may not be more than the amount by which the~~
19.4 ~~state itemized deduction exceeds the amount of the standard deduction as defined in section~~
19.5 ~~63(c) of the Internal Revenue Code. For the purpose of this subdivision, income, sales and~~
19.6 ~~use, motor vehicle sales, or excise taxes are the last itemized deductions disallowed under~~
19.7 ~~subdivision 12.~~

19.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
19.9 31, 2018.

19.10 Sec. 20. Minnesota Statutes 2018, section 290.0131, is amended by adding a subdivision
19.11 to read:

19.12 Subd. 15. **529 plan addition.** The lesser of the following amounts is an addition:

19.13 (1) the total distributions for the taxable year from a qualified plan under section 529 of
19.14 the Internal Revenue Code, owned by the taxpayer, that are expended for qualified higher
19.15 education expenses under section 529(c)(7) of the Internal Revenue Code (expenses for
19.16 tuition for elementary or secondary public, private, or religious school); or

19.17 (2) the total amount required to be reported to the taxpayer by any trustee of a qualified
19.18 tuition plan under section 529 of the Internal Revenue Code as earnings on Internal Revenue
19.19 Service Form 1099Q for the taxable year.

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

19.22 Sec. 21. Minnesota Statutes 2018, section 290.0131, is amended by adding a subdivision
19.23 to read:

19.24 Subd. 16. **Section 199A addition.** For trusts and estates, the amount deducted under
19.25 section 199A of the Internal Revenue Code in computing the trust or estate's federal taxable
19.26 income is an addition.

18.24 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
18.25 31, 2018.

18.26 Sec. 19. Minnesota Statutes 2018, section 290.0131, subdivision 3, is amended to read:

18.27 Subd. 3. **Income, sales and use, motor vehicle sales, or excise taxes paid.** ~~(a)~~ For trusts
18.28 and estates, the amount of income, sales and use, motor vehicle sales, or excise taxes paid
18.29 or accrued within the taxable year under this chapter and the amount of taxes based on net
18.30 income, sales and use, motor vehicle sales, or excise taxes paid to any other state or to any
19.1 province or territory of Canada is an addition to the extent deducted under section 63(d) of
19.2 the Internal Revenue Code.

19.3 ~~(b) The addition under paragraph (a) may not be more than the amount by which the~~
19.4 ~~state itemized deduction exceeds the amount of the standard deduction as defined in section~~
19.5 ~~63(c) of the Internal Revenue Code. For the purpose of this subdivision, income, sales and~~
19.6 ~~use, motor vehicle sales, or excise taxes are the last itemized deductions disallowed under~~
19.7 ~~subdivision 12.~~

19.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
19.9 31, 2018.

19.10 Sec. 20. Minnesota Statutes 2018, section 290.0131, is amended by adding a subdivision
19.11 to read:

19.12 Subd. 15. **529 plan addition.** The lesser of the following amounts is an addition:

19.13 (1) the total distributions for the taxable year from a qualified plan under section 529 of
19.14 the Internal Revenue Code, owned by the taxpayer, that are expended for qualified higher
19.15 education expenses under section 529(c)(7) of the Internal Revenue Code (expenses for
19.16 tuition for elementary or secondary public, private, or religious school); or

19.17 (2) the total amount required to be reported to the taxpayer by any trustee of a qualified
19.18 tuition plan under section 529 of the Internal Revenue Code as earnings on Internal Revenue
19.19 Service Form 1099Q for the taxable year.

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

19.22 Sec. 21. Minnesota Statutes 2018, section 290.0131, is amended by adding a subdivision
19.23 to read:

19.24 Subd. 16. **Section 199A addition.** For trusts and estates, the amount deducted under
19.25 section 199A of the Internal Revenue Code in computing the trust or estate's federal taxable
19.26 income is an addition.

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

20.1 Sec. 22. Minnesota Statutes 2018, section 290.0131, is amended by adding a subdivision
 20.2 to read:

20.3 Subd. 17. **Foreign-derived intangible income** To the extent deducted from net income,
 20.4 the amount of foreign-derived intangible income deducted under section 250 of the Internal
 20.5 Revenue Code for the taxable year is an addition.

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

20.8 Sec. 23. Minnesota Statutes 2018, section 290.0131, is amended by adding a subdivision
 20.9 to read:

20.10 Subd. 18. **Special deductions.** For trusts and estates, the amount of any special deduction
 20.11 under section 250 or 965 of the Internal Revenue Code is an addition, to the extent not
 20.12 included in taxable income.

20.13 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
 20.14 the changes incorporated by federal changes are effective retroactively at the same time the
 20.15 changes became effective for federal purposes.

20.16 Sec. 24. Minnesota Statutes 2018, section 290.0132, subdivision 1, is amended to read:

20.17 Subdivision 1. **Definition; scope.** (a) For the purposes of this section, "subtraction"
 20.18 means an amount that shall be subtracted from federal taxable income for a trust or an estate
 20.19 or federal adjusted gross income for an individual in computing net income for the taxable
 20.20 year to which the amounts relate.

20.21 (b) The subtractions in this section apply to individuals, estates, and trusts.

20.22 (c) Unless specifically indicated or unless the context clearly indicates otherwise, no
 20.23 amount deducted, subtracted, or otherwise excluded in computing federal taxable income
 20.24 for a trust or an estate or federal adjusted gross income for an individual is a subtraction
 20.25 under this section.

20.26 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 20.27 31, 2018.

20.28 Sec. 25. Minnesota Statutes 2018, section 290.0132, subdivision 7, is amended to read:

20.29 Subd. 7. **Charitable contributions for taxpayers who do not itemize.** To the extent
 20.30 not deducted or not deductible under section 408(d)(8)(E) of the Internal Revenue Code in
 20.31 determining federal taxable income by For an individual who does not itemize deductions
 21.1 for federal income tax purposes under section 290.0132, subdivision 19, for the taxable

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

20.1 Sec. 22. Minnesota Statutes 2018, section 290.0131, is amended by adding a subdivision
 20.2 to read:

20.3 Subd. 17. **Foreign-derived intangible income** To the extent deducted from net income,
 20.4 the amount of foreign-derived intangible income deducted under section 250 of the Internal
 20.5 Revenue Code for the taxable year is an addition.

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

20.8 Sec. 23. Minnesota Statutes 2018, section 290.0132, subdivision 1, is amended to read:

20.9 Subdivision 1. **Definition; scope.** (a) For the purposes of this section, "subtraction"
 20.10 means an amount that shall be subtracted from federal taxable income for a trust or an estate
 20.11 or federal adjusted gross income for an individual in computing net income for the taxable
 20.12 year to which the amounts relate.

20.13 (b) The subtractions in this section apply to individuals, estates, and trusts.

20.14 (c) Unless specifically indicated or unless the context clearly indicates otherwise, no
 20.15 amount deducted, subtracted, or otherwise excluded in computing federal taxable income
 20.16 for a trust or an estate or federal adjusted gross income for an individual is a subtraction
 20.17 under this section.

20.18 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 20.19 31, 2018.

20.20 Sec. 24. Minnesota Statutes 2018, section 290.0132, subdivision 7, is amended to read:

20.21 Subd. 7. **Charitable contributions for taxpayers who do not itemize.** To the extent
 20.22 not deducted or not deductible under section 408(d)(8)(E) of the Internal Revenue Code in
 20.23 determining federal taxable income by For an individual who does not itemize deductions
 20.24 for federal income tax purposes under section 290.0132, subdivision 19, for the taxable

21.2 year, an amount equal to 50 percent of the excess of charitable contributions over \$500
 21.3 allowable as a deduction for the taxable year under section ~~170(a) of the Internal Revenue~~
 21.4 ~~Code 290.0122, subdivision 4, is a subtraction. The subtraction under this subdivision must~~
 21.5 ~~not include a distribution that is excluded from federal adjusted gross income and that is~~
 21.6 ~~not deductible under section 408(d)(8)(E) of the Internal Revenue Code.~~

21.7 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 21.8 31, 2018.

21.9 Sec. 26. Minnesota Statutes 2018, section 290.0132, subdivision 19, is amended to read:

21.10 Subd. 19. ~~**Disallowed Standard or itemized deductions.**~~ (a) The standard deduction
 21.11 amount allowed under section 290.0123, subdivision 1, is a subtraction.

21.12 (b) A taxpayer may elect to claim a subtraction equal to the amount of the limitation on
 21.13 itemized deductions calculated under section 68(b) of the Internal Revenue Code is a
 21.14 subtraction 290.0122, subdivision 1, in lieu of the subtraction for the standard deduction in
 21.15 paragraph (a).

21.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 21.17 31, 2018.

21.18 Sec. 27. Minnesota Statutes 2018, section 290.0132, subdivision 20, is amended to read:

21.19 Subd. 20. ~~**Disallowed Personal Dependent exemption.**~~ The amount of the phaseout of
 21.20 personal exemptions under section 151(d) of the Internal Revenue Code is a subtraction.
 21.21 The dependent exemption under section 290.0121, subdivision 1, paragraph (a), is a
 21.22 subtraction.

21.23 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 21.24 31, 2018.

21.25 Sec. 28. Minnesota Statutes 2018, section 290.0132, subdivision 21, is amended to read:

21.26 Subd. 21. **Military service pension; retirement pay.** To the extent included in federal
 21.27 ~~taxable~~ adjusted gross income, compensation received from a pension or other retirement
 21.28 pay from the federal government for service in the military, as computed under United
 21.29 States Code, title 10, sections 1401 to 1414, 1447 to 1455, and 12733, is a subtraction. The
 21.30 subtraction is limited to individuals who do not claim the credit under section 290.0677.

22.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 22.2 31, 2018.

20.25 year, an amount equal to 50 percent of the excess of charitable contributions over \$500
 20.26 allowable as a deduction for the taxable year under section ~~170(a) of the Internal Revenue~~
 20.27 ~~Code 290.0122, subdivision 4, is a subtraction. The subtraction under this subdivision must~~
 20.28 ~~not include a distribution that is excluded from federal adjusted gross income and that is~~
 20.29 ~~not deductible under section 408(d)(8)(E) of the Internal Revenue Code.~~

20.30 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 20.31 31, 2018.

21.1 Sec. 25. Minnesota Statutes 2018, section 290.0132, subdivision 19, is amended to read:

21.2 Subd. 19. ~~**Disallowed Standard or itemized deductions.**~~ (a) The standard deduction
 21.3 amount allowed under section 290.0123, subdivision 1, is a subtraction.

21.4 (b) A taxpayer may elect to claim a subtraction equal to the amount of the limitation on
 21.5 itemized deductions calculated under section 68(b) of the Internal Revenue Code is a
 21.6 subtraction 290.0122, subdivision 1, in lieu of the subtraction for the standard deduction in
 21.7 paragraph (a).

21.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 21.9 31, 2018.

21.10 Sec. 26. Minnesota Statutes 2018, section 290.0132, subdivision 20, is amended to read:

21.11 Subd. 20. ~~**Disallowed Personal Dependent exemption.**~~ The amount of the phaseout of
 21.12 personal exemptions under section 151(d) of the Internal Revenue Code is a subtraction.
 21.13 The dependent exemption under section 290.0121, subdivision 1, paragraph (a), is a
 21.14 subtraction.

21.15 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 21.16 31, 2018.

21.17 Sec. 27. Minnesota Statutes 2018, section 290.0132, subdivision 21, is amended to read:

21.18 Subd. 21. **Military service pension; retirement pay.** To the extent included in federal
 21.19 ~~taxable~~ adjusted gross income, compensation received from a pension or other retirement
 21.20 pay from the federal government for service in the military, as computed under United
 21.21 States Code, title 10, sections 1401 to 1414, 1447 to 1455, and 12733, is a subtraction. The
 21.22 subtraction is limited to individuals who do not claim the credit under section 290.0677.

21.23 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 21.24 31, 2018.

- 22.3 Sec. 29. Minnesota Statutes 2018, section 290.0132, is amended by adding a subdivision
22.4 to read:
- 22.5 Subd. 27. **Deferred foreign income.** The amount of deferred foreign income recognized
22.6 because of section 965 of the Internal Revenue Code is a subtraction.
- 22.7 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
22.8 the changes incorporated by federal changes are effective retroactively at the same time the
22.9 changes became effective for federal purposes.
- 22.10 Sec. 30. Minnesota Statutes 2018, section 290.0132, is amended by adding a subdivision
22.11 to read:
- 22.12 Subd. 28. **Global intangible low-taxed income.** The amount of global intangible
22.13 low-taxed income included in gross income under section 951A of the Internal Revenue
22.14 Code is a subtraction.
- 22.15 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
22.16 after December 31, 2017.
- 22.17 Sec. 31. Minnesota Statutes 2018, section 290.0133, subdivision 6, is amended to read:
- 22.18 Subd. 6. **Special deductions.** The amount of any special deductions under sections 241
22.19 to 247, 250, and 965 of the Internal Revenue Code is an addition.
- 22.20 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
22.21 the changes incorporated by federal changes are effective retroactively at the same time the
22.22 changes became effective for federal purposes.
- 22.23 Sec. 32. Minnesota Statutes 2018, section 290.0134, is amended by adding a subdivision
22.24 to read:
- 22.25 Subd. 17. **Global intangible low-taxed income.** The amount of global intangible
22.26 low-taxed income included in gross income under section 951A of the Internal Revenue
22.27 Code is a subtraction.

- 21.25 Sec. 28. Minnesota Statutes 2018, section 290.0132, is amended by adding a subdivision
21.26 to read:
- 21.27 Subd. 27. **Deferred foreign income.** The amount of deferred foreign income recognized
21.28 because of section 965 of the Internal Revenue Code is a subtraction.
- 21.29 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
21.30 the changes incorporated by federal changes are effective retroactively at the same time the
21.31 changes become effective for federal purposes.
- 22.1 Sec. 29. Minnesota Statutes 2018, section 290.0132, is amended by adding a subdivision
22.2 to read:
- 22.3 Subd. 28. **Global intangible low-taxed income.** The amount of global intangible
22.4 low-taxed income included in gross income under section 951A of the Internal Revenue
22.5 Code is a subtraction.
- 22.6 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
22.7 after December 31, 2017.
- 22.8 Sec. 30. Minnesota Statutes 2018, section 290.0133, subdivision 6, is amended to read:
- 22.9 Subd. 6. **Special deductions.** The amount of any special deductions under sections 241
22.10 to 247 and 965 of the Internal Revenue Code is an addition.
- 22.11 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
22.12 the changes incorporated by federal changes are effective retroactively at the same time the
22.13 changes become effective for federal purposes.
- 22.14 Sec. 31. Minnesota Statutes 2018, section 290.0133, is amended by adding a subdivision
22.15 to read:
- 22.16 Subd. 15. **Foreign-derived intangible income.** The amount of foreign-derived intangible
22.17 income deducted under section 250 of the Internal Revenue Code for the taxable year is an
22.18 addition.
- 22.19 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
22.20 after December 31, 2017.
- 22.21 Sec. 32. Minnesota Statutes 2018, section 290.0134, is amended by adding a subdivision
22.22 to read:
- 22.23 Subd. 17. **Global intangible low-taxed income.** The amount of global intangible
22.24 low-taxed income included in gross income under section 951A of the Internal Revenue
22.25 Code, after the deduction for global intangible low-taxed income under section 250 of the
22.26 Internal Revenue Code, is a subtraction.

- 22.28 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
22.29 after December 31, 2017.
- 23.1 Sec. 33. Minnesota Statutes 2018, section 290.0134, is amended by adding a subdivision
23.2 to read:
- 23.3 **Subd. 18. Deferred foreign income.** The amount of deferred foreign income recognized
23.4 because of section 965 of the Internal Revenue Code is a subtraction.
- 23.5 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
23.6 the changes incorporated by federal changes are effective retroactively at the same time the
23.7 changes became effective for federal purposes.
- 23.8 Sec. 34. Minnesota Statutes 2018, section 290.032, subdivision 2, is amended to read:
- 23.9 **Subd. 2. Computation.** The amount of tax imposed by subdivision 1 shall be computed
23.10 in the same way as the tax imposed under section 402(d) of the Internal Revenue Code of
23.11 1986, as amended through December 31, 1995, except that the initial separate tax shall be
23.12 an amount equal to five times the tax which would be imposed by section 290.06, subdivision
23.13 2c, if the recipient was an unmarried individual, and the taxable net income was an amount
23.14 equal to one-fifth of the excess of
- 23.15 (i) the total taxable amount of the lump-sum distribution for the year, over
- 23.16 (ii) the minimum distribution allowance, and except that references in section 402(d) of
23.17 the Internal Revenue Code of 1986, as amended through December 31, 1995, to paragraph
23.18 (1)(A) thereof shall instead be references to subdivision 1, and the excess, if any, of the
23.19 subtraction base amount over ~~federal~~ taxable net income for a qualified individual as provided
23.20 under section 290.0802, subdivision 2.
- 23.21 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
23.22 31, 2018.
- 23.23 Sec. 35. Minnesota Statutes 2018, section 290.05, subdivision 3, is amended to read:
- 23.24 **Subd. 3. Taxes imposed on exempt entities.** (a) An organization exempt from taxation
23.25 under subdivision 2 shall, nevertheless, be subject to tax under this chapter to the extent
23.26 provided in the following provisions of the Internal Revenue Code:
- 23.27 (1) section 527 (dealing with political organizations);
- 23.28 (2) section 528 (dealing with certain homeowners associations);
- 23.29 (3) sections 511 to 515 (dealing with unrelated business income);
- 23.30 (4) section 521 (dealing with farmers' cooperatives); and

- 22.27 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
22.28 after December 31, 2017.
- 23.1 Sec. 33. Minnesota Statutes 2018, section 290.0134, is amended by adding a subdivision
23.2 to read:
- 23.3 **Subd. 18. Deferred foreign income.** The amount of deferred foreign income recognized
23.4 because of section 965 of the Internal Revenue Code, after any deduction under section
23.5 965(c) of the Internal Revenue Code, is a subtraction.
- 23.6 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
23.7 the changes incorporated by federal changes are effective retroactively at the same time the
23.8 changes become effective for federal purposes.
- 23.9 Sec. 34. Minnesota Statutes 2018, section 290.032, subdivision 2, is amended to read:
- 23.10 **Subd. 2. Computation.** The amount of tax imposed by subdivision 1 shall be computed
23.11 in the same way as the tax imposed under section 402(d) of the Internal Revenue Code of
23.12 1986, as amended through December 31, 1995, except that the initial separate tax shall be
23.13 an amount equal to five times the tax which would be imposed by section 290.06, subdivision
23.14 2c, if the recipient was an unmarried individual, and the taxable net income was an amount
23.15 equal to one-fifth of the excess of
- 23.16 (i) the total taxable amount of the lump-sum distribution for the year, over
- 23.17 (ii) the minimum distribution allowance, and except that references in section 402(d) of
23.18 the Internal Revenue Code of 1986, as amended through December 31, 1995, to paragraph
23.19 (1)(A) thereof shall instead be references to subdivision 1, and the excess, if any, of the
23.20 subtraction base amount over ~~federal~~ taxable net income for a qualified individual as provided
23.21 under section 290.0802, subdivision 2.
- 23.22 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
23.23 31, 2018.
- 23.24 Sec. 35. Minnesota Statutes 2018, section 290.05, subdivision 3, is amended to read:
- 23.25 **Subd. 3. Taxes imposed on exempt entities.** (a) An organization exempt from taxation
23.26 under subdivision 2 shall, nevertheless, be subject to tax under this chapter to the extent
23.27 provided in the following provisions of the Internal Revenue Code:
- 23.28 (1) section 527 (dealing with political organizations);
- 23.29 (2) section 528 (dealing with certain homeowners associations);
- 23.30 (3) sections 511 to 515 (dealing with unrelated business income);
- 23.31 (4) section 521 (dealing with farmers' cooperatives); and

24.1 (5) section 6033(e)(2) (dealing with lobbying expense); but notwithstanding this
24.2 subdivision, shall be considered an organization exempt from income tax for the purposes
24.3 of any law which refers to organizations exempt from income taxes.

24.1 (5) section 6033(e)(2) (dealing with lobbying expense); but notwithstanding this
24.2 subdivision, shall be considered an organization exempt from income tax for the purposes
24.3 of any law which refers to organizations exempt from income taxes.

24.4 (b) The tax shall be imposed on the taxable income of political organizations or
24.5 homeowner associations or the unrelated business taxable income, as defined in section 512
24.6 of the Internal Revenue Code, of organizations defined in section 511 of the Internal Revenue
24.7 Code, provided that the tax is not imposed on:

24.4 (b) The tax shall be imposed on the taxable income of political organizations or
24.5 homeowner associations or the unrelated business taxable income, as defined in section 512
24.6 of the Internal Revenue Code, of organizations defined in section 511 of the Internal Revenue
24.7 Code, provided that the tax is not imposed on:

24.8 (1) advertising revenues from a newspaper published by an organization described in
24.9 section 501(c)(4) of the Internal Revenue Code; ~~or~~

24.8 (1) advertising revenues from a newspaper published by an organization described in
24.9 section 501(c)(4) of the Internal Revenue Code; ~~or~~

24.10 (2) revenues from lawful gambling authorized under chapter 349 that are expended for
24.11 purposes that qualify for the deduction for charitable contributions under section 170 of the
24.12 Internal Revenue Code, disregarding the limitation under section 170(b)(2), but only to the
24.13 extent the contributions are not deductible in computing federal taxable income; or

24.10 (2) revenues from lawful gambling authorized under chapter 349 that are expended for
24.11 purposes that qualify for the deduction for charitable contributions under section 170 of the
24.12 Internal Revenue Code, disregarding the limitation under section 170(b)(2), but only to the
24.13 extent the contributions are not deductible in computing federal taxable income; or

24.14 (3) amounts included in unrelated business taxable income under section 512(a)(7) of
24.15 the Internal Revenue Code.

24.14 (3) amounts included in unrelated business taxable income under section 512(a)(7) of
24.15 the Internal Revenue Code.

24.16 The tax shall be at the corporate rates. The tax shall only be imposed on income and
24.17 deductions assignable to this state under sections 290.17 to 290.20. To the extent deducted
24.18 in computing federal taxable income, the deductions contained in section 290.21 shall not
24.19 be allowed in computing Minnesota taxable net income.

24.16 The tax shall be at the corporate rates. The tax shall only be imposed on income and
24.17 deductions assignable to this state under sections 290.17 to 290.20. To the extent deducted
24.18 in computing federal taxable income, the deductions contained in section 290.21 shall not
24.19 be allowed in computing Minnesota taxable net income.

24.20 (c) The tax shall be imposed on organizations subject to federal tax under section
24.21 6033(e)(2) of the Internal Revenue Code, in an amount equal to the corporate tax rate
24.22 multiplied by the amount of lobbying expenses taxed under section 6033(e)(2) which are
24.23 attributable to lobbying the Minnesota state government.

24.20 (c) The tax shall be imposed on organizations subject to federal tax under section
24.21 6033(e)(2) of the Internal Revenue Code, in an amount equal to the corporate tax rate
24.22 multiplied by the amount of lobbying expenses taxed under section 6033(e)(2) which are
24.23 attributable to lobbying the Minnesota state government.

24.24 (d) In calculating unrelated business taxable income under section 512 of the Internal
24.25 Revenue Code, the amount of any net operating loss deduction claimed under section 172
24.26 of the Internal Revenue Code is an addition. Taxpayers making an addition under this
24.27 paragraph may deduct a net operating loss for the taxable year in the same manner as a
24.28 corporation under section 290.095, in a form and manner prescribed by the commissioner,
24.29 and may calculate the loss without the application of the limitation provided for under
24.30 section 512(a)(6) of the Internal Revenue Code.

24.24 (d) In calculating unrelated business taxable income under section 512 of the Internal
24.25 Revenue Code, the amount of any net operating loss deduction claimed under section 172
24.26 of the Internal Revenue Code is an addition. Taxpayers making an addition under this
24.27 paragraph may deduct a net operating loss for the taxable year in the same manner as a
24.28 corporation under section 290.095, in a form and manner prescribed by the commissioner,
24.29 and may calculate the loss without the application of the limitation provided for under
24.30 section 512(a)(6) of the Internal Revenue Code.

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

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

25.1 Sec. 36. Minnesota Statutes 2018, section 290.06, subdivision 2d, is amended to read:

25.1 Sec. 36. Minnesota Statutes 2018, section 290.06, subdivision 2d, is amended to read:

25.2 Subd. 2d. **Inflation adjustment of brackets.** ~~(a) For taxable years beginning after~~
25.3 ~~December 31, 2013, The commissioner shall annually adjust the minimum and maximum~~
25.4 ~~dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c shall be~~

25.2 Subd. 2d. **Inflation adjustment of brackets.** ~~(a) For taxable years beginning after~~
25.3 ~~December 31, 2013, The commissioner shall annually adjust the minimum and maximum~~
25.4 ~~dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c shall be~~

25.5 adjusted for inflation by the percentage determined under paragraph (b). For the purpose
 25.6 of making the adjustment as provided in this subdivision all of the rate brackets provided
 25.7 in subdivision 2e shall be the rate brackets as they existed for taxable years beginning after
 25.8 December 31, 2012, and before January 1, 2014 as provided in section 270C.22. The statutory
 25.9 year is taxable year 2019. The rate applicable to any rate bracket must not be changed. The
 25.10 dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets.
 25.11 The rate brackets as adjusted must be rounded to the nearest \$10 amount. If the rate bracket
 25.12 ends in \$5, it must be rounded up to the nearest \$10 amount.

25.13 (b) The commissioner shall adjust the rate brackets and by the percentage determined
 25.14 pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in section
 25.15 1(f)(3)(B) the word "2012" shall be substituted for the word "1992." For 2014, the
 25.16 commissioner shall then determine the percent change from the 12 months ending on August
 25.17 31, 2012, to the 12 months ending on August 31, 2013, and in each subsequent year, from
 25.18 the 12 months ending on August 31, 2012, to the 12 months ending on August 31 of the
 25.19 year preceding the taxable year. The determination of the commissioner pursuant to this
 25.20 subdivision shall not be considered a "rule" and shall not be subject to the Administrative
 25.21 Procedure Act contained in chapter 14.

25.22 No later than December 15 of each year, the commissioner shall announce the specific
 25.23 percentage that will be used to adjust the tax rate brackets.

25.24 **EFFECTIVE DATE.** This section is effective for adjustments beginning with taxable
 25.25 years beginning after December 31, 2019.

25.26 Sec. 37. Minnesota Statutes 2018, section 290.06, subdivision 2h, is amended to read:

25.27 Subd. 2h. **Section 529 plan recapture.** (a) For the purposes of this subdivision:

25.28 (1) the definitions under section 290.0684 apply;

25.29 (2) "account owner" means an individual who owns one or more qualified accounts;

25.30 (3) "credit ratio" means the ratio of (i) two times the total amount of credits that an
 25.31 account owner claimed under section 290.0684 for contributions to the account owner's
 25.32 qualified accounts to (ii) the total contributions in all taxable years to the account owner's
 25.33 qualified accounts; ~~and~~

26.1 (4) "qualified higher education expenses" has the meaning given in section 529(e)(3) of
 26.2 the Internal Revenue Code, except section 529(c)(7) does not apply; and

26.3 (5) "subtraction ratio" means the ratio of (i) the total amount of subtractions that an
 26.4 account owner claimed under section 290.0132, subdivision 23, for contributions to the
 26.5 account owner's qualified accounts to (ii) the total contributions in all taxable years to the
 26.6 account owner's qualified accounts.

25.5 adjusted for inflation by the percentage determined under paragraph (b). For the purpose
 25.6 of making the adjustment as provided in this subdivision all of the rate brackets provided
 25.7 in subdivision 2e shall be the rate brackets as they existed for taxable years beginning after
 25.8 December 31, 2012, and before January 1, 2014 as provided in section 270C.22. The statutory
 25.9 year is taxable year 2019. The rate applicable to any rate bracket must not be changed. The
 25.10 dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets.
 25.11 The rate brackets as adjusted must be rounded to the nearest \$10 amount. If the rate bracket
 25.12 ends in \$5, it must be rounded up to the nearest \$10 amount.

25.13 (b) The commissioner shall adjust the rate brackets and by the percentage determined
 25.14 pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in section
 25.15 1(f)(3)(B) the word "2012" shall be substituted for the word "1992." For 2014, the
 25.16 commissioner shall then determine the percent change from the 12 months ending on August
 25.17 31, 2012, to the 12 months ending on August 31, 2013, and in each subsequent year, from
 25.18 the 12 months ending on August 31, 2012, to the 12 months ending on August 31 of the
 25.19 year preceding the taxable year. The determination of the commissioner pursuant to this
 25.20 subdivision shall not be considered a "rule" and shall not be subject to the Administrative
 25.21 Procedure Act contained in chapter 14.

25.22 No later than December 15 of each year, the commissioner shall announce the specific
 25.23 percentage that will be used to adjust the tax rate brackets.

25.24 **EFFECTIVE DATE.** This section is effective for adjustments beginning with taxable
 25.25 years beginning after December 31, 2019.

25.26 Sec. 37. Minnesota Statutes 2018, section 290.06, subdivision 2h, is amended to read:

25.27 Subd. 2h. **Section 529 plan recapture.** (a) For the purposes of this subdivision:

25.28 (1) the definitions under section 290.0684 apply;

25.29 (2) "account owner" means an individual who owns one or more qualified accounts;

25.30 (3) "credit ratio" means the ratio of (i) two times the total amount of credits that an
 25.31 account owner claimed under section 290.0684 for contributions to the account owner's
 25.32 qualified accounts to (ii) the total contributions in all taxable years to the account owner's
 25.33 qualified accounts; ~~and~~

26.1 (4) "qualified higher education expenses" has the meaning given in section 529(e)(3) of
 26.2 the Internal Revenue Code, except section 529(c)(7) does not apply; and

26.3 (5) "subtraction ratio" means the ratio of (i) the total amount of subtractions that an
 26.4 account owner claimed under section 290.0132, subdivision 23, for contributions to the
 26.5 account owner's qualified accounts to (ii) the total contributions in all taxable years to the
 26.6 account owner's qualified accounts.

26.7 (b) If a distribution from a qualified account is used for a purpose other than to pay for
 26.8 qualified higher education expenses, the account owner must pay an additional tax equal
 26.9 to:

26.10 (1) 50 percent of the product of the credit ratio and the amount of the distribution; plus
 26.11 (2) ten percent of the product of the subtraction ratio and the amount of the distribution.

26.12 (c) The additional tax under this subdivision does not apply to any portion of a distribution
 26.13 that is subject to the additional tax under section 529(c)(6) of the Internal Revenue Code.

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

26.16 Sec. 38. Minnesota Statutes 2018, section 290.067, subdivision 2b, is amended to read:

26.17 Subd. 2b. **Inflation adjustment.** The commissioner shall annually adjust the dollar
 26.18 amount of the income threshold at which the maximum credit begins to be reduced under
 26.19 subdivision 1 by the percentage determined pursuant to the provisions of section 1(f) of the
 26.20 Internal Revenue Code, except that in section 1(f)(3)(B) the word "2016" shall be substituted
 26.21 for the word "1992." For 2018, the commissioner shall then determine the percent change
 26.22 from the 12 months ending on August 31, 2016, to the 12 months ending on August 31,
 26.23 2017, and in each subsequent year, from the 12 months ending on August 31, 2016, to the
 26.24 12 months ending on August 31 of the year preceding the taxable year. The determination
 26.25 of the commissioner pursuant to this subdivision must not be considered a "rule" and is not
 26.26 subject to the Administrative Procedure Act contained in chapter 14. The threshold amount
 26.27 as adjusted must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount
 26.28 is rounded up to the nearest \$10 amount as provided in section 270C.22. The statutory year
 26.29 is taxable year 2019.

26.30 **EFFECTIVE DATE.** This section is effective for adjustments beginning with taxable
 26.31 years beginning after December 31, 2019.

26.1 Sec. 39. Minnesota Statutes 2018, section 290.0671, subdivision 7, is amended to read:

26.2 Subd. 7. **Inflation adjustment.** The commissioner shall annually adjust the earned
 26.3 income amounts used to calculate the credit and the income phase-out thresholds at which
 26.4 the maximum credit begins to be reduced in subdivision 1 must be adjusted for inflation.
 26.5 The commissioner shall adjust by the percentage determined pursuant to the provisions of
 26.6 section 1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B) the word "2013"
 26.7 shall be substituted for the word "1992." For 2015, the commissioner shall then determine
 26.8 the percent change from the 12 months ending on August 31, 2013, to the 12 months ending
 26.9 on August 31, 2014, and in each subsequent year, from the 12 months ending on August
 26.10 31, 2013, to the 12 months ending on August 31 of the year preceding the taxable year. The
 26.11 earned income thresholds as adjusted for inflation must be rounded to the nearest \$10
 26.12 amount. If the amount ends in \$5, the amount is rounded up to the nearest \$10 amount. The

26.7 (b) If a distribution from a qualified account is used for a purpose other than to pay for
 26.8 qualified higher education expenses, the account owner must pay an additional tax equal
 26.9 to:

26.10 (1) 50 percent of the product of the credit ratio and the amount of the distribution; plus
 26.11 (2) ten percent of the product of the subtraction ratio and the amount of the distribution.

26.12 (c) The additional tax under this subdivision does not apply to any portion of a distribution
 26.13 that is subject to the additional tax under section 529(c)(6) of the Internal Revenue Code.

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

26.16 Sec. 38. Minnesota Statutes 2018, section 290.067, subdivision 2b, is amended to read:

26.17 Subd. 2b. **Inflation adjustment.** The commissioner shall annually adjust the dollar
 26.18 amount of the income threshold at which the maximum credit begins to be reduced under
 26.19 subdivision 1 by the percentage determined pursuant to the provisions of section 1(f) of the
 26.20 Internal Revenue Code, except that in section 1(f)(3)(B) the word "2016" shall be substituted
 26.21 for the word "1992." For 2018, the commissioner shall then determine the percent change
 26.22 from the 12 months ending on August 31, 2016, to the 12 months ending on August 31,
 26.23 2017, and in each subsequent year, from the 12 months ending on August 31, 2016, to the
 26.24 12 months ending on August 31 of the year preceding the taxable year. The determination
 26.25 of the commissioner pursuant to this subdivision must not be considered a "rule" and is not
 26.26 subject to the Administrative Procedure Act contained in chapter 14. The threshold amount
 26.27 as adjusted must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount
 26.28 is rounded up to the nearest \$10 amount as provided in section 270C.22. The statutory year
 26.29 is taxable year 2019.

26.30 **EFFECTIVE DATE.** This section is effective for adjustments beginning with taxable
 26.31 years beginning after December 31, 2019.

26.1 Sec. 39. Minnesota Statutes 2018, section 290.0671, subdivision 7, is amended to read:

26.2 Subd. 7. **Inflation adjustment.** The commissioner shall annually adjust the earned
 26.3 income amounts used to calculate the credit and the income phase-out thresholds at which
 26.4 the maximum credit begins to be reduced in subdivision 1 must be adjusted for inflation.
 26.5 The commissioner shall adjust by the percentage determined pursuant to the provisions of
 26.6 section 1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B) the word "2013"
 26.7 shall be substituted for the word "1992." For 2015, the commissioner shall then determine
 26.8 the percent change from the 12 months ending on August 31, 2013, to the 12 months ending
 26.9 on August 31, 2014, and in each subsequent year, from the 12 months ending on August
 26.10 31, 2013, to the 12 months ending on August 31 of the year preceding the taxable year. The
 26.11 earned income thresholds as adjusted for inflation must be rounded to the nearest \$10
 26.12 amount. If the amount ends in \$5, the amount is rounded up to the nearest \$10 amount. The

27.13 ~~determination of the commissioner under this subdivision is not a rule under the~~
 27.14 ~~Administrative Procedure Act~~ as provided in section 270C.22. The statutory year is taxable
 27.15 ~~year 2019.~~

27.16 **EFFECTIVE DATE.** This section is effective for adjustments for taxable years
 27.17 beginning after December 31, 2019.

27.18 Sec. 40. Minnesota Statutes 2018, section 290.0672, subdivision 1, is amended to read:

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

27.21 (b) "Long-term care insurance" means a policy that:

27.22 (1) qualifies for a deduction under section 213 of the Internal Revenue Code, disregarding
 27.23 the adjusted gross income test; or meets the requirements given in section 62A.46; or provides
 27.24 similar coverage issued under the laws of another jurisdiction; and

27.25 (2) has a lifetime long-term care benefit limit of not less than \$100,000; and

27.26 (3) has been offered in compliance with the inflation protection requirements of section
 27.27 62S.23.

27.28 (c) "Qualified beneficiary" means the taxpayer or the taxpayer's spouse.

27.29 (d) "Premiums deducted in determining ~~federal taxable net~~ income" means the lesser of
 27.30 (1) long-term care insurance premiums that qualify as deductions under section 213 of the
 27.31 Internal Revenue Code; and (2) the total amount ~~deductible deducted~~ for medical care under
 27.32 ~~section 213 of the Internal Revenue Code~~ section 290.0122, subdivision 6.

28.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 28.2 31, 2018.

28.3 Sec. 41. Minnesota Statutes 2018, section 290.0672, subdivision 2, is amended to read:

28.4 Subd. 2. **Credit.** A taxpayer is allowed a credit against the tax imposed by this chapter
 28.5 for long-term care insurance policy premiums paid during the tax year. The credit for each
 28.6 policy equals 25 percent of premiums paid to the extent not deducted in determining ~~federal~~
 28.7 ~~taxable net~~ income. A taxpayer may claim a credit for only one policy for each qualified
 28.8 beneficiary. A maximum of \$100 applies to each qualified beneficiary. The maximum total
 28.9 credit allowed per year is \$200 for married couples filing joint returns and \$100 for all other
 28.10 filers. For a nonresident or part-year resident, the credit determined under this section must
 28.11 be allocated based on the percentage calculated under section 290.06, subdivision 2c,
 28.12 paragraph (e).

27.13 ~~determination of the commissioner under this subdivision is not a rule under the~~
 27.14 ~~Administrative Procedure Act~~ as provided in section 270C.22. The statutory year is taxable
 27.15 ~~year 2019.~~

27.16 **EFFECTIVE DATE.** This section is effective for adjustments for taxable years
 27.17 beginning after December 31, 2019.

27.18 Sec. 40. Minnesota Statutes 2018, section 290.0672, subdivision 1, is amended to read:

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

27.21 (b) "Long-term care insurance" means a policy that:

27.22 (1) qualifies for a deduction under section 213 of the Internal Revenue Code, disregarding
 27.23 the adjusted gross income test; or meets the requirements given in section 62A.46; or provides
 27.24 similar coverage issued under the laws of another jurisdiction; and

27.25 (2) has a lifetime long-term care benefit limit of not less than \$100,000; and

27.26 (3) has been offered in compliance with the inflation protection requirements of section
 27.27 62S.23.

27.28 (c) "Qualified beneficiary" means the taxpayer or the taxpayer's spouse.

27.29 (d) "Premiums deducted in determining ~~federal taxable net~~ income" means the lesser of
 27.30 (1) long-term care insurance premiums that qualify as deductions under section 213 of the
 27.31 Internal Revenue Code; and (2) the total amount ~~deductible deducted~~ for medical care under
 27.32 ~~section 213 of the Internal Revenue Code~~ section 290.0122, subdivision 6.

28.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 28.2 31, 2018.

28.3 Sec. 41. Minnesota Statutes 2018, section 290.0672, subdivision 2, is amended to read:

28.4 Subd. 2. **Credit.** A taxpayer is allowed a credit against the tax imposed by this chapter
 28.5 for long-term care insurance policy premiums paid during the tax year. The credit for each
 28.6 policy equals 25 percent of premiums paid to the extent not deducted in determining ~~federal~~
 28.7 ~~taxable net~~ income. A taxpayer may claim a credit for only one policy for each qualified
 28.8 beneficiary. A maximum of \$100 applies to each qualified beneficiary. The maximum total
 28.9 credit allowed per year is \$200 for married couples filing joint returns and \$100 for all other
 28.10 filers. For a nonresident or part-year resident, the credit determined under this section must
 28.11 be allocated based on the percentage calculated under section 290.06, subdivision 2c,
 28.12 paragraph (e).

28.13 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
28.14 31, 2018.

28.15 Sec. 42. Minnesota Statutes 2018, section 290.0675, subdivision 1, is amended to read:

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

28.18 (b) "Earned income" means the sum of the following, to the extent included in Minnesota
28.19 taxable income:

28.20 (1) earned income as defined in section 32(c)(2) of the Internal Revenue Code;

28.21 (2) income received from a retirement pension, profit-sharing, stock bonus, or annuity
28.22 plan; and

28.23 (3) Social Security benefits as defined in section 86(d)(1) of the Internal Revenue Code.

28.24 (c) "Taxable income" means net income as defined in section 290.01, subdivision 19.

28.25 (d) "Earned income of lesser-earning spouse" means the earned income of the spouse
28.26 with the lesser amount of earned income as defined in paragraph (b) for the taxable year
28.27 minus the sum of (i) the amount for one exemption under section 151(d) of the Internal
28.28 Revenue Code and (ii) one-half the amount of the standard deduction under section
28.29 63(c)(2)(A) and (4) of the Internal Revenue Code 290.0123, subdivision 1, clause (1).

28.30 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
28.31 31, 2018.

29.1 Sec. 43. Minnesota Statutes 2018, section 290.0681, subdivision 1, is amended to read:

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

29.4 (b) "Account" means the historic credit administration account in the special revenue
29.5 fund.

29.6 (c) "Office" means the State Historic Preservation Office of the Department of
29.7 Administration.

29.8 (d) "Project" means rehabilitation of a certified historic structure, as defined in section
29.9 47(c)(3)(A) of the Internal Revenue Code, that is located in Minnesota and is allowed a
29.10 federal credit.

29.11 (e) "Federal credit" means the credit allowed under section ~~47(a)(2)~~ 47(a) of the Internal
29.12 Revenue Code, except that the amount allowed is deemed to be allocated in the taxable year
29.13 that the project is placed in service.

28.13 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
28.14 31, 2018.

28.15 Sec. 42. Minnesota Statutes 2018, section 290.0675, subdivision 1, is amended to read:

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

28.18 (b) "Earned income" means the sum of the following, to the extent included in Minnesota
28.19 taxable income:

28.20 (1) earned income as defined in section 32(c)(2) of the Internal Revenue Code;

28.21 (2) income received from a retirement pension, profit-sharing, stock bonus, or annuity
28.22 plan; and

28.23 (3) Social Security benefits as defined in section 86(d)(1) of the Internal Revenue Code.

28.24 (c) "Taxable income" means net income as defined in section 290.01, subdivision 19.

28.25 (d) "Earned income of lesser-earning spouse" means the earned income of the spouse
28.26 with the lesser amount of earned income as defined in paragraph (b) for the taxable year
28.27 minus the sum of (i) the amount for one exemption under section 151(d) of the Internal
28.28 Revenue Code and (ii) one-half the amount of the standard deduction under section
28.29 63(c)(2)(A) and (4) of the Internal Revenue Code 290.0123, subdivision 1, clause (1).

28.30 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
28.31 31, 2018.

29.1 Sec. 43. Minnesota Statutes 2018, section 290.0681, subdivision 1, is amended to read:

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

29.4 (b) "Account" means the historic credit administration account in the special revenue
29.5 fund.

29.6 (c) "Office" means the State Historic Preservation Office of the Department of
29.7 Administration.

29.8 (d) "Project" means rehabilitation of a certified historic structure, as defined in section
29.9 47(c)(3)(A) of the Internal Revenue Code, that is located in Minnesota and is allowed a
29.10 federal credit.

29.11 (e) "Federal credit" means the credit allowed under section ~~47(a)(2)~~ 47(a) of the Internal
29.12 Revenue Code, except that the amount allowed is deemed to be allocated in the taxable year
29.13 that the project is placed in service.

29.14 (f) "Placed in service" has the meaning used in section 47 of the Internal Revenue Code.

29.15 (g) "Qualified rehabilitation expenditures" has the meaning given in section 47 of the

29.16 Internal Revenue Code.

29.17 **EFFECTIVE DATE.** This section is effective retroactively for applications for allocation

29.18 certificates submitted after December 31, 2017.

29.19 Sec. 44. Minnesota Statutes 2018, section 290.0681, subdivision 2, is amended to read:

29.20 Subd. 2. **Credit or grant allowed; certified historic structure.** (a) A credit is allowed

29.21 against the tax imposed under this chapter equal to not more than 100 percent of the credit

29.22 allowed under section ~~47(a)(2)~~ 47(a) of the Internal Revenue Code for a project. The credit

29.23 is payable in five equal yearly installments beginning with the year the project is placed in

29.24 service. To qualify for the credit:

29.25 (1) the project must receive Part 3 certification and be placed in service during the taxable

29.26 year; and

29.27 (2) the taxpayer must be allowed the federal credit and be issued a credit certificate for

29.28 the taxable year as provided in subdivision 4.

29.29 (b) The commissioner of administration may pay a grant in lieu of the credit. The grant

29.30 equals 90 percent of the credit that would be allowed for the project. The grant is payable

29.31 in five equal yearly installments beginning with the year the project is placed in service.

30.1 (c) In lieu of the credit under paragraph (a), an insurance company may claim a credit

30.2 against the insurance premiums tax imposed under chapter 2971.

30.3 **EFFECTIVE DATE.** This section is effective retroactively for applications for allocation

30.4 certificates submitted after December 31, 2017.

30.5 Sec. 45. Minnesota Statutes 2018, section 290.0681, subdivision 3, is amended to read:

30.6 Subd. 3. **Applications; allocations.** (a) To qualify for a credit or grant under this section,

30.7 the developer of a project must apply to the office before the rehabilitation begins. The

30.8 application must contain the information and be in the form prescribed by the office. The

30.9 office may collect a fee for application of up to 0.5 percent of qualified rehabilitation

30.10 expenditures, up to \$40,000, based on estimated qualified rehabilitation expenditures, to

30.11 offset costs associated with personnel and administrative expenses related to administering

30.12 the credit and preparing the economic impact report in subdivision 9. Application fees are

30.13 deposited in the account. The application must indicate if the application is for a credit or

30.14 a grant in lieu of the credit or a combination of the two and designate the taxpayer qualifying

30.15 for the credit or the recipient of the grant.

30.16 (b) Upon approving an application for credit, the office shall issue allocation certificates

30.17 that:

29.14 (f) "Placed in service" has the meaning used in section 47 of the Internal Revenue Code.

29.15 (g) "Qualified rehabilitation expenditures" has the meaning given in section 47 of the

29.16 Internal Revenue Code.

29.17 **EFFECTIVE DATE.** This section is effective retroactively for applications for allocation

29.18 certificates submitted after December 31, 2017.

29.19 Sec. 44. Minnesota Statutes 2018, section 290.0681, subdivision 2, is amended to read:

29.20 Subd. 2. **Credit or grant allowed; certified historic structure.** (a) A credit is allowed

29.21 against the tax imposed under this chapter equal to not more than 100 percent of the credit

29.22 allowed under section ~~47(a)(2)~~ 47(a) of the Internal Revenue Code for a project. The credit

29.23 is payable in five equal yearly installments beginning with the year the project is placed in

29.24 service. To qualify for the credit:

29.25 (1) the project must receive Part 3 certification and be placed in service during the taxable

29.26 year; and

29.27 (2) the taxpayer must be allowed the federal credit and be issued a credit certificate for

29.28 the taxable year as provided in subdivision 4.

29.29 (b) The commissioner of administration may pay a grant in lieu of the credit. The grant

29.30 equals 90 percent of the credit that would be allowed for the project. The grant is payable

29.31 in five equal yearly installments beginning with the year the project is placed in service.

30.1 (c) In lieu of the credit under paragraph (a), an insurance company may claim a credit

30.2 against the insurance premiums tax imposed under chapter 2971.

30.3 **EFFECTIVE DATE.** This section is effective retroactively for applications for allocation

30.4 certificates submitted after December 31, 2017.

30.5 Sec. 45. Minnesota Statutes 2018, section 290.0681, subdivision 3, is amended to read:

30.6 Subd. 3. **Applications; allocations.** (a) To qualify for a credit or grant under this section,

30.7 the developer of a project must apply to the office before the rehabilitation begins. The

30.8 application must contain the information and be in the form prescribed by the office. The

30.9 office may collect a fee for application of up to 0.5 percent of qualified rehabilitation

30.10 expenditures, up to \$40,000, based on estimated qualified rehabilitation expenditures, to

30.11 offset costs associated with personnel and administrative expenses related to administering

30.12 the credit and preparing the economic impact report in subdivision 9. Application fees are

30.13 deposited in the account. The application must indicate if the application is for a credit or

30.14 a grant in lieu of the credit or a combination of the two and designate the taxpayer qualifying

30.15 for the credit or the recipient of the grant.

30.16 (b) Upon approving an application for credit, the office shall issue allocation certificates

30.17 that:

- 30.18 (1) verify eligibility for the credit or grant;
- 30.19 (2) state the amount of credit or grant anticipated with the project, with the credit amount
30.20 equal to 100 percent and the grant amount equal to 90 percent of the federal credit anticipated
30.21 in the application;
- 30.22 (3) state that the credit or grant allowed may increase or decrease if the federal credit
30.23 the project receives at the time it is placed in service is different than the amount anticipated
30.24 at the time the allocation certificate is issued; and
- 30.25 (4) state the fiscal year in which the credit or grant is allocated, and that the taxpayer or
30.26 grant recipient is entitled to receive one-fifth of the total amount of either the credit or the
30.27 grant at the time the project is placed in service, provided that date is within three calendar
30.28 years following the issuance of the allocation certificate.
- 30.29 (c) The office, in consultation with the commissioner, shall determine if the project is
30.30 eligible for a credit or a grant under this section and must notify the developer in writing
30.31 of its determination. Eligibility for the credit is subject to review and audit by the
30.32 commissioner.
- 31.1 (d) The federal credit recapture and repayment requirements under section 50 of the
31.2 Internal Revenue Code do not apply to the credit allowed under this section.
- 31.3 (e) Any decision of the office under paragraph (c) may be challenged as a contested case
31.4 under chapter 14. The contested case proceeding must be initiated within 45 days of the
31.5 date of written notification by the office.
- 31.6 **EFFECTIVE DATE.** This section is effective retroactively for applications for allocation
31.7 certificates submitted after December 31, 2017.
- 31.8 Sec. 46. Minnesota Statutes 2018, section 290.0681, subdivision 4, is amended to read:
- 31.9 Subd. 4. **Credit certificates; grants.** (a)(1) The developer of a project for which the
31.10 office has issued an allocation certificate must notify the office when the project is placed
31.11 in service. Upon verifying that the project has been placed in service, and was allowed a
31.12 federal credit, the office must issue a credit certificate to the taxpayer designated in the
31.13 application or must issue a grant to the recipient designated in the application. The credit
31.14 certificate must state the amount of the credit.
- 31.15 (2) The credit amount equals the federal credit allowed for the project.
- 31.16 (3) The grant amount equals 90 percent of the federal credit allowed for the project.
- 31.17 (b) The recipient of a credit certificate may assign the certificate to another taxpayer
31.18 before the first one-fifth payment is claimed, which is then allowed the credit under this
31.19 section or section 297I.20, subdivision 3. An assignment is not valid unless the assignee

- 30.18 (1) verify eligibility for the credit or grant;
- 30.19 (2) state the amount of credit or grant anticipated with the project, with the credit amount
30.20 equal to 100 percent and the grant amount equal to 90 percent of the federal credit anticipated
30.21 in the application;
- 30.22 (3) state that the credit or grant allowed may increase or decrease if the federal credit
30.23 the project receives at the time it is placed in service is different than the amount anticipated
30.24 at the time the allocation certificate is issued; and
- 30.25 (4) state the fiscal year in which the credit or grant is allocated, and that the taxpayer or
30.26 grant recipient is entitled to receive one-fifth of the total amount of either the credit or the
30.27 grant at the time the project is placed in service, provided that date is within three calendar
30.28 years following the issuance of the allocation certificate.
- 30.29 (c) The office, in consultation with the commissioner, shall determine if the project is
30.30 eligible for a credit or a grant under this section and must notify the developer in writing
30.31 of its determination. Eligibility for the credit is subject to review and audit by the
30.32 commissioner.
- 31.1 (d) The federal credit recapture and repayment requirements under section 50 of the
31.2 Internal Revenue Code do not apply to the credit allowed under this section.
- 31.3 (e) Any decision of the office under paragraph (c) may be challenged as a contested case
31.4 under chapter 14. The contested case proceeding must be initiated within 45 days of the
31.5 date of written notification by the office.
- 31.6 **EFFECTIVE DATE.** This section is effective retroactively for applications for allocation
31.7 certificates submitted after December 31, 2017.
- 31.8 Sec. 46. Minnesota Statutes 2018, section 290.0681, subdivision 4, is amended to read:
- 31.9 Subd. 4. **Credit certificates; grants.** (a)(1) The developer of a project for which the
31.10 office has issued an allocation certificate must notify the office when the project is placed
31.11 in service. Upon verifying that the project has been placed in service, and was allowed a
31.12 federal credit, the office must issue a credit certificate to the taxpayer designated in the
31.13 application or must issue a grant to the recipient designated in the application. The credit
31.14 certificate must state the amount of the credit.
- 31.15 (2) The credit amount equals the federal credit allowed for the project.
- 31.16 (3) The grant amount equals 90 percent of the federal credit allowed for the project.
- 31.17 (b) The recipient of a credit certificate may assign the certificate to another taxpayer
31.18 before the first one-fifth payment is claimed, which is then allowed the credit under this
31.19 section or section 297I.20, subdivision 3. An assignment is not valid unless the assignee

31.20 notifies the commissioner within 30 days of the date that the assignment is made. The
 31.21 commissioner shall prescribe the forms necessary for notifying the commissioner of the
 31.22 assignment of a credit certificate and for claiming a credit by assignment.

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

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

31.27 **EFFECTIVE DATE.** This section is effective retroactively for applications for allocation
 31.28 certificates submitted after December 31, 2017.

31.29 Sec. 47. Minnesota Statutes 2018, section 290.0684, subdivision 1, is amended to read:

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

32.1 (b) "Contribution" means the amount contributed to one or more qualified accounts
 32.2 except that the amount:

32.3 (1) is reduced by any withdrawals or distributions, other than transfers or rollovers to
 32.4 another qualified account, from a qualified account during the taxable year; and

32.5 (2) excludes the amount of any transfers or rollovers from a qualified account made
 32.6 during the taxable year.

32.7 (c) "Federal adjusted gross income" has the meaning given under section 62(a) of the
 32.8 Internal Revenue Code.

32.9 (d) "Qualified account" means an account qualifying under section 529 of the Internal
 32.10 Revenue Code.

32.11 ~~(e) "Qualified higher education expenses" has the meaning given in section 529 of the~~
 32.12 ~~Internal Revenue Code.~~

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

32.14 Sec. 48. Minnesota Statutes 2018, section 290.0684, subdivision 2, is amended to read:

32.15 Subd. 2. **Credit allowed.** (a) An individual who is a resident of Minnesota is allowed a
 32.16 credit against the tax imposed by this chapter. The credit is not allowed to an individual
 32.17 who is eligible to be claimed as a dependent, as defined in sections 151 and 152 of the
 32.18 Internal Revenue Code. The credit may not exceed the liability for tax under this chapter.

31.20 notifies the commissioner within 30 days of the date that the assignment is made. The
 31.21 commissioner shall prescribe the forms necessary for notifying the commissioner of the
 31.22 assignment of a credit certificate and for claiming a credit by assignment.

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

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

31.27 **EFFECTIVE DATE.** This section is effective retroactively for applications for allocation
 31.28 certificates submitted after December 31, 2017.

31.29 Sec. 47. Minnesota Statutes 2018, section 290.0684, subdivision 1, is amended to read:

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

32.1 (b) "Contribution" means the amount contributed to one or more qualified accounts
 32.2 except that the amount:

32.3 (1) is reduced by any withdrawals or distributions, other than transfers or rollovers to
 32.4 another qualified account, from a qualified account during the taxable year; and

32.5 (2) excludes the amount of any transfers or rollovers from a qualified account made
 32.6 during the taxable year.

32.7 (c) "Federal adjusted gross income" has the meaning given under section 62(a) of the
 32.8 Internal Revenue Code.

32.9 (d) "Qualified account" means an account qualifying under section 529 of the Internal
 32.10 Revenue Code.

32.11 ~~(e) "Qualified higher education expenses" has the meaning given in section 529 of the~~
 32.12 ~~Internal Revenue Code.~~

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32.14 Sec. 48. Minnesota Statutes 2018, section 290.0684, subdivision 2, is amended to read:

32.15 Subd. 2. **Credit allowed.** (a) An individual who is a resident of Minnesota is allowed a
 32.16 credit against the tax imposed by this chapter. The credit is not allowed to an individual
 32.17 who is eligible to be claimed as a dependent, as defined in sections 151 and 152 of the
 32.18 Internal Revenue Code. The credit may not exceed the liability for tax under this chapter.

32.19 (b) The amount of the credit allowed equals 50 percent of contributions for the taxable
32.20 year. The maximum credit is \$500, subject to the phaseout in paragraphs (c) and (d). In no
32.21 case is the credit less than zero.

32.22 (c) For individual filers, the maximum credit is reduced by two percent of adjusted gross
32.23 income in excess of \$75,000.

32.24 (d) For married couples filing a joint return, the maximum credit is phased out as follows:

32.25 (1) for married couples with adjusted gross income in excess of \$75,000, but not more
32.26 than \$100,000, the maximum credit is reduced by one percent of adjusted gross income in
32.27 excess of \$75,000;

32.28 (2) for married couples with adjusted gross income in excess of \$100,000, but not more
32.29 than \$135,000, the maximum credit is \$250; and

32.30 (3) for married couples with adjusted gross income in excess of \$135,000, the maximum
32.31 credit is \$250, reduced by one percent of adjusted gross income in excess of \$135,000.

33.1 (e) The commissioner shall annually adjust the income thresholds in paragraphs (c) and
33.2 (d) used to calculate the maximum credit must be adjusted for inflation. The commissioner
33.3 shall adjust the income thresholds by the percentage determined under the provisions of
33.4 section 1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B) the word "2016"
33.5 is substituted for the word "1992." For 2018, the commissioner shall then determine the
33.6 percent change from the 12 months ending on August 31, 2016, to the 12 months ending
33.7 on August 31, 2017, and in each subsequent year, from the 12 months ending on August
33.8 31, 2016, to the 12 months ending on August 31 of the year preceding the taxable year. The
33.9 income thresholds as adjusted for inflation must be rounded to the nearest \$10 amount. If
33.10 the amount ends in \$5, the amount is rounded up to the nearest \$10 amount. The
33.11 determination of the commissioner under this subdivision is not subject to chapter 14,
33.12 including section 14.386 as provided in section 270C.22. The statutory year is taxable year
33.13 2019.

33.14 EFFECTIVE DATE. This section is effective for adjustments beginning with taxable
33.15 years beginning after December 31, 2019.

33.16 Sec. 49. Minnesota Statutes 2018, section 290.0802, subdivision 2, is amended to read:

33.17 Subd. 2. **Subtraction.** (a) A qualified individual is allowed a subtraction from federal
33.18 ~~taxable~~ adjusted gross income of the individual's subtraction base amount. The excess of
33.19 the subtraction base amount over the taxable net income computed without regard to the
33.20 subtraction for the elderly or disabled under section 290.0132, subdivision 5, may be used
33.21 to reduce the amount of a lump sum distribution subject to tax under section 290.032.

33.22 (b)(1) The initial subtraction base amount equals

32.19 (b) The amount of the credit allowed equals 50 percent of contributions for the taxable
32.20 year. The maximum credit is \$500, subject to the phaseout in paragraphs (c) and (d). In no
32.21 case is the credit less than zero.

32.22 (c) For individual filers, the maximum credit is reduced by two percent of adjusted gross
32.23 income in excess of \$75,000.

32.24 (d) For married couples filing a joint return, the maximum credit is phased out as follows:

32.25 (1) for married couples with adjusted gross income in excess of \$75,000, but not more
32.26 than \$100,000, the maximum credit is reduced by one percent of adjusted gross income in
32.27 excess of \$75,000;

32.28 (2) for married couples with adjusted gross income in excess of \$100,000, but not more
32.29 than \$135,000, the maximum credit is \$250; and

32.30 (3) for married couples with adjusted gross income in excess of \$135,000, the maximum
32.31 credit is \$250, reduced by one percent of adjusted gross income in excess of \$135,000.

33.1 (e) The commissioner shall annually adjust the income thresholds in paragraphs (c) and
33.2 (d) used to calculate the maximum credit must be adjusted for inflation. The commissioner
33.3 shall adjust the income thresholds by the percentage determined under the provisions of
33.4 section 1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B) the word "2016"
33.5 is substituted for the word "1992." For 2018, the commissioner shall then determine the
33.6 percent change from the 12 months ending on August 31, 2016, to the 12 months ending
33.7 on August 31, 2017, and in each subsequent year, from the 12 months ending on August
33.8 31, 2016, to the 12 months ending on August 31 of the year preceding the taxable year. The
33.9 income thresholds as adjusted for inflation must be rounded to the nearest \$10 amount. If
33.10 the amount ends in \$5, the amount is rounded up to the nearest \$10 amount. The
33.11 determination of the commissioner under this subdivision is not subject to chapter 14,
33.12 including section 14.386 as provided in section 270C.22. The statutory year is taxable year
33.13 2019.

33.14 EFFECTIVE DATE. This section is effective for adjustments beginning with taxable
33.15 years beginning after December 31, 2019.

33.16 Sec. 49. Minnesota Statutes 2018, section 290.0802, subdivision 2, is amended to read:

33.17 Subd. 2. **Subtraction.** (a) A qualified individual is allowed a subtraction from federal
33.18 ~~taxable~~ adjusted gross income of the individual's subtraction base amount. The excess of
33.19 the subtraction base amount over the taxable net income computed without regard to the
33.20 subtraction for the elderly or disabled under section 290.0132, subdivision 5, may be used
33.21 to reduce the amount of a lump sum distribution subject to tax under section 290.032.

33.22 (b)(1) The initial subtraction base amount equals

33.23 (i) \$12,000 for a married taxpayer filing a joint return if a spouse is a qualified individual,
 33.24 (ii) \$9,600 for a single taxpayer, and
 33.25 (iii) \$6,000 for a married taxpayer filing a separate federal return.

33.26 (2) The qualified individual's initial subtraction base amount, then, must be reduced by
 33.27 the sum of nontaxable retirement and disability benefits and one-half of the amount of
 33.28 adjusted gross income in excess of the following thresholds:

33.29 (i) \$18,000 for a married taxpayer filing a joint return if both spouses are qualified
 33.30 individuals,
 33.31 (ii) \$14,500 for a single taxpayer or for a married couple filing a joint return if only one
 33.32 spouse is a qualified individual, and
 34.1 (iii) \$9,000 for a married taxpayer filing a separate federal return.

34.2 (3) In the case of a qualified individual who is under the age of 65, the maximum amount
 34.3 of the subtraction base may not exceed the taxpayer's disability income.

34.4 (4) The resulting amount is the subtraction base amount.

34.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 34.6 31, 2018.

34.7 Sec. 50. Minnesota Statutes 2018, section 290.091, subdivision 2, is amended to read:

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

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

34.12 (1) the taxpayer's federal alternative minimum taxable income as defined in section
 34.13 55(b)(2) of the Internal Revenue Code;

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

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

34.17 (ii) the medical expense deduction;

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

34.19 (iv) the impairment-related work expenses of a disabled person;

33.23 (i) \$12,000 for a married taxpayer filing a joint return if a spouse is a qualified individual,
 33.24 (ii) \$9,600 for a single taxpayer, and
 33.25 (iii) \$6,000 for a married taxpayer filing a separate federal return.

33.26 (2) The qualified individual's initial subtraction base amount, then, must be reduced by
 33.27 the sum of nontaxable retirement and disability benefits and one-half of the amount of
 33.28 adjusted gross income in excess of the following thresholds:

33.29 (i) \$18,000 for a married taxpayer filing a joint return if both spouses are qualified
 33.30 individuals,
 33.31 (ii) \$14,500 for a single taxpayer or for a married couple filing a joint return if only one
 33.32 spouse is a qualified individual, and
 34.1 (iii) \$9,000 for a married taxpayer filing a separate federal return.

34.2 (3) In the case of a qualified individual who is under the age of 65, the maximum amount
 34.3 of the subtraction base may not exceed the taxpayer's disability income.

34.4 (4) The resulting amount is the subtraction base amount.

34.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 34.6 31, 2018.

34.7 Sec. 50. Minnesota Statutes 2018, section 290.091, subdivision 2, is amended to read:

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

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

34.12 (1) the taxpayer's federal alternative minimum taxable income as defined in section
 34.13 55(b)(2) of the Internal Revenue Code;

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

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

34.17 (ii) the medical expense deduction;

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

34.19 (iv) the impairment-related work expenses of a disabled person;

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

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

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

35.1 (6) the amount of addition required by section 290.0131, subdivisions ~~9 to 11~~, 10, and
 35.2 16;

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

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

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

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

35.10 (ii) an overpayment of state income tax as provided by section 290.0132, subdivision
 35.11 3, to the extent included in federal alternative minimum taxable income;

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

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

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

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

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

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

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

35.1 (6) the amount of addition required by section 290.0131, subdivisions ~~9 to 11~~, 10, and
 35.2 16;

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

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

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

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

35.10 (ii) an overpayment of state income tax as provided by section 290.0132, subdivision
 35.11 3, to the extent included in federal alternative minimum taxable income;

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

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

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

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

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

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

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

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

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

36.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
36.4 31, 2018.

36.5 Sec. 51. Minnesota Statutes 2018, section 290.091, subdivision 3, is amended to read:

36.6 Subd. 3. **Exemption amount.** (a) For purposes of computing the alternative minimum
36.7 tax, the exemption amount is, ~~for taxable years beginning after December 31, 2005,~~ \$60,000
36.8 for married couples filing joint returns, \$30,000 for married individuals filing separate
36.9 returns, estates, and trusts, and \$45,000 for unmarried individuals.

36.10 (b) The exemption amount determined under this subdivision is subject to the phase out
36.11 under section ~~55(d)(3)~~ 55(d)(2) of the Internal Revenue Code, except that alternative
36.12 minimum taxable income as determined under this section must be substituted in the
36.13 computation of the phase out, and section 55(d)(4) of the Internal Revenue Code does not
36.14 apply.

36.15 (c) ~~For taxable years beginning after December 31, 2006, The commissioner shall~~
36.16 ~~annually adjust the exemption amount under amounts in paragraph (a) must be adjusted for~~
36.17 ~~inflation. The commissioner shall adjust the exemption amount by the percentage determined~~
36.18 ~~pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in section~~
36.19 ~~1(f)(3)(B) the word "2005" shall be substituted for the word "1992." For 2007, the~~
36.20 ~~commissioner shall then determine the percent change from the 12 months ending on August~~
36.21 ~~31, 2005, to the 12 months ending on August 31, 2006, and in each subsequent year, from~~
36.22 ~~the 12 months ending on August 31, 2005, to the 12 months ending on August 31 of the~~
36.23 ~~year preceding the taxable year. The exemption amount as adjusted must be rounded to the~~
36.24 ~~nearest \$10. If the amount ends in \$5, it must be rounded up to the nearest \$10 amount. The~~
36.25 ~~determination of the commissioner under this subdivision is not a rule under the~~
36.26 ~~Administrative Procedure Act as provided in section 270C.22. The statutory year is taxable~~
36.27 ~~year 2019.~~

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

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

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

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

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

36.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
36.4 31, 2018.

36.5 Sec. 51. Minnesota Statutes 2018, section 290.091, subdivision 3, is amended to read:

36.6 Subd. 3. **Exemption amount.** (a) For purposes of computing the alternative minimum
36.7 tax, the exemption amount is, ~~for taxable years beginning after December 31, 2005,~~ \$60,000
36.8 for married couples filing joint returns, \$30,000 for married individuals filing separate
36.9 returns, estates, and trusts, and \$45,000 for unmarried individuals.

36.10 (b) The exemption amount determined under this subdivision is subject to the phase out
36.11 under section ~~55(d)(3)~~ 55(d)(2) of the Internal Revenue Code, except that alternative
36.12 minimum taxable income as determined under this section must be substituted in the
36.13 computation of the phase out, and section 55(d)(4) of the Internal Revenue Code does not
36.14 apply.

36.15 (c) ~~For taxable years beginning after December 31, 2006, The commissioner shall~~
36.16 ~~annually adjust the exemption amount under amounts in paragraph (a) must be adjusted for~~
36.17 ~~inflation. The commissioner shall adjust the exemption amount by the percentage determined~~
36.18 ~~pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in section~~
36.19 ~~1(f)(3)(B) the word "2005" shall be substituted for the word "1992." For 2007, the~~
36.20 ~~commissioner shall then determine the percent change from the 12 months ending on August~~
36.21 ~~31, 2005, to the 12 months ending on August 31, 2006, and in each subsequent year, from~~
36.22 ~~the 12 months ending on August 31, 2005, to the 12 months ending on August 31 of the~~
36.23 ~~year preceding the taxable year. The exemption amount as adjusted must be rounded to the~~
36.24 ~~nearest \$10. If the amount ends in \$5, it must be rounded up to the nearest \$10 amount. The~~
36.25 ~~determination of the commissioner under this subdivision is not a rule under the~~
36.26 ~~Administrative Procedure Act as provided in section 270C.22. The statutory year is taxable~~
36.27 ~~year 2019.~~

36.28 **EFFECTIVE DATE.** (a) The amendment to paragraph (b) is effective the day following
36.29 final enactment.

36.30 (b) The amendment to paragraph (c) is effective for taxable years beginning after
36.31 December 31, 2019.

37.1 Sec. 52. Minnesota Statutes 2018, section 290.0921, subdivision 2, is amended to read:

37.2 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
37.3 meanings given them.

37.4 (b) "Alternative minimum taxable net income" is alternative minimum taxable income,

37.5 (1) less the exemption amount, and

37.6 (2) apportioned or allocated to Minnesota under section 290.17, 290.191, or 290.20.

37.7 (c) The "exemption amount" is \$40,000, reduced, but not below zero, by 25 percent of
37.8 the excess of alternative minimum taxable income over \$150,000.

37.9 (d) "Minnesota alternative minimum taxable income" is alternative minimum taxable
37.10 net income, less the deductions for alternative tax net operating loss under subdivision 4;
37.11 and dividends received under subdivision 6. The sum of the deductions under this paragraph
37.12 may not exceed 90 percent of alternative minimum taxable net income. This limitation does
37.13 not apply to:

37.14 (1) a deduction for dividends paid to or received from a corporation which is subject to
37.15 tax under section 290.36 and which is a member of an affiliated group of corporations as
37.16 defined by the Internal Revenue Code; or

37.17 (2) a deduction for dividends received from a property and casualty insurer as defined
37.18 under section 60A.60, subdivision 8, which is a member of an affiliated group of corporations
37.19 as defined by the Internal Revenue Code and either: (i) the dividend is eliminated in
37.20 consolidation under Treasury Regulation 1.1502-14(a), as amended through December 31,
37.21 1989; or (ii) the dividend is deducted under an election under section 243(b) of the Internal
37.22 Revenue Code.

37.23 (e) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended
37.24 through December 16, 2016.

37.25 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
37.26 31, 2017.

37.27 Sec. 53. Minnesota Statutes 2018, section 290.0921, subdivision 3, is amended to read:

37.28 Subd. 3. **Alternative minimum taxable income.** "Alternative minimum taxable income"
37.29 is Minnesota net income as defined in section 290.01, subdivision 19, and includes the

36.28 **EFFECTIVE DATE.** (a) The amendment to paragraph (b) is effective the day following
36.29 final enactment.

36.30 (b) The amendment to paragraph (c) is effective for taxable years beginning after
36.31 December 31, 2019.

37.1 Sec. 52. Minnesota Statutes 2018, section 290.0921, subdivision 2, is amended to read:

37.2 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
37.3 meanings given them.

37.4 (b) "Alternative minimum taxable net income" is alternative minimum taxable income,

37.5 (1) less the exemption amount, and

37.6 (2) apportioned or allocated to Minnesota under section 290.17, 290.191, or 290.20.

37.7 (c) The "exemption amount" is \$40,000, reduced, but not below zero, by 25 percent of
37.8 the excess of alternative minimum taxable income over \$150,000.

37.9 (d) "Minnesota alternative minimum taxable income" is alternative minimum taxable
37.10 net income, less the deductions for alternative tax net operating loss under subdivision 4;
37.11 and dividends received under subdivision 6. The sum of the deductions under this paragraph
37.12 may not exceed 90 percent of alternative minimum taxable net income. This limitation does
37.13 not apply to:

37.14 (1) a deduction for dividends paid to or received from a corporation which is subject to
37.15 tax under section 290.36 and which is a member of an affiliated group of corporations as
37.16 defined by the Internal Revenue Code; or

37.17 (2) a deduction for dividends received from a property and casualty insurer as defined
37.18 under section 60A.60, subdivision 8, which is a member of an affiliated group of corporations
37.19 as defined by the Internal Revenue Code and either: (i) the dividend is eliminated in
37.20 consolidation under Treasury Regulation 1.1502-14(a), as amended through December 31,
37.21 1989; or (ii) the dividend is deducted under an election under section 243(b) of the Internal
37.22 Revenue Code.

37.23 (e) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended
37.24 through December 16, 2016.

37.25 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
37.26 31, 2017.

37.27 Sec. 53. Minnesota Statutes 2018, section 290.0921, subdivision 3, is amended to read:

37.28 Subd. 3. **Alternative minimum taxable income.** "Alternative minimum taxable income"
37.29 is Minnesota net income as defined in section 290.01, subdivision 19, and includes the

37.30 adjustments and tax preference items in sections 56, 57, 58, and 59(d), (e), (f), and (h) of
 37.31 the Internal Revenue Code. If a corporation files a separate company Minnesota tax return,
 37.32 the minimum tax must be computed on a separate company basis. If a corporation is part
 38.1 of a tax group filing a unitary return, the minimum tax must be computed on a unitary basis.
 38.2 The following adjustments must be made.

38.3 (1) The portion of the depreciation deduction allowed for federal income tax purposes
 38.4 under section 168(k) of the Internal Revenue Code that is required as an addition under
 38.5 section 290.0133, subdivision 11, is disallowed in determining alternative minimum taxable
 38.6 income.

38.7 (2) The subtraction for depreciation allowed under section 290.0134, subdivision 13, is
 38.8 allowed as a depreciation deduction in determining alternative minimum taxable income.

38.9 (3) The alternative tax net operating loss deduction under sections 56(a)(4) and 56(d)
 38.10 of the Internal Revenue Code does not apply.

38.11 (4) The special rule for certain dividends under section 56(g)(4)(C)(ii) of the Internal
 38.12 Revenue Code does not apply.

38.13 (5) The tax preference for depletion under section 57(a)(1) of the Internal Revenue Code
 38.14 does not apply.

38.15 (6) The tax preference for tax exempt interest under section 57(a)(5) of the Internal
 38.16 Revenue Code does not apply.

38.17 (7) The tax preference for charitable contributions of appreciated property under section
 38.18 57(a)(6) of the Internal Revenue Code does not apply.

38.19 (8) For purposes of calculating the adjustment for adjusted current earnings in section
 38.20 56(g) of the Internal Revenue Code, the term "alternative minimum taxable income" as it
 38.21 is used in section 56(g) of the Internal Revenue Code, means alternative minimum taxable
 38.22 income as defined in this subdivision, determined without regard to the adjustment for
 38.23 adjusted current earnings in section 56(g) of the Internal Revenue Code.

38.24 (9) For purposes of determining the amount of adjusted current earnings under section
 38.25 56(g)(3) of the Internal Revenue Code, no adjustment shall be made under section 56(g)(4)
 38.26 of the Internal Revenue Code with respect to (i) the amount of foreign dividend gross-up
 38.27 subtracted as provided in section 290.0134, subdivision 2, or (ii) the amount of refunds of
 38.28 income, excise, or franchise taxes subtracted as provided in section 290.0134, subdivision
 38.29 8.

38.30 (10) Alternative minimum taxable income excludes the income from operating in a job
 38.31 opportunity building zone as provided under section 469.317.

37.30 adjustments and tax preference items in sections 56, 57, 58, and 59(d), (e), (f), and (h) of
 37.31 the Internal Revenue Code. If a corporation files a separate company Minnesota tax return,
 37.32 the minimum tax must be computed on a separate company basis. If a corporation is part
 38.1 of a tax group filing a unitary return, the minimum tax must be computed on a unitary basis.
 38.2 The following adjustments must be made.

38.3 (1) The portion of the depreciation deduction allowed for federal income tax purposes
 38.4 under section 168(k) of the Internal Revenue Code that is required as an addition under
 38.5 section 290.0133, subdivision 11, is disallowed in determining alternative minimum taxable
 38.6 income.

38.7 (2) The subtraction for depreciation allowed under section 290.0134, subdivision 13, is
 38.8 allowed as a depreciation deduction in determining alternative minimum taxable income.

38.9 (3) The alternative tax net operating loss deduction under sections 56(a)(4) and 56(d)
 38.10 of the Internal Revenue Code does not apply.

38.11 (4) The special rule for certain dividends under section 56(g)(4)(C)(ii) of the Internal
 38.12 Revenue Code does not apply.

38.13 (5) The tax preference for depletion under section 57(a)(1) of the Internal Revenue Code
 38.14 does not apply.

38.15 (6) The tax preference for tax exempt interest under section 57(a)(5) of the Internal
 38.16 Revenue Code does not apply.

38.17 (7) The tax preference for charitable contributions of appreciated property under section
 38.18 57(a)(6) of the Internal Revenue Code does not apply.

38.19 (8) For purposes of calculating the adjustment for adjusted current earnings in section
 38.20 56(g) of the Internal Revenue Code, the term "alternative minimum taxable income" as it
 38.21 is used in section 56(g) of the Internal Revenue Code, means alternative minimum taxable
 38.22 income as defined in this subdivision, determined without regard to the adjustment for
 38.23 adjusted current earnings in section 56(g) of the Internal Revenue Code.

38.24 (9) For purposes of determining the amount of adjusted current earnings under section
 38.25 56(g)(3) of the Internal Revenue Code, no adjustment shall be made under section 56(g)(4)
 38.26 of the Internal Revenue Code with respect to (i) the amount of foreign dividend gross-up
 38.27 subtracted as provided in section 290.0134, subdivision 2, or (ii) the amount of refunds of
 38.28 income, excise, or franchise taxes subtracted as provided in section 290.0134, subdivision
 38.29 8.

38.30 (10) Alternative minimum taxable income excludes the income from operating in a job
 38.31 opportunity building zone as provided under section 469.317.

39.1 Items of tax preference must not be reduced below zero as a result of the modifications
39.2 in this subdivision.

39.3 (11) The subtraction for disallowed section 280E expenses under section 290.0134,
39.4 subdivision 19, is allowed as a deduction in determining alternative minimum taxable
39.5 income.

39.6 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
39.7 31, 2018.

39.8 Sec. 54. Minnesota Statutes 2018, section 290.0922, subdivision 1, is amended to read:

39.9 Subdivision 1. **Imposition.** (a) In addition to the tax imposed by this chapter without
39.10 regard to this section, the franchise tax imposed on a corporation required to file under
39.11 section 289A.08, subdivision 3, other than a corporation treated as an "S" corporation under
39.12 section 290.9725 for the taxable year includes a tax equal to the following amounts:

39.13	If the sum of the corporation's Minnesota			
39.14	property, payrolls, and sales or receipts is:		the tax equals:	
39.15	less than	\$ 930,000	\$ 0	
39.16	\$ 930,000 to	\$ 1,869,999	\$ 190	
39.17	\$ 1,870,000 to	\$ 9,339,999	\$ 560	
39.18	\$ 9,340,000 to	\$ 18,679,999	\$ 1,870	
39.19	\$ 18,680,000 to	\$ 37,359,999	\$ 3,740	
39.20	\$ 37,360,000 or more		\$ 9,340	

39.21 (b) A tax is imposed for each taxable year on a corporation required to file a return under
39.22 section 289A.12, subdivision 3, that is treated as an "S" corporation under section 290.9725
39.23 and on a partnership required to file a return under section 289A.12, subdivision 3, other
39.24 than a partnership that derives over 80 percent of its income from farming. The tax imposed
39.25 under this paragraph is due on or before the due date of the return for the taxpayer due under
39.26 section 289A.18, subdivision 1. The commissioner shall prescribe the return to be used for
39.27 payment of this tax. The tax under this paragraph is equal to the following amounts:

39.1 Items of tax preference must not be reduced below zero as a result of the modifications
39.2 in this subdivision.

39.3 (11) The subtraction for disallowed section 280E expenses under section 290.0134,
39.4 subdivision 19, is allowed as a deduction in determining alternative minimum taxable
39.5 income.

39.6 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
39.7 31, 2018.

39.8 Sec. 54. Minnesota Statutes 2018, section 290.0922, subdivision 1, is amended to read:

39.9 Subdivision 1. **Imposition.** (a) In addition to the tax imposed by this chapter without
39.10 regard to this section, the franchise tax imposed on a corporation required to file under
39.11 section 289A.08, subdivision 3, other than a corporation treated as an "S" corporation under
39.12 section 290.9725 for the taxable year includes a tax equal to the following amounts:

39.13	If the sum of the corporation's Minnesota			
39.14	property, payrolls, and sales or receipts is:		the tax equals:	
39.15	less than	\$ 930,000	\$ 0	
39.16	\$ 930,000 to	\$ 1,869,999	\$ 190	
39.17	\$ 1,870,000 to	\$ 9,339,999	\$ 560	
39.18	\$ 9,340,000 to	\$ 18,679,999	\$ 1,870	
39.19	\$ 18,680,000 to	\$ 37,359,999	\$ 3,740	
39.20	\$ 37,360,000 or more		\$ 9,340	

39.21 (b) A tax is imposed for each taxable year on a corporation required to file a return under
39.22 section 289A.12, subdivision 3, that is treated as an "S" corporation under section 290.9725
39.23 and on a partnership required to file a return under section 289A.12, subdivision 3, other
39.24 than a partnership that derives over 80 percent of its income from farming. The tax imposed
39.25 under this paragraph is due on or before the due date of the return for the taxpayer due under
39.26 section 289A.18, subdivision 1. The commissioner shall prescribe the return to be used for
39.27 payment of this tax. The tax under this paragraph is equal to the following amounts:

39.28 If the sum of the S corporation's
 39.29 or partnership's Minnesota
 39.30 property, payrolls, and sales or
 39.31 receipts is:

			the tax equals:
39.32	less than	\$ 930,000	\$ 0
39.33	\$ 930,000 to	\$ 1,869,999	\$ 190
39.34	\$ 1,870,000 to	\$ 9,339,999	\$ 560
39.35	\$ 9,340,000 to	\$ 18,679,999	\$ 1,870
40.1	\$ 18,680,000 to	\$ 37,359,999	\$ 3,740
40.2	\$ 37,360,000 or more		\$ 9,340

40.3 (c) The commissioner shall annually adjust the dollar amounts of both the tax and the
 40.4 property, payrolls, and sales or receipts thresholds in paragraphs (a) and (b) ~~by the percentage~~
 40.5 ~~determined pursuant to the provisions of section 1(f) of the Internal Revenue Code, except~~
 40.6 ~~that in section 1(f)(3)(B) the word "2012" must be substituted for the word "1992." For~~
 40.7 ~~2014, the commissioner shall determine the percentage change from the 12 months ending~~
 40.8 ~~on August 31, 2012, to the 12 months ending on August 31, 2013, and in each subsequent~~
 40.9 ~~year, from the 12 months ending on August 31, 2012, to the 12 months ending on August~~
 40.10 ~~31 of the year preceding the taxable year. The determination of the commissioner pursuant~~
 40.11 ~~to this subdivision is not a "rule" subject to the Administrative Procedure Act contained in~~
 40.12 ~~chapter 14 as provided in section 270C.22. The statutory year is taxable year 2019. The tax~~
 40.13 ~~amounts as adjusted must be rounded to the nearest \$10 amount and the threshold amounts~~
 40.14 ~~must be adjusted to the nearest \$10,000 amount. For tax amounts that end in \$5, the amount~~
 40.15 ~~is rounded up to the nearest \$10 amount and for the threshold amounts that end in \$5,000,~~
 40.16 ~~the amount is rounded up to the nearest \$10,000.~~

40.17 **EFFECTIVE DATE.** This section is effective for adjustments beginning with taxable
 40.18 years beginning after December 31, 2019.

40.19 Sec. 55. Minnesota Statutes 2018, section 290.095, subdivision 2, is amended to read:

40.20 Subd. 2. **Defined and limited.** (a) The term "net operating loss" as used in this section
 40.21 shall mean a net operating loss as defined in section 172(c) of the Internal Revenue Code,
 40.22 with the modifications specified in subdivision 4. The deductions provided in section 290.21
 40.23 cannot be used in the determination of a net operating loss.

40.24 (b) The term "net operating loss deduction" as used in this section means the aggregate
 40.25 of the net operating loss carryovers to the taxable year, computed in accordance with

39.28 If the sum of the S corporation's
 39.29 or partnership's Minnesota
 39.30 property, payrolls, and sales or
 39.31 receipts is:

			the tax equals:
39.32	less than	\$ 930,000	\$ 0
39.33	\$ 930,000 to	\$ 1,869,999	\$ 190
39.34	\$ 1,870,000 to	\$ 9,339,999	\$ 560
39.35	\$ 9,340,000 to	\$ 18,679,999	\$ 1,870
40.1	\$ 18,680,000 to	\$ 37,359,999	\$ 3,740
40.2	\$ 37,360,000 or more		\$ 9,340

40.3 (c) The commissioner shall annually adjust the dollar amounts of both the tax and the
 40.4 property, payrolls, and sales or receipts thresholds in paragraphs (a) and (b) ~~by the percentage~~
 40.5 ~~determined pursuant to the provisions of section 1(f) of the Internal Revenue Code, except~~
 40.6 ~~that in section 1(f)(3)(B) the word "2012" must be substituted for the word "1992." For~~
 40.7 ~~2014, the commissioner shall determine the percentage change from the 12 months ending~~
 40.8 ~~on August 31, 2012, to the 12 months ending on August 31, 2013, and in each subsequent~~
 40.9 ~~year, from the 12 months ending on August 31, 2012, to the 12 months ending on August~~
 40.10 ~~31 of the year preceding the taxable year. The determination of the commissioner pursuant~~
 40.11 ~~to this subdivision is not a "rule" subject to the Administrative Procedure Act contained in~~
 40.12 ~~chapter 14 as provided in section 270C.22. The statutory year is taxable year 2019. The tax~~
 40.13 ~~amounts as adjusted must be rounded to the nearest \$10 amount and the threshold amounts~~
 40.14 ~~must be adjusted to the nearest \$10,000 amount. For tax amounts that end in \$5, the amount~~
 40.15 ~~is rounded up to the nearest \$10 amount and for the threshold amounts that end in \$5,000,~~
 40.16 ~~the amount is rounded up to the nearest \$10,000.~~

40.17 **EFFECTIVE DATE.** This section is effective for adjustments beginning with taxable
 40.18 years beginning after December 31, 2019.

40.19 Sec. 55. Minnesota Statutes 2018, section 290.095, subdivision 2, is amended to read:

40.20 Subd. 2. **Defined and limited.** (a) The term "net operating loss" as used in this section
 40.21 shall mean a net operating loss as defined in section 172(c) of the Internal Revenue Code,
 40.22 with the modifications specified in subdivision 4. The deductions provided in section 290.21
 40.23 cannot be used in the determination of a net operating loss.

40.24 (b) The term "net operating loss deduction" as used in this section means the aggregate
 40.25 of the net operating loss carryovers to the taxable year, computed in accordance with

40.26 subdivision 3. The provisions of section 172(b) of the Internal Revenue Code relating to
40.27 the carryback of net operating losses, do not apply.

40.28 (c) The amount of net operating loss deduction under this section must not exceed 80
40.29 percent of taxable net income in a single taxable year.

40.30 EFFECTIVE DATE. This section is effective retroactively for taxable years beginning
40.31 after December 31, 2017.

41.1 Sec. 56. Minnesota Statutes 2018, section 290.17, subdivision 2, is amended to read:

41.2 Subd. 2. **Income not derived from conduct of a trade or business.** The income of a
41.3 taxpayer subject to the allocation rules that is not derived from the conduct of a trade or
41.4 business must be assigned in accordance with paragraphs (a) to (f):

41.5 (a)(1) Subject to paragraphs (a)(2) and (a)(3), income from wages as defined in section
41.6 3401(a) ~~and~~ (f), and (i) of the Internal Revenue Code is assigned to this state if, and to the
41.7 extent that, the work of the employee is performed within it; all other income from such
41.8 sources is treated as income from sources without this state.

41.9 Severance pay shall be considered income from labor or personal or professional services.

41.10 (2) In the case of an individual who is a nonresident of Minnesota and who is an athlete
41.11 or entertainer, income from compensation for labor or personal services performed within
41.12 this state shall be determined in the following manner:

41.13 (i) the amount of income to be assigned to Minnesota for an individual who is a
41.14 nonresident salaried athletic team employee shall be determined by using a fraction in which
41.15 the denominator contains the total number of days in which the individual is under a duty
41.16 to perform for the employer, and the numerator is the total number of those days spent in
41.17 Minnesota. For purposes of this paragraph, off-season training activities, unless conducted
41.18 at the team's facilities as part of a team imposed program, are not included in the total number
41.19 of duty days. Bonuses earned as a result of play during the regular season or for participation
41.20 in championship, play-off, or all-star games must be allocated under the formula. Signing
41.21 bonuses are not subject to allocation under the formula if they are not conditional on playing
41.22 any games for the team, are payable separately from any other compensation, and are
41.23 nonrefundable; and

41.24 (ii) the amount of income to be assigned to Minnesota for an individual who is a
41.25 nonresident, and who is an athlete or entertainer not listed in item (i), for that person's athletic
41.26 or entertainment performance in Minnesota shall be determined by assigning to this state
41.27 all income from performances or athletic contests in this state.

41.28 (3) For purposes of this section, amounts received by a nonresident as "retirement income"
41.29 as defined in section (b)(1) of the State Income Taxation of Pension Income Act, Public
41.30 Law 104-95, are not considered income derived from carrying on a trade or business or

40.26 subdivision 3. The provisions of section 172(b) of the Internal Revenue Code relating to
40.27 the carryback of net operating losses, do not apply.

40.28 (c) The amount of net operating loss deduction under this section must not exceed 80
40.29 percent of taxable net income in a single taxable year.

40.30 EFFECTIVE DATE. This section is effective retroactively for taxable years beginning
40.31 after December 31, 2017.

41.1 Sec. 56. Minnesota Statutes 2018, section 290.17, subdivision 2, is amended to read:

41.2 Subd. 2. **Income not derived from conduct of a trade or business.** The income of a
41.3 taxpayer subject to the allocation rules that is not derived from the conduct of a trade or
41.4 business must be assigned in accordance with paragraphs (a) to (f):

41.5 (a)(1) Subject to paragraphs (a)(2) and (a)(3), income from wages as defined in section
41.6 3401(a) ~~and~~ (f), and (i) of the Internal Revenue Code is assigned to this state if, and to the
41.7 extent that, the work of the employee is performed within it; all other income from such
41.8 sources is treated as income from sources without this state.

41.9 Severance pay shall be considered income from labor or personal or professional services.

41.10 (2) In the case of an individual who is a nonresident of Minnesota and who is an athlete
41.11 or entertainer, income from compensation for labor or personal services performed within
41.12 this state shall be determined in the following manner:

41.13 (i) the amount of income to be assigned to Minnesota for an individual who is a
41.14 nonresident salaried athletic team employee shall be determined by using a fraction in which
41.15 the denominator contains the total number of days in which the individual is under a duty
41.16 to perform for the employer, and the numerator is the total number of those days spent in
41.17 Minnesota. For purposes of this paragraph, off-season training activities, unless conducted
41.18 at the team's facilities as part of a team imposed program, are not included in the total number
41.19 of duty days. Bonuses earned as a result of play during the regular season or for participation
41.20 in championship, play-off, or all-star games must be allocated under the formula. Signing
41.21 bonuses are not subject to allocation under the formula if they are not conditional on playing
41.22 any games for the team, are payable separately from any other compensation, and are
41.23 nonrefundable; and

41.24 (ii) the amount of income to be assigned to Minnesota for an individual who is a
41.25 nonresident, and who is an athlete or entertainer not listed in item (i), for that person's athletic
41.26 or entertainment performance in Minnesota shall be determined by assigning to this state
41.27 all income from performances or athletic contests in this state.

41.28 (3) For purposes of this section, amounts received by a nonresident as "retirement income"
41.29 as defined in section (b)(1) of the State Income Taxation of Pension Income Act, Public
41.30 Law 104-95, are not considered income derived from carrying on a trade or business or

- 41.31 from wages or other compensation for work an employee performed in Minnesota, and are
41.32 not taxable under this chapter.
- 42.1 (b) Income or gains from tangible property located in this state that is not employed in
42.2 the business of the recipient of the income or gains must be assigned to this state.
- 42.3 (c) Income or gains from intangible personal property not employed in the business of
42.4 the recipient of the income or gains must be assigned to this state if the recipient of the
42.5 income or gains is a resident of this state or is a resident trust or estate.
- 42.6 Gain on the sale of a partnership interest is allocable to this state in the ratio of the
42.7 original cost of partnership tangible property in this state to the original cost of partnership
42.8 tangible property everywhere, determined at the time of the sale. If more than 50 percent
42.9 of the value of the partnership's assets consists of intangibles, gain or loss from the sale of
42.10 the partnership interest is allocated to this state in accordance with the sales factor of the
42.11 partnership for its first full tax period immediately preceding the tax period of the partnership
42.12 during which the partnership interest was sold.
- 42.13 Gain on the sale of an interest in a single member limited liability company that is
42.14 disregarded for federal income tax purposes is allocable to this state as if the single member
42.15 limited liability company did not exist and the assets of the limited liability company are
42.16 personally owned by the sole member.
- 42.17 Gain on the sale of goodwill or income from a covenant not to compete that is connected
42.18 with a business operating all or partially in Minnesota is allocated to this state to the extent
42.19 that the income from the business in the year preceding the year of sale was allocable to
42.20 Minnesota under subdivision 3.
- 42.21 When an employer pays an employee for a covenant not to compete, the income allocated
42.22 to this state is in the ratio of the employee's service in Minnesota in the calendar year
42.23 preceding leaving the employment of the employer over the total services performed by the
42.24 employee for the employer in that year.
- 42.25 (d) Income from winnings on a bet made by an individual while in Minnesota is assigned
42.26 to this state. In this paragraph, "bet" has the meaning given in section 609.75, subdivision
42.27 2, as limited by section 609.75, subdivision 3, clauses (1), (2), and (3).
- 42.28 (e) All items of gross income not covered in paragraphs (a) to (d) and not part of the
42.29 taxpayer's income from a trade or business shall be assigned to the taxpayer's domicile.
- 42.30 (f) For the purposes of this section, working as an employee shall not be considered to
42.31 be conducting a trade or business.
- 42.32 **EFFECTIVE DATE.** This section is effective retroactively for wages paid after
42.33 December 31, 2017.

- 41.31 from wages or other compensation for work an employee performed in Minnesota, and are
41.32 not taxable under this chapter.
- 42.1 (b) Income or gains from tangible property located in this state that is not employed in
42.2 the business of the recipient of the income or gains must be assigned to this state.
- 42.3 (c) Income or gains from intangible personal property not employed in the business of
42.4 the recipient of the income or gains must be assigned to this state if the recipient of the
42.5 income or gains is a resident of this state or is a resident trust or estate.
- 42.6 Gain on the sale of a partnership interest is allocable to this state in the ratio of the
42.7 original cost of partnership tangible property in this state to the original cost of partnership
42.8 tangible property everywhere, determined at the time of the sale. If more than 50 percent
42.9 of the value of the partnership's assets consists of intangibles, gain or loss from the sale of
42.10 the partnership interest is allocated to this state in accordance with the sales factor of the
42.11 partnership for its first full tax period immediately preceding the tax period of the partnership
42.12 during which the partnership interest was sold.
- 42.13 Gain on the sale of an interest in a single member limited liability company that is
42.14 disregarded for federal income tax purposes is allocable to this state as if the single member
42.15 limited liability company did not exist and the assets of the limited liability company are
42.16 personally owned by the sole member.
- 42.17 Gain on the sale of goodwill or income from a covenant not to compete that is connected
42.18 with a business operating all or partially in Minnesota is allocated to this state to the extent
42.19 that the income from the business in the year preceding the year of sale was allocable to
42.20 Minnesota under subdivision 3.
- 42.21 When an employer pays an employee for a covenant not to compete, the income allocated
42.22 to this state is in the ratio of the employee's service in Minnesota in the calendar year
42.23 preceding leaving the employment of the employer over the total services performed by the
42.24 employee for the employer in that year.
- 42.25 (d) Income from winnings on a bet made by an individual while in Minnesota is assigned
42.26 to this state. In this paragraph, "bet" has the meaning given in section 609.75, subdivision
42.27 2, as limited by section 609.75, subdivision 3, clauses (1), (2), and (3).
- 42.28 (e) All items of gross income not covered in paragraphs (a) to (d) and not part of the
42.29 taxpayer's income from a trade or business shall be assigned to the taxpayer's domicile.
- 42.30 (f) For the purposes of this section, working as an employee shall not be considered to
42.31 be conducting a trade or business.
- 42.32 **EFFECTIVE DATE.** This section is effective retroactively for wages paid after
42.33 December 31, 2017.

43.1 Sec. 57. Minnesota Statutes 2018, section 290.21, is amended by adding a subdivision to
43.2 read:

43.3 Subd. 9. **Controlled foreign corporations.** The net income of a domestic corporation
43.4 that is included pursuant to section 951 of the Internal Revenue Code is dividend income.

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

43.6 Sec. 58. Minnesota Statutes 2018, section 290.34, is amended by adding a subdivision to
43.7 read:

43.8 Subd. 5. **Interest limitation.** The interest expense limitation under section 163(j) of the
43.9 Internal Revenue Code must be computed using the combined report entities included in
43.10 the unitary group under section 290.17, subdivision 4. The limitation must be aggregated
43.11 between combined report entities consistent with the application to a consolidated group
43.12 for federal income tax purposes.

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

43.15 Sec. 59. Minnesota Statutes 2018, section 290.92, subdivision 1, is amended to read:

43.16 Subdivision 1. **Definitions.** (1) **Wages.** For purposes of this section, the term "wages"
43.17 means the same as that term is defined in section 3401(a) ~~and~~ (f), and (i) of the Internal
43.18 Revenue Code.

43.19 (2) **Payroll period.** For purposes of this section the term "payroll period" means a period
43.20 for which a payment of wages is ordinarily made to the employee by the employee's
43.21 employer, and the term "miscellaneous payroll period" means a payroll period other than a
43.22 daily, weekly, biweekly, semimonthly, monthly, quarterly, semiannual, or annual payroll
43.23 period.

43.24 (3) **Employee.** For purposes of this section the term "employee" means any resident
43.25 individual performing services for an employer, either within or without, or both within and
43.26 without the state of Minnesota, and every nonresident individual performing services within
43.27 the state of Minnesota, the performance of which services constitute, establish, and determine
43.28 the relationship between the parties as that of employer and employee. As used in the
43.29 preceding sentence, the term "employee" includes an officer of a corporation, and an officer,
43.30 employee, or elected official of the United States, a state, or any political subdivision thereof,
43.31 or the District of Columbia, or any agency or instrumentality of any one or more of the
43.32 foregoing.

44.1 (4) **Employer.** For purposes of this section the term "employer" means any person,
44.2 including individuals, fiduciaries, estates, trusts, partnerships, limited liability companies,
44.3 and corporations transacting business in or deriving any income from sources within the
44.4 state of Minnesota for whom an individual performs or performed any service, of whatever

43.1 Sec. 57. Minnesota Statutes 2018, section 290.21, is amended by adding a subdivision to
43.2 read:

43.3 Subd. 9. **Controlled foreign corporations.** The net income of a domestic corporation
43.4 that is included pursuant to section 951 of the Internal Revenue Code is dividend income.

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

43.6 Sec. 58. Minnesota Statutes 2018, section 290.34, is amended by adding a subdivision to
43.7 read:

43.8 Subd. 5. **Interest limitation.** The interest expense limitation under section 163(j) of the
43.9 Internal Revenue Code must be computed using the combined report entities included in
43.10 the unitary group under section 290.17, subdivision 4. The limitation must be aggregated
43.11 between combined report entities consistent with the application to a consolidated group
43.12 for federal income tax purposes.

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

43.15 Sec. 59. Minnesota Statutes 2018, section 290.92, subdivision 1, is amended to read:

43.16 Subdivision 1. **Definitions.** (1) **Wages.** For purposes of this section, the term "wages"
43.17 means the same as that term is defined in section 3401(a) ~~and~~ (f), and (i) of the Internal
43.18 Revenue Code.

43.19 (2) **Payroll period.** For purposes of this section the term "payroll period" means a period
43.20 for which a payment of wages is ordinarily made to the employee by the employee's
43.21 employer, and the term "miscellaneous payroll period" means a payroll period other than a
43.22 daily, weekly, biweekly, semimonthly, monthly, quarterly, semiannual, or annual payroll
43.23 period.

43.24 (3) **Employee.** For purposes of this section the term "employee" means any resident
43.25 individual performing services for an employer, either within or without, or both within and
43.26 without the state of Minnesota, and every nonresident individual performing services within
43.27 the state of Minnesota, the performance of which services constitute, establish, and determine
43.28 the relationship between the parties as that of employer and employee. As used in the
43.29 preceding sentence, the term "employee" includes an officer of a corporation, and an officer,
43.30 employee, or elected official of the United States, a state, or any political subdivision thereof,
43.31 or the District of Columbia, or any agency or instrumentality of any one or more of the
43.32 foregoing.

44.1 (4) **Employer.** For purposes of this section the term "employer" means any person,
44.2 including individuals, fiduciaries, estates, trusts, partnerships, limited liability companies,
44.3 and corporations transacting business in or deriving any income from sources within the
44.4 state of Minnesota for whom an individual performs or performed any service, of whatever

44.5 nature, as the employee of such person, except that if the person for whom the individual
 44.6 performs or performed the services does not have control of the payment of the wages for
 44.7 such services, the term "employer," except for purposes of paragraph (1), means the person
 44.8 having control of the payment of such wages. As used in the preceding sentence, the term
 44.9 "employer" includes any corporation, individual, estate, trust, or organization which is
 44.10 exempt from taxation under section 290.05 and further includes, but is not limited to, officers
 44.11 of corporations who have control, either individually or jointly with another or others, of
 44.12 the payment of the wages.

44.13 (5) **Number of withholding exemptions claimed.** For purposes of this section, the term
 44.14 "number of withholding exemptions claimed" means the number of withholding exemptions
 44.15 claimed in a withholding exemption certificate in effect under subdivision 5, except that if
 44.16 no such certificate is in effect, the number of withholding exemptions claimed shall be
 44.17 considered to be zero.

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

44.20 Sec. 60. Minnesota Statutes 2018, section 290.92, subdivision 5, is amended to read:

44.21 Subd. 5. **Exemptions. (1) Entitlement.** An employee receiving wages shall on any day
 44.22 be entitled to claim withholding exemptions in a number not to exceed the number of
 44.23 withholding exemptions that the employee claims and that are allowable pursuant to section
 44.24 3402(f)(1), (m), and (n) of the Internal Revenue Code for federal withholding purposes,
 44.25 except:

44.26 (i) the standard deduction amount for the purposes of section 3402(f)(1)(E) of the Internal
 44.27 Revenue Code shall be the amount calculated under section 290.0123, subdivision 1; and

44.28 (ii) the exemption amount for the purposes of section 3402(f)(1)(A) of the Internal
 44.29 Revenue Code shall be the amount calculated under section 290.0121, subdivision 1.

44.30 (2) **Withholding exemption certificate.** The provisions concerning exemption certificates
 44.31 contained in section 3402(f)(2) and (3) of the Internal Revenue Code shall apply.

44.32 (3) **Form of certificate.** Withholding exemption certificates shall be in such form and
 44.33 contain such information as the commissioner may by rule prescribe.

44.34 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 44.35 31, 2018.

44.36 Sec. 61. **[290.993] SPECIAL LIMITED ADJUSTMENT.**

44.37 (a) For an individual income taxpayer subject to tax under section 290.06, subdivision
 44.38 2c, or a partnership that elects to file a composite return under section 289A.08, subdivision

44.5 nature, as the employee of such person, except that if the person for whom the individual
 44.6 performs or performed the services does not have control of the payment of the wages for
 44.7 such services, the term "employer," except for purposes of paragraph (1), means the person
 44.8 having control of the payment of such wages. As used in the preceding sentence, the term
 44.9 "employer" includes any corporation, individual, estate, trust, or organization which is
 44.10 exempt from taxation under section 290.05 and further includes, but is not limited to, officers
 44.11 of corporations who have control, either individually or jointly with another or others, of
 44.12 the payment of the wages.

44.13 (5) **Number of withholding exemptions claimed.** For purposes of this section, the term
 44.14 "number of withholding exemptions claimed" means the number of withholding exemptions
 44.15 claimed in a withholding exemption certificate in effect under subdivision 5, except that if
 44.16 no such certificate is in effect, the number of withholding exemptions claimed shall be
 44.17 considered to be zero.

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

44.20 Sec. 60. Minnesota Statutes 2018, section 290.92, subdivision 5, is amended to read:

44.21 Subd. 5. **Exemptions. (1) Entitlement.** An employee receiving wages shall on any day
 44.22 be entitled to claim withholding exemptions in a number not to exceed the number of
 44.23 withholding exemptions that the employee claims and that are allowable pursuant to section
 44.24 3402(f)(1), (m), and (n) of the Internal Revenue Code for federal withholding purposes,
 44.25 except:

44.26 (i) the standard deduction amount for the purposes of section 3402(f)(1)(E) of the Internal
 44.27 Revenue Code shall be the amount calculated under section 290.0123, subdivision 1; and

44.28 (ii) the exemption amount for the purposes of section 3402(f)(1)(A) of the Internal
 44.29 Revenue Code shall be the amount calculated under section 290.0121, subdivision 1.

44.30 (2) **Withholding exemption certificate.** The provisions concerning exemption certificates
 44.31 contained in section 3402(f)(2) and (3) of the Internal Revenue Code shall apply.

44.32 (3) **Form of certificate.** Withholding exemption certificates shall be in such form and
 44.33 contain such information as the commissioner may by rule prescribe.

44.34 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 44.35 31, 2018.

44.36 Sec. 61. **[290.993] SPECIAL LIMITED ADJUSTMENT.**

44.37 (a) For an individual income taxpayer subject to tax under section 290.06, subdivision
 44.38 2c, or a partnership that elects to file a composite return under section 289A.08, subdivision

45.6 7, for taxable years beginning after December 31, 2017, and before January 1, 2019, the
45.7 following special rules apply:

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

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

45.16 (b) The adjustment in paragraph (a), clause (2), does not apply to any changes due to
45.17 sections 11012, 13101, 13201, 13202, 13203, 13204, 13205, 13207, 13301, 13302, 13303,
45.18 13313, 13502, 13503, 13801, 14101, 14102, 14211 through 14215, and 14501 of Public
45.19 Law 115-97; and section 40411 of Public Law 115-123.

45.20 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
45.21 after December 31, 2017, and before January 1, 2019.

45.22 Sec. 62. Minnesota Statutes 2018, section 290A.03, subdivision 3, is amended to read:

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

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

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

45.26 (i) all nontaxable income;

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

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

45.33 (iv) cash public assistance and relief;

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

45.6 7, for taxable years beginning after December 31, 2017, and before January 1, 2019, the
45.7 following special rules apply:

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

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

45.16 (b) The adjustment in paragraph (a), clause (2), does not apply to any changes due to
45.17 sections 11012, 13101, 13201, 13202, 13203, 13204, 13205, 13207, 13301, 13302, 13303,
45.18 13313, 13502, 13503, 13801, 14101, 14102, 14211 through 14215, and 14501 of Public
45.19 Law 115-97; and section 40411 of Public Law 115-123.

45.20 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
45.21 after December 31, 2017, and before January 1, 2019.

45.22 Sec. 62. Minnesota Statutes 2018, section 290A.03, subdivision 3, is amended to read:

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

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

45.26 (i) all nontaxable income;

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

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

45.33 (iv) cash public assistance and relief;

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

- 46.10 (vi) interest received from the federal or a state government or any instrumentality or
46.11 political subdivision thereof;
- 46.12 (vii) workers' compensation;
- 46.13 (viii) nontaxable strike benefits;
- 46.14 (ix) the gross amounts of payments received in the nature of disability income or sick
46.15 pay as a result of accident, sickness, or other disability, whether funded through insurance
46.16 or otherwise;
- 46.17 (x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of
46.18 1986, as amended through December 31, 1995;
- 46.19 (xi) contributions made by the claimant to an individual retirement account, including
46.20 a qualified voluntary employee contribution; simplified employee pension plan;
46.21 self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of
46.22 the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal
46.23 Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for
46.24 the claimant and spouse;
- 46.25 (xii) to the extent not included in federal adjusted gross income, distributions received
46.26 by the claimant or spouse from a traditional or Roth style retirement account or plan;
- 46.27 (xiii) nontaxable scholarship or fellowship grants;
- 46.28 (xiv) ~~the amount of deduction allowed under section 199 of the Internal Revenue Code~~
46.29 alimony received to the extent not included in the recipient's income;
- 46.30 (xv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue
46.31 Code;
- 47.1 (xvi) the amount deducted for tuition expenses under section 222 of the Internal Revenue
47.2 Code; and
- 47.3 (xvii) the amount deducted for certain expenses of elementary and secondary school
47.4 teachers under section 62(a)(2)(D) of the Internal Revenue Code.
- 47.5 In the case of an individual who files an income tax return on a fiscal year basis, the
47.6 term "federal adjusted gross income" shall mean federal adjusted gross income reflected in
47.7 the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced
47.8 by the amount of a net operating loss carryback or carryforward or a capital loss carryback
47.9 or carryforward allowed for the year.
- 47.10 (b) "Income" does not include:
- 47.11 (1) amounts excluded pursuant to the Internal Revenue Code, sections 101(a) and 102;

- 46.10 (vi) interest received from the federal or a state government or any instrumentality or
46.11 political subdivision thereof;
- 46.12 (vii) workers' compensation;
- 46.13 (viii) nontaxable strike benefits;
- 46.14 (ix) the gross amounts of payments received in the nature of disability income or sick
46.15 pay as a result of accident, sickness, or other disability, whether funded through insurance
46.16 or otherwise;
- 46.17 (x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of
46.18 1986, as amended through December 31, 1995;
- 46.19 (xi) contributions made by the claimant to an individual retirement account, including
46.20 a qualified voluntary employee contribution; simplified employee pension plan;
46.21 self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of
46.22 the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal
46.23 Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for
46.24 the claimant and spouse;
- 46.25 (xii) to the extent not included in federal adjusted gross income, distributions received
46.26 by the claimant or spouse from a traditional or Roth style retirement account or plan;
- 46.27 (xiii) nontaxable scholarship or fellowship grants;
- 46.28 (xiv) ~~the amount of deduction allowed under section 199 of the Internal Revenue Code~~
46.29 alimony received to the extent not included in the recipient's income;
- 46.30 (xv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue
46.31 Code;
- 47.1 (xvi) the amount deducted for tuition expenses under section 222 of the Internal Revenue
47.2 Code; and
- 47.3 (xvii) the amount deducted for certain expenses of elementary and secondary school
47.4 teachers under section 62(a)(2)(D) of the Internal Revenue Code.
- 47.5 In the case of an individual who files an income tax return on a fiscal year basis, the
47.6 term "federal adjusted gross income" shall mean federal adjusted gross income reflected in
47.7 the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced
47.8 by the amount of a net operating loss carryback or carryforward or a capital loss carryback
47.9 or carryforward allowed for the year.
- 47.10 (b) "Income" does not include:
- 47.11 (1) amounts excluded pursuant to the Internal Revenue Code, sections 101(a) and 102;

- 47.12 (2) amounts of any pension or annuity which was exclusively funded by the claimant
 47.13 or spouse and which funding payments were not excluded from federal adjusted gross
 47.14 income in the years when the payments were made;
- 47.15 (3) to the extent included in federal adjusted gross income, amounts contributed by the
 47.16 claimant or spouse to a traditional or Roth style retirement account or plan, but not to exceed
 47.17 the retirement base amount reduced by the amount of contributions excluded from federal
 47.18 adjusted gross income, but not less than zero;
- 47.19 (4) surplus food or other relief in kind supplied by a governmental agency;
- 47.20 (5) relief granted under this chapter;
- 47.21 (6) child support payments received under a temporary or final decree of dissolution or
 47.22 legal separation; ~~or~~
- 47.23 (7) restitution payments received by eligible individuals and excludable interest as
 47.24 defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001,
 47.25 Public Law 107-16; or
- 47.26 (8) alimony paid.
- 47.27 (c) The sum of the following amounts may be subtracted from income:
- 47.28 (1) for the claimant's first dependent, the exemption amount multiplied by 1.4;
- 47.29 (2) for the claimant's second dependent, the exemption amount multiplied by 1.3;
- 47.30 (3) for the claimant's third dependent, the exemption amount multiplied by 1.2;
- 47.31 (4) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;
- 48.1 (5) for the claimant's fifth dependent, the exemption amount; and
- 48.2 (6) if the claimant or claimant's spouse was disabled or attained the age of 65 on or
 48.3 before December 31 of the year for which the taxes were levied or rent paid, the exemption
 48.4 amount.
- 48.5 (d) For purposes of this subdivision, the following terms have the meanings given:
- 48.6 (1) "exemption amount" means the exemption amount under section 151(d) of the Internal
 48.7 Revenue Code 290.0121, subdivision 1, paragraph (b), for the taxable year for which the
 48.8 income is reported;
- 48.9 (2) "retirement base amount" means the deductible amount for the taxable year for the
 48.10 claimant and spouse under section 219(b)(5)(A) of the Internal Revenue Code, adjusted for

- 47.12 (2) amounts of any pension or annuity which was exclusively funded by the claimant
 47.13 or spouse and which funding payments were not excluded from federal adjusted gross
 47.14 income in the years when the payments were made;
- 47.15 (3) to the extent included in federal adjusted gross income, amounts contributed by the
 47.16 claimant or spouse to a traditional or Roth style retirement account or plan, but not to exceed
 47.17 the retirement base amount reduced by the amount of contributions excluded from federal
 47.18 adjusted gross income, but not less than zero;
- 47.19 (4) surplus food or other relief in kind supplied by a governmental agency;
- 47.20 (5) relief granted under this chapter;
- 47.21 (6) child support payments received under a temporary or final decree of dissolution or
 47.22 legal separation; ~~or~~
- 47.23 (7) restitution payments received by eligible individuals and excludable interest as
 47.24 defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001,
 47.25 Public Law 107-16; or
- 47.26 (8) alimony paid.
- 47.27 (c) The sum of the following amounts may be subtracted from income:
- 47.28 (1) for the claimant's first dependent, the exemption amount multiplied by 1.4;
- 47.29 (2) for the claimant's second dependent, the exemption amount multiplied by 1.3;
- 47.30 (3) for the claimant's third dependent, the exemption amount multiplied by 1.2;
- 47.31 (4) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;
- 48.1 (5) for the claimant's fifth dependent, the exemption amount; and
- 48.2 (6) if the claimant or claimant's spouse was disabled or attained the age of 65 on or
 48.3 before December 31 of the year for which the taxes were levied or rent paid, the exemption
 48.4 amount.
- 48.5 (d) For purposes of this subdivision, the following terms have the meanings given:
- 48.6 (1) "exemption amount" means the exemption amount under section 151(d) of the Internal
 48.7 Revenue Code 290.0121, subdivision 1, paragraph (b), for the taxable year for which the
 48.8 income is reported;
- 48.9 (2) "retirement base amount" means the deductible amount for the taxable year for the
 48.10 claimant and spouse under section 219(b)(5)(A) of the Internal Revenue Code, adjusted for

48.11 inflation as provided in section 219(b)(5)(C) of the Internal Revenue Code, without regard
48.12 to whether the claimant or spouse claimed a deduction; and

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

48.15 EFFECTIVE DATE. This section is effective beginning with refunds based on property
48.16 taxes payable in 2020 and rent paid in 2019.

48.17 Sec. 63. Minnesota Statutes 2018, section 290A.03, subdivision 12, is amended to read:

48.18 Subd. 12. **Gross rent.** (a) "Gross rent" means rental paid for the right of occupancy, at
48.19 arm's length, of a homestead, exclusive of charges for any medical services furnished by
48.20 the landlord as a part of the rental agreement, whether expressly set out in the rental
48.21 agreement or not.

48.22 (b) The gross rent of a resident of a nursing home or intermediate care facility is \$350
48.23 per month. The gross rent of a resident of an adult foster care home is \$550 per month.
48.24 ~~Beginning for rent paid in 2002, The commissioner shall annually adjust for inflation the~~
48.25 ~~gross rent amounts stated in this paragraph. The adjustment must be made in accordance~~
48.26 ~~with section 1(f) of the Internal Revenue Code, except that for purposes of this paragraph~~
48.27 ~~the percentage increase shall be determined from the year ending on June 30, 2001, to the~~
48.28 ~~year ending on June 30 of the year in which the rent is paid. The commissioner shall round~~
48.29 ~~the gross rents to the nearest \$10 amount. If the amount ends in \$5, the commissioner shall~~
48.30 ~~round it up to the next \$10 amount. The determination of the commissioner under this~~
48.31 ~~paragraph is not a rule under the Administrative Procedure Act as provided in section~~
48.32 ~~270C.22. The statutory year is 2018.~~

49.1 (c) If the landlord and tenant have not dealt with each other at arm's length and the
49.2 commissioner determines that the gross rent charged was excessive, the commissioner may
49.3 adjust the gross rent to a reasonable amount for purposes of this chapter.

49.4 (d) Any amount paid by a claimant residing in property assessed pursuant to section
49.5 273.124, subdivision 3, 4, 5, or 6 for occupancy in that property shall be excluded from
49.6 gross rent for purposes of this chapter. However, property taxes imputed to the homestead
49.7 of the claimant or the dwelling unit occupied by the claimant that qualifies for homestead
49.8 treatment pursuant to section 273.124, subdivision 3, 4, 5, or 6 shall be included within the
49.9 term "property taxes payable" as defined in subdivision 13, notwithstanding the fact that
49.10 ownership is not in the name of the claimant.

49.11 EFFECTIVE DATE. This section is effective for adjustments beginning with refunds
49.12 based on rent paid in 2019.

48.11 inflation as provided in section 219(b)(5)(C) of the Internal Revenue Code, without regard
48.12 to whether the claimant or spouse claimed a deduction; and

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

48.15 EFFECTIVE DATE. This section is effective beginning with refunds based on property
48.16 taxes payable in 2020 and rent paid in 2019.

48.17 Sec. 63. Minnesota Statutes 2018, section 290A.03, subdivision 12, is amended to read:

48.18 Subd. 12. **Gross rent.** (a) "Gross rent" means rental paid for the right of occupancy, at
48.19 arm's length, of a homestead, exclusive of charges for any medical services furnished by
48.20 the landlord as a part of the rental agreement, whether expressly set out in the rental
48.21 agreement or not.

48.22 (b) The gross rent of a resident of a nursing home or intermediate care facility is \$350
48.23 per month. The gross rent of a resident of an adult foster care home is \$550 per month.
48.24 ~~Beginning for rent paid in 2002, The commissioner shall annually adjust for inflation the~~
48.25 ~~gross rent amounts stated in this paragraph. The adjustment must be made in accordance~~
48.26 ~~with section 1(f) of the Internal Revenue Code, except that for purposes of this paragraph~~
48.27 ~~the percentage increase shall be determined from the year ending on June 30, 2001, to the~~
48.28 ~~year ending on June 30 of the year in which the rent is paid. The commissioner shall round~~
48.29 ~~the gross rents to the nearest \$10 amount. If the amount ends in \$5, the commissioner shall~~
48.30 ~~round it up to the next \$10 amount. The determination of the commissioner under this~~
48.31 ~~paragraph is not a rule under the Administrative Procedure Act as provided in section~~
48.32 ~~270C.22. The statutory year is 2018.~~

49.1 (c) If the landlord and tenant have not dealt with each other at arm's length and the
49.2 commissioner determines that the gross rent charged was excessive, the commissioner may
49.3 adjust the gross rent to a reasonable amount for purposes of this chapter.

49.4 (d) Any amount paid by a claimant residing in property assessed pursuant to section
49.5 273.124, subdivision 3, 4, 5, or 6 for occupancy in that property shall be excluded from
49.6 gross rent for purposes of this chapter. However, property taxes imputed to the homestead
49.7 of the claimant or the dwelling unit occupied by the claimant that qualifies for homestead
49.8 treatment pursuant to section 273.124, subdivision 3, 4, 5, or 6 shall be included within the
49.9 term "property taxes payable" as defined in subdivision 13, notwithstanding the fact that
49.10 ownership is not in the name of the claimant.

49.11 EFFECTIVE DATE. This section is effective for adjustments beginning with refunds
49.12 based on rent paid in 2019.

49.13 Sec. 64. Minnesota Statutes 2018, section 290A.03, subdivision 15, is amended to read:

49.14 Subd. 15. **Internal Revenue Code.** "Internal Revenue Code" means the Internal Revenue
49.15 Code of 1986, as amended through ~~December 16, 2016~~ December 31, 2018.

49.16 **EFFECTIVE DATE.** This section is effective beginning with refunds based on property
49.17 taxes payable in 2020 and rent paid in 2019.

49.18 Sec. 65. Minnesota Statutes 2018, section 290A.04, subdivision 4, is amended to read:

49.19 Subd. 4. **Inflation adjustment.** ~~(a) Beginning for property tax refunds payable in calendar~~
49.20 ~~year 2002;~~ The commissioner shall annually adjust the dollar amounts of the income
49.21 thresholds and the maximum refunds under subdivisions 2 and 2a ~~for inflation. The~~
49.22 ~~commissioner shall make the inflation adjustments in accordance with section 1(f) of the~~
49.23 ~~Internal Revenue Code, except that for purposes of this subdivision the percentage increase~~
49.24 ~~shall be determined as provided in this subdivision as provided in section 270C.22. The~~
49.25 ~~statutory year is 2018.~~

49.26 ~~(b) In adjusting the dollar amounts of the income thresholds and the maximum refunds~~
49.27 ~~under subdivision 2 for inflation, the percentage increase shall be determined from the year~~
49.28 ~~ending on June 30, 2013, to the year ending on June 30 of the year preceding that in which~~
49.29 ~~the refund is payable.~~

49.30 ~~(c) In adjusting the dollar amounts of the income thresholds and the maximum refunds~~
49.31 ~~under subdivision 2a for inflation, the percentage increase shall be determined from the~~
50.1 ~~year ending on June 30, 2013, to the year ending on June 30 of the year preceding that in~~
50.2 ~~which the refund is payable.~~

50.3 ~~(d) The commissioner shall use the appropriate percentage increase to annually adjust~~
50.4 ~~the income thresholds and maximum refunds under subdivisions 2 and 2a for inflation~~
50.5 ~~without regard to whether or not the income tax brackets are adjusted for inflation in that~~
50.6 ~~year. The commissioner shall round the thresholds and the maximum amounts, as adjusted~~
50.7 ~~to the nearest \$10 amount. If the amount ends in \$5, the commissioner shall round it up to~~
50.8 ~~the next \$10 amount.~~

50.9 ~~(e) The commissioner shall annually announce the adjusted refund schedule at the same~~
50.10 ~~time provided under section 290.06. The determination of the commissioner under this~~
50.11 ~~subdivision is not a rule under the Administrative Procedure Act.~~

50.12 **EFFECTIVE DATE.** This section is effective for adjustments for refunds based on
50.13 rent paid in 2019 and property taxes payable in 2020.

50.14 Sec. 66. Minnesota Statutes 2018, section 291.005, subdivision 1, is amended to read:

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

49.13 Sec. 64. Minnesota Statutes 2018, section 290A.03, subdivision 15, is amended to read:

49.14 Subd. 15. **Internal Revenue Code.** "Internal Revenue Code" means the Internal Revenue
49.15 Code of 1986, as amended through ~~December 16, 2016~~ December 31, 2018.

49.16 **EFFECTIVE DATE.** This section is effective beginning with refunds based on property
49.17 taxes payable in 2020 and rent paid in 2019.

49.18 Sec. 65. Minnesota Statutes 2018, section 290A.04, subdivision 4, is amended to read:

49.19 Subd. 4. **Inflation adjustment.** ~~(a) Beginning for property tax refunds payable in calendar~~
49.20 ~~year 2002;~~ The commissioner shall annually adjust the dollar amounts of the income
49.21 thresholds and the maximum refunds under subdivisions 2 and 2a ~~for inflation. The~~
49.22 ~~commissioner shall make the inflation adjustments in accordance with section 1(f) of the~~
49.23 ~~Internal Revenue Code, except that for purposes of this subdivision the percentage increase~~
49.24 ~~shall be determined as provided in this subdivision as provided in section 270C.22. The~~
49.25 ~~statutory year is 2018.~~

49.26 ~~(b) In adjusting the dollar amounts of the income thresholds and the maximum refunds~~
49.27 ~~under subdivision 2 for inflation, the percentage increase shall be determined from the year~~
49.28 ~~ending on June 30, 2013, to the year ending on June 30 of the year preceding that in which~~
49.29 ~~the refund is payable.~~

49.30 ~~(c) In adjusting the dollar amounts of the income thresholds and the maximum refunds~~
49.31 ~~under subdivision 2a for inflation, the percentage increase shall be determined from the~~
50.1 ~~year ending on June 30, 2013, to the year ending on June 30 of the year preceding that in~~
50.2 ~~which the refund is payable.~~

50.3 ~~(d) The commissioner shall use the appropriate percentage increase to annually adjust~~
50.4 ~~the income thresholds and maximum refunds under subdivisions 2 and 2a for inflation~~
50.5 ~~without regard to whether or not the income tax brackets are adjusted for inflation in that~~
50.6 ~~year. The commissioner shall round the thresholds and the maximum amounts, as adjusted~~
50.7 ~~to the nearest \$10 amount. If the amount ends in \$5, the commissioner shall round it up to~~
50.8 ~~the next \$10 amount.~~

50.9 ~~(e) The commissioner shall annually announce the adjusted refund schedule at the same~~
50.10 ~~time provided under section 290.06. The determination of the commissioner under this~~
50.11 ~~subdivision is not a rule under the Administrative Procedure Act.~~

50.12 **EFFECTIVE DATE.** This section is effective for adjustments for refunds based on
50.13 rent paid in 2019 and property taxes payable in 2020.

50.14 Sec. 66. Minnesota Statutes 2018, section 291.005, subdivision 1, is amended to read:

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

- 50.17 (1) "Commissioner" means the commissioner of revenue or any person to whom the
50.18 commissioner has delegated functions under this chapter.
- 50.19 (2) "Federal gross estate" means the gross estate of a decedent as required to be valued
50.20 and otherwise determined for federal estate tax purposes under the Internal Revenue Code,
50.21 increased by the value of any property in which the decedent had a qualifying income interest
50.22 for life and for which an election was made under section 291.03, subdivision 1d, for
50.23 Minnesota estate tax purposes, but was not made for federal estate tax purposes.
- 50.24 (3) "Internal Revenue Code" means the United States Internal Revenue Code of 1986,
50.25 as amended through ~~December 16, 2016~~ December 31, 2018.
- 50.26 (4) "Minnesota gross estate" means the federal gross estate of a decedent after (a)
50.27 excluding therefrom any property included in the estate which has its situs outside Minnesota,
50.28 and (b) including any property omitted from the federal gross estate which is includable in
50.29 the estate, has its situs in Minnesota, and was not disclosed to federal taxing authorities.
- 50.30 (5) "Nonresident decedent" means an individual whose domicile at the time of death
50.31 was not in Minnesota.
- 51.1 (6) "Personal representative" means the executor, administrator or other person appointed
51.2 by the court to administer and dispose of the property of the decedent. If there is no executor,
51.3 administrator or other person appointed, qualified, and acting within this state, then any
51.4 person in actual or constructive possession of any property having a situs in this state which
51.5 is included in the federal gross estate of the decedent shall be deemed to be a personal
51.6 representative to the extent of the property and the Minnesota estate tax due with respect
51.7 to the property.
- 51.8 (7) "Resident decedent" means an individual whose domicile at the time of death was
51.9 in Minnesota. The provisions of section 290.01, subdivision 7, paragraphs (c) and (d), apply
51.10 to determinations of domicile under this chapter.
- 51.11 (8) "Situs of property" means, with respect to:
- 51.12 (i) real property, the state or country in which it is located;
- 51.13 (ii) tangible personal property, the state or country in which it was normally kept or
51.14 located at the time of the decedent's death or for a gift of tangible personal property within
51.15 three years of death, the state or country in which it was normally kept or located when the
51.16 gift was executed;
- 51.17 (iii) a qualified work of art, as defined in section 2503(g)(2) of the Internal Revenue
51.18 Code, owned by a nonresident decedent and that is normally kept or located in this state
51.19 because it is on loan to an organization, qualifying as exempt from taxation under section
51.20 501(c)(3) of the Internal Revenue Code, that is located in Minnesota, the situs of the art is
51.21 deemed to be outside of Minnesota, notwithstanding the provisions of item (ii); and

- 50.17 (1) "Commissioner" means the commissioner of revenue or any person to whom the
50.18 commissioner has delegated functions under this chapter.
- 50.19 (2) "Federal gross estate" means the gross estate of a decedent as required to be valued
50.20 and otherwise determined for federal estate tax purposes under the Internal Revenue Code,
50.21 increased by the value of any property in which the decedent had a qualifying income interest
50.22 for life and for which an election was made under section 291.03, subdivision 1d, for
50.23 Minnesota estate tax purposes, but was not made for federal estate tax purposes.
- 50.24 (3) "Internal Revenue Code" means the United States Internal Revenue Code of 1986,
50.25 as amended through ~~December 16, 2016~~ December 31, 2018.
- 50.26 (4) "Minnesota gross estate" means the federal gross estate of a decedent after (a)
50.27 excluding therefrom any property included in the estate which has its situs outside Minnesota,
50.28 and (b) including any property omitted from the federal gross estate which is includable in
50.29 the estate, has its situs in Minnesota, and was not disclosed to federal taxing authorities.
- 50.30 (5) "Nonresident decedent" means an individual whose domicile at the time of death
50.31 was not in Minnesota.
- 51.1 (6) "Personal representative" means the executor, administrator or other person appointed
51.2 by the court to administer and dispose of the property of the decedent. If there is no executor,
51.3 administrator or other person appointed, qualified, and acting within this state, then any
51.4 person in actual or constructive possession of any property having a situs in this state which
51.5 is included in the federal gross estate of the decedent shall be deemed to be a personal
51.6 representative to the extent of the property and the Minnesota estate tax due with respect
51.7 to the property.
- 51.8 (7) "Resident decedent" means an individual whose domicile at the time of death was
51.9 in Minnesota. The provisions of section 290.01, subdivision 7, paragraphs (c) and (d), apply
51.10 to determinations of domicile under this chapter.
- 51.11 (8) "Situs of property" means, with respect to:
- 51.12 (i) real property, the state or country in which it is located;
- 51.13 (ii) tangible personal property, the state or country in which it was normally kept or
51.14 located at the time of the decedent's death or for a gift of tangible personal property within
51.15 three years of death, the state or country in which it was normally kept or located when the
51.16 gift was executed;
- 51.17 (iii) a qualified work of art, as defined in section 2503(g)(2) of the Internal Revenue
51.18 Code, owned by a nonresident decedent and that is normally kept or located in this state
51.19 because it is on loan to an organization, qualifying as exempt from taxation under section
51.20 501(c)(3) of the Internal Revenue Code, that is located in Minnesota, the situs of the art is
51.21 deemed to be outside of Minnesota, notwithstanding the provisions of item (ii); and

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

51.25 For a nonresident decedent with an ownership interest in a pass-through entity with
 51.26 assets that include real or tangible personal property, situs of the real or tangible personal
 51.27 property, including qualified works of art, is determined as if the pass-through entity does
 51.28 not exist and the real or tangible personal property is personally owned by the decedent. If
 51.29 the pass-through entity is owned by a person or persons in addition to the decedent, ownership
 51.30 of the property is attributed to the decedent in proportion to the decedent's capital ownership
 51.31 share of the pass-through entity.

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

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

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

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

52.7 (iv) a trust to the extent the property is ~~includible~~ includable in the decedent's federal
 52.8 gross estate; but excludes

52.9 (v) an entity whose ownership interest securities are traded on an exchange regulated
 52.10 by the Securities and Exchange Commission as a national securities exchange under section
 52.11 6 of the Securities Exchange Act, United States Code, title 15, section 78f.

52.12 **EFFECTIVE DATE.** This section is effective the day following final enactment except
 52.13 the changes incorporated by federal changes are effective retroactively at the same time the
 52.14 changes became effective for federal purposes.

52.15 Sec. 67. Minnesota Statutes 2018, section 297A.68, subdivision 25, is amended to read:

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

52.20 (1) the sale occurs in a transaction subject to or described in section 118, 331, 332, 336,
 52.21 337, 338, 351, 355, 368, 721, 731, 1031, or 1033 of the Internal Revenue Code, as amended
 52.22 through December 16, 2016;

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

51.25 For a nonresident decedent with an ownership interest in a pass-through entity with
 51.26 assets that include real or tangible personal property, situs of the real or tangible personal
 51.27 property, including qualified works of art, is determined as if the pass-through entity does
 51.28 not exist and the real or tangible personal property is personally owned by the decedent. If
 51.29 the pass-through entity is owned by a person or persons in addition to the decedent, ownership
 51.30 of the property is attributed to the decedent in proportion to the decedent's capital ownership
 51.31 share of the pass-through entity.

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

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

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

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

52.7 (iv) a trust to the extent the property is ~~includible~~ includable in the decedent's federal
 52.8 gross estate; but excludes

52.9 (v) an entity whose ownership interest securities are traded on an exchange regulated
 52.10 by the Securities and Exchange Commission as a national securities exchange under section
 52.11 6 of the Securities Exchange Act, United States Code, title 15, section 78f.

52.12 **EFFECTIVE DATE.** This section is effective the day following final enactment except
 52.13 the changes incorporated by federal changes are effective retroactively at the same time the
 52.14 changes became effective for federal purposes.

52.15 Sec. 67. Minnesota Statutes 2018, section 297A.68, subdivision 25, is amended to read:

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

52.20 (1) the sale occurs in a transaction subject to or described in section 118, 331, 332, 336,
 52.21 337, 338, 351, 355, 368, 721, 731, 1031, or 1033 of the Internal Revenue Code, as amended
 52.22 through December 16, 2016;

- 52.23 (2) the sale is between members of a controlled group as defined in section 1563(a) of
52.24 the Internal Revenue Code;
- 52.25 (3) the sale is a sale of farm machinery;
- 52.26 (4) the sale is a farm auction sale;
- 52.27 (5) the sale is a sale of substantially all of the assets of a trade or business; or
- 52.28 (6) the total amount of gross receipts from the sale of trade or business property made
52.29 during the calendar month of the sale and the preceding 11 calendar months does not exceed
52.30 \$1,000.
- 53.1 The use, storage, distribution, or consumption of tangible personal property acquired as
53.2 a result of a sale exempt under this subdivision is also exempt.
- 53.3 (b) For purposes of this subdivision, the following terms have the meanings given.
- 53.4 (1) A "farm auction" is a public auction conducted by a licensed auctioneer if substantially
53.5 all of the property sold consists of property used in the trade or business of farming and
53.6 property not used primarily in a trade or business.
- 53.7 (2) "Trade or business" includes the assets of a separate division, branch, or identifiable
53.8 segment of a trade or business if, before the sale, the income and expenses attributable to
53.9 the separate division, branch, or identifiable segment could be separately ascertained from
53.10 the books of account or record (the lease or rental of an identifiable segment does not qualify
53.11 for the exemption).
- 53.12 (3) A "sale of substantially all of the assets of a trade or business" must occur as a single
53.13 transaction or a series of related transactions within the 12-month period beginning on the
53.14 date of the first sale of assets intended to qualify for the exemption provided in paragraph
53.15 (a), clause (5).
- 53.16 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
53.17 made after December 31, 2017.
- 53.18 Sec. 68. Minnesota Statutes 2018, section 297B.03, is amended to read:
- 53.19 **297B.03 EXEMPTIONS.**
- 53.20 There is specifically exempted from the provisions of this chapter and from computation
53.21 of the amount of tax imposed by it the following:
- 53.22 (1) purchase or use, including use under a lease purchase agreement or installment sales
53.23 contract made pursuant to section 465.71, of any motor vehicle by the United States and its
53.24 agencies and instrumentalities and by any person described in and subject to the conditions
53.25 provided in section 297A.67, subdivision 11;

- 52.23 (2) the sale is between members of a controlled group as defined in section 1563(a) of
52.24 the Internal Revenue Code;
- 52.25 (3) the sale is a sale of farm machinery;
- 52.26 (4) the sale is a farm auction sale;
- 52.27 (5) the sale is a sale of substantially all of the assets of a trade or business; or
- 52.28 (6) the total amount of gross receipts from the sale of trade or business property made
52.29 during the calendar month of the sale and the preceding 11 calendar months does not exceed
52.30 \$1,000.
- 53.1 The use, storage, distribution, or consumption of tangible personal property acquired as
53.2 a result of a sale exempt under this subdivision is also exempt.
- 53.3 (b) For purposes of this subdivision, the following terms have the meanings given.
- 53.4 (1) A "farm auction" is a public auction conducted by a licensed auctioneer if substantially
53.5 all of the property sold consists of property used in the trade or business of farming and
53.6 property not used primarily in a trade or business.
- 53.7 (2) "Trade or business" includes the assets of a separate division, branch, or identifiable
53.8 segment of a trade or business if, before the sale, the income and expenses attributable to
53.9 the separate division, branch, or identifiable segment could be separately ascertained from
53.10 the books of account or record (the lease or rental of an identifiable segment does not qualify
53.11 for the exemption).
- 53.12 (3) A "sale of substantially all of the assets of a trade or business" must occur as a single
53.13 transaction or a series of related transactions within the 12-month period beginning on the
53.14 date of the first sale of assets intended to qualify for the exemption provided in paragraph
53.15 (a), clause (5).
- 53.16 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
53.17 made after December 31, 2017.
- 53.18 Sec. 68. Minnesota Statutes 2018, section 297B.03, is amended to read:
- 53.19 **297B.03 EXEMPTIONS.**
- 53.20 There is specifically exempted from the provisions of this chapter and from computation
53.21 of the amount of tax imposed by it the following:
- 53.22 (1) purchase or use, including use under a lease purchase agreement or installment sales
53.23 contract made pursuant to section 465.71, of any motor vehicle by the United States and its
53.24 agencies and instrumentalities and by any person described in and subject to the conditions
53.25 provided in section 297A.67, subdivision 11;

53.26 (2) purchase or use of any motor vehicle by any person who was a resident of another
 53.27 state or country at the time of the purchase and who subsequently becomes a resident of
 53.28 Minnesota, provided the purchase occurred more than 60 days prior to the date such person
 53.29 began residing in the state of Minnesota and the motor vehicle was registered in the person's
 53.30 name in the other state or country;

53.31 (3) purchase or use of any motor vehicle by any person making a valid election to be
 53.32 taxed under the provisions of section 297A.90;

54.1 (4) purchase or use of any motor vehicle previously registered in the state of Minnesota
 54.2 when such transfer constitutes a transfer within the meaning of section 118, 331, 332, 336,
 54.3 337, 338, 351, 355, 368, 721, 731, 1031, 1033, or 1563(a) of the Internal Revenue Code,
 54.4 as amended through December 16, 2016;

54.5 (5) purchase or use of any vehicle owned by a resident of another state and leased to a
 54.6 Minnesota-based private or for-hire carrier for regular use in the transportation of persons
 54.7 or property in interstate commerce provided the vehicle is titled in the state of the owner or
 54.8 secured party, and that state does not impose a sales tax or sales tax on motor vehicles used
 54.9 in interstate commerce;

54.10 (6) purchase or use of a motor vehicle by a private nonprofit or public educational
 54.11 institution for use as an instructional aid in automotive training programs operated by the
 54.12 institution. "Automotive training programs" includes motor vehicle body and mechanical
 54.13 repair courses but does not include driver education programs;

54.14 (7) purchase of a motor vehicle by an ambulance service licensed under section 144E.10
 54.15 when that vehicle is equipped and specifically intended for emergency response or for
 54.16 providing ambulance service;

54.17 (8) purchase of a motor vehicle by or for a public library, as defined in section 134.001,
 54.18 subdivision 2, as a bookmobile or library delivery vehicle;

54.19 (9) purchase of a ready-mixed concrete truck;

54.20 (10) purchase or use of a motor vehicle by a town for use exclusively for road
 54.21 maintenance, including snowplows and dump trucks, but not including automobiles, vans,
 54.22 or pickup trucks;

54.23 (11) purchase or use of a motor vehicle by a corporation, society, association, foundation,
 54.24 or institution organized and operated exclusively for charitable, religious, or educational
 54.25 purposes, except a public school, university, or library, but only if the vehicle is:

54.26 (i) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or a
 54.27 passenger automobile, as defined in section 168.002, if the automobile is designed and used
 54.28 for carrying more than nine persons including the driver; and

53.26 (2) purchase or use of any motor vehicle by any person who was a resident of another
 53.27 state or country at the time of the purchase and who subsequently becomes a resident of
 53.28 Minnesota, provided the purchase occurred more than 60 days prior to the date such person
 53.29 began residing in the state of Minnesota and the motor vehicle was registered in the person's
 53.30 name in the other state or country;

53.31 (3) purchase or use of any motor vehicle by any person making a valid election to be
 53.32 taxed under the provisions of section 297A.90;

54.1 (4) purchase or use of any motor vehicle previously registered in the state of Minnesota
 54.2 when such transfer constitutes a transfer within the meaning of section 118, 331, 332, 336,
 54.3 337, 338, 351, 355, 368, 721, 731, 1031, 1033, or 1563(a) of the Internal Revenue Code,
 54.4 as amended through December 16, 2016;

54.5 (5) purchase or use of any vehicle owned by a resident of another state and leased to a
 54.6 Minnesota-based private or for-hire carrier for regular use in the transportation of persons
 54.7 or property in interstate commerce provided the vehicle is titled in the state of the owner or
 54.8 secured party, and that state does not impose a sales tax or sales tax on motor vehicles used
 54.9 in interstate commerce;

54.10 (6) purchase or use of a motor vehicle by a private nonprofit or public educational
 54.11 institution for use as an instructional aid in automotive training programs operated by the
 54.12 institution. "Automotive training programs" includes motor vehicle body and mechanical
 54.13 repair courses but does not include driver education programs;

54.14 (7) purchase of a motor vehicle by an ambulance service licensed under section 144E.10
 54.15 when that vehicle is equipped and specifically intended for emergency response or for
 54.16 providing ambulance service;

54.17 (8) purchase of a motor vehicle by or for a public library, as defined in section 134.001,
 54.18 subdivision 2, as a bookmobile or library delivery vehicle;

54.19 (9) purchase of a ready-mixed concrete truck;

54.20 (10) purchase or use of a motor vehicle by a town for use exclusively for road
 54.21 maintenance, including snowplows and dump trucks, but not including automobiles, vans,
 54.22 or pickup trucks;

54.23 (11) purchase or use of a motor vehicle by a corporation, society, association, foundation,
 54.24 or institution organized and operated exclusively for charitable, religious, or educational
 54.25 purposes, except a public school, university, or library, but only if the vehicle is:

54.26 (i) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or a
 54.27 passenger automobile, as defined in section 168.002, if the automobile is designed and used
 54.28 for carrying more than nine persons including the driver; and

54.29 (ii) intended to be used primarily to transport tangible personal property or individuals,
54.30 other than employees, to whom the organization provides service in performing its charitable,
54.31 religious, or educational purpose;

54.32 (12) purchase of a motor vehicle for use by a transit provider exclusively to provide
54.33 transit service is exempt if the transit provider is either (i) receiving financial assistance or
55.1 reimbursement under section 174.24 or 473.384, or (ii) operating under section 174.29,
55.2 473.388, or 473.405;

55.3 (13) purchase or use of a motor vehicle by a qualified business, as defined in section
55.4 469.310, located in a job opportunity building zone, if the motor vehicle is principally
55.5 garaged in the job opportunity building zone and is primarily used as part of or in direct
55.6 support of the person's operations carried on in the job opportunity building zone. The
55.7 exemption under this clause applies to sales, if the purchase was made and delivery received
55.8 during the duration of the job opportunity building zone. The exemption under this clause
55.9 also applies to any local sales and use tax;

55.10 (14) purchase of a leased vehicle by the lessee who was a participant in a lease-to-own
55.11 program from a charitable organization that is:

55.12 (i) described in section 501(c)(3) of the Internal Revenue Code; and

55.13 (ii) licensed as a motor vehicle lessor under section 168.27, subdivision 4; and

55.14 (15) purchase of a motor vehicle used exclusively as a mobile medical unit for the
55.15 provision of medical or dental services by a federally qualified health center, as defined
55.16 under title 19 of the Social Security Act, as amended by Section 4161 of the Omnibus Budget
55.17 Reconciliation Act of 1990.

55.18 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
55.19 made after December 31, 2017.

55.20 Sec. 69. Minnesota Statutes 2018, section 462D.06, subdivision 1, is amended to read:

55.21 Subdivision 1. **Subtraction.** (a) As provided in section 290.0132, subdivision 25, an
55.22 account holder is allowed a subtraction from ~~the federal taxable adjusted gross~~ income equal
55.23 to interest or dividends earned on the first-time home buyer savings account during the
55.24 taxable year.

55.25 (b) The subtraction under paragraph (a) is allowed each year for the taxable years
55.26 including and following the taxable year in which the account was established. No person
55.27 other than the account holder is allowed a subtraction under this section.

55.28 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
55.29 31, 2018.

54.29 (ii) intended to be used primarily to transport tangible personal property or individuals,
54.30 other than employees, to whom the organization provides service in performing its charitable,
54.31 religious, or educational purpose;

54.32 (12) purchase of a motor vehicle for use by a transit provider exclusively to provide
54.33 transit service is exempt if the transit provider is either (i) receiving financial assistance or
55.1 reimbursement under section 174.24 or 473.384, or (ii) operating under section 174.29,
55.2 473.388, or 473.405;

55.3 (13) purchase or use of a motor vehicle by a qualified business, as defined in section
55.4 469.310, located in a job opportunity building zone, if the motor vehicle is principally
55.5 garaged in the job opportunity building zone and is primarily used as part of or in direct
55.6 support of the person's operations carried on in the job opportunity building zone. The
55.7 exemption under this clause applies to sales, if the purchase was made and delivery received
55.8 during the duration of the job opportunity building zone. The exemption under this clause
55.9 also applies to any local sales and use tax;

55.10 (14) purchase of a leased vehicle by the lessee who was a participant in a lease-to-own
55.11 program from a charitable organization that is:

55.12 (i) described in section 501(c)(3) of the Internal Revenue Code; and

55.13 (ii) licensed as a motor vehicle lessor under section 168.27, subdivision 4; and

55.14 (15) purchase of a motor vehicle used exclusively as a mobile medical unit for the
55.15 provision of medical or dental services by a federally qualified health center, as defined
55.16 under title 19 of the Social Security Act, as amended by Section 4161 of the Omnibus Budget
55.17 Reconciliation Act of 1990.

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55.22 account holder is allowed a subtraction from ~~the federal taxable adjusted gross~~ income equal
55.23 to interest or dividends earned on the first-time home buyer savings account during the
55.24 taxable year.

55.25 (b) The subtraction under paragraph (a) is allowed each year for the taxable years
55.26 including and following the taxable year in which the account was established. No person
55.27 other than the account holder is allowed a subtraction under this section.

55.28 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
55.29 31, 2018.

56.1 Sec. 70. Minnesota Statutes 2018, section 462D.06, subdivision 2, is amended to read:

56.2 Subd. 2. **Addition.** (a) As provided in section 290.0131, subdivision 14, an account
56.3 holder must add to federal ~~taxable~~ adjusted gross income the following amounts:

56.4 (1) the amount in excess of the total contributions for all taxable years that is withdrawn
56.5 and used for other than eligible costs, or for a transfer permitted under section 462D.04,
56.6 subdivision 2; and

56.7 (2) the amount remaining in the first-time home buyer savings account at the close of
56.8 the tenth taxable year that exceeds the total contributions to the account for all taxable years.

56.9 (b) For an account that received a transfer under section 462D.04, subdivision 2, the
56.10 ten-year period under paragraph (a), clause (2), ends at the close of the earliest taxable year
56.11 that applies to either account under that clause.

56.12 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
56.13 31, 2018.

56.14 Sec. 71. Minnesota Statutes 2018, section 469.316, subdivision 1, is amended to read:

56.15 Subdivision 1. **Application.** An individual, estate, or trust operating a trade or business
56.16 in a job opportunity building zone, and an individual, estate, or trust making a qualifying
56.17 investment in a qualified business operating in a job opportunity building zone qualifies for
56.18 the exemptions from taxes imposed under chapter 290, as provided in this section. The
56.19 exemptions provided under this section apply only to the extent that the income otherwise
56.20 would be taxable under chapter 290. Subtractions under this section from federal adjusted
56.21 gross income, federal taxable income, alternative minimum taxable income, or any other
56.22 base subject to tax are limited to the amount that otherwise would be included in the tax
56.23 base absent the exemption under this section. This section applies only to taxable years
56.24 beginning during the duration of the job opportunity building zone.

56.25 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
56.26 31, 2018.

56.27 Sec. 72. **SPECIAL PROVISION FOR TAX YEAR 2017.**

56.28 Notwithstanding any law to the contrary or other provision of this article, sections 40202
56.29 and 40203 of Public Law 115-123 shall not apply for the purpose of calculating net income
56.30 under Minnesota Statutes, section 290.01, subdivision 6, for taxable years beginning after
56.31 December 31, 2016, and before January 1, 2018.

56.1 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
56.2 after December 31, 2016, and before January 1, 2018.

56.1 Sec. 70. Minnesota Statutes 2018, section 462D.06, subdivision 2, is amended to read:

56.2 Subd. 2. **Addition.** (a) As provided in section 290.0131, subdivision 14, an account
56.3 holder must add to federal ~~taxable~~ adjusted gross income the following amounts:

56.4 (1) the amount in excess of the total contributions for all taxable years that is withdrawn
56.5 and used for other than eligible costs, or for a transfer permitted under section 462D.04,
56.6 subdivision 2; and

56.7 (2) the amount remaining in the first-time home buyer savings account at the close of
56.8 the tenth taxable year that exceeds the total contributions to the account for all taxable years.

56.9 (b) For an account that received a transfer under section 462D.04, subdivision 2, the
56.10 ten-year period under paragraph (a), clause (2), ends at the close of the earliest taxable year
56.11 that applies to either account under that clause.

56.12 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
56.13 31, 2018.

56.14 Sec. 71. Minnesota Statutes 2018, section 469.316, subdivision 1, is amended to read:

56.15 Subdivision 1. **Application.** An individual, estate, or trust operating a trade or business
56.16 in a job opportunity building zone, and an individual, estate, or trust making a qualifying
56.17 investment in a qualified business operating in a job opportunity building zone qualifies for
56.18 the exemptions from taxes imposed under chapter 290, as provided in this section. The
56.19 exemptions provided under this section apply only to the extent that the income otherwise
56.20 would be taxable under chapter 290. Subtractions under this section from federal adjusted
56.21 gross income, federal taxable income, alternative minimum taxable income, or any other
56.22 base subject to tax are limited to the amount that otherwise would be included in the tax
56.23 base absent the exemption under this section. This section applies only to taxable years
56.24 beginning during the duration of the job opportunity building zone.

56.25 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
56.26 31, 2018.

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56.30 under Minnesota Statutes, section 290.01, subdivision 6, for taxable years beginning after
56.31 December 31, 2016, and before January 1, 2018.

56.1 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
56.2 after December 31, 2016, and before January 1, 2018.

57.3 Sec. 73. **REVISOR INSTRUCTION.**

57.4 The commissioner of revenue must promptly notify the revisor of statutes in writing of
 57.5 the adjusted statutory year amounts for each of the statutory sections that are indexed for
 57.6 inflation under Minnesota Statutes, section 270C.22. The revisor shall publish the updated
 57.7 statutory amounts in the 2019 Supplement of Minnesota Statutes.

57.8 Sec. 74. **REPEALER.**

57.9 Minnesota Statutes 2018, sections 290.0131, subdivisions 7, 11, 12, and 13; 290.0132,
 57.10 subdivision 8; 290.0133, subdivisions 13 and 14; and 290.10, subdivision 2, are repealed.

57.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 57.12 31, 2018.

57.13 **ARTICLE 2**57.14 **INDIVIDUAL INCOME, CORPORATE FRANCHISE, AND ESTATE TAXES**

57.15 Section 1. Minnesota Statutes 2018, section 116J.8737, subdivision 1, is amended to read:

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

57.18 (b) "Qualified small business" means a business that has been certified by the
 57.19 commissioner under subdivision 2.

57.20 (c) "Qualified investor" means an investor who has been certified by the commissioner
 57.21 under subdivision 3.

57.22 (d) "Qualified fund" means a pooled angel investment network fund that has been certified
 57.23 by the commissioner under subdivision 4.

57.24 (e) "Qualified investment" means a cash investment in a qualified small business of a
 57.25 minimum of:

57.26 (1) \$10,000 in a calendar year by a qualified investor; ~~or~~

57.27 (2) \$7,500 in a calendar year by a qualified investor in qualified greater Minnesota
 57.28 businesses, or veteran-owned, minority-owned, or women-owned businesses in Minnesota;
 57.29 or

58.1 ~~(2)~~ (3) \$30,000 in a calendar year by a qualified fund.

58.2 A qualified investment must be made in exchange for common stock, a partnership or
 58.3 membership interest, preferred stock, debt with mandatory conversion to equity, or an
 58.4 equivalent ownership interest as determined by the commissioner.

57.3 Sec. 73. **REVISOR INSTRUCTION.**

57.4 The commissioner of revenue must promptly notify the revisor of statutes in writing of
 57.5 the adjusted statutory year amounts for each of the statutory sections that are indexed for
 57.6 inflation under Minnesota Statutes, section 270C.22. The revisor shall publish the updated
 57.7 statutory amounts in the 2019 Supplement of Minnesota Statutes.

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57.9 Minnesota Statutes 2018, sections 290.0131, subdivisions 7, 11, 12, and 13; 290.0132,
 57.10 subdivision 8; 290.0133, subdivisions 13 and 14; and 290.10, subdivision 2, are repealed.

57.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 57.12 31, 2018.

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 57.21 under subdivision 3.

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 57.23 by the commissioner under subdivision 4.

57.24 (e) "Qualified investment" means a cash investment in a qualified small business of a
 57.25 minimum of:

57.26 (1) \$10,000 in a calendar year by a qualified investor; ~~or~~

57.27 (2) \$7,500 in a calendar year by a qualified investor in qualified greater Minnesota
 57.28 businesses, or veteran-owned, minority-owned, or women-owned businesses in Minnesota;
 57.29 or

58.1 ~~(2)~~ (3) \$30,000 in a calendar year by a qualified fund.

58.2 A qualified investment must be made in exchange for common stock, a partnership or
 58.3 membership interest, preferred stock, debt with mandatory conversion to equity, or an
 58.4 equivalent ownership interest as determined by the commissioner.

58.5 (f) "Family" means a family member within the meaning of the Internal Revenue Code,
58.6 section 267(c)(4).

58.7 (g) "Pass-through entity" means a corporation that for the applicable taxable year is
58.8 treated as an S corporation or a general partnership, limited partnership, limited liability
58.9 partnership, trust, or limited liability company and which for the applicable taxable year is
58.10 not taxed as a corporation under chapter 290.

58.11 (h) "Intern" means a student of an accredited institution of higher education, or a former
58.12 student who has graduated in the past six months from an accredited institution of higher
58.13 education, who is employed by a qualified small business in a nonpermanent position for
58.14 a duration of nine months or less that provides training and experience in the primary
58.15 business activity of the business.

58.16 (i) "Liquidation event" means a conversion of qualified investment for cash, cash and
58.17 other consideration, or any other form of equity or debt interest.

58.18 (j) "Qualified greater Minnesota business" means a qualified small business that is also
58.19 certified by the commissioner as a qualified greater Minnesota business under subdivision
58.20 2, paragraph (h).

58.21 (k) "Minority group member" means a United States citizen who is Asian, Pacific
58.22 Islander, Black, Hispanic, or Native American.

58.23 (l) "Minority-owned business" means a business for which one or more minority group
58.24 members:

58.25 (1) own at least 50 percent of the business, or, in the case of a publicly owned business,
58.26 own at least 51 percent of the stock; and

58.27 (2) manage the business and control the daily business operations.

58.28 (m) "Women" means persons of the female gender.

58.29 (n) "Women-owned business" means a business for which one or more women:

58.30 (1) own at least 50 percent of the business, or, in the case of a publicly owned business,
58.31 own at least 51 percent of the stock; and

59.1 (2) manage the business and control the daily business operations.

59.2 (o) "Veteran" has the meaning given in section 197.447.

59.3 (p) "Veteran-owned business" means a business for which one or more veterans:

58.5 (f) "Family" means a family member within the meaning of the Internal Revenue Code,
58.6 section 267(c)(4).

58.7 (g) "Pass-through entity" means a corporation that for the applicable taxable year is
58.8 treated as an S corporation or a general partnership, limited partnership, limited liability
58.9 partnership, trust, or limited liability company and which for the applicable taxable year is
58.10 not taxed as a corporation under chapter 290.

58.11 (h) "Intern" means a student of an accredited institution of higher education, or a former
58.12 student who has graduated in the past six months from an accredited institution of higher
58.13 education, who is employed by a qualified small business in a nonpermanent position for
58.14 a duration of nine months or less that provides training and experience in the primary
58.15 business activity of the business.

58.16 (i) "Liquidation event" means a conversion of qualified investment for cash, cash and
58.17 other consideration, or any other form of equity or debt interest.

58.18 (j) "Qualified greater Minnesota business" means a qualified small business that is also
58.19 certified by the commissioner as a qualified greater Minnesota business under subdivision
58.20 2, paragraph (h).

58.21 (k) "Minority group member" means a United States citizen who is Asian, Pacific
58.22 Islander, Black, Hispanic, or Native American.

58.23 (l) "Minority-owned business" means a business for which one or more minority group
58.24 members:

58.25 (1) own at least 50 percent of the business, or, in the case of a publicly owned business,
58.26 own at least 51 percent of the stock; and

58.27 (2) manage the business and control the daily business operations.

58.28 (m) "Women" means persons of the female gender.

58.29 (n) "Women-owned business" means a business for which one or more women:

58.30 (1) own at least 50 percent of the business, or, in the case of a publicly owned business,
58.31 own at least 51 percent of the stock; and

59.1 (2) manage the business and control the daily business operations.

59.2 (o) "Veteran" has the meaning given in section 197.447.

59.3 (p) "Veteran-owned business" means a business for which one or more veterans:

59.4 (1) own at least 50 percent of the business, or, in the case of a publicly owned business,
59.5 own at least 51 percent of the stock; and

59.4 (1) own at least 50 percent of the business, or, in the case of a publicly owned business,
59.5 own at least 51 percent of the stock; and

59.6 (2) manage the business and control the daily business operations.

59.7 ~~(q)~~ (q) "Officer" means a person elected or appointed by the board of directors to manage
59.8 the daily operations of the qualified small business.

59.9 ~~(r)~~ (r) "Principal" means a person having authority to act on behalf of the qualified small
59.10 business.

59.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
59.12 31, 2018.

59.13 Sec. 2. Minnesota Statutes 2018, section 116J.8737, subdivision 2, is amended to read:

59.14 Subd. 2. **Certification of qualified small businesses.** (a) Businesses may apply to the
59.15 commissioner for certification as a qualified small business or qualified greater Minnesota
59.16 small business for a calendar year. The application must be in the form and be made under
59.17 the procedures specified by the commissioner, accompanied by an application fee of \$150.
59.18 Application fees are deposited in the small business investment tax credit administration
59.19 account in the special revenue fund. ~~The application for certification for 2010 must be made~~
59.20 ~~available on the department's website by August 1, 2010.~~ Applications for subsequent years'
59.21 certification must be made available on the department's website by November 1 of the
59.22 preceding year.

59.23 (b) Within 30 days of receiving an application for certification under this subdivision,
59.24 the commissioner must either certify the business as satisfying the conditions required of a
59.25 qualified small business or qualified greater Minnesota small business, request additional
59.26 information from the business, or reject the application for certification. If the commissioner
59.27 requests additional information from the business, the commissioner must either certify the
59.28 business or reject the application within 30 days of receiving the additional information. If
59.29 the commissioner neither certifies the business nor rejects the application within 30 days
59.30 of receiving the original application or within 30 days of receiving the additional information
59.31 requested, whichever is later, then the application is deemed rejected, and the commissioner
60.1 must refund the \$150 application fee. A business that applies for certification and is rejected
60.2 may reapply.

60.3 (c) To receive certification as a qualified small business, a business must satisfy all of
60.4 the following conditions:

60.5 (1) the business has its headquarters in Minnesota;

60.6 (2) at least: (i) 51 percent of the business's employees are employed in Minnesota; (ii)
60.7 51 percent of the business's total payroll is paid or incurred in the state; and (iii) 51 percent
60.8 of the total value of all contractual agreements to which the business is a party in connection

59.6 (2) manage the business and control the daily business operations.

59.7 ~~(q)~~ (q) "Officer" means a person elected or appointed by the board of directors to manage
59.8 the daily operations of the qualified small business.

59.9 ~~(r)~~ (r) "Principal" means a person having authority to act on behalf of the qualified small
59.10 business.

59.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
59.12 31, 2020.

59.13 Sec. 2. Minnesota Statutes 2018, section 116J.8737, subdivision 2, is amended to read:

59.14 Subd. 2. **Certification of qualified small businesses.** (a) Businesses may apply to the
59.15 commissioner for certification as a qualified small business or qualified greater Minnesota
59.16 small business for a calendar year. The application must be in the form and be made under
59.17 the procedures specified by the commissioner, accompanied by an application fee of \$150.
59.18 Application fees are deposited in the small business investment tax credit administration
59.19 account in the special revenue fund. ~~The application for certification for 2010 must be made~~
59.20 ~~available on the department's website by August 1, 2010.~~ Applications for subsequent years'
59.21 certification must be made available on the department's website by November 1 of the
59.22 preceding year.

59.23 (b) Within 30 days of receiving an application for certification under this subdivision,
59.24 the commissioner must either certify the business as satisfying the conditions required of a
59.25 qualified small business or qualified greater Minnesota small business, request additional
59.26 information from the business, or reject the application for certification. If the commissioner
59.27 requests additional information from the business, the commissioner must either certify the
59.28 business or reject the application within 30 days of receiving the additional information. If
59.29 the commissioner neither certifies the business nor rejects the application within 30 days
59.30 of receiving the original application or within 30 days of receiving the additional information
59.31 requested, whichever is later, then the application is deemed rejected, and the commissioner
60.1 must refund the \$150 application fee. A business that applies for certification and is rejected
60.2 may reapply.

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60.4 the following conditions:

60.5 (1) the business has its headquarters in Minnesota;

60.6 (2) at least: (i) 51 percent of the business's employees are employed in Minnesota; (ii)
60.7 51 percent of the business's total payroll is paid or incurred in the state; and (iii) 51 percent
60.8 of the total value of all contractual agreements to which the business is a party in connection

60.9 with its primary business activity is for services performed under contract in Minnesota,
60.10 unless the business obtains a waiver under paragraph (i);

60.11 (3) the business is engaged in, or is committed to engage in, innovation in Minnesota in
60.12 one of the following as its primary business activity:

60.13 (i) using proprietary technology to add value to a product, process, or service in a qualified
60.14 high-technology field;

60.15 (ii) researching or developing a proprietary product, process, or service in a qualified
60.16 high-technology field;

60.17 (iii) researching or developing a proprietary product, process, or service in the fields of
60.18 agriculture, tourism, forestry, mining, manufacturing, or transportation; or

60.19 (iv) researching, developing, or producing a new proprietary technology for use in the
60.20 fields of agriculture, tourism, forestry, mining, manufacturing, or transportation;

60.21 (4) other than the activities specifically listed in clause (3), the business is not engaged
60.22 in real estate development, insurance, banking, lending, lobbying, political consulting,
60.23 information technology consulting, wholesale or retail trade, leisure, hospitality,
60.24 transportation, construction, ethanol production from corn, or professional services provided
60.25 by attorneys, accountants, business consultants, physicians, or health care consultants;

60.26 (5) the business has fewer than 25 employees;

60.27 (6) the business must pay its employees annual wages of at least 175 percent of the
60.28 federal poverty guideline for the year for a family of four and must pay its interns annual
60.29 wages of at least 175 percent of the federal minimum wage used for federally covered
60.30 employers, except that this requirement must be reduced proportionately for employees and
60.31 interns who work less than full-time, and does not apply to an executive, officer, or member
61.1 of the board of the business, or to any employee who owns, controls, or holds power to vote
61.2 more than 20 percent of the outstanding securities of the business;

61.3 (7) the business has (i) not been in operation for more than ten years, or (ii) not been in
61.4 operation for more than 20 years if the business is engaged in the research, development,
61.5 or production of medical devices or pharmaceuticals for which United States Food and Drug
61.6 Administration approval is required for use in the treatment or diagnosis of a disease or
61.7 condition;

61.8 (8) the business has not previously received private equity investments of more than
61.9 \$4,000,000;

61.10 (9) the business is not an entity disqualified under section 80A.50, paragraph (b), clause
61.11 (3); and

60.9 with its primary business activity is for services performed under contract in Minnesota,
60.10 unless the business obtains a waiver under paragraph (i);

60.11 (3) the business is engaged in, or is committed to engage in, innovation in Minnesota in
60.12 one of the following as its primary business activity:

60.13 (i) using proprietary technology to add value to a product, process, or service in a qualified
60.14 high-technology field;

60.15 (ii) researching or developing a proprietary product, process, or service in a qualified
60.16 high-technology field;

60.17 (iii) researching or developing a proprietary product, process, or service in the fields of
60.18 agriculture, tourism, forestry, mining, manufacturing, or transportation; or

60.19 (iv) researching, developing, or producing a new proprietary technology for use in the
60.20 fields of agriculture, tourism, forestry, mining, manufacturing, or transportation;

60.21 (4) other than the activities specifically listed in clause (3), the business is not engaged
60.22 in real estate development, insurance, banking, lending, lobbying, political consulting,
60.23 information technology consulting, wholesale or retail trade, leisure, hospitality,
60.24 transportation, construction, ethanol production from corn, or professional services provided
60.25 by attorneys, accountants, business consultants, physicians, or health care consultants;

60.26 (5) the business has fewer than 25 employees;

60.27 (6) the business must pay its employees annual wages of at least 175 percent of the
60.28 federal poverty guideline for the year for a family of four and must pay its interns annual
60.29 wages of at least 175 percent of the federal minimum wage used for federally covered
60.30 employers, except that this requirement must be reduced proportionately for employees and
60.31 interns who work less than full-time, and does not apply to an executive, officer, or member
61.1 of the board of the business, or to any employee who owns, controls, or holds power to vote
61.2 more than 20 percent of the outstanding securities of the business;

61.3 (7) the business has (i) not been in operation for more than ten years, or (ii) not been in
61.4 operation for more than 20 years if the business is engaged in the research, development,
61.5 or production of medical devices or pharmaceuticals for which United States Food and Drug
61.6 Administration approval is required for use in the treatment or diagnosis of a disease or
61.7 condition;

61.8 (8) the business has not previously received private equity investments of more than
61.9 \$4,000,000;

61.10 (9) the business is not an entity disqualified under section 80A.50, paragraph (b), clause
61.11 (3); and

- 61.12 (10) the business has not issued securities that are traded on a public exchange.
- 61.13 (d) In applying the limit under paragraph (c), clause (5), the employees in all members
61.14 of the unitary business, as defined in section 290.17, subdivision 4, must be included.
- 61.15 (e) In order for a qualified investment in a business to be eligible for tax credits:
- 61.16 (1) the business must have applied for and received certification for the calendar year
61.17 in which the investment was made prior to the date on which the qualified investment was
61.18 made;
- 61.19 (2) the business must not have issued securities that are traded on a public exchange;
- 61.20 (3) the business must not issue securities that are traded on a public exchange within
61.21 180 days after the date on which the qualified investment was made; and
- 61.22 (4) the business must not have a liquidation event within 180 days after the date on
61.23 which the qualified investment was made.
- 61.24 (f) The commissioner must maintain a list of qualified small businesses and qualified
61.25 greater Minnesota businesses certified under this subdivision for the calendar year and make
61.26 the list accessible to the public on the department's website.
- 61.27 (g) For purposes of this subdivision, the following terms have the meanings given:
- 61.28 (1) "qualified high-technology field" includes aerospace, agricultural processing,
61.29 renewable energy, energy efficiency and conservation, environmental engineering, food
61.30 technology, cellulosic ethanol, information technology, materials science technology,
61.31 nanotechnology, telecommunications, biotechnology, medical device products,
61.32 pharmaceuticals, diagnostics, biologicals, chemistry, veterinary science, and similar fields;
- 62.1 (2) "proprietary technology" means the technical innovations that are unique and legally
62.2 owned or licensed by a business and includes, without limitation, those innovations that are
62.3 patented, patent pending, a subject of trade secrets, or copyrighted; and
- 62.4 (3) "greater Minnesota" means the area of Minnesota located outside of the metropolitan
62.5 area as defined in section 473.121, subdivision 2.
- 62.6 (h) To receive certification as a qualified greater Minnesota business, a business must
62.7 satisfy all of the requirements of paragraph (c) and must satisfy the following conditions:
- 62.8 (1) the business has its headquarters in greater Minnesota; and
- 62.9 (2) at least: (i) 51 percent of the business's employees are employed in greater Minnesota;
62.10 (ii) 51 percent of the business's total payroll is paid or incurred in greater Minnesota; and
62.11 (iii) 51 percent of the total value of all contractual agreements to which the business is a

- 61.12 (10) the business has not issued securities that are traded on a public exchange.
- 61.13 (d) In applying the limit under paragraph (c), clause (5), the employees in all members
61.14 of the unitary business, as defined in section 290.17, subdivision 4, must be included.
- 61.15 (e) In order for a qualified investment in a business to be eligible for tax credits:
- 61.16 (1) the business must have applied for and received certification for the calendar year
61.17 in which the investment was made prior to the date on which the qualified investment was
61.18 made;
- 61.19 (2) the business must not have issued securities that are traded on a public exchange;
- 61.20 (3) the business must not issue securities that are traded on a public exchange within
61.21 180 days after the date on which the qualified investment was made; and
- 61.22 (4) the business must not have a liquidation event within 180 days after the date on
61.23 which the qualified investment was made.
- 61.24 (f) The commissioner must maintain a list of qualified small businesses and qualified
61.25 greater Minnesota businesses certified under this subdivision for the calendar year and make
61.26 the list accessible to the public on the department's website.
- 61.27 (g) For purposes of this subdivision, the following terms have the meanings given:
- 61.28 (1) "qualified high-technology field" includes aerospace, agricultural processing,
61.29 renewable energy, energy efficiency and conservation, environmental engineering, food
61.30 technology, cellulosic ethanol, information technology, materials science technology,
61.31 nanotechnology, telecommunications, biotechnology, medical device products,
61.32 pharmaceuticals, diagnostics, biologicals, chemistry, veterinary science, and similar fields;
- 62.1 (2) "proprietary technology" means the technical innovations that are unique and legally
62.2 owned or licensed by a business and includes, without limitation, those innovations that are
62.3 patented, patent pending, a subject of trade secrets, or copyrighted; and
- 62.4 (3) "greater Minnesota" means the area of Minnesota located outside of the metropolitan
62.5 area as defined in section 473.121, subdivision 2.
- 62.6 (h) To receive certification as a qualified greater Minnesota business, a business must
62.7 satisfy all of the requirements of paragraph (c) and must satisfy the following conditions:
- 62.8 (1) the business has its headquarters in greater Minnesota; and
- 62.9 (2) at least: (i) 51 percent of the business's employees are employed in greater Minnesota;
62.10 (ii) 51 percent of the business's total payroll is paid or incurred in greater Minnesota; and
62.11 (iii) 51 percent of the total value of all contractual agreements to which the business is a

62.12 party in connection with its primary business activity is for services performed under contract
62.13 in greater Minnesota, unless the business obtains a waiver under paragraph (i).

62.14 (i) The commissioner must exempt a business from the requirement under paragraph
62.15 (c), clause (2), item (iii), if the business certifies to the commissioner that the services
62.16 required under a contract in connection with the primary business activity cannot be
62.17 performed in Minnesota if the business otherwise qualifies as a qualified small business, or
62.18 in greater Minnesota if the business otherwise qualifies as a qualified greater Minnesota
62.19 business. The business must submit the certification required under this paragraph every
62.20 six months from the month the exemption was granted. The exemption allowed under this
62.21 paragraph must be submitted in a form and manner prescribed by the commissioner.

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

62.23 Sec. 3. Minnesota Statutes 2018, section 116J.8737, subdivision 3, is amended to read:

62.24 Subd. 3. **Certification of qualified investors.** (a) Investors may apply to the
62.25 commissioner for certification as a qualified investor for a taxable year. The application
62.26 must be in the form and be made under the procedures specified by the commissioner,
62.27 accompanied by an application fee of \$350. Application fees are deposited in the small
62.28 business investment tax credit administration account in the special revenue fund. ~~The~~
62.29 ~~application for certification for 2010 must be made available on the department's website~~
62.30 ~~by August 1, 2010. Applications for subsequent years' certification must be made available~~
62.31 ~~on the department's website by November 1 of the preceding year.~~

62.32 (b) Within 30 days of receiving an application for certification under this subdivision,
62.33 the commissioner must either certify the investor as satisfying the conditions required of a
63.1 qualified investor, request additional information from the investor, or reject the application
63.2 for certification. If the commissioner requests additional information from the investor, the
63.3 commissioner must either certify the investor or reject the application within 30 days of
63.4 receiving the additional information. If the commissioner neither certifies the investor nor
63.5 rejects the application within 30 days of receiving the original application or within 30 days
63.6 of receiving the additional information requested, whichever is later, then the application
63.7 is deemed rejected, and the commissioner must refund the \$350 application fee. An investor
63.8 who applies for certification and is rejected may reapply.

63.9 (c) To receive certification, an investor must (1) be a natural person; and (2) certify to
63.10 the commissioner that the investor will only invest in a transaction that is exempt under
63.11 section 80A.46, clause (13) or (14), in a security exempt under section 80A.461, or in a
63.12 security registered under section 80A.50, paragraph (b).

63.13 (d) In order for a qualified investment in a qualified small business to be eligible for tax
63.14 credits, a qualified investor who makes the investment must have applied for and received
63.15 certification for the calendar year prior to making the qualified investment, except in the

62.12 party in connection with its primary business activity is for services performed under contract
62.13 in greater Minnesota, unless the business obtains a waiver under paragraph (i).

62.14 (i) The commissioner must exempt a business from the requirement under paragraph
62.15 (c), clause (2), item (iii), if the business certifies to the commissioner that the services
62.16 required under a contract in connection with the primary business activity cannot be
62.17 performed in Minnesota if the business otherwise qualifies as a qualified small business, or
62.18 in greater Minnesota if the business otherwise qualifies as a qualified greater Minnesota
62.19 business. The business must submit the certification required under this paragraph every
62.20 six months from the month the exemption was granted. The exemption allowed under this
62.21 paragraph must be submitted in a form and manner prescribed by the commissioner.

62.22 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
62.23 31, 2020.

62.24 Sec. 3. Minnesota Statutes 2018, section 116J.8737, subdivision 3, is amended to read:

62.25 Subd. 3. **Certification of qualified investors.** (a) Investors may apply to the
62.26 commissioner for certification as a qualified investor for a taxable year. The application
62.27 must be in the form and be made under the procedures specified by the commissioner,
62.28 accompanied by an application fee of \$350. Application fees are deposited in the small
62.29 business investment tax credit administration account in the special revenue fund. ~~The~~
62.30 ~~application for certification for 2010 must be made available on the department's website~~
62.31 ~~by August 1, 2010. Applications for subsequent years' certification must be made available~~
62.32 ~~on the department's website by November 1 of the preceding year.~~

63.1 (b) Within 30 days of receiving an application for certification under this subdivision,
63.2 the commissioner must either certify the investor as satisfying the conditions required of a
63.3 qualified investor, request additional information from the investor, or reject the application
63.4 for certification. If the commissioner requests additional information from the investor, the
63.5 commissioner must either certify the investor or reject the application within 30 days of
63.6 receiving the additional information. If the commissioner neither certifies the investor nor
63.7 rejects the application within 30 days of receiving the original application or within 30 days
63.8 of receiving the additional information requested, whichever is later, then the application
63.9 is deemed rejected, and the commissioner must refund the \$350 application fee. An investor
63.10 who applies for certification and is rejected may reapply.

63.11 (c) To receive certification, an investor must (1) be a natural person; and (2) certify to
63.12 the commissioner that the investor will only invest in a transaction that is exempt under
63.13 section 80A.46, clause (13) or (14), in a security exempt under section 80A.461, or in a
63.14 security registered under section 80A.50, paragraph (b).

63.15 (d) In order for a qualified investment in a qualified small business to be eligible for tax
63.16 credits, a qualified investor who makes the investment must have applied for and received
63.17 certification for the calendar year prior to making the qualified investment, except in the

63.16 case of an investor who is not an accredited investor, within the meaning of Regulation D
63.17 of the Securities and Exchange Commission, Code of Federal Regulations, title 17, section
63.18 230.501, paragraph (a), application for certification may be made within 30 days after
63.19 making the qualified investment.

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

63.21 Sec. 4. Minnesota Statutes 2018, section 116J.8737, subdivision 4, is amended to read:

63.22 Subd. 4. **Certification of qualified funds.** (a) A pass-through entity may apply to the
63.23 commissioner for certification as a qualified fund for a calendar year. The application must
63.24 be in the form and be made under the procedures specified by the commissioner, accompanied
63.25 by an application fee of \$1,000. Application fees are deposited in the small business
63.26 investment tax credit administration account in the special revenue fund. ~~The application~~
63.27 ~~for certification for 2010 of qualified funds must be made available on the department's~~
63.28 ~~website by August 1, 2010.~~ Applications for subsequent years' certification must be made
63.29 available by November 1 of the preceding year.

63.30 (b) Within 30 days of receiving an application for certification under this subdivision,
63.31 the commissioner must either certify the fund as satisfying the conditions required of a
63.32 qualified fund, request additional information from the fund, or reject the application for
63.33 certification. If the commissioner requests additional information from the fund, the
63.34 commissioner must either certify the fund or reject the application within 30 days of receiving
64.1 the additional information. If the commissioner neither certifies the fund nor rejects the
64.2 application within 30 days of receiving the original application or within 30 days of receiving
64.3 the additional information requested, whichever is later, then the application is deemed
64.4 rejected, and the commissioner must refund the \$1,000 application fee. A fund that applies
64.5 for certification and is rejected may reapply.

64.6 (c) To receive certification, a fund must:

64.7 (1) invest or intend to invest in qualified small businesses;

64.8 (2) be organized as a pass-through entity; and

64.9 (3) have at least three separate investors, of whom at least three whose investment is
64.10 made in the certified business and who seek a tax credit allocation satisfy the conditions in
64.11 subdivision 3, paragraph (c).

64.12 (d) Investments in the fund may consist of equity investments or notes that pay interest
64.13 or other fixed amounts, or any combination of both.

64.14 (e) In order for a qualified investment in a qualified small business to be eligible for tax
64.15 credits, a qualified fund that makes the investment must have applied for and received
64.16 certification for the calendar year prior to making the qualified investment.

63.18 case of an investor who is not an accredited investor, within the meaning of Regulation D
63.19 of the Securities and Exchange Commission, Code of Federal Regulations, title 17, section
63.20 230.501, paragraph (a), application for certification may be made within 30 days after
63.21 making the qualified investment.

63.22 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
63.23 31, 2020.

63.24 Sec. 4. Minnesota Statutes 2018, section 116J.8737, subdivision 4, is amended to read:

63.25 Subd. 4. **Certification of qualified funds.** (a) A pass-through entity may apply to the
63.26 commissioner for certification as a qualified fund for a calendar year. The application must
63.27 be in the form and be made under the procedures specified by the commissioner, accompanied
63.28 by an application fee of \$1,000. Application fees are deposited in the small business
63.29 investment tax credit administration account in the special revenue fund. ~~The application~~
63.30 ~~for certification for 2010 of qualified funds must be made available on the department's~~
63.31 ~~website by August 1, 2010.~~ Applications for subsequent years' certification must be made
63.32 available by November 1 of the preceding year.

63.33 (b) Within 30 days of receiving an application for certification under this subdivision,
63.34 the commissioner must either certify the fund as satisfying the conditions required of a
64.1 qualified fund, request additional information from the fund, or reject the application for
64.2 certification. If the commissioner requests additional information from the fund, the
64.3 commissioner must either certify the fund or reject the application within 30 days of receiving
64.4 the additional information. If the commissioner neither certifies the fund nor rejects the
64.5 application within 30 days of receiving the original application or within 30 days of receiving
64.6 the additional information requested, whichever is later, then the application is deemed
64.7 rejected, and the commissioner must refund the \$1,000 application fee. A fund that applies
64.8 for certification and is rejected may reapply.

64.9 (c) To receive certification, a fund must:

64.10 (1) invest or intend to invest in qualified small businesses;

64.11 (2) be organized as a pass-through entity; and

64.12 (3) have at least three separate investors, of whom at least three whose investment is
64.13 made in the certified business and who seek a tax credit allocation satisfy the conditions in
64.14 subdivision 3, paragraph (c).

64.15 (d) Investments in the fund may consist of equity investments or notes that pay interest
64.16 or other fixed amounts, or any combination of both.

64.17 (e) In order for a qualified investment in a qualified small business to be eligible for tax
64.18 credits, a qualified fund that makes the investment must have applied for and received
64.19 certification for the calendar year prior to making the qualified investment.

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

64.18 Sec. 5. Minnesota Statutes 2018, section 116J.8737, subdivision 5, is amended to read:

64.19 Subd. 5. **Credit allowed.** (a)(+) A qualified investor or qualified fund is eligible for a
 64.20 credit equal to 25 percent of the qualified investment in a qualified small business.
 64.21 Investments made by a pass-through entity qualify for a credit only if the entity is a qualified
 64.22 fund. The commissioner must not allocate more than ~~\$15,000,000~~ \$10,000,000 in credits
 64.23 to qualified investors or qualified funds for the taxable years beginning after December 31,
 64.24 2013, and before January 1, 2017, and must not allocate more than \$10,000,000 in credits
 64.25 to qualified investors or qualified funds for taxable years beginning after December 31,
 64.26 2016, and before January 1, 2018; and (2) for taxable years beginning after December 31,
 64.27 2014, and before January 1, 2018, listed in paragraph (i). For each taxable year, 50 percent
 64.28 must be allocated to credits for qualifying investments in qualified greater Minnesota
 64.29 businesses and minority- or ~~women~~-owned qualified small businesses in Minnesota. Any
 64.30 portion of a taxable year's credits that is reserved for qualifying investments in greater
 64.31 Minnesota businesses and minority- or ~~women~~-owned qualified small businesses in
 64.32 Minnesota that is not allocated by September 30 of the taxable year is available for allocation
 64.33 to other credit applications beginning on October 1. Any portion of a taxable year's credits
 65.1 that is not allocated by the commissioner does not cancel and may be carried forward to
 65.2 subsequent taxable years until all credits have been allocated.

65.3 (b) The commissioner may not allocate more than a total maximum amount in credits
 65.4 for a taxable year to a qualified investor for the investor's cumulative qualified investments
 65.5 as an individual qualified investor and as an investor in a qualified fund; for married couples
 65.6 filing joint returns the maximum is \$250,000, and for all other filers the maximum is
 65.7 \$125,000. The commissioner may not allocate more than a total of \$1,000,000 in credits
 65.8 over all taxable years for qualified investments in any one qualified small business.

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

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

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

65.16 A member of the family of an individual disqualified by this paragraph is not eligible for a
 65.17 credit under this section. For a married couple filing a joint return, the limitations in this
 65.18 paragraph apply collectively to the investor and spouse. For purposes of determining the

64.20 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 64.21 31, 2020.

64.22 Sec. 5. Minnesota Statutes 2018, section 116J.8737, subdivision 5, is amended to read:

64.23 Subd. 5. **Credit allowed.** (a)(+) A qualified investor or qualified fund is eligible for a
 64.24 credit equal to 25 percent of the qualified investment in a qualified small business.
 64.25 Investments made by a pass-through entity qualify for a credit only if the entity is a qualified
 64.26 fund. The commissioner must not allocate more than ~~\$15,000,000~~ \$10,000,000 in credits
 64.27 to qualified investors or qualified funds for taxable years beginning after December 31,
 64.28 2013, and before January 1, 2017, and must not allocate more than \$10,000,000 in credits
 64.29 to qualified investors or qualified funds for taxable years beginning after December 31,
 64.30 2016, and before January 1, 2018; and (2) for taxable years beginning after December 31,
 64.31 2014, and before January 1, 2018, 2020, and before January 1, 2022. For each taxable year,
 64.32 50 percent must be allocated to credits for qualifying investments in qualified greater
 64.33 Minnesota businesses and ~~minority- or minority-owned, women-owned, or veteran-owned~~
 65.1 qualified small businesses in Minnesota. Any portion of a taxable year's credits that is
 65.2 reserved for qualifying investments in greater Minnesota businesses and ~~minority- or~~
 65.3 ~~minority-owned, women-owned, or veteran-owned~~ qualified small businesses in Minnesota
 65.4 that is not allocated by September 30 of the taxable year is available for allocation to other
 65.5 credit applications beginning on October 1. Any portion of a taxable year's credits that is
 65.6 not allocated by the commissioner does not cancel and may be carried forward to subsequent
 65.7 taxable years until all credits have been allocated.

65.8 (b) The commissioner may not allocate more than a total maximum amount in credits
 65.9 for a taxable year to a qualified investor for the investor's cumulative qualified investments
 65.10 as an individual qualified investor and as an investor in a qualified fund; for married couples
 65.11 filing joint returns the maximum is \$250,000, and for all other filers the maximum is
 65.12 \$125,000. The commissioner may not allocate more than a total of \$1,000,000 in credits
 65.13 over all taxable years for qualified investments in any one qualified small business.

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

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

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

65.21 A member of the family of an individual disqualified by this paragraph is not eligible for a
 65.22 credit under this section. For a married couple filing a joint return, the limitations in this
 65.23 paragraph apply collectively to the investor and spouse. For purposes of determining the

65.19 ownership interest of an investor under this paragraph, the rules under section 267(c) and
65.20 267(e) of the Internal Revenue Code apply.

65.21 (d) Applications for tax credits for 2010 must be made available on the department's
65.22 website by September 1, 2010, and the department must begin accepting applications by
65.23 September 1, 2010. Applications for subsequent years must be made available by November
65.24 1 of the preceding year.

65.25 (e) Qualified investors and qualified funds must apply to the commissioner for tax credits.
65.26 Tax credits must be allocated to qualified investors or qualified funds in the order that the
65.27 tax credit request applications are filed with the department. The commissioner must approve
65.28 or reject tax credit request applications within 15 days of receiving the application. The
65.29 investment specified in the application must be made within 60 days of the allocation of
65.30 the credits. If the investment is not made within 60 days, the credit allocation is canceled
65.31 and available for reallocation. A qualified investor or qualified fund that fails to invest as
65.32 specified in the application, within 60 days of allocation of the credits, must notify the
65.33 commissioner of the failure to invest within five business days of the expiration of the
65.34 60-day investment period.

66.1 (f) All tax credit request applications filed with the department on the same day must
66.2 be treated as having been filed contemporaneously. If two or more qualified investors or
66.3 qualified funds file tax credit request applications on the same day, and the aggregate amount
66.4 of credit allocation claims exceeds the aggregate limit of credits under this section or the
66.5 lesser amount of credits that remain unallocated on that day, then the credits must be allocated
66.6 among the qualified investors or qualified funds who filed on that day on a pro rata basis
66.7 with respect to the amounts claimed. The pro rata allocation for any one qualified investor
66.8 or qualified fund is the product obtained by multiplying a fraction, the numerator of which
66.9 is the amount of the credit allocation claim filed on behalf of a qualified investor and the
66.10 denominator of which is the total of all credit allocation claims filed on behalf of all
66.11 applicants on that day, by the amount of credits that remain unallocated on that day for the
66.12 taxable year.

66.13 (g) A qualified investor or qualified fund, or a qualified small business acting on their
66.14 behalf, must notify the commissioner when an investment for which credits were allocated
66.15 has been made, and the taxable year in which the investment was made. A qualified fund
66.16 must also provide the commissioner with a statement indicating the amount invested by
66.17 each investor in the qualified fund based on each investor's share of the assets of the qualified
66.18 fund at the time of the qualified investment. After receiving notification that the investment
66.19 was made, the commissioner must issue credit certificates for the taxable year in which the
66.20 investment was made to the qualified investor or, for an investment made by a qualified
66.21 fund, to each qualified investor who is an investor in the fund. The certificate must state
66.22 that the credit is subject to revocation if the qualified investor or qualified fund does not
66.23 hold the investment in the qualified small business for at least three years, consisting of the

65.24 ownership interest of an investor under this paragraph, the rules under section 267(c) and
65.25 267(e) of the Internal Revenue Code apply.

65.26 (d) Applications for tax credits for 2010 must be made available on the department's
65.27 website by September 1, 2010, and the department must begin accepting applications by
65.28 September 1, 2010. Applications for subsequent years must be made available by November
65.29 1 of the preceding year.

65.30 (e) Qualified investors and qualified funds must apply to the commissioner for tax credits.
65.31 Tax credits must be allocated to qualified investors or qualified funds in the order that the
65.32 tax credit request applications are filed with the department. The commissioner must approve
65.33 or reject tax credit request applications within 15 days of receiving the application. The
65.34 investment specified in the application must be made within 60 days of the allocation of
66.1 the credits. If the investment is not made within 60 days, the credit allocation is canceled
66.2 and available for reallocation. A qualified investor or qualified fund that fails to invest as
66.3 specified in the application, within 60 days of allocation of the credits, must notify the
66.4 commissioner of the failure to invest within five business days of the expiration of the
66.5 60-day investment period.

66.6 (f) All tax credit request applications filed with the department on the same day must
66.7 be treated as having been filed contemporaneously. If two or more qualified investors or
66.8 qualified funds file tax credit request applications on the same day, and the aggregate amount
66.9 of credit allocation claims exceeds the aggregate limit of credits under this section or the
66.10 lesser amount of credits that remain unallocated on that day, then the credits must be allocated
66.11 among the qualified investors or qualified funds who filed on that day on a pro rata basis
66.12 with respect to the amounts claimed. The pro rata allocation for any one qualified investor
66.13 or qualified fund is the product obtained by multiplying a fraction, the numerator of which
66.14 is the amount of the credit allocation claim filed on behalf of a qualified investor and the
66.15 denominator of which is the total of all credit allocation claims filed on behalf of all
66.16 applicants on that day, by the amount of credits that remain unallocated on that day for the
66.17 taxable year.

66.18 (g) A qualified investor or qualified fund, or a qualified small business acting on their
66.19 behalf, must notify the commissioner when an investment for which credits were allocated
66.20 has been made, and the taxable year in which the investment was made. A qualified fund
66.21 must also provide the commissioner with a statement indicating the amount invested by
66.22 each investor in the qualified fund based on each investor's share of the assets of the qualified
66.23 fund at the time of the qualified investment. After receiving notification that the investment
66.24 was made, the commissioner must issue credit certificates for the taxable year in which the
66.25 investment was made to the qualified investor or, for an investment made by a qualified
66.26 fund, to each qualified investor who is an investor in the fund. The certificate must state
66.27 that the credit is subject to revocation if the qualified investor or qualified fund does not
66.28 hold the investment in the qualified small business for at least three years, consisting of the

- 66.24 calendar year in which the investment was made and the two following years. The three-year
66.25 holding period does not apply if:
- 66.26 (1) the investment by the qualified investor or qualified fund becomes worthless before
66.27 the end of the three-year period;
- 66.28 (2) 80 percent or more of the assets of the qualified small business is sold before the end
66.29 of the three-year period;
- 66.30 (3) the qualified small business is sold before the end of the three-year period;
- 66.31 (4) the qualified small business's common stock begins trading on a public exchange
66.32 before the end of the three-year period; or
- 66.33 (5) the qualified investor dies before the end of the three-year period.
- 67.1 (h) The commissioner must notify the commissioner of revenue of credit certificates
67.2 issued under this section.
- 67.3 (i) The credit allowed under this subdivision is effective for each of the following taxable
67.4 years:
- 67.5 (1) taxable years beginning after December 31, 2018, and before January 1, 2020; and
- 67.6 (2) taxable years beginning after December 31, 2020, and before January 1, 2022.
- 67.7 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
67.8 31, 2018.
- 67.9 Sec. 6. Minnesota Statutes 2018, section 116J.8737, subdivision 6, is amended to read:
- 67.10 Subd. 6. **Annual reports.** (a) By February 1 of each year each qualified small business
67.11 that received an investment that qualified for a credit, and each qualified investor and
67.12 qualified fund that made an investment that qualified for a credit, must submit an annual
67.13 report to the commissioner and pay a filing fee of \$100 as required under this subdivision.
67.14 Each qualified investor and qualified fund must submit reports for three years following
67.15 each year in which it made an investment that qualified for a credit, and each qualified small
67.16 business must submit reports for five years following the year in which it received an
67.17 investment qualifying for a credit. Reports must be made in the form required by the
67.18 commissioner. All filing fees collected are deposited in the small business investment tax
67.19 credit administration account in the special revenue fund.
- 67.20 (b) A report from a qualified small business must certify that the business satisfies the
67.21 following requirements:
- 67.22 (1) the business has its headquarters in Minnesota;

- 66.29 calendar year in which the investment was made and the two following years. The three-year
66.30 holding period does not apply if:
- 66.31 (1) the investment by the qualified investor or qualified fund becomes worthless before
66.32 the end of the three-year period;
- 66.33 (2) 80 percent or more of the assets of the qualified small business is sold before the end
66.34 of the three-year period;
- 67.1 (3) the qualified small business is sold before the end of the three-year period;
- 67.2 (4) the qualified small business's common stock begins trading on a public exchange
67.3 before the end of the three-year period; or
- 67.4 (5) the qualified investor dies before the end of the three-year period.
- 67.5 (h) The commissioner must notify the commissioner of revenue of credit certificates
67.6 issued under this section.
- 67.7 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
67.8 31, 2020.
- 67.9 Sec. 6. Minnesota Statutes 2018, section 116J.8737, subdivision 6, is amended to read:
- 67.10 Subd. 6. **Annual reports.** (a) By February 1 of each year each qualified small business
67.11 that received an investment that qualified for a credit, and each qualified investor and
67.12 qualified fund that made an investment that qualified for a credit, must submit an annual
67.13 report to the commissioner and pay a filing fee of \$100 as required under this subdivision.
67.14 Each qualified investor and qualified fund must submit reports for three years following
67.15 each year in which it made an investment that qualified for a credit, and each qualified small
67.16 business must submit reports for five years following the year in which it received an
67.17 investment qualifying for a credit. Reports must be made in the form required by the
67.18 commissioner. All filing fees collected are deposited in the small business investment tax
67.19 credit administration account in the special revenue fund.
- 67.20 (b) A report from a qualified small business must certify that the business satisfies the
67.21 following requirements:
- 67.22 (1) the business has its headquarters in Minnesota;

67.23 (2) at least 51 percent of the business's employees are employed in Minnesota, and 51
67.24 percent of the business's total payroll is paid or incurred in the state;

67.25 (3) that the business is engaged in, or is committed to engage in, innovation in Minnesota
67.26 as defined under subdivision 2; and

67.27 (4) that the business meets the payroll requirements in subdivision 2, paragraph (c),
67.28 clause (6).

67.29 (c) Reports from qualified investors must certify that the investor remains invested in
67.30 the qualified small business as required by subdivision 5, paragraph (g).

68.1 (d) Reports from qualified funds must certify that the fund remains invested in the
68.2 qualified small business as required by subdivision 5, paragraph (g).

68.3 (e) A qualified small business that ceases all operations and becomes insolvent must file
68.4 a final annual report in the form required by the commissioner documenting its insolvency.
68.5 In following years the business is exempt from the annual reporting requirement, the report
68.6 filing fee, and the fine for failure to file a report.

68.7 (f) A qualified small business, qualified investor, or qualified fund that fails to file an
68.8 annual report by February 1 as required under this subdivision is subject to a ~~\$500~~ \$100
68.9 fine.

68.10 (g) A qualified investor or qualified fund that fails to file an annual report by April 1
68.11 may, at the commissioner's discretion, have any credit allocated and certified to the investor
68.12 or fund revoked and such credit must be repaid by the investor.

68.13 (h) A qualified business that fails to file an annual report by April 1 may, at the
68.14 commissioner's discretion, be subject to the credit repayment provisions in subdivision 7,
68.15 paragraph (b).

68.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
68.17 31, 2018.

68.18 Sec. 7. Minnesota Statutes 2018, section 116J.8737, subdivision 12, is amended to read:

68.19 Subd. 12. **Sunset.** This section expires for taxable years beginning after December 31,
68.20 ~~2017~~ 2021, except that reporting requirements under subdivision 6 and revocation of credits
68.21 under subdivision 7 remain in effect through ~~2019~~ 2023 for qualified investors and qualified
68.22 funds, and through ~~2024~~ 2025 for qualified small businesses, reporting requirements under
68.23 subdivision 9 remain in effect through ~~2022~~ 2021, and the appropriation in subdivision 11
68.24 remains in effect through ~~2024~~ 2025.

67.23 (2) at least 51 percent of the business's employees are employed in Minnesota, and 51
67.24 percent of the business's total payroll is paid or incurred in the state;

67.25 (3) that the business is engaged in, or is committed to engage in, innovation in Minnesota
67.26 as defined under subdivision 2; and

67.27 (4) that the business meets the payroll requirements in subdivision 2, paragraph (c),
67.28 clause (6).

67.29 (c) Reports from qualified investors must certify that the investor remains invested in
67.30 the qualified small business as required by subdivision 5, paragraph (g).

68.1 (d) Reports from qualified funds must certify that the fund remains invested in the
68.2 qualified small business as required by subdivision 5, paragraph (g).

68.3 (e) A qualified small business that ceases all operations and becomes insolvent must file
68.4 a final annual report in the form required by the commissioner documenting its insolvency.
68.5 In following years the business is exempt from the annual reporting requirement, the report
68.6 filing fee, and the fine for failure to file a report.

68.7 (f) A qualified small business, qualified investor, or qualified fund that fails to file an
68.8 annual report by February 1 as required under this subdivision is subject to a ~~\$500~~ \$100
68.9 fine.

68.10 (g) A qualified investor or qualified fund that fails to file an annual report by April 1
68.11 may, at the commissioner's discretion, have any credit allocated and certified to the investor
68.12 or fund revoked and such credit must be repaid by the investor.

68.13 (h) A qualified business that fails to file an annual report by April 1 may, at the
68.14 commissioner's discretion, be subject to the credit repayment provisions in subdivision 7,
68.15 paragraph (b).

68.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
68.17 31, 2020.

68.18 Sec. 7. Minnesota Statutes 2018, section 116J.8737, subdivision 12, is amended to read:

68.19 Subd. 12. **Sunset.** This section expires for taxable years beginning after December 31,
68.20 ~~2017~~ 2021, except that reporting requirements under subdivision 6 and revocation of credits
68.21 under subdivision 7 remain in effect through ~~2019~~ 2023 for qualified investors and qualified
68.22 funds, and through ~~2024~~ 2025 for qualified small businesses, reporting requirements under
68.23 subdivision 9 remain in effect through ~~2022~~ 2021, and the appropriation in subdivision 11
68.24 remains in effect through ~~2024~~ 2025.

68.25 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
68.26 31, 2018.

68.27 Sec. 8. Minnesota Statutes 2018, section 256J.02, subdivision 2, is amended to read:

68.28 Subd. 2. **Use of money.** State money appropriated for purposes of this section and TANF
68.29 block grant money must be used for:

68.30 (1) financial assistance to or on behalf of any minor child who is a resident of this state
68.31 under section 256J.12;

69.1 (2) the health care and human services training and retention program under chapter
69.2 116L, for costs associated with families with children with incomes below 200 percent of
69.3 the federal poverty guidelines;

69.4 (3) the pathways program under section 116L.04, subdivision 1a;

69.5 (4) welfare to work transportation authorized under Public Law 105-178;

69.6 (5) reimbursements for the federal share of child support collections passed through to
69.7 the custodial parent;

69.8 ~~(6) reimbursements for the working family credit under section 290.0671;~~

69.9 ~~(7)~~ program administration under this chapter;

69.10 ~~(8)~~ (7) the diversionary work program under section 256J.95;

69.11 ~~(9)~~ (8) the MFIP consolidated fund under section 256J.626; and

69.12 ~~(10)~~ (9) the Minnesota Department of Health consolidated fund under Laws 2001, First
69.13 Special Session chapter 9, article 17, section 3, subdivision 2.

69.14 **EFFECTIVE DATE.** This section is effective July 1, 2019.

69.15 Sec. 9. Minnesota Statutes 2018, section 289A.31, subdivision 2, is amended to read:

69.16 Subd. 2. **Joint income tax returns.** (a) If a joint income tax return is made by a husband
69.17 and wife, the liability for the tax is joint and several. A spouse who qualifies for relief from
69.18 a liability attributable to an underpayment under section 6015 subsection (b) of the Internal
69.19 Revenue Code, or determined by the commissioner of internal revenue for relief under
69.20 section 6015 subsection (f) of the Internal Revenue Code, is relieved of the state income
69.21 tax liability on the underpayment.

69.22 (b) In the case of individuals who were a husband and wife prior to the dissolution of
69.23 their marriage or their legal separation, or prior to the death of one of the individuals, for
69.24 tax liabilities reported on a joint or combined return, the liability of each person is limited

68.25 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
68.26 31, 2020.

68.27 Sec. 8. Minnesota Statutes 2018, section 256J.02, subdivision 2, is amended to read:

68.28 Subd. 2. **Use of money.** State money appropriated for purposes of this section and TANF
68.29 block grant money must be used for:

68.30 (1) financial assistance to or on behalf of any minor child who is a resident of this state
68.31 under section 256J.12;

69.1 (2) the health care and human services training and retention program under chapter
69.2 116L, for costs associated with families with children with incomes below 200 percent of
69.3 the federal poverty guidelines;

69.4 (3) the pathways program under section 116L.04, subdivision 1a;

69.5 (4) welfare to work transportation authorized under Public Law 105-178;

69.6 (5) reimbursements for the federal share of child support collections passed through to
69.7 the custodial parent;

69.8 ~~(6) reimbursements for the working family credit under section 290.0671;~~

69.9 ~~(7)~~ program administration under this chapter;

69.10 ~~(8)~~ (7) the diversionary work program under section 256J.95;

69.11 ~~(9)~~ (8) the MFIP consolidated fund under section 256J.626; and

69.12 ~~(10)~~ (9) the Minnesota Department of Health consolidated fund under Laws 2001, First
69.13 Special Session chapter 9, article 17, section 3, subdivision 2.

69.14 **EFFECTIVE DATE.** This section is effective July 1, 2019.

69.15 Sec. 9. Minnesota Statutes 2018, section 289A.31, subdivision 2, is amended to read:

69.16 Subd. 2. **Joint income tax returns.** (a) If a joint income tax return is made by a husband
69.17 and wife, the liability for the tax is joint and several. A spouse who qualifies for relief from
69.18 a liability attributable to an underpayment under section 6015 subsection (b) or (f) of the
69.19 Internal Revenue Code is relieved of the state income tax liability on the underpayment.

69.20 (b) In the case of individuals who were a husband and wife prior to the dissolution of
69.21 their marriage or their legal separation, or prior to the death of one of the individuals, for
69.22 tax liabilities reported on a joint or combined return, the liability of each person is limited
69.23 to the proportion of the tax due on the return that equals that person's proportion of the total
69.24 tax due if the husband and wife filed separate returns for the taxable year. This provision

69.25 to the proportion of the tax due on the return that equals that person's proportion of the total
 69.26 tax due if the husband and wife filed separate returns for the taxable year. This provision
 69.27 is effective only when the commissioner receives written notice of the marriage dissolution,
 69.28 legal separation, or death of a spouse from the husband or wife. No refund may be claimed
 69.29 by an ex-spouse, legally separated or widowed spouse for any taxes paid more than 60 days
 69.30 before receipt by the commissioner of the written notice.

70.1 ~~(c) A request for calculation of separate liability pursuant to paragraph (b) for taxes~~
 70.2 ~~reported on a return must be made within six years after the due date of the return. For~~
 70.3 ~~calculation of separate liability for taxes assessed by the commissioner under section 289A.35~~
 70.4 ~~or 289A.37, the request must be made within six years after the date of assessment. The~~
 70.5 commissioner is not required to calculate separate liability pursuant to paragraph (b) if the
 70.6 remaining unpaid liability for which recalculation is requested is \$100 or less.

70.7 **EFFECTIVE DATE.** This section is effective for returns first due for taxable years
 70.8 beginning after December 31, 2018.

70.9 Sec. 10. Minnesota Statutes 2018, section 290.01, subdivision 4a, is amended to read:

70.10 Subd. 4a. **Financial institution.** (a) "Financial institution" means:

70.11 (1) any corporation or other business entity registered (i) under state law as a bank
 70.12 holding company; (ii) under the federal Bank Holding Company Act of 1956, as amended;
 70.13 or (iii) as a savings and loan holding company under the federal National Housing Act, as
 70.14 amended;

70.15 (2) a national bank organized and existing as a national bank association pursuant to the
 70.16 provisions of United States Code, title 12, chapter 2;

70.17 (3) a savings association or federal savings bank as defined in United States Code, title
 70.18 12, section 1813(b)(1);

70.19 (4) any bank or thrift institution incorporated or organized under the laws of any state;

70.20 (5) any corporation organized under United States Code, title 12, sections 611 to 631;

70.21 (6) any agency or branch of a foreign depository as defined under United States Code,
 70.22 title 12, section 3101;

70.23 (7) any corporation or other business entity that is more than 50 percent owned, directly
 70.24 or indirectly, by any person or business entity described in clauses (1) to (6), other than an
 70.25 insurance company taxable under chapter 297I;

70.26 (8) a corporation or other business entity that derives more than 50 percent of its total
 70.27 gross income for financial accounting purposes from finance leases. For the purposes of
 70.28 this clause, "gross income" means the average from the current tax year and immediately

69.25 is effective only when the commissioner receives written notice of the marriage dissolution,
 69.26 legal separation, or death of a spouse from the husband or wife. No refund may be claimed
 69.27 by an ex-spouse, legally separated or widowed spouse for any taxes paid more than 60 days
 69.28 before receipt by the commissioner of the written notice.

69.29 ~~(c) A request for calculation of separate liability pursuant to paragraph (b) for taxes~~
 69.30 ~~reported on a return must be made within six years after the due date of the return. For~~
 69.31 ~~calculation of separate liability for taxes assessed by the commissioner under section 289A.35~~
 70.1 ~~or 289A.37, the request must be made within six years after the date of assessment. The~~
 70.2 commissioner is not required to calculate separate liability pursuant to paragraph (b) if the
 70.3 remaining unpaid liability for which recalculation is requested is \$100 or less.

70.4 **EFFECTIVE DATE.** This section is effective for returns first due for taxable years
 70.5 beginning after December 31, 2018.

- 70.29 preceding two years and excludes gross income from incidental or occasional transactions.
- 70.30 For purposes of this clause, "finance lease" means any lease transaction that is the functional
- 70.31 equivalent of an extension of credit and that transfers substantially all the benefits and risks
- 70.32 incident to the ownership of property, including any direct financing lease or leverage lease
- 71.1 that meets the criteria of Financial Accounting Standards Board Statement No. 13, accounting
- 71.2 for leases, or any other lease that is accounted for as financing by a lessor under generally
- 71.3 accepted accounting principles; or
- 71.4 (9) any other person or business entity, other than an insurance company ~~taxable under~~
- 71.5 ~~chapter 2971~~, that derives more than 50 percent of its gross income from activities that an
- 71.6 entity described in clauses (2) to (6) or (8) is authorized to transact. For the purposes of this
- 71.7 clause, gross income does not include income from nonrecurring, extraordinary items.
- 71.8 (b) The commissioner is authorized to exclude any person from the application of
- 71.9 paragraph (a), clause (9), if the person proves by clear and convincing evidence that the
- 71.10 person's income-producing activity is not in substantial competition with any person described
- 71.11 in paragraph (a), clauses (2) to (6) or (8).
- 71.12 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
- 71.13 after December 31, 2016.
- 71.14 Sec. 11. Minnesota Statutes 2018, section 290.01, is amended by adding a subdivision to
- 71.15 read:
- 71.16 Subd. 5c. **Disqualified captive insurance company.** (a) "Captive insurance company"
- 71.17 means a company that:
- 71.18 (1) is licensed as a captive insurance company under the laws of any state or foreign
- 71.19 country; or
- 71.20 (2) derives less than 50 percent of its total premiums for the taxable year from sources
- 71.21 outside of the unitary business, as that term is used in section 290.17.
- 71.22 (b) A captive insurance company is a "disqualified captive insurance company" if the
- 71.23 company:
- 71.24 (1) pays less than 0.5 percent of its total premiums for the taxable year in tax under
- 71.25 chapter 2971 or a comparable tax of another state; or
- 71.26 (2) receives less than 50 percent of its gross receipts for the taxable year from premiums.
- 71.27 (c) For purposes of this subdivision, "premiums" means amounts paid for arrangements
- 71.28 that constitute insurance for federal income tax purposes, but excludes return premiums,
- 71.29 premiums for reinsurance assumed from other insurance companies, and any other premiums

71.30 that are or would be exempt from taxation under section 2971.05 as a result of their type or
 71.31 character, if the insurance was for business in Minnesota.

72.1 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 72.2 after December 31, 2016.

72.3 Sec. 12. Minnesota Statutes 2018, section 290.0132, subdivision 26, is amended to read:

72.4 Subd. 26. **Social Security benefits.** (a) A portion of taxable Social Security benefits is
 72.5 allowed as a subtraction. The subtraction equals the lesser of taxable Social Security benefits
 72.6 or a maximum subtraction subject to the limits under paragraphs (b), (c), and (d).

72.7 (b) For married taxpayers filing a joint return and surviving spouses, the maximum
 72.8 subtraction equals ~~\$4,500~~ \$5,150. The maximum subtraction is reduced by 20 percent of
 72.9 provisional income over ~~\$77,000~~ \$78,180. In no case is the subtraction less than zero.

72.10 (c) For single or head-of-household taxpayers, the maximum subtraction equals ~~\$3,500~~
 72.11 \$4,020. The maximum subtraction is reduced by 20 percent of provisional income over
 72.12 ~~\$60,200~~ \$61,080. In no case is the subtraction less than zero.

72.13 (d) For married taxpayers filing separate returns, the maximum subtraction equals ~~\$2,250~~
 72.14 one-half the maximum subtraction for joint returns under paragraph (b). The maximum
 72.15 subtraction is reduced by 20 percent of provisional income over ~~\$38,500~~ one-half the
 72.16 threshold amount specified in paragraph (b). In no case is the subtraction less than zero.

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

72.21 (f) The commissioner shall adjust the maximum subtraction and threshold amounts in
 72.22 paragraphs (b) to (d) by the percentage determined pursuant to the provisions of section
 72.23 ~~1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B) of the Internal Revenue~~
 72.24 ~~Code the word "2016" shall be substituted for the word "1992."~~ For 2018, the commissioner
 72.25 shall then determine the percentage change from the 12 months ending on August 31, 2016,
 72.26 to the 12 months ending on August 31, 2017, and in each subsequent year, from the 12
 72.27 months ending on August 31, 2016, to the 12 months ending on August 31 of the year
 72.28 preceding the taxable year. The determination of the commissioner pursuant to this
 72.29 subdivision must not be considered a rule and is not subject to the Administrative Procedure
 72.30 Act contained in chapter 14, including section 14.386 as provided in section 270C.22. The
 72.31 statutory year is taxable year 2019. The maximum subtraction and threshold amounts as
 72.32 adjusted must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount
 72.33 is rounded up to the nearest \$10 amount.

70.6 Sec. 10. Minnesota Statutes 2018, section 290.0132, subdivision 26, is amended to read:

70.7 Subd. 26. **Social Security benefits.** (a) A portion of taxable Social Security benefits is
 70.8 allowed as a subtraction. The subtraction equals the lesser of taxable Social Security benefits
 70.9 or a maximum subtraction subject to the limits under paragraphs (b), (c), and (d).

70.10 (b) For married taxpayers filing a joint return and surviving spouses, the maximum
 70.11 subtraction equals ~~\$4,500~~ \$5,150. The maximum subtraction is reduced by 20 percent of
 70.12 provisional income over ~~\$77,000~~ \$78,180. In no case is the subtraction less than zero.

70.13 (c) For single or head-of-household taxpayers, the maximum subtraction equals ~~\$3,500~~
 70.14 \$4,020. The maximum subtraction is reduced by 20 percent of provisional income over
 70.15 ~~\$60,200~~ \$61,080. In no case is the subtraction less than zero.

70.16 (d) For married taxpayers filing separate returns, the maximum subtraction equals ~~\$2,250~~
 70.17 one-half the maximum subtraction for joint returns under paragraph (b). The maximum
 70.18 subtraction is reduced by 20 percent of provisional income over ~~\$38,500~~ one-half the
 70.19 threshold amount specified in paragraph (b). In no case is the subtraction less than zero.

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

70.24 (f) The commissioner shall adjust the maximum subtraction and threshold amounts in
 70.25 paragraphs (b) to (d) by the percentage determined pursuant to the provisions of section
 70.26 ~~1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B) of the Internal Revenue~~
 70.27 ~~Code the word "2016" shall be substituted for the word "1992."~~ For 2018, the commissioner
 70.28 shall then determine the percentage change from the 12 months ending on August 31, 2016,
 70.29 to the 12 months ending on August 31, 2017, and in each subsequent year, from the 12
 70.30 months ending on August 31, 2016, to the 12 months ending on August 31 of the year
 70.31 preceding the taxable year. The determination of the commissioner pursuant to this
 70.32 subdivision must not be considered a rule and is not subject to the Administrative Procedure
 70.33 Act contained in chapter 14, including section 14.386 as provided in section 270C.22. The
 71.1 statutory year is taxable year 2019. The maximum subtraction and threshold amounts as
 71.2 adjusted must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount
 71.3 is rounded up to the nearest \$10 amount.

71.4 **EFFECTIVE DATE.** (a) The amendments to paragraphs (b), (c), and (d) are effective
 71.5 for taxable years beginning after December 31, 2018.

73.1 **EFFECTIVE DATE.** (a) The amendments to paragraphs (b), (c), and (d) are effective
73.2 for taxable years beginning after December 31, 2018.

73.3 (b) The amendments to paragraphs (a) and (e) are effective retroactively for taxable
73.4 years beginning after December 31, 2017.

73.5 (c) The amendments to paragraph (f) are effective for adjustments beginning with taxable
73.6 years beginning after December 31, 2019.

73.7 Sec. 13. Minnesota Statutes 2018, section 290.0132, is amended by adding a subdivision
73.8 to read:

73.9 Subd. 29. **Disallowed section 280E expenses; medical cannabis manufacturers.** The
73.10 amount of expenses of a medical cannabis manufacturer, as defined under section 152.22,
73.11 subdivision 7, related to the business of medical cannabis under sections 152.21 to 152.37,
73.12 and not allowed for federal income tax purposes under section 280E of the Internal Revenue
73.13 Code is a subtraction.

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

73.16 Sec. 14. Minnesota Statutes 2018, section 290.0134, is amended by adding a subdivision
73.17 to read:

73.18 Subd. 19. **Disallowed section 280E expenses; medical cannabis manufacturers.** The
73.19 amount of expenses of a medical cannabis manufacturer, as defined under section 152.22,
73.20 subdivision 7, related to the business of medical cannabis under sections 152.21 to 152.37,
73.21 and not allowed for federal income tax purposes under section 280E of the Internal Revenue
73.22 Code is a subtraction.

73.23 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
73.24 31, 2018.

73.25 Sec. 15. Minnesota Statutes 2018, section 290.05, subdivision 1, is amended to read:

73.26 Subdivision 1. **Exempt entities.** The following corporations, individuals, estates, trusts,
73.27 and organizations shall be exempted from taxation under this chapter, provided that every
73.28 such person or corporation claiming exemption under this chapter, in whole or in part, must
73.29 establish to the satisfaction of the commissioner the taxable status of any income or activity:

73.30 (a) corporations, individuals, estates, and trusts engaged in the business of mining or
73.31 producing iron ore and mining, producing, or refining other ores, metals, and minerals, the
74.1 mining, production, or refining of which is subject to the occupation tax imposed by section
74.2 298.01; but if any such corporation, individual, estate, or trust engages in any other business
74.3 or activity or has income from any property not used in such business it shall be subject to
74.4 this tax computed on the net income from such property or such other business or activity.

71.6 (b) The amendments to paragraphs (a) and (e) are effective retroactively for taxable
71.7 years beginning after December 31, 2017.

71.8 (c) The amendments to paragraph (f) are effective for adjustments beginning with taxable
71.9 years beginning after December 31, 2019.

71.10 Sec. 11. Minnesota Statutes 2018, section 290.0132, is amended by adding a subdivision
71.11 to read:

71.12 Subd. 29. **Disallowed section 280E expenses; medical cannabis manufacturers.** The
71.13 amount of expenses of a medical cannabis manufacturer, as defined under section 152.22,
71.14 subdivision 7, related to the business of medical cannabis under sections 152.21 to 152.37,
71.15 and not allowed for federal income tax purposes under section 280E of the Internal Revenue
71.16 Code is a subtraction.

71.17 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
71.18 31, 2018.

71.19 Sec. 12. Minnesota Statutes 2018, section 290.0134, is amended by adding a subdivision
71.20 to read:

71.21 Subd. 19. **Disallowed section 280E expenses; medical cannabis manufacturers.** The
71.22 amount of expenses of a medical cannabis manufacturer, as defined under section 152.22,
71.23 subdivision 7, related to the business of medical cannabis under sections 152.21 to 152.37,
71.24 and not allowed for federal income tax purposes under section 280E of the Internal Revenue
71.25 Code is a subtraction.

71.26 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
71.27 31, 2018.

74.5 Royalty shall not be considered as income from the business of mining or producing iron
74.6 ore within the meaning of this section;

74.7 (b) the United States of America, the state of Minnesota or any political subdivision of
74.8 either agencies or instrumentalities, whether engaged in the discharge of governmental or
74.9 proprietary functions; and

74.10 (c) any insurance company, as defined in section 290.17, subdivision 4, paragraph (j);
74.11 but including any insurance company licensed and domiciled in another state that grants,
74.12 on a reciprocal basis, exemption from retaliatory taxes other than a disqualified captive
74.13 insurance company.

74.14 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
74.15 after December 31, 2016.

74.16 Sec. 16. Minnesota Statutes 2018, section 290.06, subdivision 2c, is amended to read:

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

- 74.21 (1) On the first ~~\$35,480~~ \$38,770, 5.35 percent;
- 74.22 (2) On all over ~~\$35,480~~ \$38,770, but not over ~~\$140,960~~ \$154,020, ~~7.05~~ 6.8 percent;
- 74.23 (3) On all over ~~\$140,960~~ \$154,020, but not over ~~\$250,000~~ \$269,010, 7.85 percent;
- 74.24 (4) On all over ~~\$250,000~~ \$269,010, 9.85 percent.

74.25 Married individuals filing separate returns, estates, and trusts must compute their income
74.26 tax by applying the above rates to their taxable income, except that the income brackets
74.27 will be one-half of the above amounts.

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

- 74.30 (1) On the first ~~\$24,270~~ \$26,520, 5.35 percent;
- 74.31 (2) On all over ~~\$24,270~~ \$26,520, but not over ~~\$79,730~~ \$87,110, ~~7.05~~ 6.8 percent;
- 75.1 (3) On all over ~~\$79,730~~ \$87,110, but not over ~~\$150,000~~ \$161,720, 7.85 percent;
- 75.2 (4) On all over ~~\$150,000~~ \$161,720, 9.85 percent.

71.28 Sec. 13. Minnesota Statutes 2018, section 290.06, subdivision 2c, is amended to read:

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

- 72.3 (1) On the first ~~\$35,480~~ \$38,770, 5.35 percent;
- 72.4 (2) On all over ~~\$35,480~~ \$38,770, but not over ~~\$140,960~~ \$154,020, ~~7.05~~ 6.8 percent;
- 72.5 (3) On all over ~~\$140,960~~ \$154,020, but not over ~~\$250,000~~ \$269,010, 7.85 percent;
- 72.6 (4) On all over ~~\$250,000~~ \$269,010, 9.85 percent.

72.7 Married individuals filing separate returns, estates, and trusts must compute their income
72.8 tax by applying the above rates to their taxable income, except that the income brackets
72.9 will be one-half of the above amounts.

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

- 72.12 (1) On the first ~~\$24,270~~ \$26,520, 5.35 percent;
- 72.13 (2) On all over ~~\$24,270~~ \$26,520, but not over ~~\$79,730~~ \$87,110, ~~7.05~~ 6.8 percent;
- 72.14 (3) On all over ~~\$79,730~~ \$87,110, but not over ~~\$150,000~~ \$161,720, 7.85 percent;
- 72.15 (4) On all over ~~\$150,000~~ \$161,720, 9.85 percent.

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

75.6 (1) On the first ~~\$29,880~~ \$32,650, 5.35 percent;

75.7 (2) On all over ~~\$29,880~~ \$32,650, but not over ~~\$120,070~~ \$131,190, ~~7.05~~ 6.8 percent;

75.8 (3) On all over ~~\$120,070~~ \$131,190, but not over ~~\$200,000~~ \$214,980, 7.85 percent;

75.9 (4) On all over ~~\$200,000~~ \$214,980, 9.85 percent.

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

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

75.21 (1) the numerator is the individual's Minnesota source federal adjusted gross income as
 75.22 defined in section 62 of the Internal Revenue Code and increased by the additions required
 75.23 under section 290.0131, subdivisions 2 ~~and 6, 8~~ to 10, 16, and 17, and reduced by the
 75.24 Minnesota assignable portion of the subtraction for United States government interest under
 75.25 section 290.0132, subdivision 2, and the subtractions under section 290.0132, subdivisions
 75.26 9, 10, 14, 15, 17, ~~and 18, and 27~~, after applying the allocation and assignability provisions
 75.27 of section 290.081, clause (a), or 290.17; and

75.28 (2) the denominator is the individual's federal adjusted gross income as defined in section
 75.29 62 of the Internal Revenue Code, increased by the amounts specified in section 290.0131,
 75.30 subdivisions 2 ~~and 6, 8~~ to 10, 16, and 17, and reduced by the amounts specified in section
 75.31 290.0132, subdivisions 2, 9, 10, 14, 15, 17, ~~and 18, and 27~~.

76.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 76.2 31, 2018.

76.3 Sec. 17. Minnesota Statutes 2018, section 290.0671, subdivision 1, is amended to read:

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

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

72.19 (1) On the first ~~\$29,880~~ \$32,650, 5.35 percent;

72.20 (2) On all over ~~\$29,880~~ \$32,650, but not over ~~\$120,070~~ \$131,190, ~~7.05~~ 6.8 percent;

72.21 (3) On all over ~~\$120,070~~ \$131,190, but not over ~~\$200,000~~ \$214,980, 7.85 percent;

72.22 (4) On all over ~~\$200,000~~ \$214,980, 9.85 percent.

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

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

73.5 (1) the numerator is the individual's Minnesota source federal adjusted gross income as
 73.6 defined in section 62 of the Internal Revenue Code and increased by the additions required
 73.7 under section 290.0131, subdivisions 2 ~~and 6, 8~~ to 10, 16, and 17, and reduced by the
 73.8 Minnesota assignable portion of the subtraction for United States government interest under
 73.9 section 290.0132, subdivision 2, and the subtractions under section 290.0132, subdivisions
 73.10 9, 10, 14, 15, 17, ~~and 18, and 27~~, after applying the allocation and assignability provisions
 73.11 of section 290.081, clause (a), or 290.17; and

73.12 (2) the denominator is the individual's federal adjusted gross income as defined in section
 73.13 62 of the Internal Revenue Code, increased by the amounts specified in section 290.0131,
 73.14 subdivisions 2 ~~and 6, 8~~ to 10, 16, and 17, and reduced by the amounts specified in section
 73.15 290.0132, subdivisions 2, 9, 10, 14, 15, 17, ~~and 18, and 27~~.

73.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 73.17 31, 2018.

73.18 Sec. 14. Minnesota Statutes 2018, section 290.0671, subdivision 1, is amended to read:

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

- 76.6 income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the
76.7 Internal Revenue Code, except that:
- 76.8 (1) a taxpayer with no qualifying children who has attained the age of 21, but not attained
76.9 age 65 before the close of the taxable year and is otherwise eligible for a credit under section
76.10 32 of the Internal Revenue Code may also receive a credit; and
- 76.11 (2) a taxpayer who is otherwise eligible for a credit under section 32 of the Internal
76.12 Revenue Code remains eligible for the credit even if the taxpayer's earned income or adjusted
76.13 gross income exceeds the income limitation under section 32 of the Internal Revenue Code.
- 76.14 (b) For individuals with no qualifying children, the credit equals ~~2.40~~ 3.9 percent of the
76.15 first ~~\$6,180~~ \$7,150 of earned income. The credit is reduced by ~~2.01~~ 2.0 percent of earned
76.16 income or adjusted gross income, whichever is greater, in excess of ~~\$8,130~~ the phaseout
76.17 threshold, but in no case is the credit less than zero.
- 76.18 (c) For individuals with one qualifying child, the credit equals 9.35 percent of the first
76.19 ~~\$11,120~~ \$11,950 of earned income. The credit is reduced by ~~6.02~~ 6.0 percent of earned
76.20 income or adjusted gross income, whichever is greater, in excess of ~~\$21,190~~ the phaseout
76.21 threshold, but in no case is the credit less than zero.
- 76.22 (d) For individuals with two ~~or more~~ qualifying children, the credit equals 11 percent
76.23 of the first ~~\$18,240~~ \$19,600 of earned income. The credit is reduced by ~~10.82~~ 10.5 percent
76.24 of earned income or adjusted gross income, whichever is greater, in excess of ~~\$25,130~~ the
76.25 phaseout threshold, but in no case is the credit less than zero.
- 76.26 (e) For individuals with three or more qualifying children, the credit equals 12.5 percent
76.27 of the first \$20,000 of earned income. The credit is reduced by 10.5 percent of earned income
76.28 or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in
76.29 no case is the credit less than zero.
- 76.30 (f) For a part-year resident, the credit must be allocated based on the percentage calculated
76.31 under section 290.06, subdivision 2c, paragraph (e).
- 77.1 (†) (g) For a person who was a resident for the entire tax year and has earned income
77.2 not subject to tax under this chapter, including income excluded under section 290.0132,
77.3 subdivision 10, the credit must be allocated based on the ratio of federal adjusted gross
77.4 income reduced by the earned income not subject to tax under this chapter over federal
77.5 adjusted gross income. For purposes of this paragraph, the following clauses are not
77.6 considered "earned income not subject to tax under this chapter":
- 77.7 (1) the subtractions for military pay under section 290.0132, subdivisions 11 and 12;
- 77.8 (2) the exclusion of combat pay under section 112 of the Internal Revenue Code; and

- 73.21 income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the
73.22 Internal Revenue Code, except that:
- 73.23 (1) a taxpayer with no qualifying children who has attained the age of 21, but not attained
73.24 age 65 before the close of the taxable year and is otherwise eligible for a credit under section
73.25 32 of the Internal Revenue Code may also receive a credit; and
- 73.26 (2) a taxpayer who is otherwise eligible for a credit under section 32 of the Internal
73.27 Revenue Code remains eligible for the credit even if the taxpayer's earned income or adjusted
73.28 gross income exceeds the income limitation under section 32 of the Internal Revenue Code.
- 73.29 (b) For individuals with no qualifying children, the credit equals ~~2.40~~ 3.9 percent of the
73.30 first ~~\$6,180~~ \$7,150 of earned income. The credit is reduced by ~~2.01~~ 2.0 percent of earned
73.31 income or adjusted gross income, whichever is greater, in excess of ~~\$8,130~~ the phaseout
73.32 threshold, but in no case is the credit less than zero.
- 74.1 (c) For individuals with one qualifying child, the credit equals 9.35 percent of the first
74.2 ~~\$11,120~~ \$11,950 of earned income. The credit is reduced by ~~6.02~~ 6.0 percent of earned
74.3 income or adjusted gross income, whichever is greater, in excess of ~~\$21,190~~ the phaseout
74.4 threshold, but in no case is the credit less than zero.
- 74.5 (d) For individuals with two ~~or more~~ qualifying children, the credit equals 11 percent
74.6 of the first ~~\$18,240~~ \$19,600 of earned income. The credit is reduced by ~~10.82~~ 10.5 percent
74.7 of earned income or adjusted gross income, whichever is greater, in excess of ~~\$25,130~~ the
74.8 phaseout threshold, but in no case is the credit less than zero.
- 74.9 (e) For individuals with three or more qualifying children, the credit equals 12.5 percent
74.10 of the first \$20,000 of earned income. The credit is reduced by 10.5 percent of earned income
74.11 or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in
74.12 no case is the credit less than zero.
- 74.13 (f) For a part-year resident, the credit must be allocated based on the percentage calculated
74.14 under section 290.06, subdivision 2c, paragraph (e).
- 74.15 (†) (g) For a person who was a resident for the entire tax year and has earned income
74.16 not subject to tax under this chapter, including income excluded under section 290.0132,
74.17 subdivision 10, the credit must be allocated based on the ratio of federal adjusted gross
74.18 income reduced by the earned income not subject to tax under this chapter over federal
74.19 adjusted gross income. For purposes of this paragraph, the following clauses are not
74.20 considered "earned income not subject to tax under this chapter":
- 74.21 (1) the subtractions for military pay under section 290.0132, subdivisions 11 and 12;
- 74.22 (2) the exclusion of combat pay under section 112 of the Internal Revenue Code; and

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

77.11 (g) For tax years beginning after December 31, 2013, the \$8,130 in paragraph (b), the
77.12 \$21,190 in paragraph (c), and the \$25,130 in paragraph (d), after being adjusted for inflation
77.13 under subdivision 7, are each increased by \$5,000 for married taxpayers filing joint returns.
77.14 For tax years beginning after December 31, 2013, the commissioner shall annually adjust
77.15 the \$5,000 by the percentage determined pursuant to the provisions of section 1(f) of the
77.16 Internal Revenue Code, except that in section 1(f)(3)(B), the word "2008" shall be substituted
77.17 for the word "1992." For 2014, the commissioner shall then determine the percent change
77.18 from the 12 months ending on August 31, 2008, to the 12 months ending on August 31,
77.19 2013, and in each subsequent year, from the 12 months ending on August 31, 2008, to the
77.20 12 months ending on August 31 of the year preceding the taxable year. The earned income
77.21 thresholds as adjusted for inflation must be rounded to the nearest \$10. If the amount ends
77.22 in \$5, the amount is rounded up to the nearest \$10. The determination of the commissioner
77.23 under this subdivision is not a rule under the Administrative Procedure Act.

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

77.25 (1) \$14,570 for married taxpayers filing joint returns with no qualifying children;

77.26 (2) \$8,730 for all other taxpayers with no qualifying children;

77.27 (3) \$28,610 for married taxpayers filing joint returns with one qualifying child;

77.28 (4) \$22,770 for all other taxpayers with one qualifying child;

77.29 (5) \$32,840 for married taxpayers filing joint returns with two qualifying children;

77.30 (6) \$27,000 for all other taxpayers with two qualifying children;

77.31 (7) \$33,140 for married taxpayers filing joint returns with three or more qualifying
77.32 children; and

78.1 (8) \$27,300 for all other taxpayers with three or more qualifying children.

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

78.6 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
78.7 31, 2018.

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

74.25 (g) For tax years beginning after December 31, 2013, the \$8,130 in paragraph (b), the
74.26 \$21,190 in paragraph (c), and the \$25,130 in paragraph (d), after being adjusted for inflation
74.27 under subdivision 7, are each increased by \$5,000 for married taxpayers filing joint returns.
74.28 For tax years beginning after December 31, 2013, the commissioner shall annually adjust
74.29 the \$5,000 by the percentage determined pursuant to the provisions of section 1(f) of the
74.30 Internal Revenue Code, except that in section 1(f)(3)(B), the word "2008" shall be substituted
74.31 for the word "1992." For 2014, the commissioner shall then determine the percent change
74.32 from the 12 months ending on August 31, 2008, to the 12 months ending on August 31,
74.33 2013, and in each subsequent year, from the 12 months ending on August 31, 2008, to the
75.1 12 months ending on August 31 of the year preceding the taxable year. The earned income
75.2 thresholds as adjusted for inflation must be rounded to the nearest \$10. If the amount ends
75.3 in \$5, the amount is rounded up to the nearest \$10. The determination of the commissioner
75.4 under this subdivision is not a rule under the Administrative Procedure Act.

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

75.6 (1) \$14,570 for married taxpayers filing joint returns with no qualifying children;

75.7 (2) \$8,730 for all other taxpayers with no qualifying children;

75.8 (3) \$28,610 for married taxpayers filing joint returns with one qualifying child;

75.9 (4) \$22,770 for all other taxpayers with one qualifying child;

75.10 (5) \$32,840 for married taxpayers filing joint returns with two qualifying children;

75.11 (6) \$27,000 for all other taxpayers with two qualifying children;

75.12 (7) \$33,140 for married taxpayers filing joint returns with three or more qualifying
75.13 children; and

75.14 (8) \$27,300 for all other taxpayers with three or more qualifying children.

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

75.19 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
75.20 31, 2018.

78.8 Sec. 18. Minnesota Statutes 2018, section 290.0671, subdivision 6, is amended to read:

78.9 Subd. 6. **Appropriation.** An amount sufficient to pay the refunds required by this section
78.10 is appropriated to the commissioner from the general fund. ~~This amount includes any amounts~~
78.11 ~~appropriated to the commissioner of human services from the federal Temporary Assistance~~
78.12 ~~for Needy Families (TANF) block grant funds for transfer to the commissioner of revenue.~~

78.13 **EFFECTIVE DATE.** This section is effective July 1, 2019.

78.14 Sec. 19. Minnesota Statutes 2018, section 290.0684, subdivision 2, is amended to read:

78.15 Subd. 2. **Credit allowed.** (a) An individual who is a resident of Minnesota is allowed a
78.16 credit against the tax imposed by this chapter. The credit is not allowed to an individual
78.17 who is eligible to be claimed as a dependent, as defined in sections 151 and 152 of the
78.18 Internal Revenue Code. The credit may not exceed the liability for tax under this chapter.

78.19 (b) The amount of the credit allowed equals 50 percent of contributions for the taxable
78.20 year. The maximum credit is \$500, subject to the phaseout in paragraphs (c) and (d). In no
78.21 case is the credit less than zero.

78.22 (c) For individual filers, the maximum credit is reduced by two percent of adjusted gross
78.23 income in excess of \$75,000.

78.24 (d) For married couples filing a joint return, the maximum credit is phased out as follows:

78.25 (1) for married couples with adjusted gross income in excess of \$75,000, but not more
78.26 than ~~\$100,000~~ \$135,000, the maximum credit is reduced by one percent of adjusted gross
78.27 income in excess of \$75,000 until the maximum credit amount equals \$250; and

78.28 ~~(2) for married couples with adjusted gross income in excess of \$100,000, but not more~~
78.29 ~~than \$135,000, the maximum credit is \$250; and~~

79.1 ~~(2)~~ (2) for married couples with adjusted gross income in excess of \$135,000, the
79.2 maximum credit is \$250, reduced by one percent of adjusted gross income in excess of
79.3 \$135,000.

79.4 (e) The income thresholds in paragraphs (c) and (d) used to calculate the maximum
79.5 credit must be adjusted for inflation. The commissioner shall adjust the income thresholds
79.6 by the percentage determined under the provisions of section 1(f) of the Internal Revenue
79.7 Code, except that in section 1(f)(3)(B) the word "2016" is substituted for the word "1992."
79.8 For 2018, the commissioner shall then determine the percent change from the 12 months
79.9 ending on August 31, 2016, to the 12 months ending on August 31, 2017, and in each
79.10 subsequent year, from the 12 months ending on August 31, 2016, to the 12 months ending
79.11 on August 31 of the year preceding the taxable year. The income thresholds as adjusted for
79.12 inflation must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount

75.21 Sec. 15. Minnesota Statutes 2018, section 290.0671, subdivision 6, is amended to read:

75.22 Subd. 6. **Appropriation.** An amount sufficient to pay the refunds required by this section
75.23 is appropriated to the commissioner from the general fund. ~~This amount includes any amounts~~
75.24 ~~appropriated to the commissioner of human services from the federal Temporary Assistance~~
75.25 ~~for Needy Families (TANF) block grant funds for transfer to the commissioner of revenue.~~

75.26 **EFFECTIVE DATE.** This section is effective July 1, 2019.

75.27 Sec. 16. Minnesota Statutes 2018, section 290.0684, subdivision 2, is amended to read:

75.28 Subd. 2. **Credit allowed.** (a) An individual who is a resident of Minnesota is allowed a
75.29 credit against the tax imposed by this chapter. The credit is not allowed to an individual
76.1 who is eligible to be claimed as a dependent, as defined in sections 151 and 152 of the
76.2 Internal Revenue Code. The credit may not exceed the liability for tax under this chapter.

76.3 (b) The amount of the credit allowed equals 50 percent of contributions for the taxable
76.4 year. The maximum credit is \$500, subject to the phaseout in paragraphs (c) and (d). In no
76.5 case is the credit less than zero.

76.6 (c) For individual filers, the maximum credit is reduced by two percent of adjusted gross
76.7 income in excess of \$75,000.

76.8 (d) For married couples filing a joint return, the maximum credit is phased out as follows:

76.9 (1) for married couples with adjusted gross income in excess of \$75,000, but not more
76.10 than ~~\$100,000~~ \$135,000, the maximum credit is reduced by one percent of adjusted gross
76.11 income in excess of \$75,000 until the maximum credit amount equals \$250; and

76.12 ~~(2) for married couples with adjusted gross income in excess of \$100,000, but not more~~
76.13 ~~than \$135,000, the maximum credit is \$250; and~~

76.14 ~~(2)~~ (2) for married couples with adjusted gross income in excess of \$135,000, the
76.15 maximum credit is \$250, reduced by one percent of adjusted gross income in excess of
76.16 \$135,000.

76.17 (e) The income thresholds in paragraphs (c) and (d) used to calculate the maximum
76.18 credit must be adjusted for inflation. The commissioner shall adjust the income thresholds
76.19 by the percentage determined under the provisions of section 1(f) of the Internal Revenue
76.20 Code, except that in section 1(f)(3)(B) the word "2016" is substituted for the word "1992."
76.21 For 2018, the commissioner shall then determine the percent change from the 12 months
76.22 ending on August 31, 2016, to the 12 months ending on August 31, 2017, and in each
76.23 subsequent year, from the 12 months ending on August 31, 2016, to the 12 months ending
76.24 on August 31 of the year preceding the taxable year. The income thresholds as adjusted for
76.25 inflation must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount

79.13 is rounded up to the nearest \$10 amount. The determination of the commissioner under this
 79.14 subdivision is not subject to chapter 14, including section 14.386.

79.15 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 79.16 31, 2019.

79.17 Sec. 20. Minnesota Statutes 2018, section 290.17, subdivision 4, is amended to read:

79.18 Subd. 4. **Unitary business principle.** (a) If a trade or business conducted wholly within
 79.19 this state or partly within and partly without this state is part of a unitary business, the entire
 79.20 income of the unitary business is subject to apportionment pursuant to section 290.191.
 79.21 Notwithstanding subdivision 2, paragraph (c), none of the income of a unitary business is
 79.22 considered to be derived from any particular source and none may be allocated to a particular
 79.23 place except as provided by the applicable apportionment formula. The provisions of this
 79.24 subdivision do not apply to business income subject to subdivision 5, income of an insurance
 79.25 company, or income of an investment company determined under section 290.36.

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

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

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

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

80.14 (f) The net income and apportionment factors under section 290.191 or 290.20 of foreign
 80.15 corporations and other foreign entities, but excluding a disqualified captive insurance
 80.16 company, which are part of a unitary business shall not be included in the net income or

76.26 is rounded up to the nearest \$10 amount. The determination of the commissioner under this
 76.27 subdivision is not subject to chapter 14, including section 14.386.

76.28 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 76.29 31, 2019.

80.17 the apportionment factors of the unitary business; except that the income and apportionment
80.18 factors of a foreign entity, other than an entity treated as a C corporation for federal income
80.19 tax purposes, that are included in the federal taxable income, as defined in section 63 of the
80.20 Internal Revenue Code as amended through the date named in section 290.01, subdivision
80.21 19, of a domestic corporation, domestic entity, or individual must be included in determining
80.22 net income and the factors to be used in the apportionment of net income pursuant to section
80.23 290.191 or 290.20. A foreign corporation or other foreign entity which is not included on
80.24 a combined report and which is required to file a return under this chapter shall file on a
80.25 separate return basis.

80.26 (g) For purposes of determining the net income of a unitary business and the factors to
80.27 be used in the apportionment of net income pursuant to section 290.191 or 290.20, there
80.28 must be included only the income and apportionment factors of domestic corporations or
80.29 other domestic entities that are determined to be part of the unitary business pursuant to this
80.30 subdivision, notwithstanding that foreign corporations or other foreign entities might be
80.31 included in the unitary business; except that the income and apportionment factors of a
80.32 foreign entity, other than an entity treated as a C corporation for federal income tax purposes,
80.33 that is included in the federal taxable income, as defined in section 63 of the Internal Revenue
80.34 Code as amended through the date named in section 290.01, subdivision 19, of a domestic
80.35 corporation, domestic entity, or individual must be included in determining net income and
81.1 the factors to be used in the apportionment of net income pursuant to section 290.191 or
81.2 290.20.

81.3 (h) Each corporation or other entity, except a sole proprietorship, that is part of a unitary
81.4 business must file combined reports as the commissioner determines. On the reports, all
81.5 intercompany transactions between entities included pursuant to paragraph (g) must be
81.6 eliminated and the entire net income of the unitary business determined in accordance with
81.7 this subdivision is apportioned among the entities by using each entity's Minnesota factors
81.8 for apportionment purposes in the numerators of the apportionment formula and the total
81.9 factors for apportionment purposes of all entities included pursuant to paragraph (g) in the
81.10 denominators of the apportionment formula. Except as otherwise provided by paragraph
81.11 (f), all sales of the unitary business made within this state pursuant to section 290.191 or
81.12 290.20 must be included on the combined report of a corporation or other entity that is a
81.13 member of the unitary business and is subject to the jurisdiction of this state to impose tax
81.14 under this chapter.

81.15 (i) If a corporation has been divested from a unitary business and is included in a
81.16 combined report for a fractional part of the common accounting period of the combined
81.17 report:

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

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

81.22 (j) For purposes of this subdivision, "insurance company" means an insurance company,
81.23 as defined in section 290.01, subdivision 5b, that is:

81.24 (1) licensed to engage in the business of insurance in Minnesota pursuant to chapter
81.25 60A; or

81.26 (2) domiciled and licensed to engage in the business of insurance in another state or
81.27 country that imposes retaliatory taxes, fines, deposits, penalties, licenses, or fees and that
81.28 does not grant, on a reciprocal basis, exemption from such retaliatory taxes to insurance
81.29 companies or their agents domiciled in Minnesota.

81.30 (k) For purposes of this subdivision, "retaliatory taxes" means taxes imposed on insurance
81.31 companies organized in another state or country that result from the fact that an insurance
81.32 company organized in the taxing jurisdiction and doing business in the other jurisdiction is
81.33 subject to taxes, fines, deposits, penalties, licenses, or fees in an amount exceeding that
82.1 imposed by the taxing jurisdiction upon an insurance company organized in the other state
82.2 or country and doing business to the same extent in the taxing jurisdiction not a disqualified
82.3 captive insurance company.

82.4 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
82.5 after December 31, 2016.

82.6 Sec. 21. Minnesota Statutes 2018, section 290.191, subdivision 5, is amended to read:

82.7 Subd. 5. **Determination of sales factor.** For purposes of this section, the following rules
82.8 apply in determining the sales factor.

82.9 (a) The sales factor includes all sales, gross earnings, or receipts received in the ordinary
82.10 course of the business, except that the following types of income are not included in the
82.11 sales factor:

82.12 (1) interest;

82.13 (2) dividends;

82.14 (3) sales of capital assets as defined in section 1221 of the Internal Revenue Code;

82.15 (4) sales of property used in the trade or business, except sales of leased property of a
82.16 type which is regularly sold as well as leased; and

82.17 (5) sales of debt instruments as defined in section 1275(a)(1) of the Internal Revenue
82.18 Code or sales of stock.

82.19 (b) Sales of tangible personal property are made within this state if the property is
82.20 received by a purchaser at a point within this state, regardless of the f.o.b. point, other
82.21 conditions of the sale, or the ultimate destination of the property.

76.30 Sec. 17. Minnesota Statutes 2018, section 290.191, subdivision 5, is amended to read:

76.31 Subd. 5. **Determination of sales factor.** For purposes of this section, the following rules
76.32 apply in determining the sales factor.

77.1 (a) The sales factor includes all sales, gross earnings, or receipts received in the ordinary
77.2 course of the business, except that the following types of income are not included in the
77.3 sales factor:

77.4 (1) interest;

77.5 (2) dividends;

77.6 (3) sales of capital assets as defined in section 1221 of the Internal Revenue Code;

77.7 (4) sales of property used in the trade or business, except sales of leased property of a
77.8 type which is regularly sold as well as leased; and

77.9 (5) sales of debt instruments as defined in section 1275(a)(1) of the Internal Revenue
77.10 Code or sales of stock.

77.11 (b) Sales of tangible personal property are made within this state if the property is
77.12 received by a purchaser at a point within this state, regardless of the f.o.b. point, other
77.13 conditions of the sale, or the ultimate destination of the property.

82.22 (c) Tangible personal property delivered to a common or contract carrier or foreign
82.23 vessel for delivery to a purchaser in another state or nation is a sale in that state or nation,
82.24 regardless of f.o.b. point or other conditions of the sale.

82.25 (d) Notwithstanding paragraphs (b) and (c), when intoxicating liquor, wine, fermented
82.26 malt beverages, cigarettes, or tobacco products are sold to a purchaser who is licensed by
82.27 a state or political subdivision to resell this property only within the state of ultimate
82.28 destination, the sale is made in that state.

82.29 (e) Sales made by or through a corporation that is qualified as a domestic international
82.30 sales corporation under section 992 of the Internal Revenue Code are not considered to have
82.31 been made within this state.

83.1 (f) Sales, rents, royalties, and other income in connection with real property is attributed
83.2 to the state in which the property is located.

83.3 (g) Receipts from the lease or rental of tangible personal property, including finance
83.4 leases and true leases, must be attributed to this state if the property is located in this state
83.5 and to other states if the property is not located in this state. Receipts from the lease or rental
83.6 of moving property including, but not limited to, motor vehicles, rolling stock, aircraft,
83.7 vessels, or mobile equipment are included in the numerator of the receipts factor to the
83.8 extent that the property is used in this state. The extent of the use of moving property is
83.9 determined as follows:

83.10 (1) A motor vehicle is used wholly in the state in which it is registered.

83.11 (2) The extent that rolling stock is used in this state is determined by multiplying the
83.12 receipts from the lease or rental of the rolling stock by a fraction, the numerator of which
83.13 is the miles traveled within this state by the leased or rented rolling stock and the denominator
83.14 of which is the total miles traveled by the leased or rented rolling stock.

83.15 (3) The extent that an aircraft is used in this state is determined by multiplying the
83.16 receipts from the lease or rental of the aircraft by a fraction, the numerator of which is the
83.17 number of landings of the aircraft in this state and the denominator of which is the total
83.18 number of landings of the aircraft.

83.19 (4) The extent that a vessel, mobile equipment, or other mobile property is used in the
83.20 state is determined by multiplying the receipts from the lease or rental of the property by a
83.21 fraction, the numerator of which is the number of days during the taxable year the property
83.22 was in this state and the denominator of which is the total days in the taxable year.

83.23 (h) Royalties and other income received for the use of or for the privilege of using
83.24 intangible property, including patents, know-how, formulas, designs, processes, patterns,
83.25 copyrights, trade names, service names, franchises, licenses, contracts, customer lists, or
83.26 similar items, must be attributed to the state in which the property is used by the purchaser.

77.14 (c) Tangible personal property delivered to a common or contract carrier or foreign
77.15 vessel for delivery to a purchaser in another state or nation is a sale in that state or nation,
77.16 regardless of f.o.b. point or other conditions of the sale.

77.17 (d) Notwithstanding paragraphs (b) and (c), when intoxicating liquor, wine, fermented
77.18 malt beverages, cigarettes, or tobacco products are sold to a purchaser who is licensed by
77.19 a state or political subdivision to resell this property only within the state of ultimate
77.20 destination, the sale is made in that state.

77.21 (e) Sales made by or through a corporation that is qualified as a domestic international
77.22 sales corporation under section 992 of the Internal Revenue Code are not considered to have
77.23 been made within this state.

77.24 (f) Sales, rents, royalties, and other income in connection with real property is attributed
77.25 to the state in which the property is located.

77.26 (g) Receipts from the lease or rental of tangible personal property, including finance
77.27 leases and true leases, must be attributed to this state if the property is located in this state
77.28 and to other states if the property is not located in this state. Receipts from the lease or rental
77.29 of moving property including, but not limited to, motor vehicles, rolling stock, aircraft,
77.30 vessels, or mobile equipment are included in the numerator of the receipts factor to the
77.31 extent that the property is used in this state. The extent of the use of moving property is
77.32 determined as follows:

78.1 (1) A motor vehicle is used wholly in the state in which it is registered.

78.2 (2) The extent that rolling stock is used in this state is determined by multiplying the
78.3 receipts from the lease or rental of the rolling stock by a fraction, the numerator of which
78.4 is the miles traveled within this state by the leased or rented rolling stock and the denominator
78.5 of which is the total miles traveled by the leased or rented rolling stock.

78.6 (3) The extent that an aircraft is used in this state is determined by multiplying the
78.7 receipts from the lease or rental of the aircraft by a fraction, the numerator of which is the
78.8 number of landings of the aircraft in this state and the denominator of which is the total
78.9 number of landings of the aircraft.

78.10 (4) The extent that a vessel, mobile equipment, or other mobile property is used in the
78.11 state is determined by multiplying the receipts from the lease or rental of the property by a
78.12 fraction, the numerator of which is the number of days during the taxable year the property
78.13 was in this state and the denominator of which is the total days in the taxable year.

78.14 (h) Royalties and other income received for the use of or for the privilege of using
78.15 intangible property, including patents, know-how, formulas, designs, processes, patterns,
78.16 copyrights, trade names, service names, franchises, licenses, contracts, customer lists, or
78.17 similar items, must be attributed to the state in which the property is used by the purchaser.

83.27 If the property is used in more than one state, the royalties or other income must be
 83.28 apportioned to this state pro rata according to the portion of use in this state. If the portion
 83.29 of use in this state cannot be determined, the royalties or other income must be excluded
 83.30 from both the numerator and the denominator. Intangible property is used in this state if the
 83.31 purchaser uses the intangible property or the rights therein in the regular course of its business
 83.32 operations in this state, regardless of the location of the purchaser's customers.

83.33 (i) Sales of intangible property are made within the state in which the property is used
 83.34 by the purchaser. If the property is used in more than one state, the sales must be apportioned
 84.1 to this state pro rata according to the portion of use in this state. If the portion of use in this
 84.2 state cannot be determined, the sale must be excluded from both the numerator and the
 84.3 denominator of the sales factor. Intangible property is used in this state if the purchaser used
 84.4 the intangible property in the regular course of its business operations in this state.

84.5 (j) Receipts from the performance of services must be attributed to the state where the
 84.6 services are received. For the purposes of this section, receipts from the performance of
 84.7 services provided to a corporation, partnership, or trust may only be attributed to a state
 84.8 where it has a fixed place of doing business. If the state where the services are received is
 84.9 not readily determinable or is a state where the corporation, partnership, or trust receiving
 84.10 the service does not have a fixed place of doing business, the services shall be deemed to
 84.11 be received at the location of the office of the customer from which the services were ordered
 84.12 in the regular course of the customer's trade or business. If the ordering office cannot be
 84.13 determined, the services shall be deemed to be received at the office of the customer to
 84.14 which the services are billed.

84.15 (k) For the purposes of this subdivision and subdivision 6, paragraph (l), receipts from
 84.16 management, distribution, or administrative services performed by a person or corporation
 84.17 ~~or trust~~ for a fund of a person or corporation or trust regulated under United States Code,
 84.18 title 15, ~~sections 80a-1 through 80a-64~~ chapter 2D, subchapter I, must be attributed to the
 84.19 state where the shareholder of the fund resides. Under this paragraph, receipts for services
 84.20 attributed to shareholders are determined on the basis of the ratio of: (1) the average of the
 84.21 outstanding shares in the fund owned by shareholders residing within Minnesota at the
 84.22 beginning and end of each year; and (2) the average of the total number of outstanding
 84.23 shares in the fund at the beginning and end of each year. Residence of the shareholder, in
 84.24 the case of an individual, is determined by the mailing address furnished by the shareholder
 84.25 to the fund. Residence of the shareholder, when the shares are held by an insurance company
 84.26 as a depositor for the insurance company policyholders, is the mailing address of the
 84.27 policyholders. In the case of an insurance company holding the shares as a depositor for
 84.28 the insurance company policyholders, if the mailing address of the policyholders cannot be
 84.29 determined by the taxpayer, the receipts must be excluded from both the numerator and
 84.30 denominator. Residence of other shareholders is the mailing address of the shareholder.

78.18 If the property is used in more than one state, the royalties or other income must be
 78.19 apportioned to this state pro rata according to the portion of use in this state. If the portion
 78.20 of use in this state cannot be determined, the royalties or other income must be excluded
 78.21 from both the numerator and the denominator. Intangible property is used in this state if the
 78.22 purchaser uses the intangible property or the rights therein in the regular course of its business
 78.23 operations in this state, regardless of the location of the purchaser's customers.

78.24 (i) Sales of intangible property are made within the state in which the property is used
 78.25 by the purchaser. If the property is used in more than one state, the sales must be apportioned
 78.26 to this state pro rata according to the portion of use in this state. If the portion of use in this
 78.27 state cannot be determined, the sale must be excluded from both the numerator and the
 78.28 denominator of the sales factor. Intangible property is used in this state if the purchaser used
 78.29 the intangible property in the regular course of its business operations in this state.

78.30 (j) Receipts from the performance of services must be attributed to the state where the
 78.31 services are received. For the purposes of this section, receipts from the performance of
 78.32 services provided to a corporation, partnership, or trust may only be attributed to a state
 78.33 where it has a fixed place of doing business. If the state where the services are received is
 78.34 not readily determinable or is a state where the corporation, partnership, or trust receiving
 79.1 the service does not have a fixed place of doing business, the services shall be deemed to
 79.2 be received at the location of the office of the customer from which the services were ordered
 79.3 in the regular course of the customer's trade or business. If the ordering office cannot be
 79.4 determined, the services shall be deemed to be received at the office of the customer to
 79.5 which the services are billed.

79.6 (k) For the purposes of this subdivision and subdivision 6, paragraph (l), receipts from
 79.7 management, distribution, or administrative services performed by a person or corporation
 79.8 ~~or trust~~ for a fund of a person or corporation or trust regulated under United States Code,
 79.9 title 15, ~~sections 80a-1 through 80a-64~~ chapter 2D, subchapter I, must be attributed to the
 79.10 state where the shareholder of the fund resides. Under this paragraph, receipts for services
 79.11 attributed to shareholders are determined on the basis of the ratio of: (1) the average of the
 79.12 outstanding shares in the fund owned by shareholders residing within Minnesota at the
 79.13 beginning and end of each year; and (2) the average of the total number of outstanding
 79.14 shares in the fund at the beginning and end of each year. Residence of the shareholder, in
 79.15 the case of an individual, is determined by the mailing address furnished by the shareholder
 79.16 to the fund. Residence of the shareholder, when the shares are held by an insurance company
 79.17 as a depositor for the insurance company policyholders, is the mailing address of the
 79.18 policyholders. In the case of an insurance company holding the shares as a depositor for
 79.19 the insurance company policyholders, if the mailing address of the policyholders cannot be
 79.20 determined by the taxpayer, the receipts must be excluded from both the numerator and
 79.21 denominator. Residence of other shareholders is the mailing address of the shareholder.

84.31 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
84.32 31, 2018.

85.1 Sec. 22. Minnesota Statutes 2018, section 290.21, subdivision 4, is amended to read:

85.2 Subd. 4. **Dividends received from another corporation.** (a)(1) Eighty percent of
85.3 dividends received by a corporation during the taxable year from another corporation, in
85.4 which the recipient owns 20 percent or more of the stock, by vote and value, not including
85.5 stock described in section 1504(a)(4) of the Internal Revenue Code when the corporate
85.6 stock with respect to which dividends are paid does not constitute the stock in trade of the
85.7 taxpayer or would not be included in the inventory of the taxpayer, or does not constitute
85.8 property held by the taxpayer primarily for sale to customers in the ordinary course of the
85.9 taxpayer's trade or business, or when the trade or business of the taxpayer does not consist
85.10 principally of the holding of the stocks and the collection of the income and gains therefrom;
85.11 and

85.12 (2)(i) the remaining 20 percent of dividends if the dividends received are the stock in
85.13 an affiliated company transferred in an overall plan of reorganization and the dividend is
85.14 eliminated in consolidation under Treasury Department Regulation 1.1502-14(a), as amended
85.15 through December 31, 1989;

85.16 (ii) the remaining 20 percent of dividends if the dividends are received from a corporation
85.17 which is subject to tax under section 290.36 and which is a member of an affiliated group
85.18 of corporations as defined by the Internal Revenue Code and the dividend is eliminated in
85.19 consolidation under Treasury Department Regulation 1.1502-14(a), as amended through
85.20 December 31, 1989, or is deducted under an election under section 243(b) of the Internal
85.21 Revenue Code; or

85.22 (iii) the remaining 20 percent of the dividends if the dividends are received from a
85.23 property and casualty insurer as defined under section 60A.60, subdivision 8, which is a
85.24 member of an affiliated group of corporations as defined by the Internal Revenue Code and
85.25 either: (A) the dividend is eliminated in consolidation under Treasury Regulation
85.26 1.1502-14(a), as amended through December 31, 1989; or (B) the dividend is deducted
85.27 under an election under section 243(b) of the Internal Revenue Code.

85.28 (b) Seventy percent of dividends received by a corporation during the taxable year from
85.29 another corporation in which the recipient owns less than 20 percent of the stock, by vote
85.30 or value, not including stock described in section 1504(a)(4) of the Internal Revenue Code
85.31 when the corporate stock with respect to which dividends are paid does not constitute the
85.32 stock in trade of the taxpayer, or does not constitute property held by the taxpayer primarily
85.33 for sale to customers in the ordinary course of the taxpayer's trade or business, or when the
86.1 trade or business of the taxpayer does not consist principally of the holding of the stocks
86.2 and the collection of income and gain therefrom.

79.22 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
79.23 31, 2018.

79.24 Sec. 18. Minnesota Statutes 2018, section 290.21, subdivision 4, is amended to read:

79.25 Subd. 4. **Dividends received from another corporation.** (a)(1) Eighty percent of
79.26 dividends received by a corporation during the taxable year from another corporation, in
79.27 which the recipient owns 20 percent or more of the stock, by vote and value, not including
79.28 stock described in section 1504(a)(4) of the Internal Revenue Code when the corporate
79.29 stock with respect to which dividends are paid does not constitute the stock in trade of the
79.30 taxpayer or would not be included in the inventory of the taxpayer, or does not constitute
79.31 property held by the taxpayer primarily for sale to customers in the ordinary course of the
79.32 taxpayer's trade or business, or when the trade or business of the taxpayer does not consist
79.33 principally of the holding of the stocks and the collection of the income and gains therefrom;
79.34 and

80.1 (2)(i) the remaining 20 percent of dividends if the dividends received are the stock in
80.2 an affiliated company transferred in an overall plan of reorganization and the dividend is
80.3 eliminated in consolidation under Treasury Department Regulation 1.1502-14(a), as amended
80.4 through December 31, 1989;

80.5 (ii) the remaining 20 percent of dividends if the dividends are received from a corporation
80.6 which is subject to tax under section 290.36 and which is a member of an affiliated group
80.7 of corporations as defined by the Internal Revenue Code and the dividend is eliminated in
80.8 consolidation under Treasury Department Regulation 1.1502-14(a), as amended through
80.9 December 31, 1989, or is deducted under an election under section 243(b) of the Internal
80.10 Revenue Code; or

80.11 (iii) the remaining 20 percent of the dividends if the dividends are received from a
80.12 property and casualty insurer as defined under section 60A.60, subdivision 8, which is a
80.13 member of an affiliated group of corporations as defined by the Internal Revenue Code and
80.14 either: (A) the dividend is eliminated in consolidation under Treasury Regulation
80.15 1.1502-14(a), as amended through December 31, 1989; or (B) the dividend is deducted
80.16 under an election under section 243(b) of the Internal Revenue Code.

80.17 (b) Seventy percent of dividends received by a corporation during the taxable year from
80.18 another corporation in which the recipient owns less than 20 percent of the stock, by vote
80.19 or value, not including stock described in section 1504(a)(4) of the Internal Revenue Code
80.20 when the corporate stock with respect to which dividends are paid does not constitute the
80.21 stock in trade of the taxpayer, or does not constitute property held by the taxpayer primarily
80.22 for sale to customers in the ordinary course of the taxpayer's trade or business, or when the
80.23 trade or business of the taxpayer does not consist principally of the holding of the stocks
80.24 and the collection of income and gain therefrom.

86.3 (c) The dividend deduction provided in this subdivision shall be allowed only with
 86.4 respect to dividends that are included in a corporation's Minnesota taxable net income for
 86.5 the taxable year.

86.6 The dividend deduction provided in this subdivision does not apply to a dividend from
 86.7 a corporation which, for the taxable year of the corporation in which the distribution is made
 86.8 or for the next preceding taxable year of the corporation, is a corporation exempt from tax
 86.9 under section 501 of the Internal Revenue Code.

86.10 The dividend deduction provided in this subdivision does not apply to a dividend received
 86.11 from a real estate investment trust as defined in section 856 of the Internal Revenue Code.

86.12 The dividend deduction provided in this subdivision applies to the amount of regulated
 86.13 investment company dividends only to the extent determined under section 854(b) of the
 86.14 Internal Revenue Code.

86.15 The dividend deduction provided in this subdivision shall not be allowed with respect
 86.16 to any dividend for which a deduction is not allowed under the provisions of section 246(c)
 86.17 or 246A of the Internal Revenue Code.

86.18 (d) If dividends received by a corporation that does not have nexus with Minnesota under
 86.19 the provisions of Public Law 86-272 are included as income on the return of an affiliated
 86.20 corporation permitted or required to file a combined report under section 290.17, subdivision
 86.21 4, or 290.34, subdivision 2, then for purposes of this subdivision the determination as to
 86.22 whether the trade or business of the corporation consists principally of the holding of stocks
 86.23 and the collection of income and gains therefrom shall be made with reference to the trade
 86.24 or business of the affiliated corporation having a nexus with Minnesota.

86.25 (e) The deduction provided by this subdivision does not apply if the dividends are paid
 86.26 by a FSC as defined in section 922 of the Internal Revenue Code.

86.27 (f) If one or more of the members of the unitary group whose income is included on the
 86.28 combined report received a dividend, the deduction under this subdivision for each member
 86.29 of the unitary business required to file a return under this chapter is the product of: (1) 100
 86.30 percent of the dividends received by members of the group; (2) the percentage allowed
 86.31 pursuant to paragraph (a) or (b); and (3) the percentage of the taxpayer's business income
 86.32 apportionable to this state for the taxable year under section 290.191 or 290.20.

87.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 87.2 31, 2018.

87.3 Sec. 23. Minnesota Statutes 2018, section 291.03, subdivision 9, is amended to read:

87.4 Subd. 9. **Qualified small business property.** Property satisfying all of the following
 87.5 requirements is qualified small business property:

80.25 (c) The dividend deduction provided in this subdivision shall be allowed only with
 80.26 respect to dividends that are included in a corporation's Minnesota taxable net income for
 80.27 the taxable year.

80.28 The dividend deduction provided in this subdivision does not apply to a dividend from
 80.29 a corporation which, for the taxable year of the corporation in which the distribution is made
 80.30 or for the next preceding taxable year of the corporation, is a corporation exempt from tax
 80.31 under section 501 of the Internal Revenue Code.

80.32 The dividend deduction provided in this subdivision does not apply to a dividend received
 80.33 from a real estate investment trust as defined in section 856 of the Internal Revenue Code.

81.1 The dividend deduction provided in this subdivision applies to the amount of regulated
 81.2 investment company dividends only to the extent determined under section 854(b) of the
 81.3 Internal Revenue Code.

81.4 The dividend deduction provided in this subdivision shall not be allowed with respect
 81.5 to any dividend for which a deduction is not allowed under the provisions of section 246(c)
 81.6 or 246A of the Internal Revenue Code.

81.7 (d) If dividends received by a corporation that does not have nexus with Minnesota under
 81.8 the provisions of Public Law 86-272 are included as income on the return of an affiliated
 81.9 corporation permitted or required to file a combined report under section 290.17, subdivision
 81.10 4, or 290.34, subdivision 2, then for purposes of this subdivision the determination as to
 81.11 whether the trade or business of the corporation consists principally of the holding of stocks
 81.12 and the collection of income and gains therefrom shall be made with reference to the trade
 81.13 or business of the affiliated corporation having a nexus with Minnesota.

81.14 (e) The deduction provided by this subdivision does not apply if the dividends are paid
 81.15 by a FSC as defined in section 922 of the Internal Revenue Code.

81.16 (f) If one or more of the members of the unitary group whose income is included on the
 81.17 combined report received a dividend, the deduction under this subdivision for each member
 81.18 of the unitary business required to file a return under this chapter is the product of: (1) 100
 81.19 percent of the dividends received by members of the group; (2) the percentage allowed
 81.20 pursuant to paragraph (a) or (b); and (3) the percentage of the taxpayer's business income
 81.21 apportionable to this state for the taxable year under section 290.191 or 290.20.

81.22 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 81.23 31, 2018.

81.24 Sec. 19. Minnesota Statutes 2018, section 291.03, subdivision 9, is amended to read:

81.25 Subd. 9. **Qualified small business property.** Property satisfying all of the following
 81.26 requirements is qualified small business property:

- 87.6 (1) The value of the property was included in the federal adjusted taxable estate.
- 87.7 (2) The property consists of the assets of a trade or business or shares of stock or other
87.8 ownership interests in a corporation or other entity engaged in a trade or business. Shares
87.9 of stock in a corporation or an ownership interest in another type of entity do not qualify
87.10 under this subdivision if the shares or ownership interests are traded on a public stock
87.11 exchange at any time during the three-year period ending on the decedent's date of death.
87.12 For purposes of this subdivision, an ownership interest includes the interest the decedent is
87.13 deemed to own under sections 2036, 2037, ~~and 2038~~, 2040, or 2044 of the Internal Revenue
87.14 Code.
- 87.15 (3) During the taxable year that ended before the decedent's death, the trade or business
87.16 must not have been a passive activity within the meaning of section 469(c) of the Internal
87.17 Revenue Code, and the decedent or the decedent's spouse must have materially participated
87.18 in the trade or business within the meaning of section 469(h) of the Internal Revenue Code,
87.19 excluding section 469(h)(3) of the Internal Revenue Code and any other provision provided
87.20 by United States Treasury Department regulation that substitutes material participation in
87.21 prior taxable years for material participation in the taxable year that ended before the
87.22 decedent's death.
- 87.23 (4) The gross annual sales of the trade or business were \$10,000,000 or less for the last
87.24 taxable year that ended before the date of the death of the decedent.
- 87.25 (5) The property does not include:
- 87.26 (i) cash;
- 87.27 (ii) cash equivalents;
- 87.28 (iii) publicly traded securities; or
- 87.29 (iv) any assets not used in the operation of the trade or business.
- 87.30 (6) For property consisting of shares of stock or other ownership interests in an entity,
87.31 the value of items described in clause (5) must be excluded in the valuation of the decedent's
87.32 interest in the entity.
- 88.1 (7) The decedent or the decedent's spouse continuously owned the property, or an
88.2 undivided or joint interest in the property, including property the decedent or the decedent's
88.3 spouse is deemed to own under sections 2036, 2037, ~~and 2038~~, 2040, or 2044 of the Internal
88.4 Revenue Code, or under subdivision 1d, for the three-year period ending on the date of
88.5 death of the decedent. In the case of a sole proprietor, if the property replaced similar property
88.6 within the three-year period, the replacement property will be treated as having been owned
88.7 for the three-year period ending on the date of death of the decedent. For the purposes of

- 81.27 (1) The value of the property was included in the federal adjusted taxable estate.
- 81.28 (2) The property consists of the assets of a trade or business or shares of stock or other
81.29 ownership interests in a corporation or other entity engaged in a trade or business. Shares
81.30 of stock in a corporation or an ownership interest in another type of entity do not qualify
81.31 under this subdivision if the shares or ownership interests are traded on a public stock
81.32 exchange at any time during the three-year period ending on the decedent's date of death.
81.33 For purposes of this subdivision, an ownership interest includes the interest the decedent is
82.1 deemed to own under sections 2036, 2037, ~~and 2038~~, 2040, or 2044 of the Internal Revenue
82.2 Code.
- 82.3 (3) During the taxable year that ended before the decedent's death, the trade or business
82.4 must not have been a passive activity within the meaning of section 469(c) of the Internal
82.5 Revenue Code, and the decedent or the decedent's spouse must have materially participated
82.6 in the trade or business within the meaning of section 469(h) of the Internal Revenue Code,
82.7 excluding section 469(h)(3) of the Internal Revenue Code and any other provision provided
82.8 by United States Treasury Department regulation that substitutes material participation in
82.9 prior taxable years for material participation in the taxable year that ended before the
82.10 decedent's death.
- 82.11 (4) The gross annual sales of the trade or business were \$10,000,000 or less for the last
82.12 taxable year that ended before the date of the death of the decedent.
- 82.13 (5) The property does not include:
- 82.14 (i) cash;
- 82.15 (ii) cash equivalents;
- 82.16 (iii) publicly traded securities; or
- 82.17 (iv) any assets not used in the operation of the trade or business.
- 82.18 (6) For property consisting of shares of stock or other ownership interests in an entity,
82.19 the value of items described in clause (5) must be excluded in the valuation of the decedent's
82.20 interest in the entity.
- 82.21 (7) The decedent or the decedent's spouse continuously owned the property, or an
82.22 undivided or joint interest in the property, including property the decedent or the decedent's
82.23 spouse is deemed to own under sections 2036, 2037, ~~and 2038~~, 2040, or 2044 of the Internal
82.24 Revenue Code, or under subdivision 1d, for the three-year period ending on the date of
82.25 death of the decedent. In the case of a sole proprietor, if the property replaced similar property
82.26 within the three-year period, the replacement property will be treated as having been owned
82.27 for the three-year period ending on the date of death of the decedent. For the purposes of

88.8 the three-year holding period under this clause, any ownership by the decedent's spouse,
88.9 whether the spouse predeceases or survives the decedent, is attributed to the decedent.

88.10 (8) For three years following the date of death of the decedent, the trade or business is
88.11 not a passive activity within the meaning of section 469(c) of the Internal Revenue Code,
88.12 and a family member materially participates in the operation of the trade or business within
88.13 the meaning of section 469(h) of the Internal Revenue Code, excluding section 469(h)(3)
88.14 of the Internal Revenue Code and any other provision provided by United States Treasury
88.15 Department regulation that substitutes material participation in prior taxable years for
88.16 material participation in the three years following the date of death of the decedent.

88.17 (9) The estate and the qualified heir elect to treat the property as qualified small business
88.18 property and agree, in the form prescribed by the commissioner, to pay the recapture tax
88.19 under subdivision 11, if applicable.

88.20 **EFFECTIVE DATE.** This section is effective retroactively for estates of decedents
88.21 dying after December 31, 2017.

88.22 Sec. 24. Minnesota Statutes 2018, section 291.03, subdivision 10, is amended to read:

88.23 Subd. 10. **Qualified farm property.** Property satisfying all of the following requirements
88.24 is qualified farm property:

88.25 (1) The value of the property was included in the federal adjusted taxable estate.

88.26 (2) The property consists of agricultural land and is owned by a person or entity that is
88.27 either not subject to or is in compliance with section 500.24.

88.28 (3) For property taxes payable in the taxable year of the decedent's death, the property
88.29 is classified as class 2a property under section 273.13, subdivision 23, and is classified as
88.30 agricultural homestead, agricultural relative homestead, or special agricultural homestead
88.31 under section 273.124.

88.32 (4) The decedent or the decedent's spouse continuously owned the property, or an
88.33 undivided or joint interest in the property, including property the decedent or the decedent's
89.1 spouse is deemed to own under sections 2036, 2037, and 2038, 2040, or 2044 of the Internal
89.2 Revenue Code, or under subdivision 1d, for the three-year period ending on the date of
89.3 death of the decedent either by ownership of the agricultural land or pursuant to holding an
89.4 interest in an entity that is not subject to or is in compliance with section 500.24. For the
89.5 purposes of the three-year holding period under this clause, any ownership by the decedent's
89.6 spouse, whether the spouse predeceases or survives the decedent, is attributed to the decedent.

89.7 (5) The property is classified for property tax purposes as class 2a property under section
89.8 273.13, subdivision 23, for three years following the date of death of the decedent.

82.28 the three-year holding period under this clause, any ownership by the decedent's spouse,
82.29 whether the spouse predeceases or survives the decedent, is attributed to the decedent.

82.30 (8) For three years following the date of death of the decedent, the trade or business is
82.31 not a passive activity within the meaning of section 469(c) of the Internal Revenue Code,
82.32 and a family member materially participates in the operation of the trade or business within
82.33 the meaning of section 469(h) of the Internal Revenue Code, excluding section 469(h)(3)
83.1 of the Internal Revenue Code and any other provision provided by United States Treasury
83.2 Department regulation that substitutes material participation in prior taxable years for
83.3 material participation in the three years following the date of death of the decedent.

83.4 (9) The estate and the qualified heir elect to treat the property as qualified small business
83.5 property and agree, in the form prescribed by the commissioner, to pay the recapture tax
83.6 under subdivision 11, if applicable.

83.7 **EFFECTIVE DATE.** This section is effective retroactively for estates of decedents
83.8 dying after December 31, 2017.

83.9 Sec. 20. Minnesota Statutes 2018, section 291.03, subdivision 10, is amended to read:

83.10 Subd. 10. **Qualified farm property.** Property satisfying all of the following requirements
83.11 is qualified farm property:

83.12 (1) The value of the property was included in the federal adjusted taxable estate.

83.13 (2) The property consists of agricultural land and is owned by a person or entity that is
83.14 either not subject to or is in compliance with section 500.24.

83.15 (3) For property taxes payable in the taxable year of the decedent's death, the property
83.16 is classified as class 2a property under section 273.13, subdivision 23, and is classified as
83.17 agricultural homestead, agricultural relative homestead, or special agricultural homestead
83.18 under section 273.124.

83.19 (4) The decedent or the decedent's spouse continuously owned the property, or an
83.20 undivided or joint interest in the property, including property the decedent or the decedent's
83.21 spouse is deemed to own under sections 2036, 2037, and 2038, 2040, or 2044 of the Internal
83.22 Revenue Code, or under subdivision 1d, for the three-year period ending on the date of
83.23 death of the decedent either by ownership of the agricultural land or pursuant to holding an
83.24 interest in an entity that is not subject to or is in compliance with section 500.24. For the
83.25 purposes of the three-year holding period under this clause, any ownership by the decedent's
83.26 spouse, whether the spouse predeceases or survives the decedent, is attributed to the decedent.

83.27 (5) The property is classified for property tax purposes as class 2a property under section
83.28 273.13, subdivision 23, for three years following the date of death of the decedent.

89.9 (6) The estate and the qualified heir elect to treat the property as qualified farm property
89.10 and agree, in a form prescribed by the commissioner, to pay the recapture tax under
89.11 subdivision 11, if applicable.

89.12 **EFFECTIVE DATE.** This section is effective retroactively for estates of decedents
89.13 dying after December 31, 2017.

89.14 Sec. 25. **SPECIAL WAIVER OF INCOME TAX PENALTIES FOR TAX YEARS**
89.15 **2017 AND 2018.**

89.16 For taxable years beginning after December 31, 2016, and before January 1, 2019, no
89.17 addition to tax is imposed under Minnesota Statutes, sections 289A.25, subdivision 2, and
89.18 289A.26, subdivision 4, if the tax shown on the return for the taxable year or, if no return
89.19 is filed, the tax, reduced by the credits allowable, is less than \$1,000. This paragraph applies
89.20 only to taxpayers who submit a request for a waiver of addition to tax due under Minnesota
89.21 Statutes, sections 289A.25, subdivision 2, and 289A.26, subdivision 4. The request for
89.22 waiver must attest that the underpayment of estimated tax for the taxable year is due to
89.23 uncertainties in tax planning resulting from the enactment of Public Laws 115-63, 115-97,
89.24 115-123, and 115-141. The request for waiver must be in a form and manner prescribed by
89.25 the commissioner of revenue.

89.26 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
89.27 after December 31, 2016, and before January 1, 2019.

89.28 Sec. 26. **APPLICATION OF SMALL BUSINESS INVESTMENT TAX CREDIT**
89.29 **FOR TAXABLE YEAR 2019.**

89.30 Applications for (1) certification as a qualified small business, qualified investor, or
89.31 qualified fund under Minnesota Statutes, section 116J.8737, subdivisions 2, 3, and 4, and
89.32 (2) the credit under Minnesota Statutes, section 116J.8737, subdivision 5, for taxable year
90.1 2019 must be made available on the Department of Employment and Economic
90.2 Development's website by September 1, 2019. The provisions of Minnesota Statutes, section
90.3 116J.8737, generally apply to the taxable year 2019 extension of the credit in sections 1 to
90.4 7.

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

90.6 Sec. 27. **REPEALER.**

90.7 Minnesota Statutes 2018, section 290.0671, subdivision 6a, is repealed.

90.8 **EFFECTIVE DATE.** This section is effective July 1, 2019.

83.29 (6) The estate and the qualified heir elect to treat the property as qualified farm property
83.30 and agree, in a form prescribed by the commissioner, to pay the recapture tax under
83.31 subdivision 11, if applicable.

84.1 **EFFECTIVE DATE.** This section is effective retroactively for estates of decedents
84.2 dying after December 31, 2017.

84.3 Sec. 21. **SPECIAL WAIVER OF INCOME TAX PENALTIES FOR TAX YEARS**
84.4 **2017 AND 2018.**

84.5 For taxable years beginning after December 31, 2016, and before January 1, 2019, no
84.6 addition to tax is imposed under Minnesota Statutes, sections 289A.25, subdivision 2, and
84.7 289A.26, subdivision 4, if the tax shown on the return for the taxable year or, if no return
84.8 is filed, the tax, reduced by the credits allowable, is less than \$1,000. This paragraph applies
84.9 only to taxpayers who submit a request for a waiver of addition to tax due under Minnesota
84.10 Statutes, sections 289A.25, subdivision 2, and 289A.26, subdivision 4. The request for
84.11 waiver must attest that the underpayment of estimated tax for the taxable year is due to
84.12 uncertainties in tax planning resulting from the enactment of Public Laws 115-63, 115-97,
84.13 115-123, and 115-141. The request for waiver must be in a form and manner prescribed by
84.14 the commissioner of revenue.

84.15 Sec. 22. **REPEALER.**

84.16 Minnesota Statutes 2018, section 290.0671, subdivision 6a, is repealed.

84.17 **EFFECTIVE DATE.** This section is effective July 1, 2019.

90.9

ARTICLE 3

90.10

SALES AND USE TAXES

90.11 Section 1. Minnesota Statutes 2018, section 38.27, is amended by adding a subdivision
90.12 to read:

90.13 Subd. 4. Use of a portion of county fair revenues. A county agricultural society must
90.14 annually determine the amount of sales tax savings attributable to section 297A.70,
90.15 subdivision 21. If the county agricultural society owns its own fairgrounds, it must use the
90.16 amount equal to the sales tax savings to maintain, improve, or expand society owned
90.17 buildings and facilities on the fairgrounds; otherwise it must transfer this amount to the
90.18 owner of the fairgrounds. An owner that receives a transfer of money under this subdivision
90.19 must use the transferred amount to maintain, improve, and expand entity owned buildings
90.20 and facilities on the county fairgrounds.

90.21 EFFECTIVE DATE. This section is effective July 1, 2019.

90.22 Sec. 2. Minnesota Statutes 2018, section 289A.20, subdivision 4, is amended to read:

90.23 Subd. 4. **Sales and use tax.** (a) The taxes imposed by chapter 297A are due and payable
90.24 to the commissioner monthly on or before the 20th day of the month following the month
90.25 in which the taxable event occurred, or following another reporting period as the
90.26 commissioner prescribes or as allowed under section 289A.18, subdivision 4, paragraph (f)
90.27 or (g), except that use taxes due on an annual use tax return as provided under section
90.28 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year.

90.29 (b) A vendor having a liability of \$250,000 or more during a fiscal year ending June 30
90.30 must remit the June liability for the next year in the following manner:

91.1 (1) Two business days before June 30 of ~~the year~~ calendar year 2020 and 2021, the
91.2 vendor must remit ~~81.4~~ 87.5 percent of the estimated June liability to the commissioner.
91.3 Two business days before June 30 of calendar year 2022 and thereafter, the vendor must
91.4 remit 84.5 percent of the estimated June liability to the commissioner.

91.5 (2) On or before August 20 of the year, the vendor must pay any additional amount of
91.6 tax not remitted in June.

91.7 (c) A vendor having a liability of:

91.8 (1) \$10,000 or more, but less than \$250,000 during a fiscal year ending June 30, 2013,
91.9 and fiscal years thereafter, must remit by electronic means all liabilities on returns due for
91.10 periods beginning in all subsequent calendar years on or before the 20th day of the month
91.11 following the month in which the taxable event occurred, or on or before the 20th day of
91.12 the month following the month in which the sale is reported under section 289A.18,
91.13 subdivision 4; or

84.18

ARTICLE 3

84.19

SALES AND USE TAXES

84.20 Section 1. Minnesota Statutes 2018, section 38.27, is amended by adding a subdivision
84.21 to read:

84.22 Subd. 4. Use of a portion of county fair revenues. A county agricultural society must
84.23 annually determine the amount of sales tax savings attributable to section 297A.70,
84.24 subdivision 21. If the county agricultural society owns its own fairgrounds, it must use the
84.25 amount equal to the sales tax savings to maintain, improve, or expand society owned
84.26 buildings and facilities on the fairgrounds; otherwise it must transfer this amount to the
84.27 owner of the fairgrounds. An owner that receives a transfer of money under this subdivision
84.28 must use the transferred amount to maintain, improve, and expand entity owned buildings
84.29 and facilities on the county fairgrounds.

84.30 EFFECTIVE DATE. This section is effective July 1, 2019.

85.1 Sec. 2. Minnesota Statutes 2018, section 289A.20, subdivision 4, is amended to read:

85.2 Subd. 4. **Sales and use tax.** (a) The taxes imposed by chapter 297A are due and payable
85.3 to the commissioner monthly on or before the 20th day of the month following the month
85.4 in which the taxable event occurred, or following another reporting period as the
85.5 commissioner prescribes or as allowed under section 289A.18, subdivision 4, paragraph (f)
85.6 or (g), except that use taxes due on an annual use tax return as provided under section
85.7 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year.

85.8 (b) A vendor having a liability of \$250,000 or more during a fiscal year ending June 30
85.9 must remit the June liability for the next year in the following manner:

85.10 (1) Two business days before June 30 of ~~the year~~ calendar year 2020 and 2021, the
85.11 vendor must remit ~~81.4~~ 87.5 percent of the estimated June liability to the commissioner.
85.12 Two business days before June 30 of calendar year 2022 and thereafter, the vendor must
85.13 remit 82 percent of the estimated June liability to the commissioner.

85.14 (2) On or before August 20 of the year, the vendor must pay any additional amount of
85.15 tax not remitted in June.

85.16 (c) A vendor having a liability of:

85.17 (1) \$10,000 or more, but less than \$250,000 during a fiscal year ending June 30, 2013,
85.18 and fiscal years thereafter, must remit by electronic means all liabilities on returns due for
85.19 periods beginning in all subsequent calendar years on or before the 20th day of the month
85.20 following the month in which the taxable event occurred, or on or before the 20th day of
85.21 the month following the month in which the sale is reported under section 289A.18,
85.22 subdivision 4; or

91.14 (2) \$250,000 or more, during a fiscal year ending June 30, 2013, and fiscal years
 91.15 thereafter, must remit by electronic means all liabilities in the manner provided in paragraph
 91.16 (a) on returns due for periods beginning in the subsequent calendar year, except for ~~81.4~~ 90
 91.17 percent of the estimated June liability, which is due two business days before June 30. The
 91.18 remaining amount of the June liability is due on August 20.

91.19 (d) Notwithstanding paragraph (b) or (c), a person prohibited by the person's religious
 91.20 beliefs from paying electronically shall be allowed to remit the payment by mail. The filer
 91.21 must notify the commissioner of revenue of the intent to pay by mail before doing so on a
 91.22 form prescribed by the commissioner. No extra fee may be charged to a person making
 91.23 payment by mail under this paragraph. The payment must be postmarked at least two business
 91.24 days before the due date for making the payment in order to be considered paid on a timely
 91.25 basis.

91.26 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
 91.27 30, 2019.

91.28 Sec. 3. Minnesota Statutes 2018, section 289A.60, subdivision 15, is amended to read:

91.29 Subd. 15. **Accelerated payment of June sales tax liability; penalty for**
 91.30 **underpayment.** (a) For payments made after December 31, ~~2013~~ 2019 and before December
 91.31 31, 2021, if a vendor is required by law to submit an estimation of June sales tax liabilities
 91.32 and ~~81.4~~ 87.5 percent payment by a certain date, the vendor shall pay a penalty equal to ten
 91.33 percent of the amount of actual June liability required to be paid in June less the amount
 92.1 remitted in June. The penalty must not be imposed, however, if the amount remitted in June
 92.2 equals the lesser of ~~81.4~~ 87.5 percent of the preceding May's liability or ~~81.4~~ 87.5 percent
 92.3 of the average monthly liability for the previous calendar year.

92.4 (b) For payments made after December 31, 2021, the penalty must not be imposed if
 92.5 the amount remitted in June equals the lesser of 84.5 percent of the preceding May's liability
 92.6 or 84.5 percent of the average monthly liability for the previous calendar year.

92.7 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
 92.8 30, 2019.

92.9 Sec. 4. Minnesota Statutes 2018, section 297A.66, subdivision 1, is amended to read:

92.10 Subdivision 1. **Definitions.** (a) To the extent allowed by the United States Constitution
 92.11 and the laws of the United States, the terms "retailer maintaining a place of business in this
 92.12 state," and "marketplace provider maintaining a place of business in this state," or a similar
 92.13 term, means terms mean a retailer or marketplace provider:

92.14 (1) having or maintaining within this state, directly or by a subsidiary or an affiliate, an
 92.15 office, place of distribution, sales, storage, or sample room or place, warehouse, or other
 92.16 place of business, including the employment of a resident of this state who works from a
 92.17 home office in this state; or

85.23 (2) \$250,000 or more, during a fiscal year ending June 30, 2013, and fiscal years
 85.24 thereafter, must remit by electronic means all liabilities in the manner provided in paragraph
 85.25 (a) on returns due for periods beginning in the subsequent calendar year, except for ~~81.4~~ 90
 85.26 percent of the estimated June liability, which is due two business days before June 30. The
 85.27 remaining amount of the June liability is due on August 20.

85.28 (d) Notwithstanding paragraph (b) or (c), a person prohibited by the person's religious
 85.29 beliefs from paying electronically shall be allowed to remit the payment by mail. The filer
 85.30 must notify the commissioner of revenue of the intent to pay by mail before doing so on a
 85.31 form prescribed by the commissioner. No extra fee may be charged to a person making
 85.32 payment by mail under this paragraph. The payment must be postmarked at least two business
 86.1 days before the due date for making the payment in order to be considered paid on a timely
 86.2 basis.

86.3 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
 86.4 30, 2019.

86.5 Sec. 3. Minnesota Statutes 2018, section 289A.60, subdivision 15, is amended to read:

86.6 Subd. 15. **Accelerated payment of June sales tax liability; penalty for**
 86.7 **underpayment.** (a) For payments made after December 31, ~~2013~~ 2019, if a vendor is
 86.8 required by law to submit an estimation of June sales tax liabilities and ~~81.4~~ 87.5 percent
 86.9 payment by a certain date, the vendor shall pay a penalty equal to ten percent of the amount
 86.10 of actual June liability required to be paid in June less the amount remitted in June. The
 86.11 penalty must not be imposed, however, if the amount remitted in June equals the lesser of
 86.12 ~~81.4~~ 87.5 percent of the preceding May's liability or ~~81.4~~ 87.5 percent of the average monthly
 86.13 liability for the previous calendar year.

86.14 (b) Notwithstanding paragraph (a), for calendar year 2022 and thereafter, the percent of
 86.15 the estimated June liability the vendor must remit by two business days before June 30 is
 86.16 82 percent.

86.17 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
 86.18 30, 2019.

86.19 Sec. 4. Minnesota Statutes 2018, section 297A.66, subdivision 1, is amended to read:

86.20 Subdivision 1. **Definitions.** (a) To the extent allowed by the United States Constitution
 86.21 and the laws of the United States, the terms "retailer maintaining a place of business in this
 86.22 state," and "marketplace provider maintaining a place of business in this state," or a similar
 86.23 term, means terms mean a retailer or marketplace provider:

86.24 (1) having or maintaining within this state, directly or by a subsidiary or an affiliate, an
 86.25 office, place of distribution, sales, storage, or sample room or place, warehouse, or other
 86.26 place of business, including the employment of a resident of this state who works from a
 86.27 home office in this state; or

92.18 (2) having a representative, including, but not limited to, an affiliate, agent, salesperson,
 92.19 canvasser, ~~marketplace provider~~, solicitor, or other third party operating in this state under
 92.20 the authority of the retailer or marketplace provider, or its subsidiary, for any purpose,
 92.21 including the repairing, selling, delivering, installing, facilitating sales, processing sales, or
 92.22 soliciting of orders for the retailer's or a retailer's goods or services, or the leasing of tangible
 92.23 personal property located in this state, whether the place of business or agent, representative,
 92.24 affiliate, salesperson, canvasser, or solicitor is located in the state permanently or temporarily,
 92.25 or whether or not the retailer or marketplace provider, subsidiary, or affiliate is authorized
 92.26 to do business in this state. ~~A retailer is represented by a marketplace provider in this state~~
 92.27 ~~if the retailer makes sales in this state facilitated by a marketplace provider that maintains~~
 92.28 ~~a place of business in this state.~~

92.29 (b) "Destination of a sale" means the location to which the retailer makes delivery of
 92.30 the property sold, or causes the property to be delivered, to the purchaser of the property,
 92.31 or to the agent or designee of the purchaser. The delivery may be made by any means,
 92.32 including the United States Postal Service or a for-hire carrier.

93.1 ~~(e)~~ (b) To the extent allowed by the United States Constitution and the laws of the United
 93.2 States, the terms "retailer not maintaining a place of business in this state," and "marketplace
 93.3 provider not maintaining a place of business in this state," or similar terms mean a retailer
 93.4 or marketplace provider making or facilitating retail sales from outside this state to a
 93.5 destination within this state and not maintaining a place of business in this state as provided
 93.6 in paragraph (a) that engages in the regular or systematic soliciting of sales from potential
 93.7 customers in this state by:

93.8 (1) distribution, by mail or otherwise, of catalogs, periodicals, advertising flyers, or other
 93.9 written solicitations of business to customers in this state;

93.10 (2) advertisements on billboards or other outdoor advertising in this state;

93.11 (3) advertisements in newspapers published in this state;

93.12 (4) advertisements in trade journals or other periodicals the circulation of which is
 93.13 primarily within this state;

93.14 (5) advertisements in a Minnesota edition of a national or regional publication or a
 93.15 limited regional edition in which this state is included as part of a broader regional or national
 93.16 publication that are not placed in other geographically defined editions of the same issue
 93.17 of the same publication;

93.18 (6) advertisements in regional or national publications in an edition that is not by its
 93.19 contents geographically targeted to Minnesota but is sold over the counter in Minnesota or
 93.20 by subscription to Minnesota residents;

86.28 (2) having a representative, including, but not limited to, an affiliate, agent, salesperson,
 86.29 canvasser, ~~marketplace provider~~, solicitor, or other third party operating in this state under
 86.30 the authority of the retailer or marketplace provider, or its subsidiary, for any purpose,
 86.31 including the repairing, selling, delivering, installing, facilitating sales, processing sales, or
 86.32 soliciting of orders for the retailer's or a retailer's goods or services, or the leasing of tangible
 87.1 personal property located in this state, whether the place of business or agent, representative,
 87.2 affiliate, salesperson, canvasser, or solicitor is located in the state permanently or temporarily,
 87.3 or whether or not the retailer or marketplace provider, subsidiary, or affiliate is authorized
 87.4 to do business in this state. ~~A retailer is represented by a marketplace provider in this state~~
 87.5 ~~if the retailer makes sales in this state facilitated by a marketplace provider that maintains~~
 87.6 ~~a place of business in this state.~~

87.7 (b) "Destination of a sale" means the location to which the retailer makes delivery of
 87.8 the property sold, or causes the property to be delivered, to the purchaser of the property,
 87.9 or to the agent or designee of the purchaser. The delivery may be made by any means,
 87.10 including the United States Postal Service or a for-hire carrier.

87.11 ~~(e)~~ (b) To the extent allowed by the United States Constitution and the laws of the United
 87.12 States, the terms "retailer not maintaining a place of business in this state," and "marketplace
 87.13 provider not maintaining a place of business in this state," or similar terms mean a retailer
 87.14 or marketplace provider making or facilitating retail sales from outside this state to a
 87.15 destination within this state and not maintaining a place of business in this state as provided
 87.16 in paragraph (a) that engages in the regular or systematic soliciting of sales from potential
 87.17 customers in this state by:

87.18 (1) distribution, by mail or otherwise, of catalogs, periodicals, advertising flyers, or other
 87.19 written solicitations of business to customers in this state;

87.20 (2) advertisements on billboards or other outdoor advertising in this state;

87.21 (3) advertisements in newspapers published in this state;

87.22 (4) advertisements in trade journals or other periodicals the circulation of which is
 87.23 primarily within this state;

87.24 (5) advertisements in a Minnesota edition of a national or regional publication or a
 87.25 limited regional edition in which this state is included as part of a broader regional or national
 87.26 publication that are not placed in other geographically defined editions of the same issue
 87.27 of the same publication;

87.28 (6) advertisements in regional or national publications in an edition that is not by its
 87.29 contents geographically targeted to Minnesota but is sold over the counter in Minnesota or
 87.30 by subscription to Minnesota residents;

87.31 (7) advertisements broadcast on a radio or television station located in Minnesota; or

93.21 (7) advertisements broadcast on a radio or television station located in Minnesota; or
 93.22 (8) any other solicitation by telephone, computer database, cable, optic, microwave, or
 93.23 any other communication system, including but not limited to a website accessible from
 93.24 within Minnesota.

93.25 The location of independent vendors that provide products or services to a retailer or
 93.26 marketplace provider in connection with a retailer or marketplace provider's solicitation of
 93.27 customers within this state, including such products and services as creation of copy, printing,
 93.28 distribution, and recording is not considered in determining whether the retailer or
 93.29 marketplace provider is required to collect tax. Paragraph (b) must be construed without
 93.30 regard to the state from which distribution of the materials originated or in which they were
 93.31 prepared.

93.32 (c) "Regular or systematic soliciting of sales from potential customers in this state"
 93.33 means the retailer not maintaining a place of business in this state or marketplace provider
 94.1 not maintaining a place of business in this state is engaged in any of the solicitations listed
 94.2 in paragraph (b), and:

94.3 (1) makes or facilitates 200 or more retail sales from outside this state to destinations in
 94.4 this state during the prior 12-month period; or

94.5 (2) makes or facilitates retail sales totaling more than \$100,000 from outside this state
 94.6 to destinations in this state during the prior 12-month period.

94.7 (d) "Marketplace provider" means any person who facilitates a retail sale by a retailer
 94.8 by:

94.9 (1) listing or advertising for sale by the retailer in any forum, tangible personal property,
 94.10 services, or digital goods that are subject to tax under this chapter; and

94.11 (2) either directly or indirectly through agreements or arrangements with third parties
 94.12 collecting payment from the customer and transmitting that payment to the retailer regardless
 94.13 of whether the marketplace provider receives compensation or other consideration in
 94.14 exchange for its services.

94.15 (d) "Total taxable retail sales" means the gross receipts from the sale of all tangible
 94.16 goods, services, and digital goods subject to sales and use tax under this chapter.

94.17 (e) "Destination of a sale" means the location to which the retailer makes delivery of
 94.18 the property sold, or causes the property to be delivered, to the purchaser of the property,
 94.19 or to the agent or designee of the purchaser. The delivery may be made by any means,
 94.20 including the United States Postal Service or a for-hire carrier.

88.1 (8) any other solicitation by telephone, computer database, cable, optic, microwave, or
 88.2 any other communication system, including but not limited to a website accessible from
 88.3 within Minnesota.

88.4 The location of independent vendors that provide products or services to a retailer or
 88.5 marketplace provider in connection with a retailer or marketplace provider's solicitation of
 88.6 customers within this state, including such products and services as creation of copy, printing,
 88.7 distribution, and recording is not considered in determining whether the retailer or
 88.8 marketplace provider is required to collect tax. Paragraph (b) must be construed without
 88.9 regard to the state from which distribution of the materials originated or in which they were
 88.10 prepared.

88.11 (c) "Regular or systematic soliciting of sales from potential customers in this state"
 88.12 means the retailer not maintaining a place of business in this state or marketplace provider
 88.13 not maintaining a place of business in this state is engaged in any of the solicitations listed
 88.14 in paragraph (b), and:

88.15 (1) makes or facilitates 200 or more retail sales from outside this state to destinations in
 88.16 this state during the prior 12-month period; or

88.17 (2) makes or facilitates retail sales totaling more than \$100,000 from outside this state
 88.18 to destinations in this state during the prior 12-month period.

88.19 (d) "Marketplace provider" means any person who facilitates a retail sale by a retailer
 88.20 by:

88.21 (1) listing or advertising for sale by the retailer in any forum, tangible personal property,
 88.22 services, or digital goods that are subject to tax under this chapter; and

88.23 (2) either directly or indirectly through agreements or arrangements with third parties
 88.24 collecting payment from the customer and transmitting that payment to the retailer regardless
 88.25 of whether the marketplace provider receives compensation or other consideration in
 88.26 exchange for its services.

88.27 (d) "Total taxable retail sales" means the gross receipts from the sale of all tangible
 88.28 goods, services, and digital goods subject to sales and use tax under this chapter.

88.29 (e) "Destination of a sale" means the location to which the retailer makes delivery of
 88.30 the property sold, or causes the property to be delivered, to the purchaser of the property,
 88.31 or to the agent or designee of the purchaser. The delivery may be made by any means,
 88.32 including the United States Postal Service or a for-hire carrier.

89.1 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
 89.2 September 30, 2019.

94.21 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
 94.22 September 30, 2019.

94.23 Sec. 5. Minnesota Statutes 2018, section 297A.66, subdivision 2, is amended to read:

94.24 Subd. 2. ~~Retailer maintaining place of business in this state~~ **Collection and remittance**
 94.25 **requirements for retailers and marketplace providers.** (a) Except as provided in paragraph
 94.26 ~~(b) (d), a retailer maintaining a place of business in this state and a retailer not maintaining~~
 94.27 ~~a place of business in this state who makes retail sales in Minnesota or to a destination in~~
 94.28 ~~Minnesota shall collect sales and use taxes and remit them to the commissioner under section~~
 94.29 ~~297A.77 for all retail sales other than those facilitated by a marketplace provider maintaining~~
 94.30 ~~a place of business in this state or a marketplace provider not maintaining a place of business~~
 94.31 ~~in this state that is required to collect and remit sales and use taxes under paragraph (b).~~

95.1 (b) ~~A retailer with total taxable retail sales to customers in this state of less than \$10,000~~
 95.2 ~~in the 12-month period ending on the last day of the most recently completed calendar~~
 95.3 ~~quarter is not required to collect and remit sales tax if it is determined to be a retailer~~
 95.4 ~~maintaining a place of business in the state solely because it made sales through one or more~~
 95.5 ~~marketplace providers. The provisions of this paragraph do not apply to a retailer that is or~~
 95.6 ~~was registered to collect sales and use tax in this state. Except as provided in paragraph (d),~~
 95.7 ~~a marketplace provider maintaining a place of business in this state and a marketplace~~
 95.8 ~~provider not maintaining a place of business in this state who facilitates retail sales in~~
 95.9 ~~Minnesota or to a destination in Minnesota shall collect sales and use taxes and remit them~~
 95.10 ~~to the commissioner under section 297A.77 unless:~~

95.11 (1) the retailer provides a copy of the retailer's registration to collect sales and use taxes
 95.12 in this state to the marketplace provider; and

95.13 (2) the marketplace provider and retailer agree that the retailer will collect and remit the
 95.14 sales and use taxes on marketplace sales facilitated by the marketplace provider.

95.15 (c) Nothing in paragraph (b) shall be construed to interfere with the ability of a
 95.16 marketplace provider and a retailer to enter into an agreement regarding fulfillment of the
 95.17 requirements of this chapter.

95.18 (d) A retailer not maintaining a place of business in this state and a marketplace provider
 95.19 not maintaining a place of business in this state shall:

95.20 (1) begin collecting and remitting sales and use taxes to the commissioner on the first
 95.21 day of a calendar month occurring no later than 60 days after the retailer or marketplace
 95.22 provider engages in regular or systematic soliciting of sales from potential customers in this
 95.23 state; and

95.24 (2) continue to collect and remit sales and use taxes to the commissioner until at least
 95.25 the last day of the 12th calendar month following the calendar month in which the retailer

89.3 Sec. 5. Minnesota Statutes 2018, section 297A.66, subdivision 2, is amended to read:

89.4 Subd. 2. ~~Retailer maintaining place of business in this state~~ **Collection and remittance**
 89.5 **requirements for retailers and marketplace providers.** (a) Except as provided in paragraph
 89.6 ~~(b) (d), a retailer maintaining a place of business in this state and a retailer not maintaining~~
 89.7 ~~a place of business in this state who makes retail sales in Minnesota or to a destination in~~
 89.8 ~~Minnesota shall collect sales and use taxes and remit them to the commissioner under section~~
 89.9 ~~297A.77 for all retail sales other than those facilitated by a marketplace provider maintaining~~
 89.10 ~~a place of business in this state or a marketplace provider not maintaining a place of business~~
 89.11 ~~in this state that is required to collect and remit sales and use taxes under paragraph (b).~~

89.12 (b) ~~A retailer with total taxable retail sales to customers in this state of less than \$10,000~~
 89.13 ~~in the 12-month period ending on the last day of the most recently completed calendar~~
 89.14 ~~quarter is not required to collect and remit sales tax if it is determined to be a retailer~~
 89.15 ~~maintaining a place of business in the state solely because it made sales through one or more~~
 89.16 ~~marketplace providers. The provisions of this paragraph do not apply to a retailer that is or~~
 89.17 ~~was registered to collect sales and use tax in this state. Except as provided in paragraph (d),~~
 89.18 ~~a marketplace provider maintaining a place of business in this state and a marketplace~~
 89.19 ~~provider not maintaining a place of business in this state who facilitates retail sales in~~
 89.20 ~~Minnesota or to a destination in Minnesota shall collect sales and use taxes and remit them~~
 89.21 ~~to the commissioner under section 297A.77 unless:~~

89.22 (1) the retailer provides a copy of the retailer's registration to collect sales and use taxes
 89.23 in this state to the marketplace provider; and

89.24 (2) the marketplace provider and retailer agree that the retailer will collect and remit the
 89.25 sales and use taxes on marketplace sales facilitated by the marketplace provider.

89.26 (c) Nothing in paragraph (b) shall be construed to interfere with the ability of a
 89.27 marketplace provider and a retailer to enter into an agreement regarding fulfillment of the
 89.28 requirements of this chapter.

89.29 (d) A retailer not maintaining a place of business in this state and a marketplace provider
 89.30 not maintaining a place of business in this state shall:

89.31 (1) begin collecting and remitting sales and use taxes to the commissioner on the first
 89.32 day of a calendar month occurring no later than 60 days after the retailer or marketplace
 90.1 provider engages in regular or systematic soliciting of sales from potential customers in this
 90.2 state; and

90.3 (2) continue to collect and remit sales and use taxes to the commissioner until at least
 90.4 the last day of the 12th calendar month following the calendar month in which the retailer

95.26 or marketplace provider began collecting and remitting sales and use taxes under clause
 95.27 (1).

95.28 (e) A retailer not maintaining a place of business in this state and a marketplace provider
 95.29 not maintaining a place of business in this state may cease collecting and remitting sales
 95.30 and use taxes to the commissioner after the period in paragraph (d), clause (2), if the retailer
 95.31 or marketplace provider no longer engages in regular or systematic soliciting of sales from
 95.32 potential customers in this state.

96.1 (f) A retailer or marketplace provider may cease collecting and remitting sales and use
 96.2 taxes under paragraph (e) only after notifying the commissioner that the retailer or
 96.3 marketplace provider is no longer engaged in the regular or systematic soliciting of sales
 96.4 from potential customers in this state. The commissioner shall prescribe the content, format,
 96.5 and manner of the notification pursuant to section 270C.30. If a retailer or marketplace
 96.6 provider subsequently engages in regular or systematic soliciting of sales from potential
 96.7 customers in this state, the retailer shall again comply with the requirements of paragraph
 96.8 (d).

96.9 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
 96.10 September 30, 2019.

96.11 Sec. 6. Minnesota Statutes 2018, section 297A.66, subdivision 3, is amended to read:

96.12 Subd. 3. ~~Retailer not maintaining place of business in this state Marketplace provider~~
 96.13 ~~liability. (a) To the extent allowed by the United States Constitution and in accordance with~~
 96.14 ~~the terms and conditions of federal remote seller law, a retailer making retail sales from~~
 96.15 ~~outside this state to a destination within this state and not maintaining a place of business~~
 96.16 ~~in this state shall collect sales and use taxes and remit them to the commissioner under~~
 96.17 ~~section 297A.77.~~

96.18 ~~(b) To the extent allowed by the United States Constitution and the laws of the United~~
 96.19 ~~States, a retailer making retail sales from outside this state to a destination within this state~~
 96.20 ~~and not maintaining a place of business in this state shall collect sales and use taxes and~~
 96.21 ~~remit them to the commissioner under section 297A.77, if the retailer engages in the regular~~
 96.22 ~~or systematic soliciting of sales from potential customers in this state by:~~

96.23 ~~(1) distribution, by mail or otherwise, of catalogs, periodicals, advertising flyers, or other~~
 96.24 ~~written solicitations of business to customers in this state;~~

96.25 ~~(2) display of advertisements on billboards or other outdoor advertising in this state;~~

96.26 ~~(3) advertisements in newspapers published in this state;~~

96.27 ~~(4) advertisements in trade journals or other periodicals the circulation of which is~~
 96.28 ~~primarily within this state;~~

90.5 or marketplace provider began collecting and remitting sales and use taxes under clause
 90.6 (1).

90.7 (e) A retailer not maintaining a place of business in this state and a marketplace provider
 90.8 not maintaining a place of business in this state may cease collecting and remitting sales
 90.9 and use taxes to the commissioner after the period in paragraph (d), clause (2), if the retailer
 90.10 or marketplace provider no longer engages in regular or systematic soliciting of sales from
 90.11 potential customers in this state.

90.12 (f) A retailer or marketplace provider may cease collecting and remitting sales and use
 90.13 taxes under paragraph (e) only after notifying the commissioner that the retailer or
 90.14 marketplace provider is no longer engaged in the regular or systematic soliciting of sales
 90.15 from potential customers in this state. The commissioner shall prescribe the content, format,
 90.16 and manner of the notification pursuant to section 270C.30. If a retailer or marketplace
 90.17 provider subsequently engages in regular or systematic soliciting of sales from potential
 90.18 customers in this state, the retailer shall again comply with the requirements of paragraph
 90.19 (d).

90.20 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
 90.21 September 30, 2019.

90.22 Sec. 6. Minnesota Statutes 2018, section 297A.66, subdivision 3, is amended to read:

90.23 Subd. 3. ~~Retailer not maintaining place of business in this state Marketplace provider~~
 90.24 ~~liability. (a) To the extent allowed by the United States Constitution and in accordance with~~
 90.25 ~~the terms and conditions of federal remote seller law, a retailer making retail sales from~~
 90.26 ~~outside this state to a destination within this state and not maintaining a place of business~~
 90.27 ~~in this state shall collect sales and use taxes and remit them to the commissioner under~~
 90.28 ~~section 297A.77.~~

90.29 ~~(b) To the extent allowed by the United States Constitution and the laws of the United~~
 90.30 ~~States, a retailer making retail sales from outside this state to a destination within this state~~
 90.31 ~~and not maintaining a place of business in this state shall collect sales and use taxes and~~
 90.32 ~~remit them to the commissioner under section 297A.77, if the retailer engages in the regular~~
 90.33 ~~or systematic soliciting of sales from potential customers in this state by:~~

91.1 ~~(1) distribution, by mail or otherwise, of catalogs, periodicals, advertising flyers, or other~~
 91.2 ~~written solicitations of business to customers in this state;~~

91.3 ~~(2) display of advertisements on billboards or other outdoor advertising in this state;~~

91.4 ~~(3) advertisements in newspapers published in this state;~~

91.5 ~~(4) advertisements in trade journals or other periodicals the circulation of which is~~
 91.6 ~~primarily within this state;~~

96.29 ~~(5) advertisements in a Minnesota edition of a national or regional publication or a~~
 96.30 ~~limited regional edition in which this state is included as part of a broader regional or national~~
 96.31 ~~publication which are not placed in other geographically defined editions of the same issue~~
 96.32 ~~of the same publication;~~

97.1 ~~(6) advertisements in regional or national publications in an edition which is not by its~~
 97.2 ~~contents geographically targeted to Minnesota but which is sold over the counter in Minnesota~~
 97.3 ~~or by subscription to Minnesota residents;~~

97.4 ~~(7) advertisements broadcast on a radio or television station located in Minnesota; or~~

97.5 ~~(8) any other solicitation by telegraphy, telephone, computer database, cable, optic,~~
 97.6 ~~microwave, or other communication system.~~

97.7 ~~This paragraph must be construed without regard to the state from which distribution~~
 97.8 ~~of the materials originated or in which they were prepared.~~

97.9 ~~(e) The location within or without this state of independent vendors that provide products~~
 97.10 ~~or services to the retailer in connection with its solicitation of customers within this state,~~
 97.11 ~~including such products and services as creation of copy, printing, distribution, and recording,~~
 97.12 ~~is not considered in determining whether the retailer is required to collect tax.~~

97.13 ~~(d) A retailer not maintaining a place of business in this state is presumed, subject to~~
 97.14 ~~rebuttal, to be engaged in regular solicitation within this state if it engages in any of the~~
 97.15 ~~activities in paragraph (b) and:~~

97.16 ~~(1) makes 100 or more retail sales from outside this state to destinations in this state~~
 97.17 ~~during a period of 12 consecutive months; or~~

97.18 ~~(2) makes ten or more retail sales totaling more than \$100,000 from outside this state~~
 97.19 ~~to destinations in this state during a period of 12 consecutive months.~~

97.20 ~~(a) A marketplace provider is subject to audit on the retail sales it facilitates if it is~~
 97.21 ~~required to collect sales and use taxes and remit them to the commissioner under subdivision~~
 97.22 ~~2, paragraphs (b) and (c).~~

97.23 ~~(b) A marketplace provider is not liable for failing to file, collect, and remit sales and~~
 97.24 ~~use taxes to the commissioner if the marketplace provider demonstrates that the error was~~
 97.25 ~~due to incorrect or insufficient information given to the marketplace provider by the retailer.~~
 97.26 ~~This paragraph does not apply if the marketplace provider and the marketplace retailer are~~
 97.27 ~~related as defined in subdivision 4, paragraph (b).~~

97.28 ~~**EFFECTIVE DATE.** This section is effective for sales and purchases made after~~
 97.29 ~~September 30, 2019.~~

91.7 (5) advertisements in a Minnesota edition of a national or regional publication or a
 91.8 limited regional edition in which this state is included as part of a broader regional or national
 91.9 publication which are not placed in other geographically defined editions of the same issue
 91.10 of the same publication;

91.11 (6) advertisements in regional or national publications in an edition which is not by its
 91.12 contents geographically targeted to Minnesota but which is sold over the counter in Minnesota
 91.13 or by subscription to Minnesota residents;

91.14 (7) advertisements broadcast on a radio or television station located in Minnesota; or

91.15 (8) any other solicitation by telegraphy, telephone, computer database, cable, optic,
 91.16 microwave, or other communication system.

91.17 This paragraph must be construed without regard to the state from which distribution
 91.18 of the materials originated or in which they were prepared.

91.19 (e) The location within or without this state of independent vendors that provide products
 91.20 or services to the retailer in connection with its solicitation of customers within this state,
 91.21 including such products and services as creation of copy, printing, distribution, and recording,
 91.22 is not considered in determining whether the retailer is required to collect tax.

91.23 (d) A retailer not maintaining a place of business in this state is presumed, subject to
 91.24 rebuttal, to be engaged in regular solicitation within this state if it engages in any of the
 91.25 activities in paragraph (b) and:

91.26 (1) makes 100 or more retail sales from outside this state to destinations in this state
 91.27 during a period of 12 consecutive months; or

91.28 (2) makes ten or more retail sales totaling more than \$100,000 from outside this state
 91.29 to destinations in this state during a period of 12 consecutive months.

91.30 (a) A marketplace provider is subject to audit on the retail sales it facilitates if it is
 91.31 required to collect sales and use taxes and remit them to the commissioner under subdivision
 91.32 2, paragraphs (b) and (c).

92.1 (b) A marketplace provider is not liable for failing to file, collect, and remit sales and
 92.2 use taxes to the commissioner if the marketplace provider demonstrates that the error was
 92.3 due to incorrect or insufficient information given to the marketplace provider by the retailer.
 92.4 This paragraph does not apply if the marketplace provider and the marketplace retailer are
 92.5 related as defined in subdivision 4, paragraph (b).

92.6 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
 92.7 September 30, 2019.

98.1 Sec. 7. Minnesota Statutes 2018, section 297A.67, is amended by adding a subdivision to
98.2 read:

98.3 Subd. 37. **Certain herbicides.** (a) Purchases of herbicides authorized for use pursuant
98.4 to an invasive aquatic plant management permit as defined under section 103G.615 are
98.5 exempt if purchased by:

98.6 (1) a lakeshore property owner;

98.7 (2) an association of lakeshore property owners organized under chapter 317A; or

98.8 (3) a contractor hired by a lakeshore owner or association to provide invasive aquatic
98.9 plant management under the permit.

98.10 (b) For purposes of this subdivision, "herbicides" means a substance or mixture of
98.11 substances intended for use as a plant regulator, defoliant, or desiccant that are:

98.12 (1) labeled for use in water;

98.13 (2) registered for use in this state by the Department of Agriculture under section 18B.26;
98.14 and

98.15 (3) listed as one of the herbicides proposed for use on the invasive aquatic plant
98.16 management permit.

98.17 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
98.18 30, 2019.

98.19 Sec. 8. Minnesota Statutes 2018, section 297A.70, subdivision 10, is amended to read:

98.20 Subd. 10. **Nonprofit tickets or admissions.** (a) Tickets or admissions to an event are
98.21 exempt if all the gross receipts are recorded as such, in accordance with generally accepted
98.22 accounting principles, on the books of one or more organizations whose primary mission
98.23 is to provide an opportunity for citizens of the state to participate in the creation, performance,
98.24 or appreciation of the arts, and provided that each organization is:

98.25 (1) an organization described in section 501(c)(3) of the Internal Revenue Code in which
98.26 voluntary contributions make up at least five percent of the organization's annual revenue
98.27 in its most recently completed 12-month fiscal year, or in the current year if the organization
98.28 has not completed a 12-month fiscal year;

98.29 (2) a municipal board that promotes cultural and arts activities; or

99.1 (3) the University of Minnesota, a state college and university, or a private nonprofit
99.2 college or university provided that the event is held at a facility owned by the educational
99.3 institution holding the event.

92.8 Sec. 7. Minnesota Statutes 2018, section 297A.67, is amended by adding a subdivision to
92.9 read:

92.10 Subd. 37. **Certain herbicides.** (a) Purchases of herbicides authorized for use pursuant
92.11 to an invasive aquatic plant management permit as defined under section 103G.615 are
92.12 exempt if purchased by:

92.13 (1) a lakeshore property owner;

92.14 (2) an association of lakeshore property owners organized under chapter 317A; or

92.15 (3) a contractor hired by a lakeshore owner or association to provide invasive aquatic
92.16 plant management under the permit.

92.17 (b) For purposes of this subdivision, "herbicides" means a substance or mixture of
92.18 substances intended for use as a plant regulator, defoliant, or desiccant that are:

92.19 (1) labeled for use in water;

92.20 (2) registered for use in this state by the Department of Agriculture under section 18B.26;
92.21 and

92.22 (3) listed as one of the herbicides proposed for use on the invasive aquatic plant
92.23 management permit.

92.24 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
92.25 30, 2019.

92.26 Sec. 8. Minnesota Statutes 2018, section 297A.70, subdivision 10, is amended to read:

92.27 Subd. 10. **Nonprofit tickets or admissions.** (a) Tickets or admissions to an event are
92.28 exempt if all the gross receipts are recorded as such, in accordance with generally accepted
92.29 accounting principles, on the books of one or more organizations whose primary mission
92.30 is to provide an opportunity for citizens of the state to participate in the creation, performance,
92.31 or appreciation of the arts, and provided that each organization is:

93.1 (1) an organization described in section 501(c)(3) of the Internal Revenue Code in which
93.2 voluntary contributions make up at least five percent of the organization's annual revenue
93.3 in its most recently completed 12-month fiscal year, or in the current year if the organization
93.4 has not completed a 12-month fiscal year;

93.5 (2) a municipal board that promotes cultural and arts activities; or

93.6 (3) the University of Minnesota, a state college and university, or a private nonprofit
93.7 college or university provided that the event is held at a facility owned by the educational
93.8 institution holding the event.

99.4 The exemption only applies if the entire proceeds, after reasonable expenses, are used solely
 99.5 to provide opportunities for citizens of the state to participate in the creation, performance,
 99.6 or appreciation of the arts.

99.7 (b) Tickets or admissions to the premises of the Minnesota Zoological Garden are exempt,
 99.8 provided that the exemption under this paragraph does not apply to tickets or admissions
 99.9 to performances or events held on the premises unless the performance or event is sponsored
 99.10 and conducted exclusively by the Minnesota Zoological Board or employees of the Minnesota
 99.11 Zoological Garden.

99.12 (c) Tickets or admissions to a performance or event on the premises of a tax-exempt
 99.13 organization under section 501(c)(3) of the Internal Revenue Code are exempt if:

99.14 (1) the nonprofit organization was established to preserve Minnesota's rural agricultural
 99.15 heritage and focuses on educating the public about rural history and how farms in Minnesota
 99.16 helped to provide food for the nation and the world;

99.17 (2) the premises of the nonprofit organization is at least 115 acres;

99.18 (3) the performance or event is sponsored and conducted exclusively by volunteers,
 99.19 employees of the nonprofit organization, or members of the board of directors of the nonprofit
 99.20 organization; and

99.21 (4) the performance or event is consistent with the nonprofit organization's purposes
 99.22 under section 501(c)(3) of the Internal Revenue Code.

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

99.24 Sec. 9. Minnesota Statutes 2018, section 297A.70, subdivision 20, is amended to read:

99.25 Subd. 20. **Ice arenas and rinks.** Sales to organizations that exist primarily for the purpose
 99.26 of owning or operating ice arenas or rinks that are (1) part of either the Duluth Heritage
 99.27 Sports Center or the David M. Thaler Sports Center; and (2) are used for youth and high
 99.28 school programs, are exempt if the organization is a private, nonprofit corporation exempt
 99.29 from federal income taxation under section 501(c)(3) of the Internal Revenue Code.

99.30 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
 99.31 30, 2019.

100.1 Sec. 10. Minnesota Statutes 2018, section 297A.70, is amended by adding a subdivision
 100.2 to read:

100.3 Subd. 21. **County agricultural society sales at county fairs.** Sales by a county
 100.4 agricultural society during a regularly scheduled county fair are exempt. For purposes of
 100.5 this subdivision, sales include admissions to and parking at the county fairgrounds,
 100.6 admissions to separately ticketed events run by the county agricultural society, and
 100.7 concessions and other sales made by employees or volunteers of the county agricultural

93.9 The exemption only applies if the entire proceeds, after reasonable expenses, are used solely
 93.10 to provide opportunities for citizens of the state to participate in the creation, performance,
 93.11 or appreciation of the arts.

93.12 (b) Tickets or admissions to the premises of the Minnesota Zoological Garden are exempt,
 93.13 provided that the exemption under this paragraph does not apply to tickets or admissions
 93.14 to performances or events held on the premises unless the performance or event is sponsored
 93.15 and conducted exclusively by the Minnesota Zoological Board or employees of the Minnesota
 93.16 Zoological Garden.

93.17 (c) Tickets or admissions to a performance or event on the premises of a tax-exempt
 93.18 organization under section 501(c)(3) of the Internal Revenue Code are exempt if:

93.19 (1) the nonprofit organization was established to preserve Minnesota's rural agricultural
 93.20 heritage and focuses on educating the public about rural history and how farms in Minnesota
 93.21 helped to provide food for the nation and the world;

93.22 (2) the premises of the nonprofit organization is at least 115 acres;

93.23 (3) the performance or event is sponsored and conducted exclusively by volunteers,
 93.24 employees of the nonprofit organization, or members of the board of directors of the nonprofit
 93.25 organization; and

93.26 (4) the performance or event is consistent with the nonprofit organization's purposes
 93.27 under section 501(c)(3) of the Internal Revenue Code.

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

93.29 Sec. 9. Minnesota Statutes 2018, section 297A.70, subdivision 20, is amended to read:

93.30 Subd. 20. **Ice arenas and rinks.** Sales to organizations that exist primarily for the purpose
 93.31 of owning or operating ice arenas or rinks that are (1) part of either the Duluth Heritage
 93.32 Sports Center or the David M. Thaler Sports Center; and (2) are used for youth and high
 94.1 school programs, are exempt if the organization is a private, nonprofit corporation exempt
 94.2 from federal income taxation under section 501(c)(3) of the Internal Revenue Code.

94.3 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
 94.4 30, 2019.

94.5 Sec. 10. Minnesota Statutes 2018, section 297A.70, is amended by adding a subdivision
 94.6 to read:

94.7 Subd. 21. **County agricultural society sales at county fairs.** Sales by a county
 94.8 agricultural society during a regularly scheduled county fair are exempt. For purposes of
 94.9 this subdivision, sales include admissions to and parking at the county fairgrounds,
 94.10 admissions to separately ticketed events run by the county agricultural society, and
 94.11 concessions and other sales made by employees or volunteers of the county agricultural

100.8 society on the county fairgrounds. This exemption does not apply to sales or events by a
 100.9 county agricultural society held at a time other than at the time of the regularly scheduled
 100.10 county fair, or events not held on the county fairgrounds.

100.11 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
 100.12 30, 2019.

100.13 Sec. 11. Minnesota Statutes 2018, section 297A.71, subdivision 50, is amended to read:

100.14 Subd. 50. **Properties destroyed by fire.** (a) Building materials and supplies used in,
 100.15 and equipment incorporated into, the construction or replacement of real property that is
 100.16 located in Melrose affected by the fire on September 8, 2016, are exempt.

100.17 (b) For sales and purchases made for the periods of (1) after September 30, 2016, and
 100.18 before July 1, 2017, and (2) after December 31, 2018, and before July 1, 2019, the tax must
 100.19 be imposed and collected as if the rate under section 297A.62, subdivision 1, applied and
 100.20 then refunded in the manner provided in section 297A.75.

100.21 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
 100.22 made after December 31, 2018.

100.23 Sec. 12. Minnesota Statutes 2018, section 297A.71, is amended by adding a subdivision
 100.24 to read:

100.25 Subd. 51. **Properties destroyed by fire.** (a) Building materials and supplies used or
 100.26 consumed in, and equipment incorporated into, the construction or replacement of real
 100.27 property affected by, and capital equipment to replace equipment destroyed in, the fire on
 100.28 March 11, 2018, in the city of Mazeppa are exempt. The tax must be imposed and collected
 100.29 as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner
 100.30 provided in section 297A.75. For purposes of this subdivision, "capital equipment" includes
 100.31 durable equipment used in a restaurant for food storage, preparation, and serving.

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

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

101.4 Sec. 13. Minnesota Statutes 2018, section 297A.71, is amended by adding a subdivision
 101.5 to read:

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

94.12 society on the county fairgrounds. This exemption does not apply to sales or events by a
 94.13 county agricultural society held at a time other than at the time of the regularly scheduled
 94.14 county fair, or events not held on the county fairgrounds.

94.15 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
 94.16 30, 2019.

94.17 Sec. 11. Minnesota Statutes 2018, section 297A.71, subdivision 50, is amended to read:

94.18 Subd. 50. **Properties destroyed by fire.** (a) Building materials and supplies used in,
 94.19 and equipment incorporated into, the construction or replacement of real property that is
 94.20 located in Melrose affected by the fire on September 8, 2016, are exempt.

94.21 (b) For sales and purchases made for the periods of (1) after September 30, 2016, and
 94.22 before July 1, 2017, and (2) after December 31, 2018, and before July 1, 2019, the tax must
 94.23 be imposed and collected as if the rate under section 297A.62, subdivision 1, applied and
 94.24 then refunded in the manner provided in section 297A.75.

94.25 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
 94.26 made after December 31, 2018.

94.27 Sec. 12. Minnesota Statutes 2018, section 297A.71, is amended by adding a subdivision
 94.28 to read:

94.29 Subd. 51. **Properties destroyed by fire.** (a) Building materials and supplies used or
 94.30 consumed in, and equipment incorporated into, the construction or replacement of real
 94.31 property affected by, and capital equipment to replace equipment destroyed in, the fire on
 95.1 March 11, 2018, in the city of Mazeppa are exempt. The tax must be imposed and collected
 95.2 as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner
 95.3 provided in section 297A.75. For purposes of this subdivision, "capital equipment" includes
 95.4 durable equipment used in a restaurant for food storage, preparation, and serving.

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

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

95.8 Sec. 13. Minnesota Statutes 2018, section 297A.71, is amended by adding a subdivision
 95.9 to read:

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

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

- 101.9 (1) a new fire station, which includes firefighting, emergency management, public safety
 101.10 training, and other public safety facilities in the city of Monticello if materials, supplies,
 101.11 and equipment are purchased after January 31, 2019, and before January 1, 2022;
- 101.12 (2) a new fire station, which includes firefighting and public safety training facilities
 101.13 and public safety facilities, in the city of Inver Grove Heights if materials, supplies, and
 101.14 equipment are purchased after June 30, 2018, and before January 1, 2021;
- 101.15 (3) a fire station and police station, including access roads, lighting, sidewalks, and
 101.16 utility components, on or adjacent to the property on which the fire station or police station
 101.17 are located that are necessary for safe access to and use of those buildings, in the city of
 101.18 Minnetonka if materials, supplies, and equipment are purchased after May 23, 2019, and
 101.19 before January 1, 2021;
- 101.20 (4) the school building in Independent School District No. 414, Minneota, if materials,
 101.21 supplies, and equipment are purchased after January 1, 2018, and before January 1, 2021;
- 101.22 (5) a fire station in the city of Mendota Heights, if materials, supplies, and equipment
 101.23 are purchased after December 31, 2018, and before January 1, 2021; and
- 101.24 (6) a Dakota County law enforcement collaboration center, also known as the Safety
 101.25 and Mental Health Alternative Response Training (SMART) Center, if materials, supplies,
 101.26 and equipment are purchased after June 30, 2019, and before July 1, 2021.
- 101.27 (b) The tax must be imposed and collected as if the rate under section 297A.62,
 101.28 subdivision 1, applied and then refunded in the manner provided in section 297A.75.
- 101.29 (c) The total refund for the project listed in paragraph (a), clause (3), must not exceed
 101.30 \$850,000.
- 102.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 102.2 applies retroactively to sales and purchases made during the time periods listed for each
 102.3 project in paragraph (a).
- 102.4 Sec. 14. Minnesota Statutes 2018, section 297A.75, subdivision 1, is amended to read:
- 102.5 Subdivision 1. **Tax collected.** The tax on the gross receipts from the sale of the following
 102.6 exempt items must be imposed and collected as if the sale were taxable and the rate under
 102.7 section 297A.62, subdivision 1, applied. The exempt items include:
- 102.8 (1) building materials for an agricultural processing facility exempt under section
 102.9 297A.71, subdivision 13;
- 102.10 (2) building materials for mineral production facilities exempt under section 297A.71,
 102.11 subdivision 14;
- 102.12 (3) building materials for correctional facilities under section 297A.71, subdivision 3;

- 95.16 (2) a new fire station, which includes firefighting and public safety training facilities
 95.17 and public safety facilities, in the city of Inver Grove Heights if materials, supplies, and
 95.18 equipment are purchased after June 30, 2018, and before January 1, 2021;
- 95.19 (3) a fire station and police station, including access roads, lighting, sidewalks, and
 95.20 utility components, on or adjacent to the property on which the fire station or police station
 95.21 are located that are necessary for safe access to and use of those buildings, in the city of
 95.22 Minnetonka if materials, supplies, and equipment are purchased after May 23, 2019, and
 95.23 before January 1, 2021;
- 95.24 (4) the school building in Independent School District No. 414, Minneota, if materials,
 95.25 supplies, and equipment are purchased after January 1, 2018, and before January 1, 2021;
- 95.26 (5) a fire station in the city of Mendota Heights, if materials, supplies, and equipment
 95.27 are purchased after December 31, 2018, and before January 1, 2021; and
- 95.28 (6) a Dakota County law enforcement collaboration center, also known as the Safety
 95.29 and Mental Health Alternative Response Training (SMART) Center, if materials, supplies,
 95.30 and equipment are purchased after June 30, 2019, and before July 1, 2021.
- 95.31 (b) The tax must be imposed and collected as if the rate under section 297A.62,
 95.32 subdivision 1, applied and then refunded in the manner provided in section 297A.75.
- 96.1 (c) The total refund for the project listed in paragraph (a), clause (3), must not exceed
 96.2 \$850,000.
- 96.3 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 96.4 applies retroactively to sales and purchases made during the time periods listed for each
 96.5 project in paragraph (a).
- 96.6 Sec. 14. Minnesota Statutes 2018, section 297A.75, subdivision 1, is amended to read:
- 96.7 Subdivision 1. **Tax collected.** The tax on the gross receipts from the sale of the following
 96.8 exempt items must be imposed and collected as if the sale were taxable and the rate under
 96.9 section 297A.62, subdivision 1, applied. The exempt items include:
- 96.10 (1) building materials for an agricultural processing facility exempt under section
 96.11 297A.71, subdivision 13;
- 96.12 (2) building materials for mineral production facilities exempt under section 297A.71,
 96.13 subdivision 14;
- 96.14 (3) building materials for correctional facilities under section 297A.71, subdivision 3;

- 102.13 (4) building materials used in a residence for disabled veterans exempt under section
102.14 297A.71, subdivision 11;
- 102.15 (5) elevators and building materials exempt under section 297A.71, subdivision 12;
- 102.16 (6) materials and supplies for qualified low-income housing under section 297A.71,
102.17 subdivision 23;
- 102.18 (7) materials, supplies, and equipment for municipal electric utility facilities under
102.19 section 297A.71, subdivision 35;
- 102.20 (8) equipment and materials used for the generation, transmission, and distribution of
102.21 electrical energy and an aerial camera package exempt under section 297A.68, subdivision
102.22 37;
- 102.23 (9) commuter rail vehicle and repair parts under section 297A.70, subdivision 3, paragraph
102.24 (a), clause (10);
- 102.25 (10) materials, supplies, and equipment for construction or improvement of projects and
102.26 facilities under section 297A.71, subdivision 40;
- 102.27 (11) materials, supplies, and equipment for construction, improvement, or expansion
102.28 of:
- 102.29 (i) an aerospace defense manufacturing facility exempt under Minnesota Statutes 2014,
102.30 section 297A.71, subdivision 42;
- 103.1 (ii) a biopharmaceutical manufacturing facility exempt under section 297A.71, subdivision
103.2 45;
- 103.3 (iii) a research and development facility exempt under Minnesota Statutes 2014, section
103.4 297A.71, subdivision 46; and
- 103.5 (iv) an industrial measurement manufacturing and controls facility exempt under
103.6 Minnesota Statutes 2014, section 297A.71, subdivision 47;
- 103.7 (12) enterprise information technology equipment and computer software for use in a
103.8 qualified data center exempt under section 297A.68, subdivision 42;
- 103.9 (13) materials, supplies, and equipment for qualifying capital projects under section
103.10 297A.71, subdivision 44, paragraph (a), clause (1), and paragraph (b);
- 103.11 (14) items purchased for use in providing critical access dental services exempt under
103.12 section 297A.70, subdivision 7, paragraph (c);

- 96.15 (4) building materials used in a residence for disabled veterans exempt under section
96.16 297A.71, subdivision 11;
- 96.17 (5) elevators and building materials exempt under section 297A.71, subdivision 12;
- 96.18 (6) materials and supplies for qualified low-income housing under section 297A.71,
96.19 subdivision 23;
- 96.20 (7) materials, supplies, and equipment for municipal electric utility facilities under
96.21 section 297A.71, subdivision 35;
- 96.22 (8) equipment and materials used for the generation, transmission, and distribution of
96.23 electrical energy and an aerial camera package exempt under section 297A.68, subdivision
96.24 37;
- 96.25 (9) commuter rail vehicle and repair parts under section 297A.70, subdivision 3, paragraph
96.26 (a), clause (10);
- 96.27 (10) materials, supplies, and equipment for construction or improvement of projects and
96.28 facilities under section 297A.71, subdivision 40;
- 96.29 (11) materials, supplies, and equipment for construction, improvement, or expansion
96.30 of:
- 97.1 (i) an aerospace defense manufacturing facility exempt under Minnesota Statutes 2014,
97.2 section 297A.71, subdivision 42;
- 97.3 (ii) a biopharmaceutical manufacturing facility exempt under section 297A.71, subdivision
97.4 45;
- 97.5 (iii) a research and development facility exempt under Minnesota Statutes 2014, section
97.6 297A.71, subdivision 46; and
- 97.7 (iv) an industrial measurement manufacturing and controls facility exempt under
97.8 Minnesota Statutes 2014, section 297A.71, subdivision 47;
- 97.9 (12) enterprise information technology equipment and computer software for use in a
97.10 qualified data center exempt under section 297A.68, subdivision 42;
- 97.11 (13) materials, supplies, and equipment for qualifying capital projects under section
97.12 297A.71, subdivision 44, paragraph (a), clause (1), and paragraph (b);
- 97.13 (14) items purchased for use in providing critical access dental services exempt under
97.14 section 297A.70, subdivision 7, paragraph (c);

103.13 (15) items and services purchased under a business subsidy agreement for use or
 103.14 consumption primarily in greater Minnesota exempt under section 297A.68, subdivision
 103.15 44;

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

103.19 (17) building materials, equipment, and supplies for ~~constructing or replacing real~~
 103.20 ~~property exempt under section 297A.71, subdivision 50, paragraph (b). qualifying capital~~
 103.21 projects under section 297A.71, subdivision 52.

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

103.23 Sec. 15. Minnesota Statutes 2018, section 297A.75, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

104.10 (9) for subdivision 1, clause (16), the applicant must be the owner or developer of the
 104.11 building or project; ~~and.~~

104.12 ~~(10) for subdivision 1, clause (17), the applicant must be the owner or developer of the~~
 104.13 ~~building or project.~~

97.15 (15) items and services purchased under a business subsidy agreement for use or
 97.16 consumption primarily in greater Minnesota exempt under section 297A.68, subdivision
 97.17 44;

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

97.21 (17) building materials, equipment, and supplies for ~~constructing or replacing real~~
 97.22 ~~property exempt under section 297A.71, subdivision 50, paragraph (b). qualifying capital~~
 97.23 projects under section 297A.71, subdivision 52.

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

97.25 Sec. 15. Minnesota Statutes 2018, section 297A.75, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

98.12 (9) for subdivision 1, clause (16), the applicant must be the owner or developer of the
 98.13 building or project; ~~and.~~

98.14 ~~(10) for subdivision 1, clause (17), the applicant must be the owner or developer of the~~
 98.15 ~~building or project.~~

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

104.15 Sec. 16. Minnesota Statutes 2018, section 297F.09, subdivision 10, is amended to read:

104.16 Subd. 10. **Accelerated tax payment; cigarette or tobacco products distributor.** A

104.17 cigarette or tobacco products distributor having a liability of \$250,000 or more during a

104.18 fiscal year ending June 30, shall remit the June liability for the next year in the following

104.19 manner:

104.20 (a) Two business days before June 30 of ~~the year~~ calendar years 2020 and 2021, the

104.21 distributor shall remit the actual May liability and ~~81.4~~ 87.5 percent of the estimated June

104.22 liability to the commissioner and file the return in the form and manner prescribed by the

104.23 commissioner.

104.24 (b) On or before August 18 of the year, the distributor shall submit a return showing the

104.25 actual June liability and pay any additional amount of tax not remitted in June. A penalty

104.26 is imposed equal to ten percent of the amount of June liability required to be paid in June,

104.27 less the amount remitted in June. However, the penalty is not imposed if the amount remitted

104.28 in June equals the lesser of:

104.29 (1) ~~81.4~~ 87.5 percent of the actual June liability for the calendar year 2020 and 2021

104.30 June liabilities and 84.5 of the actual June liability for June 2022 and thereafter; or

105.1 (2) ~~81.4~~ 87.5 percent of the preceding May liability for the calendar year 2020 and 2021

105.2 June liabilities and 84.5 percent of the preceding May liability for June 2022 and thereafter.

105.3 (c) For calendar year 2022 and thereafter, the percent of the estimated June liability the

105.4 vendor must remit by two business days before June 30 is ~~84.5~~ 84.5 percent.

105.5 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June

105.6 30, 2019.

105.7 Sec. 17. Minnesota Statutes 2018, section 297G.09, subdivision 9, is amended to read:

105.8 Subd. 9. **Accelerated tax payment; penalty.** A person liable for tax under this chapter

105.9 having a liability of \$250,000 or more during a fiscal year ending June 30, shall remit the

105.10 June liability for the next year in the following manner:

105.11 (a) Two business days before June 30 of ~~the year~~ calendar years 2020 and 2021, the

105.12 taxpayer shall remit the actual May liability and ~~81.4~~ 87.5 percent of the estimated June

105.13 liability to the commissioner and file the return in the form and manner prescribed by the

105.14 commissioner.

105.15 (b) On or before August 18 of the year, the taxpayer shall submit a return showing the

105.16 actual June liability and pay any additional amount of tax not remitted in June. A penalty

105.17 is imposed equal to ten percent of the amount of June liability required to be paid in June

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

98.17 Sec. 16. Minnesota Statutes 2018, section 297F.09, subdivision 10, is amended to read:

98.18 Subd. 10. **Accelerated tax payment; cigarette or tobacco products distributor.** A

98.19 cigarette or tobacco products distributor having a liability of \$250,000 or more during a

98.20 fiscal year ending June 30, shall remit the June liability for the next year in the following

98.21 manner:

98.22 (a) Two business days before June 30 of ~~the year~~ calendar years 2020 and 2021, the

98.23 distributor shall remit the actual May liability and ~~81.4~~ 87.5 percent of the estimated June

98.24 liability to the commissioner and file the return in the form and manner prescribed by the

98.25 commissioner.

98.26 (b) On or before August 18 of the year, the distributor shall submit a return showing the

98.27 actual June liability and pay any additional amount of tax not remitted in June. A penalty

98.28 is imposed equal to ten percent of the amount of June liability required to be paid in June,

98.29 less the amount remitted in June. However, the penalty is not imposed if the amount remitted

98.30 in June equals the lesser of:

98.31 (1) ~~81.4~~ 87.5 percent of the actual June liability; or

99.1 (2) ~~81.4~~ 87.5 percent of the preceding May liability.

99.2 (c) For calendar year 2022 and thereafter, the percent of the estimated June liability the

99.3 vendor must remit by two business days before June 30 is ~~82~~ 82 percent.

99.4 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June

99.5 30, 2019.

99.6 Sec. 17. Minnesota Statutes 2018, section 297G.09, subdivision 9, is amended to read:

99.7 Subd. 9. **Accelerated tax payment; penalty.** A person liable for tax under this chapter

99.8 having a liability of \$250,000 or more during a fiscal year ending June 30, shall remit the

99.9 June liability for the next year in the following manner:

99.10 (a) Two business days before June 30 of ~~the year~~ calendar years 2020 and 2021, the

99.11 taxpayer shall remit the actual May liability and ~~81.4~~ 87.5 percent of the estimated June

99.12 liability to the commissioner and file the return in the form and manner prescribed by the

99.13 commissioner.

99.14 (b) On or before August 18 of the year, the taxpayer shall submit a return showing the

99.15 actual June liability and pay any additional amount of tax not remitted in June. A penalty

99.16 is imposed equal to ten percent of the amount of June liability required to be paid in June

105.18 less the amount remitted in June. However, the penalty is not imposed if the amount remitted
105.19 in June equals the lesser of:

105.20 (1) ~~81.4~~ 87.5 percent of the actual June liability for the calendar year 2020 and 2021
105.21 June liabilities and 84.5 percent of the actual June liability for June 2022 and thereafter; or

105.22 (2) ~~81.4~~ 87.5 percent of the preceding May liability for the calendar year 2020 and 2021
105.23 June liabilities and 84.5 percent of the preceding May liability for June 2022 and thereafter.

105.24 (c) For calendar year 2022 and thereafter, the percent of the estimated June liability the
105.25 vendor must remit by two business days before June 30 is 84.5 percent.

105.26 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
105.27 30, 2019.

105.28 Sec. 18. Laws 2017, First Special Session chapter 1, article 3, section 32, the effective
105.29 date, is amended to read:

105.30 **EFFECTIVE DATE.** Paragraph (a) is effective retroactively for sales and purchases
105.31 made after September 30, 2016, and before January 1, ~~2019~~ 2023. Paragraph (b) is effective
106.1 for sales and purchases made (1) after September 30, 2016, and before July 1, 2017; and
106.2 (2) after December 31, 2018, and before July 1, 2019.

106.3 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2019.

106.4 Sec. 19. **REPEALER.**

106.5 Minnesota Statutes 2018, section 297A.66, subdivision 4b, is repealed.

106.6 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
106.7 September 30, 2019.

ARTICLE 4

PROPERTY TAX

106.10 Section 1. Minnesota Statutes 2018, section 103D.905, subdivision 5, is amended to read:

106.11 Subd. 5. **Construction or implementation fund.** (a) A construction or implementation
106.12 fund consists of:

106.13 (1) the proceeds of watershed district bonds or notes or of the sale of county bonds;

106.14 (2) construction or implementation loans or grants from the ~~Pollution Control Agency~~
106.15 ~~under sections 103F.701 to 103F.755, state~~ or from any agency of the federal government;
106.16 and

99.17 less the amount remitted in June. However, the penalty is not imposed if the amount remitted
99.18 in June equals the lesser of:

99.19 (1) ~~81.4~~ 87.5 percent of the actual June liability; or

99.20 (2) ~~81.4~~ 87.5 percent of the preceding May liability.

99.21 (c) For calendar year 2022 and thereafter, the percent of the estimated June liability the
99.22 vendor must remit by two business days before June 30 is 82 percent.

99.23 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
99.24 30, 2019.

99.25 Sec. 18. Laws 2017, First Special Session chapter 1, article 3, section 32, the effective
99.26 date, is amended to read:

99.27 **EFFECTIVE DATE.** Paragraph (a) is effective retroactively for sales and purchases
99.28 made after September 30, 2016, and before January 1, ~~2019~~ 2023. Paragraph (b) is effective
99.29 for sales and purchases made (1) after September 30, 2016, and before July 1, 2017; and
99.30 (2) after December 31, 2018, and before July 1, 2019.

99.31 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2019.

100.1 Sec. 19. **REPEALER.**

100.2 Minnesota Statutes 2018, section 297A.66, subdivision 4b, is repealed.

100.3 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
100.4 September 30, 2019.

ARTICLE 4

PROPERTY TAX

100.7 Section 1. Minnesota Statutes 2018, section 103D.905, subdivision 5, is amended to read:

100.8 Subd. 5. **Construction or implementation fund.** (a) A construction or implementation
100.9 fund consists of:

100.10 (1) the proceeds of watershed district bonds or notes or of the sale of county bonds;

100.11 (2) construction or implementation loans or grants from the ~~Pollution Control Agency~~
100.12 ~~under sections 103F.701 to 103F.755, state~~ or from any agency of the federal government;
100.13 and

106.17 (3) special assessments, storm water charges, loan repayments, and ad valorem tax levies
 106.18 levied or to be levied to supply funds for the construction or implementation of the projects
 106.19 of the watershed district, including reservoirs, ditches, dikes, canals, channels, storm water
 106.20 facilities, sewage treatment facilities, wells, and other works, and the expenses incident to
 106.21 and connected with the construction or implementation.

106.22 (b) Construction or implementation loans or grants from the ~~Pollution Control Agency~~
 106.23 ~~under sections 103F.701 to 103F.755,~~ state or from an agency of the federal government
 106.24 may be repaid from the proceeds of watershed district bonds or notes or from the collections
 106.25 of storm water charges, loan repayments, ad valorem tax levies, or special assessments on
 106.26 properties benefited by the project.

106.27 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020
 106.28 and thereafter.

107.1 Sec. 2. Minnesota Statutes 2018, section 103D.905, subdivision 9, is amended to read:

107.2 Subd. 9. **Project tax levy. (a)** In addition to other tax levies provided in this section or
 107.3 in any other law, a watershed district may levy a tax:

107.4 (1) to pay the costs of projects undertaken by the watershed district ~~which that are to be~~
 107.5 ~~funded, in whole or in part, with the proceeds of money appropriated by law for grants or~~
 107.6 ~~construction or implementation loans under sections 103F.701 to 103F.755 to the district;~~

107.7 (2) to pay the principal of, or premium or administrative surcharge, if any, and interest
 107.8 ~~on, the bonds and or notes issued by the watershed district pursuant to section 103F.725 to~~
 107.9 ~~repay such loans; or~~

107.10 (3) to repay ~~the construction or implementation such~~ loans ~~under sections 103F.701 to~~
 107.11 ~~103F.755.~~

107.12 (b) Taxes levied with respect to payment of bonds and notes ~~shall~~ must comply with
 107.13 section 475.61.

107.14 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020
 107.15 and thereafter.

107.16 Sec. 3. Minnesota Statutes 2018, section 138.053, is amended to read:

107.17 **138.053 COUNTY HISTORICAL SOCIETY; TAX LEVY; CITIES OR TOWNS.**

107.18 The governing body of any home rule charter or statutory city or town may annually
 107.19 appropriate from its general fund an amount not to exceed 0.02418 percent of estimated
 107.20 market value, derived from ad valorem taxes on property or other revenues, to be paid to
 107.21 the historical society of its respective city, town, or county to be used for the promotion of
 107.22 historical work and to aid in defraying the expenses of carrying on the historical work in
 107.23 the city, town, or county. No city or town may appropriate any funds for the benefit of any

100.14 (3) special assessments, storm water charges, loan repayments, and ad valorem tax levies
 100.15 levied or to be levied to supply funds for the construction or implementation of the projects
 100.16 of the watershed district, including reservoirs, ditches, dikes, canals, channels, storm water
 100.17 facilities, sewage treatment facilities, wells, and other works, and the expenses incident to
 100.18 and connected with the construction or implementation.

100.19 (b) Construction or implementation loans or grants from the ~~Pollution Control Agency~~
 100.20 ~~under sections 103F.701 to 103F.755,~~ state or from an agency of the federal government
 100.21 may be repaid from the proceeds of watershed district bonds or notes or from the collections
 100.22 of storm water charges, loan repayments, ad valorem tax levies, or special assessments on
 100.23 properties benefited by the project.

100.24 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020
 100.25 and thereafter.

100.26 Sec. 2. Minnesota Statutes 2018, section 103D.905, subdivision 9, is amended to read:

100.27 Subd. 9. **Project tax levy. (a)** In addition to other tax levies provided in this section or
 100.28 in any other law, a watershed district may levy a tax:

100.29 (1) to pay the costs of projects undertaken by the watershed district ~~which that are to be~~
 100.30 ~~funded, in whole or in part, with the proceeds of money appropriated by law for grants or~~
 100.31 ~~construction or implementation loans under sections 103F.701 to 103F.755 to the district;~~

101.1 (2) to pay the principal of, or premium or administrative surcharge, if any, and interest
 101.2 ~~on, the bonds and or notes issued by the watershed district pursuant to section 103F.725 to~~
 101.3 ~~repay such loans; or~~

101.4 (3) to repay ~~the construction or implementation such~~ loans ~~under sections 103F.701 to~~
 101.5 ~~103F.755.~~

101.6 (b) Taxes levied with respect to payment of bonds and notes ~~shall~~ must comply with
 101.7 section 475.61.

101.8 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020
 101.9 and thereafter.

101.10 Sec. 3. Minnesota Statutes 2018, section 138.053, is amended to read:

101.11 **138.053 COUNTY HISTORICAL SOCIETY; TAX LEVY; CITIES OR TOWNS.**

101.12 The governing body of any home rule charter or statutory city or town may annually
 101.13 appropriate from its general fund an amount not to exceed 0.02418 percent of estimated
 101.14 market value, derived from ad valorem taxes on property or other revenues, to be paid to
 101.15 the historical society of its respective city, town, or county to be used for the promotion of
 101.16 historical work and to aid in defraying the expenses of carrying on the historical work in
 101.17 the city, town, or county. No city or town may appropriate any funds for the benefit of any

107.24 historical society unless the society is affiliated with and approved by the Minnesota
107.25 Historical Society.

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

107.27 Sec. 4. Minnesota Statutes 2018, section 197.603, subdivision 2, is amended to read:

107.28 Subd. 2. **Records; data privacy.** Pursuant to chapter 13 the county veterans service
107.29 officer is the responsible authority with respect to all records in the officer's custody. The
107.30 data on clients' applications for assistance is private data on individuals, as defined in section
107.31 13.02, subdivision 12. The county veterans service officer may disclose to the county or
108.1 local assessor private data necessary to determine a client's eligibility for the veteran with
108.2 a disability homestead market value exclusion under section 273.13, subdivision 34.

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

108.4 Sec. 5. Minnesota Statutes 2018, section 272.02, subdivision 49, is amended to read:

108.5 Subd. 49. **Agricultural historical society property.** Property is exempt from taxation
108.6 if it is owned by a nonprofit charitable or educational organization that qualifies for
108.7 exemption under section 501(c)(3) of the Internal Revenue Code and meets the following
108.8 criteria:

108.9 (1) the property is primarily used for storing and exhibiting tools, equipment, and artifacts
108.10 useful in providing an understanding of local or regional agricultural history. Primary use
108.11 is determined each year based on the number of days the property is used solely for storage
108.12 and exhibition purposes;

108.13 (2) the property is limited to a maximum of ~~20~~ 40 acres per owner per county, but
108.14 includes the land and any taxable structures, fixtures, and equipment on the land;

108.15 (3) the property is not used for a revenue-producing activity for more than ten days in
108.16 each calendar year; and

108.17 (4) the property is not used for residential purposes on either a temporary or permanent
108.18 basis.

108.19 For assessment year 2019 only, an exemption application under this subdivision must be
108.20 filed with the county assessor by July 1, 2019.

108.21 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2019,
108.22 for taxes payable in 2020, and thereafter.

101.18 historical society unless the society is affiliated with and approved by the Minnesota
101.19 Historical Society.

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

101.21 Sec. 4. Minnesota Statutes 2018, section 197.603, subdivision 2, is amended to read:

101.22 Subd. 2. **Records; data privacy.** Pursuant to chapter 13 the county veterans service
101.23 officer is the responsible authority with respect to all records in the officer's custody. The
101.24 data on clients' applications for assistance is private data on individuals, as defined in section
101.25 13.02, subdivision 12. The county veterans service officer may disclose to the county or
101.26 local assessor private data necessary to determine a client's eligibility for the veteran with
101.27 a disability homestead market value exclusion under section 273.13, subdivision 34.

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

101.29 Sec. 5. Minnesota Statutes 2018, section 272.02, subdivision 49, is amended to read:

101.30 Subd. 49. **Agricultural historical society property.** Property is exempt from taxation
101.31 if it is owned by a nonprofit charitable or educational organization that qualifies for
102.1 exemption under section 501(c)(3) of the Internal Revenue Code and meets the following
102.2 criteria:

102.3 (1) the property is primarily used for storing and exhibiting tools, equipment, and artifacts
102.4 useful in providing an understanding of local or regional agricultural history. Primary use
102.5 is determined each year based on the number of days the property is used solely for storage
102.6 and exhibition purposes;

102.7 (2) the property is limited to a maximum of ~~20~~ 40 acres per owner per county, but
102.8 includes the land and any taxable structures, fixtures, and equipment on the land;

102.9 (3) the property is not used for a revenue-producing activity for more than ten days in
102.10 each calendar year; and

102.11 (4) the property is not used for residential purposes on either a temporary or permanent
102.12 basis.

102.13 For assessment year 2019 only, an exemption application under this subdivision must be
102.14 filed with the county assessor by July 1, 2019.

102.15 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2019,
102.16 for taxes payable in 2020, and thereafter.

108.23 Sec. 6. Minnesota Statutes 2018, section 272.02, is amended by adding a subdivision to
 108.24 read:

108.25 Subd. 102. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

108.26 (1) is located in a city of the first class with a population of more than 380,000 as of the
 108.27 2010 federal census;

108.28 (2) was on January 1, 2016, and is for the current assessment, owned by a federally
 108.29 recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota;
 108.30 and

109.1 (3) is used exclusively as a pharmacy, as defined in section 151.01, subdivision 2.

109.2 (b) Property that qualifies for the exemption under this subdivision is limited to parcels
 109.3 and structures that do not exceed, in the aggregate, 4,000 square feet. Property acquired for
 109.4 single-family housing, market-rate apartments, agriculture, or forestry does not qualify for
 109.5 this exemption.

109.6 For assessment year 2019 only, an exemption application under this subdivision must be
 109.7 filed with the county assessor by July 1, 2019. The exemption created by this subdivision
 109.8 expires with taxes payable in 2029.

109.9 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020
 109.10 and thereafter.

109.11 Sec. 7. Minnesota Statutes 2018, section 272.02, is amended by adding a subdivision to
 109.12 read:

109.13 Subd. 103. **Licensed child care facility.** Property used as a licensed child care facility
 109.14 that accepts families participating in the child care assistance program under chapter 119B,
 109.15 and that is owned and operated by a nonprofit charitable organization that qualifies for tax
 109.16 exemption under section 501(c)(3) of the Internal Revenue Code, is exempt. For the purposes
 109.17 of this subdivision, "licensed child care facility" means a child care center licensed under
 109.18 Minnesota Rules, chapter 9503, or a facility used to provide licensed family day care or
 109.19 group family day care as defined under Minnesota Rules, chapter 9502.

109.20 For assessment year 2019 only, an exemption application under this subdivision must be
 109.21 filed with the county assessor by July 1, 2019.

109.22 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2019,
 109.23 for taxes payable in 2020.

109.24 Sec. 8. Minnesota Statutes 2018, section 272.115, subdivision 1, is amended to read:

109.25 Subdivision 1. **Requirement.** Except as otherwise provided in subdivision 5, 6, or 7,
 109.26 whenever any real estate is sold for a consideration in excess of ~~\$1,000~~ \$3,000, whether by

102.17 Sec. 6. Minnesota Statutes 2018, section 272.02, is amended by adding a subdivision to
 102.18 read:

102.19 Subd. 102. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

102.20 (1) is located in a city of the first class with a population of more than 380,000 as of the
 102.21 2010 federal census;

102.22 (2) was on January 1, 2016, and is for the current assessment, owned by a federally
 102.23 recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota;
 102.24 and

102.25 (3) is used exclusively as a pharmacy, as defined in section 151.01, subdivision 2.

102.26 (b) Property that qualifies for the exemption under this subdivision is limited to parcels
 102.27 and structures that do not exceed, in the aggregate, 4,000 square feet. Property acquired for
 102.28 single-family housing, market-rate apartments, agriculture, or forestry does not qualify for
 102.29 this exemption.

103.1 For assessment year 2019 only, an exemption application under this subdivision must be
 103.2 filed with the county assessor by July 1, 2019. The exemption created by this subdivision
 103.3 expires with taxes payable in 2029.

103.4 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020
 103.5 and thereafter.

103.6 Sec. 7. Minnesota Statutes 2018, section 272.02, is amended by adding a subdivision to
 103.7 read:

103.8 Subd. 103. **Licensed child care facility.** Property used as a licensed child care facility
 103.9 that accepts families participating in the child care assistance program under chapter 119B,
 103.10 and that is owned and operated by a nonprofit charitable organization that qualifies for tax
 103.11 exemption under section 501(c)(3) of the Internal Revenue Code, is exempt. For the purposes
 103.12 of this subdivision, "licensed child care facility" means a child care center licensed under
 103.13 Minnesota Rules, chapter 9503, or a facility used to provide licensed family day care or
 103.14 group family day care as defined under Minnesota Rules, chapter 9502.

103.15 For assessment year 2019 only, an exemption application under this subdivision must be
 103.16 filed with the county assessor by July 1, 2019.

103.17 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2019,
 103.18 for taxes payable in 2020.

103.19 Sec. 8. Minnesota Statutes 2018, section 272.115, subdivision 1, is amended to read:

103.20 Subdivision 1. **Requirement.** Except as otherwise provided in subdivision 5, 6, or 7,
 103.21 whenever any real estate is sold for a consideration in excess of ~~\$1,000~~ \$3,000, whether by

109.27 warranty deed, quitclaim deed, contract for deed or any other method of sale, the grantor,
 109.28 grantee or the legal agent of either shall file a certificate of value with the county auditor
 109.29 in the county in which the property is located when the deed or other document is presented
 109.30 for recording. Contract for deeds are subject to recording under section 507.235, subdivision
 109.31 1. Value shall, in the case of any deed not a gift, be the amount of the full actual consideration
 109.32 thereof, paid or to be paid, including the amount of any lien or liens assumed. The items
 110.1 and value of personal property transferred with the real property must be listed and deducted
 110.2 from the sale price. The certificate of value shall include the classification to which the
 110.3 property belongs for the purpose of determining the fair market value of the property, and
 110.4 shall include any proposed change in use of the property known to the person filing the
 110.5 certificate that could change the classification of the property. The certificate shall include
 110.6 financing terms and conditions of the sale which are necessary to determine the actual,
 110.7 present value of the sale price for purposes of the sales ratio study. If the property is being
 110.8 acquired as part of a like-kind exchange under section 1031 of the Internal Revenue Code
 110.9 of 1986, as amended through December 31, 2006, that must be indicated on the certificate.
 110.10 The commissioner of revenue shall promulgate administrative rules specifying the financing
 110.11 terms and conditions which must be included on the certificate. The certificate of value
 110.12 must include the Social Security number or the federal employer identification number of
 110.13 the grantors and grantees. However, a married person who is not an owner of record and
 110.14 who is signing a conveyance instrument along with the person's spouse solely to release
 110.15 and convey their marital interest, if any, in the real property being conveyed is not a grantor
 110.16 for the purpose of the preceding sentence. A statement in the deed that is substantially in
 110.17 the following form is sufficient to allow the county auditor to accept a certificate for filing
 110.18 without the Social Security number of the named spouse: "(Name) claims no ownership
 110.19 interest in the real property being conveyed and is executing this instrument solely to release
 110.20 and convey a marital interest, if any, in that real property." The identification numbers of
 110.21 the grantors and grantees are private data on individuals or nonpublic data as defined in
 110.22 section 13.02, subdivisions 9 and 12, but, notwithstanding that section, the private or
 110.23 nonpublic data may be disclosed to the commissioner of revenue for purposes of tax
 110.24 administration. The information required to be shown on the certificate of value is limited
 110.25 to the information required as of the date of the acknowledgment on the deed or other
 110.26 document to be recorded.

110.27 **EFFECTIVE DATE.** This section is effective for certificates of value filed after
 110.28 December 31, 2019.

110.29 Sec. 9. Minnesota Statutes 2018, section 273.124, subdivision 3a, is amended to read:

110.30 Subd. 3a. **Manufactured home park cooperative.** (a) When a manufactured home park
 110.31 is owned by a corporation or association organized under chapter 308A or 308B, and each
 110.32 person who owns a share or shares in the corporation or association is entitled to occupy a
 110.33 lot within the park, the corporation or association may claim homestead treatment for the
 110.34 park. Each lot must be designated by legal description or number, and each lot is limited to
 110.35 not more than one-half acre of land.

103.22 warranty deed, quitclaim deed, contract for deed or any other method of sale, the grantor,
 103.23 grantee or the legal agent of either shall file a certificate of value with the county auditor
 103.24 in the county in which the property is located when the deed or other document is presented
 103.25 for recording. Contract for deeds are subject to recording under section 507.235, subdivision
 103.26 1. Value shall, in the case of any deed not a gift, be the amount of the full actual consideration
 103.27 thereof, paid or to be paid, including the amount of any lien or liens assumed. The items
 103.28 and value of personal property transferred with the real property must be listed and deducted
 103.29 from the sale price. The certificate of value shall include the classification to which the
 103.30 property belongs for the purpose of determining the fair market value of the property, and
 103.31 shall include any proposed change in use of the property known to the person filing the
 103.32 certificate that could change the classification of the property. The certificate shall include
 103.33 financing terms and conditions of the sale which are necessary to determine the actual,
 104.1 present value of the sale price for purposes of the sales ratio study. If the property is being
 104.2 acquired as part of a like-kind exchange under section 1031 of the Internal Revenue Code
 104.3 of 1986, as amended through December 31, 2006, that must be indicated on the certificate.
 104.4 The commissioner of revenue shall promulgate administrative rules specifying the financing
 104.5 terms and conditions which must be included on the certificate. The certificate of value
 104.6 must include the Social Security number or the federal employer identification number of
 104.7 the grantors and grantees. However, a married person who is not an owner of record and
 104.8 who is signing a conveyance instrument along with the person's spouse solely to release
 104.9 and convey their marital interest, if any, in the real property being conveyed is not a grantor
 104.10 for the purpose of the preceding sentence. A statement in the deed that is substantially in
 104.11 the following form is sufficient to allow the county auditor to accept a certificate for filing
 104.12 without the Social Security number of the named spouse: "(Name) claims no ownership
 104.13 interest in the real property being conveyed and is executing this instrument solely to release
 104.14 and convey a marital interest, if any, in that real property." The identification numbers of
 104.15 the grantors and grantees are private data on individuals or nonpublic data as defined in
 104.16 section 13.02, subdivisions 9 and 12, but, notwithstanding that section, the private or
 104.17 nonpublic data may be disclosed to the commissioner of revenue for purposes of tax
 104.18 administration. The information required to be shown on the certificate of value is limited
 104.19 to the information required as of the date of the acknowledgment on the deed or other
 104.20 document to be recorded.

104.21 **EFFECTIVE DATE.** This section is effective for certificates of value filed after
 104.22 December 31, 2019.

104.23 Sec. 9. Minnesota Statutes 2018, section 273.124, subdivision 3a, is amended to read:

104.24 Subd. 3a. **Manufactured home park cooperative.** (a) When a manufactured home park
 104.25 is owned by a corporation or association organized under chapter 308A or 308B, and each
 104.26 person who owns a share or shares in the corporation or association is entitled to occupy a
 104.27 lot within the park, the corporation or association may claim homestead treatment for the
 104.28 park. Each lot must be designated by legal description or number, and each lot is limited to
 104.29 not more than one-half acre of land.

- 111.1 (b) The manufactured home park shall be entitled to homestead treatment if all of the
111.2 following criteria are met:
- 111.3 (1) the occupant or the cooperative corporation or association is paying the ad valorem
111.4 property taxes and any special assessments levied against the land and structure either
111.5 directly, or indirectly through dues to the corporation or association; and
- 111.6 (2) the corporation or association organized under chapter 308A or 308B is wholly
111.7 owned by persons having a right to occupy a lot owned by the corporation or association.
- 111.8 (c) A charitable corporation, organized under the laws of Minnesota with no outstanding
111.9 stock, and granted a ruling by the Internal Revenue Service for 501(c)(3) tax-exempt status,
111.10 qualifies for homestead treatment with respect to a manufactured home park if its members
111.11 hold residential participation warrants entitling them to occupy a lot in the manufactured
111.12 home park.
- 111.13 (d) "Homestead treatment" under this subdivision means the classification rate provided
111.14 for class 4c property classified under section 273.13, subdivision 25, paragraph (d), clause
111.15 (5), item (ii); ~~and the homestead market value exclusion under section 273.13, subdivision~~
111.16 ~~35, does not apply and the property taxes assessed against the park shall not be included in~~
111.17 ~~the determination of taxes payable for rent paid under section 290A.03.~~
- 111.18 **EFFECTIVE DATE.** This section is effective beginning with claims for taxes payable
111.19 in 2020.
- 111.20 Sec. 10. Minnesota Statutes 2018, section 273.124, subdivision 8, is amended to read:
- 111.21 Subd. 8. **Homestead owned by or leased to family farm corporation, joint farm**
111.22 **venture, limited liability company, or partnership.** (a) Each family farm corporation;
111.23 each joint family farm venture; and each limited liability company or partnership which
111.24 operates a family farm; is entitled to class 1b under section 273.13, subdivision 22, paragraph
111.25 (b), or class 2a assessment for one homestead occupied by a shareholder, member, or partner
111.26 thereof who is residing on the land, and actively engaged in farming of the land owned by
111.27 the family farm corporation, joint family farm venture, limited liability company, or
111.28 partnership. Homestead treatment applies even if:
- 111.29 (1) legal title to the property is in the name of the family farm corporation, joint family
111.30 farm venture, limited liability company, or partnership, and not in the name of the person
111.31 residing on it; or
- 112.1 (2) the family farm is operated by a family farm corporation, joint family farm venture,
112.2 partnership, or limited liability company other than the family farm corporation, joint family
112.3 farm venture, partnership, or limited liability company that owns the land, provided that:

- 104.30 (b) The manufactured home park shall be entitled to homestead treatment if all of the
104.31 following criteria are met:
- 104.32 (1) the occupant or the cooperative corporation or association is paying the ad valorem
104.33 property taxes and any special assessments levied against the land and structure either
104.34 directly, or indirectly through dues to the corporation or association; and
- 105.1 (2) the corporation or association organized under chapter 308A or 308B is wholly
105.2 owned by persons having a right to occupy a lot owned by the corporation or association.
- 105.3 (c) A charitable corporation, organized under the laws of Minnesota with no outstanding
105.4 stock, and granted a ruling by the Internal Revenue Service for 501(c)(3) tax-exempt status,
105.5 qualifies for homestead treatment with respect to a manufactured home park if its members
105.6 hold residential participation warrants entitling them to occupy a lot in the manufactured
105.7 home park.
- 105.8 (d) "Homestead treatment" under this subdivision means the classification rate provided
105.9 for class 4c property classified under section 273.13, subdivision 25, paragraph (d), clause
105.10 (5), item (ii); ~~and the homestead market value exclusion under section 273.13, subdivision~~
105.11 ~~35, does not apply and the property taxes assessed against the park shall not be included in~~
105.12 ~~the determination of taxes payable for rent paid under section 290A.03.~~
- 105.13 **EFFECTIVE DATE.** This section is effective beginning with claims for taxes payable
105.14 in 2020.
- 105.15 Sec. 10. Minnesota Statutes 2018, section 273.124, subdivision 8, is amended to read:
- 105.16 Subd. 8. **Homestead owned by or leased to family farm corporation, joint farm**
105.17 **venture, limited liability company, or partnership.** (a) Each family farm corporation;
105.18 each joint family farm venture; and each limited liability company or partnership which
105.19 operates a family farm; is entitled to class 1b under section 273.13, subdivision 22, paragraph
105.20 (b), or class 2a assessment for one homestead occupied by a shareholder, member, or partner
105.21 thereof who is residing on the land, and actively engaged in farming of the land owned by
105.22 the family farm corporation, joint family farm venture, limited liability company, or
105.23 partnership. Homestead treatment applies even if:
- 105.24 (1) legal title to the property is in the name of the family farm corporation, joint family
105.25 farm venture, limited liability company, or partnership, and not in the name of the person
105.26 residing on it; or
- 105.27 (2) the family farm is operated by a family farm corporation, joint family farm venture,
105.28 partnership, or limited liability company other than the family farm corporation, joint family
105.29 farm venture, partnership, or limited liability company that owns the land, provided that:

112.4 (i) the shareholder, member, or partner residing on and actively engaged in farming the
 112.5 land is a shareholder, member, or partner of the family farm corporation, joint family farm
 112.6 venture, partnership, or limited liability company that is operating the farm and;
 112.7 (ii) more than half of the shareholders, members, or partners of each family farm
 112.8 corporation, joint family farm venture, partnership, or limited liability company are persons
 112.9 or spouses of persons who are a qualifying relative under section 273.124, subdivision 1,
 112.10 paragraphs (c) and (d).
 112.11 "Family farm corporation," "family farm," and "partnership operating a family farm"
 112.12 have the meanings given in section 500.24, except that the number of allowable shareholders,
 112.13 members, or partners under this subdivision shall not exceed 12. "Limited liability company"
 112.14 has the meaning contained in sections 322C.0102, subdivision 12, and 500.24, subdivision
 112.15 2, paragraphs (l) and (m). "Joint family farm venture" means a cooperative agreement among
 112.16 two or more farm enterprises authorized to operate a family farm under section 500.24.
 112.17 (b) In addition to property specified in paragraph (a), any other residences owned by
 112.18 family farm corporations, joint family farm ventures, limited liability companies, or
 112.19 partnerships described in paragraph (a) which are located on agricultural land and occupied
 112.20 as homesteads by its shareholders, members, or partners who are actively engaged in farming
 112.21 on behalf of that corporation, joint farm venture, limited liability company, or partnership
 112.22 must also be assessed as class 2a property or as class 1b property under section 273.13.
 112.23 (c) Agricultural property that is owned by a member, partner, or shareholder of a family
 112.24 farm corporation or joint family farm venture, limited liability company operating a family
 112.25 farm, or by a partnership operating a family farm and leased to the family farm corporation,
 112.26 limited liability company, partnership, or joint farm venture, as defined in paragraph (a), is
 112.27 eligible for classification as class 1b or class 2a under section 273.13, if the owner is actually
 112.28 residing on the property, and is actually engaged in farming the land on behalf of that
 112.29 corporation, joint farm venture, limited liability company, or partnership. This paragraph
 112.30 applies without regard to any legal possession rights of the family farm corporation, joint
 112.31 family farm venture, limited liability company, or partnership under the lease.
 112.32 (d) Nonhomestead agricultural property that is owned by a family farm corporation,
 112.33 joint farm venture, limited liability company, or partnership; and located not farther than
 112.34 four townships or cities, or combination thereof, from agricultural land that is owned, and
 113.1 used for the purposes of a homestead by an individual who is a shareholder, member, or
 113.2 partner of the corporation, venture, company, or partnership; is entitled to receive the first
 113.3 tier homestead classification rate on any remaining market value in the first homestead class
 113.4 tier that is in excess of the market value of the shareholder's, member's, or partner's class 2
 113.5 agricultural homestead property, if the owner, or someone acting on the owner's behalf
 113.6 notifies the county assessor by July 1 that the property may be eligible under this paragraph
 113.7 for the current assessment year, for taxes payable in the following year. As used in this
 113.8 paragraph, "agricultural property" means property classified as 2a under section 273.13,

105.30 (i) the shareholder, member, or partner residing on and actively engaged in farming the
 105.31 land is a shareholder, member, or partner of the family farm corporation, joint family farm
 105.32 venture, partnership, or limited liability company that is operating the farm and;
 106.1 (ii) more than half of the shareholders, members, or partners of each family farm
 106.2 corporation, joint family farm venture, partnership, or limited liability company are persons
 106.3 or spouses of persons who are a qualifying relative under section 273.124, subdivision 1,
 106.4 paragraphs (c) and (d).
 106.5 "Family farm corporation," "family farm," and "partnership operating a family farm"
 106.6 have the meanings given in section 500.24, except that the number of allowable shareholders,
 106.7 members, or partners under this subdivision shall not exceed 12. "Limited liability company"
 106.8 has the meaning contained in sections 322C.0102, subdivision 12, and 500.24, subdivision
 106.9 2, paragraphs (l) and (m). "Joint family farm venture" means a cooperative agreement among
 106.10 two or more farm enterprises authorized to operate a family farm under section 500.24.
 106.11 (b) In addition to property specified in paragraph (a), any other residences owned by
 106.12 family farm corporations, joint family farm ventures, limited liability companies, or
 106.13 partnerships described in paragraph (a) which are located on agricultural land and occupied
 106.14 as homesteads by its shareholders, members, or partners who are actively engaged in farming
 106.15 on behalf of that corporation, joint farm venture, limited liability company, or partnership
 106.16 must also be assessed as class 2a property or as class 1b property under section 273.13.
 106.17 (c) Agricultural property that is owned by a member, partner, or shareholder of a family
 106.18 farm corporation or joint family farm venture, limited liability company operating a family
 106.19 farm, or by a partnership operating a family farm and leased to the family farm corporation,
 106.20 limited liability company, partnership, or joint farm venture, as defined in paragraph (a), is
 106.21 eligible for classification as class 1b or class 2a under section 273.13, if the owner is actually
 106.22 residing on the property, and is actually engaged in farming the land on behalf of that
 106.23 corporation, joint farm venture, limited liability company, or partnership. This paragraph
 106.24 applies without regard to any legal possession rights of the family farm corporation, joint
 106.25 family farm venture, limited liability company, or partnership under the lease.
 106.26 (d) Nonhomestead agricultural property that is owned by a family farm corporation,
 106.27 joint farm venture, limited liability company, or partnership; and located not farther than
 106.28 four townships or cities, or combination thereof, from agricultural land that is owned, and
 106.29 used for the purposes of a homestead by an individual who is a shareholder, member, or
 106.30 partner of the corporation, venture, company, or partnership; is entitled to receive the first
 106.31 tier homestead classification rate on any remaining market value in the first homestead class
 106.32 tier that is in excess of the market value of the shareholder's, member's, or partner's class 2
 106.33 agricultural homestead property, if the owner, or someone acting on the owner's behalf
 106.34 notifies the county assessor by July 1 that the property may be eligible under this paragraph
 106.35 for the current assessment year, for taxes payable in the following year. As used in this
 107.1 paragraph, "agricultural property" means property classified as 2a under section 273.13,

113.9 along with any contiguous property classified as 2b under section 273.13, if the contiguous
113.10 2a and 2b properties are under the same ownership.

113.11 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2019.

113.12 Sec. 11. Minnesota Statutes 2018, section 273.124, subdivision 14, is amended to read:

113.13 Subd. 14. **Agricultural homesteads; special provisions.** (a) Real estate of less than ten
113.14 acres that is the homestead of its owner must be classified as class 2a under section 273.13,
113.15 subdivision 23, paragraph (a), if:

113.16 (1) the parcel on which the house is located is contiguous on at least two sides to (i)
113.17 agricultural land, (ii) land owned or administered by the United States Fish and Wildlife
113.18 Service, or (iii) land administered by the Department of Natural Resources on which in lieu
113.19 taxes are paid under sections 477A.11 to 477A.14;

113.20 (2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20
113.21 acres;

113.22 (3) the noncontiguous land is located not farther than four townships or cities, or a
113.23 combination of townships or cities from the homestead; and

113.24 (4) the agricultural use value of the noncontiguous land and farm buildings is equal to
113.25 at least 50 percent of the market value of the house, garage, and one acre of land.

113.26 Homesteads initially classified as class 2a under the provisions of this paragraph shall
113.27 remain classified as class 2a, irrespective of subsequent changes in the use of adjoining
113.28 properties, as long as the homestead remains under the same ownership, the owner owns a
113.29 noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use
113.30 value qualifies under clause (4). Homestead classification under this paragraph is limited
113.31 to property that qualified under this paragraph for the 1998 assessment.

113.32 (b)(i) Agricultural property shall be classified as the owner's homestead, to the same
113.33 extent as other agricultural homestead property, if all of the following criteria are met:

114.1 (1) the agricultural property consists of at least 40 acres including undivided government
114.2 lots and correctional 40's;

114.3 (2) the owner, the owner's spouse, or a grandchild, child, sibling, or parent of the owner
114.4 or of the owner's spouse, is actively farming the agricultural property, either on the person's
114.5 own behalf as an individual or on behalf of a partnership operating a family farm, family
114.6 farm corporation, joint family farm venture, or limited liability company of which the person
114.7 is a partner, shareholder, or member;

114.8 (3) both the owner of the agricultural property and the person who is actively farming
114.9 the agricultural property under clause (2), are Minnesota residents;

107.2 along with any contiguous property classified as 2b under section 273.13, if the contiguous
107.3 2a and 2b properties are under the same ownership.

107.4 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2019.

107.5 Sec. 11. Minnesota Statutes 2018, section 273.124, subdivision 14, is amended to read:

107.6 Subd. 14. **Agricultural homesteads; special provisions.** (a) Real estate of less than ten
107.7 acres that is the homestead of its owner must be classified as class 2a under section 273.13,
107.8 subdivision 23, paragraph (a), if:

107.9 (1) the parcel on which the house is located is contiguous on at least two sides to (i)
107.10 agricultural land, (ii) land owned or administered by the United States Fish and Wildlife
107.11 Service, or (iii) land administered by the Department of Natural Resources on which in lieu
107.12 taxes are paid under sections 477A.11 to 477A.14;

107.13 (2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20
107.14 acres;

107.15 (3) the noncontiguous land is located not farther than four townships or cities, or a
107.16 combination of townships or cities from the homestead; and

107.17 (4) the agricultural use value of the noncontiguous land and farm buildings is equal to
107.18 at least 50 percent of the market value of the house, garage, and one acre of land.

107.19 Homesteads initially classified as class 2a under the provisions of this paragraph shall
107.20 remain classified as class 2a, irrespective of subsequent changes in the use of adjoining
107.21 properties, as long as the homestead remains under the same ownership, the owner owns a
107.22 noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use
107.23 value qualifies under clause (4). Homestead classification under this paragraph is limited
107.24 to property that qualified under this paragraph for the 1998 assessment.

107.25 (b)(i) Agricultural property shall be classified as the owner's homestead, to the same
107.26 extent as other agricultural homestead property, if all of the following criteria are met:

107.27 (1) the agricultural property consists of at least 40 acres including undivided government
107.28 lots and correctional 40's;

107.29 (2) the owner, the owner's spouse, or a grandchild, child, sibling, or parent of the owner
107.30 or of the owner's spouse, is actively farming the agricultural property, either on the person's
107.31 own behalf as an individual or on behalf of a partnership operating a family farm, family
108.1 farm corporation, joint family farm venture, or limited liability company of which the person
108.2 is a partner, shareholder, or member;

108.3 (3) both the owner of the agricultural property and the person who is actively farming
108.4 the agricultural property under clause (2), are Minnesota residents;

114.10 (4) neither the owner nor the spouse of the owner claims another agricultural homestead
114.11 in Minnesota; and

114.12 (5) neither the owner nor the person actively farming the agricultural property lives
114.13 farther than four townships or cities, or a combination of four townships or cities, from the
114.14 agricultural property, except that if the owner or the owner's spouse is required to live in
114.15 employer-provided housing, the owner or owner's spouse, whichever is actively farming
114.16 the agricultural property, may live more than four townships or cities, or combination of
114.17 four townships or cities from the agricultural property.

114.18 The relationship under this paragraph may be either by blood or marriage.

114.19 ~~(ii) Agricultural property held by a trustee under a trust is eligible for agricultural~~
114.20 ~~homestead classification under this paragraph if the qualifications in clause (i) are met,~~
114.21 ~~except that "owner" means the grantor of the trust.~~

114.22 ~~(iii)~~ Property containing the residence of an owner who owns qualified property under
114.23 clause (i) shall be classified as part of the owner's agricultural homestead, if that property
114.24 is also used for noncommercial storage or drying of agricultural crops.

114.25 ~~(iv)~~ (iii) As used in this paragraph, "agricultural property" means class 2a property and
114.26 any class 2b property that is contiguous to and under the same ownership as the class 2a
114.27 property.

114.28 (c) Noncontiguous land shall be included as part of a homestead under section 273.13,
114.29 subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached
114.30 land is located in the same township or city, or not farther than four townships or cities or
114.31 combination thereof from the homestead. Any taxpayer of these noncontiguous lands must
114.32 notify the county assessor that the noncontiguous land is part of the taxpayer's homestead,
115.1 and, if the homestead is located in another county, the taxpayer must also notify the assessor
115.2 of the other county.

115.3 (d) Agricultural land used for purposes of a homestead and actively farmed by a person
115.4 holding a vested remainder interest in it must be classified as a homestead under section
115.5 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other
115.6 dwellings on the land used for purposes of a homestead by persons holding vested remainder
115.7 interests who are actively engaged in farming the property, and up to one acre of the land
115.8 surrounding each homestead and reasonably necessary for the use of the dwelling as a home,
115.9 must also be assessed class 2a.

115.10 (e) Agricultural land and buildings that were class 2a homestead property under section
115.11 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as
115.12 agricultural homesteads for subsequent assessments if:

108.5 (4) neither the owner nor the spouse of the owner claims another agricultural homestead
108.6 in Minnesota; and

108.7 (5) neither the owner nor the person actively farming the agricultural property lives
108.8 farther than four townships or cities, or a combination of four townships or cities, from the
108.9 agricultural property, except that if the owner or the owner's spouse is required to live in
108.10 employer-provided housing, the owner or owner's spouse, whichever is actively farming
108.11 the agricultural property, may live more than four townships or cities, or combination of
108.12 four townships or cities from the agricultural property.

108.13 The relationship under this paragraph may be either by blood or marriage.

108.14 ~~(ii) Agricultural property held by a trustee under a trust is eligible for agricultural~~
108.15 ~~homestead classification under this paragraph if the qualifications in clause (i) are met,~~
108.16 ~~except that "owner" means the grantor of the trust.~~

108.17 ~~(iii)~~ Property containing the residence of an owner who owns qualified property under
108.18 clause (i) shall be classified as part of the owner's agricultural homestead, if that property
108.19 is also used for noncommercial storage or drying of agricultural crops.

108.20 ~~(iv)~~ (iii) As used in this paragraph, "agricultural property" means class 2a property and
108.21 any class 2b property that is contiguous to and under the same ownership as the class 2a
108.22 property.

108.23 (c) Noncontiguous land shall be included as part of a homestead under section 273.13,
108.24 subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached
108.25 land is located in the same township or city, or not farther than four townships or cities or
108.26 combination thereof from the homestead. Any taxpayer of these noncontiguous lands must
108.27 notify the county assessor that the noncontiguous land is part of the taxpayer's homestead,
108.28 and, if the homestead is located in another county, the taxpayer must also notify the assessor
108.29 of the other county.

108.30 (d) Agricultural land used for purposes of a homestead and actively farmed by a person
108.31 holding a vested remainder interest in it must be classified as a homestead under section
108.32 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other
108.33 dwellings on the land used for purposes of a homestead by persons holding vested remainder
109.1 interests who are actively engaged in farming the property, and up to one acre of the land
109.2 surrounding each homestead and reasonably necessary for the use of the dwelling as a home,
109.3 must also be assessed class 2a.

109.4 (e) Agricultural land and buildings that were class 2a homestead property under section
109.5 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as
109.6 agricultural homesteads for subsequent assessments if:

115.13 (1) the property owner abandoned the homestead dwelling located on the agricultural
115.14 homestead as a result of the April 1997 floods;

115.15 (2) the property is located in the county of Polk, Clay, Kittson, Marshall, Norman, or
115.16 Wilkin;

115.17 (3) the agricultural land and buildings remain under the same ownership for the current
115.18 assessment year as existed for the 1997 assessment year and continue to be used for
115.19 agricultural purposes;

115.20 (4) the dwelling occupied by the owner is located in Minnesota and is within 30 miles
115.21 of one of the parcels of agricultural land that is owned by the taxpayer; and

115.22 (5) the owner notifies the county assessor that the relocation was due to the 1997 floods,
115.23 and the owner furnishes the assessor any information deemed necessary by the assessor in
115.24 verifying the change in dwelling. Further notifications to the assessor are not required if the
115.25 property continues to meet all the requirements in this paragraph and any dwellings on the
115.26 agricultural land remain uninhabited.

115.27 (f) Agricultural land and buildings that were class 2a homestead property under section
115.28 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified
115.29 agricultural homesteads for subsequent assessments if:

115.30 (1) the property owner abandoned the homestead dwelling located on the agricultural
115.31 homestead as a result of damage caused by a March 29, 1998, tornado;

115.32 (2) the property is located in the county of Blue Earth, Brown, Cottonwood, LeSueur,
115.33 Nicollet, Nobles, or Rice;

116.1 (3) the agricultural land and buildings remain under the same ownership for the current
116.2 assessment year as existed for the 1998 assessment year;

116.3 (4) the dwelling occupied by the owner is located in this state and is within 50 miles of
116.4 one of the parcels of agricultural land that is owned by the taxpayer; and

116.5 (5) the owner notifies the county assessor that the relocation was due to a March 29,
116.6 1998, tornado, and the owner furnishes the assessor any information deemed necessary by
116.7 the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the
116.8 owner must notify the assessor by December 1, 1998. Further notifications to the assessor
116.9 are not required if the property continues to meet all the requirements in this paragraph and
116.10 any dwellings on the agricultural land remain uninhabited.

116.11 (g) Agricultural property of a family farm corporation, joint family farm venture, family
116.12 farm limited liability company, or partnership operating a family farm as described under
116.13 subdivision 8 shall be classified homestead, to the same extent as other agricultural homestead
116.14 property, if all of the following criteria are met:

109.7 (1) the property owner abandoned the homestead dwelling located on the agricultural
109.8 homestead as a result of the April 1997 floods;

109.9 (2) the property is located in the county of Polk, Clay, Kittson, Marshall, Norman, or
109.10 Wilkin;

109.11 (3) the agricultural land and buildings remain under the same ownership for the current
109.12 assessment year as existed for the 1997 assessment year and continue to be used for
109.13 agricultural purposes;

109.14 (4) the dwelling occupied by the owner is located in Minnesota and is within 30 miles
109.15 of one of the parcels of agricultural land that is owned by the taxpayer; and

109.16 (5) the owner notifies the county assessor that the relocation was due to the 1997 floods,
109.17 and the owner furnishes the assessor any information deemed necessary by the assessor in
109.18 verifying the change in dwelling. Further notifications to the assessor are not required if the
109.19 property continues to meet all the requirements in this paragraph and any dwellings on the
109.20 agricultural land remain uninhabited.

109.21 (f) Agricultural land and buildings that were class 2a homestead property under section
109.22 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified
109.23 agricultural homesteads for subsequent assessments if:

109.24 (1) the property owner abandoned the homestead dwelling located on the agricultural
109.25 homestead as a result of damage caused by a March 29, 1998, tornado;

109.26 (2) the property is located in the county of Blue Earth, Brown, Cottonwood, LeSueur,
109.27 Nicollet, Nobles, or Rice;

109.28 (3) the agricultural land and buildings remain under the same ownership for the current
109.29 assessment year as existed for the 1998 assessment year;

109.30 (4) the dwelling occupied by the owner is located in this state and is within 50 miles of
109.31 one of the parcels of agricultural land that is owned by the taxpayer; and

110.1 (5) the owner notifies the county assessor that the relocation was due to a March 29,
110.2 1998, tornado, and the owner furnishes the assessor any information deemed necessary by
110.3 the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the
110.4 owner must notify the assessor by December 1, 1998. Further notifications to the assessor
110.5 are not required if the property continues to meet all the requirements in this paragraph and
110.6 any dwellings on the agricultural land remain uninhabited.

110.7 (g) Agricultural property of a family farm corporation, joint family farm venture, family
110.8 farm limited liability company, or partnership operating a family farm as described under
110.9 subdivision 8 shall be classified homestead, to the same extent as other agricultural homestead
110.10 property, if all of the following criteria are met:

116.15 (1) the property consists of at least 40 acres including undivided government lots and
 116.16 correctional 40's;

116.17 (2) a shareholder, member, or partner of that entity is actively farming the agricultural
 116.18 property;

116.19 (3) that shareholder, member, or partner who is actively farming the agricultural property
 116.20 is a Minnesota resident;

116.21 (4) neither that shareholder, member, or partner, nor the spouse of that shareholder,
 116.22 member, or partner claims another agricultural homestead in Minnesota; and

116.23 (5) that shareholder, member, or partner does not live farther than four townships or
 116.24 cities, or a combination of four townships or cities, from the agricultural property.

116.25 Homestead treatment applies under this paragraph even if:

116.26 (i) the shareholder, member, or partner of that entity is actively farming the agricultural
 116.27 property on the shareholder's, member's, or partner's own behalf; or

116.28 (ii) the family farm is operated by a family farm corporation, joint family farm venture,
 116.29 partnership, or limited liability company other than the family farm corporation, joint family
 116.30 farm venture, partnership, or limited liability company that owns the land, provided that:

116.31 (A) the shareholder, member, or partner of the family farm corporation, joint family
 116.32 farm venture, partnership, or limited liability company that owns the land who is actively
 117.1 farming the land is a shareholder, member, or partner of the family farm corporation, joint
 117.2 family farm venture, partnership, or limited liability company that is operating the farm;
 117.3 and

117.4 (B) more than half of the shareholders, members, or partners of each family farm
 117.5 corporation, joint family farm venture, partnership, or limited liability company are persons
 117.6 or spouses of persons who are a qualifying relative under section 273.124, subdivision 1,
 117.7 paragraphs (c) and (d).

117.8 Homestead treatment applies under this paragraph for property leased to a family farm
 117.9 corporation, joint farm venture, limited liability company, or partnership operating a family
 117.10 farm if legal title to the property is in the name of an individual who is a member, shareholder,
 117.11 or partner in the entity.

117.12 (h) To be eligible for the special agricultural homestead under this subdivision, an initial
 117.13 full application must be submitted to the county assessor where the property is located.
 117.14 Owners and the persons who are actively farming the property shall be required to complete
 117.15 only a one-page abbreviated version of the application in each subsequent year provided
 117.16 that none of the following items have changed since the initial application:

110.11 (1) the property consists of at least 40 acres including undivided government lots and
 110.12 correctional 40's;

110.13 (2) a shareholder, member, or partner of that entity is actively farming the agricultural
 110.14 property;

110.15 (3) that shareholder, member, or partner who is actively farming the agricultural property
 110.16 is a Minnesota resident;

110.17 (4) neither that shareholder, member, or partner, nor the spouse of that shareholder,
 110.18 member, or partner claims another agricultural homestead in Minnesota; and

110.19 (5) that shareholder, member, or partner does not live farther than four townships or
 110.20 cities, or a combination of four townships or cities, from the agricultural property.

110.21 Homestead treatment applies under this paragraph even if:

110.22 (i) the shareholder, member, or partner of that entity is actively farming the agricultural
 110.23 property on the shareholder's, member's, or partner's own behalf; or

110.24 (ii) the family farm is operated by a family farm corporation, joint family farm venture,
 110.25 partnership, or limited liability company other than the family farm corporation, joint family
 110.26 farm venture, partnership, or limited liability company that owns the land, provided that:

110.27 (A) the shareholder, member, or partner of the family farm corporation, joint family
 110.28 farm venture, partnership, or limited liability company that owns the land who is actively
 110.29 farming the land is a shareholder, member, or partner of the family farm corporation, joint
 110.30 family farm venture, partnership, or limited liability company that is operating the farm;
 110.31 and

111.1 (B) more than half of the shareholders, members, or partners of each family farm
 111.2 corporation, joint family farm venture, partnership, or limited liability company are persons
 111.3 or spouses of persons who are a qualifying relative under section 273.124, subdivision 1,
 111.4 paragraphs (c) and (d).

111.5 Homestead treatment applies under this paragraph for property leased to a family farm
 111.6 corporation, joint farm venture, limited liability company, or partnership operating a family
 111.7 farm if legal title to the property is in the name of an individual who is a member, shareholder,
 111.8 or partner in the entity.

111.9 (h) To be eligible for the special agricultural homestead under this subdivision, an initial
 111.10 full application must be submitted to the county assessor where the property is located.
 111.11 Owners and the persons who are actively farming the property shall be required to complete
 111.12 only a one-page abbreviated version of the application in each subsequent year provided
 111.13 that none of the following items have changed since the initial application:

- 117.17 (1) the day-to-day operation, administration, and financial risks remain the same;
- 117.18 (2) the owners and the persons actively farming the property continue to live within the
117.19 four townships or city criteria and are Minnesota residents;
- 117.20 (3) the same operator of the agricultural property is listed with the Farm Service Agency;
- 117.21 (4) a Schedule F or equivalent income tax form was filed for the most recent year;
- 117.22 (5) the property's acreage is unchanged; and
- 117.23 (6) none of the property's acres have been enrolled in a federal or state farm program
117.24 since the initial application.
- 117.25 The owners and any persons who are actively farming the property must include the
117.26 appropriate Social Security numbers, and sign and date the application. If any of the specified
117.27 information has changed since the full application was filed, the owner must notify the
117.28 assessor, and must complete a new application to determine if the property continues to
117.29 qualify for the special agricultural homestead. The commissioner of revenue shall prepare
117.30 a standard reapplication form for use by the assessors.
- 118.1 (i) Agricultural land and buildings that were class 2a homestead property under section
118.2 273.13, subdivision 23, paragraph (a), for the 2007 assessment shall remain classified
118.3 agricultural homesteads for subsequent assessments if:
- 118.4 (1) the property owner abandoned the homestead dwelling located on the agricultural
118.5 homestead as a result of damage caused by the August 2007 floods;
- 118.6 (2) the property is located in the county of Dodge, Fillmore, Houston, Olmsted, Steele,
118.7 Wabasha, or Winona;
- 118.8 (3) the agricultural land and buildings remain under the same ownership for the current
118.9 assessment year as existed for the 2007 assessment year;
- 118.10 (4) the dwelling occupied by the owner is located in this state and is within 50 miles of
118.11 one of the parcels of agricultural land that is owned by the taxpayer; and
- 118.12 (5) the owner notifies the county assessor that the relocation was due to the August 2007
118.13 floods, and the owner furnishes the assessor any information deemed necessary by the
118.14 assessor in verifying the change in homestead dwelling. For taxes payable in 2009, the
118.15 owner must notify the assessor by December 1, 2008. Further notifications to the assessor
118.16 are not required if the property continues to meet all the requirements in this paragraph and
118.17 any dwellings on the agricultural land remain uninhabited.

- 111.14 (1) the day-to-day operation, administration, and financial risks remain the same;
- 111.15 (2) the owners and the persons actively farming the property continue to live within the
111.16 four townships or city criteria and are Minnesota residents;
- 111.17 (3) the same operator of the agricultural property is listed with the Farm Service Agency;
- 111.18 (4) a Schedule F or equivalent income tax form was filed for the most recent year;
- 111.19 (5) the property's acreage is unchanged; and
- 111.20 (6) none of the property's acres have been enrolled in a federal or state farm program
111.21 since the initial application.
- 111.22 The owners and any persons who are actively farming the property must include the
111.23 appropriate Social Security numbers, and sign and date the application. If any of the specified
111.24 information has changed since the full application was filed, the owner must notify the
111.25 assessor, and must complete a new application to determine if the property continues to
111.26 qualify for the special agricultural homestead. The commissioner of revenue shall prepare
111.27 a standard reapplication form for use by the assessors.
- 111.28 (i) Agricultural land and buildings that were class 2a homestead property under section
111.29 273.13, subdivision 23, paragraph (a), for the 2007 assessment shall remain classified
111.30 agricultural homesteads for subsequent assessments if:
- 111.31 (1) the property owner abandoned the homestead dwelling located on the agricultural
111.32 homestead as a result of damage caused by the August 2007 floods;
- 112.1 (2) the property is located in the county of Dodge, Fillmore, Houston, Olmsted, Steele,
112.2 Wabasha, or Winona;
- 112.3 (3) the agricultural land and buildings remain under the same ownership for the current
112.4 assessment year as existed for the 2007 assessment year;
- 112.5 (4) the dwelling occupied by the owner is located in this state and is within 50 miles of
112.6 one of the parcels of agricultural land that is owned by the taxpayer; and
- 112.7 (5) the owner notifies the county assessor that the relocation was due to the August 2007
112.8 floods, and the owner furnishes the assessor any information deemed necessary by the
112.9 assessor in verifying the change in homestead dwelling. For taxes payable in 2009, the
112.10 owner must notify the assessor by December 1, 2008. Further notifications to the assessor
112.11 are not required if the property continues to meet all the requirements in this paragraph and
112.12 any dwellings on the agricultural land remain uninhabited.

118.18 (j) Agricultural land and buildings that were class 2a homestead property under section
 118.19 273.13, subdivision 23, paragraph (a), for the 2008 assessment shall remain classified as
 118.20 agricultural homesteads for subsequent assessments if:

118.21 (1) the property owner abandoned the homestead dwelling located on the agricultural
 118.22 homestead as a result of the March 2009 floods;

118.23 (2) the property is located in the county of Marshall;

118.24 (3) the agricultural land and buildings remain under the same ownership for the current
 118.25 assessment year as existed for the 2008 assessment year and continue to be used for
 118.26 agricultural purposes;

118.27 (4) the dwelling occupied by the owner is located in Minnesota and is within 50 miles
 118.28 of one of the parcels of agricultural land that is owned by the taxpayer; and

118.29 (5) the owner notifies the county assessor that the relocation was due to the 2009 floods,
 118.30 and the owner furnishes the assessor any information deemed necessary by the assessor in
 118.31 verifying the change in dwelling. Further notifications to the assessor are not required if the
 119.1 property continues to meet all the requirements in this paragraph and any dwellings on the
 119.2 agricultural land remain uninhabited.

119.3 **EFFECTIVE DATE.** This section is effective beginning for property taxes payable in
 119.4 2020.

119.5 Sec. 12. Minnesota Statutes 2018, section 273.124, subdivision 21, is amended to read:

119.6 Subd. 21. **Trust property; homestead.** Real or personal property, including agricultural
 119.7 property, held by a trustee under a trust is eligible for classification as homestead property
 119.8 if the property satisfies the requirements of paragraph (a), (b), (c), ~~or~~ (d), or (e).

119.9 (a) The grantor or surviving spouse of the grantor of the trust occupies and uses the
 119.10 property as a homestead.

119.11 (b) A relative or surviving relative of the grantor who meets the requirements of
 119.12 subdivision 1, paragraph (c), in the case of residential real estate; or subdivision 1, paragraph
 119.13 (d), in the case of agricultural property, occupies and uses the property as a homestead.

119.14 (c) A family farm corporation, joint farm venture, limited liability company, or partnership
 119.15 operating a family farm in which the grantor or the grantor's surviving spouse is a
 119.16 shareholder, member, or partner rents the property; and, either (1) a shareholder, member,
 119.17 or partner of the corporation, joint farm venture, limited liability company, or partnership
 119.18 occupies and uses the property as a homestead; or (2) the property is at least 40 acres,
 119.19 including undivided government lots and correctional 40's, and a shareholder, member, or
 119.20 partner of the tenant-entity is actively farming the property on behalf of the corporation,
 119.21 joint farm venture, limited liability company, or partnership.

112.13 (j) Agricultural land and buildings that were class 2a homestead property under section
 112.14 273.13, subdivision 23, paragraph (a), for the 2008 assessment shall remain classified as
 112.15 agricultural homesteads for subsequent assessments if:

112.16 (1) the property owner abandoned the homestead dwelling located on the agricultural
 112.17 homestead as a result of the March 2009 floods;

112.18 (2) the property is located in the county of Marshall;

112.19 (3) the agricultural land and buildings remain under the same ownership for the current
 112.20 assessment year as existed for the 2008 assessment year and continue to be used for
 112.21 agricultural purposes;

112.22 (4) the dwelling occupied by the owner is located in Minnesota and is within 50 miles
 112.23 of one of the parcels of agricultural land that is owned by the taxpayer; and

112.24 (5) the owner notifies the county assessor that the relocation was due to the 2009 floods,
 112.25 and the owner furnishes the assessor any information deemed necessary by the assessor in
 112.26 verifying the change in dwelling. Further notifications to the assessor are not required if the
 112.27 property continues to meet all the requirements in this paragraph and any dwellings on the
 112.28 agricultural land remain uninhabited.

112.29 **EFFECTIVE DATE.** This section is effective beginning for property taxes payable in
 112.30 2020.

113.1 Sec. 12. Minnesota Statutes 2018, section 273.124, subdivision 21, is amended to read:

113.2 Subd. 21. **Trust property; homestead.** Real or personal property, including agricultural
 113.3 property, held by a trustee under a trust is eligible for classification as homestead property
 113.4 if the property satisfies the requirements of paragraph (a), (b), (c), ~~or~~ (d), or (e).

113.5 (a) The grantor or surviving spouse of the grantor of the trust occupies and uses the
 113.6 property as a homestead.

113.7 (b) A relative or surviving relative of the grantor who meets the requirements of
 113.8 subdivision 1, paragraph (c), in the case of residential real estate; or subdivision 1, paragraph
 113.9 (d), in the case of agricultural property, occupies and uses the property as a homestead.

113.10 (c) A family farm corporation, joint farm venture, limited liability company, or partnership
 113.11 operating a family farm in which the grantor or the grantor's surviving spouse is a
 113.12 shareholder, member, or partner rents the property; and, either (1) a shareholder, member,
 113.13 or partner of the corporation, joint farm venture, limited liability company, or partnership
 113.14 occupies and uses the property as a homestead; or (2) the property is at least 40 acres,
 113.15 including undivided government lots and correctional 40's, and a shareholder, member, or
 113.16 partner of the tenant-entity is actively farming the property on behalf of the corporation,
 113.17 joint farm venture, limited liability company, or partnership.

119.22 (d) A person who has received homestead classification for property taxes payable in
 119.23 2000 on the basis of an unqualified legal right under the terms of the trust agreement to
 119.24 occupy the property as that person's homestead and who continues to use the property as a
 119.25 homestead; or, a person who received the homestead classification for taxes payable in 2005
 119.26 under paragraph (c) who does not qualify under paragraph (c) for taxes payable in 2006 or
 119.27 thereafter but who continues to qualify under paragraph (c) as it existed for taxes payable
 119.28 in 2005.

119.29 (e) The qualifications under subdivision 14, paragraph (b), clause (i), are met. For
 119.30 purposes of this paragraph, "owner" means the grantor of the trust or the surviving spouse
 119.31 of the grantor.

119.32 (f) For purposes of this subdivision, the following terms have the meanings given them:

120.1 (1) "agricultural property" means the house, garage, other farm buildings and structures,
 120.2 and agricultural land;

120.3 (2) "agricultural land" has the meaning given in section 273.13, subdivision 23, except
 120.4 that the phrases "owned by same person" or "under the same ownership" as used in that
 120.5 subdivision mean and include contiguous tax parcels owned by:

120.6 (i) an individual and a trust of which the individual, the individual's spouse, or the
 120.7 individual's deceased spouse is the grantor; or

120.8 (ii) different trusts of which the grantors of each trust are any combination of an
 120.9 individual, the individual's spouse, or the individual's deceased spouse; and

120.10 ~~For purposes of this subdivision, (3) "grantor" is defined as~~ means the person creating
 120.11 or establishing a testamentary, inter Vivos, revocable or irrevocable trust by written
 120.12 instrument or through the exercise of a power of appointment.

120.13 (g) Noncontiguous agricultural land is included as part of a homestead under this
 120.14 subdivision, only if the homestead is classified as class 2a, as defined in section 273.13,
 120.15 subdivision 23, and the detached land is located in the same township or city, or not farther
 120.16 than four townships or cities or combination thereof from the homestead. Any taxpayer of
 120.17 these noncontiguous lands must notify the county assessor that the noncontiguous land is
 120.18 part of the taxpayer's homestead, and, if the homestead is located in another county, the
 120.19 taxpayer must also notify the assessor of the other county.

120.20 **EFFECTIVE DATE.** This section is effective beginning for property taxes payable in
 120.21 2020.

113.18 (d) A person who has received homestead classification for property taxes payable in
 113.19 2000 on the basis of an unqualified legal right under the terms of the trust agreement to
 113.20 occupy the property as that person's homestead and who continues to use the property as a
 113.21 homestead; or, a person who received the homestead classification for taxes payable in 2005
 113.22 under paragraph (c) who does not qualify under paragraph (c) for taxes payable in 2006 or
 113.23 thereafter but who continues to qualify under paragraph (c) as it existed for taxes payable
 113.24 in 2005.

113.25 (e) The qualifications under subdivision 14, paragraph (b), clause (i), are met. For
 113.26 purposes of this paragraph, "owner" means the grantor of the trust or the surviving spouse
 113.27 of the grantor.

113.28 (f) For purposes of this subdivision, the following terms have the meanings given them:

113.29 (1) "agricultural property" means the house, garage, other farm buildings and structures,
 113.30 and agricultural land;

113.31 (2) "agricultural land" has the meaning given in section 273.13, subdivision 23, except
 113.32 that the phrases "owned by same person" or "under the same ownership" as used in that
 113.33 subdivision mean and include contiguous tax parcels owned by:

114.1 (i) an individual and a trust of which the individual, the individual's spouse, or the
 114.2 individual's deceased spouse is the grantor; or

114.3 (ii) different trusts of which the grantors of each trust are any combination of an
 114.4 individual, the individual's spouse, or the individual's deceased spouse; and

114.5 ~~For purposes of this subdivision, (3) "grantor" is defined as~~ means the person creating
 114.6 or establishing a testamentary, inter Vivos, revocable or irrevocable trust by written
 114.7 instrument or through the exercise of a power of appointment.

114.8 (g) Noncontiguous agricultural land is included as part of a homestead under this
 114.9 subdivision, only if the homestead is classified as class 2a, as defined in section 273.13,
 114.10 subdivision 23, and the detached land is located in the same township or city, or not farther
 114.11 than four townships or cities or combination thereof from the homestead. Any taxpayer of
 114.12 these noncontiguous lands must notify the county assessor that the noncontiguous land is
 114.13 part of the taxpayer's homestead, and, if the homestead is located in another county, the
 114.14 taxpayer must also notify the assessor of the other county.

114.15 **EFFECTIVE DATE.** This section is effective beginning for property taxes payable in
 114.16 2020.

120.22 Sec. 13. Minnesota Statutes 2018, section 273.124, is amended by adding a subdivision
120.23 to read:

120.24 Subd. 23. **Fractional homesteads.** For property classified as an agricultural homestead
120.25 under section 273.13, subdivision 23, paragraph (a), ownership percentages for property
120.26 owned by tenants in common are based on deeded ownership amounts for each owner who
120.27 homesteads the property.

120.28 **EFFECTIVE DATE; APPLICATION.** This section is effective for and must be applied
120.29 to agricultural homestead properties owned by tenants in common by all county assessors
120.30 beginning no later than assessment year 2019 and thereafter, unless the county assessor
120.31 determines that a county is unable to comply with this requirement, in which case the county
120.32 must implement this section beginning with assessment year 2020 and thereafter.

121.1 Sec. 14. Minnesota Statutes 2018, section 273.1245, subdivision 2, is amended to read:

121.2 Subd. 2. **Disclosure.** The assessor shall disclose the data described in subdivision 1 to
121.3 the commissioner of revenue as provided by law. The assessor shall also disclose all or
121.4 portions of the data described in subdivision 1 to:

121.5 (1) the county treasurer solely for the purpose of proceeding under the Revenue Recapture
121.6 Act to recover personal property taxes owing; and

121.7 (2) the county veterans service officer for the purpose of determining a person's eligibility
121.8 for the veteran with a disability homestead market value exclusion under section 273.13,
121.9 subdivision 34.

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

121.11 Sec. 15. Minnesota Statutes 2018, section 273.13, subdivision 23, is amended to read:

121.12 Subd. 23. **Class 2.** (a) An agricultural homestead consists of class 2a agricultural land
121.13 that is homesteaded, along with any class 2b rural vacant land that is contiguous to the class
121.14 2a land under the same ownership. The market value of the house and garage and immediately
121.15 surrounding one acre of land has the same classification rates as class 1a or 1b property
121.16 under subdivision 22. The value of the remaining land including improvements up to the
121.17 first tier valuation limit of agricultural homestead property has a classification rate of 0.5
121.18 percent of market value. The remaining property over the first tier has a classification rate
121.19 of one percent of market value. For purposes of this subdivision, the "first tier valuation
121.20 limit of agricultural homestead property" and "first tier" means the limit certified under
121.21 section 273.11, subdivision 23.

121.22 (b) Class 2a agricultural land consists of parcels of property, or portions thereof, that
121.23 are agricultural land and buildings. Class 2a property has a classification rate of one percent
121.24 of market value, unless it is part of an agricultural homestead under paragraph (a). Class 2a
121.25 property must also include any property that would otherwise be classified as 2b, but is

114.17 Sec. 13. Minnesota Statutes 2018, section 273.124, is amended by adding a subdivision
114.18 to read:

114.19 Subd. 23. **Fractional homesteads.** For property classified as an agricultural homestead
114.20 under section 273.13, subdivision 23, paragraph (a), ownership percentages for property
114.21 owned by tenants in common are based on deeded ownership amounts for each owner who
114.22 homesteads the property.

114.23 **EFFECTIVE DATE; APPLICATION.** This section is effective for and must be applied
114.24 to agricultural homestead properties owned by tenants in common by all county assessors
114.25 beginning no later than assessment year 2019 and thereafter, unless the county assessor
114.26 determines that a county is unable to comply with this requirement, in which case the county
114.27 must implement this section beginning with assessment year 2020 and thereafter.

114.28 Sec. 14. Minnesota Statutes 2018, section 273.1245, subdivision 2, is amended to read:

114.29 Subd. 2. **Disclosure.** The assessor shall disclose the data described in subdivision 1 to
114.30 the commissioner of revenue as provided by law. The assessor shall also disclose all or
114.31 portions of the data described in subdivision 1 to:

115.1 (1) the county treasurer solely for the purpose of proceeding under the Revenue Recapture
115.2 Act to recover personal property taxes owing; and

115.3 (2) the county veterans service officer for the purpose of determining a person's eligibility
115.4 for the veteran with a disability homestead market value exclusion under section 273.13,
115.5 subdivision 34.

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

115.7 Sec. 15. Minnesota Statutes 2018, section 273.13, subdivision 23, is amended to read:

115.8 Subd. 23. **Class 2.** (a) An agricultural homestead consists of class 2a agricultural land
115.9 that is homesteaded, along with any class 2b rural vacant land that is contiguous to the class
115.10 2a land under the same ownership. The market value of the house and garage and immediately
115.11 surrounding one acre of land has the same classification rates as class 1a or 1b property
115.12 under subdivision 22. The value of the remaining land including improvements up to the
115.13 first tier valuation limit of agricultural homestead property has a classification rate of 0.5
115.14 percent of market value. The remaining property over the first tier has a classification rate
115.15 of one percent of market value. For purposes of this subdivision, the "first tier valuation
115.16 limit of agricultural homestead property" and "first tier" means the limit certified under
115.17 section 273.11, subdivision 23.

115.18 (b) Class 2a agricultural land consists of parcels of property, or portions thereof, that
115.19 are agricultural land and buildings. Class 2a property has a classification rate of one percent
115.20 of market value, unless it is part of an agricultural homestead under paragraph (a). Class 2a
115.21 property must also include any property that would otherwise be classified as 2b, but is

121.26 interspersed with class 2a property, including but not limited to sloughs, wooded wind
 121.27 shelters, acreage abutting ditches, ravines, rock piles, land subject to a setback requirement,
 121.28 and other similar land that is impractical for the assessor to value separately from the rest
 121.29 of the property or that is unlikely to be able to be sold separately from the rest of the property.

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

121.32 (c) Class 2b rural vacant land consists of parcels of property, or portions thereof, that
 121.33 are unplatted real estate, rural in character and not used for agricultural purposes, including
 122.1 land used for growing trees for timber, lumber, and wood and wood products, that is not
 122.2 improved with a structure. The presence of a minor, ancillary nonresidential structure as
 122.3 defined by the commissioner of revenue does not disqualify the property from classification
 122.4 under this paragraph. Any parcel of 20 acres or more improved with a structure that is not
 122.5 a minor, ancillary nonresidential structure must be split-classified, and ten acres must be
 122.6 assigned to the split parcel containing the structure. Class 2b property has a classification
 122.7 rate of one percent of market value unless it is part of an agricultural homestead under
 122.8 paragraph (a), or qualifies as class 2c under paragraph (d).

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

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

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

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

122.29 "Agricultural purposes" as used in this section means the raising, cultivation, drying, or
 122.30 storage of agricultural products for sale, or the storage of machinery or equipment used in

115.22 interspersed with class 2a property, including but not limited to sloughs, wooded wind
 115.23 shelters, acreage abutting ditches, ravines, rock piles, land subject to a setback requirement,
 115.24 and other similar land that is impractical for the assessor to value separately from the rest
 115.25 of the property or that is unlikely to be able to be sold separately from the rest of the property.

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

115.28 (c) Class 2b rural vacant land consists of parcels of property, or portions thereof, that
 115.29 are unplatted real estate, rural in character and not used for agricultural purposes, including
 115.30 land used for growing trees for timber, lumber, and wood and wood products, that is not
 115.31 improved with a structure. The presence of a minor, ancillary nonresidential structure as
 115.32 defined by the commissioner of revenue does not disqualify the property from classification
 115.33 under this paragraph. Any parcel of 20 acres or more improved with a structure that is not
 116.1 a minor, ancillary nonresidential structure must be split-classified, and ten acres must be
 116.2 assigned to the split parcel containing the structure. Class 2b property has a classification
 116.3 rate of one percent of market value unless it is part of an agricultural homestead under
 116.4 paragraph (a), or qualifies as class 2c under paragraph (d).

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

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

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

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

116.25 "Agricultural purposes" as used in this section means the raising, cultivation, drying, or
 116.26 storage of agricultural products for sale, or the storage of machinery or equipment used in

122.31 support of agricultural production by the same farm entity. For a property to be classified
 122.32 as agricultural based only on the drying or storage of agricultural products, the products
 122.33 being dried or stored must have been produced by the same farm entity as the entity operating
 122.34 the drying or storage facility. "Agricultural purposes" also includes (i) enrollment in a local
 123.1 conservation program or the Reinvest in Minnesota program under sections 103F.501 to
 123.2 103F.535 or the federal Conservation Reserve Program as contained in Public Law 99-198
 123.3 or a similar state or federal conservation program if the property was classified as agricultural
 123.4 ~~(A)~~ (A) under this subdivision for taxes payable in 2003 because of its enrollment in a
 123.5 qualifying program and the land remains enrolled or ~~(B)~~ (B) in the year prior to its enrollment,
 123.6 or (ii) use of land, not to exceed three acres, to provide environmental benefits such as buffer
 123.7 strips, old growth forest restoration or retention, or retention ponds to prevent soil erosion.
 123.8 For purposes of this section, a "local conservation program" means a program administered
 123.9 by a town, statutory or home rule charter city, or county, including a watershed district,
 123.10 water management organization, or soil and water conservation district, in which landowners
 123.11 voluntarily enroll land and receive incentive payments equal to at least \$50 per acre in
 123.12 exchange for use or other restrictions placed on the land. In order for property to qualify
 123.13 under the local conservation program provision, a taxpayer must apply to the assessor by
 123.14 February 1 of the assessment year and must submit the information required by the assessor,
 123.15 including but not limited to a copy of the program requirements, the specific agreement
 123.16 between the land owner and the local agency, if applicable, and a map of the conservation
 123.17 area. Agricultural classification shall not be based upon the market value of any residential
 123.18 structures on the parcel or contiguous parcels under the same ownership.

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

123.22 (f) Agricultural land under this section also includes:

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

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

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

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

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

116.27 support of agricultural production by the same farm entity. For a property to be classified
 116.28 as agricultural based only on the drying or storage of agricultural products, the products
 116.29 being dried or stored must have been produced by the same farm entity as the entity operating
 116.30 the drying or storage facility. "Agricultural purposes" also includes (i) enrollment in a local
 116.31 conservation program or the Reinvest in Minnesota program under sections 103F.501 to
 116.32 103F.535 or the federal Conservation Reserve Program as contained in Public Law 99-198
 116.33 or a similar state or federal conservation program if the property was classified as agricultural
 116.34 ~~(A)~~ (A) under this subdivision for taxes payable in 2003 because of its enrollment in a
 117.1 qualifying program and the land remains enrolled or ~~(B)~~ (B) in the year prior to its enrollment,
 117.2 or (ii) use of land, not to exceed three acres, to provide environmental benefits such as buffer
 117.3 strips, old growth forest restoration or retention, or retention ponds to prevent soil erosion.
 117.4 For purposes of this section, a "local conservation program" means a program administered
 117.5 by a town, statutory or home rule charter city, or county, including a watershed district,
 117.6 water management organization, or soil and water conservation district, in which landowners
 117.7 voluntarily enroll land and receive incentive payments equal to at least \$50 per acre in
 117.8 exchange for use or other restrictions placed on the land. In order for property to qualify
 117.9 under the local conservation program provision, a taxpayer must apply to the assessor by
 117.10 February 1 of the assessment year and must submit the information required by the assessor,
 117.11 including but not limited to a copy of the program requirements, the specific agreement
 117.12 between the land owner and the local agency, if applicable, and a map of the conservation
 117.13 area. Agricultural classification shall not be based upon the market value of any residential
 117.14 structures on the parcel or contiguous parcels under the same ownership.

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

117.18 (f) Agricultural land under this section also includes:

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

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

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

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

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

- 124.1 agricultural products for sale to local markets by the farmer or an organization with which
124.2 the farmer is affiliated.
- 124.3 "Contiguous acreage," for purposes of this paragraph, means all of a tax parcel as
124.4 described in section 272.193, or all of a set of contiguous tax parcels under that section that
124.5 are owned by the same person.
- 124.6 (g) Land shall be classified as agricultural even if all or a portion of the agricultural use
124.7 of that property is the leasing to, or use by another person for agricultural purposes.
- 124.8 Classification under this subdivision is not determinative for qualifying under section
124.9 273.111.
- 124.10 (h) The property classification under this section supersedes, for property tax purposes
124.11 only, any locally administered agricultural policies or land use restrictions that define
124.12 minimum or maximum farm acreage.
- 124.13 (i) The term "agricultural products" as used in this subdivision includes production for
124.14 sale of:
- 124.15 (1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing
124.16 animals, horticultural and nursery stock, fruit of all kinds, vegetables, forage, grains, bees,
124.17 and apiary products by the owner;
- 124.18 (2) aquacultural products for sale and consumption, as defined under section 17.47, if
124.19 the aquaculture occurs on land zoned for agricultural use;
- 124.20 (3) the commercial boarding of horses, which may include related horse training and
124.21 riding instruction, if the boarding is done on property that is also used for raising pasture
124.22 to graze horses or raising or cultivating other agricultural products as defined in clause (1);
- 124.23 (4) property which is owned and operated by nonprofit organizations used for equestrian
124.24 activities, excluding racing;
- 124.25 (5) game birds and waterfowl bred and raised (i) on a game farm licensed under section
124.26 97A.105, provided that the annual licensing report to the Department of Natural Resources,
124.27 which must be submitted annually by March 30 to the assessor, indicates that at least 500
124.28 birds were raised or used for breeding stock on the property during the preceding year and
124.29 that the owner provides a copy of the owner's most recent schedule F; or (ii) for use on a
124.30 shooting preserve licensed under section 97A.115;
- 124.31 (6) insects primarily bred to be used as food for animals;
- 125.1 (7) trees, grown for sale as a crop, including short rotation woody crops, and not sold
125.2 for timber, lumber, wood, or wood products; and

- 117.31 agricultural products for sale to local markets by the farmer or an organization with which
117.32 the farmer is affiliated.
- 118.1 "Contiguous acreage," for purposes of this paragraph, means all of a tax parcel as
118.2 described in section 272.193, or all of a set of contiguous tax parcels under that section that
118.3 are owned by the same person.
- 118.4 (g) Land shall be classified as agricultural even if all or a portion of the agricultural use
118.5 of that property is the leasing to, or use by another person for agricultural purposes.
- 118.6 Classification under this subdivision is not determinative for qualifying under section
118.7 273.111.
- 118.8 (h) The property classification under this section supersedes, for property tax purposes
118.9 only, any locally administered agricultural policies or land use restrictions that define
118.10 minimum or maximum farm acreage.
- 118.11 (i) The term "agricultural products" as used in this subdivision includes production for
118.12 sale of:
- 118.13 (1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing
118.14 animals, horticultural and nursery stock, fruit of all kinds, vegetables, forage, grains, bees,
118.15 and apiary products by the owner;
- 118.16 (2) aquacultural products for sale and consumption, as defined under section 17.47, if
118.17 the aquaculture occurs on land zoned for agricultural use;
- 118.18 (3) the commercial boarding of horses, which may include related horse training and
118.19 riding instruction, if the boarding is done on property that is also used for raising pasture
118.20 to graze horses or raising or cultivating other agricultural products as defined in clause (1);
- 118.21 (4) property which is owned and operated by nonprofit organizations used for equestrian
118.22 activities, excluding racing;
- 118.23 (5) game birds and waterfowl bred and raised (i) on a game farm licensed under section
118.24 97A.105, provided that the annual licensing report to the Department of Natural Resources,
118.25 which must be submitted annually by March 30 to the assessor, indicates that at least 500
118.26 birds were raised or used for breeding stock on the property during the preceding year and
118.27 that the owner provides a copy of the owner's most recent schedule F; or (ii) for use on a
118.28 shooting preserve licensed under section 97A.115;
- 118.29 (6) insects primarily bred to be used as food for animals;
- 118.30 (7) trees, grown for sale as a crop, including short rotation woody crops, and not sold
118.31 for timber, lumber, wood, or wood products; and

- 125.3 (8) maple syrup taken from trees grown by a person licensed by the Minnesota
125.4 Department of Agriculture under chapter 28A as a food processor.
- 125.5 (j) If a parcel used for agricultural purposes is also used for commercial or industrial
125.6 purposes, including but not limited to:
- 125.7 (1) wholesale and retail sales;
- 125.8 (2) processing of raw agricultural products or other goods;
- 125.9 (3) warehousing or storage of processed goods; and
- 125.10 (4) office facilities for the support of the activities enumerated in clauses (1), (2), and
125.11 (3),
- 125.12 the assessor shall classify the part of the parcel used for agricultural purposes as class 1b,
125.13 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use.
125.14 The grading, sorting, and packaging of raw agricultural products for first sale is considered
125.15 an agricultural purpose. A greenhouse or other building where horticultural or nursery
125.16 products are grown that is also used for the conduct of retail sales must be classified as
125.17 agricultural if it is primarily used for the growing of horticultural or nursery products from
125.18 seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products.
125.19 Use of a greenhouse or building only for the display of already grown horticultural or nursery
125.20 products does not qualify as an agricultural purpose.
- 125.21 (k) The assessor shall determine and list separately on the records the market value of
125.22 the homestead dwelling and the one acre of land on which that dwelling is located. If any
125.23 farm buildings or structures are located on this homesteaded acre of land, their market value
125.24 shall not be included in this separate determination.
- 125.25 (l) Class 2d airport landing area consists of a landing area or public access area of a
125.26 privately owned public use airport. It has a classification rate of one percent of market value.
125.27 To qualify for classification under this paragraph, a privately owned public use airport must
125.28 be licensed as a public airport under section 360.018. For purposes of this paragraph, "landing
125.29 area" means that part of a privately owned public use airport properly cleared, regularly
125.30 maintained, and made available to the public for use by aircraft and includes runways,
125.31 taxiways, aprons, and sites upon which are situated landing or navigational aids. A landing
125.32 area also includes land underlying both the primary surface and the approach surfaces that
125.33 comply with all of the following:
- 126.1 (i) the land is properly cleared and regularly maintained for the primary purposes of the
126.2 landing, taking off, and taxiing of aircraft; but that portion of the land that contains facilities
126.3 for servicing, repair, or maintenance of aircraft is not included as a landing area;
- 126.4 (ii) the land is part of the airport property; and

- 119.1 (8) maple syrup taken from trees grown by a person licensed by the Minnesota
119.2 Department of Agriculture under chapter 28A as a food processor.
- 119.3 (j) If a parcel used for agricultural purposes is also used for commercial or industrial
119.4 purposes, including but not limited to:
- 119.5 (1) wholesale and retail sales;
- 119.6 (2) processing of raw agricultural products or other goods;
- 119.7 (3) warehousing or storage of processed goods; and
- 119.8 (4) office facilities for the support of the activities enumerated in clauses (1), (2), and
119.9 (3),
- 119.10 the assessor shall classify the part of the parcel used for agricultural purposes as class 1b,
119.11 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use.
119.12 The grading, sorting, and packaging of raw agricultural products for first sale is considered
119.13 an agricultural purpose. A greenhouse or other building where horticultural or nursery
119.14 products are grown that is also used for the conduct of retail sales must be classified as
119.15 agricultural if it is primarily used for the growing of horticultural or nursery products from
119.16 seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products.
119.17 Use of a greenhouse or building only for the display of already grown horticultural or nursery
119.18 products does not qualify as an agricultural purpose.
- 119.19 (k) The assessor shall determine and list separately on the records the market value of
119.20 the homestead dwelling and the one acre of land on which that dwelling is located. If any
119.21 farm buildings or structures are located on this homesteaded acre of land, their market value
119.22 shall not be included in this separate determination.
- 119.23 (l) Class 2d airport landing area consists of a landing area or public access area of a
119.24 privately owned public use airport. It has a classification rate of one percent of market value.
119.25 To qualify for classification under this paragraph, a privately owned public use airport must
119.26 be licensed as a public airport under section 360.018. For purposes of this paragraph, "landing
119.27 area" means that part of a privately owned public use airport properly cleared, regularly
119.28 maintained, and made available to the public for use by aircraft and includes runways,
119.29 taxiways, aprons, and sites upon which are situated landing or navigational aids. A landing
119.30 area also includes land underlying both the primary surface and the approach surfaces that
119.31 comply with all of the following:
- 120.1 (i) the land is properly cleared and regularly maintained for the primary purposes of the
120.2 landing, taking off, and taxiing of aircraft; but that portion of the land that contains facilities
120.3 for servicing, repair, or maintenance of aircraft is not included as a landing area;
- 120.4 (ii) the land is part of the airport property; and

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

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

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

126.19 (1) a legal description of the property;

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

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

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

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

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

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

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

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

120.19 (1) a legal description of the property;

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

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

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

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

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

- 127.9 acreage change is five acres, even if the actual mining activity constitutes less than five
127.10 acres.
- 127.11 (o) The definitions prescribed by the commissioner under paragraphs (c) and (d) are not
127.12 rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in
127.13 section 14.386 concerning exempt rules do not apply.
- 127.14 **EFFECTIVE DATE.** This section is effective for assessment year 2019 and thereafter.
- 127.15 Sec. 16. Minnesota Statutes 2018, section 273.13, subdivision 34, is amended to read:
- 127.16 Subd. 34. **Homestead of disabled veteran or family caregiver.** (a) All or a portion of
127.17 the market value of property owned by a veteran and serving as the veteran's homestead
127.18 under this section is excluded in determining the property's taxable market value if the
127.19 veteran has a service-connected disability of 70 percent or more as certified by the United
127.20 States Department of Veterans Affairs. To qualify for exclusion under this subdivision, the
127.21 veteran must have been honorably discharged from the United States armed forces, as
127.22 indicated by United States Government Form DD214 or other official military discharge
127.23 papers.
- 127.24 (b)(1) For a disability rating of 70 percent or more, \$150,000 of market value is excluded,
127.25 except as provided in clause (2); and
- 127.26 (2) for a total (100 percent) and permanent disability, \$300,000 of market value is
127.27 excluded.
- 127.28 (c) If a disabled veteran qualifying for a valuation exclusion under paragraph (b), clause
127.29 (2), predeceases the veteran's spouse, and if upon the death of the veteran the spouse holds
127.30 the legal or beneficial title to the homestead and permanently resides there, the exclusion
127.31 shall carry over to the benefit of the veteran's spouse ~~for the current taxes payable year and~~
127.32 ~~for eight additional taxes payable years or until such time as the spouse remarries, or sells,~~
127.33 ~~transfers, or otherwise disposes of the property, whichever comes first.~~ Qualification under
128.1 this paragraph requires an application under paragraph (h), and a spouse must notify the
128.2 assessor if there is a change in the spouse's marital status, ownership of the property, or use
128.3 of the property as a permanent residence.
- 128.4 (d) If the spouse of a member of any branch or unit of the United States armed forces
128.5 who dies due to a service-connected cause while serving honorably in active service, as
128.6 indicated on United States Government Form DD1300 or DD2064, holds the legal or
128.7 beneficial title to a homestead and permanently resides there, the spouse is entitled to the
128.8 benefit described in paragraph (b), clause (2), ~~for eight taxes payable years, or until such~~
128.9 ~~time as the spouse remarries or sells, transfers, or otherwise disposes of the property;~~
128.10 ~~whichever comes first.~~
- 128.11 (e) If a veteran meets the disability criteria of paragraph (a) but does not own property
128.12 classified as homestead in the state of Minnesota, then the homestead of the veteran's primary

- 121.9 acreage change is five acres, even if the actual mining activity constitutes less than five
121.10 acres.
- 121.11 (o) The definitions prescribed by the commissioner under paragraphs (c) and (d) are not
121.12 rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in
121.13 section 14.386 concerning exempt rules do not apply.
- 121.14 **EFFECTIVE DATE.** This section is effective for assessment year 2019 and thereafter.
- 121.15 Sec. 16. Minnesota Statutes 2018, section 273.13, subdivision 34, is amended to read:
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121.17 the market value of property owned by a veteran and serving as the veteran's homestead
121.18 under this section is excluded in determining the property's taxable market value if the
121.19 veteran has a service-connected disability of 70 percent or more as certified by the United
121.20 States Department of Veterans Affairs. To qualify for exclusion under this subdivision, the
121.21 veteran must have been honorably discharged from the United States armed forces, as
121.22 indicated by United States Government Form DD214 or other official military discharge
121.23 papers.
- 121.24 (b)(1) For a disability rating of 70 percent or more, \$150,000 of market value is excluded,
121.25 except as provided in clause (2); and
- 121.26 (2) for a total (100 percent) and permanent disability, \$300,000 of market value is
121.27 excluded.
- 121.28 (c) If a disabled veteran qualifying for a valuation exclusion under paragraph (b), clause
121.29 (2), predeceases the veteran's spouse, and if upon the death of the veteran the spouse holds
121.30 the legal or beneficial title to the homestead and permanently resides there, the exclusion
121.31 shall carry over to the benefit of the veteran's spouse ~~for the current taxes payable year and~~
121.32 ~~for eight additional taxes payable years or until such time as the spouse remarries, or sells,~~
121.33 ~~transfers, or otherwise disposes of the property, whichever comes first.~~ Qualification under
122.1 this paragraph requires an application under paragraph (h), and a spouse must notify the
122.2 assessor if there is a change in the spouse's marital status, ownership of the property, or use
122.3 of the property as a permanent residence.
- 122.4 (d) If the spouse of a member of any branch or unit of the United States armed forces
122.5 who dies due to a service-connected cause while serving honorably in active service, as
122.6 indicated on United States Government Form DD1300 or DD2064, holds the legal or
122.7 beneficial title to a homestead and permanently resides there, the spouse is entitled to the
122.8 benefit described in paragraph (b), clause (2), ~~for eight taxes payable years, or until such~~
122.9 ~~time as the spouse remarries or sells, transfers, or otherwise disposes of the property;~~
122.10 ~~whichever comes first.~~
- 122.11 (e) If a veteran meets the disability criteria of paragraph (a) but does not own property
122.12 classified as homestead in the state of Minnesota, then the homestead of the veteran's primary

128.13 family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify
128.14 for under paragraph (b).

128.15 (f) In the case of an agricultural homestead, only the portion of the property consisting
128.16 of the house and garage and immediately surrounding one acre of land qualifies for the
128.17 valuation exclusion under this subdivision.

128.18 (g) A property qualifying for a valuation exclusion under this subdivision is not eligible
128.19 for the market value exclusion under subdivision 35, or classification under subdivision 22,
128.20 paragraph (b).

128.21 (h) To qualify for a valuation exclusion under this subdivision a property owner must
128.22 apply to the assessor by ~~July 1~~ December 15 of the first assessment year for which the
128.23 exclusion is sought. For an application received after ~~July 1~~ December 15, the exclusion
128.24 shall become effective for the following assessment year. Except as provided in paragraph
128.25 (c), the owner of a property that has been accepted for a valuation exclusion must notify
128.26 the assessor if there is a change in ownership of the property or in the use of the property
128.27 as a homestead.

128.28 (i) A first-time application by a qualifying spouse for the market value exclusion under
128.29 paragraph (d) must be made any time within two years of the death of the service member.

128.30 (j) For purposes of this subdivision:

128.31 (1) "active service" has the meaning given in section 190.05;

128.32 (2) "own" means that the person's name is present as an owner on the property deed;

129.1 (3) "primary family caregiver" means a person who is approved by the secretary of the
129.2 United States Department of Veterans Affairs for assistance as the primary provider of
129.3 personal care services for an eligible veteran under the Program of Comprehensive Assistance
129.4 for Family Caregivers, codified as United States Code, title 38, section 1720G; and

129.5 (4) "veteran" has the meaning given the term in section 197.447.

129.6 (k) If a veteran dying after December 31, 2011, did not apply for or receive the exclusion
129.7 under paragraph (b), clause (2), before dying, the veteran's spouse is entitled to the benefit
129.8 under paragraph (b), clause (2), ~~for eight taxes payable years or~~ until the spouse remarries
129.9 or sells, transfers, or otherwise disposes of the property if:

129.10 (1) the spouse files a first-time application within two years of the death of the service
129.11 member or by June 1, 2019, whichever is later;

129.12 (2) upon the death of the veteran, the spouse holds the legal or beneficial title to the
129.13 homestead and permanently resides there;

122.13 family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify
122.14 for under paragraph (b).

122.15 (f) In the case of an agricultural homestead, only the portion of the property consisting
122.16 of the house and garage and immediately surrounding one acre of land qualifies for the
122.17 valuation exclusion under this subdivision.

122.18 (g) A property qualifying for a valuation exclusion under this subdivision is not eligible
122.19 for the market value exclusion under subdivision 35, or classification under subdivision 22,
122.20 paragraph (b).

122.21 (h) To qualify for a valuation exclusion under this subdivision a property owner must
122.22 apply to the assessor by ~~July 1~~ December 15 of the first assessment year for which the
122.23 exclusion is sought. For an application received after ~~July 1~~ December 15, the exclusion
122.24 shall become effective for the following assessment year. Except as provided in paragraph
122.25 (c), the owner of a property that has been accepted for a valuation exclusion must notify
122.26 the assessor if there is a change in ownership of the property or in the use of the property
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123.1 (3) "primary family caregiver" means a person who is approved by the secretary of the
123.2 United States Department of Veterans Affairs for assistance as the primary provider of
123.3 personal care services for an eligible veteran under the Program of Comprehensive Assistance
123.4 for Family Caregivers, codified as United States Code, title 38, section 1720G; and

123.5 (4) "veteran" has the meaning given the term in section 197.447.

123.6 (k) If a veteran dying after December 31, 2011, did not apply for or receive the exclusion
123.7 under paragraph (b), clause (2), before dying, the veteran's spouse is entitled to the benefit
123.8 under paragraph (b), clause (2), ~~for eight taxes payable years or~~ until the spouse remarries
123.9 or sells, transfers, or otherwise disposes of the property if:

123.10 (1) the spouse files a first-time application within two years of the death of the service
123.11 member or by June 1, 2019, whichever is later;

123.12 (2) upon the death of the veteran, the spouse holds the legal or beneficial title to the
123.13 homestead and permanently resides there;

129.14 (3) the veteran met the honorable discharge requirements of paragraph (a); and
 129.15 (4) the United States Department of Veterans Affairs certifies that:
 129.16 (i) the veteran met the total (100 percent) and permanent disability requirement under
 129.17 paragraph (b), clause (2); or
 129.18 (ii) the spouse has been awarded dependency and indemnity compensation.
 129.19 (l) The purpose of this provision of law providing a level of homestead property tax
 129.20 relief for gravely disabled veterans, their primary family caregivers, and their surviving
 129.21 spouses is to help ease the burdens of war for those among our state's citizens who bear
 129.22 those burdens most heavily.
 129.23 (m) By July 1, the county veterans service officer must certify the disability rating and
 129.24 permanent address of each veteran receiving the benefit under paragraph (b) to the assessor.
 129.25 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2019,
 129.26 for taxes payable in 2020 and thereafter.
 129.27 Sec. 17. Minnesota Statutes 2018, section 273.1384, subdivision 2, is amended to read:
 129.28 Subd. 2. **Agricultural homestead market value credit.** Property classified as agricultural
 129.29 homestead under section 273.13, subdivision 23, paragraph (a), is eligible for an agricultural
 129.30 credit. The credit is computed using the property's agricultural credit market value, defined
 129.31 for this purpose as the property's market value excluding the market value of the house,
 130.1 garage, and immediately surrounding one acre of land. The credit is equal to 0.3 percent of
 130.2 the first \$115,000 of the property's agricultural credit market value plus 0.1 percent of the
 130.3 property's agricultural credit market value in excess of \$115,000, subject to a maximum
 130.4 credit of \$490 for a full agricultural homestead. In the case of property that is classified as
 130.5 part homestead and part nonhomestead solely because not all the owners occupy or farm
 130.6 the property, not all the owners have qualifying relatives occupying or farming the property,
 130.7 or solely because not all the spouses of owners occupy the property, the credit is computed
 130.8 on the amount of agricultural credit market value corresponding to the percentage of
 130.9 homestead. ~~The percentage of homestead is equal to 100 divided by the number of owners~~
 130.10 ~~of the property, or, in the case of a trust, the number of grantors of the trust that owns the~~
 130.11 ~~property, and the maximum credit equals \$490 multiplied by the percentage of homestead.~~
 130.12 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020
 130.13 and thereafter.
 130.14 Sec. 18. Minnesota Statutes 2018, section 273.371, subdivision 1, is amended to read:
 130.15 Subdivision 1. **Report required.** Every electric light, power, gas, water, express, stage,
 130.16 transportation, and pipeline company doing business in Minnesota shall annually file with
 130.17 the commissioner on or before March 31 a report under oath setting forth the information

123.14 (3) the veteran met the honorable discharge requirements of paragraph (a); and
 123.15 (4) the United States Department of Veterans Affairs certifies that:
 123.16 (i) the veteran met the total (100 percent) and permanent disability requirement under
 123.17 paragraph (b), clause (2); or
 123.18 (ii) the spouse has been awarded dependency and indemnity compensation.
 123.19 (l) The purpose of this provision of law providing a level of homestead property tax
 123.20 relief for gravely disabled veterans, their primary family caregivers, and their surviving
 123.21 spouses is to help ease the burdens of war for those among our state's citizens who bear
 123.22 those burdens most heavily.
 123.23 (m) By July 1, the county veterans service officer must certify the disability rating and
 123.24 permanent address of each veteran receiving the benefit under paragraph (b) to the assessor.
 123.25 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2019,
 123.26 for taxes payable in 2020 and thereafter.
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 123.30 credit. The credit is computed using the property's agricultural credit market value, defined
 123.31 for this purpose as the property's market value excluding the market value of the house,
 124.1 garage, and immediately surrounding one acre of land. The credit is equal to 0.3 percent of
 124.2 the first \$115,000 of the property's agricultural credit market value plus 0.1 percent of the
 124.3 property's agricultural credit market value in excess of \$115,000, subject to a maximum
 124.4 credit of \$490 for a full agricultural homestead. In the case of property that is classified as
 124.5 part homestead and part nonhomestead solely because not all the owners occupy or farm
 124.6 the property, not all the owners have qualifying relatives occupying or farming the property,
 124.7 or solely because not all the spouses of owners occupy the property, the credit is computed
 124.8 on the amount of agricultural credit market value corresponding to the percentage of
 124.9 homestead. ~~The percentage of homestead is equal to 100 divided by the number of owners~~
 124.10 ~~of the property, or, in the case of a trust, the number of grantors of the trust that owns the~~
 124.11 ~~property, and the maximum credit equals \$490 multiplied by the percentage of homestead.~~
 124.12 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020
 124.13 and thereafter.
 124.14 Sec. 18. Minnesota Statutes 2018, section 273.371, subdivision 1, is amended to read:
 124.15 Subdivision 1. **Report required.** Every electric light, power, gas, water, express, stage,
 124.16 transportation, and pipeline company doing business in Minnesota shall annually file with
 124.17 the commissioner on or before March 31 a report under oath setting forth the information

130.18 prescribed by the commissioner to enable the commissioner to make valuations,
 130.19 recommended valuations, and equalization required under sections 273.33, 273.35, 273.36,
 130.20 273.37, and 273.3711. The commissioner shall prescribe the content, format, and manner
 130.21 of the report pursuant to section 270C.30, except that for cooperative associations defined
 130.22 in section 273.40, the information provided in the report must be aggregated to the unique
 130.23 taxing jurisdiction level and exclude information related to property subject to the in-lieu
 130.24 tax under section 273.41, and that a "law administered by the commissioner" includes the
 130.25 property tax laws. If all the required information is not available on March 31, the company
 130.26 shall file the information that is available on or before March 31, and the balance of the
 130.27 information as soon as it becomes available. If a report is made by electronic means, the
 130.28 taxpayer's signature is defined pursuant to section 270C.304, except that a "law administered
 130.29 by the commissioner" includes the property tax laws. For purposes of this subdivision,
 130.30 "unique taxing jurisdiction" means the geographic area subject to the same set of local tax
 130.31 rates.

130.32 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2020
 130.33 and thereafter.

131.1 Sec. 19. Minnesota Statutes 2018, section 273.3711, is amended to read:

131.2 **273.3711 RECOMMENDED AND ORDERED VALUES.**

131.3 For purposes of sections 273.33, 273.35, 273.36, 273.37, 273.371, and 273.372, all
 131.4 preliminary values not required to be listed and assessed by the commissioner of revenue
 131.5 are recommended values. If the commissioner provides preliminary recommended values,
 131.6 the values must be certified to the auditor of each county in which the property is located
 131.7 on or before ~~August 1~~ July 15. If the commissioner determines that the certified recommended
 131.8 value is in error the commissioner may issue a corrected certification on or before October
 131.9 1. The commissioner may correct errors that are merely clerical in nature until December
 131.10 31.

131.11 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2019
 131.12 and thereafter.

131.13 Sec. 20. Minnesota Statutes 2018, section 275.025, subdivision 1, is amended to read:

131.14 Subdivision 1. **Levy amount.** The state general levy is levied against
 131.15 commercial-industrial property and seasonal residential recreational property, as defined
 131.16 in this section. The state general levy for commercial-industrial property is ~~\$784,590,000~~
 131.17 \$737,090,000 for taxes payable in ~~2018~~ 2020 and thereafter. The state general levy for
 131.18 seasonal-recreational property is ~~\$44,190,000~~ \$41,690,000 for taxes payable in ~~2018~~ 2020
 131.19 and thereafter. The tax under this section is not treated as a local tax rate under section
 131.20 469.177 and is not the levy of a governmental unit under chapters 276A and 473F.

131.21 The commissioner shall increase or decrease the preliminary or final rate for a year as
 131.22 necessary to account for errors and tax base changes that affected a preliminary or final rate

124.18 prescribed by the commissioner to enable the commissioner to make valuations,
 124.19 recommended valuations, and equalization required under sections 273.33, 273.35, 273.36,
 124.20 273.37, and 273.3711. The commissioner shall prescribe the content, format, and manner
 124.21 of the report pursuant to section 270C.30, except that for cooperative associations defined
 124.22 in section 273.40, the information provided in the report must be aggregated to the unique
 124.23 taxing jurisdiction level and exclude information related to property subject to the in-lieu
 124.24 tax under section 273.41, and that a "law administered by the commissioner" includes the
 124.25 property tax laws. If all the required information is not available on March 31, the company
 124.26 shall file the information that is available on or before March 31, and the balance of the
 124.27 information as soon as it becomes available. If a report is made by electronic means, the
 124.28 taxpayer's signature is defined pursuant to section 270C.304, except that a "law administered
 124.29 by the commissioner" includes the property tax laws. For purposes of this subdivision,
 124.30 "unique taxing jurisdiction" means the geographic area subject to the same set of local tax
 124.31 rates.

124.32 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2020
 124.33 and thereafter.

125.1 Sec. 19. Minnesota Statutes 2018, section 273.3711, is amended to read:

125.2 **273.3711 RECOMMENDED AND ORDERED VALUES.**

125.3 For purposes of sections 273.33, 273.35, 273.36, 273.37, 273.371, and 273.372, all
 125.4 preliminary values not required to be listed and assessed by the commissioner of revenue
 125.5 are recommended values. If the commissioner provides preliminary recommended values,
 125.6 the values must be certified to the auditor of each county in which the property is located
 125.7 on or before ~~August 1~~ July 15. If the commissioner determines that the certified recommended
 125.8 value is in error the commissioner may issue a corrected certification on or before October
 125.9 1. The commissioner may correct errors that are merely clerical in nature until December
 125.10 31.

125.11 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2019
 125.12 and thereafter.

125.13 Sec. 20. Minnesota Statutes 2018, section 275.025, subdivision 1, is amended to read:

125.14 Subdivision 1. **Levy amount.** The state general levy is levied against
 125.15 commercial-industrial property and seasonal residential recreational property, as defined
 125.16 in this section. The state general levy for commercial-industrial property is ~~\$784,590,000~~
 125.17 \$737,090,000 for taxes payable in ~~2018~~ 2020 and thereafter. The state general levy for
 125.18 seasonal-recreational property is ~~\$44,190,000~~ \$41,690,000 for taxes payable in ~~2018~~ 2020
 125.19 and thereafter. The tax under this section is not treated as a local tax rate under section
 125.20 469.177 and is not the levy of a governmental unit under chapters 276A and 473F.

125.21 The commissioner shall increase or decrease the preliminary or final rate for a year as
 125.22 necessary to account for errors and tax base changes that affected a preliminary or final rate

131.23 for either of the two preceding years. Adjustments are allowed to the extent that the necessary
 131.24 information is available to the commissioner at the time the rates for a year must be certified,
 131.25 and for the following reasons:

131.26 (1) an erroneous report of taxable value by a local official;

131.27 (2) an erroneous calculation by the commissioner; and

131.28 (3) an increase or decrease in taxable value for commercial-industrial or seasonal
 131.29 residential recreational property reported on the abstracts of tax lists submitted under section
 131.30 275.29 that was not reported on the abstracts of assessment submitted under section 270C.89
 131.31 for the same year.

132.1 The commissioner may, but need not, make adjustments if the total difference in the tax
 132.2 levied for the year would be less than \$100,000.

132.3 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

132.4 Sec. 21. Minnesota Statutes 2018, section 275.025, is amended by adding a subdivision
 132.5 to read:

132.6 Subd. 6. **Natural gas pipeline.** (a) The county must abate the state general levy on
 132.7 personal property that is part of an intrastate natural gas transportation or distribution pipeline
 132.8 system if:

132.9 (1) construction of the pipeline system commenced after January 1, 2018; and

132.10 (2) the pipeline system provides service to an area:

132.11 (i) outside the seven-county metropolitan area, as defined in section 473.121, subdivision
 132.12 4; and

132.13 (ii) in which more than half of the households or businesses lacked access to natural gas
 132.14 distribution systems as of January 1, 2018.

132.15 (b) In the first year that a taxpayer seeks an abatement under this subdivision, the taxpayer
 132.16 must file an application with the commissioner of revenue by March 1 of the assessment
 132.17 year on a form prescribed by the commissioner.

132.18 (c) The commissioner of revenue must notify any affected county in the first year that
 132.19 a pipeline system becomes eligible for an abatement under this subdivision.

132.20 (d) The abatement under this subdivision applies for a period not to exceed 12 taxable
 132.21 years, provided that once a property no longer qualifies, it may not subsequently qualify
 132.22 for an abatement under this subdivision.

125.23 for either of the two preceding years. Adjustments are allowed to the extent that the necessary
 125.24 information is available to the commissioner at the time the rates for a year must be certified,
 125.25 and for the following reasons:

125.26 (1) an erroneous report of taxable value by a local official;

125.27 (2) an erroneous calculation by the commissioner; and

125.28 (3) an increase or decrease in taxable value for commercial-industrial or seasonal
 125.29 residential recreational property reported on the abstracts of tax lists submitted under section
 125.30 275.29 that was not reported on the abstracts of assessment submitted under section 270C.89
 125.31 for the same year.

126.1 The commissioner may, but need not, make adjustments if the total difference in the tax
 126.2 levied for the year would be less than \$100,000.

126.3 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2020.

126.4 Sec. 21. Minnesota Statutes 2018, section 275.025, is amended by adding a subdivision
 126.5 to read:

126.6 Subd. 6. **Natural gas pipeline.** (a) The county must abate the state general levy on
 126.7 personal property that is part of an intrastate natural gas transportation or distribution pipeline
 126.8 system if:

126.9 (1) construction of the pipeline system commenced after January 1, 2018; and

126.10 (2) the pipeline system provides service to an area:

126.11 (i) outside the seven-county metropolitan area, as defined in section 473.121, subdivision
 126.12 4; and

126.13 (ii) in which more than half of the households or businesses lacked access to natural gas
 126.14 distribution systems as of January 1, 2018.

126.15 (b) In the first year that a taxpayer seeks an abatement under this subdivision, the taxpayer
 126.16 must file an application with the commissioner of revenue by March 1 of the assessment
 126.17 year on a form prescribed by the commissioner.

126.18 (c) The commissioner of revenue must notify any affected county in the first year that
 126.19 a pipeline system becomes eligible for an abatement under this subdivision.

126.20 (d) The abatement under this subdivision applies for a period not to exceed 12 taxable
 126.21 years, provided that once a property no longer qualifies, it may not subsequently qualify
 126.22 for an abatement under this subdivision.

132.23 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2021.

132.24 Sec. 22. Minnesota Statutes 2018, section 276.131, is amended to read:

132.25 **276.131 DISTRIBUTION OF PENALTIES, INTEREST, AND COSTS.**

132.26 Subdivision 1. **Distribution.** Except as provided in subdivision 2, the penalties, interest,
132.27 and costs collected on special assessments and real and personal property taxes must be
132.28 distributed as follows:

132.29 (1) all penalties and interest collected on special assessments against real or personal
132.30 property must be distributed to the taxing jurisdiction that levied the assessment;

133.1 (2) 50 percent of all penalties collected on real and personal property taxes must be
133.2 distributed to the school districts within the county, and the remaining 50 percent must be
133.3 distributed to the county;

133.4 (3) in the case of interest on taxes that have been delinquent for a period of one year or
133.5 less, (a) 50 percent of the interest must be distributed to the school districts within the county
133.6 and (b) the remaining 50 percent shall be distributed to the county;

133.7 (4) in the case of interest on taxes that have been delinquent for a period of more than
133.8 one year, (a) 50 percent of the interest must be distributed to the school districts within the
133.9 county and (b) the remaining 50 percent must be distributed as follows: (i) the city or town
133.10 where the property is located shall receive a share of the amount of interest equal to the
133.11 proportion that the city's or town's local tax rate for the year that the interest was collected,
133.12 is to the sum of the city's or town's local tax rate and the county's local tax rate for the year
133.13 that the interest was collected and (ii) the balance must be distributed to the county; and

133.14 (5) all costs collected by the county on special assessments and on delinquent real and
133.15 personal property taxes must be distributed to the county in which the property is located.

133.16 Subd. 2. **Distribution of certain production taxes.** The penalties, interest, and costs
133.17 collected on taxes imposed under sections 272.029 and 272.0295 must be distributed to the
133.18 same local taxing jurisdictions and in the same percentages as provided for the revenues of
133.19 the original taxes imposed under sections 272.029 and 272.0295.

133.20 Subd. 3. **Distribution to school district.** The distribution of all penalties and interest
133.21 to the school district must be in accordance with the provisions of section 127A.34.

133.22 **EFFECTIVE DATE.** This section is effective for penalties, interest, and costs collected
133.23 on taxes payable in 2020 and thereafter.

133.24 Sec. 23. Minnesota Statutes 2018, section 282.01, subdivision 6, is amended to read:

133.25 Subd. 6. **Duties of commissioner after sale.** (a) When any sale has been made by the
133.26 county auditor under sections 282.01 to 282.13, the auditor shall immediately certify to the

126.23 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2021.

126.24 Sec. 22. Minnesota Statutes 2018, section 276.131, is amended to read:

126.25 **276.131 DISTRIBUTION OF PENALTIES, INTEREST, AND COSTS.**

126.26 Subdivision 1. **Distribution.** Except as provided in subdivision 2, the penalties, interest,
126.27 and costs collected on special assessments and real and personal property taxes must be
126.28 distributed as follows:

126.29 (1) all penalties and interest collected on special assessments against real or personal
126.30 property must be distributed to the taxing jurisdiction that levied the assessment;

127.1 (2) 50 percent of all penalties collected on real and personal property taxes must be
127.2 distributed to the school districts within the county, and the remaining 50 percent must be
127.3 distributed to the county;

127.4 (3) in the case of interest on taxes that have been delinquent for a period of one year or
127.5 less, (a) 50 percent of the interest must be distributed to the school districts within the county
127.6 and (b) the remaining 50 percent shall be distributed to the county;

127.7 (4) in the case of interest on taxes that have been delinquent for a period of more than
127.8 one year, (a) 50 percent of the interest must be distributed to the school districts within the
127.9 county and (b) the remaining 50 percent must be distributed as follows: (i) the city or town
127.10 where the property is located shall receive a share of the amount of interest equal to the
127.11 proportion that the city's or town's local tax rate for the year that the interest was collected,
127.12 is to the sum of the city's or town's local tax rate and the county's local tax rate for the year
127.13 that the interest was collected and (ii) the balance must be distributed to the county; and

127.14 (5) all costs collected by the county on special assessments and on delinquent real and
127.15 personal property taxes must be distributed to the county in which the property is located.

127.16 Subd. 2. **Distribution of certain production taxes.** The penalties, interest, and costs
127.17 collected on taxes imposed under sections 272.029 and 272.0295 must be distributed to the
127.18 same local taxing jurisdictions and in the same percentages as provided for the revenues of
127.19 the original taxes imposed under sections 272.029 and 272.0295.

127.20 Subd. 3. **Distribution to school district.** The distribution of all penalties and interest
127.21 to the school district must be in accordance with the provisions of section 127A.34.

127.22 **EFFECTIVE DATE.** This section is effective for penalties, interest, and costs collected
127.23 on taxes payable in 2020 and thereafter.

127.24 Sec. 23. Minnesota Statutes 2018, section 282.01, subdivision 6, is amended to read:

127.25 Subd. 6. **Duties of commissioner after sale.** (a) When any sale has been made by the
127.26 county auditor under sections 282.01 to 282.13, the auditor shall immediately certify to the

133.27 commissioner of revenue such information relating to such sale, on such forms as the
 133.28 commissioner of revenue may prescribe as will enable the commissioner of revenue to
 133.29 prepare an appropriate deed if the sale is for cash, or keep necessary records if the sale is
 133.30 on terms; and not later than October 31 of each year the county auditor shall submit to the
 133.31 commissioner of revenue a statement of all instances wherein any payment of principal,
 133.32 interest, or current taxes on lands held under certificate, due or to be paid during the preceding
 133.33 calendar years, are still outstanding at the time such certificate is made. When such statement
 134.1 shows that a purchaser or the purchaser's assignee is in default, the commissioner of revenue
 134.2 may instruct the county board of the county in which the land is located to cancel said
 134.3 certificate of sale in the manner provided by subdivision 5, provided that upon
 134.4 recommendation of the county board, and where the circumstances are such that the
 134.5 commissioner of revenue after investigation is satisfied that the purchaser has made every
 134.6 effort reasonable to make payment of both the annual installment and said taxes, and that
 134.7 there has been no willful neglect on the part of the purchaser in meeting these obligations,
 134.8 then the commissioner of revenue may extend the time for the payment for such period as
 134.9 the commissioner may deem warranted, not to exceed one year. On payment in full of the
 134.10 purchase price, appropriate conveyance in fee, in such form as may be prescribed by the
 134.11 attorney general, shall be issued by the commissioner of revenue, which conveyance must
 134.12 be recorded by the county and shall have the force and effect of a patent from the state
 134.13 subject to easements and restrictions of record at the date of the tax judgment sale, including,
 134.14 but without limitation, permits for telephone and electric power lines either by underground
 134.15 cable or conduit or otherwise, sewer and water lines, highways, railroads, and pipe lines for
 134.16 gas, liquids, or solids in suspension.

134.17 (b) The commissioner of revenue shall issue an appropriate conveyance in fee when
 134.18 approval from the county auditor is given based upon written confirmation from a licensed
 134.19 closing agent, title insurer, or title insurance agent as specified in section 82.641. For purposes
 134.20 of this paragraph, "written confirmation" means a written commitment or approval that the
 134.21 funding for the conveyance is held in an escrow account available for disbursement upon
 134.22 delivery of a conveyance. The county recorder or registrar of titles must not record or file
 134.23 a conveyance issued under this paragraph unless the conveyance contains a certification
 134.24 signed by the county auditor where the land is located stating that the recorder or registrar
 134.25 of titles can accept the conveyance for recording or filing. The conveyance issued by the
 134.26 commissioner of revenue shall not be effective as a conveyance until it is recorded. The
 134.27 conveyance shall be issued to the county auditor where the land is located. Upon receipt of
 134.28 the conveyance, the county auditor shall hold the conveyance until the conveyance is
 134.29 requested from a licensed closing agent, title insurer, or title insurance agent to settle and
 134.30 close on the conveyance. If a request for the conveyance is not made within 30 days of the
 134.31 date the conveyance is issued by the commissioner of revenue, the county auditor shall
 134.32 return the conveyance to the commissioner. If the conveyance is delivered to the licensed
 134.33 closing agent, title insurer, or title insurance agent and the closing does not occur within
 134.34 ten days of the request, the licensed closing agent, title insurer, or title insurance agent shall
 134.35 immediately return the conveyance to the county auditor and, upon receipt, the county
 134.36 auditor shall return the conveyance to the commissioner of revenue. The commissioner of

127.27 commissioner of revenue such information relating to such sale, on such forms as the
 127.28 commissioner of revenue may prescribe as will enable the commissioner of revenue to
 127.29 prepare an appropriate deed if the sale is for cash, or keep necessary records if the sale is
 127.30 on terms; and not later than October 31 of each year the county auditor shall submit to the
 127.31 commissioner of revenue a statement of all instances wherein any payment of principal,
 127.32 interest, or current taxes on lands held under certificate, due or to be paid during the preceding
 127.33 calendar years, are still outstanding at the time such certificate is made. When such statement
 128.1 shows that a purchaser or the purchaser's assignee is in default, the commissioner of revenue
 128.2 may instruct the county board of the county in which the land is located to cancel said
 128.3 certificate of sale in the manner provided by subdivision 5, provided that upon
 128.4 recommendation of the county board, and where the circumstances are such that the
 128.5 commissioner of revenue after investigation is satisfied that the purchaser has made every
 128.6 effort reasonable to make payment of both the annual installment and said taxes, and that
 128.7 there has been no willful neglect on the part of the purchaser in meeting these obligations,
 128.8 then the commissioner of revenue may extend the time for the payment for such period as
 128.9 the commissioner may deem warranted, not to exceed one year. On payment in full of the
 128.10 purchase price, appropriate conveyance in fee, in such form as may be prescribed by the
 128.11 attorney general, shall be issued by the commissioner of revenue, which conveyance must
 128.12 be recorded by the county and shall have the force and effect of a patent from the state
 128.13 subject to easements and restrictions of record at the date of the tax judgment sale, including,
 128.14 but without limitation, permits for telephone and electric power lines either by underground
 128.15 cable or conduit or otherwise, sewer and water lines, highways, railroads, and pipe lines for
 128.16 gas, liquids, or solids in suspension.

128.17 (b) The commissioner of revenue shall issue an appropriate conveyance in fee when
 128.18 approval from the county auditor is given based upon written confirmation from a licensed
 128.19 closing agent, title insurer, or title insurance agent as specified in section 82.641. For purposes
 128.20 of this paragraph, "written confirmation" means a written commitment or approval that the
 128.21 funding for the conveyance is held in an escrow account available for disbursement upon
 128.22 delivery of a conveyance. The county recorder or registrar of titles must not record or file
 128.23 a conveyance issued under this paragraph unless the conveyance contains a certification
 128.24 signed by the county auditor where the land is located stating that the recorder or registrar
 128.25 of titles can accept the conveyance for recording or filing. The conveyance issued by the
 128.26 commissioner of revenue shall not be effective as a conveyance until it is recorded. The
 128.27 conveyance shall be issued to the county auditor where the land is located. Upon receipt of
 128.28 the conveyance, the county auditor shall hold the conveyance until the conveyance is
 128.29 requested from a licensed closing agent, title insurer, or title insurance agent to settle and
 128.30 close on the conveyance. If a request for the conveyance is not made within 30 days of the
 128.31 date the conveyance is issued by the commissioner of revenue, the county auditor shall
 128.32 return the conveyance to the commissioner. If the conveyance is delivered to the licensed
 128.33 closing agent, title insurer, or title insurance agent and the closing does not occur within
 128.34 ten days of the request, the licensed closing agent, title insurer, or title insurance agent shall
 128.35 immediately return the conveyance to the county auditor and, upon receipt, the county
 128.36 auditor shall return the conveyance to the commissioner of revenue. The commissioner of

135.1 revenue shall cancel and destroy all conveyances returned by the county auditor pursuant
 135.2 to this subdivision. The licensed closing agent, title insurer, or title insurance agent must
 135.3 promptly record the conveyance after the closing and must deliver an attested or certified
 135.4 copy to the county auditor and to the grantee or grantees named on the conveyance.

135.5 **EFFECTIVE DATE.** This section is effective for conveyances issued by the
 135.6 commissioner of revenue after December 31, 2019.

135.7 Sec. 24. Minnesota Statutes 2018, section 287.21, subdivision 1, is amended to read:

135.8 Subdivision 1. **Determination of tax.** (a) A tax is imposed on each deed or instrument
 135.9 by which any real property in this state is granted, assigned, transferred, or otherwise
 135.10 conveyed. The tax applies against the net consideration. For purposes of the tax, the
 135.11 conversion of a corporation to a limited liability company, a limited liability company to a
 135.12 corporation, a partnership to a limited partnership, a limited partnership to another limited
 135.13 partnership or other entity, or a similar conversion of one entity to another does not grant,
 135.14 assign, transfer, or convey real property.

135.15 (b) The tax is determined in the following manner: (1) when transfers are made by
 135.16 instruments pursuant to (i) consolidations or mergers, or (ii) designated transfers, the tax is
 135.17 \$1.65; (2) when there is no consideration or when the consideration, exclusive of the value
 135.18 of any lien or encumbrance remaining thereon at the time of sale, is ~~\$500~~ \$3,000 or less,
 135.19 the tax is \$1.65; or (3) when the consideration, exclusive of the value of any lien or
 135.20 encumbrance remaining at the time of sale, exceeds ~~\$500~~ \$3,000, the tax is .0033 of the net
 135.21 consideration.

135.22 (c) If, within six months from the date of a designated transfer, an ownership interest in
 135.23 the grantee entity is transferred by an initial owner to any person or entity with the result
 135.24 that the designated transfer would not have been a designated transfer if made to the grantee
 135.25 entity with its subsequent ownership, then a tax is imposed at .0033 of the net consideration
 135.26 for the designated transfer. If the subsequent transfer of ownership interests was reasonably
 135.27 expected at the time of the designated transfer, the applicable penalty under section 287.31,
 135.28 subdivision 1, must be paid. The deed tax imposed under this paragraph is due within 30
 135.29 days of the subsequent transfer that caused the tax to be imposed under this paragraph.
 135.30 Involuntary transfers of ownership shall not be considered transfers of ownership under this
 135.31 paragraph. The commissioner may adopt rules defining the types of transfers to be considered
 135.32 involuntary.

135.33 (d) The tax is due at the time a taxable deed or instrument is presented for recording,
 135.34 except as provided in paragraph (c). The commissioner may require the tax to be documented
 136.1 in a manner prescribed by the commissioner, and may require that the documentation be
 136.2 attached to and recorded as part of the deed or instrument. The county recorder or registrar
 136.3 of titles shall accept the attachment for recording as part of the deed or instrument and may
 136.4 not require, as a condition of recording a deed or instrument, evidence that a transfer is a
 136.5 designated transfer in addition to that required by the commissioner. Such an attachment

129.1 revenue shall cancel and destroy all conveyances returned by the county auditor pursuant
 129.2 to this subdivision. The licensed closing agent, title insurer, or title insurance agent must
 129.3 promptly record the conveyance after the closing and must deliver an attested or certified
 129.4 copy to the county auditor and to the grantee or grantees named on the conveyance.

129.5 **EFFECTIVE DATE.** This section is effective for conveyances issued by the
 129.6 commissioner of revenue after December 31, 2019.

129.7 Sec. 24. Minnesota Statutes 2018, section 287.21, subdivision 1, is amended to read:

129.8 Subdivision 1. **Determination of tax.** (a) A tax is imposed on each deed or instrument
 129.9 by which any real property in this state is granted, assigned, transferred, or otherwise
 129.10 conveyed. The tax applies against the net consideration. For purposes of the tax, the
 129.11 conversion of a corporation to a limited liability company, a limited liability company to a
 129.12 corporation, a partnership to a limited partnership, a limited partnership to another limited
 129.13 partnership or other entity, or a similar conversion of one entity to another does not grant,
 129.14 assign, transfer, or convey real property.

129.15 (b) The tax is determined in the following manner: (1) when transfers are made by
 129.16 instruments pursuant to (i) consolidations or mergers, or (ii) designated transfers, the tax is
 129.17 \$1.65; (2) when there is no consideration or when the consideration, exclusive of the value
 129.18 of any lien or encumbrance remaining thereon at the time of sale, is ~~\$500~~ \$3,000 or less,
 129.19 the tax is \$1.65; or (3) when the consideration, exclusive of the value of any lien or
 129.20 encumbrance remaining at the time of sale, exceeds ~~\$500~~ \$3,000, the tax is .0033 of the net
 129.21 consideration.

129.22 (c) If, within six months from the date of a designated transfer, an ownership interest in
 129.23 the grantee entity is transferred by an initial owner to any person or entity with the result
 129.24 that the designated transfer would not have been a designated transfer if made to the grantee
 129.25 entity with its subsequent ownership, then a tax is imposed at .0033 of the net consideration
 129.26 for the designated transfer. If the subsequent transfer of ownership interests was reasonably
 129.27 expected at the time of the designated transfer, the applicable penalty under section 287.31,
 129.28 subdivision 1, must be paid. The deed tax imposed under this paragraph is due within 30
 129.29 days of the subsequent transfer that caused the tax to be imposed under this paragraph.
 129.30 Involuntary transfers of ownership shall not be considered transfers of ownership under this
 129.31 paragraph. The commissioner may adopt rules defining the types of transfers to be considered
 129.32 involuntary.

129.33 (d) The tax is due at the time a taxable deed or instrument is presented for recording,
 129.34 except as provided in paragraph (c). The commissioner may require the tax to be documented
 130.1 in a manner prescribed by the commissioner, and may require that the documentation be
 130.2 attached to and recorded as part of the deed or instrument. The county recorder or registrar
 130.3 of titles shall accept the attachment for recording as part of the deed or instrument and may
 130.4 not require, as a condition of recording a deed or instrument, evidence that a transfer is a
 130.5 designated transfer in addition to that required by the commissioner. Such an attachment

136.6 shall not, however, provide actual or constructive notice of the information contained therein
 136.7 for purposes of determining any interest in the real property. The commissioner shall
 136.8 prescribe the manner in which the tax due under paragraph (c) is to be paid and may require
 136.9 grantees of designated transfers to file with the commissioner subsequent statements verifying
 136.10 that the tax provided under paragraph (c) does not apply.

136.11 **EFFECTIVE DATE.** This section is effective for deeds recorded after December 31,
 136.12 2019.

136.13 Sec. 25. Minnesota Statutes 2018, section 290A.03, subdivision 13, is amended to read:

136.14 Subd. 13. **Property taxes payable.** "Property taxes payable" means the property tax
 136.15 exclusive of special assessments, penalties, and interest payable on a claimant's homestead
 136.16 after deductions made under sections 273.135, 273.1384, 273.1391, 273.42, subdivision 2,
 136.17 and any other state paid property tax credits in any calendar year, and after any refund
 136.18 claimed and allowable under section 290A.04, subdivision 2h, that is first payable in the
 136.19 year that the property tax is payable. In the case of a claimant who makes ground lease
 136.20 payments, "property taxes payable" includes the amount of the payments directly attributable
 136.21 to the property taxes assessed against the parcel on which the house is located. Regardless
 136.22 of the limitations in section 280A(c)(5) of the Internal Revenue Code, "property taxes
 136.23 payable" must be apportioned or reduced for the use of a portion of the claimant's homestead
 136.24 for a business purpose if the claimant deducts any business depreciation expenses for the
 136.25 use of a portion of the homestead or deducts expenses under section 280A of the Internal
 136.26 Revenue Code for a business operated in the claimant's homestead. For homesteads which
 136.27 are manufactured homes as defined in section 273.125, subdivision 8, ~~and for homesteads~~
 136.28 ~~which are including manufactured homes located in a manufactured home community owned~~
 136.29 by a cooperative organized under chapter 308A or 308B, and park trailers taxed as
 136.30 manufactured homes under section 168.012, subdivision 9, "property taxes payable" shall
 136.31 also include 17 percent of the gross rent paid in the preceding year for the site on which the
 136.32 homestead is located. When a homestead is owned by two or more persons as joint tenants
 136.33 or tenants in common, such tenants shall determine between them which tenant may claim
 136.34 the property taxes payable on the homestead. If they are unable to agree, the matter shall
 137.1 be referred to the commissioner of revenue whose decision shall be final. Property taxes
 137.2 are considered payable in the year prescribed by law for payment of the taxes.

137.3 In the case of a claim relating to "property taxes payable," the claimant must have owned
 137.4 and occupied the homestead on January 2 of the year in which the tax is payable and (i) the
 137.5 property must have been classified as homestead property pursuant to section 273.124, on
 137.6 or before December 15 of the assessment year to which the "property taxes payable" relate;
 137.7 or (ii) the claimant must provide documentation from the local assessor that application for
 137.8 homestead classification has been made on or before December 15 of the year in which the
 137.9 "property taxes payable" were payable and that the assessor has approved the application.

130.6 shall not, however, provide actual or constructive notice of the information contained therein
 130.7 for purposes of determining any interest in the real property. The commissioner shall
 130.8 prescribe the manner in which the tax due under paragraph (c) is to be paid and may require
 130.9 grantees of designated transfers to file with the commissioner subsequent statements verifying
 130.10 that the tax provided under paragraph (c) does not apply.

130.11 **EFFECTIVE DATE.** This section is effective for deeds recorded after December 31,
 130.12 2019.

130.13 Sec. 25. Minnesota Statutes 2018, section 290A.03, subdivision 13, is amended to read:

130.14 Subd. 13. **Property taxes payable.** "Property taxes payable" means the property tax
 130.15 exclusive of special assessments, penalties, and interest payable on a claimant's homestead
 130.16 after deductions made under sections 273.135, 273.1384, 273.1391, 273.42, subdivision 2,
 130.17 and any other state paid property tax credits in any calendar year, and after any refund
 130.18 claimed and allowable under section 290A.04, subdivision 2h, that is first payable in the
 130.19 year that the property tax is payable. In the case of a claimant who makes ground lease
 130.20 payments, "property taxes payable" includes the amount of the payments directly attributable
 130.21 to the property taxes assessed against the parcel on which the house is located. Regardless
 130.22 of the limitations in section 280A(c)(5) of the Internal Revenue Code, "property taxes
 130.23 payable" must be apportioned or reduced for the use of a portion of the claimant's homestead
 130.24 for a business purpose if the claimant deducts any business depreciation expenses for the
 130.25 use of a portion of the homestead or deducts expenses under section 280A of the Internal
 130.26 Revenue Code for a business operated in the claimant's homestead. For homesteads which
 130.27 are manufactured homes as defined in section 273.125, subdivision 8, ~~and for homesteads~~
 130.28 ~~which are including manufactured homes located in a manufactured home community owned~~
 130.29 by a cooperative organized under chapter 308A or 308B, and park trailers taxed as
 130.30 manufactured homes under section 168.012, subdivision 9, "property taxes payable" shall
 130.31 also include 17 percent of the gross rent paid in the preceding year for the site on which the
 130.32 homestead is located. When a homestead is owned by two or more persons as joint tenants
 130.33 or tenants in common, such tenants shall determine between them which tenant may claim
 130.34 the property taxes payable on the homestead. If they are unable to agree, the matter shall
 131.1 be referred to the commissioner of revenue whose decision shall be final. Property taxes
 131.2 are considered payable in the year prescribed by law for payment of the taxes.

131.3 In the case of a claim relating to "property taxes payable," the claimant must have owned
 131.4 and occupied the homestead on January 2 of the year in which the tax is payable and (i) the
 131.5 property must have been classified as homestead property pursuant to section 273.124, on
 131.6 or before December 15 of the assessment year to which the "property taxes payable" relate;
 131.7 or (ii) the claimant must provide documentation from the local assessor that application for
 131.8 homestead classification has been made on or before December 15 of the year in which the
 131.9 "property taxes payable" were payable and that the assessor has approved the application.

- 137.10 **EFFECTIVE DATE.** This section is effective beginning with claims for tax payable
137.11 in 2020.
- 137.12 Sec. 26. Minnesota Statutes 2018, section 290B.04, subdivision 1, is amended to read:
- 137.13 Subdivision 1. **Initial application.** (a) A taxpayer meeting the program qualifications
137.14 under section 290B.03 may apply to the commissioner of revenue for the deferral of taxes.
137.15 Applications are due on or before ~~July~~ November 1 for deferral of any of the following
137.16 year's property taxes. A taxpayer may apply in the year in which the taxpayer becomes 65
137.17 years old, provided that no deferral of property taxes will be made until the calendar year
137.18 after the taxpayer becomes 65 years old. The application, which shall be prescribed by the
137.19 commissioner of revenue, shall include the following items and any other information which
137.20 the commissioner deems necessary:
- 137.21 (1) the name, address, and Social Security number of the owner or owners;
- 137.22 (2) a copy of the property tax statement for the current payable year for the homesteaded
137.23 property;
- 137.24 (3) the initial year of ownership and occupancy as a homestead;
- 137.25 (4) the owner's household income for the previous calendar year; and
- 137.26 (5) information on any mortgage loans or other amounts secured by mortgages or other
137.27 liens against the property, for which purpose the commissioner may require the applicant
137.28 to provide a copy of the mortgage note, the mortgage, or a statement of the balance owing
137.29 on the mortgage loan provided by the mortgage holder. The commissioner may require the
137.30 appropriate documents in connection with obtaining and confirming information on unpaid
137.31 amounts secured by other liens.
- 138.1 The application must state that program participation is voluntary. The application must
138.2 also state that the deferred amount depends directly on the applicant's household income,
138.3 and that program participation includes authorization for the annual deferred amount, the
138.4 cumulative deferral and interest that appear on each year's notice prepared by the county
138.5 under subdivision 6, is public data.
- 138.6 The application must state that program participants may claim the property tax refund
138.7 based on the full amount of property taxes eligible for the refund, including any deferred
138.8 amounts. The application must also state that property tax refunds will be used to offset any
138.9 deferral and interest under this program, and that any other amounts subject to revenue
138.10 recapture under section 270A.03, subdivision 7, will also be used to offset any deferral and
138.11 interest under this program.
- 138.12 (b) As part of the initial application process, the commissioner may require the applicant
138.13 to obtain at the applicant's own cost and submit:

- 131.10 **EFFECTIVE DATE.** This section is effective beginning with claims for tax payable
131.11 in 2020.
- 131.12 Sec. 26. Minnesota Statutes 2018, section 290B.04, subdivision 1, is amended to read:
- 131.13 Subdivision 1. **Initial application.** (a) A taxpayer meeting the program qualifications
131.14 under section 290B.03 may apply to the commissioner of revenue for the deferral of taxes.
131.15 Applications are due on or before ~~July~~ November 1 for deferral of any of the following
131.16 year's property taxes. A taxpayer may apply in the year in which the taxpayer becomes 65
131.17 years old, provided that no deferral of property taxes will be made until the calendar year
131.18 after the taxpayer becomes 65 years old. The application, which shall be prescribed by the
131.19 commissioner of revenue, shall include the following items and any other information which
131.20 the commissioner deems necessary:
- 131.21 (1) the name, address, and Social Security number of the owner or owners;
- 131.22 (2) a copy of the property tax statement for the current payable year for the homesteaded
131.23 property;
- 131.24 (3) the initial year of ownership and occupancy as a homestead;
- 131.25 (4) the owner's household income for the previous calendar year; and
- 131.26 (5) information on any mortgage loans or other amounts secured by mortgages or other
131.27 liens against the property, for which purpose the commissioner may require the applicant
131.28 to provide a copy of the mortgage note, the mortgage, or a statement of the balance owing
131.29 on the mortgage loan provided by the mortgage holder. The commissioner may require the
131.30 appropriate documents in connection with obtaining and confirming information on unpaid
131.31 amounts secured by other liens.
- 132.1 The application must state that program participation is voluntary. The application must
132.2 also state that the deferred amount depends directly on the applicant's household income,
132.3 and that program participation includes authorization for the annual deferred amount, the
132.4 cumulative deferral and interest that appear on each year's notice prepared by the county
132.5 under subdivision 6, is public data.
- 132.6 The application must state that program participants may claim the property tax refund
132.7 based on the full amount of property taxes eligible for the refund, including any deferred
132.8 amounts. The application must also state that property tax refunds will be used to offset any
132.9 deferral and interest under this program, and that any other amounts subject to revenue
132.10 recapture under section 270A.03, subdivision 7, will also be used to offset any deferral and
132.11 interest under this program.
- 132.12 (b) As part of the initial application process, the commissioner may require the applicant
132.13 to obtain at the applicant's own cost and submit:

138.14 (1) if the property is registered property under chapter 508 or 508A, a copy of the original
 138.15 certificate of title in the possession of the county registrar of titles (sometimes referred to
 138.16 as "condition of register"); or

138.17 (2) if the property is abstract property, a report prepared by a licensed abstracter showing
 138.18 the last deed and any unsatisfied mortgages, liens, judgments, and state and federal tax lien
 138.19 notices which were recorded on or after the date of that last deed with respect to the property
 138.20 or to the applicant.

138.21 The certificate or report under clauses (1) and (2) need not include references to any
 138.22 documents filed or recorded more than 40 years prior to the date of the certification or report.
 138.23 The certification or report must be as of a date not more than 30 days prior to submission
 138.24 of the application.

138.25 The commissioner may also require the county recorder or county registrar of the county
 138.26 where the property is located to provide copies of recorded documents related to the applicant
 138.27 or the property, for which the recorder or registrar shall not charge a fee. The commissioner
 138.28 may use any information available to determine or verify eligibility under this section. The
 138.29 household income from the application is private data on individuals as defined in section
 138.30 13.02, subdivision 12.

138.31 **EFFECTIVE DATE.** This section is effective beginning with applications submitted
 138.32 in 2019.

139.1 Sec. 27. Minnesota Statutes 2018, section 473H.08, subdivision 1, is amended to read:

139.2 Subdivision 1. **Till expiration started.** Agricultural preserves shall continue until ~~either~~
 139.3 the landowner ~~or~~ the authority, or a state agency or governmental unit initiates expiration
 139.4 as provided in this section.

139.5 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 139.6 applies to any agricultural preserve where the previously required eight-year termination
 139.7 period under Minnesota Statutes, section 473H.08, has not yet expired.

139.8 Sec. 28. Minnesota Statutes 2018, section 473H.08, is amended by adding a subdivision
 139.9 to read:

139.10 Subd. 3a. **Expiration for park and trail purposes.** (a) An agricultural preserve expires
 139.11 immediately when a state agency or other governmental unit purchases the property or
 139.12 obtains an easement over the property for the purpose of creating or expanding a public
 139.13 trail or public park. This subdivision applies only to the portion of the agricultural preserve
 139.14 acquired for trail or park purposes, and any portion of the property not acquired for trail or
 139.15 park purposes shall remain an agricultural preserve, even if the total acreage is reduced
 139.16 below 40 acres.

132.14 (1) if the property is registered property under chapter 508 or 508A, a copy of the original
 132.15 certificate of title in the possession of the county registrar of titles (sometimes referred to
 132.16 as "condition of register"); or

132.17 (2) if the property is abstract property, a report prepared by a licensed abstracter showing
 132.18 the last deed and any unsatisfied mortgages, liens, judgments, and state and federal tax lien
 132.19 notices which were recorded on or after the date of that last deed with respect to the property
 132.20 or to the applicant.

132.21 The certificate or report under clauses (1) and (2) need not include references to any
 132.22 documents filed or recorded more than 40 years prior to the date of the certification or report.
 132.23 The certification or report must be as of a date not more than 30 days prior to submission
 132.24 of the application.

132.25 The commissioner may also require the county recorder or county registrar of the county
 132.26 where the property is located to provide copies of recorded documents related to the applicant
 132.27 or the property, for which the recorder or registrar shall not charge a fee. The commissioner
 132.28 may use any information available to determine or verify eligibility under this section. The
 132.29 household income from the application is private data on individuals as defined in section
 132.30 13.02, subdivision 12.

132.31 **EFFECTIVE DATE.** This section is effective beginning with applications submitted
 132.32 in 2019.

133.1 Sec. 27. Minnesota Statutes 2018, section 473H.08, subdivision 1, is amended to read:

133.2 Subdivision 1. **Till expiration started.** Agricultural preserves shall continue until ~~either~~
 133.3 the landowner ~~or~~ the authority, or a state agency or governmental unit initiates expiration
 133.4 as provided in this section.

133.5 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 133.6 applies to any agricultural preserve where the previously required eight-year termination
 133.7 period under Minnesota Statutes, section 473H.08, has not yet expired.

133.8 Sec. 28. Minnesota Statutes 2018, section 473H.08, is amended by adding a subdivision
 133.9 to read:

133.10 Subd. 3a. **Expiration for park and trail purposes.** (a) An agricultural preserve expires
 133.11 immediately when a state agency or other governmental unit purchases the property or
 133.12 obtains an easement over the property for the purpose of creating or expanding a public
 133.13 trail or public park. This subdivision applies only to the portion of the agricultural preserve
 133.14 acquired for trail or park purposes, and any portion of the property not acquired for trail or
 133.15 park purposes shall remain an agricultural preserve, even if the total acreage is reduced
 133.16 below 40 acres.

139.17 (b) The acquiring state agency or governmental unit shall give notice to the authority as
 139.18 provided in subdivision 4. The notice must specify the portion of the property being removed
 139.19 from the agricultural preserve and the date on which that portion expires.

139.20 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 139.21 applies to any agricultural preserve where the previously required eight-year termination
 139.22 period under Minnesota Statutes, section 473H.08, has not yet expired.

139.23 Sec. 29. Minnesota Statutes 2018, section 473H.08, subdivision 4, is amended to read:

139.24 Subd. 4. **Notice to others.** Upon receipt of the notice provided in subdivision 2 or 3a,
 139.25 or upon notice served by the authority as provided in subdivision 3, the authority shall
 139.26 forward the original notice to the county recorder for recording, or to the registrar of titles
 139.27 if the land is registered, and shall notify the county auditor, county assessor, the Metropolitan
 139.28 Council, and the county soil and water conservation district of the date of expiration.
 139.29 Designation as an agricultural preserve and all benefits and limitations accruing through
 139.30 sections 473H.02 to 473H.17 for the preserve shall cease on the date of expiration. The
 139.31 restrictive covenant contained in the application shall terminate on the date of expiration.

140.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 140.2 applies to any agricultural preserve where the previously required eight-year termination
 140.3 period under Minnesota Statutes, section 473H.08, has not yet expired.

140.4 Sec. 30. Minnesota Statutes 2018, section 473H.09, is amended by adding a subdivision
 140.5 to read:

140.6 Subd. 3. **Approval of authority.** Termination of an agricultural preserve earlier than
 140.7 the date derived through the application in section 473H.08 may be requested by the owner
 140.8 eight years after commencement of the preserve. An owner seeking termination under this
 140.9 subdivision must provide notice to the authority exercising planning and zoning authority
 140.10 for the land on a form provided by the commissioner of agriculture. The notice must describe
 140.11 the property for which termination is desired and the date of termination. Termination of
 140.12 the agricultural preserve and covenant pursuant to this subdivision shall become effective
 140.13 only upon approval by a majority vote of the authority.

140.14 **EFFECTIVE DATE.** This section is effective the day following final enactment, and
 140.15 applies to any agricultural preserve where the previously required eight-year termination
 140.16 period under Minnesota Statutes, section 473H.08, has not expired.

140.17 Sec. 31. Laws 2008, chapter 366, article 5, section 33, the effective date, as amended by
 140.18 Laws 2013, chapter 143, article 4, section 35, is amended to read:

140.19 **EFFECTIVE DATE.** This section is effective for taxes levied in 2008, payable in 2009,
 140.20 and is repealed effective for taxes levied in ~~2018~~ 2023, payable in ~~2019~~ 2024, and thereafter.

133.17 (b) The acquiring state agency or governmental unit shall give notice to the authority as
 133.18 provided in subdivision 4. The notice must specify the portion of the property being removed
 133.19 from the agricultural preserve and the date on which that portion expires.

133.20 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 133.21 applies to any agricultural preserve where the previously required eight-year termination
 133.22 period under Minnesota Statutes, section 473H.08, has not yet expired.

133.23 Sec. 29. Minnesota Statutes 2018, section 473H.08, subdivision 4, is amended to read:

133.24 Subd. 4. **Notice to others.** Upon receipt of the notice provided in subdivision 2 or 3a,
 133.25 or upon notice served by the authority as provided in subdivision 3, the authority shall
 133.26 forward the original notice to the county recorder for recording, or to the registrar of titles
 133.27 if the land is registered, and shall notify the county auditor, county assessor, the Metropolitan
 133.28 Council, and the county soil and water conservation district of the date of expiration.
 133.29 Designation as an agricultural preserve and all benefits and limitations accruing through
 133.30 sections 473H.02 to 473H.17 for the preserve shall cease on the date of expiration. The
 133.31 restrictive covenant contained in the application shall terminate on the date of expiration.

134.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 134.2 applies to any agricultural preserve where the previously required eight-year termination
 134.3 period under Minnesota Statutes, section 473H.08, has not yet expired.

134.4 Sec. 30. Minnesota Statutes 2018, section 473H.09, is amended by adding a subdivision
 134.5 to read:

134.6 Subd. 3. **Approval of authority.** Termination of an agricultural preserve earlier than
 134.7 the date derived through the application in section 473H.08 may be requested by the owner
 134.8 eight years after commencement of the preserve. An owner seeking termination under this
 134.9 subdivision must provide notice to the authority exercising planning and zoning authority
 134.10 for the land on a form provided by the commissioner of agriculture. The notice must describe
 134.11 the property for which termination is desired and the date of termination. Termination of
 134.12 the agricultural preserve and covenant pursuant to this subdivision shall become effective
 134.13 only upon approval by a majority vote of the authority.

134.14 **EFFECTIVE DATE.** This section is effective the day following final enactment, and
 134.15 applies to any agricultural preserve where the previously required eight-year termination
 134.16 period under Minnesota Statutes, section 473H.08, has not expired.

134.17 Sec. 31. Laws 2008, chapter 366, article 5, section 33, the effective date, as amended by
 134.18 Laws 2013, chapter 143, article 4, section 35, is amended to read:

134.19 **EFFECTIVE DATE.** This section is effective for taxes levied in 2008, payable in 2009,
 134.20 and is repealed effective for taxes levied in ~~2018~~ 2023, payable in ~~2019~~ 2024, and thereafter.

140.21 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2019.

140.22 Sec. 32. Laws 2009, chapter 88, article 2, section 46, subdivision 1, as amended by Laws
140.23 2013, chapter 143, article 4, section 36, is amended to read:

140.24 Subdivision 1. **Agreement.** The city of Cloquet and Perch Lake Township, by resolution
140.25 of each of their governing bodies, may establish the Cloquet Area Fire and Ambulance
140.26 Special Taxing District for the purpose of providing fire or ambulance services, or both,
140.27 throughout the district. In this section, "municipality" means home rule charter and statutory
140.28 cities, towns, and Indian tribes. The district may exercise all the powers relating to fire and
140.29 ambulance services of the municipalities that receive fire or ambulance services, or both,
140.30 from the district. Upon application, any other municipality may join the district with the
140.31 agreement of the municipalities that comprise the district at the time of its application to
140.32 join.

141.1 **EFFECTIVE DATE.** This section is effective upon compliance by the Cloquet Area
141.2 Fire and Ambulance Special Taxing District Board with Minnesota Statutes, section 645.021,
141.3 subdivision 3.

141.4 Sec. 33. Laws 2009, chapter 88, article 2, section 46, subdivision 2, is amended to read:

141.5 Subd. 2. **Board.** The Cloquet Area Fire and Ambulance Special Taxing District Board
141.6 is governed by a board made up initially of one or more elected officials of the governing
141.7 body of each participating municipality in the proportions set out in the establishing
141.8 resolution, subject to change as provided in the district's charter, if any, or in the district's
141.9 bylaws. Each municipality's representatives serve at the pleasure of that municipality's
141.10 governing body.

141.11 **EFFECTIVE DATE.** This section is effective upon compliance by the Cloquet Area
141.12 Fire and Ambulance Special Taxing District Board with Minnesota Statutes, section 645.021,
141.13 subdivision 3.

141.14 Sec. 34. Laws 2009, chapter 88, article 2, section 46, subdivision 3, as amended by Laws
141.15 2013, chapter 143, article 4, section 37, is amended to read:

141.16 Subd. 3. **Tax.** The district board may impose a property tax on taxable property as
141.17 provided in this subdivision to pay the costs of providing fire or ambulance services, or
141.18 both, throughout the district. The board shall annually determine the total amount of the
141.19 levy that is attributable to the cost of providing fire services and the cost of providing
141.20 ambulance services within the primary service area. For those municipalities that only
141.21 receive ambulance services, the costs for the provision of ambulance services shall be levied
141.22 against taxable property within those municipalities at a rate necessary not to exceed 0.019
141.23 percent of the estimated market value. For those municipalities that receive both fire and
141.24 ambulance services, the tax shall be imposed at a rate that does not exceed 0.2835 percent
141.25 of estimated market value.

134.21 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2019.

134.22 Sec. 32. Laws 2009, chapter 88, article 2, section 46, subdivision 1, as amended by Laws
134.23 2013, chapter 143, article 4, section 36, is amended to read:

134.24 Subdivision 1. **Agreement.** The city of Cloquet and Perch Lake Township, by resolution
134.25 of each of their governing bodies, may establish the Cloquet Area Fire and Ambulance
134.26 Special Taxing District for the purpose of providing fire or ambulance services, or both,
134.27 throughout the district. In this section, "municipality" means home rule charter and statutory
134.28 cities, towns, and Indian tribes. The district may exercise all the powers relating to fire and
134.29 ambulance services of the municipalities that receive fire or ambulance services, or both,
134.30 from the district. Upon application, any other municipality may join the district with the
134.31 agreement of the municipalities that comprise the district at the time of its application to
134.32 join.

135.1 **EFFECTIVE DATE.** This section is effective upon compliance by the Cloquet Area
135.2 Fire and Ambulance Special Taxing District Board with Minnesota Statutes, section 645.021,
135.3 subdivision 3.

135.4 Sec. 33. Laws 2009, chapter 88, article 2, section 46, subdivision 2, is amended to read:

135.5 Subd. 2. **Board.** The Cloquet Area Fire and Ambulance Special Taxing District Board
135.6 is governed by a board made up initially of one or more elected officials of the governing
135.7 body of each participating municipality in the proportions set out in the establishing
135.8 resolution, subject to change as provided in the district's charter, if any, or in the district's
135.9 bylaws. Each municipality's representatives serve at the pleasure of that municipality's
135.10 governing body.

135.11 **EFFECTIVE DATE.** This section is effective upon compliance by the Cloquet Area
135.12 Fire and Ambulance Special Taxing District Board with Minnesota Statutes, section 645.021,
135.13 subdivision 3.

135.14 Sec. 34. Laws 2009, chapter 88, article 2, section 46, subdivision 3, as amended by Laws
135.15 2013, chapter 143, article 4, section 37, is amended to read:

135.16 Subd. 3. **Tax.** The district board may impose a property tax on taxable property as
135.17 provided in this subdivision to pay the costs of providing fire or ambulance services, or
135.18 both, throughout the district. The board shall annually determine the total amount of the
135.19 levy that is attributable to the cost of providing fire services and the cost of providing
135.20 ambulance services within the primary service area. For those municipalities that only
135.21 receive ambulance services, the costs for the provision of ambulance services shall be levied
135.22 against taxable property within those municipalities at a rate necessary not to exceed 0.019
135.23 percent of the estimated market value. For those municipalities that receive both fire and
135.24 ambulance services, the tax shall be imposed at a rate that does not exceed 0.2835 percent
135.25 of estimated market value.

141.26 When a member municipality opts to receive fire service from the district or an additional
 141.27 municipality becomes a member of the district, the cost of providing fire services to that
 141.28 community shall be determined by the board and added to the maximum levy amount.

141.29 Each county auditor of a county that contains a municipality subject to the tax under
 141.30 this section must collect the tax and pay it to the Fire and Ambulance Special Taxing District.
 141.31 The district may also impose other fees or charges as allowed by law for the provision of
 141.32 fire and ambulance services.

142.1 **EFFECTIVE DATE.** This section is effective upon compliance by the Cloquet Area
 142.2 Fire and Ambulance Special Taxing District Board with Minnesota Statutes, section 645.021,
 142.3 subdivision 3.

142.4 Sec. 35. Laws 2009, chapter 88, article 2, section 46, subdivision 4, is amended to read:

142.5 Subd. 4. **Public indebtedness.** The district may incur debt in the manner provided for
 142.6 in Minnesota Statutes, chapter 475, and the district is a municipality ~~by Minnesota Statutes,~~
 142.7 ~~chapter 475, when necessary to accomplish its duties,~~ as defined in Minnesota Statutes,
 142.8 sections 475.51, subdivision 2, and 475.521, subdivision 1, paragraph (c), and may issue
 142.9 certificates of indebtedness or capital notes as provided for a city under Minnesota Statutes,
 142.10 section 412.301, when necessary to accomplish its duties. Any tax levied to pay debt of the
 142.11 district must be levied in the amounts required and in accordance with Minnesota Statutes,
 142.12 section 475.61. The debt service for debt, the proceeds of which financed capital costs for
 142.13 ambulance service, must be levied against taxable property within those municipalities in
 142.14 the primary service area. The debt service for debt, the proceeds of which financed capital
 142.15 costs for fire service, must be levied against taxable property within those municipalities
 142.16 receiving fire services.

142.17 **EFFECTIVE DATE.** This section is effective upon compliance by the Cloquet Area
 142.18 Fire and Ambulance Special Taxing District Board with Minnesota Statutes, section 645.021,
 142.19 subdivision 3.

142.20 Sec. 36. Laws 2009, chapter 88, article 2, section 46, subdivision 5, is amended to read:

142.21 Subd. 5. **Withdrawal.** Notice of intent to withdraw from participation in the district
 142.22 may be given only in the month of January, with a minimum of twelve months notice of
 142.23 intent to withdraw. Withdrawal becomes effective for taxes levied under subdivision 3 in
 142.24 the year when the notice is given. A property tax levied by the district on taxable property
 142.25 located in a withdrawing municipality to make debt service payments for obligations issued
 142.26 by the district under subdivision 4 remains in effect until the obligations outstanding on the
 142.27 date of withdrawal are satisfied, including any property tax levied in connection with a
 142.28 refunding of the obligations. The district and its members may develop and agree upon
 142.29 other continuing obligations after withdrawal of a municipality.

135.26 When a member municipality opts to receive fire service from the district or an additional
 135.27 municipality becomes a member of the district, the cost of providing fire services to that
 135.28 community shall be determined by the board and added to the maximum levy amount.

135.29 Each county auditor of a county that contains a municipality subject to the tax under
 135.30 this section must collect the tax and pay it to the Fire and Ambulance Special Taxing District.
 135.31 The district may also impose other fees or charges as allowed by law for the provision of
 135.32 fire and ambulance services.

136.1 **EFFECTIVE DATE.** This section is effective upon compliance by the Cloquet Area
 136.2 Fire and Ambulance Special Taxing District Board with Minnesota Statutes, section 645.021,
 136.3 subdivision 3.

136.4 Sec. 35. Laws 2009, chapter 88, article 2, section 46, subdivision 4, is amended to read:

136.5 Subd. 4. **Public indebtedness.** The district may incur debt in the manner provided for
 136.6 in Minnesota Statutes, chapter 475, and the district is a municipality ~~by Minnesota Statutes,~~
 136.7 ~~chapter 475, when necessary to accomplish its duties,~~ as defined in Minnesota Statutes,
 136.8 sections 475.51, subdivision 2, and 475.521, subdivision 1, paragraph (c), and may issue
 136.9 certificates of indebtedness or capital notes as provided for a city under Minnesota Statutes,
 136.10 section 412.301, when necessary to accomplish its duties. Any tax levied to pay debt of the
 136.11 district must be levied in the amounts required and in accordance with Minnesota Statutes,
 136.12 section 475.61. The debt service for debt, the proceeds of which financed capital costs for
 136.13 ambulance service, must be levied against taxable property within those municipalities in
 136.14 the primary service area. The debt service for debt, the proceeds of which financed capital
 136.15 costs for fire service, must be levied against taxable property within those municipalities
 136.16 receiving fire services.

136.17 **EFFECTIVE DATE.** This section is effective upon compliance by the Cloquet Area
 136.18 Fire and Ambulance Special Taxing District Board with Minnesota Statutes, section 645.021,
 136.19 subdivision 3.

136.20 Sec. 36. Laws 2009, chapter 88, article 2, section 46, subdivision 5, is amended to read:

136.21 Subd. 5. **Withdrawal.** Notice of intent to withdraw from participation in the district
 136.22 may be given only in the month of January, with a minimum of twelve months notice of
 136.23 intent to withdraw. Withdrawal becomes effective for taxes levied under subdivision 3 in
 136.24 the year when the notice is given. A property tax levied by the district on taxable property
 136.25 located in a withdrawing municipality to make debt service payments for obligations issued
 136.26 by the district under subdivision 4 remains in effect until the obligations outstanding on the
 136.27 date of withdrawal are satisfied, including any property tax levied in connection with a
 136.28 refunding of the obligations. The district and its members may develop and agree upon
 136.29 other continuing obligations after withdrawal of a municipality.

142.30 **EFFECTIVE DATE.** This section is effective upon compliance by the Cloquet Area
 142.31 Fire and Ambulance Special Taxing District Board with Minnesota Statutes, section 645.021,
 142.32 subdivision 3.

143.1 Sec. 37. Laws 2017, First Special Session chapter 1, article 10, section 4, the effective
 143.2 date, is amended to read:

143.3 **EFFECTIVE DATE; APPLICATION.** This section is effective for applications and
 143.4 certifications made in 2018 and thereafter, except the repeal of the exclusion of land under
 143.5 item (iii) is effective retroactively for payments due under Minnesota Statutes, section
 143.6 290C.08, beginning for payments due to be made in 2014. In order to qualify for retroactive
 143.7 payments, the following requirements must be met: (1) the owner of land exceeding 60,000
 143.8 acres that is subject to a single conservation easement funded under Minnesota Statutes,
 143.9 section 97A.056 or a comparable permanent easement conveyed to a governmental or
 143.10 nonprofit entity, must submit an application to the commissioner of revenue, in a form and
 143.11 manner and at a time acceptable to the commissioner, establishing that the affected property
 143.12 and its use met the requirement of Minnesota Statutes, chapter 290C, as amended by this
 143.13 section; (2) the owner and each county in which the land is located must certify to the
 143.14 commissioner that no petitions challenging the market value of the property are pending
 143.15 under Minnesota Statutes, chapter 278; and (3) the requirements of clauses (1) and (2) must
 143.16 be satisfied by October 1, 2017. No interest accrues on payment under this section for
 143.17 periods before November 1, 2017.

143.18 **EFFECTIVE DATE.** This section is effective retroactively for certifications made in
 143.19 2018 and thereafter.

143.20 Sec. 38. **SPECIAL REFUND PROVISION.**

143.21 A veteran who received a disability rating of 70 percent or more in 2016 or 2017 but
 143.22 did not receive the disabled veterans homestead exclusion under Minnesota Statutes, section
 143.23 273.13, subdivision 34, for assessment year 2016 or 2017 may apply for a refund of taxes
 143.24 paid in 2017 or 2018 if the veteran would have qualified for the benefit in Minnesota Statutes,
 143.25 section 273.13, subdivision 34, paragraph (b), in one or both of those years. To qualify for
 143.26 a refund, a property owner must apply to the assessor by December 15, 2019, and must have
 143.27 paid all tax due in 2017 and 2018. After verifying that the applicant qualified for an exclusion
 143.28 for taxes payable in either or both of those years, the county assessor must notify the county
 143.29 auditor, and the auditor must recalculate the taxes on the property for taxes payable in 2017
 143.30 and 2018 based on the exclusion the applicant was qualified for. The county treasurer must
 143.31 then issue a refund of tax paid in 2017 and 2018 equal to the difference between the taxes
 143.32 as initially calculated for each taxes payable year and the taxes based on the value remaining
 143.33 after the exclusion.

144.1 **EFFECTIVE DATE.** This section is effective for refund applications received in 2019,
 144.2 for refunds of tax paid in 2017 and 2018.

136.30 **EFFECTIVE DATE.** This section is effective upon compliance by the Cloquet Area
 136.31 Fire and Ambulance Special Taxing District Board with Minnesota Statutes, section 645.021,
 136.32 subdivision 3.

137.1 Sec. 37. Laws 2017, First Special Session chapter 1, article 10, section 4, the effective
 137.2 date, is amended to read:

137.3 **EFFECTIVE DATE; APPLICATION.** This section is effective for applications and
 137.4 certifications made in 2018 and thereafter, except the repeal of the exclusion of land under
 137.5 item (iii) is effective retroactively for payments due under Minnesota Statutes, section
 137.6 290C.08, beginning for payments due to be made in 2014. In order to qualify for retroactive
 137.7 payments, the following requirements must be met: (1) the owner of land exceeding 60,000
 137.8 acres that is subject to a single conservation easement funded under Minnesota Statutes,
 137.9 section 97A.056 or a comparable permanent easement conveyed to a governmental or
 137.10 nonprofit entity, must submit an application to the commissioner of revenue, in a form and
 137.11 manner and at a time acceptable to the commissioner, establishing that the affected property
 137.12 and its use met the requirement of Minnesota Statutes, chapter 290C, as amended by this
 137.13 section; (2) the owner and each county in which the land is located must certify to the
 137.14 commissioner that no petitions challenging the market value of the property are pending
 137.15 under Minnesota Statutes, chapter 278; and (3) the requirements of clauses (1) and (2) must
 137.16 be satisfied by October 1, 2017. No interest accrues on payment under this section for
 137.17 periods before November 1, 2017.

137.18 **EFFECTIVE DATE.** This section is effective retroactively for certifications made in
 137.19 2018 and thereafter.

137.20 Sec. 38. **SPECIAL REFUND PROVISION.**

137.21 A veteran who received a disability rating of 70 percent or more in 2016 or 2017 but
 137.22 did not receive the disabled veterans homestead exclusion under Minnesota Statutes, section
 137.23 273.13, subdivision 34, for assessment year 2016 or 2017 may apply for a refund of taxes
 137.24 paid in 2017 or 2018 if the veteran would have qualified for the benefit in Minnesota Statutes,
 137.25 section 273.13, subdivision 34, paragraph (b), in one or both of those years. To qualify for
 137.26 a refund, a property owner must apply to the assessor by December 15, 2019, and must have
 137.27 paid all tax due in 2017 and 2018. After verifying that the applicant qualified for an exclusion
 137.28 for taxes payable in either or both of those years, the county assessor must notify the county
 137.29 auditor, and the auditor must recalculate the taxes on the property for taxes payable in 2017
 137.30 and 2018 based on the exclusion the applicant was qualified for. The county treasurer must
 137.31 then issue a refund of tax paid in 2017 and 2018 equal to the difference between the taxes
 137.32 as initially calculated for each taxes payable year and the taxes based on the value remaining
 137.33 after the exclusion.

138.1 **EFFECTIVE DATE.** This section is effective for refund applications received in 2019,
 138.2 for refunds of tax paid in 2017 and 2018.

ARTICLE 5

AIDS AND CREDITS

144.3

144.4

144.5 Section 1. Minnesota Statutes 2018, section 126C.17, subdivision 6, is amended to read:

144.6 Subd. 6. **Referendum equalization levy.** (a) A district's referendum equalization levy
144.7 equals the sum of the first tier referendum equalization levy; ~~and~~ the second tier referendum
144.8 equalization levy; ~~and the third tier referendum equalization levy.~~

144.9 (b) A district's first tier referendum equalization levy equals the district's first tier
144.10 referendum equalization revenue times the lesser of one or the ratio of the district's
144.11 referendum market value per resident pupil unit to ~~\$880,000~~ \$567,000.

144.12 (c) A district's second tier referendum equalization levy equals the district's second tier
144.13 referendum equalization revenue times the lesser of one or the ratio of the district's
144.14 referendum market value per resident pupil unit to ~~\$510,000~~ \$290,000.

144.15 ~~(d) A district's third tier referendum equalization levy equals the district's third tier~~
144.16 ~~referendum equalization revenue times the lesser of one or the ratio of the district's~~
144.17 ~~referendum market value per resident pupil unit to \$290,000.~~

144.18 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2021 and later.

144.19 Sec. 2. Minnesota Statutes 2018, section 273.1387, subdivision 2, is amended to read:

144.20 Subd. 2. **Credit amount.** For each qualifying property, the school building bond
144.21 agricultural credit is equal to ~~40~~ the credit percent of multiplied by the property's eligible
144.22 net tax capacity multiplied by the school debt tax rate determined under section 275.08,
144.23 subdivision 1b. For property taxes payable prior to 2020, the credit percent is equal to 40
144.24 percent. For property taxes payable in 2020, the credit percent is equal to 50 percent. For
144.25 property taxes payable in 2021, the credit percent is equal to 55 percent. For property taxes
144.26 payable in 2022, the credit percent is equal to 60 percent. For property taxes payable in
144.27 2023 and thereafter, the credit percent is equal to 70 percent.

144.28 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
144.29 in 2020.

145.1 Sec. 3. Minnesota Statutes 2018, section 469.169, is amended by adding a subdivision to
145.2 read:

145.3 Subd. 21. **Additional border city allocations.** (a) In addition to the tax reductions
145.4 authorized in subdivisions 12 to 20, the commissioner shall annually allocate \$750,000 for
145.5 tax reductions to border city enterprise zones in cities located on the western border of the
145.6 state. The commissioner shall allocate this amount among cities on a per capita basis.
145.7 Allocations made under this subdivision may be used for tax reductions under sections
145.8 469.171, 469.1732, and 469.1734, or for other offsets of taxes imposed on or remitted by

ARTICLE 5

AIDS AND CREDITS

138.3

138.4

138.5 Section 1. Minnesota Statutes 2018, section 126C.17, subdivision 6, is amended to read:

138.6 Subd. 6. **Referendum equalization levy.** (a) A district's referendum equalization levy
138.7 equals the sum of the first tier referendum equalization levy; ~~and~~ the second tier referendum
138.8 equalization levy; ~~and the third tier referendum equalization levy.~~

138.9 (b) A district's first tier referendum equalization levy equals the district's first tier
138.10 referendum equalization revenue times the lesser of one or the ratio of the district's
138.11 referendum market value per resident pupil unit to ~~\$880,000~~ \$567,000.

138.12 (c) A district's second tier referendum equalization levy equals the district's second tier
138.13 referendum equalization revenue times the lesser of one or the ratio of the district's
138.14 referendum market value per resident pupil unit to ~~\$510,000~~ \$290,000.

138.15 ~~(d) A district's third tier referendum equalization levy equals the district's third tier~~
138.16 ~~referendum equalization revenue times the lesser of one or the ratio of the district's~~
138.17 ~~referendum market value per resident pupil unit to \$290,000.~~

138.18 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2021 and later.

138.19 Sec. 2. Minnesota Statutes 2018, section 273.1387, subdivision 2, is amended to read:

138.20 Subd. 2. **Credit amount.** For each qualifying property, the school building bond
138.21 agricultural credit is equal to ~~40~~ the credit percent of multiplied by the property's eligible
138.22 net tax capacity multiplied by the school debt tax rate determined under section 275.08,
138.23 subdivision 1b. For property taxes payable prior to 2020, the credit percent is equal to 40
138.24 percent. For property taxes payable in 2020, the credit percent is equal to 50 percent. For
138.25 property taxes payable in 2021, the credit percent is equal to 55 percent. For property taxes
138.26 payable in 2022, the credit percent is equal to 60 percent. For property taxes payable in
138.27 2023 and thereafter, the credit percent is equal to 70 percent.

138.28 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
138.29 in 2020.

139.1 Sec. 3. Minnesota Statutes 2018, section 469.169, is amended by adding a subdivision to
139.2 read:

139.3 Subd. 21. **Additional border city allocations.** (a) In addition to the tax reductions
139.4 authorized in subdivisions 12 to 20, the commissioner shall annually allocate \$750,000 for
139.5 tax reductions to border city enterprise zones in cities located on the western border of the
139.6 state. The commissioner shall allocate this amount among cities on a per capita basis.
139.7 Allocations made under this subdivision may be used for tax reductions under sections
139.8 469.171, 469.1732, and 469.1734, or for other offsets of taxes imposed on or remitted by

145.9 businesses located in the enterprise zone as provided by law, but only if the municipality
 145.10 determines that the granting of the tax reduction or offset is necessary to retain a business
 145.11 within or attract a business to the zone.

145.12 (b) The allocations under this subdivision do not cancel or expire, but remain available
 145.13 until used by the city.

145.14 **EFFECTIVE DATE.** This section is effective July 1, 2020.

145.15 Sec. 4. Minnesota Statutes 2018, section 469.171, subdivision 4, is amended to read:

145.16 Subd. 4. **Restriction.** The tax reductions provided by this section shall not apply to (1)
 145.17 a facility the primary purpose of which is one of the following: ~~retail food and beverage~~
 145.18 ~~services, automobile sales or service, or~~ the provision of recreation or entertainment, or a
 145.19 private or commercial golf course, country club, massage parlor, tennis club, skating facility
 145.20 including roller skating, skateboard, and ice skating, racquet sports facility, including any
 145.21 handball or racquetball court, hot tub facility, suntan facility, or racetrack; (2) property of
 145.22 a public utility; (3) property used in the operation of a financial institution; (4) property
 145.23 owned by a fraternal or veterans' organization; or (5) ~~property of a business operating under~~
 145.24 ~~a franchise agreement that requires the business to be located in the state; except that tax~~
 145.25 ~~reductions may be provided to a retail food or beverage facility or an automobile sales or~~
 145.26 ~~service facility, or a business a retail food or beverage facility operating under a franchise~~
 145.27 ~~agreement that requires the business to be located in this state except for such a franchised~~
 145.28 ~~retail food or beverage facility.~~

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

145.30 Sec. 5. Minnesota Statutes 2018, section 477A.013, subdivision 9, is amended to read:

145.31 Subd. 9. **City aid distribution.** (a) In calendar year 2018 and thereafter, if a city's
 145.32 certified aid before any aid adjustment under subdivision 13 for the previous year is less
 146.1 than its current unmet need, the city shall receive an aid distribution equal to the sum of (1)
 146.2 its certified aid in the previous year before any aid adjustment under subdivision 13, (2) the
 146.3 city formula aid under subdivision 8, and (3) its aid adjustment under subdivision 13.

146.4 (b) For aids payable in 2020 only, no city's aid amount before any adjustment under
 146.5 subdivision 13 may be less than its pay 2019 certified aid amount, less any aid adjustment
 146.6 under subdivision 13 for that year. For aids payable in ~~2018~~ 2020 and thereafter, if a city's
 146.7 certified aid before any aid adjustment under subdivision 13 for the previous year is equal
 146.8 to or greater than its current unmet need, the total aid for a city is equal to the greater of (1)
 146.9 its unmet need plus any aid adjustment under subdivision 13, or (2) the amount it was
 146.10 certified to receive in the previous year minus the sum of (i) any adjustment under subdivision
 146.11 13 that was paid in the previous year but has expired, and (ii) the lesser of \$10 multiplied
 146.12 by its population, or five percent of its net levy in the year prior to the aid distribution. No
 146.13 city may have a total aid amount less than \$0.

139.9 businesses located in the enterprise zone as provided by law, but only if the municipality
 139.10 determines that the granting of the tax reduction or offset is necessary to retain a business
 139.11 within or attract a business to the zone.

139.12 (b) The allocations under this subdivision do not cancel or expire, but remain available
 139.13 until used by the city.

139.14 **EFFECTIVE DATE.** This section is effective July 1, 2020.

139.15 Sec. 4. Minnesota Statutes 2018, section 469.171, subdivision 4, is amended to read:

139.16 Subd. 4. **Restriction.** The tax reductions provided by this section shall not apply to (1)
 139.17 a facility the primary purpose of which is one of the following: ~~retail food and beverage~~
 139.18 ~~services, automobile sales or service, or~~ the provision of recreation or entertainment, or a
 139.19 private or commercial golf course, country club, massage parlor, tennis club, skating facility
 139.20 including roller skating, skateboard, and ice skating, racquet sports facility, including any
 139.21 handball or racquetball court, hot tub facility, suntan facility, or racetrack; (2) property of
 139.22 a public utility; (3) property used in the operation of a financial institution; (4) property
 139.23 owned by a fraternal or veterans' organization; or (5) ~~property of a business operating under~~
 139.24 ~~a franchise agreement that requires the business to be located in the state; except that tax~~
 139.25 ~~reductions may be provided to a retail food or beverage facility or an automobile sales or~~
 139.26 ~~service facility, or a business a retail food or beverage facility operating under a franchise~~
 139.27 ~~agreement that requires the business to be located in this state except for such a franchised~~
 139.28 ~~retail food or beverage facility.~~

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

139.30 Sec. 5. Minnesota Statutes 2018, section 477A.013, subdivision 9, is amended to read:

139.31 Subd. 9. **City aid distribution.** (a) In calendar year 2018 and thereafter, if a city's
 139.32 certified aid before any aid adjustment under subdivision 13 for the previous year is less
 140.1 than its current unmet need, the city shall receive an aid distribution equal to the sum of (1)
 140.2 its certified aid in the previous year before any aid adjustment under subdivision 13, (2) the
 140.3 city formula aid under subdivision 8, and (3) its aid adjustment under subdivision 13.

140.4 (b) For aids payable in 2020 only, no city's aid amount before any adjustment under
 140.5 subdivision 13 may be less than its pay 2019 certified aid amount, less any aid adjustment
 140.6 under subdivision 13 for that year. For aids payable in ~~2018~~ 2020 and thereafter, if a city's
 140.7 certified aid before any aid adjustment under subdivision 13 for the previous year is equal
 140.8 to or greater than its current unmet need, the total aid for a city is equal to the greater of (1)
 140.9 its unmet need plus any aid adjustment under subdivision 13, or (2) the amount it was
 140.10 certified to receive in the previous year minus the sum of (i) any adjustment under subdivision
 140.11 13 that was paid in the previous year but has expired, and (ii) the lesser of \$10 multiplied
 140.12 by its population, or five percent of its net levy in the year prior to the aid distribution. No
 140.13 city may have a total aid amount less than \$0.

146.14 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2020
146.15 and thereafter.

146.16 Sec. 6. Minnesota Statutes 2018, section 477A.03, subdivision 2a, is amended to read:

146.17 Subd. 2a. **Cities.** For aids payable in 2016 and 2017, the total aid paid under section
146.18 477A.013, subdivision 9, is \$519,398,012. For aids payable in 2018 and ~~thereafter~~ 2019,
146.19 the total aid paid under section 477A.013, subdivision 9, is \$534,398,012. For aids payable
146.20 in 2020, the total aid paid under section 477A.013, subdivision 9, is \$560,398,012. For aids
146.21 payable in 2021 and thereafter, the total aid payable under section 477A.013, subdivision
146.22 9, is \$564,398,012.

146.23 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2020
146.24 and thereafter.

146.25 Sec. 7. Minnesota Statutes 2018, section 477A.03, subdivision 2b, is amended to read:

146.26 Subd. 2b. **Counties.** (a) For aids payable in 2018 ~~through 2024~~ and 2019, the total aid
146.27 payable under section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000
146.28 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids
146.29 payable in 2020, the total aid payable under section 477A.0124, subdivision 3, is
146.30 \$116,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter
146.31 150, article 4, section 6. For aids payable in 2021 through 2024, the total aid payable under
146.32 section 477A.0124, subdivision 3, is \$118,795,000, of which \$3,000,000 shall be allocated
146.33 as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2025 and
147.1 thereafter, the total aid payable under section 477A.0124, subdivision 3, is ~~\$100,795,000~~
147.2 \$115,795,000. Each calendar year, \$500,000 of this appropriation shall be retained by the
147.3 commissioner of revenue to make reimbursements to the commissioner of management and
147.4 budget for payments made under section 611.27. The reimbursements shall be to defray the
147.5 additional costs associated with court-ordered counsel under section 611.27. Any retained
147.6 amounts not used for reimbursement in a year shall be included in the next distribution of
147.7 county need aid that is certified to the county auditors for the purpose of property tax
147.8 reduction for the next taxes payable year.

147.9 (b) For aids payable in 2018 and ~~thereafter~~ 2019, the total aid under section 477A.0124,
147.10 subdivision 4, is \$130,873,444. For aids payable in 2020, the total aid under section
147.11 477A.0124, subdivision 4, is \$143,873,444. For aids payable in 2021 and thereafter, the
147.12 total aid under section 477A.0124, subdivision 4, is \$145,873,444. The commissioner of
147.13 revenue shall transfer to the commissioner of management and budget \$207,000 annually
147.14 for the cost of preparation of local impact notes as required by section 3.987, and other local
147.15 government activities. The commissioner of revenue shall transfer to the commissioner of
147.16 education \$7,000 annually for the cost of preparation of local impact notes for school districts
147.17 as required by section 3.987. The commissioner of revenue shall deduct the amounts
147.18 transferred under this paragraph from the appropriation under this paragraph. The amounts

140.14 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2020
140.15 and thereafter.

140.16 Sec. 6. Minnesota Statutes 2018, section 477A.03, subdivision 2a, is amended to read:

140.17 Subd. 2a. **Cities.** For aids payable in 2016 and 2017, the total aid paid under section
140.18 477A.013, subdivision 9, is \$519,398,012. For aids payable in 2018 and ~~thereafter~~ 2019,
140.19 the total aid paid under section 477A.013, subdivision 9, is \$534,398,012. For aids payable
140.20 in 2020, the total aid paid under section 477A.013, subdivision 9, is \$560,398,012. For aids
140.21 payable in 2021 and thereafter, the total aid payable under section 477A.013, subdivision
140.22 9, is \$564,398,012.

140.23 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2020
140.24 and thereafter.

140.25 Sec. 7. Minnesota Statutes 2018, section 477A.03, subdivision 2b, is amended to read:

140.26 Subd. 2b. **Counties.** (a) For aids payable in 2018 ~~through 2024~~ and 2019, the total aid
140.27 payable under section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000
140.28 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids
140.29 payable in 2020, the total aid payable under section 477A.0124, subdivision 3, is
140.30 \$116,795,000, of which \$3,000,000 shall be allocated as required under Laws 2014, chapter
140.31 150, article 4, section 6. For aids payable in 2021 through 2024, the total aid payable under
140.32 section 477A.0124, subdivision 3, is \$118,795,000, of which \$3,000,000 shall be allocated
140.33 as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2025 and
141.1 thereafter, the total aid payable under section 477A.0124, subdivision 3, is ~~\$100,795,000~~
141.2 \$115,795,000. Each calendar year, \$500,000 of this appropriation shall be retained by the
141.3 commissioner of revenue to make reimbursements to the commissioner of management and
141.4 budget for payments made under section 611.27. The reimbursements shall be to defray the
141.5 additional costs associated with court-ordered counsel under section 611.27. Any retained
141.6 amounts not used for reimbursement in a year shall be included in the next distribution of
141.7 county need aid that is certified to the county auditors for the purpose of property tax
141.8 reduction for the next taxes payable year.

141.9 (b) For aids payable in 2018 and ~~thereafter~~ 2019, the total aid under section 477A.0124,
141.10 subdivision 4, is \$130,873,444. For aids payable in 2020, the total aid under section
141.11 477A.0124, subdivision 4, is \$143,873,444. For aids payable in 2021 and thereafter, the
141.12 total aid under section 477A.0124, subdivision 4, is \$145,873,444. The commissioner of
141.13 revenue shall transfer to the commissioner of management and budget \$207,000 annually
141.14 for the cost of preparation of local impact notes as required by section 3.987, and other local
141.15 government activities. The commissioner of revenue shall transfer to the commissioner of
141.16 education \$7,000 annually for the cost of preparation of local impact notes for school districts
141.17 as required by section 3.987. The commissioner of revenue shall deduct the amounts
141.18 transferred under this paragraph from the appropriation under this paragraph. The amounts

147.19 transferred are appropriated to the commissioner of management and budget and the
147.20 commissioner of education respectively.

147.21 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2020
147.22 and thereafter.

147.23 Sec. 8. Laws 2018, chapter 211, article 14, section 26, is amended to read:

147.24 Sec. 26. **CITY OF AUSTIN; ALLOCATION OF FIRE STATE AID FOR**
147.25 **FIREFIGHTERS.**

147.26 (a) Notwithstanding any law to the contrary, the city of Austin must annually:

147.27 (1) determine the amount of state aid required under the bylaws of the Austin Parttime
147.28 Firefighters Relief Association to fund the volunteer firefighters' service pensions;

147.29 (2) transmit to the Austin Parttime Firefighters Relief Association any supplemental
147.30 state aid received under Minnesota Statutes, section 423A.022;

148.1 (3) transmit to the Austin Parttime Firefighters Relief Association an amount of fire
148.2 state aid under Minnesota Statutes, sections 69.011 to 69.051, equal to the difference between
148.3 the amount determined under clause (1) and the amount transmitted under clause (2); and

148.4 (4) transmit the remaining balance of fire state aid under Minnesota Statutes, sections
148.5 69.011 to 69.051, for the payment of the employer contribution requirements for firefighters
148.6 covered by the public employees police and fire retirement plan under Minnesota Statutes,
148.7 section 353.65, subdivision 3.

148.8 (b) Notwithstanding Minnesota Statutes, section 69.031, subdivision 5, the city of Austin
148.9 has no liability to the relief association related to payments it made or will make to the
148.10 public employees police and fire retirement plan from fire state aid for 2013, ~~2014, 2015,~~
148.11 ~~2016, 2017, and 2018~~ and subsequent years.

148.12 (c) ~~This section expires July 1, 2019~~ Paragraphs (a) and (b) expire on the effective date
148.13 of general legislation permitting the allocation of fire state aid between volunteer firefighter
148.14 relief associations and the affiliated municipalities, independent nonprofit firefighting
148.15 corporations, or joint powers entities.

148.16 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
148.17 city of Austin and its chief clerical officer comply with Minnesota Statutes, section 645.021,
148.18 subdivisions 2 and 3.

148.19 Sec. 9. **AID PENALTY FORGIVENESS; CITY OF WAUBUN.**

148.20 Notwithstanding Minnesota Statutes, section 477A.017, the city of Waubun may receive
148.21 its second local government aid payment and small city assistance aid payment for aids

141.19 transferred are appropriated to the commissioner of management and budget and the
141.20 commissioner of education respectively.

141.21 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2020
141.22 and thereafter.

141.23 Sec. 8. Laws 2018, chapter 211, article 14, section 26, is amended to read:

141.24 Sec. 26. **CITY OF AUSTIN; ALLOCATION OF FIRE STATE AID FOR**
141.25 **FIREFIGHTERS.**

141.26 (a) Notwithstanding any law to the contrary, the city of Austin must annually:

141.27 (1) determine the amount of state aid required under the bylaws of the Austin Parttime
141.28 Firefighters Relief Association to fund the volunteer firefighters' service pensions;

141.29 (2) transmit to the Austin Parttime Firefighters Relief Association any supplemental
141.30 state aid received under Minnesota Statutes, section 423A.022;

142.1 (3) transmit to the Austin Parttime Firefighters Relief Association an amount of fire
142.2 state aid under Minnesota Statutes, sections 69.011 to 69.051, equal to the difference between
142.3 the amount determined under clause (1) and the amount transmitted under clause (2); and

142.4 (4) transmit the remaining balance of fire state aid under Minnesota Statutes, sections
142.5 69.011 to 69.051, for the payment of the employer contribution requirements for firefighters
142.6 covered by the public employees police and fire retirement plan under Minnesota Statutes,
142.7 section 353.65, subdivision 3.

142.8 (b) Notwithstanding Minnesota Statutes, section 69.031, subdivision 5, the city of Austin
142.9 has no liability to the relief association related to payments it made or will make to the
142.10 public employees police and fire retirement plan from fire state aid for 2013, ~~2014, 2015,~~
142.11 ~~2016, 2017, and 2018~~ and subsequent years.

142.12 (c) ~~This section expires July 1, 2019~~ Paragraphs (a) and (b) expire on the effective date
142.13 of general legislation permitting the allocation of fire state aid between volunteer firefighter
142.14 relief associations and the affiliated municipalities, independent nonprofit firefighting
142.15 corporations, or joint powers entities.

142.16 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
142.17 city of Austin and its chief clerical officer comply with Minnesota Statutes, section 645.021,
142.18 subdivisions 2 and 3.

142.19 Sec. 9. **AID PENALTY FORGIVENESS; CITY OF WAUBUN.**

142.20 Notwithstanding Minnesota Statutes, section 477A.017, the city of Waubun may receive
142.21 its second local government aid payment and small city assistance aid payment for aids

148.22 payable in 2018 even though it did not file fiscal year 2017 financial reports with the state
 148.23 auditor as required under that section, provided that the required forms are submitted to the
 148.24 state auditor by May 31, 2019. The commissioner of revenue shall make the payments to
 148.25 the city of Waubun by June 30, 2019. Up to \$56,822 of the fiscal year 2019 appropriation
 148.26 for local government aid in Minnesota Statutes, section 477A.03, subdivision 2, is available
 148.27 for payment under this section. Up to \$3,771 of the fiscal year 2019 appropriation for the
 148.28 small city assistance program in Laws 2017, First Special Session chapter 3, article 1, section
 148.29 2, subdivision 4, clause (c), is available for payment under this section.

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

149.1 **Sec. 10. LOCAL GOVERNMENT GRANTS.**

149.2 (a) \$4,447,400 in fiscal year 2020 only is appropriated from the general fund to the
 149.3 commissioner of revenue for grants that shall be paid by July 15, 2019, and allocated as
 149.4 follows:

149.5 (1) \$3,000,000 to Beltrami County to be used by the county for out-of-home placement
 149.6 costs;

149.7 (2) \$500,000 to Mahnommen County. Of this amount, \$250,000 must be used by the
 149.8 county for the Mahnommen Health Center, and \$250,000 must be paid from the county to
 149.9 the White Earth Band of Ojibwe to reimburse the band for costs of delivering child welfare
 149.10 services;

149.11 (3) \$500,000 to Otter Tail County to be used by the county for debt service on a building
 149.12 located in the city of Fergus Falls and formerly leased by the state to provide residential
 149.13 treatment services;

149.14 (4) \$275,000 to the city of Lilydale to be used by the city for infrastructure upgrades
 149.15 and associated bond payments related to the Highway 13 construction;

149.16 (5) \$129,000 to the city of Austin to reimburse the city for calendar year 2016 state fire
 149.17 aid and calendar year 2016 supplemental police and fire retirement aid;

149.18 (6) \$38,400 to the city of Flensburg to compensate the city for lost aid under the local
 149.19 government aid and small cities assistance programs; and

149.20 (7) \$2,600 to the city of Mazeppa and \$2,400 to Wabasha County, to be used by the city
 149.21 and county for property tax abatements and other costs incurred by public and private entities
 149.22 as a result of a fire in the city of Mazeppa on March 11, 2018.

149.23 (b) \$600,000 in fiscal year 2020 and \$600,000 in fiscal year 2021 are appropriated from
 149.24 the general fund to the commissioner of revenue for a grant to Wadena County that shall

142.22 payable in 2018 even though it did not file fiscal year 2017 financial reports with the state
 142.23 auditor as required under that section, provided that the required forms are submitted to the
 142.24 state auditor by May 31, 2019. The commissioner of revenue shall make the payments to
 142.25 the city of Waubun by June 30, 2019. Up to \$56,822 of the fiscal year 2019 appropriation
 142.26 for local government aid in Minnesota Statutes, section 477A.03, subdivision 2, is available
 142.27 for payment under this section. Up to \$3,771 of the fiscal year 2019 appropriation for the
 142.28 small city assistance program in Laws 2017, First Special Session chapter 3, article 1, section
 142.29 2, subdivision 4, clause (c), is available for payment under this section.

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

143.1 **Sec. 10. LOCAL GOVERNMENT GRANTS.**

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 143.3 commissioner of revenue for grants that shall be paid by July 15, 2019, and allocated as
 143.4 follows:

143.5 (1) \$3,000,000 to Beltrami County to be used by the county for out-of-home placement
 143.6 costs;

143.7 (2) \$500,000 to Mahnommen County. Of this amount, \$250,000 must be used by the
 143.8 county for the Mahnommen Health Center, and \$250,000 must be paid from the county to
 143.9 the White Earth Band of Ojibwe to reimburse the band for costs of delivering child welfare
 143.10 services;

143.11 (3) \$500,000 to Otter Tail County to be used by the county for debt service on a building
 143.12 located in the city of Fergus Falls and formerly leased by the state to provide residential
 143.13 treatment services;

143.14 (4) \$275,000 to the city of Lilydale to be used by the city for infrastructure upgrades
 143.15 and associated bond payments related to the Highway 13 construction;

143.16 (5) \$129,000 to the city of Austin to reimburse the city for calendar year 2016 state fire
 143.17 aid and calendar year 2016 supplemental police and fire retirement aid;

143.18 (6) \$38,400 to the city of Flensburg to compensate the city for lost aid under the local
 143.19 government aid and small cities assistance programs; and

143.20 (7) \$2,600 to the city of Mazeppa and \$2,400 to Wabasha County, to be used by the city
 143.21 and county for property tax abatements and other costs incurred by public and private entities
 143.22 as a result of a fire in the city of Mazeppa on March 11, 2018.

143.23 (b) \$600,000 in fiscal year 2020 and \$600,000 in fiscal year 2021 are appropriated from
 143.24 the general fund to the commissioner of revenue for a grant to Wadena County that shall

149.25 be paid by August 1, 2019, and August 1, 2020, and used by the county for costs related to
 149.26 providing human services.

149.27 (c) \$5,400,000 in fiscal year 2022 only is appropriated from the general fund to the
 149.28 commissioner of revenue for a grant to the city of Virginia that shall be paid by August 1,
 149.29 2021, and used by the city to repay loans incurred by the city for costs related to utility
 149.30 relocation for the U.S. Highway 53 project.

149.31 The appropriations under this section are onetime.

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

150.1 **Sec. 11. APPROPRIATION OF LAPSED AMOUNTS; FIRE REMEDIATION**
 150.2 **GRANTS.**

150.3 (a) \$643,729 in fiscal year 2020 is appropriated from the general fund to the commissioner
 150.4 of public safety for grants to remediate the effects of fires in the city of Melrose on September
 150.5 8, 2016. The grants shall be paid by August 1, 2019. This appropriation represents the
 150.6 amounts that lapsed by the terms of the appropriation in Laws 2017, First Special Session
 150.7 chapter 1, article 4, section 31.

150.8 (b) A grant recipient must use the money appropriated under this section for remediation
 150.9 costs, including disaster recovery, infrastructure, reimbursement for emergency personnel
 150.10 costs, reimbursement for equipment costs, and reimbursements for property tax abatements,
 150.11 incurred by public or private entities as a result of the fires. This is a onetime appropriation
 150.12 and is available until June 30, 2021.

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

150.14 **ARTICLE 6**

150.15 **LOCAL TAXES**

150.16 Section 1. Minnesota Statutes 2018, section 297A.99, subdivision 1, is amended to read:

150.17 Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose
 150.18 a general sales tax (1) under section 297A.992, (2) under section 297A.993, (3) if permitted
 150.19 by special law, or (4) if the political subdivision enacted and imposed the tax before January
 150.20 1, 1982, and its predecessor provision.

150.21 (b) This section governs the imposition of a general sales tax by the political subdivision.
 150.22 The provisions of this section preempt the provisions of any special law:

150.23 (1) enacted before June 2, 1997, or

150.24 (2) enacted on or after June 2, 1997, that does not explicitly exempt the special law
 150.25 provision from this section's rules by reference.

143.25 be paid by August 1, 2019, and August 1, 2020, and used by the county for costs related to
 143.26 providing human services.

143.27 (c) \$5,400,000 in fiscal year 2022 only is appropriated from the general fund to the
 143.28 commissioner of revenue for a grant to the city of Virginia that shall be paid by August 1,
 143.29 2021, and used by the city to repay loans incurred by the city for costs related to utility
 143.30 relocation for the U.S. Highway 53 project.

143.31 The appropriations under this section are onetime.

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

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 144.2 **GRANTS.**

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 144.5 8, 2016. The grants shall be paid by August 1, 2019. This appropriation represents the
 144.6 amounts that lapsed by the terms of the appropriation in Laws 2017, First Special Session
 144.7 chapter 1, article 4, section 31.

144.8 (b) A grant recipient must use the money appropriated under this section for remediation
 144.9 costs, including disaster recovery, infrastructure, reimbursement for emergency personnel
 144.10 costs, reimbursement for equipment costs, and reimbursements for property tax abatements,
 144.11 incurred by public or private entities as a result of the fires. This is a onetime appropriation
 144.12 and is available until June 30, 2021.

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

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 144.19 by special law, or (4) if the political subdivision enacted and imposed the tax before January
 144.20 1, 1982, and its predecessor provision.

144.21 (b) This section governs the imposition of a general sales tax by the political subdivision.
 144.22 The provisions of this section preempt the provisions of any special law:

144.23 (1) enacted before June 2, 1997, or

144.24 (2) enacted on or after June 2, 1997, that does not explicitly exempt the special law
 144.25 provision from this section's rules by reference.

150.26 (c) This section does not apply to or preempt a sales tax on motor vehicles ~~or~~. Beginning
 150.27 July 1, 2019, no political subdivision may impose a special excise tax on motor vehicles
 150.28 unless it is imposed under section 297A.993.

150.29 (d) A political subdivision may not advertise or expend funds for the promotion of a
 150.30 referendum to support imposing a local ~~option~~ sales tax; and may only spend funds related
 150.31 to imposing a local sales tax to:

151.1 ~~(c) Notwithstanding paragraph (d), a political subdivision may expend funds to:~~

151.2 (1) conduct the referendum;

151.3 (2) disseminate information included in the resolution adopted under subdivision 2, but
 151.4 only if the disseminated information includes a list of specific projects and the cost of each
 151.5 individual project;

151.6 (3) provide notice of, and conduct public forums at which proponents and opponents on
 151.7 the merits of the referendum are given equal time to express their opinions on the merits of
 151.8 the referendum;

151.9 (4) provide facts and data on the impact of the proposed local sales tax on consumer
 151.10 purchases; and

151.11 (5) provide facts and data related to the individual programs and projects to be funded
 151.12 with the local sales tax.

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

151.14 Sec. 2. Minnesota Statutes 2018, section 297A.99, is amended by adding a subdivision to
 151.15 read:

151.16 Subd. 1a. **Requirements.** Local sales taxes are to be used instead of traditional local
 151.17 revenues only for construction and rehabilitation of capital projects when a clear regional
 151.18 benefit beyond the taxing jurisdiction can be demonstrated. Use of local sales tax revenues
 151.19 for local projects decreases the benefits to taxpayers of the deductibility of local property
 151.20 taxes and the state assistance provided through the property tax refund system and increases
 151.21 the fiscal inequities between similar communities.

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

151.23 Sec. 3. Minnesota Statutes 2018, section 297A.99, subdivision 2, is amended to read:

151.24 Subd. 2. **Local resolution before application for authority.** (a) Before the governing
 151.25 body of a political subdivision requests legislative approval ~~of~~ to impose a local sales tax
 151.26 authorized by a special law for a local sales tax that is administered under this section, it

144.26 (c) This section does not apply to or preempt a sales tax on motor vehicles ~~or~~. Beginning
 144.27 July 1, 2019, no political subdivision may impose a special excise tax on motor vehicles
 144.28 unless it is imposed under section 297A.993.

144.29 (d) A political subdivision may not advertise or expend funds for the promotion of a
 144.30 referendum to support imposing a local ~~option~~ sales tax; and may only spend funds related
 144.31 to imposing a local sales tax to:

145.1 ~~(c) Notwithstanding paragraph (d), a political subdivision may expend funds to:~~

145.2 (1) conduct the referendum;

145.3 (2) disseminate information included in the resolution adopted under subdivision 2, but
 145.4 only if the disseminated information includes a list of specific projects and the cost of each
 145.5 individual project;

145.6 (3) provide notice of, and conduct public forums at which proponents and opponents on
 145.7 the merits of the referendum are given equal time to express their opinions on the merits of
 145.8 the referendum;

145.9 (4) provide facts and data on the impact of the proposed local sales tax on consumer
 145.10 purchases; and

145.11 (5) provide facts and data related to the individual programs and projects to be funded
 145.12 with the local sales tax.

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

145.14 Sec. 2. Minnesota Statutes 2018, section 297A.99, is amended by adding a subdivision to
 145.15 read:

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 145.17 revenues only for construction and rehabilitation of capital projects when a clear regional
 145.18 benefit beyond the taxing jurisdiction can be demonstrated. Use of local sales tax revenues
 145.19 for local projects decreases the benefits to taxpayers of the deductibility of local property
 145.20 taxes and the state assistance provided through the property tax refund system and increases
 145.21 the fiscal inequities between similar communities.

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

145.23 Sec. 3. Minnesota Statutes 2018, section 297A.99, subdivision 2, is amended to read:

145.24 Subd. 2. **Local resolution before application for authority.** (a) Before the governing
 145.25 body of a political subdivision requests legislative approval ~~of~~ to impose a local sales tax
 145.26 authorized by a special law for a local sales tax that is administered under this section, it

151.27 shall adopt a resolution indicating its approval of the tax. The resolution must include, ~~at a~~
 151.28 ~~minimum,~~ the following information on:

151.29 (1) ~~the proposed tax rate, how the revenues will be used;~~
 151.30 (2) a detailed description of no more than five capital projects that will be funded with
 151.31 revenue from the tax;

152.1 (3) documentation of the regional significance of each project, including the share of
 152.2 the economic benefit to or use of each project by persons residing, or businesses located,
 152.3 outside of the jurisdiction;

152.4 (4) the amount of local sales tax revenue that would be used for each project and the
 152.5 estimated time needed to raise that amount of revenue; and

152.6 (5) the total revenue that will be raised for all projects before the tax expires, and the
 152.7 estimated length of time that the tax will be in effect. ~~This subdivision applies to local laws~~
 152.8 enacted after June 30, 1998 if all proposed projects are funded.

152.9 (b) The jurisdiction seeking authority to impose a local sales tax by special law must
 152.10 submit the resolution in paragraph (a) along with underlying documentation indicating how
 152.11 the benefits under paragraph (a), clause (3), were determined, to the chairs and ranking
 152.12 minority members of the legislative committees with jurisdiction over taxes no later than
 152.13 January 31 of the year in which the jurisdiction is seeking a special law authorizing the tax.

152.14 (c) The special legislation granting local sales tax authority is not required to allow
 152.15 funding for all projects listed in the resolution with the revenue from the local sales tax, but
 152.16 must not include any projects not contained in the resolution.

152.17 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 152.18 applies to all local sales taxes not authorized by the legislature before July 1, 2019.

152.19 Sec. 4. Minnesota Statutes 2018, section 297A.99, subdivision 3, is amended to read:

152.20 Subd. 3. **Legislative authority required before voter approval; requirements for**
 152.21 **adoption, use, termination.** (a) A political subdivision must receive legislative authority
 152.22 to impose a local sales tax before submitting the tax for approval by voters of the political
 152.23 subdivision. Imposition of a local sales tax is subject to approval by voters of the political
 152.24 subdivision at a general election. The election must be conducted ~~before~~ at a general election
 152.25 within the two-year period after the governing body of the political subdivision ~~requests~~
 152.26 legislative approval of has received authority to impose the tax. If the authorizing legislation
 152.27 allows the tax to be imposed for more than one project, there must be a separate question
 152.28 approving the use of the tax revenue for each project. Notwithstanding the authorizing
 152.29 legislation, a project that is not approved by the voters may not be funded with the local
 152.30 sales tax revenue and the termination date of the tax set in the authorizing legislation must

145.27 shall adopt a resolution indicating its approval of the tax. The resolution must include, ~~at a~~
 145.28 ~~minimum,~~ the following information on:

145.29 (1) ~~the proposed tax rate, how the revenues will be used;~~
 145.30 (2) a detailed description of no more than five capital projects that will be funded with
 145.31 revenue from the tax;

146.1 (3) documentation of the regional significance of each project, including the share of
 146.2 the economic benefit to or use of each project by persons residing, or businesses located,
 146.3 outside of the jurisdiction;

146.4 (4) the amount of local sales tax revenue that would be used for each project and the
 146.5 estimated time needed to raise that amount of revenue; and

146.6 (5) the total revenue that will be raised for all projects before the tax expires, and the
 146.7 estimated length of time that the tax will be in effect. ~~This subdivision applies to local laws~~
 146.8 enacted after June 30, 1998 if all proposed projects are funded.

146.9 (b) The jurisdiction seeking authority to impose a local sales tax by special law must
 146.10 submit the resolution in paragraph (a) along with underlying documentation indicating how
 146.11 the benefits under paragraph (a), clause (3), were determined, to the chairs and ranking
 146.12 minority members of the legislative committees with jurisdiction over taxes no later than
 146.13 January 31 of the year in which the jurisdiction is seeking a special law authorizing the tax.

146.14 (c) The special legislation granting local sales tax authority is not required to allow
 146.15 funding for all projects listed in the resolution with the revenue from the local sales tax, but
 146.16 must not include any projects not contained in the resolution.

146.17 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 146.18 applies to all local sales taxes not authorized by the legislature before July 1, 2019.

146.19 Sec. 4. Minnesota Statutes 2018, section 297A.99, subdivision 3, is amended to read:

146.20 Subd. 3. **Legislative authority required before voter approval; requirements for**
 146.21 **adoption, use, termination.** (a) A political subdivision must receive legislative authority
 146.22 to impose a local sales tax before submitting the tax for approval by voters of the political
 146.23 subdivision. Imposition of a local sales tax is subject to approval by voters of the political
 146.24 subdivision at a general election. The election must be conducted ~~before~~ at a general election
 146.25 within the two-year period after the governing body of the political subdivision ~~requests~~
 146.26 legislative approval of has received authority to impose the tax. If the authorizing legislation
 146.27 allows the tax to be imposed for more than one project, there must be a separate question
 146.28 approving the use of the tax revenue for each project. Notwithstanding the authorizing
 146.29 legislation, a project that is not approved by the voters may not be funded with the local
 146.30 sales tax revenue and the termination date of the tax set in the authorizing legislation must

- 152.31 be reduced proportionately based on the share of that project's cost to the total costs of all
 152.32 projects included in the authorizing legislation.
- 153.1 (b) The proceeds of the tax must be dedicated exclusively to payment of the cost of a
 153.2 construction and rehabilitation costs and associated bonding costs related to the specific
 153.3 capital improvement which is designated at least 90 days before the referendum on imposition
 153.4 of the tax is conducted projects that were approved by the voters under paragraph (a).
- 153.5 (c) The tax must terminate after the improvement designated under paragraph (b) has
 153.6 been completed the revenues raised are sufficient to fund the projects approved by the voters
 153.7 under paragraph (a).
- 153.8 (d) After a sales tax imposed by a political subdivision has expired or been terminated,
 153.9 the political subdivision is prohibited from imposing a local sales tax for a period of one
 153.10 year. Notwithstanding subdivision 13, this paragraph applies to all local sales taxes in effect
 153.11 at the time of or imposed after May 26, 1999.
- 153.12 (e) Notwithstanding paragraph (a), if a political subdivision received voter approval to
 153.13 seek authority for a local sales tax at the November 6, 2018, general election and is granted
 153.14 authority to impose a local sales tax before January 1, 2021, the tax may be imposed without
 153.15 an additional referendum provided that it meets the requirements of subdivision 2 and the
 153.16 list of specific projects contained in the resolution does not conflict with the projects listed
 153.17 in the approving referendum.
- 153.18 (f) If a tax is terminated because sufficient revenues have been raised, any amount of
 153.19 tax collected under subdivision 9, after sufficient revenues have been raised and before the
 153.20 quarterly termination required under subdivision 12, paragraph (a), that is greater than the
 153.21 average quarterly revenues collected over the immediately preceding 12 calendar months
 153.22 must be retained by the commissioner for deposit in the general fund.
- 153.23 **EFFECTIVE DATE.** (a) The amendments to paragraphs (a) to (d) and adding paragraph
 153.24 (e) are effective the day following final enactment and apply to all local sales taxes not
 153.25 authorized by the legislature before July 1, 2019.
- 153.26 (b) The amendment adding paragraph (f) is effective the day following final enactment
 153.27 and applies retroactively to all currently imposed local sales taxes.
- 153.28 Sec. 5. Laws 1986, chapter 396, section 5, as amended by Laws 2001, First Special Session
 153.29 chapter 5, article 12, section 87, and Laws 2012, chapter 299, article 3, section 3, is amended
 153.30 to read:
- 153.31 **Sec. 5. LIQUOR, LODGING, AND RESTAURANT TAXES.**
- 153.32 The city may, by resolution, levy in addition to taxes authorized by other law:

- 146.31 be reduced proportionately based on the share of that project's cost to the total costs of all
 146.32 projects included in the authorizing legislation.
- 147.1 (b) The proceeds of the tax must be dedicated exclusively to payment of the cost of a
 147.2 construction and rehabilitation costs and associated bonding costs related to the specific
 147.3 capital improvement which is designated at least 90 days before the referendum on imposition
 147.4 of the tax is conducted projects that were approved by the voters under paragraph (a).
- 147.5 (c) The tax must terminate after the improvement designated under paragraph (b) has
 147.6 been completed the revenues raised are sufficient to fund the projects approved by the voters
 147.7 under paragraph (a).
- 147.8 (d) After a sales tax imposed by a political subdivision has expired or been terminated,
 147.9 the political subdivision is prohibited from imposing a local sales tax for a period of one
 147.10 year. Notwithstanding subdivision 13, this paragraph applies to all local sales taxes in effect
 147.11 at the time of or imposed after May 26, 1999.
- 147.12 (e) Notwithstanding paragraph (a), if a political subdivision received voter approval to
 147.13 seek authority for a local sales tax at the November 6, 2018, general election and is granted
 147.14 authority to impose a local sales tax before January 1, 2021, the tax may be imposed without
 147.15 an additional referendum provided that it meets the requirements of subdivision 2 and the
 147.16 list of specific projects contained in the resolution does not conflict with the projects listed
 147.17 in the approving referendum.
- 147.18 (f) If a tax is terminated because sufficient revenues have been raised, any amount of
 147.19 tax collected under subdivision 9, after sufficient revenues have been raised and before the
 147.20 quarterly termination required under subdivision 12, paragraph (a), that is greater than the
 147.21 average quarterly revenues collected over the immediately preceding 12 calendar months
 147.22 must be retained by the commissioner for deposit in the general fund.
- 147.23 **EFFECTIVE DATE.** (a) The amendments to paragraphs (a) to (d) and adding paragraph
 147.24 (e) are effective the day following final enactment and apply to all local sales taxes not
 147.25 authorized by the legislature before July 1, 2019.
- 147.26 (b) The amendment adding paragraph (f) is effective the day following final enactment
 147.27 and applies retroactively to all currently imposed local sales taxes.
- 147.28 Sec. 5. Laws 1986, chapter 396, section 5, as amended by Laws 2001, First Special Session
 147.29 chapter 5, article 12, section 87, and Laws 2012, chapter 299, article 3, section 3, is amended
 147.30 to read:
- 147.31 **Sec. 5. LIQUOR, LODGING, AND RESTAURANT TAXES.**
- 147.32 The city may, by resolution, levy in addition to taxes authorized by other law:

154.1 (1) a sales tax of not more than three percent on the gross receipts on retail on-sales of
 154.2 intoxicating liquor and fermented malt beverages when sold at licensed on-sale liquor
 154.3 establishments located within the downtown taxing area, provided that this tax may not be
 154.4 imposed if sales of intoxicating liquor and fermented malt beverages are exempt from
 154.5 taxation under chapter 297A;

154.6 (2) a sales tax of not more than three percent on the gross receipts from the furnishing
 154.7 for consideration of lodging for a period of less than 30 days at a hotel, motel, rooming
 154.8 house, tourist court, or trailer camp located within the city by a hotel or motel which has
 154.9 more than 50 rooms available for lodging; the tax imposed under this clause shall be at a
 154.10 rate that, when added to the sum of the rate of the sales tax imposed under Minnesota
 154.11 Statutes, chapter 297A, the rate of the sales tax imposed under section 4, and the rate of any
 154.12 of all other city taxes on lodging in the city of Minneapolis, equals ~~13~~ 6.5 percent; and

154.13 (3) a sales tax of not more than three percent on the gross receipts on all sales of food
 154.14 primarily for consumption on or off the premises by restaurants and places of refreshment
 154.15 as defined by resolution of the city that occur within the downtown taxing area.

154.16 The taxes authorized by this section must not be terminated before January 1, 2047. The
 154.17 taxes shall be imposed and may be adjusted periodically by the city council such that the
 154.18 rates imposed produce revenue sufficient, together with the tax imposed under section 4,
 154.19 to finance the purposes described in Minnesota Statutes, section 297A.994, and section 4,
 154.20 subdivisions 3 and 4. These taxes shall be applied, first, as provided in Minnesota Statutes,
 154.21 section 297A.994, subdivision 3, clauses (1) to (3), and then, solely to pay, secure, maintain,
 154.22 and fund the payment of any principal of, premium on, and interest on any bonds or any
 154.23 other purposes in section 4, subdivision 3 or 4. The commissioner of revenue may enter
 154.24 into appropriate agreements with the city to provide for the collection of these taxes by the
 154.25 state on behalf of the city. These taxes shall be subject to the same interest, penalties, and
 154.26 enforcement provisions as the taxes imposed under Minnesota Statutes, chapter 297A.

154.27 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
 154.28 September 30, 2019.

154.29 Sec. 6. Laws 1986, chapter 462, section 31, as amended by Laws 1991, chapter 291, article
 154.30 8, section 24, and Laws 2011, chapter 112, article 4, section 6, is amended to read:

154.31 **Sec. 31. AUTHORITY FOR TAXATION.**

154.32 Notwithstanding Minnesota Statutes, section 477A.016, or any other law, and
 154.33 supplemental to the tax imposed by Laws 1982, chapter 523, article 25, section 1, the city
 155.1 of St. Paul may impose, by ordinance, a tax, at a rate not greater than ~~three~~ four percent, on
 155.2 the gross receipts from the furnishing for consideration of lodging and related services at a
 155.3 hotel, rooming house, tourist court, motel, or resort, other than the renting or leasing of
 155.4 space for a continuous period of 30 days or more. The tax does not apply to the furnishing

148.1 (1) a sales tax of not more than three percent on the gross receipts on retail on-sales of
 148.2 intoxicating liquor and fermented malt beverages when sold at licensed on-sale liquor
 148.3 establishments located within the downtown taxing area, provided that this tax may not be
 148.4 imposed if sales of intoxicating liquor and fermented malt beverages are exempt from
 148.5 taxation under chapter 297A;

148.6 (2) a sales tax of not more than three percent on the gross receipts from the furnishing
 148.7 for consideration of lodging for a period of less than 30 days at a hotel, motel, rooming
 148.8 house, tourist court, or trailer camp located within the city by a hotel or motel which has
 148.9 more than 50 rooms available for lodging; the tax imposed under this clause shall be at a
 148.10 rate that, when added to the sum of the rate of the sales tax imposed under Minnesota
 148.11 Statutes, chapter 297A, the rate of the sales tax imposed under section 4, and the rate of any
 148.12 of all other city taxes on lodging in the city of Minneapolis, equals ~~13~~ 6.5 percent; and

148.13 (3) a sales tax of not more than three percent on the gross receipts on all sales of food
 148.14 primarily for consumption on or off the premises by restaurants and places of refreshment
 148.15 as defined by resolution of the city that occur within the downtown taxing area.

148.16 The taxes authorized by this section must not be terminated before January 1, 2047. The
 148.17 taxes shall be imposed and may be adjusted periodically by the city council such that the
 148.18 rates imposed produce revenue sufficient, together with the tax imposed under section 4,
 148.19 to finance the purposes described in Minnesota Statutes, section 297A.994, and section 4,
 148.20 subdivisions 3 and 4. These taxes shall be applied, first, as provided in Minnesota Statutes,
 148.21 section 297A.994, subdivision 3, clauses (1) to (3), and then, solely to pay, secure, maintain,
 148.22 and fund the payment of any principal of, premium on, and interest on any bonds or any
 148.23 other purposes in section 4, subdivision 3 or 4. The commissioner of revenue may enter
 148.24 into appropriate agreements with the city to provide for the collection of these taxes by the
 148.25 state on behalf of the city. These taxes shall be subject to the same interest, penalties, and
 148.26 enforcement provisions as the taxes imposed under Minnesota Statutes, chapter 297A.

148.27 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
 148.28 September 30, 2019.

148.29 Sec. 6. Laws 1986, chapter 462, section 31, as amended by Laws 1991, chapter 291, article
 148.30 8, section 24, and Laws 2011, chapter 112, article 4, section 6, is amended to read:

148.31 **Sec. 31. AUTHORITY FOR TAXATION.**

148.32 Notwithstanding Minnesota Statutes, section 477A.016, or any other law, and
 148.33 supplemental to the tax imposed by Laws 1982, chapter 523, article 25, section 1, the city
 149.1 of St. Paul may impose, by ordinance, a tax, at a rate not greater than ~~three~~ four percent, on
 149.2 the gross receipts from the furnishing for consideration of lodging and related services at a
 149.3 hotel, rooming house, tourist court, motel, or resort, other than the renting or leasing of
 149.4 space for a continuous period of 30 days or more. The tax does not apply to the furnishing

155.5 of lodging and related services by a business having less than 50 lodging rooms. The tax
 155.6 shall be collected by and its proceeds paid to the city. Ninety-five percent of the revenues
 155.7 generated by this tax shall be used to fund a convention bureau to market and promote the
 155.8 city as a tourist or convention center.

155.9 **EFFECTIVE DATE.** This section is effective the first day of the calendar quarter
 155.10 beginning at least 30 days after the governing body of the city of St. Paul and its chief
 155.11 clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

155.12 Sec. 7. Laws 1994, chapter 587, article 9, section 11, is amended to read:

155.13 Sec. 11. **TWO HARBORS LODGING TAX.**

155.14 Notwithstanding Minnesota Statutes, section 477A.016, or other law, in addition to a
 155.15 tax authorized in Minnesota Statutes, section 469.190, the city of Two Harbors may impose,
 155.16 by ordinance, a tax of up to one percent on the gross receipts subject to the lodging tax
 155.17 under Minnesota Statutes, section 469.190. The proceeds of the tax shall be dedicated and
 155.18 used to provide preservation, display, and interpretation of the tug boat Edna G. The total
 155.19 tax imposed by the city under this section, by Lake County under section 22, and under
 155.20 Minnesota Statutes, section 469.190, shall not exceed ~~three~~ five percent.

155.21 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 155.22 city of Two Harbors and its chief clerical officer comply with Minnesota Statutes, section
 155.23 645.021, subdivisions 2 and 3.

155.24 Sec. 8. Laws 1998, chapter 389, article 8, section 45, subdivision 1, is amended to read:

155.25 Subdivision 1. **Sales and use taxes.** (a) Notwithstanding Minnesota Statutes, section
 155.26 477A.016, or any other provision of law, ordinance, or city charter, if approved by the voters
 155.27 of the city at the next general election held after the date of final enactment of this act, the
 155.28 city of Two Harbors may impose by ordinance, a sales and use tax at a rate of up to one-half
 155.29 of one percent for the purposes specified in subdivision 3, paragraph (a).

155.30 (b) In addition to the tax in paragraph (a) and notwithstanding Minnesota Statutes,
 155.31 sections 297A.99 and 477A.016, or any other law, ordinance, or city charter, and as approved
 155.32 by the voters at the November 6, 2018, general election, the city of Two Harbors may, by
 156.1 ordinance, impose an additional sales and use tax at a rate of one-half of one percent for
 156.2 the purposes specified in subdivision 3, paragraph (b). The tax may not be imposed until
 156.3 the city complies with the provisions of section 34.

156.4 (c) The provisions of Minnesota Statutes, section ~~297A.48~~ 297A.99, govern the
 156.5 imposition, administration, collection, and enforcement of the tax authorized under this
 156.6 subdivision.

149.5 of lodging and related services by a business having less than 50 lodging rooms. The tax
 149.6 shall be collected by and its proceeds paid to the city. Ninety-five percent of the revenues
 149.7 generated by this tax shall be used to fund a convention bureau to market and promote the
 149.8 city as a tourist or convention center.

149.9 **EFFECTIVE DATE.** This section is effective the first day of the calendar quarter
 149.10 beginning at least 30 days after the governing body of the city of St. Paul and its chief
 149.11 clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

149.12 Sec. 7. Laws 1994, chapter 587, article 9, section 11, is amended to read:

149.13 Sec. 11. **TWO HARBORS LODGING TAX.**

149.14 Notwithstanding Minnesota Statutes, section 477A.016, or other law, in addition to a
 149.15 tax authorized in Minnesota Statutes, section 469.190, the city of Two Harbors may impose,
 149.16 by ordinance, a tax of up to one percent on the gross receipts subject to the lodging tax
 149.17 under Minnesota Statutes, section 469.190. The proceeds of the tax shall be dedicated and
 149.18 used to provide preservation, display, and interpretation of the tug boat Edna G. The total
 149.19 tax imposed by the city under this section, by Lake County under section 22, and under
 149.20 Minnesota Statutes, section 469.190, shall not exceed ~~three~~ five percent.

149.21 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 149.22 city of Two Harbors and its chief clerical officer comply with Minnesota Statutes, section
 149.23 645.021, subdivisions 2 and 3.

149.24 Sec. 8. Laws 1998, chapter 389, article 8, section 45, subdivision 1, is amended to read:

149.25 Subdivision 1. **Sales and use taxes.** (a) Notwithstanding Minnesota Statutes, section
 149.26 477A.016, or any other provision of law, ordinance, or city charter, if approved by the voters
 149.27 of the city at the next general election held after the date of final enactment of this act, the
 149.28 city of Two Harbors may impose by ordinance, a sales and use tax at a rate of up to one-half
 149.29 of one percent for the purposes specified in subdivision 3, paragraph (a).

149.30 (b) In addition to the tax in paragraph (a) and notwithstanding Minnesota Statutes,
 149.31 sections 297A.99 and 477A.016, or any other law, ordinance, or city charter, and as approved
 149.32 by the voters at the November 6, 2018, general election, the city of Two Harbors may, by
 150.1 ordinance, impose an additional sales and use tax at a rate of one-half of one percent for
 150.2 the purposes specified in subdivision 3, paragraph (b). The tax may not be imposed until
 150.3 the city complies with the provisions of section 34.

150.4 (c) The provisions of Minnesota Statutes, section ~~297A.48~~ 297A.99, govern the
 150.5 imposition, administration, collection, and enforcement of the tax authorized under this
 150.6 subdivision.

156.7 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 156.8 city of Two Harbors and its chief clerical officer comply with Minnesota Statutes, section
 156.9 645.021, subdivisions 2 and 3.

156.10 Sec. 9. Laws 1998, chapter 389, article 8, section 45, subdivision 3, as amended by Laws
 156.11 2008, chapter 366, article 7, section 11, is amended to read:

156.12 Subd. 3. **Use of revenues.** (a) Revenues received from the taxes authorized under
 156.13 subdivision 1, paragraph (a), must be used for sanitary sewer separation, wastewater
 156.14 treatment, water system improvements, and harbor refuge development projects.

156.15 (b) Revenues from the tax authorized under subdivision 1, paragraph (b), must be used
 156.16 by the city of Two Harbors to pay the costs of collecting and administering the tax and to
 156.17 finance the capital and administrative costs of water and sewer infrastructure projects
 156.18 including gravity-fed sewer mains, water mains, drain tile, service lines, street patching,
 156.19 acquiring property, related engineering, and construction expenses.

156.20 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 156.21 city of Two Harbors and its chief clerical officer comply with Minnesota Statutes, section
 156.22 645.021, subdivisions 2 and 3.

156.23 Sec. 10. Laws 1998, chapter 389, article 8, section 45, subdivision 4, is amended to read:

156.24 Subd. 4. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes,
 156.25 chapter 475, to finance the capital expenditure and improvement projects under subdivision
 156.26 1, paragraph (a). An election to approve the bonds under Minnesota Statutes, section 475.58,
 156.27 may be held in combination with the election to authorize imposition of the tax under
 156.28 subdivision 1, paragraph (a). Whether to permit imposition of the tax and issuance of bonds
 156.29 may be posed to the voters as a single question. The question must state that the sales tax
 156.30 revenues are pledged to pay the bonds, but that the bonds are general obligations and will
 156.31 be guaranteed by the city's property taxes.

157.1 (b) The city may issue bonds under Minnesota Statutes, chapter 475, to pay capital and
 157.2 administrative expenses for the projects described in subdivision 3, paragraph (b), in an
 157.3 amount that does not exceed \$30,000,000. An election to approve the bonds under Minnesota
 157.4 Statutes, section 475.58, is not required.

157.5 (c) The issuance of bonds under this subdivision is not subject to Minnesota Statutes,
 157.6 section 275.60.

157.7 ~~(e)~~ (d) The bonds are not included in computing any debt limitation applicable to the
 157.8 city, and the levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and
 157.9 interest on the bonds is not subject to any levy limitation.

150.7 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 150.8 city of Two Harbors and its chief clerical officer comply with Minnesota Statutes, section
 150.9 645.021, subdivisions 2 and 3.

150.10 Sec. 9. Laws 1998, chapter 389, article 8, section 45, subdivision 3, as amended by Laws
 150.11 2008, chapter 366, article 7, section 11, is amended to read:

150.12 Subd. 3. **Use of revenues.** (a) Revenues received from the taxes authorized under
 150.13 subdivision 1, paragraph (a), must be used for sanitary sewer separation, wastewater
 150.14 treatment, water system improvements, and harbor refuge development projects.

150.15 (b) Revenues from the tax authorized under subdivision 1, paragraph (b), must be used
 150.16 by the city of Two Harbors to pay the costs of collecting and administering the tax and to
 150.17 finance the capital and administrative costs of water and sewer infrastructure projects
 150.18 including gravity-fed sewer mains, water mains, drain tile, service lines, street patching,
 150.19 acquiring property, related engineering, and construction expenses.

150.20 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 150.21 city of Two Harbors and its chief clerical officer comply with Minnesota Statutes, section
 150.22 645.021, subdivisions 2 and 3.

150.23 Sec. 10. Laws 1998, chapter 389, article 8, section 45, subdivision 4, is amended to read:

150.24 Subd. 4. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes,
 150.25 chapter 475, to finance the capital expenditure and improvement projects under subdivision
 150.26 1, paragraph (a). An election to approve the bonds under Minnesota Statutes, section 475.58,
 150.27 may be held in combination with the election to authorize imposition of the tax under
 150.28 subdivision 1, paragraph (a). Whether to permit imposition of the tax and issuance of bonds
 150.29 may be posed to the voters as a single question. The question must state that the sales tax
 150.30 revenues are pledged to pay the bonds, but that the bonds are general obligations and will
 150.31 be guaranteed by the city's property taxes.

151.1 (b) The city may issue bonds under Minnesota Statutes, chapter 475, to pay capital and
 151.2 administrative expenses for the projects described in subdivision 3, paragraph (b), in an
 151.3 amount that does not exceed \$30,000,000. An election to approve the bonds under Minnesota
 151.4 Statutes, section 475.58, is not required.

151.5 (c) The issuance of bonds under this subdivision is not subject to Minnesota Statutes,
 151.6 section 275.60.

151.7 ~~(e)~~ (d) The bonds are not included in computing any debt limitation applicable to the
 151.8 city, and the levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and
 151.9 interest on the bonds is not subject to any levy limitation.

- 157.10 The aggregate principal amount of bonds, plus the aggregate of the taxes used directly to
 157.11 pay eligible capital expenditures and improvements under subdivision 3, paragraph (a), may
 157.12 not exceed \$20,000,000, plus an amount equal to the costs related to issuance of the bonds.
- 157.13 ~~(c)~~ (e) The taxes may be pledged to and used for the payment of the bonds and any bonds
 157.14 issued to refund them, only if the bonds and any refunding bonds are general obligations
 157.15 of the city.
- 157.16 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 157.17 city of Two Harbors and its chief clerical officer comply with Minnesota Statutes, section
 157.18 645.021, subdivisions 2 and 3.
- 157.19 Sec. 11. Laws 1998, chapter 389, article 8, section 45, subdivision 5, is amended to read:
- 157.20 Subd. 5. **Termination of taxes.** (a) The authority granted under subdivision 1, paragraph
 157.21 (a), to the city of Two Harbors to impose sales and use taxes expires when the costs of the
 157.22 projects described in subdivision 3, paragraph (a), have been paid.
- 157.23 (b) The authority granted under subdivision 1, paragraph (b), expires at the earlier of:
 157.24 (1) 25 years after the tax is first imposed; or (2) when the city council determines that the
 157.25 amount of revenues received from the taxes first equals or exceeds \$30,000,000, plus the
 157.26 additional amount needed to pay the costs related to issuance of bonds under subdivision
 157.27 4, paragraph (b), including interest on the bonds. Any funds remaining after completion of
 157.28 the project and retirement or redemption of the bonds may be placed in the general fund of
 157.29 the city. The taxes imposed under subdivision 1, paragraph (b), may expire at an earlier
 157.30 time if the city so determines by ordinance.
- 157.31 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 157.32 city of Two Harbors and its chief clerical officer comply with Minnesota Statutes, section
 157.33 645.021, subdivisions 2 and 3.
- 158.1 Sec. 12. Laws 2011, First Special Session chapter 7, article 4, section 10, subdivision 3,
 158.2 is amended to read:
- 158.3 Subd. 3. **Use of revenues.** Revenues received from taxes authorized by subdivisions 1
 158.4 and 2 must be used by the city to pay the cost of collecting the taxes and to pay for the
 158.5 following projects:
- 158.6 (1) \$4,500,000 for construction and completion of park improvement projects, including
 158.7 St. Louis River riverfront improvements; Veteran's Park construction and improvements;
 158.8 improvements to the Hilltop Park soccer complex and Braun Park baseball complex; capital
 158.9 equipment and building and grounds improvements at the Pine Valley Park/Pine Valley
 158.10 Hockey Arena/Cloquet Area Recreation Center; and development of pedestrian trails within
 158.11 the city;

- 151.10 The aggregate principal amount of bonds, plus the aggregate of the taxes used directly to
 151.11 pay eligible capital expenditures and improvements under subdivision 3, paragraph (a), may
 151.12 not exceed \$20,000,000, plus an amount equal to the costs related to issuance of the bonds.
- 151.13 ~~(c)~~ (e) The taxes may be pledged to and used for the payment of the bonds and any bonds
 151.14 issued to refund them, only if the bonds and any refunding bonds are general obligations
 151.15 of the city.
- 151.16 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 151.17 city of Two Harbors and its chief clerical officer comply with Minnesota Statutes, section
 151.18 645.021, subdivisions 2 and 3.
- 151.19 Sec. 11. Laws 1998, chapter 389, article 8, section 45, subdivision 5, is amended to read:
- 151.20 Subd. 5. **Termination of taxes.** (a) The authority granted under subdivision 1, paragraph
 151.21 (a), to the city of Two Harbors to impose sales and use taxes expires when the costs of the
 151.22 projects described in subdivision 3, paragraph (a), have been paid.
- 151.23 (b) The authority granted under subdivision 1, paragraph (b), expires at the earlier of:
 151.24 (1) 25 years after the tax is first imposed; or (2) when the city council determines that the
 151.25 amount of revenues received from the taxes first equals or exceeds \$30,000,000, plus the
 151.26 additional amount needed to pay the costs related to issuance of bonds under subdivision
 151.27 4, paragraph (b), including interest on the bonds. Any funds remaining after completion of
 151.28 the project and retirement or redemption of the bonds may be placed in the general fund of
 151.29 the city. The taxes imposed under subdivision 1, paragraph (b), may expire at an earlier
 151.30 time if the city so determines by ordinance.
- 151.31 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 151.32 city of Two Harbors and its chief clerical officer comply with Minnesota Statutes, section
 151.33 645.021, subdivisions 2 and 3.
- 152.1 Sec. 12. Laws 2011, First Special Session chapter 7, article 4, section 10, subdivision 3,
 152.2 is amended to read:
- 152.3 Subd. 3. **Use of revenues.** Revenues received from taxes authorized by subdivisions 1
 152.4 and 2 must be used by the city to pay the cost of collecting the taxes and to pay for the
 152.5 following projects:
- 152.6 (1) \$4,500,000 for construction and completion of park improvement projects, including
 152.7 St. Louis River riverfront improvements; Veteran's Park construction and improvements;
 152.8 improvements to the Hilltop Park soccer complex and Braun Park baseball complex; capital
 152.9 equipment and building and grounds improvements at the Pine Valley Park/Pine Valley
 152.10 Hockey Arena/Cloquet Area Recreation Center; and development of pedestrian trails within
 152.11 the city;

158.12 (2) \$5,800,00 for extension of utilities and the construction of all improvements associated
 158.13 with the development of property adjacent to Highway 33 and Interstate Highway 35,
 158.14 including payment of all debt service on bonds issued for these; and

158.15 (3) \$6,200,000 for engineering and construction of infrastructure improvements,
 158.16 including, but not limited to, storm sewer, sanitary sewer, and water in areas identified as
 158.17 part of the city's comprehensive land use plan.

158.18 Authorized expenses include, but are not limited to, acquiring property and paying
 158.19 construction expenses related to these improvements, and paying debt service on bonds or
 158.20 other obligations issued to finance acquisition and construction of these improvements.
 158.21 Notwithstanding the revenue allocations in clauses (1) and (3), if the amount spent for the
 158.22 improvements under clause (2) are less than the \$5,800,000 allowed under that clause, the
 158.23 total amount spent for the purposes listed in clauses (1) and (3) may be increased by the
 158.24 difference between \$5,800,000 and the amount actually spent under clause (2). However,
 158.25 the total expenditures for projects under this subdivision may not exceed \$16,500,000,
 158.26 excluding any costs related to issuance of bonds under subdivision 4.

158.27 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 158.28 city of Cloquet and its chief clerical officer comply with the provisions of section 645.021,
 158.29 subdivisions 2 and 3.

158.30 Sec. 13. **CITY OF AVON; TAXES AUTHORIZED.**

158.31 Subdivision 1. Sales and use tax; authorization. Notwithstanding Minnesota Statutes,
 158.32 section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city
 158.33 charter, the city of Avon, pursuant to approval by the voters at the general election on
 159.1 November 6, 2018, may impose by ordinance a sales and use tax of up to one-half of one
 159.2 percent for the purposes specified in subdivision 2. Except as otherwise provided in this
 159.3 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
 159.4 administration, collection, and enforcement of the tax authorized under this subdivision.
 159.5 The tax may not be imposed until the city complies with the provisions of section 34.

159.6 Subd. 2. Use of revenues. Revenues received from taxes authorized by subdivision 1
 159.7 must be used by the city to:

159.8 (1) pay the costs of collecting and administering the tax;

159.9 (2) pay the capital and administrative costs of transportation improvement projects as
 159.10 adopted in the city of Avon's street priority improvement plan; and

159.11 (3) pay debt service on bonds issued under subdivision 3 or other obligations issued to
 159.12 finance the improvements listed in this subdivision in the city.

159.13 Subd. 3. Bonding authority. (a) The city may issue bonds under Minnesota Statutes,
 159.14 chapter 475, to pay the costs of the projects authorized in subdivision 2. The aggregate

152.12 (2) \$5,800,00 for extension of utilities and the construction of all improvements associated
 152.13 with the development of property adjacent to Highway 33 and Interstate Highway 35,
 152.14 including payment of all debt service on bonds issued for these; and

152.15 (3) \$6,200,000 for engineering and construction of infrastructure improvements,
 152.16 including, but not limited to, storm sewer, sanitary sewer, and water in areas identified as
 152.17 part of the city's comprehensive land use plan.

152.18 Authorized expenses include, but are not limited to, acquiring property and paying
 152.19 construction expenses related to these improvements, and paying debt service on bonds or
 152.20 other obligations issued to finance acquisition and construction of these improvements.
 152.21 Notwithstanding the revenue allocations in clauses (1) and (3), if the amount spent for the
 152.22 improvements under clause (2) are less than the \$5,800,000 allowed under that clause, the
 152.23 total amount spent for the purposes listed in clauses (1) and (3) may be increased by the
 152.24 difference between \$5,800,000 and the amount actually spent under clause (2). However,
 152.25 the total expenditures for projects under this subdivision may not exceed \$16,500,000,
 152.26 excluding any costs related to issuance of bonds under subdivision 4.

152.27 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 152.28 city of Cloquet and its chief clerical officer comply with the provisions of section 645.021,
 152.29 subdivisions 2 and 3.

152.30 Sec. 13. **CITY OF AVON; TAXES AUTHORIZED.**

152.31 Subdivision 1. Sales and use tax; authorization. Notwithstanding Minnesota Statutes,
 152.32 section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city
 152.33 charter, the city of Avon, pursuant to approval by the voters at the general election on
 153.1 November 6, 2018, may impose by ordinance a sales and use tax of up to one-half of one
 153.2 percent for the purposes specified in subdivision 2. Except as otherwise provided in this
 153.3 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
 153.4 administration, collection, and enforcement of the tax authorized under this subdivision.
 153.5 The tax may not be imposed until the city complies with the provisions of section 34.

153.6 Subd. 2. Use of revenues. Revenues received from taxes authorized by subdivision 1
 153.7 must be used by the city to:

153.8 (1) pay the costs of collecting and administering the tax;

153.9 (2) pay the capital and administrative costs of transportation improvement projects as
 153.10 adopted in the city of Avon's street priority improvement plan; and

153.11 (3) pay debt service on bonds issued under subdivision 3 or other obligations issued to
 153.12 finance the improvements listed in this subdivision in the city.

153.13 Subd. 3. Bonding authority. (a) The city may issue bonds under Minnesota Statutes,
 153.14 chapter 475, to pay the costs of the projects authorized in subdivision 2. The aggregate

159.15 principal amount of bonds issued under this subdivision may not exceed \$1,500,000 plus
 159.16 an amount to be applied to the payment of the costs of issuing the bonds. The bonds may
 159.17 be paid from or secured by any funds available to the city, including the tax authorized
 159.18 under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota
 159.19 Statutes, sections 275.60 and 275.61.

159.20 (b) The bonds are not included in computing any debt limitation applicable to the city,
 159.21 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest
 159.22 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 159.23 under Minnesota Statutes, section 475.58, is not required.

159.24 Subd. 4. **Termination of taxes.** (a) The tax imposed under subdivision 1 expires at the
 159.25 earlier of: (1) December 31, 2045; or (2) when the city council determines that \$1,500,000
 159.26 has been received from the tax to pay for the cost of the projects authorized under subdivision
 159.27 2, plus an amount sufficient to pay the costs related to issuance of the bonds authorized
 159.28 under subdivision 3, including interest on the bonds.

159.29 (b) Any funds remaining after payment of all such costs and retirement or redemption
 159.30 of the bonds shall be placed in the general fund of the city. The tax imposed under subdivision
 159.31 1 may expire at an earlier time if the city so determines by ordinance.

160.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 160.2 city and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 160.3 subdivisions 2 and 3.

160.4 Sec. 14. **CITY OF BLUE EARTH; LOCAL TAX AUTHORIZED.**

160.5 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 160.6 section 477A.016, or any other law, ordinance, or city charter, and as approved by the voters
 160.7 at the general election of November 6, 2018, the city of Blue Earth may impose by ordinance
 160.8 a sales and use tax of one-half of one percent for the purposes specified in subdivision 2.
 160.9 Except as otherwise provided in this section, the provisions of Minnesota Statutes, section
 160.10 297A.99, govern the imposition, administration, collection, and enforcement of the tax
 160.11 authorized under this subdivision. The tax may not be imposed until the city complies with
 160.12 the provisions of section 34.

160.13 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 160.14 under subdivision 1 must be used by the city of Blue Earth to pay the costs of collecting
 160.15 and administering the tax and to finance the capital and administrative costs of constructing
 160.16 and funding sewer plant improvements, street reconstruction projects, and recreational
 160.17 amenities. The total that may be raised from the tax to pay for these projects is limited to
 160.18 \$5,000,000, plus the costs related to the issuance and paying debt service on bonds for these
 160.19 projects.

153.15 principal amount of bonds issued under this subdivision may not exceed \$1,500,000 plus
 153.16 an amount to be applied to the payment of the costs of issuing the bonds. The bonds may
 153.17 be paid from or secured by any funds available to the city, including the tax authorized
 153.18 under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota
 153.19 Statutes, sections 275.60 and 275.61.

153.20 (b) The bonds are not included in computing any debt limitation applicable to the city,
 153.21 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest
 153.22 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 153.23 under Minnesota Statutes, section 475.58, is not required.

153.24 Subd. 4. **Termination of taxes.** (a) The tax imposed under subdivision 1 expires at the
 153.25 earlier of: (1) December 31, 2045; or (2) when the city council determines that \$1,500,000
 153.26 has been received from the tax to pay for the cost of the projects authorized under subdivision
 153.27 2, plus an amount sufficient to pay the costs related to issuance of the bonds authorized
 153.28 under subdivision 3, including interest on the bonds.

153.29 (b) Any funds remaining after payment of all such costs and retirement or redemption
 153.30 of the bonds shall be placed in the general fund of the city. The tax imposed under subdivision
 153.31 1 may expire at an earlier time if the city so determines by ordinance.

154.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 154.2 city and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 154.3 subdivisions 2 and 3.

154.4 Sec. 14. **CITY OF BLUE EARTH; LOCAL TAX AUTHORIZED.**

154.5 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 154.6 section 477A.016, or any other law, ordinance, or city charter, and as approved by the voters
 154.7 at the general election of November 6, 2018, the city of Blue Earth may impose by ordinance
 154.8 a sales and use tax of one-half of one percent for the purposes specified in subdivision 2.
 154.9 Except as otherwise provided in this section, the provisions of Minnesota Statutes, section
 154.10 297A.99, govern the imposition, administration, collection, and enforcement of the tax
 154.11 authorized under this subdivision. The tax may not be imposed until the city complies with
 154.12 the provisions of section 34.

154.13 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 154.14 under subdivision 1 must be used by the city of Blue Earth to pay the costs of collecting
 154.15 and administering the tax and to finance the capital and administrative costs of constructing
 154.16 and funding sewer plant improvements, street reconstruction projects, and recreational
 154.17 amenities. The total that may be raised from the tax to pay for these projects is limited to
 154.18 \$5,000,000, plus the costs related to the issuance and paying debt service on bonds for these
 154.19 projects.

160.20 Subd. 3. **Bonding authority.** (a) The city of Blue Earth may issue bonds under Minnesota
 160.21 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
 160.22 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
 160.23 not exceed \$5,000,000, plus an amount to be applied to the payment of the costs of issuing
 160.24 the bonds. The bonds may be paid from or secured by any funds available to the city of
 160.25 Blue Earth, including the tax authorized under subdivision 1. The issuance of bonds under
 160.26 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

160.27 (b) The bonds are not included in computing any debt limitation applicable to the city
 160.28 of Blue Earth, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
 160.29 principal and interest on the bonds is not subject to any levy limitation. A separate election
 160.30 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

160.31 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
 160.32 earlier of: (1) 25 years after the tax is first imposed; or (2) when the city council determines
 160.33 that \$5,000,000, plus an amount sufficient to pay the costs related to issuing the bonds
 160.34 authorized under subdivision 3, including interest on the bonds, has been received from the
 161.1 tax to pay for the cost of the projects authorized under subdivision 2. Any funds remaining
 161.2 after payment of all such costs and retirement or redemption of the bonds due to timing of
 161.3 the termination under Minnesota Statutes, section 297A.99, shall be placed in the general
 161.4 fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the
 161.5 city so determines by ordinance.

161.6 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 161.7 city of Blue Earth and its chief clerical officer comply with Minnesota Statutes, section
 161.8 645.021, subdivisions 2 and 3.

161.9 Sec. 15. **CITY OF CAMBRIDGE; TAX AUTHORIZED.**

161.10 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 161.11 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 161.12 and as approved by the voters at the November 6, 2018, general election, the city of
 161.13 Cambridge may impose, by ordinance, a sales and use tax of one-half of one percent for
 161.14 the purposes specified in subdivision 2. Except as otherwise provided in this section, the
 161.15 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 161.16 collection, and enforcement of the tax authorized under this subdivision. The tax may not
 161.17 be imposed until the city complies with the provisions of section 34 as it relates to funding
 161.18 of the street improvements in subdivision 2, clause (2).

161.19 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 161.20 under subdivision 1 must be used by the city of Cambridge to pay the costs of collecting
 161.21 and administering the tax and paying for the following infrastructure projects in the city,
 161.22 including securing and paying debt service on bonds issued to finance all or part of the
 161.23 following projects:

154.20 Subd. 3. **Bonding authority.** (a) The city of Blue Earth may issue bonds under Minnesota
 154.21 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
 154.22 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
 154.23 not exceed \$5,000,000, plus an amount to be applied to the payment of the costs of issuing
 154.24 the bonds. The bonds may be paid from or secured by any funds available to the city of
 154.25 Blue Earth, including the tax authorized under subdivision 1. The issuance of bonds under
 154.26 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

154.27 (b) The bonds are not included in computing any debt limitation applicable to the city
 154.28 of Blue Earth, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
 154.29 principal and interest on the bonds is not subject to any levy limitation. A separate election
 154.30 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

154.31 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
 154.32 earlier of: (1) 25 years after the tax is first imposed; or (2) when the city council determines
 154.33 that \$5,000,000, plus an amount sufficient to pay the costs related to issuing the bonds
 154.34 authorized under subdivision 3, including interest on the bonds, has been received from the
 155.1 tax to pay for the cost of the projects authorized under subdivision 2. Any funds remaining
 155.2 after payment of all such costs and retirement or redemption of the bonds due to timing of
 155.3 the termination under Minnesota Statutes, section 297A.99, shall be placed in the general
 155.4 fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the
 155.5 city so determines by ordinance.

155.6 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 155.7 city of Blue Earth and its chief clerical officer comply with Minnesota Statutes, section
 155.8 645.021, subdivisions 2 and 3.

155.9 Sec. 15. **CITY OF CAMBRIDGE; TAX AUTHORIZED.**

155.10 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 155.11 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 155.12 and as approved by the voters at the November 6, 2018, general election, the city of
 155.13 Cambridge may impose, by ordinance, a sales and use tax of one-half of one percent for
 155.14 the purposes specified in subdivision 2. Except as otherwise provided in this section, the
 155.15 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 155.16 collection, and enforcement of the tax authorized under this subdivision. The tax may not
 155.17 be imposed until the city complies with the provisions of section 34 as it relates to funding
 155.18 of the street improvements in subdivision 2, clause (2).

155.19 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 155.20 under subdivision 1 must be used by the city of Cambridge to pay the costs of collecting
 155.21 and administering the tax and paying for the following infrastructure projects in the city,
 155.22 including securing and paying debt service on bonds issued to finance all or part of the
 155.23 following projects:

161.24 (1) \$8,000,000 plus associated bonding costs for construction of a new facility to house
 161.25 the Cambridge Public Library and the East Central Regional Library Headquarters; and

161.26 (2) \$14,000,000 plus associated bonding costs for street improvements outlined in the
 161.27 Street Capital Improvement Program approved by the city council as of January 22, 2019,
 161.28 and outdoor park improvements described in the park master plan as of January 22, 2019.

161.29 Subd. 3. **Bonding authority.** (a) The city of Cambridge may issue bonds under Minnesota
 161.30 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
 161.31 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
 161.32 not exceed: (1) \$8,000,000 for the project listed in subdivision 2, clause (1), plus an amount
 161.33 applied to the payment of costs of issuing the bonds; and (2) \$14,000,000 for the projects
 162.1 listed in subdivision 2, clause (2), plus an amount applied to the payment of costs of issuing
 162.2 the bonds. The bonds may be paid from or secured by any funds available to the city of
 162.3 Cambridge, including the tax authorized under subdivision 1. The issuance of bonds under
 162.4 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

162.5 (b) The bonds are not included in computing any debt limitation applicable to the city.
 162.6 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
 162.7 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 162.8 under Minnesota Statutes, section 475.58, is not required.

162.9 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
 162.10 earlier of: (1) December 31, 2043; or (2) when the city council determines that the city has
 162.11 received from this tax \$22,000,000 to fund the projects listed in subdivision 2 plus an amount
 162.12 sufficient to pay costs, including interest costs, related to the issuance of the bonds authorized
 162.13 in subdivision 3. Any funds remaining after payment of the allowed costs due to timing of
 162.14 the termination under Minnesota Statutes, section 297A.99, shall be placed in the city's
 162.15 general fund. The tax imposed under subdivision 1 may expire at an earlier time if the city
 162.16 so determines by ordinance.

162.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 162.18 city of Cambridge and its chief clerical officer comply with Minnesota Statutes, section
 162.19 645.021, subdivisions 2 and 3.

162.20 Sec. 16. **CITY OF DETROIT LAKES; LOCAL SALES AND USE TAX**
 162.21 **AUTHORIZED.**

162.22 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 162.23 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 162.24 and as approved by the voters at the November 6, 2018, general election, the city of Detroit
 162.25 Lakes may impose, by ordinance, a sales and use tax of one-half of one percent for the
 162.26 purposes specified in subdivision 2. Except as otherwise provided in this section, the

155.24 (1) \$8,000,000 plus associated bonding costs for construction of a new facility to house
 155.25 the Cambridge Public Library and the East Central Regional Library Headquarters; and

155.26 (2) \$14,000,000 plus associated bonding costs for street improvements outlined in the
 155.27 Street Capital Improvement Program approved by the city council as of January 22, 2019,
 155.28 and outdoor park improvements described in the park master plan as of January 22, 2019.

155.29 Subd. 3. **Bonding authority.** (a) The city of Cambridge may issue bonds under Minnesota
 155.30 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
 155.31 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
 155.32 not exceed: (1) \$8,000,000 for the project listed in subdivision 2, clause (1), plus an amount
 155.33 applied to the payment of costs of issuing the bonds; and (2) \$14,000,000 for the projects
 156.1 listed in subdivision 2, clause (2), plus an amount applied to the payment of costs of issuing
 156.2 the bonds. The bonds may be paid from or secured by any funds available to the city of
 156.3 Cambridge, including the tax authorized under subdivision 1. The issuance of bonds under
 156.4 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

156.5 (b) The bonds are not included in computing any debt limitation applicable to the city.
 156.6 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
 156.7 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 156.8 under Minnesota Statutes, section 475.58, is not required.

156.9 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
 156.10 earlier of: (1) December 31, 2043; or (2) when the city council determines that the city has
 156.11 received from this tax \$22,000,000 to fund the projects listed in subdivision 2 plus an amount
 156.12 sufficient to pay costs, including interest costs, related to the issuance of the bonds authorized
 156.13 in subdivision 3. Any funds remaining after payment of the allowed costs due to timing of
 156.14 the termination under Minnesota Statutes, section 297A.99, shall be placed in the city's
 156.15 general fund. The tax imposed under subdivision 1 may expire at an earlier time if the city
 156.16 so determines by ordinance.

156.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 156.18 city of Cambridge and its chief clerical officer comply with Minnesota Statutes, section
 156.19 645.021, subdivisions 2 and 3.

156.20 Sec. 16. **CITY OF DETROIT LAKES; LOCAL SALES AND USE TAX**
 156.21 **AUTHORIZED.**

156.22 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 156.23 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 156.24 and as approved by the voters at the November 6, 2018, general election, the city of Detroit
 156.25 Lakes may impose, by ordinance, a sales and use tax of one-half of one percent for the
 156.26 purposes specified in subdivision 2. Except as otherwise provided in this section, the

162.27 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 162.28 collection, and enforcement of the tax authorized under this subdivision.

162.29 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
 162.30 under subdivision 1 must be used by the city of Detroit Lakes to pay the costs of collecting
 162.31 and administering the tax, and construction of a new police department facility in the city,
 162.32 including securing and paying debt service on bonds issued to finance all or part of this
 162.33 project. The total amount of the police department facility to be funded with the tax imposed
 162.34 under subdivision 1 shall not exceed \$6,700,000, excluding associated debt service costs.

163.1 **Subd. 3. Bonding authority.** (a) The city of Detroit Lakes may issue bonds under
 163.2 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project
 163.3 authorized in subdivision 2. The aggregate principal amount of bonds issued under this
 163.4 subdivision may not exceed \$6,700,000, plus an amount applied to the payment of costs of
 163.5 issuing the bonds. The bonds may be paid from or secured by any funds available to the
 163.6 city of Detroit Lakes, including the tax authorized under subdivision 1. The issuance of
 163.7 bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and
 163.8 275.61.

163.9 (b) The bonds are not subject to any provisions of the home rule charter of the city of
 163.10 Detroit Lakes and are not included in computing any debt limitation applicable to the city.
 163.11 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
 163.12 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 163.13 under Minnesota Statutes, section 475.58, is not required.

163.14 **Subd. 4. Termination of taxes.** The tax imposed under subdivision 1 expires at the
 163.15 earlier of: (1) ten years after the tax is first imposed; or (2) when the city council determines
 163.16 that the city has received \$6,700,000 from this tax to fund the projects listed in subdivision
 163.17 2 plus an amount sufficient to pay costs, including interest costs, related to the issuance of
 163.18 the bonds authorized in subdivision 3. Any funds remaining after payment of the allowed
 163.19 costs due to timing of the termination under Minnesota Statutes, section 297A.99, shall be
 163.20 placed in the city's general fund. The tax imposed under subdivision 1 may expire at an
 163.21 earlier time if the city so determines by ordinance.

163.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 163.23 city of Detroit Lakes and its chief clerical officer comply with Minnesota Statutes, section
 163.24 645.021, subdivisions 2 and 3.

163.25 **Sec. 17. CITY OF ELK RIVER; TAX AUTHORIZED.**

163.26 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 163.27 section 297A.99, subdivision 1, or 477A.016, or any other law or ordinance, and as approved
 163.28 by the voters at the November 6, 2018, general election, the city of Elk River may impose,
 163.29 by ordinance, a sales and use tax of one-half of one percent for the purposes specified in
 163.30 subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota

156.27 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 156.28 collection, and enforcement of the tax authorized under this subdivision.

156.29 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
 156.30 under subdivision 1 must be used by the city of Detroit Lakes to pay the costs of collecting
 156.31 and administering the tax, and construction of a new police department facility in the city,
 156.32 including securing and paying debt service on bonds issued to finance all or part of this
 156.33 project. The total amount of the police department facility to be funded with the tax imposed
 156.34 under subdivision 1 shall not exceed \$6,700,000, excluding associated debt service costs.

157.1 **Subd. 3. Bonding authority.** (a) The city of Detroit Lakes may issue bonds under
 157.2 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project
 157.3 authorized in subdivision 2. The aggregate principal amount of bonds issued under this
 157.4 subdivision may not exceed \$6,700,000, plus an amount applied to the payment of costs of
 157.5 issuing the bonds. The bonds may be paid from or secured by any funds available to the
 157.6 city of Detroit Lakes, including the tax authorized under subdivision 1. The issuance of
 157.7 bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and
 157.8 275.61.

157.9 (b) The bonds are not subject to any provisions of the home rule charter of the city of
 157.10 Detroit Lakes and are not included in computing any debt limitation applicable to the city.
 157.11 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
 157.12 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 157.13 under Minnesota Statutes, section 475.58, is not required.

157.14 **Subd. 4. Termination of taxes.** The tax imposed under subdivision 1 expires at the
 157.15 earlier of: (1) ten years after the tax is first imposed; or (2) when the city council determines
 157.16 that the city has received \$6,700,000 from this tax to fund the projects listed in subdivision
 157.17 2 plus an amount sufficient to pay costs, including interest costs, related to the issuance of
 157.18 the bonds authorized in subdivision 3. Any funds remaining after payment of the allowed
 157.19 costs due to timing of the termination under Minnesota Statutes, section 297A.99, shall be
 157.20 placed in the city's general fund. The tax imposed under subdivision 1 may expire at an
 157.21 earlier time if the city so determines by ordinance.

157.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 157.23 city of Detroit Lakes and its chief clerical officer comply with Minnesota Statutes, section
 157.24 645.021, subdivisions 2 and 3.

157.25 **Sec. 17. CITY OF ELK RIVER; TAX AUTHORIZED.**

157.26 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 157.27 section 297A.99, subdivision 1, or 477A.016, or any other law or ordinance, and as approved
 157.28 by the voters at the November 6, 2018, general election, the city of Elk River may impose,
 157.29 by ordinance, a sales and use tax of one-half of one percent for the purposes specified in
 157.30 subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota

163.31 Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement
 163.32 of the tax authorized under this subdivision.

163.33 Subd. 2. Use of sales and use tax revenues. (a) The revenues derived from the tax
 163.34 authorized under subdivision 1 must be used by the city of Elk River to:

164.1 (1) pay the costs of collecting and administering the tax;

164.2 (2) pay the capital and administrative costs of various recreational facility and park
 164.3 improvements including any or all of the following: a multipurpose recreational facility
 164.4 such as an ice arena, a community meeting and activity space, and a synthetic turf field
 164.5 house; senior center facility improvements; Lion John Weicht Park improvements, Lions
 164.6 Park Center space improvements, and a community picnic pavilion addition; youth athletic
 164.7 complex improvements; Orono Park improvements; dredging Lake Orono; and citywide
 164.8 trail connection improvements; and

164.9 (3) secure and pay debt service on bonds issued to finance all or part of the projects
 164.10 listed in clause (2).

164.11 (b) The total that may be raised from the tax to pay for these projects is limited to
 164.12 \$35,000,000, plus the costs related to the issuance and paying debt service on bonds for
 164.13 these projects.

164.14 Subd. 3. Bonding authority. (a) The city of Elk River may issue bonds under Minnesota
 164.15 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
 164.16 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
 164.17 not exceed \$35,000,000, plus an amount applied to the payment of costs of issuing the
 164.18 bonds. The bonds may be paid from or secured by any funds available to the city of Elk
 164.19 River, including the tax authorized under subdivision 1. The issuance of bonds under this
 164.20 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

164.21 (b) The bonds are not included in computing any debt limitation applicable to the city.
 164.22 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
 164.23 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 164.24 under Minnesota Statutes, section 475.58, is not required.

164.25 Subd. 4. Termination of taxes. The tax imposed under subdivision 1 expires at the
 164.26 earlier of: (1) 25 years after the tax is first imposed; or (2) when the city council determines
 164.27 that the city has received \$35,000,000 from this tax to fund the projects listed in subdivision
 164.28 2 plus an amount sufficient to pay costs, including interest costs, related to the issuance of
 164.29 the bonds authorized in subdivision 3. Any funds remaining after payment of the allowed
 164.30 costs due to timing of the termination under section 297A.99 shall be placed in the city's
 164.31 general fund. The tax imposed under subdivision 1 may expire at an earlier time if the city
 164.32 so determines by ordinance.

157.31 Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement
 157.32 of the tax authorized under this subdivision.

157.33 Subd. 2. Use of sales and use tax revenues. (a) The revenues derived from the tax
 157.34 authorized under subdivision 1 must be used by the city of Elk River to:

158.1 (1) pay the costs of collecting and administering the tax;

158.2 (2) pay the capital and administrative costs of various recreational facility and park
 158.3 improvements including any or all of the following: a multipurpose recreational facility
 158.4 such as an ice arena, a community meeting and activity space, and a synthetic turf field
 158.5 house; senior center facility improvements; Lion John Weicht Park improvements, Lions
 158.6 Park Center space improvements, and a community picnic pavilion addition; youth athletic
 158.7 complex improvements; Orono Park improvements; dredging Lake Orono; and citywide
 158.8 trail connection improvements; and

158.9 (3) secure and pay debt service on bonds issued to finance all or part of the projects
 158.10 listed in clause (2).

158.11 (b) The total that may be raised from the tax to pay for these projects is limited to
 158.12 \$35,000,000, plus the costs related to the issuance and paying debt service on bonds for
 158.13 these projects.

158.14 Subd. 3. Bonding authority. (a) The city of Elk River may issue bonds under Minnesota
 158.15 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
 158.16 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
 158.17 not exceed \$35,000,000, plus an amount applied to the payment of costs of issuing the
 158.18 bonds. The bonds may be paid from or secured by any funds available to the city of Elk
 158.19 River, including the tax authorized under subdivision 1. The issuance of bonds under this
 158.20 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

158.21 (b) The bonds are not included in computing any debt limitation applicable to the city.
 158.22 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
 158.23 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 158.24 under Minnesota Statutes, section 475.58, is not required.

158.25 Subd. 4. Termination of taxes. The tax imposed under subdivision 1 expires at the
 158.26 earlier of: (1) 25 years after the tax is first imposed; or (2) when the city council determines
 158.27 that the city has received \$35,000,000 from this tax to fund the projects listed in subdivision
 158.28 2 plus an amount sufficient to pay costs, including interest costs, related to the issuance of
 158.29 the bonds authorized in subdivision 3. Any funds remaining after payment of the allowed
 158.30 costs due to timing of the termination under section 297A.99 shall be placed in the city's
 158.31 general fund. The tax imposed under subdivision 1 may expire at an earlier time if the city
 158.32 so determines by ordinance.

165.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 165.2 city of Elk River and its chief clerical officer comply with Minnesota Statutes, section
 165.3 645.021, subdivisions 2 and 3.

165.4 **Sec. 18. CITY OF EXCELSIOR; LOCAL SALES AND USE TAX AUTHORIZED.**

165.5 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 165.6 section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city
 165.7 charter, the city of Excelsior may impose, by ordinance, a sales and use tax of up to one-half
 165.8 of one percent for the purposes specified in subdivision 2, as approved by the voters at the
 165.9 November 4, 2014, general election. Except as otherwise provided in this section, the
 165.10 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 165.11 collection, and enforcement of the tax authorized under this subdivision.

165.12 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
 165.13 under subdivision 1 must be used by the city of Excelsior to pay the costs of collecting and
 165.14 administering the tax and to finance the capital and administrative costs of improvements
 165.15 to the commons as indicated in the Commons Master Plan as adopted by the city council
 165.16 on November 20, 2017. Authorized expenses include, but are not limited to, improvements
 165.17 for walkability and accessibility, enhancement of beach area and facilities, prevention and
 165.18 management of shoreline erosion, redesign of the port and band shell, improvement of
 165.19 playground equipment, and securing and paying debt service on bonds issued under
 165.20 subdivision 3 or other obligations issued to the improvements listed in this subdivision in
 165.21 the city of Excelsior.

165.22 **Subd. 3. Bonding authority.** (a) If the imposition of the tax is approved by the voters
 165.23 under subdivision 1, the city of Excelsior may issue bonds under Minnesota Statutes, chapter
 165.24 475, to finance all or a portion of the costs of the projects authorized in subdivision 2,
 165.25 without a second vote. The aggregate principal amount of bonds issued under this subdivision
 165.26 may not exceed \$7,000,000, plus an amount to be applied to the payment of the costs of
 165.27 issuing the bonds. The bonds may be paid from or secured by any funds available to the
 165.28 city of Excelsior, including the tax authorized under subdivision 1. The issuance of bonds
 165.29 under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

165.30 (b) The bonds are not included in computing any debt limitation applicable to the city
 165.31 of Excelsior, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
 165.32 and interest on the bonds is not subject to any levy limitation. A separate election to approve
 165.33 the bonds under Minnesota Statutes, section 475.58, is not required.

166.1 **Subd. 4. Termination of taxes.** The tax imposed under subdivision 1 expires at the
 166.2 earlier of: (1) 25 years after the tax is first imposed; or (2) when the city council determines
 166.3 that \$7,000,000 has been received from the tax to pay for the cost of the projects authorized
 166.4 under subdivision 2, plus an amount sufficient to pay the costs related to issuance of the
 166.5 bonds authorized under subdivision 3, including interest on the bonds. Any funds remaining
 166.6 after payment of all such costs and retirement or redemption of the bonds shall be placed

159.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 159.2 city of Elk River and its chief clerical officer comply with Minnesota Statutes, section
 159.3 645.021, subdivisions 2 and 3.

159.4 **Sec. 18. CITY OF EXCELSIOR; LOCAL SALES AND USE TAX AUTHORIZED.**

159.5 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 159.6 section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city
 159.7 charter, the city of Excelsior may impose, by ordinance, a sales and use tax of up to one-half
 159.8 of one percent for the purposes specified in subdivision 2, as approved by the voters at the
 159.9 November 4, 2014, general election. Except as otherwise provided in this section, the
 159.10 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 159.11 collection, and enforcement of the tax authorized under this subdivision.

159.12 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
 159.13 under subdivision 1 must be used by the city of Excelsior to pay the costs of collecting and
 159.14 administering the tax and to finance the capital and administrative costs of improvements
 159.15 to the commons as indicated in the Commons Master Plan as adopted by the city council
 159.16 on November 20, 2017. Authorized expenses include, but are not limited to, improvements
 159.17 for walkability and accessibility, enhancement of beach area and facilities, prevention and
 159.18 management of shoreline erosion, redesign of the port and band shell, improvement of
 159.19 playground equipment, and securing and paying debt service on bonds issued under
 159.20 subdivision 3 or other obligations issued to the improvements listed in this subdivision in
 159.21 the city of Excelsior.

159.22 **Subd. 3. Bonding authority.** (a) If the imposition of the tax is approved by the voters
 159.23 under subdivision 1, the city of Excelsior may issue bonds under Minnesota Statutes, chapter
 159.24 475, to finance all or a portion of the costs of the projects authorized in subdivision 2,
 159.25 without a second vote. The aggregate principal amount of bonds issued under this subdivision
 159.26 may not exceed \$7,000,000, plus an amount to be applied to the payment of the costs of
 159.27 issuing the bonds. The bonds may be paid from or secured by any funds available to the
 159.28 city of Excelsior, including the tax authorized under subdivision 1. The issuance of bonds
 159.29 under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

159.30 (b) The bonds are not included in computing any debt limitation applicable to the city
 159.31 of Excelsior, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
 159.32 and interest on the bonds is not subject to any levy limitation. A separate election to approve
 159.33 the bonds under Minnesota Statutes, section 475.58, is not required.

160.1 **Subd. 4. Termination of taxes.** The tax imposed under subdivision 1 expires at the
 160.2 earlier of: (1) 25 years after the tax is first imposed; or (2) when the city council determines
 160.3 that \$7,000,000 has been received from the tax to pay for the cost of the projects authorized
 160.4 under subdivision 2, plus an amount sufficient to pay the costs related to issuance of the
 160.5 bonds authorized under subdivision 3, including interest on the bonds. Any funds remaining
 160.6 after payment of all such costs and retirement or redemption of the bonds shall be placed

166.7 in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier
 166.8 time if the city so determines by ordinance.

166.9 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 166.10 city of Excelsior and its chief clerical officer comply with Minnesota Statutes, section
 166.11 645.021, subdivisions 2 and 3.

166.12 **Sec. 19. CITY OF GLENWOOD; TAX AUTHORIZED.**

166.13 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 166.14 section 477A.016, or any other law, ordinance, or city charter, and as approved by the voters
 166.15 at the November 6, 2018, general election, the city of Glenwood may impose, by ordinance,
 166.16 a sales and use tax of up to one-half of one percent for the purposes specified in subdivision
 166.17 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section
 166.18 297A.99, govern the imposition, administration, collection, and enforcement of the tax
 166.19 authorized under this subdivision. The tax may not be imposed until the city complies with
 166.20 the provisions of section 34.

166.21 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
 166.22 under subdivision 1 must be used by the city of Glenwood to pay the costs of collecting and
 166.23 administering the tax and to finance, including securing and paying debt service on, all or
 166.24 part of the following projects:

166.25 (1) the capital costs of the Phases II and III improvements to 2nd Street SE as set forth
 166.26 in the city's capital improvement plan;

166.27 (2) the development and expansion of, and improvements to, city parks, trails, and
 166.28 recreational facilities; and

166.29 (3) improvements to Glenwood City Hall and police station.

166.30 **Subd. 3. Bonding authority.** (a) The city of Glenwood may issue bonds under Minnesota
 166.31 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
 166.32 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
 166.33 not exceed \$2,800,000, plus an amount applied to the payment of costs of issuing the bonds.
 167.1 The bonds may be paid from or secured by any funds available to the city of Glenwood,
 167.2 including the tax authorized under subdivision 1. The issuance of bonds under this
 167.3 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

167.4 (b) The bonds are not subject to any provisions of the home rule charter of the city of
 167.5 Glenwood and are not included in computing any debt limitation applicable to the city. Any
 167.6 levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on
 167.7 the bonds is not subject to any levy limitation. A separate election to approve the bonds
 167.8 under Minnesota Statutes, section 475.58, is not required.

160.7 in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier
 160.8 time if the city so determines by ordinance.

160.9 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 160.10 city of Excelsior and its chief clerical officer comply with Minnesota Statutes, section
 160.11 645.021, subdivisions 2 and 3.

160.12 **Sec. 19. CITY OF GLENWOOD; TAX AUTHORIZED.**

160.13 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 160.14 section 477A.016, or any other law, ordinance, or city charter, and as approved by the voters
 160.15 at the November 6, 2018, general election, the city of Glenwood may impose, by ordinance,
 160.16 a sales and use tax of up to one-half of one percent for the purposes specified in subdivision
 160.17 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section
 160.18 297A.99, govern the imposition, administration, collection, and enforcement of the tax
 160.19 authorized under this subdivision. The tax may not be imposed until the city complies with
 160.20 the provisions of section 34.

160.21 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
 160.22 under subdivision 1 must be used by the city of Glenwood to pay the costs of collecting and
 160.23 administering the tax and to finance, including securing and paying debt service on, all or
 160.24 part of the following projects:

160.25 (1) the capital costs of the Phases II and III improvements to 2nd Street SE as set forth
 160.26 in the city's capital improvement plan;

160.27 (2) the development and expansion of, and improvements to, city parks, trails, and
 160.28 recreational facilities; and

160.29 (3) improvements to Glenwood City Hall and police station.

160.30 **Subd. 3. Bonding authority.** (a) The city of Glenwood may issue bonds under Minnesota
 160.31 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
 160.32 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
 160.33 not exceed \$2,800,000, plus an amount applied to the payment of costs of issuing the bonds.
 161.1 The bonds may be paid from or secured by any funds available to the city of Glenwood,
 161.2 including the tax authorized under subdivision 1. The issuance of bonds under this
 161.3 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

161.4 (b) The bonds are not subject to any provisions of the home rule charter of the city of
 161.5 Glenwood and are not included in computing any debt limitation applicable to the city. Any
 161.6 levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on
 161.7 the bonds is not subject to any levy limitation. A separate election to approve the bonds
 161.8 under Minnesota Statutes, section 475.58, is not required.

167.9 Subd. 4. Termination of taxes. The tax imposed under subdivision 1 expires at the
 167.10 earlier of: (1) 20 years after the tax is first imposed; or (2) when the city council determines
 167.11 that the city has received \$2,800,000 from this tax to fund the projects listed in subdivision
 167.12 2 plus an amount sufficient to pay costs, including interest costs, related to the issuance of
 167.13 the bonds authorized in subdivision 3. Any funds remaining after payment of the allowed
 167.14 costs due to timing of the termination under Minnesota Statutes, section 297A.99, shall be
 167.15 placed in the city's general fund. The tax imposed under subdivision 1 may expire at an
 167.16 earlier time if the city so determines by ordinance.

167.17 EFFECTIVE DATE. This section is effective the day after the governing body of the
 167.18 city of Glenwood and its chief clerical officer comply with Minnesota Statutes, section
 167.19 645.021, subdivisions 2 and 3.

167.20 **Sec. 20. CITY OF INTERNATIONAL FALLS; TAX AUTHORIZED.**

167.21 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
 167.22 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 167.23 and as approved by the voters at the November 6, 2018, general election, the city of
 167.24 International Falls may impose, by ordinance, a sales and use tax of up to one percent for
 167.25 the purposes specified in subdivision 2. Except as otherwise provided in this section, the
 167.26 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 167.27 collection, and enforcement of the tax authorized under this subdivision. The tax may not
 167.28 be imposed until the city complies with the provisions of section 34.

167.29 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
 167.30 under subdivision 1 must be used by the city of International Falls to pay the costs of
 167.31 collecting and administering the tax, and paying for transportation and other public
 167.32 infrastructure projects in the city, including securing and paying debt service on bonds
 167.33 issued to finance all or part of these projects. The total amount of transportation and other
 168.1 public infrastructure projects to be funded with the tax imposed under subdivision 1 shall
 168.2 not exceed \$30,000,000, excluding associated debt service costs.

168.3 Subd. 3. Bonding authority. (a) The city of International Falls may issue bonds under
 168.4 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project
 168.5 authorized in subdivision 2. The aggregate principal amount of bonds issued under this
 168.6 subdivision may not exceed \$30,000,000, plus an amount applied to the payment of costs
 168.7 of issuing the bonds. The bonds may be paid from or secured by any funds available to the
 168.8 city of International Falls, including the tax authorized under subdivision 1. The issuance
 168.9 of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and
 168.10 275.61.

168.11 (b) The bonds are not subject to any provisions of the home rule charter of the city of
 168.12 International Falls and are not included in computing any debt limitation applicable to the
 168.13 city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and

161.9 Subd. 4. Termination of taxes. The tax imposed under subdivision 1 expires at the
 161.10 earlier of: (1) 20 years after the tax is first imposed; or (2) when the city council determines
 161.11 that the city has received \$2,800,000 from this tax to fund the projects listed in subdivision
 161.12 2 plus an amount sufficient to pay costs, including interest costs, related to the issuance of
 161.13 the bonds authorized in subdivision 3. Any funds remaining after payment of the allowed
 161.14 costs due to timing of the termination under Minnesota Statutes, section 297A.99, shall be
 161.15 placed in the city's general fund. The tax imposed under subdivision 1 may expire at an
 161.16 earlier time if the city so determines by ordinance.

161.17 EFFECTIVE DATE. This section is effective the day after the governing body of the
 161.18 city of Glenwood and its chief clerical officer comply with Minnesota Statutes, section
 161.19 645.021, subdivisions 2 and 3.

161.20 **Sec. 20. CITY OF INTERNATIONAL FALLS; TAX AUTHORIZED.**

161.21 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
 161.22 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 161.23 and as approved by the voters at the November 6, 2018, general election, the city of
 161.24 International Falls may impose, by ordinance, a sales and use tax of up to one percent for
 161.25 the purposes specified in subdivision 2. Except as otherwise provided in this section, the
 161.26 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 161.27 collection, and enforcement of the tax authorized under this subdivision. The tax may not
 161.28 be imposed until the city complies with the provisions of section 34.

161.29 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
 161.30 under subdivision 1 must be used by the city of International Falls to pay the costs of
 161.31 collecting and administering the tax, and paying for transportation and other public
 161.32 infrastructure projects in the city, including securing and paying debt service on bonds
 161.33 issued to finance all or part of these projects. The total amount of transportation and other
 162.1 public infrastructure projects to be funded with the tax imposed under subdivision 1 shall
 162.2 not exceed \$30,000,000, excluding associated debt service costs.

162.3 Subd. 3. Bonding authority. (a) The city of International Falls may issue bonds under
 162.4 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project
 162.5 authorized in subdivision 2. The aggregate principal amount of bonds issued under this
 162.6 subdivision may not exceed \$30,000,000, plus an amount applied to the payment of costs
 162.7 of issuing the bonds. The bonds may be paid from or secured by any funds available to the
 162.8 city of International Falls, including the tax authorized under subdivision 1. The issuance
 162.9 of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and
 162.10 275.61.

162.11 (b) The bonds are not subject to any provisions of the home rule charter of the city of
 162.12 International Falls and are not included in computing any debt limitation applicable to the
 162.13 city. Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and

168.14 interest on the bonds is not subject to any levy limitation. A separate election to approve
 168.15 the bonds under Minnesota Statutes, section 475.58, is not required.

168.16 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
 168.17 earlier of: (1) 30 years after the tax is first imposed; or (2) when the city council determines
 168.18 that the city has received \$30,000,000 from this tax to fund the projects listed in subdivision
 168.19 2 plus an amount sufficient to pay costs, including interest costs, related to the issuance of
 168.20 the bonds authorized in subdivision 3. Any funds remaining after payment of the allowed
 168.21 costs due to timing of the termination under section 297A.99 shall be placed in the general
 168.22 fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the
 168.23 city so determines by ordinance.

168.24 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 168.25 city of International Falls and its chief clerical officer comply with Minnesota Statutes,
 168.26 section 645.021, subdivisions 2 and 3.

168.27 Sec. 21. **CITY OF LA CRESCENT; LOCAL LODGING TAX AUTHORIZED.**

168.28 Notwithstanding Minnesota Statutes, section 477A.016, or other law, in addition to a
 168.29 tax authorized in Minnesota Statutes, section 469.190, the city of La Crescent may impose
 168.30 by ordinance a tax of up to two percent on the gross receipts subject to the lodging tax under
 168.31 Minnesota Statutes, section 469.190. The proceeds of the tax must be used for the same
 168.32 purposes as required under Minnesota Statutes, section 469.190. The total tax imposed
 168.33 under this section, and under Minnesota Statutes, section 469.190, must not exceed five
 168.34 percent.

169.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 169.2 city of La Crescent and its chief clerical officer comply with Minnesota Statutes, section
 169.3 645.021, subdivisions 2 and 3.

169.4 Sec. 22. **LAKE COUNTY; LOCAL LODGING TAX AUTHORIZED.**

169.5 Subdivision 1. **Lodging tax.** (a) Notwithstanding Minnesota Statutes, section 477A.016,
 169.6 or any other provision of law, ordinance, or city charter, the Board of Commissioners of
 169.7 Lake County may impose, by ordinance, a tax of up to four percent on the gross receipts
 169.8 subject to the lodging tax under Minnesota Statutes, section 469.190. This tax is in addition
 169.9 to any tax imposed under Minnesota Statutes, section 469.190. The total tax imposed by
 169.10 the county under this section, by the city of Two Harbors under Laws 1994, chapter 587,
 169.11 article 9, section 11, and under Minnesota Statutes, section 469.190, must not exceed seven
 169.12 percent.

169.13 (b) No other city or town located in Lake County that did not impose a local lodging tax
 169.14 under Minnesota Statutes, section 469.190, prior to May 1, 2019, may impose a tax under
 169.15 Minnesota Statutes, section 469.190, while a tax is in effect under this section.

162.14 interest on the bonds is not subject to any levy limitation. A separate election to approve
 162.15 the bonds under Minnesota Statutes, section 475.58, is not required.

162.16 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
 162.17 earlier of: (1) 30 years after the tax is first imposed; or (2) when the city council determines
 162.18 that the city has received \$30,000,000 from this tax to fund the projects listed in subdivision
 162.19 2 plus an amount sufficient to pay costs, including interest costs, related to the issuance of
 162.20 the bonds authorized in subdivision 3. Any funds remaining after payment of the allowed
 162.21 costs due to timing of the termination under section 297A.99 shall be placed in the general
 162.22 fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the
 162.23 city so determines by ordinance.

162.24 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 162.25 city of International Falls and its chief clerical officer comply with Minnesota Statutes,
 162.26 section 645.021, subdivisions 2 and 3.

162.27 Sec. 21. **CITY OF LA CRESCENT; LOCAL LODGING TAX AUTHORIZED.**

162.28 Notwithstanding Minnesota Statutes, section 477A.016, or other law, in addition to a
 162.29 tax authorized in Minnesota Statutes, section 469.190, the city of La Crescent may impose
 162.30 by ordinance a tax of up to two percent on the gross receipts subject to the lodging tax under
 162.31 Minnesota Statutes, section 469.190. The proceeds of the tax must be used for the same
 162.32 purposes as required under Minnesota Statutes, section 469.190. The total tax imposed
 162.33 under this section, and under Minnesota Statutes, section 469.190, must not exceed five
 162.34 percent.

163.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 163.2 city of La Crescent and its chief clerical officer comply with Minnesota Statutes, section
 163.3 645.021, subdivisions 2 and 3.

163.4 Sec. 22. **LAKE COUNTY; LOCAL LODGING TAX AUTHORIZED.**

163.5 Subdivision 1. **Lodging tax.** (a) Notwithstanding Minnesota Statutes, section 477A.016,
 163.6 or any other provision of law, ordinance, or city charter, the Board of Commissioners of
 163.7 Lake County may impose, by ordinance, a tax of up to four percent on the gross receipts
 163.8 subject to the lodging tax under Minnesota Statutes, section 469.190. This tax is in addition
 163.9 to any tax imposed under Minnesota Statutes, section 469.190. The total tax imposed by
 163.10 the county under this section, by the city of Two Harbors under Laws 1994, chapter 587,
 163.11 article 9, section 11, and under Minnesota Statutes, section 469.190, must not exceed seven
 163.12 percent.

163.13 (b) No other city or town located in Lake County that did not impose a local lodging tax
 163.14 under Minnesota Statutes, section 469.190, prior to May 1, 2019, may impose a tax under
 163.15 Minnesota Statutes, section 469.190, while a tax is in effect under this section.

169.16 Subd. 2. **Allowed use of revenues.** The revenues derived from the taxes imposed in
 169.17 subdivision 1 must be used to fund a new Lake County Event and Visitors Bureau as
 169.18 established by or contracted with the Board of Commissioners of Lake County. The Board
 169.19 of Commissioners must use 75 percent of revenues for marketing the county and 25 percent
 169.20 of revenues to fund and promote community events and festivals in the county. The Board
 169.21 of Commissioners of Lake County must annually review the budget of the Lake County
 169.22 Event and Visitors Bureau. The event and visitors bureau may not receive revenues raised
 169.23 from the taxes imposed in subdivision 1 until the Board of Commissioners approves the
 169.24 annual budget.

169.25 **EFFECTIVE DATE.** This section is effective the day after the governing body of Lake
 169.26 County and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 169.27 subdivisions 2 and 3.

169.28 Sec. 23. **CITY OF NORTH MANKATO; LOCAL FOOD AND BEVERAGE TAX**
 169.29 **AUTHORIZED.**

169.30 Subdivision 1. **Food and beverage tax authorized.** Notwithstanding Minnesota Statutes,
 169.31 section 477A.016, or any ordinance, city charter, or other provision of law, the city of North
 169.32 Mankato may, by ordinance, impose a sales tax of up to one percent on the gross receipts
 169.33 on all sales of food and beverages by a restaurant or place of refreshment, as defined by
 170.1 resolution of the city, that are located within the city. For purposes of this section, "food
 170.2 and beverages" includes retail on-sale of intoxicating liquor and fermented malt beverages.

170.3 Subd. 2. **Use of proceeds from tax.** (a) The proceeds of any tax imposed under
 170.4 subdivision 1 shall be used by the city to pay all or a portion of the expenses of:

170.5 (1) operation, maintenance, and capital expenses for the Caswell Park Regional Sporting
 170.6 Complex; and

170.7 (2) for costs related to regional tourism events.

170.8 (b) Authorized capital expenses include securing or paying debt service on bonds or
 170.9 other obligations issued to finance the construction of the Caswell Park Regional Sporting
 170.10 Complex facilities.

170.11 Subd. 3. **Collection, administration, and enforcement.** If the city desires, it may enter
 170.12 into an agreement with the commissioner of revenue to administer, collect, and enforce the
 170.13 taxes authorized under subdivisions 1 and 2. If the commissioner agrees to collect the tax,
 170.14 the provisions of Minnesota Statutes, section 297A.99, related to collection, administration,
 170.15 and enforcement apply.

170.16 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 170.17 city of North Mankato and its chief clerical officer comply with Minnesota Statutes, section
 170.18 645.021, subdivisions 2 and 3.

163.16 Subd. 2. **Allowed use of revenues.** The revenues derived from the taxes imposed in
 163.17 subdivision 1 must be used to fund a new Lake County Event and Visitors Bureau as
 163.18 established by or contracted with the Board of Commissioners of Lake County. The Board
 163.19 of Commissioners must use 75 percent of revenues for marketing the county and 25 percent
 163.20 of revenues to fund and promote community events and festivals in the county. The Board
 163.21 of Commissioners of Lake County must annually review the budget of the Lake County
 163.22 Event and Visitors Bureau. The event and visitors bureau may not receive revenues raised
 163.23 from the taxes imposed in subdivision 1 until the Board of Commissioners approves the
 163.24 annual budget.

163.25 **EFFECTIVE DATE.** This section is effective the day after the governing body of Lake
 163.26 County and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 163.27 subdivisions 2 and 3.

163.28 Sec. 23. **CITY OF NORTH MANKATO; LOCAL FOOD AND BEVERAGE TAX**
 163.29 **AUTHORIZED.**

163.30 Subdivision 1. **Food and beverage tax authorized.** Notwithstanding Minnesota Statutes,
 163.31 section 477A.016, or any ordinance, city charter, or other provision of law, the city of North
 163.32 Mankato may, by ordinance, impose a sales tax of up to one percent on the gross receipts
 163.33 on all sales of food and beverages by a restaurant or place of refreshment, as defined by
 164.1 resolution of the city, that are located within the city. For purposes of this section, "food
 164.2 and beverages" includes retail on-sale of intoxicating liquor and fermented malt beverages.

164.3 Subd. 2. **Use of proceeds from tax.** (a) The proceeds of any tax imposed under
 164.4 subdivision 1 shall be used by the city to pay all or a portion of the expenses of:

164.5 (1) operation, maintenance, and capital expenses for the Caswell Park Regional Sporting
 164.6 Complex; and

164.7 (2) for costs related to regional tourism events.

164.8 (b) Authorized capital expenses include securing or paying debt service on bonds or
 164.9 other obligations issued to finance the construction of the Caswell Park Regional Sporting
 164.10 Complex facilities.

164.11 Subd. 3. **Collection, administration, and enforcement.** If the city desires, it may enter
 164.12 into an agreement with the commissioner of revenue to administer, collect, and enforce the
 164.13 taxes authorized under subdivisions 1 and 2. If the commissioner agrees to collect the tax,
 164.14 the provisions of Minnesota Statutes, section 297A.99, related to collection, administration,
 164.15 and enforcement apply.

164.16 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 164.17 city of North Mankato and its chief clerical officer comply with Minnesota Statutes, section
 164.18 645.021, subdivisions 2 and 3.

170.19 Sec. 24. CITY OF PERHAM; LOCAL SALES AND USE TAX AUTHORIZED.

170.20 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
 170.21 section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law or ordinance, and
 170.22 based on the approval by the voters at the November 6, 2018, election, the city of Perham
 170.23 may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes
 170.24 specified in subdivision 2. Except as otherwise provided in this section, the provisions of
 170.25 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and
 170.26 enforcement of the tax authorized under this subdivision.

170.27 Subd. 2. Use of revenues. The revenues derived from the tax authorized under subdivision
 170.28 1 must be used by the city of Perham to:

170.29 (1) pay the costs of collecting and administering the tax;

170.30 (2) finance the capital costs of site preparation, redevelopment, renovation, and
 170.31 construction of buildings, land, and infrastructure at the site of the Perham Area Community
 170.32 Center; and

171.1 (3) pay debt service on bonds issued under subdivision 3 or other obligations issued to
 171.2 the improvements listed in this subdivision in the city of Perham.

171.3 Subd. 3. Bonding authority. (a) The city of Perham may issue bonds under Minnesota
 171.4 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
 171.5 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
 171.6 not exceed \$5,200,000, plus an amount to be applied to the payment of the costs of issuing
 171.7 the bonds. The bonds may be paid from or secured by any funds available to the city of
 171.8 Perham, including the tax authorized under subdivision 1. The issuance of bonds under this
 171.9 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

171.10 (b) The bonds are not included in computing any debt limitation applicable to the city
 171.11 of Perham, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
 171.12 and interest on the bonds is not subject to any levy limitation. A separate election to approve
 171.13 the bonds under Minnesota Statutes, section 475.58, is not required.

171.14 Subd. 4. Termination of taxes. The tax imposed under subdivision 1 expires at the
 171.15 earlier of: (1) 20 years after the tax is first imposed; or (2) when the city council determines
 171.16 that \$5,200,000 has been received from the tax to pay for the cost of the projects authorized
 171.17 under subdivision 2, plus an amount sufficient to pay the costs related to issuance of the
 171.18 bonds authorized under subdivision 3, including interest on the bonds. Any funds remaining
 171.19 after payment of all such costs and retirement or redemption of the bonds shall be placed
 171.20 in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier
 171.21 time if the city so determines by ordinance.

164.19 Sec. 24. CITY OF PERHAM; LOCAL SALES AND USE TAX AUTHORIZED.

164.20 Subdivision 1. Sales and use tax authorization. Notwithstanding Minnesota Statutes,
 164.21 section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law or ordinance, and
 164.22 based on the approval by the voters at the November 6, 2018, election, the city of Perham
 164.23 may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes
 164.24 specified in subdivision 2. Except as otherwise provided in this section, the provisions of
 164.25 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and
 164.26 enforcement of the tax authorized under this subdivision.

164.27 Subd. 2. Use of revenues. The revenues derived from the tax authorized under subdivision
 164.28 1 must be used by the city of Perham to:

164.29 (1) pay the costs of collecting and administering the tax;

164.30 (2) finance the capital costs of site preparation, redevelopment, renovation, and
 164.31 construction of buildings, land, and infrastructure at the site of the Perham Area Community
 164.32 Center; and

165.1 (3) pay debt service on bonds issued under subdivision 3 or other obligations issued to
 165.2 the improvements listed in this subdivision in the city of Perham.

165.3 Subd. 3. Bonding authority. (a) The city of Perham may issue bonds under Minnesota
 165.4 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
 165.5 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
 165.6 not exceed \$5,200,000, plus an amount to be applied to the payment of the costs of issuing
 165.7 the bonds. The bonds may be paid from or secured by any funds available to the city of
 165.8 Perham, including the tax authorized under subdivision 1. The issuance of bonds under this
 165.9 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

165.10 (b) The bonds are not included in computing any debt limitation applicable to the city
 165.11 of Perham, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
 165.12 and interest on the bonds is not subject to any levy limitation. A separate election to approve
 165.13 the bonds under Minnesota Statutes, section 475.58, is not required.

165.14 Subd. 4. Termination of taxes. The tax imposed under subdivision 1 expires at the
 165.15 earlier of: (1) 20 years after the tax is first imposed; or (2) when the city council determines
 165.16 that \$5,200,000 has been received from the tax to pay for the cost of the projects authorized
 165.17 under subdivision 2, plus an amount sufficient to pay the costs related to issuance of the
 165.18 bonds authorized under subdivision 3, including interest on the bonds. Any funds remaining
 165.19 after payment of all such costs and retirement or redemption of the bonds shall be placed
 165.20 in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier
 165.21 time if the city so determines by ordinance.

171.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 171.23 city of Perham and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 171.24 subdivisions 2 and 3.

171.25 Sec. 25. **CITY OF PLYMOUTH; LOCAL LODGING TAX AUTHORIZED.**

171.26 (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of
 171.27 law, ordinance, or city charter, the city council for the city of Plymouth may impose by
 171.28 ordinance a tax of up to three percent on the gross receipts subject to the lodging tax under
 171.29 Minnesota Statutes, section 469.190. This tax is in addition to any tax imposed under
 171.30 Minnesota Statutes, section 469.190, and the total tax imposed under that section and this
 171.31 provision must not exceed six percent.

171.32 (b) Two-thirds of the revenue from the tax imposed under this section must be dedicated
 171.33 and used for capital improvements to public recreational facilities and marketing and
 172.1 promotion of the community, and the remaining one-third of the revenue must be used for
 172.2 the same purposes as a tax imposed under Minnesota Statutes, section 469.190.

172.3 (c) The tax imposed under this authority terminates at the earlier of: (1) ten years after
 172.4 the tax is first imposed; or (2) December 31, 2030.

172.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 172.6 city of Plymouth and its chief clerical officer comply with Minnesota Statutes, section
 172.7 645.021, subdivisions 2 and 3.

172.8 Sec. 26. **CITY OF ROGERS; LOCAL TAXES AUTHORIZED.**

172.9 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 172.10 sections 297A.99 and 477A.016, or any other law or ordinance, and as approved by the
 172.11 voters at the general election of November 6, 2018, the city of Rogers may impose, by
 172.12 ordinance, a sales and use tax of one-quarter of one percent for the purposes specified in
 172.13 subdivision 3. Except as otherwise provided in this section, the provisions of Minnesota
 172.14 Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement
 172.15 of the taxes authorized under this subdivision.

172.16 Subd. 2. **Excise tax authorized.** Notwithstanding Minnesota Statutes, section 477A.016,
 172.17 or any other contrary provision of law, or ordinance, the city of Rogers may impose by
 172.18 ordinance, for the purposes specified in subdivision 3, an excise tax of up to \$20 per motor
 172.19 vehicle, as defined by ordinance, purchased or acquired from any person engaged within
 172.20 the city of Rogers in the business of selling motor vehicles at retail.

172.21 Subd. 3. **Use of sales and use tax and excise tax revenues.** (a) The revenues derived
 172.22 from the taxes authorized under subdivisions 1 and 2 must be used by the city of Rogers to
 172.23 pay the costs of collecting and administering the taxes and the capital and administrative
 172.24 costs of any or all of the following projects:

165.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 165.23 city of Perham and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 165.24 subdivisions 2 and 3.

165.25 Sec. 25. **CITY OF PLYMOUTH; LOCAL LODGING TAX AUTHORIZED.**

165.26 (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of
 165.27 law, ordinance, or city charter, the city council for the city of Plymouth may impose by
 165.28 ordinance a tax of up to three percent on the gross receipts subject to the lodging tax under
 165.29 Minnesota Statutes, section 469.190. This tax is in addition to any tax imposed under
 165.30 Minnesota Statutes, section 469.190, and the total tax imposed under that section and this
 165.31 provision must not exceed six percent.

165.32 (b) Two-thirds of the revenue from the tax imposed under this section must be dedicated
 165.33 and used for capital improvements to public recreational facilities and marketing and
 166.1 promotion of the community, and the remaining one-third of the revenue must be used for
 166.2 the same purposes as a tax imposed under Minnesota Statutes, section 469.190.

166.3 (c) The tax imposed under this authority terminates at the earlier of: (1) ten years after
 166.4 the tax is first imposed; or (2) December 31, 2030.

166.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 166.6 city of Plymouth and its chief clerical officer comply with Minnesota Statutes, section
 166.7 645.021, subdivisions 2 and 3.

166.8 Sec. 26. **CITY OF ROGERS; LOCAL TAXES AUTHORIZED.**

166.9 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 166.10 sections 297A.99 and 477A.016, or any other law or ordinance, and as approved by the
 166.11 voters at the general election of November 6, 2018, the city of Rogers may impose, by
 166.12 ordinance, a sales and use tax of one-quarter of one percent for the purposes specified in
 166.13 subdivision 3. Except as otherwise provided in this section, the provisions of Minnesota
 166.14 Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement
 166.15 of the taxes authorized under this subdivision.

166.16 Subd. 2. **Excise tax authorized.** Notwithstanding Minnesota Statutes, section 477A.016,
 166.17 or any other contrary provision of law, or ordinance, the city of Rogers may impose by
 166.18 ordinance, for the purposes specified in subdivision 3, an excise tax of up to \$20 per motor
 166.19 vehicle, as defined by ordinance, purchased or acquired from any person engaged within
 166.20 the city of Rogers in the business of selling motor vehicles at retail.

166.21 Subd. 3. **Use of sales and use tax and excise tax revenues.** (a) The revenues derived
 166.22 from the taxes authorized under subdivisions 1 and 2 must be used by the city of Rogers to
 166.23 pay the costs of collecting and administering the taxes and the capital and administrative
 166.24 costs of any or all of the following projects:

172.25 (1) trail and pedestrian facilities including an I-94 pedestrian crossing, a County Road
 172.26 144 pedestrian tunnel, and other new trails and trail connections;

172.27 (2) aquatics facilities consisting of either or both of a splash pad and any contribution
 172.28 toward the community portion of a school pool; and

172.29 (3) community athletic facilities including construction of South Community park, site
 172.30 improvements for future recreation facilities, and a multipurpose indoor turf facility.

173.1 (b) The total that may be raised from the taxes to pay for these projects is limited to
 173.2 \$16,500,000, plus the costs related to the issuance and paying debt service on bonds for
 173.3 these projects.

173.4 Subd. 4. **Bonding authority.** (a) The city of Rogers may issue bonds under Minnesota
 173.5 Statutes, chapter 475, pursuant to approval by the voters at the general election of November
 173.6 6, 2018, to finance all or a portion of the costs of the projects authorized in subdivision 3.
 173.7 The aggregate principal amount of bonds issued under this subdivision may not exceed
 173.8 \$16,500,000, minus an amount equal to any state grant authorized before October 1, 2019,
 173.9 to fund any of the projects listed in subdivision 3, and plus an amount equal to interest on
 173.10 and the costs of issuing the bonds. The bonds may be paid from or secured by any funds
 173.11 available to the city of Rogers, including the taxes authorized under subdivisions 1 and 2.

173.12 (b) The bonds are not included in computing any debt limitation applicable to the city
 173.13 of Rogers, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
 173.14 and interest on the bonds is not subject to any levy limitation. A separate election to approve
 173.15 the bonds under Minnesota Statutes, section 475.58, is not required.

173.16 Subd. 5. **Termination of taxes.** The taxes imposed under subdivisions 1 and 2 expire
 173.17 at the earlier of: (1) 20 years after the taxes are first imposed; or (2) when the city council
 173.18 determines that \$16,500,000, minus an amount equal to any state grant authorized before
 173.19 October 1, 2019, to fund any of the projects listed in subdivision 3, and plus an amount
 173.20 sufficient to pay interest on and the costs of issuing the bonds authorized under subdivision
 173.21 4, has been received from the taxes to pay for the cost of the projects authorized under
 173.22 subdivision 3. Any funds remaining after payment of all such costs and payment of the
 173.23 bonds in full shall be placed in the general fund of the city. The taxes imposed under
 173.24 subdivisions 1 and 2 may expire at an earlier time if the city so determines by ordinance.

173.25 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 173.26 city of Rogers and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 173.27 subdivisions 2 and 3.

173.28 Sec. 27. **CITY OF SARTELL; LOCAL TAXES AUTHORIZED.**

173.29 Subdivision 1. **Food and beverage tax authorized.** Notwithstanding Minnesota Statutes,
 173.30 section 297A.99 or 477A.016, or any ordinance or other provision of law, and if approved
 173.31 by voters at the November 3, 2020, general election, or at a special election held before

166.25 (1) trail and pedestrian facilities including an I-94 pedestrian crossing, a County Road
 166.26 144 pedestrian tunnel, and other new trails and trail connections;

166.27 (2) aquatics facilities consisting of either or both of a splash pad and any contribution
 166.28 toward the community portion of a school pool; and

166.29 (3) community athletic facilities including construction of South Community park, site
 166.30 improvements for future recreation facilities, and a multipurpose indoor turf facility.

167.1 (b) The total that may be raised from the taxes to pay for these projects is limited to
 167.2 \$16,500,000, plus the costs related to the issuance and paying debt service on bonds for
 167.3 these projects.

167.4 Subd. 4. **Bonding authority.** (a) The city of Rogers may issue bonds under Minnesota
 167.5 Statutes, chapter 475, pursuant to approval by the voters at the general election of November
 167.6 6, 2018, to finance all or a portion of the costs of the projects authorized in subdivision 3.
 167.7 The aggregate principal amount of bonds issued under this subdivision may not exceed
 167.8 \$16,500,000, minus an amount equal to any state grant authorized before October 1, 2019,
 167.9 to fund any of the projects listed in subdivision 3, and plus an amount equal to interest on
 167.10 and the costs of issuing the bonds. The bonds may be paid from or secured by any funds
 167.11 available to the city of Rogers, including the taxes authorized under subdivisions 1 and 2.

167.12 (b) The bonds are not included in computing any debt limitation applicable to the city
 167.13 of Rogers, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
 167.14 and interest on the bonds is not subject to any levy limitation. A separate election to approve
 167.15 the bonds under Minnesota Statutes, section 475.58, is not required.

167.16 Subd. 5. **Termination of taxes.** The taxes imposed under subdivisions 1 and 2 expire
 167.17 at the earlier of: (1) 20 years after the taxes are first imposed; or (2) when the city council
 167.18 determines that \$16,500,000, minus an amount equal to any state grant authorized before
 167.19 October 1, 2019, to fund any of the projects listed in subdivision 3, and plus an amount
 167.20 sufficient to pay interest on and the costs of issuing the bonds authorized under subdivision
 167.21 4, has been received from the taxes to pay for the cost of the projects authorized under
 167.22 subdivision 3. Any funds remaining after payment of all such costs and payment of the
 167.23 bonds in full shall be placed in the general fund of the city. The taxes imposed under
 167.24 subdivisions 1 and 2 may expire at an earlier time if the city so determines by ordinance.

167.25 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 167.26 city of Rogers and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 167.27 subdivisions 2 and 3.

167.28 Sec. 27. **CITY OF SARTELL; LOCAL TAXES AUTHORIZED.**

167.29 Subdivision 1. **Food and beverage tax authorized.** Notwithstanding Minnesota Statutes,
 167.30 section 297A.99 or 477A.016, or any ordinance or other provision of law, and if approved
 167.31 by voters at the November 3, 2020, general election, or at a special election held before

173.32 November 3, 2020, the city of Sartell may, by ordinance, impose a sales tax of up to 1-1/2
 173.33 percent on the gross receipts of all food and beverages sold by a restaurant or place of
 173.34 refreshment, as defined by ordinance of the city, that is located within the city. For purposes
 174.1 of this section, "food and beverages" include retail on-sale of intoxicating liquor and
 174.2 fermented malt beverages.

174.3 Subd. 2. **Use of proceeds from authorized taxes.** The proceeds of the taxes imposed
 174.4 under subdivision 1 must be used by the city to fund capital or operational costs for new
 174.5 and existing recreational facilities and related amenities within the city. Authorized expenses
 174.6 include securing or paying debt service on bonds or other obligations issued to finance
 174.7 construction and improvement projects.

174.8 Subd. 3. **Termination of taxes.** The tax imposed under subdivision 1 expires five years
 174.9 after the tax is first imposed.

174.10 Subd. 4. **Collection, administration, and enforcement.** The city may enter into an
 174.11 agreement with the commissioner of revenue to administer, collect, and enforce the taxes
 174.12 under subdivision 1. If the commissioner agrees to collect the tax, the provisions of Minnesota
 174.13 Statutes, sections 270C.171 and 297A.99, related to collection, administration, and
 174.14 enforcement apply.

174.15 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 174.16 city of Sartell and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 174.17 subdivisions 2 and 3.

174.18 Sec. 28. **CITY OF SAUK CENTRE; TAXES AUTHORIZED.**

174.19 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 174.20 section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city
 174.21 charter, the city of Sauk Centre, pursuant to approval by the voters at the general election
 174.22 on November 6, 2018, may impose by ordinance a sales and use tax of up to one-half of
 174.23 one percent and a \$20 motor vehicle excise tax for the purposes specified in subdivision 2.
 174.24 Except as otherwise provided in this section, the provisions of Minnesota Statutes, section
 174.25 297A.99, govern the imposition, administration, collection, and enforcement of the tax
 174.26 authorized under this subdivision.

174.27 Subd. 2. **Use of revenues.** Revenues received from taxes authorized by subdivision 1
 174.28 must be used by the city to:

174.29 (1) pay the costs of collecting and administering the tax;

174.30 (2) pay the capital costs of city infrastructure improvement projects directly related to
 174.31 the reconstruction of Trunk Highway 71; and

167.32 November 3, 2020, the city of Sartell may, by ordinance, impose a sales tax of up to 1-1/2
 167.33 percent on the gross receipts of all food and beverages sold by a restaurant or place of
 167.34 refreshment, as defined by ordinance of the city, that is located within the city. For purposes
 168.1 of this section, "food and beverages" include retail on-sale of intoxicating liquor and
 168.2 fermented malt beverages.

168.3 Subd. 2. **Use of proceeds from authorized taxes.** The proceeds of the taxes imposed
 168.4 under subdivision 1 must be used by the city to fund capital or operational costs for new
 168.5 and existing recreational facilities and related amenities within the city. Authorized expenses
 168.6 include securing or paying debt service on bonds or other obligations issued to finance
 168.7 construction and improvement projects.

168.8 Subd. 3. **Termination of taxes.** The tax imposed under subdivision 1 expires five years
 168.9 after the tax is first imposed.

168.10 Subd. 4. **Collection, administration, and enforcement.** The city may enter into an
 168.11 agreement with the commissioner of revenue to administer, collect, and enforce the taxes
 168.12 under subdivision 1. If the commissioner agrees to collect the tax, the provisions of Minnesota
 168.13 Statutes, sections 270C.171 and 297A.99, related to collection, administration, and
 168.14 enforcement apply.

168.15 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 168.16 city of Sartell and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 168.17 subdivisions 2 and 3.

168.18 Sec. 28. **CITY OF SAUK CENTRE; TAXES AUTHORIZED.**

168.19 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 168.20 section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city
 168.21 charter, the city of Sauk Centre, pursuant to approval by the voters at the general election
 168.22 on November 6, 2018, may impose by ordinance a sales and use tax of up to one-half of
 168.23 one percent and a \$20 motor vehicle excise tax for the purposes specified in subdivision 2.
 168.24 Except as otherwise provided in this section, the provisions of Minnesota Statutes, section
 168.25 297A.99, govern the imposition, administration, collection, and enforcement of the tax
 168.26 authorized under this subdivision.

168.27 Subd. 2. **Use of revenues.** Revenues received from taxes authorized by subdivision 1
 168.28 must be used by the city to:

168.29 (1) pay the costs of collecting and administering the tax;

168.30 (2) pay the capital costs of city infrastructure improvement projects directly related to
 168.31 the reconstruction of Trunk Highway 71; and

169.1 (3) pay debt service on bonds issued under subdivision 3 or other obligations issued to
 169.2 finance the improvements listed in this subdivision in the city.

175.1 (3) pay debt service on bonds issued under subdivision 3 or other obligations issued to
 175.2 finance the improvements listed in this subdivision in the city.

175.3 Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes,
 175.4 chapter 475, to pay the costs of the projects authorized in subdivision 2. The aggregate
 175.5 principal amount of bonds issued under this subdivision may not exceed \$10,000,000 plus
 175.6 an amount to be applied to the payment of the costs of issuing the bonds. The bonds may
 175.7 be paid from or secured by any funds available to the city, including the tax authorized
 175.8 under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota
 175.9 Statutes, sections 275.60 and 275.61.

175.10 (b) The bonds are not included in computing any debt limitation applicable to the city,
 175.11 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest
 175.12 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 175.13 under Minnesota Statutes, section 475.58, is not required.

175.14 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
 175.15 earlier of: (1) December 31, 2045; or (2) when the city council determines that \$10,000,000
 175.16 has been received from the tax to pay for the cost of the projects authorized under subdivision
 175.17 2, plus an amount sufficient to pay the costs related to issuance of the bonds authorized
 175.18 under subdivision 3, including interest on the bonds. Any funds remaining after payment
 175.19 of all such costs and retirement or redemption of the bonds shall be placed in the general
 175.20 fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the
 175.21 city so determines by ordinance.

175.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 175.23 city of Sauk Centre and its chief clerical officer comply with Minnesota Statutes, section
 175.24 645.021, subdivisions 2 and 3.

175.25 Sec. 29. **CITY OF SCANLON; TAXES AUTHORIZED.**

175.26 Subdivision 1. **Sales and use tax; authorization.** Notwithstanding Minnesota Statutes,
 175.27 section 297A.99, subdivision 3, paragraph (b), or 477A.016, or any other law or ordinance,
 175.28 the city of Scanlon, pursuant to approval by the voters at the general election on November
 175.29 6, 2018, may impose by ordinance a sales and use tax of up to one-half of one percent for
 175.30 the purposes specified in subdivision 2. Except as otherwise provided in this section, the
 175.31 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 175.32 collection, and enforcement of the tax authorized under this subdivision.

176.1 Subd. 2. **Use of revenues.** Revenues received from taxes authorized by subdivision 1
 176.2 must be used by the city to:

176.3 (1) pay the costs of collecting and administering the tax;

169.3 Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes,
 169.4 chapter 475, to pay the costs of the projects authorized in subdivision 2. The aggregate
 169.5 principal amount of bonds issued under this subdivision may not exceed \$10,000,000 plus
 169.6 an amount to be applied to the payment of the costs of issuing the bonds. The bonds may
 169.7 be paid from or secured by any funds available to the city, including the tax authorized
 169.8 under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota
 169.9 Statutes, sections 275.60 and 275.61.

169.10 (b) The bonds are not included in computing any debt limitation applicable to the city,
 169.11 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest
 169.12 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 169.13 under Minnesota Statutes, section 475.58, is not required.

169.14 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
 169.15 earlier of: (1) December 31, 2045; or (2) when the city council determines that \$10,000,000
 169.16 has been received from the tax to pay for the cost of the projects authorized under subdivision
 169.17 2, plus an amount sufficient to pay the costs related to issuance of the bonds authorized
 169.18 under subdivision 3, including interest on the bonds. Any funds remaining after payment
 169.19 of all such costs and retirement or redemption of the bonds shall be placed in the general
 169.20 fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the
 169.21 city so determines by ordinance.

169.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 169.23 city of Sauk Centre and its chief clerical officer comply with Minnesota Statutes, section
 169.24 645.021, subdivisions 2 and 3.

169.25 Sec. 29. **CITY OF SCANLON; TAXES AUTHORIZED.**

169.26 Subdivision 1. **Sales and use tax; authorization.** Notwithstanding Minnesota Statutes,
 169.27 section 297A.99, subdivision 3, paragraph (b), or 477A.016, or any other law or ordinance,
 169.28 the city of Scanlon, pursuant to approval by the voters at the general election on November
 169.29 6, 2018, may impose by ordinance a sales and use tax of up to one-half of one percent for
 169.30 the purposes specified in subdivision 2. Except as otherwise provided in this section, the
 169.31 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 169.32 collection, and enforcement of the tax authorized under this subdivision.

170.1 Subd. 2. **Use of revenues.** Revenues received from taxes authorized by subdivision 1
 170.2 must be used by the city to:

170.3 (1) pay the costs of collecting and administering the tax;

170.4 (2) pay the capital and administrative costs of city street improvements and utility
 170.5 infrastructure, including storm sewer and sanitary sewer improvements; and

176.4 (2) pay the capital and administrative costs of city street improvements and utility
 176.5 infrastructure, including storm sewer and sanitary sewer improvements; and

176.6 (3) pay debt service on bonds issued under subdivision 3 or other obligations issued to
 176.7 finance the improvements listed in this subdivision in the city.

176.8 **Subd. 3. Bonding authority.** (a) The city may issue bonds under Minnesota Statutes,
 176.9 chapter 475, to pay the costs of the projects authorized in subdivision 2. The aggregate
 176.10 principal amount of bonds issued under this subdivision may not exceed \$400,000 plus an
 176.11 amount to be applied to the payment of the costs of issuing the bonds. The bonds may be
 176.12 paid from or secured by any funds available to the city, including the tax authorized under
 176.13 subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota
 176.14 Statutes, sections 275.60 and 275.61.

176.15 (b) The bonds are not included in computing any debt limitation applicable to the city,
 176.16 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest
 176.17 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 176.18 under Minnesota Statutes, section 475.58, is not required.

176.19 **Subd. 4. Termination of taxes.** (a) The tax imposed under subdivision 1 expires at the
 176.20 earlier of: (1) ten years after the tax is first imposed; or (2) when the city council determines
 176.21 that \$400,000 has been received from the tax to pay for the cost of the projects authorized
 176.22 under subdivision 2, plus an amount sufficient to pay the costs related to issuance of the
 176.23 bonds authorized under subdivision 3, including interest on the bonds.

176.24 (b) Any funds remaining after payment of all such costs and retirement or redemption
 176.25 of the bonds shall be placed in the general fund of the city. The tax imposed under subdivision
 176.26 1 may expire at an earlier time if the city so determines by ordinance.

176.27 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 176.28 city of Scanlon and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 176.29 subdivisions 2 and 3.

176.30 **Sec. 30. CITY OF VIRGINIA; LOCAL SALES AND USE TAX AUTHORIZED.**

176.31 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 176.32 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 177.1 and as approved by the voters at the November 6, 2018, general election, the city of Virginia
 177.2 may impose, by ordinance, a sales and use tax of up to one percent for the purposes specified
 177.3 in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota
 177.4 Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement
 177.5 of the tax authorized under this subdivision.

177.6 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
 177.7 under subdivision 1 must be used by the city of Virginia to pay the costs of collecting and
 177.8 administering the tax, and to finance the costs of renovation, reconstruction, expansion, and

170.6 (3) pay debt service on bonds issued under subdivision 3 or other obligations issued to
 170.7 finance the improvements listed in this subdivision in the city.

170.8 **Subd. 3. Bonding authority.** (a) The city may issue bonds under Minnesota Statutes,
 170.9 chapter 475, to pay the costs of the projects authorized in subdivision 2. The aggregate
 170.10 principal amount of bonds issued under this subdivision may not exceed \$400,000 plus an
 170.11 amount to be applied to the payment of the costs of issuing the bonds. The bonds may be
 170.12 paid from or secured by any funds available to the city, including the tax authorized under
 170.13 subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota
 170.14 Statutes, sections 275.60 and 275.61.

170.15 (b) The bonds are not included in computing any debt limitation applicable to the city,
 170.16 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest
 170.17 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 170.18 under Minnesota Statutes, section 475.58, is not required.

170.19 **Subd. 4. Termination of taxes.** (a) The tax imposed under subdivision 1 expires at the
 170.20 earlier of: (1) ten years after the tax is first imposed; or (2) when the city council determines
 170.21 that \$400,000 has been received from the tax to pay for the cost of the projects authorized
 170.22 under subdivision 2, plus an amount sufficient to pay the costs related to issuance of the
 170.23 bonds authorized under subdivision 3, including interest on the bonds.

170.24 (b) Any funds remaining after payment of all such costs and retirement or redemption
 170.25 of the bonds shall be placed in the general fund of the city. The tax imposed under subdivision
 170.26 1 may expire at an earlier time if the city so determines by ordinance.

170.27 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 170.28 city of Scanlon and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 170.29 subdivisions 2 and 3.

170.30 **Sec. 30. CITY OF VIRGINIA; LOCAL SALES AND USE TAX AUTHORIZED.**

170.31 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 170.32 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 171.1 and as approved by the voters at the November 6, 2018, general election, the city of Virginia
 171.2 may impose, by ordinance, a sales and use tax of up to one percent for the purposes specified
 171.3 in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota
 171.4 Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement
 171.5 of the tax authorized under this subdivision.

171.6 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
 171.7 under subdivision 1 must be used by the city of Virginia to pay the costs of collecting and
 171.8 administering the tax, and to finance the costs of renovation, reconstruction, expansion, and

177.9 improvements of the Miner's Memorial recreation complex and convention center. Authorized
 177.10 costs include engineering and construction costs and associated bond issuance costs.

177.11 Subd. 3. **Bonding authority.** (a) The city of Virginia may issue bonds under Minnesota
 177.12 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
 177.13 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
 177.14 not exceed \$30,000,000, plus an amount applied to the payment of costs of issuing the
 177.15 bonds. The bonds may be paid from or secured by any funds available to the city of Virginia,
 177.16 including the tax authorized under subdivision 1. The issuance of bonds under this
 177.17 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

177.18 (b) The bonds are not subject to any provisions of the home rule charter of the city of
 177.19 Virginia and are not included in computing any debt limitation applicable to the city. Any
 177.20 levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on
 177.21 the bonds is not subject to any levy limitation. A separate election to approve the bonds
 177.22 under Minnesota Statutes, section 475.58, is not required.

177.23 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
 177.24 earlier of: (1) 20 years after the tax is first imposed; or (2) when the city council determines
 177.25 that the city has received \$30,000,000 from this tax to fund the projects listed in subdivision
 177.26 2 plus an amount sufficient to pay costs, including interest costs, related to the issuance of
 177.27 the bonds authorized in subdivision 3. Any funds remaining after payment of the allowed
 177.28 costs due to timing of the termination under section 297A.99 shall be placed in the city's
 177.29 general fund. The tax imposed under subdivision 1 may expire at an earlier time if the city
 177.30 so determines by ordinance.

177.31 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 177.32 city of Virginia and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 177.33 subdivisions 2 and 3.

178.1 Sec. 31. **CITY OF WEST ST. PAUL; LOCAL TAX AUTHORIZED.**

178.2 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 178.3 section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city
 178.4 charter, and as approved by the voters at the general election of November 6, 2018, the city
 178.5 of West St. Paul 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.

178.9 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 178.10 under subdivision 1 must be used by the city of West St. Paul to pay the costs of collecting
 178.11 and administering the tax and to finance the capital and administrative costs of rebuilding
 178.12 and repair of essential transportation corridors and related ancillary roads within the city,
 178.13 including but not limited to Annapolis Street which borders both Ramsey and Dakota County,

171.9 improvements of the Miner's Memorial recreation complex and convention center. Authorized
 171.10 costs include engineering and construction costs and associated bond issuance costs.

171.11 Subd. 3. **Bonding authority.** (a) The city of Virginia may issue bonds under Minnesota
 171.12 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
 171.13 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
 171.14 not exceed \$30,000,000, plus an amount applied to the payment of costs of issuing the
 171.15 bonds. The bonds may be paid from or secured by any funds available to the city of Virginia,
 171.16 including the tax authorized under subdivision 1. The issuance of bonds under this
 171.17 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

171.18 (b) The bonds are not subject to any provisions of the home rule charter of the city of
 171.19 Virginia and are not included in computing any debt limitation applicable to the city. Any
 171.20 levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on
 171.21 the bonds is not subject to any levy limitation. A separate election to approve the bonds
 171.22 under Minnesota Statutes, section 475.58, is not required.

171.23 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
 171.24 earlier of: (1) 20 years after the tax is first imposed; or (2) when the city council determines
 171.25 that the city has received \$30,000,000 from this tax to fund the projects listed in subdivision
 171.26 2 plus an amount sufficient to pay costs, including interest costs, related to the issuance of
 171.27 the bonds authorized in subdivision 3. Any funds remaining after payment of the allowed
 171.28 costs due to timing of the termination under section 297A.99 shall be placed in the city's
 171.29 general fund. The tax imposed under subdivision 1 may expire at an earlier time if the city
 171.30 so determines by ordinance.

171.31 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 171.32 city of Virginia and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 171.33 subdivisions 2 and 3.

172.1 Sec. 31. **CITY OF WEST ST. PAUL; LOCAL TAX AUTHORIZED.**

172.2 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 172.3 section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city
 172.4 charter, and as approved by the voters at the general election of November 6, 2018, the city
 172.5 of West St. Paul may impose, by ordinance, a sales and use tax of one-half of one percent
 172.6 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
 172.7 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 172.8 collection, and enforcement of the tax authorized under this subdivision.

172.9 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 172.10 under subdivision 1 must be used by the city of West St. Paul to pay the costs of collecting
 172.11 and administering the tax and to finance the capital and administrative costs of rebuilding
 172.12 and repair of essential transportation corridors and related ancillary roads within the city,
 172.13 including but not limited to Annapolis Street which borders both Ramsey and Dakota County,

178.14 the cultural corridor of Smith Avenue, historic Dodd Road, and other essential corridors.
 178.15 The total that may be raised from the tax to pay for these projects is limited to \$28,000,000,
 178.16 plus the costs related to the issuance and paying debt service on bonds for these projects.

178.17 Subd. 3. **Bonding authority.** (a) The city of West St. Paul may issue bonds under
 178.18 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
 178.19 authorized in subdivision 2. The aggregate principal amount of bonds issued under this
 178.20 subdivision may not exceed \$28,000,000, plus an amount to be applied to the payment of
 178.21 the costs of issuing the bonds. The bonds may be paid from or secured by any funds available
 178.22 to the city of West St. Paul, including the tax authorized under subdivision 1. The issuance
 178.23 of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and
 178.24 275.61.

178.25 (b) The bonds are not included in computing any debt limitation applicable to the city
 178.26 of West St. Paul, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
 178.27 principal and interest on the bonds is not subject to any levy limitation. A separate election
 178.28 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

178.29 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
 178.30 earlier of: (1) 20 years after the tax is first imposed; or (2) when the city council determines
 178.31 that \$28,000,000, plus an amount sufficient to pay the costs related to issuing the bonds
 178.32 authorized under subdivision 3, including interest on the bonds, has been received from the
 178.33 tax to pay for the cost of the projects authorized under subdivision 2. Any funds remaining
 178.34 after payment of all such costs and retirement or redemption of the bonds shall be placed
 179.1 in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier
 179.2 time if the city so determines by ordinance.

179.3 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 179.4 city of West St. Paul and its chief clerical officer comply with Minnesota Statutes, section
 179.5 645.021, subdivisions 2 and 3.

179.6 Sec. 32. **CITY OF WILLMAR; TAX AUTHORIZED.**

179.7 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 179.8 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 179.9 and as approved by the voters at the November 6, 2018, general election, the city of Willmar
 179.10 may impose, by ordinance, a sales and use tax of up to one-half of one percent for the
 179.11 purposes specified in subdivision 3. Except as otherwise provided in this section, the
 179.12 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 179.13 collection, and enforcement of the tax authorized under this subdivision.

179.14 Subd. 2. **Excise tax authorized.** Notwithstanding Minnesota Statutes, section 477A.016,
 179.15 or any other contrary provision of law, ordinance, or city charter, the city of Willmar may
 179.16 impose by ordinance, for the purposes specified in subdivision 3, an excise tax of up to \$20

172.14 the cultural corridor of Smith Avenue, historic Dodd Road, and other essential corridors.
 172.15 The total that may be raised from the tax to pay for these projects is limited to \$28,000,000,
 172.16 plus the costs related to the issuance and paying debt service on bonds for these projects.

172.17 Subd. 3. **Bonding authority.** (a) The city of West St. Paul may issue bonds under
 172.18 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
 172.19 authorized in subdivision 2. The aggregate principal amount of bonds issued under this
 172.20 subdivision may not exceed \$28,000,000, plus an amount to be applied to the payment of
 172.21 the costs of issuing the bonds. The bonds may be paid from or secured by any funds available
 172.22 to the city of West St. Paul, including the tax authorized under subdivision 1. The issuance
 172.23 of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and
 172.24 275.61.

172.25 (b) The bonds are not included in computing any debt limitation applicable to the city
 172.26 of West St. Paul, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
 172.27 principal and interest on the bonds is not subject to any levy limitation. A separate election
 172.28 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

172.29 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
 172.30 earlier of: (1) 20 years after the tax is first imposed; or (2) when the city council determines
 172.31 that \$28,000,000, plus an amount sufficient to pay the costs related to issuing the bonds
 172.32 authorized under subdivision 3, including interest on the bonds, has been received from the
 172.33 tax to pay for the cost of the projects authorized under subdivision 2. Any funds remaining
 172.34 after payment of all such costs and retirement or redemption of the bonds shall be placed
 173.1 in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier
 173.2 time if the city so determines by ordinance.

173.3 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 173.4 city of West St. Paul and its chief clerical officer comply with Minnesota Statutes, section
 173.5 645.021, subdivisions 2 and 3.

173.6 Sec. 32. **CITY OF WILLMAR; TAX 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 as approved by the voters at the November 6, 2018, general election, the city of Willmar
 173.10 may impose, by ordinance, a sales and use tax of up to one-half of one percent for the
 173.11 purposes specified in subdivision 3. Except as otherwise provided in this section, the
 173.12 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 173.13 collection, and enforcement of the tax authorized under this subdivision.

173.14 Subd. 2. **Excise tax authorized.** Notwithstanding Minnesota Statutes, section 477A.016,
 173.15 or any other contrary provision of law, ordinance, or city charter, the city of Willmar may
 173.16 impose by ordinance, for the purposes specified in subdivision 3, an excise tax of up to \$20

179.17 per motor vehicle, as defined by ordinance, purchased or acquired from any person engaged
 179.18 within the city of Willmar in the business of selling motor vehicles at retail.

179.19 **Subd. 3. Use of revenues.** (a) The revenues derived from the taxes authorized under
 179.20 subdivisions 1 and 2 must be used by the city of Willmar to pay the costs of collecting and
 179.21 administering the taxes, and to pay for the projects listed in this subdivision, including
 179.22 securing and paying debt service on bonds issued to finance all or part of these projects.
 179.23 The total amount of projects to be funded with the taxes imposed under subdivisions 1 and
 179.24 2 shall not exceed \$30,000,000 plus the costs related to the issuance and paying debt service
 179.25 on bonds for these projects. The amount that may be spent on each project is limited to:

179.26 (1) \$2,000,000 for a community center replacement;

179.27 (2) \$6,000,000 for new athletic fields;

179.28 (3) \$3,000,000 for infrastructure improvements at Robins Island Regional Park;

179.29 (4) \$2,000,000 for a new playground and spectator amenities at Swansson Field Regional
 179.30 Park;

179.31 (5) \$7,000,000 for storm water management infrastructure improvements; and

179.32 (6) \$10,000,000 for a new recreation and event center.

180.1 (b) Notwithstanding the limits listed in paragraph (a) the city may by ordinance reallocate
 180.2 up to ten percent of the funds designated for one or more projects listed in that paragraph
 180.3 to other projects listed in that paragraph.

180.4 **Subd. 4. Bonding authority.** (a) The city of Willmar may issue bonds under Minnesota
 180.5 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
 180.6 subdivision 3. The aggregate principal amount of bonds issued under this subdivision may
 180.7 not exceed \$30,000,000, plus an amount applied to the payment of costs of issuing the
 180.8 bonds. The bonds may be paid from or secured by any funds available to the city of Willmar,
 180.9 including the taxes authorized under subdivisions 1 and 2. The issuance of bonds under this
 180.10 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

180.11 (b) The bonds are not subject to any provisions of the home rule charter of the city of
 180.12 Willmar and are not included in computing any debt limitation applicable to the city. Any
 180.13 levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on
 180.14 the bonds is not subject to any levy limitation. A separate election to approve the bonds
 180.15 under Minnesota Statutes, section 475.58, is not required.

180.16 **Subd. 5. Termination of taxes.** The taxes imposed under subdivisions 1 and 2 expire
 180.17 at the earlier of: (1) 13 years after the taxes are first imposed; or (2) when the city council
 180.18 determines that the city has received \$30,000,000 from this tax to fund the projects listed
 180.19 in subdivision 3 plus an amount sufficient to pay interest on and the costs of the issuance

173.17 per motor vehicle, as defined by ordinance, purchased or acquired from any person engaged
 173.18 within the city of Willmar in the business of selling motor vehicles at retail.

173.19 **Subd. 3. Use of revenues.** (a) The revenues derived from the taxes authorized under
 173.20 subdivisions 1 and 2 must be used by the city of Willmar to pay the costs of collecting and
 173.21 administering the taxes, and to pay for the projects listed in this subdivision, including
 173.22 securing and paying debt service on bonds issued to finance all or part of these projects.
 173.23 The total amount of projects to be funded with the taxes imposed under subdivisions 1 and
 173.24 2 shall not exceed \$30,000,000 plus the costs related to the issuance and paying debt service
 173.25 on bonds for these projects. The amount that may be spent on each project is limited to:

173.26 (1) \$2,000,000 for a community center replacement;

173.27 (2) \$6,000,000 for new athletic fields;

173.28 (3) \$3,000,000 for infrastructure improvements at Robins Island Regional Park;

173.29 (4) \$2,000,000 for a new playground and spectator amenities at Swansson Field Regional
 173.30 Park;

173.31 (5) \$7,000,000 for storm water management infrastructure improvements; and

173.32 (6) \$10,000,000 for a new recreation and event center.

174.1 (b) Notwithstanding the limits listed in paragraph (a) the city may by ordinance reallocate
 174.2 up to ten percent of the funds designated for one or more projects listed in that paragraph
 174.3 to other projects listed in that paragraph.

174.4 **Subd. 4. Bonding authority.** (a) The city of Willmar may issue bonds under Minnesota
 174.5 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
 174.6 subdivision 3. The aggregate principal amount of bonds issued under this subdivision may
 174.7 not exceed \$30,000,000, plus an amount applied to the payment of costs of issuing the
 174.8 bonds. The bonds may be paid from or secured by any funds available to the city of Willmar,
 174.9 including the taxes authorized under subdivisions 1 and 2. The issuance of bonds under this
 174.10 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

174.11 (b) The bonds are not subject to any provisions of the home rule charter of the city of
 174.12 Willmar and are not included in computing any debt limitation applicable to the city. Any
 174.13 levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest on
 174.14 the bonds is not subject to any levy limitation. A separate election to approve the bonds
 174.15 under Minnesota Statutes, section 475.58, is not required.

174.16 **Subd. 5. Termination of taxes.** The taxes imposed under subdivisions 1 and 2 expire
 174.17 at the earlier of: (1) 13 years after the taxes are first imposed; or (2) when the city council
 174.18 determines that the city has received \$30,000,000 from this tax to fund the projects listed
 174.19 in subdivision 3 plus an amount sufficient to pay interest on and the costs of the issuance

180.20 of the bonds authorized in subdivision 4. Any funds remaining after payment of the allowed
 180.21 costs due to timing of the termination under Minnesota Statutes, section 297A.99, shall be
 180.22 placed in the city's general fund. The taxes imposed under subdivisions 1 and 2 may expire
 180.23 at an earlier time if the city so determines by ordinance.

180.24 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 180.25 city of Willmar and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 180.26 subdivisions 2 and 3.

180.27 **Sec. 33. CITY OF WORTHINGTON; TAX AUTHORIZED.**

180.28 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 180.29 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 180.30 and as approved by the voters at the November 6, 2018, general election, the city of
 180.31 Worthington may impose, by ordinance, a sales and use tax of one-half of one percent for
 180.32 the purposes specified in subdivision 3. Except as otherwise provided in this section, the
 180.33 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 181.1 collection, and enforcement of the tax authorized under this subdivision. The tax under this
 181.2 subdivision may not be imposed until the city complies with the provisions of section 34.

181.3 **Subd. 2. Use of tax revenues.** (a) The revenues derived from the taxes authorized under
 181.4 subdivision 1 must be used by the city of Worthington to pay the costs of collecting and
 181.5 administering the tax and paying for the projects listed in this subdivision, including securing
 181.6 and paying debt service on bonds issued to finance all or part of the following projects:

181.7 (1) improvements to the aquatic center;
 181.8 (2) improvements to the field house;
 181.9 (3) improvements to the ice arena;
 181.10 (4) other park and recreation capital projects and improvements;
 181.11 (5) lake quality improvement; and
 181.12 (6) improvements to the 10th Street plaza.

181.13 (b) The total amount of projects to be funded with the taxes imposed under subdivisions
 181.14 1 and 2 shall not exceed \$25,000,000 plus the costs related to the issuance of and paying
 181.15 debt service on bonds for these projects.

181.16 **Subd. 3. Bonding authority.** (a) The city of Worthington may issue bonds under
 181.17 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects
 181.18 authorized in subdivision 3. The aggregate principal amount of bonds issued under this
 181.19 subdivision may not exceed \$25,000,000 plus an amount applied to the payment of costs
 181.20 of issuing the bonds. The bonds may be paid from or secured by any funds available to the

174.20 of the bonds authorized in subdivision 4. Any funds remaining after payment of the allowed
 174.21 costs due to timing of the termination under Minnesota Statutes, section 297A.99, shall be
 174.22 placed in the city's general fund. The taxes imposed under subdivisions 1 and 2 may expire
 174.23 at an earlier time if the city so determines by ordinance.

174.24 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 174.25 city of Willmar and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 174.26 subdivisions 2 and 3.

174.27 **Sec. 33. CITY OF WORTHINGTON; TAX AUTHORIZED.**

174.28 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 174.29 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 174.30 and as approved by the voters at the November 6, 2018, general election, the city of
 174.31 Worthington may impose, by ordinance, a sales and use tax of one-half of one percent for
 174.32 the purposes specified in subdivision 3. Except as otherwise provided in this section, the
 174.33 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 175.1 collection, and enforcement of the tax authorized under this subdivision. The tax under this
 175.2 subdivision may not be imposed until the city complies with the provisions of section 34.

175.3 **Subd. 2. Use of tax revenues.** (a) The revenues derived from the taxes authorized under
 175.4 subdivision 1 must be used by the city of Worthington to pay the costs of collecting and
 175.5 administering the tax and paying for the projects listed in this subdivision, including securing
 175.6 and paying debt service on bonds issued to finance all or part of the following projects:

175.7 (1) improvements to the aquatic center;
 175.8 (2) improvements to the field house;
 175.9 (3) improvements to the ice arena;
 175.10 (4) other park and recreation capital projects and improvements;
 175.11 (5) lake quality improvement; and
 175.12 (6) improvements to the 10th Street plaza.

175.13 (b) The total amount of projects to be funded with the taxes imposed under subdivisions
 175.14 1 and 2 shall not exceed \$25,000,000 plus the costs related to the issuance of and paying
 175.15 debt service on bonds for these projects.

175.16 **Subd. 3. Bonding authority.** (a) The city of Worthington may issue bonds under
 175.17 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects
 175.18 authorized in subdivision 3. The aggregate principal amount of bonds issued under this
 175.19 subdivision may not exceed \$25,000,000 plus an amount applied to the payment of costs
 175.20 of issuing the bonds. The bonds may be paid from or secured by any funds available to the

181.21 city of Worthington, including the taxes authorized under subdivisions 1 and 2. The issuance
 181.22 of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and
 181.23 275.61.

181.24 (b) The bonds are not subject to any provisions of the home rule charter of the city of
 181.25 Worthington and are not included in computing any debt limitation applicable to the city.
 181.26 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
 181.27 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 181.28 under Minnesota Statutes, section 475.58, is not required.

181.29 Subd. 4. **Termination of taxes.** The taxes imposed under subdivisions 1 and 2 expire
 181.30 at the earlier of: (1) 15 years after the taxes are first imposed; or (2) when the city council
 181.31 determines that the city has received \$25,000,000 from this tax to fund the projects listed
 181.32 in subdivision 3 plus an amount sufficient to pay interest on and the costs of the issuance
 182.1 of the bonds authorized in subdivision 4. Any funds remaining after payment of the allowed
 182.2 costs due to timing of the termination under Minnesota Statutes, section 297A.99, shall be
 182.3 placed in the city's general fund. The taxes imposed under subdivisions 1 and 2 may expire
 182.4 at an earlier time if the city so determines by ordinance.

182.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 182.6 city of Worthington and its chief clerical officer comply with Minnesota Statutes, section
 182.7 645.021, subdivisions 2 and 3.

182.8 Sec. 34. **RESOLUTION AND PUBLIC NOTICE OF SPECIFIC PROJECTS TO**
 182.9 **BE FUNDED WITH A LOCAL SALES TAX.**

182.10 (a) A city authorized to impose a local sales tax based on voter approval at the November
 182.11 2018 general election that is subject to this provision must meet the requirements in this
 182.12 section before imposing the tax. The city must pass a resolution at a regularly scheduled
 182.13 city council meeting outlining each of the specific capital projects that will be funded by
 182.14 the tax and the anticipated amount of the revenues to be raised from the tax that will be used
 182.15 for each project. Within allowed funding areas listed in the authorized uses of the tax revenue,
 182.16 the city must give priority to funding projects of regional significance. For purposes of this
 182.17 section a "specific capital project" means:

182.18 (1) a single building or structure including associated infrastructure needed to safely
 182.19 access or use the building or structure;

182.20 (2) improvements within a single park or named recreation area;

182.21 (3) a contiguous trail;

182.22 (4) a contiguous segment of roadway, or two or more contiguous segments of roadway
 182.23 provided that all segments of the roadway are listed, and including city infrastructure beneath
 182.24 the roadway provided the infrastructure is explicitly listed; and

175.21 city of Worthington, including the taxes authorized under subdivisions 1 and 2. The issuance
 175.22 of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and
 175.23 275.61.

175.24 (b) The bonds are not subject to any provisions of the home rule charter of the city of
 175.25 Worthington and are not included in computing any debt limitation applicable to the city.
 175.26 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
 175.27 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 175.28 under Minnesota Statutes, section 475.58, is not required.

175.29 Subd. 4. **Termination of taxes.** The taxes imposed under subdivisions 1 and 2 expire
 175.30 at the earlier of: (1) 15 years after the taxes are first imposed; or (2) when the city council
 175.31 determines that the city has received \$25,000,000 from this tax to fund the projects listed
 175.32 in subdivision 3 plus an amount sufficient to pay interest on and the costs of the issuance
 176.1 of the bonds authorized in subdivision 4. Any funds remaining after payment of the allowed
 176.2 costs due to timing of the termination under Minnesota Statutes, section 297A.99, shall be
 176.3 placed in the city's general fund. The taxes imposed under subdivisions 1 and 2 may expire
 176.4 at an earlier time if the city so determines by ordinance.

176.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 176.6 city of Worthington and its chief clerical officer comply with Minnesota Statutes, section
 176.7 645.021, subdivisions 2 and 3.

176.8 Sec. 34. **RESOLUTION AND PUBLIC NOTICE OF SPECIFIC PROJECTS TO**
 176.9 **BE FUNDED WITH A LOCAL SALES TAX.**

176.10 (a) A city authorized to impose a local sales tax based on voter approval at the November
 176.11 2018 general election that is subject to this provision must meet the requirements in this
 176.12 section before imposing the tax. The city must pass a resolution at a regularly scheduled
 176.13 city council meeting outlining each of the specific capital projects that will be funded by
 176.14 the tax and the anticipated amount of the revenues to be raised from the tax that will be used
 176.15 for each project. Within allowed funding areas listed in the authorized uses of the tax revenue,
 176.16 the city must give priority to funding projects of regional significance. For purposes of this
 176.17 section a "specific capital project" means:

176.18 (1) a single building or structure including associated infrastructure needed to safely
 176.19 access or use the building or structure;

176.20 (2) improvements within a single park or named recreation area;

176.21 (3) a contiguous trail;

176.22 (4) a contiguous segment of roadway, or two or more contiguous segments of roadway
 176.23 provided that all segments of the roadway are listed, and including city infrastructure beneath
 176.24 the roadway provided the infrastructure is explicitly listed; and

182.25 (5) a sanitary sewer, storm sewer, or water project in a contiguous geographic area served
182.26 by the project that is specifically described in the resolution.

182.27 (b) The chief clerical officer of the city must file with the commissioner of revenue (1)
182.28 an affidavit indicating compliance with this section, and (2) a copy of the resolution, before
182.29 the tax may be imposed. The resolution must also be published on the city's website in a
182.30 manner easily accessible to the public either through a link displayed on the city's home
182.31 page or by publishing it directly on the city's home page. The resolution must remain on
182.32 the website until the tax terminates. Only projects listed in the resolution may be funded by
182.33 the local sales tax.

183.1 (c) The authority to impose a local sales tax that is subject to this section expires on
183.2 January 1, 2021, if the city has not met the requirements of this section by the last business
183.3 day before December 31, 2020.

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

183.5 **ARTICLE 7**

183.6 **TAX INCREMENT FINANCING**

183.7 Section 1. Laws 2003, chapter 127, article 10, section 31, subdivision 1, as amended by
183.8 Laws 2008, chapter 366, article 5, section 21, is amended to read:

183.9 Subdivision 1. **District extension.** (a) The governing body of the city of Hopkins may
183.10 elect to extend the duration of its redevelopment tax increment financing district 2-11 by
183.11 up to four additional years.

183.12 (b) Notwithstanding ~~any law to the contrary~~ Minnesota Statutes, section 469.1763,
183.13 subdivision 2, effective upon approval of this subdivision, no increments may be spent on
183.14 activities located outside of the area of the district, other than:

183.15 (1) to pay administrative expenses, not to exceed ten percent of the total tax increments
183.16 from the district; or

183.17 (2) to pay the costs of housing or redevelopment activities that are consistent with
183.18 Minnesota Statutes, section 469.176, subdivision 4j, provided that expenditures under this
183.19 clause may not exceed 20 percent of the total tax increments from the district.

183.20 The total amount of increment that may be spent on activities located outside the area of
183.21 the district under this section shall be limited to 25 percent.

183.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
183.23 city of Hopkins and its chief clerical officer comply with Minnesota Statutes, section 645.021,
183.24 subdivisions 2 and 3.

176.25 (5) a sanitary sewer, storm sewer, or water project in a contiguous geographic area served
176.26 by the project that is specifically described in the resolution.

176.27 (b) The chief clerical officer of the city must file with the commissioner of revenue (1)
176.28 an affidavit indicating compliance with this section, and (2) a copy of the resolution, before
176.29 the tax may be imposed. The resolution must also be published on the city's website in a
176.30 manner easily accessible to the public either through a link displayed on the city's home
176.31 page or by publishing it directly on the city's home page. The resolution must remain on
176.32 the website until the tax terminates. Only projects listed in the resolution may be funded by
176.33 the local sales tax.

177.1 (c) The authority to impose a local sales tax that is subject to this section expires on
177.2 January 1, 2021, if the city has not met the requirements of this section by the last business
177.3 day before December 31, 2020.

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

177.5 **ARTICLE 7**

177.6 **TAX INCREMENT FINANCING**

177.7 Section 1. Laws 2003, chapter 127, article 10, section 31, subdivision 1, as amended by
177.8 Laws 2008, chapter 366, article 5, section 21, is amended to read:

177.9 Subdivision 1. **District extension.** (a) The governing body of the city of Hopkins may
177.10 elect to extend the duration of its redevelopment tax increment financing district 2-11 by
177.11 up to four additional years.

177.12 (b) Notwithstanding ~~any law to the contrary~~ Minnesota Statutes, section 469.1763,
177.13 subdivision 2, effective upon approval of this subdivision, no increments may be spent on
177.14 activities located outside of the area of the district, other than:

177.15 (1) to pay administrative expenses, not to exceed ten percent of the total tax increments
177.16 from the district; or

177.17 (2) to pay the costs of housing or redevelopment activities that are consistent with
177.18 Minnesota Statutes, section 469.176, subdivision 4j, provided that expenditures under this
177.19 clause may not exceed 20 percent of the total tax increments from the district.

177.20 The total amount of increment that may be spent on activities located outside the area of
177.21 the district under this section shall be limited to 25 percent.

177.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
177.23 city of Hopkins and its chief clerical officer comply with Minnesota Statutes, section 645.021,
177.24 subdivisions 2 and 3.

183.25 Sec. 2. Laws 2008, chapter 366, article 5, section 26, as amended by Laws 2013, chapter
183.26 143, article 9, section 11, is amended to read:

183.27 Sec. 26. **BLOOMINGTON TAX INCREMENT FINANCING; FIVE-YEAR RULE.**

183.28 (a) The requirements of Minnesota Statutes, section 469.1763, subdivision 3, that
183.29 activities must be undertaken within a five-year period from the date of certification of a
183.30 tax increment financing district, are increased to a ~~15-year~~ 21-year period for the Port
184.1 Authority of the City of Bloomington's Tax Increment Financing District No. 1-I,
184.2 Bloomington Central Station.

184.3 (b) Notwithstanding the provisions of Minnesota Statutes, section 469.176, or any other
184.4 law to the contrary, the city of Bloomington and its port authority may extend the duration
184.5 limits of the district for a period through December 31, 2039.

184.6 (c) Effective for taxes payable in 2014, tax increment for the district must be computed
184.7 using the current local tax rate, notwithstanding the provisions of Minnesota Statutes, section
184.8 469.177, subdivision 1a.

184.9 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
184.10 city of Bloomington and its chief clerical officer comply with Minnesota Statutes, section
184.11 645.021, subdivisions 2 and 3.

184.12 Sec. 3. Laws 2014, chapter 308, article 6, section 8, subdivision 1, as amended by Laws
184.13 2017, First Special Session chapter 1, article 6, section 11, is amended to read:

184.14 Subdivision 1. **Authority to create districts.** (a) The governing body of the city of
184.15 Edina or its development authority may establish one or more tax increment financing
184.16 housing districts in the Southeast Edina Redevelopment Project Area, as the boundaries
184.17 exist on March 31, 2014.

184.18 (b) The authority to request certification of districts under this section expires on
184.19 December 31, ~~2019~~ 2021.

184.20 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
184.21 city of Edina and its chief clerical officer comply with Minnesota Statutes, section 645.021,
184.22 subdivisions 2 and 3.

184.23 Sec. 4. **CITY OF ALEXANDRIA; TIF DISTRICT NO. 50; FIVE-YEAR RULE**
184.24 **EXTENSION.**

184.25 The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that activities
184.26 must be undertaken within a five-year period from the date of certification of a tax increment
184.27 financing district, is considered to be met for TIF District No. 50, administered by the city

177.25 Sec. 2. Laws 2008, chapter 366, article 5, section 26, as amended by Laws 2013, chapter
177.26 143, article 9, section 11, is amended to read:

177.27 Sec. 26. **BLOOMINGTON TAX INCREMENT FINANCING; FIVE-YEAR RULE.**

177.28 (a) The requirements of Minnesota Statutes, section 469.1763, subdivision 3, that
177.29 activities must be undertaken within a five-year period from the date of certification of a
177.30 tax increment financing district, are increased to a ~~15-year~~ 21-year period for the Port
178.1 Authority of the City of Bloomington's Tax Increment Financing District No. 1-I,
178.2 Bloomington Central Station.

178.3 (b) Notwithstanding the provisions of Minnesota Statutes, section 469.176, or any other
178.4 law to the contrary, the city of Bloomington and its port authority may extend the duration
178.5 limits of the district for a period through December 31, 2039.

178.6 (c) Effective for taxes payable in 2014, tax increment for the district must be computed
178.7 using the current local tax rate, notwithstanding the provisions of Minnesota Statutes, section
178.8 469.177, subdivision 1a.

178.9 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
178.10 city of Bloomington and its chief clerical officer comply with Minnesota Statutes, section
178.11 645.021, subdivisions 2 and 3.

178.12 Sec. 3. Laws 2014, chapter 308, article 6, section 8, subdivision 1, as amended by Laws
178.13 2017, First Special Session chapter 1, article 6, section 11, is amended to read:

178.14 Subdivision 1. **Authority to create districts.** (a) The governing body of the city of
178.15 Edina or its development authority may establish one or more tax increment financing
178.16 housing districts in the Southeast Edina Redevelopment Project Area, as the boundaries
178.17 exist on March 31, 2014.

178.18 (b) The authority to request certification of districts under this section expires on
178.19 December 31, ~~2019~~ 2021.

178.20 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
178.21 city of Edina and its chief clerical officer comply with Minnesota Statutes, section 645.021,
178.22 subdivisions 2 and 3.

178.23 Sec. 4. **CITY OF ALEXANDRIA; TIF DISTRICT NO. 50; FIVE-YEAR RULE**
178.24 **EXTENSION.**

178.25 The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that activities
178.26 must be undertaken within a five-year period from the date of certification of a tax increment
178.27 financing district, is considered to be met for TIF District No. 50, administered by the city

184.28 of Alexandria, or its economic development authority, if the activities are undertaken prior
 184.29 to July 16, 2023.

184.30 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 184.31 city of Alexandria and its chief clerical officer comply with Minnesota Statutes, section
 184.32 645.021, subdivisions 2 and 3.

185.1 **Sec. 5. CITY OF ANOKA; COMMUTER RAIL TRANSIT VILLAGE TIF**
 185.2 **DISTRICT; FIVE-YEAR RULE EXTENSION.**

185.3 The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that activities
 185.4 must be undertaken within a five-year period from the date of certification of a tax increment
 185.5 financing district, is considered to be met for the Commuter Rail Transit Village tax
 185.6 increment financing district, administered by the city of Anoka, if the activities are undertaken
 185.7 prior to April 7, 2023.

185.8 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 185.9 city of Anoka and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 185.10 subdivisions 2 and 3.

185.11 **Sec. 6. CITY OF CHAMPLIN; MISSISSIPPI CROSSINGS TIF DISTRICT;**
 185.12 **FIVE-YEAR RULE EXTENSION; DURATION EXTENSION.**

185.13 Subdivision 1. **Five-year rule.** The requirement of Minnesota Statutes, section 469.1763,
 185.14 subdivision 3, that activities must be undertaken within a five-year period from the date of
 185.15 certification of a tax increment financing district, is extended to a ten-year period for the
 185.16 Mississippi Crossings Tax Increment Financing District administered by the city of Champlin.

185.17 Subd. 2. **Duration.** Notwithstanding Minnesota Statutes, section 469.176, subdivision
 185.18 1b, or any other law to the contrary, the city of Champlin may elect to extend the duration
 185.19 of the Mississippi Crossings Tax Increment Financing District by five years.

185.20 **EFFECTIVE DATE.** This section is effective upon compliance by the governing bodies
 185.21 of the city of Champlin, Hennepin County, and Independent School District No. 11
 185.22 (Anoka-Hennepin), with the requirements of Minnesota Statutes, sections 469.1782,
 185.23 subdivision 2; and 645.021, subdivisions 2 and 3.

185.24 **Sec. 7. CITY OF DULUTH; TAX INCREMENT FINANCING DISTRICT; SPECIAL**
 185.25 **RULES AUTHORIZATION.**

185.26 Subdivision 1. **Establishment.** The city of Duluth or the Duluth Economic Development
 185.27 Authority may establish, by resolution, one redevelopment tax increment financing district
 185.28 located in the city of Duluth, St. Louis County, Minnesota, within the area bordered on the
 185.29 northeast by Slip 3 and the Pier B Resort property line extended northwest to Interstate 35,
 185.30 on the southeast by the Duluth Harbor, on the southwest by the Compass Minerals property
 185.31 line extended northwest to Interstate 35, and on the northwest by Interstate 35, together

178.28 of Alexandria, or its economic development authority, if the activities are undertaken prior
 178.29 to July 16, 2023.

178.30 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 178.31 city of Alexandria and its chief clerical officer comply with Minnesota Statutes, section
 178.32 645.021, subdivisions 2 and 3.

179.1 **Sec. 5. CITY OF ANOKA; COMMUTER RAIL TRANSIT VILLAGE TIF**
 179.2 **DISTRICT; FIVE-YEAR RULE EXTENSION.**

179.3 The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that activities
 179.4 must be undertaken within a five-year period from the date of certification of a tax increment
 179.5 financing district, is considered to be met for the Commuter Rail Transit Village tax
 179.6 increment financing district, administered by the city of Anoka, if the activities are undertaken
 179.7 prior to April 7, 2023.

179.8 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 179.9 city of Anoka and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 179.10 subdivisions 2 and 3.

179.11 **Sec. 6. CITY OF CHAMPLIN; MISSISSIPPI CROSSINGS TIF DISTRICT;**
 179.12 **FIVE-YEAR RULE EXTENSION; DURATION EXTENSION.**

179.13 Subdivision 1. **Five-year rule.** The requirement of Minnesota Statutes, section 469.1763,
 179.14 subdivision 3, that activities must be undertaken within a five-year period from the date of
 179.15 certification of a tax increment financing district, is extended to a ten-year period for the
 179.16 Mississippi Crossings Tax Increment Financing District administered by the city of Champlin.

179.17 Subd. 2. **Duration.** Notwithstanding Minnesota Statutes, section 469.176, subdivision
 179.18 1b, or any other law to the contrary, the city of Champlin may elect to extend the duration
 179.19 of the Mississippi Crossings Tax Increment Financing District by five years.

179.20 **EFFECTIVE DATE.** This section is effective upon compliance by the governing bodies
 179.21 of the city of Champlin, Hennepin County, and Independent School District No. 11
 179.22 (Anoka-Hennepin), with the requirements of Minnesota Statutes, sections 469.1782,
 179.23 subdivision 2; and 645.021, subdivisions 2 and 3.

179.24 **Sec. 7. CITY OF DULUTH; TAX INCREMENT FINANCING DISTRICT; SPECIAL**
 179.25 **RULES AUTHORIZATION.**

179.26 Subdivision 1. **Establishment.** The city of Duluth or the Duluth Economic Development
 179.27 Authority may establish, by resolution, one redevelopment tax increment financing district
 179.28 located in the city of Duluth, St. Louis County, Minnesota, within the area bordered on the
 179.29 northeast by Slip 3 and the Pier B Resort property line extended northwest to Interstate 35,
 179.30 on the southeast by the Duluth Harbor, on the southwest by the Compass Minerals property
 179.31 line extended northwest to Interstate 35, and on the northwest by Interstate 35, together

186.1 with adjacent roads and rights-of-way; and such property is deemed to meet the requirements
 186.2 of Minnesota Statutes, section 469.174, subdivision 10.

186.3 Subd. 2. **Eligible expenditures.** Expenditures incurred in connection with the
 186.4 development of the property described in subdivision 1 are deemed to meet the requirements
 186.5 of Minnesota Statutes, section 469.176, subdivision 4j. Eligible expenditures for any tax
 186.6 increment financing district established in the area described in subdivision 1 include,
 186.7 without limitation, seawalls and pier facings adjacent to the boundaries of such district.

186.8 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 186.9 city of Duluth and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 186.10 subdivisions 2 and 3.

186.11 Sec. 8. **CITY OF MINNEAPOLIS; UPPER HARBOR TERMINAL**
 186.12 **REDEVELOPMENT TIF DISTRICT; SPECIAL RULES AUTHORIZATION.**

186.13 Subdivision 1. **Qualifying rules.** Notwithstanding Minnesota Statutes, section 469.174,
 186.14 subdivision 10, the governing body of the city of Minneapolis may establish, by resolution,
 186.15 one or more redevelopment tax increment financing districts within that portion of the North
 186.16 Washington Industrial Park Redevelopment Project Area as its boundaries existed on January
 186.17 1, 2019, located north of Lowry Avenue. In each resolution, the city must find that each
 186.18 parcel in the district was part of property that was formerly used as a municipally owned
 186.19 intermodal barge shipping facility that can no longer be used for such purpose due to the
 186.20 closure of the Upper St. Anthony Falls Lock under the federal Water Resources Reform
 186.21 and Development Act of 2014. Except as provided in this section, the provisions of Minnesota
 186.22 Statutes, sections 469.174 to 469.1794, apply to each district created under this section.

186.23 Subd. 2. **Use of increments.** Minnesota Statutes, section 469.176, subdivision 4j, does
 186.24 not apply to any district established under this section.

186.25 Subd. 3. **Pooling authority.** Notwithstanding Minnesota Statutes, section 469.1763,
 186.26 subdivision 2, the permitted percentage of increments that may be expended on activities
 186.27 outside the district, but within the project area, is increased to 35 percent for districts
 186.28 established under this section.

186.29 Subd. 4. **Five-year rule.** The five-year rule period under Minnesota Statutes, section
 186.30 469.1763, subdivision 3, is extended to ten years for any district established under this
 186.31 section.

187.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 187.2 city of Minneapolis and its chief clerical officer comply with Minnesota Statutes, section
 187.3 645.021, subdivisions 2 and 3.

180.1 with adjacent roads and rights-of-way; and such property is deemed to meet the requirements
 180.2 of Minnesota Statutes, section 469.174, subdivision 10.

180.3 Subd. 2. **Eligible expenditures.** Expenditures incurred in connection with the
 180.4 development of the property described in subdivision 1 are deemed to meet the requirements
 180.5 of Minnesota Statutes, section 469.176, subdivision 4j. Eligible expenditures for any tax
 180.6 increment financing district established in the area described in subdivision 1 include,
 180.7 without limitation, seawalls and pier facings adjacent to the boundaries of such district.

180.8 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 180.9 city of Duluth and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 180.10 subdivisions 2 and 3.

180.11 Sec. 8. **CITY OF MINNEAPOLIS; UPPER HARBOR TERMINAL**
 180.12 **REDEVELOPMENT TIF DISTRICT; SPECIAL RULES AUTHORIZATION.**

180.13 Subdivision 1. **Qualifying rules.** Notwithstanding Minnesota Statutes, section 469.174,
 180.14 subdivision 10, the governing body of the city of Minneapolis may establish, by resolution,
 180.15 one or more redevelopment tax increment financing districts within that portion of the North
 180.16 Washington Industrial Park Redevelopment Project Area as its boundaries existed on January
 180.17 1, 2019, located north of Lowry Avenue. In each resolution, the city must find that each
 180.18 parcel in the district was part of property that was formerly used as a municipally owned
 180.19 intermodal barge shipping facility that can no longer be used for such purpose due to the
 180.20 closure of the Upper St. Anthony Falls Lock under the federal Water Resources Reform
 180.21 and Development Act of 2014. Except as provided in this section, the provisions of Minnesota
 180.22 Statutes, sections 469.174 to 469.1794, apply to each district created under this section.

180.23 Subd. 2. **Use of increments.** Minnesota Statutes, section 469.176, subdivision 4j, does
 180.24 not apply to any district established under this section.

180.25 Subd. 3. **Pooling authority.** Notwithstanding Minnesota Statutes, section 469.1763,
 180.26 subdivision 2, the permitted percentage of increments that may be expended on activities
 180.27 outside the district, but within the project area, is increased to 35 percent for districts
 180.28 established under this section.

180.29 Subd. 4. **Five-year rule.** The five-year rule period under Minnesota Statutes, section
 180.30 469.1763, subdivision 3, is extended to ten years for any district established under this
 180.31 section.

181.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 181.2 city of Minneapolis and its chief clerical officer comply with Minnesota Statutes, section
 181.3 645.021, subdivisions 2 and 3.

187.4 Sec. 9. CITY OF ROSEVILLE; HAZARDOUS SUBSTANCE SUBDISTRICT NO.
 187.5 17A; EXPENDITURE OF TAX INCREMENT.

187.6 Notwithstanding Minnesota Statutes, section 469.1763, or any other law to the contrary,
 187.7 the city of Roseville and the Roseville Economic Development Authority may use any or
 187.8 all increment generated from Hazardous Substance Subdistrict No. 17A for the purpose of
 187.9 financing environmental remediation pursuant to one or more response action plans on the
 187.10 parcels within the subdistrict as originally certified, regardless of the date of approval of
 187.11 the response action plan by the Pollution Control Agency.

187.12 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 187.13 city of Roseville and its chief clerical officer comply with the requirements of Minnesota
 187.14 Statutes, section 645.021, subdivisions 2 and 3.

187.15 **ARTICLE 8**

187.16 **PUBLIC FINANCE**

187.17 Section 1. Minnesota Statutes 2018, section 37.31, subdivision 1, is amended to read:

187.18 Subdivision 1. **Bonding authority.** The society may issue negotiable bonds in a principal
 187.19 amount that the society determines necessary to provide sufficient money for achieving its
 187.20 purposes, including the payment of interest on bonds of the society, the establishment of
 187.21 reserves to secure its bonds, the payment of fees to a third party providing credit
 187.22 enhancement, and the payment of all other expenditures of the society incident to and
 187.23 necessary or convenient to carry out its corporate purposes and powers. Bonds of the society
 187.24 may be issued as bonds or notes or in any other form authorized by law. The principal
 187.25 amount of bonds issued and outstanding under this section at any time may not exceed
 187.26 ~~\$20,000,000~~ \$30,000,000, excluding bonds for which refunding bonds or crossover refunding
 187.27 bonds have been issued.

187.28 Sec. 2. Minnesota Statutes 2018, section 103E.611, subdivision 2, is amended to read:

187.29 Subd. 2. **Interest.** (a) Interest is an additional drainage lien on all property until paid.
 187.30 The interest rate on the drainage lien principal from the date the drainage lien statement is
 187.31 recorded must be set by the board but may not exceed the rate determined by the state court
 187.32 administrator for judgments under section 549.09, or six percent, whichever is greater.

188.1 (b) Before the tax lists for the year are given to the county treasurer, the auditor shall
 188.2 compute the interest on the unpaid balance of the drainage lien at the rate set by the board.
 188.3 The amount of interest must be computed on the entire unpaid principal from the date the
 188.4 drainage lien was recorded to August 15 of the next calendar year, and afterwards from
 188.5 August 15 to August 15 of each year.

188.6 (c) Interest is due and payable after November 1 of each year the drainage lien principal
 188.7 or interest is due and unpaid.

181.4 Sec. 9. CITY OF ROSEVILLE; HAZARDOUS SUBSTANCE SUBDISTRICT NO.
 181.5 17A; EXPENDITURE OF TAX INCREMENT.

181.6 Notwithstanding Minnesota Statutes, section 469.1763, or any other law to the contrary,
 181.7 the city of Roseville and the Roseville Economic Development Authority may use any or
 181.8 all increment generated from Hazardous Substance Subdistrict No. 17A for the purpose of
 181.9 financing environmental remediation pursuant to one or more response action plans on the
 181.10 parcels within the subdistrict as originally certified, regardless of the date of approval of
 181.11 the response action plan by the Pollution Control Agency.

181.12 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 181.13 city of Roseville and its chief clerical officer comply with the requirements of Minnesota
 181.14 Statutes, section 645.021, subdivisions 2 and 3.

181.15 **ARTICLE 8**

181.16 **PUBLIC FINANCE**

181.17 Section 1. Minnesota Statutes 2018, section 37.31, subdivision 1, is amended to read:

181.18 Subdivision 1. **Bonding authority.** The society may issue negotiable bonds in a principal
 181.19 amount that the society determines necessary to provide sufficient money for achieving its
 181.20 purposes, including the payment of interest on bonds of the society, the establishment of
 181.21 reserves to secure its bonds, the payment of fees to a third party providing credit
 181.22 enhancement, and the payment of all other expenditures of the society incident to and
 181.23 necessary or convenient to carry out its corporate purposes and powers. Bonds of the society
 181.24 may be issued as bonds or notes or in any other form authorized by law. The principal
 181.25 amount of bonds issued and outstanding under this section at any time may not exceed
 181.26 ~~\$20,000,000~~ \$30,000,000, excluding bonds for which refunding bonds or crossover refunding
 181.27 bonds have been issued.

181.28 Sec. 2. Minnesota Statutes 2018, section 103E.611, subdivision 2, is amended to read:

181.29 Subd. 2. **Interest.** (a) Interest is an additional drainage lien on all property until paid.
 181.30 The interest rate on the drainage lien principal from the date the drainage lien statement is
 181.31 recorded must be set by the board but may not exceed the rate determined by the state court
 181.32 administrator for judgments under section 549.09, or six percent, whichever is greater.

182.1 (b) Before the tax lists for the year are given to the county treasurer, the auditor shall
 182.2 compute the interest on the unpaid balance of the drainage lien at the rate set by the board.
 182.3 The amount of interest must be computed on the entire unpaid principal from the date the
 182.4 drainage lien was recorded to August 15 of the next calendar year, and afterwards from
 182.5 August 15 to August 15 of each year.

182.6 (c) Interest is due and payable after November 1 of each year the drainage lien principal
 182.7 or interest is due and unpaid.

188.8 Sec. 3. Minnesota Statutes 2018, section 123B.595, subdivision 5, is amended to read:

188.9 Subd. 5. **Bond authorization.** (a) A school district may issue general obligation bonds
188.10 under this section to finance facilities plans approved by its board and the commissioner.
188.11 Chapter 475, except sections 475.58 and 475.59, must be complied with. The authority to
188.12 issue bonds under this section is in addition to any bonding authority authorized by this
188.13 chapter or other law. The amount of bonding authority authorized under this section must
188.14 be disregarded in calculating the bonding or net debt limits of this chapter, or any other law
188.15 other than section 475.53, subdivision 4.

188.16 (b) At least 20 days before the earliest of ~~solicitation of bids~~, the issuance of bonds; or
188.17 the final certification of levies under subdivision 6, the district must publish notice of the
188.18 intended projects, the amount of the bond issue, and the total amount of district indebtedness.

188.19 (c) The portion of revenue under this section for bonded debt must be recognized in the
188.20 debt service fund.

188.21 Sec. 4. Minnesota Statutes 2018, section 297A.993, subdivision 1, is amended to read:

188.22 Subdivision 1. **Authorization; rates.** Notwithstanding section 297A.99, subdivisions
188.23 1, 2, 3, 5, and 13, or 477A.016, or any other law, the board of a county ~~outside the~~
188.24 ~~metropolitan transportation area, as defined under section 297A.992, subdivision 1, or more~~
188.25 ~~than one county outside the metropolitan transportation area~~ acting under a joint powers
188.26 agreement, may by resolution of the county board, or each of the county boards, following
188.27 a public hearing impose (1) a transportation sales tax at a rate of up to one-half of one percent
188.28 on retail sales and uses taxable under this chapter, and (2) an excise tax of \$20 per motor
188.29 vehicle, as defined in section 297B.01, subdivision 11, purchased or acquired from any
188.30 person engaged in the business of selling motor vehicles at retail, occurring within the
188.31 jurisdiction of the taxing authority.

189.1 Sec. 5. Minnesota Statutes 2018, section 297A.993, subdivision 2, is amended to read:

189.2 Subd. 2. **Allocation; termination.** The proceeds of the taxes must be dedicated
189.3 exclusively to: (1) payment of the capital cost of a specific transportation project or
189.4 improvement; (2) payment of the costs, which may include both capital and operating costs,
189.5 of a specific transit project or improvement; (3) payment of the capital costs of a safe routes
189.6 to school program under section 174.40; or (4) payment of transit operating costs. The
189.7 transportation or transit project or improvement must be designated by the board of the
189.8 county, or more than one county acting under a joint powers agreement. Except for taxes
189.9 for operating costs of a transit project or improvement, or for transit operations, the taxes
189.10 must terminate when revenues raised are sufficient to finance the project. Nothing in this
189.11 subdivision prohibits the exclusive dedication of the proceeds of the taxes to payments for
189.12 more than one project or improvement. After a public hearing a county may, by resolution,
189.13 dedicate the proceeds of the tax for a new enumerated project.

182.8 Sec. 3. Minnesota Statutes 2018, section 123B.595, subdivision 5, is amended to read:

182.9 Subd. 5. **Bond authorization.** (a) A school district may issue general obligation bonds
182.10 under this section to finance facilities plans approved by its board and the commissioner.
182.11 Chapter 475, except sections 475.58 and 475.59, must be complied with. The authority to
182.12 issue bonds under this section is in addition to any bonding authority authorized by this
182.13 chapter or other law. The amount of bonding authority authorized under this section must
182.14 be disregarded in calculating the bonding or net debt limits of this chapter, or any other law
182.15 other than section 475.53, subdivision 4.

182.16 (b) At least 20 days before the earliest of ~~solicitation of bids~~, the issuance of bonds; or
182.17 the final certification of levies under subdivision 6, the district must publish notice of the
182.18 intended projects, the amount of the bond issue, and the total amount of district indebtedness.

182.19 (c) The portion of revenue under this section for bonded debt must be recognized in the
182.20 debt service fund.

182.21 Sec. 4. Minnesota Statutes 2018, section 297A.993, subdivision 1, is amended to read:

182.22 Subdivision 1. **Authorization; rates.** Notwithstanding section 297A.99, subdivisions
182.23 1, 2, 3, 5, and 13, or 477A.016, or any other law, the board of a county ~~outside the~~
182.24 ~~metropolitan transportation area, as defined under section 297A.992, subdivision 1, or more~~
182.25 ~~than one county outside the metropolitan transportation area~~ acting under a joint powers
182.26 agreement, may by resolution of the county board, or each of the county boards, following
182.27 a public hearing impose (1) a transportation sales tax at a rate of up to one-half of one percent
182.28 on retail sales and uses taxable under this chapter, and (2) an excise tax of \$20 per motor
182.29 vehicle, as defined in section 297B.01, subdivision 11, purchased or acquired from any
182.30 person engaged in the business of selling motor vehicles at retail, occurring within the
182.31 jurisdiction of the taxing authority.

183.1 Sec. 5. Minnesota Statutes 2018, section 297A.993, subdivision 2, is amended to read:

183.2 Subd. 2. **Allocation; termination.** The proceeds of the taxes must be dedicated
183.3 exclusively to: (1) payment of the capital cost of a specific transportation project or
183.4 improvement; (2) payment of the costs, which may include both capital and operating costs,
183.5 of a specific transit project or improvement; (3) payment of the capital costs of a safe routes
183.6 to school program under section 174.40; or (4) payment of transit operating costs. The
183.7 transportation or transit project or improvement must be designated by the board of the
183.8 county, or more than one county acting under a joint powers agreement. Except for taxes
183.9 for operating costs of a transit project or improvement, or for transit operations, the taxes
183.10 must terminate when revenues raised are sufficient to finance the project. Nothing in this
183.11 subdivision prohibits the exclusive dedication of the proceeds of the taxes to payments for
183.12 more than one project or improvement. After a public hearing a county may, by resolution,
183.13 dedicate the proceeds of the tax for a new enumerated project.

189.14 Sec. 6. Minnesota Statutes 2018, section 297A.993, is amended by adding a subdivision
189.15 to read:

189.16 Subd. 4. **Bonds.** (a) A county may, by resolution, authorize, issue, and sell its bonds,
189.17 notes, or other obligations for the purposes specified in subdivision 2. The county may also,
189.18 by resolution, issue bonds to refund the bonds issued pursuant to this subdivision.

189.19 (b) The bonds may be limited obligations, payable solely from or secured by taxes levied
189.20 under this section, and the county may also pledge its full faith, credit, and taxing power as
189.21 additional security for the bonds. A regional railroad authority within the county may also
189.22 pledge its taxing powers as additional security for the bonds.

189.23 (c) A county may issue and sell bonds in one or more series and without an election.
189.24 The county may determine how the bonds shall be secured; how the bonds will bear interest,
189.25 and the rate or rates, or variable rate; the rank or priority; how the bonds will be executed
189.26 and be payable, and how they will mature; and how the bonds will be subject to any defaults,
189.27 redemptions, repurchases, tender options, or other terms. The county may also determine
189.28 how the bonds shall be sold.

189.29 (d) The county may enter into and perform all contracts deemed necessary or desirable
189.30 by it to issue and secure the bonds, including an indenture of trust with a trustee located
189.31 within or outside of the state.

189.32 (e) Before issuing bonds qualifying under this section, the county must publish a notice
189.33 of its intention to issue the bonds and the date and time of a hearing to obtain public comment
190.1 on the matter. The notice must be published in the official newspaper of the county or in a
190.2 newspaper of general circulation in the county. The notice must be published at least 14,
190.3 but not more than 28, days before the date of the hearing.

190.4 (f) Any project financed with bonds issued under this section must be included in a
190.5 capital improvement plan as defined in section 373.40, subdivision 3. For purposes of this
190.6 paragraph, "project" means any project described in subdivision 2, notwithstanding section
190.7 373.40, subdivision 1, paragraph (b).

190.8 (g) Except as otherwise provided in this subdivision, the bonds must be issued and sold
190.9 in the manner provided under chapter 475.

190.10 Sec. 7. Minnesota Statutes 2018, section 471.831, is amended to read:

190.11 **471.831 MUNICIPALITY MAY FILE BANKRUPTCY PETITION.**

190.12 Subdivision 1. **Any relief under bankruptcy code.** A municipality, as defined in
190.13 subdivision 2, may file a petition and seek any relief available to it under United States
190.14 Code, title 11, as amended ~~through December 31, 1996.~~

183.14 Sec. 6. Minnesota Statutes 2018, section 297A.993, is amended by adding a subdivision
183.15 to read:

183.16 Subd. 4. **Bonds.** (a) A county may, by resolution, authorize, issue, and sell its bonds,
183.17 notes, or other obligations for the purposes specified in subdivision 2. The county may also,
183.18 by resolution, issue bonds to refund the bonds issued pursuant to this subdivision.

183.19 (b) The bonds may be limited obligations, payable solely from or secured by taxes levied
183.20 under this section, and the county may also pledge its full faith, credit, and taxing power as
183.21 additional security for the bonds. A regional railroad authority within the county may also
183.22 pledge its taxing powers as additional security for the bonds.

183.23 (c) A county may issue and sell bonds in one or more series and without an election.
183.24 The county may determine how the bonds shall be secured; how the bonds will bear interest,
183.25 and the rate or rates, or variable rate; the rank or priority; how the bonds will be executed
183.26 and be payable, and how they will mature; and how the bonds will be subject to any defaults,
183.27 redemptions, repurchases, tender options, or other terms. The county may also determine
183.28 how the bonds shall be sold.

183.29 (d) The county may enter into and perform all contracts deemed necessary or desirable
183.30 by it to issue and secure the bonds, including an indenture of trust with a trustee located
183.31 within or outside of the state.

183.32 (e) Before issuing bonds qualifying under this section, the county must publish a notice
183.33 of its intention to issue the bonds and the date and time of a hearing to obtain public comment
184.1 on the matter. The notice must be published in the official newspaper of the county or in a
184.2 newspaper of general circulation in the county. The notice must be published at least 14,
184.3 but not more than 28, days before the date of the hearing.

184.4 (f) Any project financed with bonds issued under this section must be included in a
184.5 capital improvement plan as defined in section 373.40, subdivision 3. For purposes of this
184.6 paragraph, "project" means any project described in subdivision 2, notwithstanding section
184.7 373.40, subdivision 1, paragraph (b).

184.8 (g) Except as otherwise provided in this subdivision, the bonds must be issued and sold
184.9 in the manner provided under chapter 475.

184.10 Sec. 7. Minnesota Statutes 2018, section 471.831, is amended to read:

184.11 **471.831 MUNICIPALITY MAY FILE BANKRUPTCY PETITION.**

184.12 Subdivision 1. **Any relief under bankruptcy code.** A municipality, as defined in
184.13 subdivision 2, may file a petition and seek any relief available to it under United States
184.14 Code, title 11, as amended ~~through December 31, 1996.~~

190.15 Subd. 2. **Municipality defined.** In this section, "municipality" means a municipality as
 190.16 defined in United States Code, title 11, section 101, as amended ~~through December 31,~~
 190.17 ~~1996~~, but limited to a county, statutory or home rule charter city, or town; or a housing and
 190.18 redevelopment authority, economic development authority, or rural development financing
 190.19 authority established under chapter 469, a home rule charter, or special law.

190.20 Sec. 8. Minnesota Statutes 2018, section 474A.02, subdivision 22b, is amended to read:

190.21 Subd. 22b. **Public facilities project.** "Public facilities project" means any publicly owned
 190.22 facility, or a facility ~~owned by a nonprofit organization~~ that is used for district heating or
 190.23 cooling, whether publicly or privately owned, that is eligible to be financed with the proceeds
 190.24 of public facilities bonds as defined under section 474A.02, subdivision 23a.

190.25 Sec. 9. Minnesota Statutes 2018, section 475.521, subdivision 1, is amended to read:

190.26 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the
 190.27 meanings given.

190.28 (a) "Bonds" mean an obligation defined under section 475.51.

190.29 (b) "Capital improvement" means acquisition or betterment of public lands, buildings
 190.30 or other improvements for the purpose of a city hall, town hall, library, public safety facility,
 190.31 and public works facility. An improvement must have an expected useful life of five years
 191.1 or more to qualify. Capital improvement does not include light rail transit or any activity
 191.2 related to it, or a park, road, bridge, administrative building other than a city or town hall,
 191.3 or land for any of those facilities. For purposes of this section, "capital improvement"
 191.4 includes expenditures for purposes described in this paragraph that have been incurred by
 191.5 a municipality before approval of a capital improvement plan, if such expenditures are
 191.6 included in a capital improvement plan approved on or before the date of the public hearing
 191.7 under subdivision 2 regarding issuance of bonds for such expenditures.

191.8 (c) "Municipality" means a home rule charter or statutory city or a town ~~described in~~
 191.9 ~~section 368.01, subdivision 1 or 1a.~~

191.10 Sec. 10. **REPEALER.**

191.11 Minnesota Statutes 2018, section 37.31, subdivision 8, is repealed.

191.12 Sec. 11. **EFFECTIVE DATE.**

191.13 Sections 1 to 10 are effective July 1, 2019.

184.15 Subd. 2. **Municipality defined.** In this section, "municipality" means a municipality as
 184.16 defined in United States Code, title 11, section 101, as amended ~~through December 31,~~
 184.17 ~~1996~~, but limited to a county, statutory or home rule charter city, or town; or a housing and
 184.18 redevelopment authority, economic development authority, or rural development financing
 184.19 authority established under chapter 469, a home rule charter, or special law.

184.20 Sec. 8. Minnesota Statutes 2018, section 474A.02, subdivision 22b, is amended to read:

184.21 Subd. 22b. **Public facilities project.** "Public facilities project" means any publicly owned
 184.22 facility, or a facility ~~owned by a nonprofit organization~~ that is used for district heating or
 184.23 cooling, whether publicly or privately owned, that is eligible to be financed with the proceeds
 184.24 of public facilities bonds as defined under section 474A.02, subdivision 23a.

184.25 Sec. 9. Minnesota Statutes 2018, section 475.521, subdivision 1, is amended to read:

184.26 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the
 184.27 meanings given.

184.28 (a) "Bonds" mean an obligation defined under section 475.51.

184.29 (b) "Capital improvement" means acquisition or betterment of public lands, buildings
 184.30 or other improvements for the purpose of a city hall, town hall, library, public safety facility,
 184.31 and public works facility. An improvement must have an expected useful life of five years
 185.1 or more to qualify. Capital improvement does not include light rail transit or any activity
 185.2 related to it, or a park, road, bridge, administrative building other than a city or town hall,
 185.3 or land for any of those facilities. For purposes of this section, "capital improvement"
 185.4 includes expenditures for purposes described in this paragraph that have been incurred by
 185.5 a municipality before approval of a capital improvement plan, if such expenditures are
 185.6 included in a capital improvement plan approved on or before the date of the public hearing
 185.7 under subdivision 2 regarding issuance of bonds for such expenditures.

185.8 (c) "Municipality" means a home rule charter or statutory city or a town ~~described in~~
 185.9 ~~section 368.01, subdivision 1 or 1a.~~

185.10 Sec. 10. **REPEALER.**

185.11 Minnesota Statutes 2018, section 37.31, subdivision 8, is repealed.

185.12 Sec. 11. **EFFECTIVE DATE.**

185.13 Sections 1 to 10 are effective July 1, 2019.

ARTICLE 9

MINNESOTACARE TAXES

191.14
191.15
191.16 Section 1. Minnesota Statutes 2018, section 295.51, subdivision 1a, is amended to read:

191.17 Subd. 1a. **Nexus in Minnesota.** (a) To the extent allowed by the United States
191.18 Constitution and the laws of the United States, a person who is a wholesale drug distributor
191.19 has nexus in Minnesota if its contacts with or presence in Minnesota is sufficient to satisfy
191.20 the requirements of the United States Constitution, a person subject to tax under section
191.21 295.52, subdivision 4, or a person who sells or repairs hearing aids and related equipment
191.22 or prescription eyewear is subject to the taxes imposed by this chapter if the person:

191.23 (1) has or maintains within this state, directly or by a subsidiary or an affiliate, an office,
191.24 place of distribution, sales, storage, or sample room or place, warehouse, or other place of
191.25 business, including the employment of a resident of this state who works from a home office
191.26 in this state;

191.27 (2) has a representative, including but not limited to an employee, affiliate, agent,
191.28 salesperson, canvasser, solicitor, independent contractor, or other third party operating in
191.29 this state under the person's authority or the authority of the person's subsidiary, for any
191.30 purpose, including the repairing, selling, delivering, installing, facilitating sales, processing
191.31 sales, or soliciting of orders for the person's goods or services, or the leasing of tangible
192.1 personal property located in this state, whether the place of business or the agent,
192.2 representative, affiliate, salesperson, canvasser, or solicitor is located in the state permanently
192.3 or temporarily, or whether or not the person, subsidiary, or affiliate is authorized to do
192.4 business in this state;

192.5 (3) owns or leases real property that is located in this state; or

192.6 (4) owns or leases tangible personal property that is present in this state, including but
192.7 not limited to mobile property.

192.8 (b) To the extent allowed by the United States Constitution and the laws of the United
192.9 States, a person who is a wholesale drug distributor, or a person who is subject to tax under
192.10 section 295.52, subdivision 4, is subject to the taxes imposed by this chapter if the person:

192.11 (1) conducts a trade or business not described in paragraph (a) and sells, delivers, or
192.12 distributes legend drugs from outside this state to a destination within this state by common
192.13 carrier or otherwise; and

192.14 (2) meets one of the following thresholds:

192.15 (i) makes 200 or more sales, deliveries, or distributions described in clause (1) during
192.16 any taxable year;

ARTICLE 9

MINNESOTACARE TAXES

185.14
185.15
185.16 Section 1. Minnesota Statutes 2018, section 295.51, subdivision 1a, is amended to read:

185.17 Subd. 1a. **Nexus in Minnesota.** (a) To the extent allowed by the United States
185.18 Constitution and the laws of the United States, a person who is a wholesale drug distributor
185.19 has nexus in Minnesota if its contacts with or presence in Minnesota is sufficient to satisfy
185.20 the requirements of the United States Constitution, a person subject to tax under section
185.21 295.52, subdivision 4, or a person who sells or repairs hearing aids and related equipment
185.22 or prescription eyewear is subject to the taxes imposed by this chapter if the person:

185.23 (1) has or maintains within this state, directly or by a subsidiary or an affiliate, an office,
185.24 place of distribution, sales, storage, or sample room or place, warehouse, or other place of
185.25 business, including the employment of a resident of this state who works from a home office
185.26 in this state;

185.27 (2) has a representative, including but not limited to an employee, affiliate, agent,
185.28 salesperson, canvasser, solicitor, independent contractor, or other third party operating in
185.29 this state under the person's authority or the authority of the person's subsidiary, for any
185.30 purpose, including the repairing, selling, delivering, installing, facilitating sales, processing
185.31 sales, or soliciting of orders for the person's goods or services, or the leasing of tangible
186.1 personal property located in this state, whether the place of business or the agent,
186.2 representative, affiliate, salesperson, canvasser, or solicitor is located in the state permanently
186.3 or temporarily, or whether or not the person, subsidiary, or affiliate is authorized to do
186.4 business in this state;

186.5 (3) owns or leases real property that is located in this state; or

186.6 (4) owns or leases tangible personal property that is present in this state, including but
186.7 not limited to mobile property.

186.8 (b) To the extent allowed by the United States Constitution and the laws of the United
186.9 States, a person who is a wholesale drug distributor, or a person who is subject to tax under
186.10 section 295.52, subdivision 4, is subject to the taxes imposed by this chapter if the person:

186.11 (1) conducts a trade or business not described in paragraph (a) and sells, delivers, or
186.12 distributes legend drugs from outside this state to a destination within this state by common
186.13 carrier or otherwise; and

186.14 (2) meets one of the following thresholds:

186.15 (i) makes 200 or more sales, deliveries, or distributions described in clause (1) during
186.16 any taxable year;

192.17 (ii) the gross revenues of a wholesale drug distributor that sells, delivers, or distributes
 192.18 legend drugs as described in clause (1) totals more than \$100,000 during any taxable year;
 192.19 or

192.20 (iii) the price paid by a person who is subject to tax under section 295.52, subdivision
 192.21 4, totals more than \$100,000 for legend drugs that the person sells, delivers, or distributes
 192.22 as described in clause (1) during any taxable year.

192.23 (c) To the extent allowed by the United States Constitution and the laws of the United
 192.24 States, a person who sells or repairs hearing aids and related equipment or prescription
 192.25 eyewear is subject to the taxes imposed by this chapter if the person:

192.26 (1) conducts a trade or business not described in paragraph (a) and:

192.27 (i) sells, delivers, or distributes hearing aids and related equipment or prescription
 192.28 eyewear from outside of this state to a destination within this state by common carrier or
 192.29 otherwise; or

192.30 (ii) repairs hearing aids and related equipment or prescription eyewear outside of this
 192.31 state and delivers or distributes the hearing aids and related equipment or prescription
 192.32 eyewear to a destination within this state by common carrier or otherwise; and

193.1 (2) meets one of the following thresholds:

193.2 (i) makes 200 or more sales, deliveries, distributions, or repairs described in clause (1)
 193.3 during any taxable year; or

193.4 (ii) the gross revenues of the person who sells, delivers, distributes, or repairs hearing
 193.5 aids and related equipment or prescription eyewear described in clause (1) totals more than
 193.6 \$100,000 during any taxable year.

193.7 (d) Once a taxpayer has established nexus with Minnesota under paragraph (b) or (c),
 193.8 the taxpayer must continue to file an annual return and remit taxes for subsequent years. A
 193.9 taxpayer who has established nexus under paragraph (b) or (c) is no longer required to file
 193.10 an annual return and remit taxes if the taxpayer:

193.11 (1) ceases to engage in the activities or no longer meets any of the applicable thresholds
 193.12 in paragraph (b) or (c) for an entire taxable year; and

193.13 (2) notifies the commissioner by March 15 of the following calendar year, in a manner
 193.14 prescribed by the commissioner, that the taxpayer no longer engages in any of the activities
 193.15 or no longer meets any of the applicable thresholds in paragraph (b) or (c).

193.16 (e) If, after notifying the commissioner pursuant to paragraph (d), the taxpayer
 193.17 subsequently engages in any of the activities and meets any of the applicable thresholds in

186.17 (ii) the gross revenues of a wholesale drug distributor that sells, delivers, or distributes
 186.18 legend drugs as described in clause (1) totals more than \$100,000 during any taxable year;
 186.19 or

186.20 (iii) the price paid by a person who is subject to tax under section 295.52, subdivision
 186.21 4, totals more than \$100,000 for legend drugs that the person sells, delivers, or distributes
 186.22 as described in clause (1) during any taxable year.

186.23 (c) To the extent allowed by the United States Constitution and the laws of the United
 186.24 States, a person who sells or repairs hearing aids and related equipment or prescription
 186.25 eyewear is subject to the taxes imposed by this chapter if the person:

186.26 (1) conducts a trade or business not described in paragraph (a) and:

186.27 (i) sells, delivers, or distributes hearing aids and related equipment or prescription
 186.28 eyewear from outside of this state to a destination within this state by common carrier or
 186.29 otherwise; or

186.30 (ii) repairs hearing aids and related equipment or prescription eyewear outside of this
 186.31 state and delivers or distributes the hearing aids and related equipment or prescription
 186.32 eyewear to a destination within this state by common carrier or otherwise; and

187.1 (2) meets one of the following thresholds:

187.2 (i) makes 200 or more sales, deliveries, distributions, or repairs described in clause (1)
 187.3 during any taxable year; or

187.4 (ii) the gross revenues of the person who sells, delivers, distributes, or repairs hearing
 187.5 aids and related equipment or prescription eyewear described in clause (1) totals more than
 187.6 \$100,000 during any taxable year.

187.7 (d) Once a taxpayer has established nexus with Minnesota under paragraph (b) or (c),
 187.8 the taxpayer must continue to file an annual return and remit taxes for subsequent years. A
 187.9 taxpayer who has established nexus under paragraph (b) or (c) is no longer required to file
 187.10 an annual return and remit taxes if the taxpayer:

187.11 (1) ceases to engage in the activities or no longer meets any of the applicable thresholds
 187.12 in paragraph (b) or (c) for an entire taxable year; and

187.13 (2) notifies the commissioner by March 15 of the following calendar year, in a manner
 187.14 prescribed by the commissioner, that the taxpayer no longer engages in any of the activities
 187.15 or no longer meets any of the applicable thresholds in paragraph (b) or (c).

187.16 (e) If, after notifying the commissioner pursuant to paragraph (d), the taxpayer
 187.17 subsequently engages in any of the activities and meets any of the applicable thresholds in

- 193.18 paragraph (b) or (c), the taxpayer shall again comply with the applicable requirements of
 193.19 paragraphs (b) to (d).
- 193.20 **EFFECTIVE DATE; APPLICATION.** (a) This section is effective the day following
 193.21 final enactment.
- 193.22 (b) In enacting this section, the legislature confirms that the United States Supreme Court
 193.23 decision in South Dakota v. Wayfair, Inc. et al., Dkt. No. 17-494 (June 21, 2018); 138 S.
 193.24 Ct. 2080 (2018), applied upon the date of that decision to provide Minnesota with jurisdiction
 193.25 over persons described in Minnesota Statutes, section 295.51, subdivision 1a, paragraphs
 193.26 (b) and (c), for purposes of imposing tax under Minnesota Statutes, chapter 295, to the
 193.27 extent allowed by the United States Constitution and the laws of the United States.
- 193.28 Sec. 2. Minnesota Statutes 2018, section 295.52, subdivision 1, is amended to read:
- 193.29 Subdivision 1. **Hospital tax.** A tax is imposed on each hospital equal to ~~two~~ 1.8 percent
 193.30 of its gross revenues.
- 193.31 **EFFECTIVE DATE.** This section is effective for gross revenues received after
 193.32 December 31, 2019.
- 194.1 Sec. 3. Minnesota Statutes 2018, section 295.52, subdivision 1a, is amended to read:
- 194.2 Subd. 1a. **Surgical center tax.** A tax is imposed on each surgical center equal to ~~two~~
 194.3 1.8 percent of its gross revenues.
- 194.4 **EFFECTIVE DATE.** This section is effective for gross revenues received after
 194.5 December 31, 2019.
- 194.6 Sec. 4. Minnesota Statutes 2018, section 295.52, subdivision 2, is amended to read:
- 194.7 Subd. 2. **Provider tax.** A tax is imposed on each health care provider equal to ~~two~~ 1.8
 194.8 percent of its gross revenues.
- 194.9 **EFFECTIVE DATE.** This section is effective for gross revenues received after
 194.10 December 31, 2019.
- 194.11 Sec. 5. Minnesota Statutes 2018, section 295.52, subdivision 3, is amended to read:
- 194.12 Subd. 3. **Wholesale drug distributor tax.** A tax is imposed on each wholesale drug
 194.13 distributor equal to ~~two~~ 1.8 percent of its gross revenues.
- 194.14 **EFFECTIVE DATE.** This section is effective for gross revenues received after
 194.15 December 31, 2019.

- 187.18 paragraph (b) or (c), the taxpayer shall again comply with the applicable requirements of
 187.19 paragraphs (b) to (d).
- 187.20 **EFFECTIVE DATE; APPLICATION.** (a) This section is effective the day following
 187.21 final enactment.
- 187.22 (b) In enacting this section, the legislature confirms that the United States Supreme Court
 187.23 decision in South Dakota v. Wayfair, Inc. et al., Dkt. No. 17-494 (June 21, 2018); 138 S.
 187.24 Ct. 2080 (2018), applied upon the date of that decision to provide Minnesota with jurisdiction
 187.25 over persons described in Minnesota Statutes, section 295.51, subdivision 1a, paragraphs
 187.26 (b) and (c), for purposes of imposing tax under Minnesota Statutes, chapter 295, to the
 187.27 extent allowed by the United States Constitution and the laws of the United States.
- 187.28 Sec. 2. Minnesota Statutes 2018, section 295.52, subdivision 1, is amended to read:
- 187.29 Subdivision 1. **Hospital tax.** A tax is imposed on each hospital equal to ~~two~~ 1.8 percent
 187.30 of its gross revenues.
- 187.31 **EFFECTIVE DATE.** This section is effective for gross revenues received after
 187.32 December 31, 2019.
- 188.1 Sec. 3. Minnesota Statutes 2018, section 295.52, subdivision 1a, is amended to read:
- 188.2 Subd. 1a. **Surgical center tax.** A tax is imposed on each surgical center equal to ~~two~~
 188.3 1.8 percent of its gross revenues.
- 188.4 **EFFECTIVE DATE.** This section is effective for gross revenues received after
 188.5 December 31, 2019.
- 188.6 Sec. 4. Minnesota Statutes 2018, section 295.52, subdivision 2, is amended to read:
- 188.7 Subd. 2. **Provider tax.** A tax is imposed on each health care provider equal to ~~two~~ 1.8
 188.8 percent of its gross revenues.
- 188.9 **EFFECTIVE DATE.** This section is effective for gross revenues received after
 188.10 December 31, 2019.
- 188.11 Sec. 5. Minnesota Statutes 2018, section 295.52, subdivision 3, is amended to read:
- 188.12 Subd. 3. **Wholesale drug distributor tax.** A tax is imposed on each wholesale drug
 188.13 distributor equal to ~~two~~ 1.8 percent of its gross revenues.
- 188.14 **EFFECTIVE DATE.** This section is effective for gross revenues received after
 188.15 December 31, 2019.

194.16 Sec. 6. Minnesota Statutes 2018, section 295.52, subdivision 4, is amended to read:

194.17 Subd. 4. **Use tax; legend drugs.** (a) A person that receives legend drugs for resale or
194.18 use in Minnesota, other than from a wholesale drug distributor that is subject to tax under
194.19 subdivision 3, is subject to a tax equal to the price paid for the legend drugs multiplied by
194.20 ~~the tax percentage specified in this section 1.8 percent.~~ Liability for the tax is incurred when
194.21 legend drugs are received or delivered in Minnesota by the person.

194.22 (b) A tax imposed under this subdivision does not apply to purchases by an individual
194.23 for personal consumption.

194.24 **EFFECTIVE DATE.** This section is effective for legend drugs received or delivered
194.25 in Minnesota after December 31, 2019.

194.26 Sec. 7. Minnesota Statutes 2018, section 295.52, subdivision 8, is amended to read:

194.27 Subd. 8. **Contingent reduction in tax rate.** (a) By December 1 of each year, beginning
194.28 in 2011, the commissioner of management and budget shall determine the projected balance
194.29 in the health care access fund for the biennium.

195.1 (b) If the commissioner of management and budget determines that the projected balance
195.2 in the health care access fund for the biennium reflects a ratio of revenues to expenditures
195.3 and transfers greater than 125 percent, and if the actual cash balance in the fund is adequate,
195.4 as determined by the commissioner of management and budget, the commissioner, in
195.5 consultation with the commissioner of revenue, shall reduce the tax rates levied under
195.6 subdivisions 1, 1a, 2, 3, and 4, for the subsequent calendar year sufficient to reduce the
195.7 structural balance in the fund. The rate may be reduced to the extent that the projected
195.8 revenues for the biennium do not exceed 125 percent of expenditures and transfers. The
195.9 new rate shall be rounded to the nearest one-tenth of one percent. The rate reduction under
195.10 this paragraph expires at the end of each calendar year and is subject to an annual
195.11 redetermination by the commissioner of management and budget.

195.12 (c) For purposes of the analysis defined in paragraph (b), the commissioner of
195.13 management and budget shall include projected revenues, ~~notwithstanding the repeal of the~~
195.14 ~~tax imposed under this section effective January 1, 2020.~~

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

195.16 Sec. 8. Minnesota Statutes 2018, section 295.57, subdivision 3, is amended to read:

195.17 Subd. 3. **Interest on overpayments.** Interest must be paid on an overpayment refunded
195.18 or credited to the taxpayer ~~from the date of payment of the tax until the date the refund is~~
195.19 ~~paid or credited. For purposes of this subdivision, the date of payment is the due date of the~~
195.20 ~~return or the date of actual payment of the tax, whichever is later in the manner provided~~
195.21 in section 289A.56, subdivision 2.

188.16 Sec. 6. Minnesota Statutes 2018, section 295.52, subdivision 4, is amended to read:

188.17 Subd. 4. **Use tax; legend drugs.** (a) A person that receives legend drugs for resale or
188.18 use in Minnesota, other than from a wholesale drug distributor that is subject to tax under
188.19 subdivision 3, is subject to a tax equal to the price paid for the legend drugs multiplied by
188.20 ~~the tax percentage specified in this section 1.8 percent.~~ Liability for the tax is incurred when
188.21 legend drugs are received or delivered in Minnesota by the person.

188.22 (b) A tax imposed under this subdivision does not apply to purchases by an individual
188.23 for personal consumption.

188.24 **EFFECTIVE DATE.** This section is effective for legend drugs received or delivered
188.25 in Minnesota after December 31, 2019.

188.26 Sec. 7. Minnesota Statutes 2018, section 295.52, subdivision 8, is amended to read:

188.27 Subd. 8. **Contingent reduction in tax rate.** (a) By December 1 of each year, beginning
188.28 in 2011, the commissioner of management and budget shall determine the projected balance
188.29 in the health care access fund for the biennium.

189.1 (b) If the commissioner of management and budget determines that the projected balance
189.2 in the health care access fund for the biennium reflects a ratio of revenues to expenditures
189.3 and transfers greater than 125 percent, and if the actual cash balance in the fund is adequate,
189.4 as determined by the commissioner of management and budget, the commissioner, in
189.5 consultation with the commissioner of revenue, shall reduce the tax rates levied under
189.6 subdivisions 1, 1a, 2, 3, and 4, for the subsequent calendar year sufficient to reduce the
189.7 structural balance in the fund. The rate may be reduced to the extent that the projected
189.8 revenues for the biennium do not exceed 125 percent of expenditures and transfers. The
189.9 new rate shall be rounded to the nearest one-tenth of one percent. The rate reduction under
189.10 this paragraph expires at the end of each calendar year and is subject to an annual
189.11 redetermination by the commissioner of management and budget.

189.12 (c) For purposes of the analysis defined in paragraph (b), the commissioner of
189.13 management and budget shall include projected revenues, ~~notwithstanding the repeal of the~~
189.14 ~~tax imposed under this section effective January 1, 2020.~~

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

189.16 Sec. 8. Minnesota Statutes 2018, section 295.57, subdivision 3, is amended to read:

189.17 Subd. 3. **Interest on overpayments.** Interest must be paid on an overpayment refunded
189.18 or credited to the taxpayer ~~from the date of payment of the tax until the date the refund is~~
189.19 ~~paid or credited. For purposes of this subdivision, the date of payment is the due date of the~~
189.20 ~~return or the date of actual payment of the tax, whichever is later in the manner provided~~
189.21 in section 289A.56, subdivision 2.

195.22 **EFFECTIVE DATE.** This section is effective for overpayments made on or after
195.23 January 1, 2020.

195.24 Sec. 9. Laws 2003, First Special Session chapter 14, article 13C, section 2, subdivision
195.25 6, as amended by Laws 2004, chapter 272, article 2, section 4; Laws 2005, First Special
195.26 Session chapter 4, article 5, section 18; and Laws 2005, First Special Session chapter 4,
195.27 article 9, section 11, is amended to read:

195.28 Subd. 6. **Basic Health Care Grants**

195.29	Summary by Fund		
195.30	General	1,290,454,000	1,475,996,000
195.31	Health Care Access	254,121,000	282,689,000

196.1 **UPDATING FEDERAL POVERTY**
196.2 **GUIDELINES.** Annual updates to the federal
196.3 poverty guidelines are effective each July 1,
196.4 following publication by the United States
196.5 Department of Health and Human Services
196.6 for health care programs under Minnesota
196.7 Statutes, chapters 256, 256B, 256D, and 256L.

196.8 The amounts that may be spent from this
196.9 appropriation for each purpose are as follows:

196.10 (a) MinnesotaCare Grants

196.11	Health Care Access	253,371,000	281,939,000
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196.12 **MINNESOTACARE FEDERAL**
196.13 **RECEIPTS.** Receipts received as a result of
196.14 federal participation pertaining to
196.15 administrative costs of the Minnesota health
196.16 care reform waiver shall be deposited as
196.17 nondedicated revenue in the health care access
196.18 fund. Receipts received as a result of federal
196.19 participation pertaining to grants shall be
196.20 deposited in the federal fund and shall offset
196.21 health care access funds for payments to
196.22 providers.

189.22 **EFFECTIVE DATE.** This section is effective for overpayments made on or after
189.23 January 1, 2020.

189.24 Sec. 9. Laws 2003, First Special Session chapter 14, article 13C, section 2, subdivision
189.25 6, as amended by Laws 2004, chapter 272, article 2, section 4; Laws 2005, First Special
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190.18 fund. Receipts received as a result of federal
190.19 participation pertaining to grants shall be
190.20 deposited in the federal fund and shall offset
190.21 health care access funds for payments to
190.22 providers.

196.23 **MINNESOTACARE FUNDING.** The
 196.24 commissioner may expend money
 196.25 appropriated from the health care access fund
 196.26 for MinnesotaCare in either fiscal year of the
 196.27 biennium.

196.28 (b) MA Basic Health Care Grants - Families
 196.29 and Children

196.30 General 427,769,000 489,545,000

196.31 **SERVICES TO PREGNANT WOMEN.**
 196.32 The commissioner shall use available federal
 196.33 money for the State-Children's Health
 197.1 Insurance Program for medical assistance
 197.2 services provided to pregnant women who are
 197.3 not otherwise eligible for federal financial
 197.4 participation beginning in fiscal year 2003.
 197.5 This federal money shall be deposited in the
 197.6 federal fund and shall offset general funds for
 197.7 payments to providers. Notwithstanding
 197.8 section 14, this paragraph shall not expire.

197.9 **MANAGED CARE RATE INCREASE. (a)**
 197.10 ~~Effective January 1, 2004, the commissioner~~
 197.11 ~~of human services shall increase the total~~
 197.12 ~~payments to managed care plans under~~
 197.13 ~~Minnesota Statutes, section 256B.69, by an~~
 197.14 ~~amount equal to the cost increases to the~~
 197.15 ~~managed care plans from by the elimination~~
 197.16 ~~of: (1) the exemption from the taxes imposed~~
 197.17 ~~under Minnesota Statutes, section 297I.05,~~
 197.18 ~~subdivision 5, for premiums paid by the state~~
 197.19 ~~for medical assistance, general assistance~~
 197.20 ~~medical care, and the MinnesotaCare program;~~
 197.21 ~~and (2) the exemption of gross revenues~~
 197.22 ~~subject to the taxes imposed under Minnesota~~
 197.23 ~~Statutes, sections 295.50 to 295.57, for~~
 197.24 ~~payments paid by the state for services~~
 197.25 ~~provided under medical assistance, general~~
 197.26 ~~assistance medical care, and the~~
 197.27 ~~MinnesotaCare program. Any increase based~~
 197.28 ~~on clause (2) must be reflected in provider~~
 197.29 ~~rates paid by the managed care plan unless the~~

190.23 **MINNESOTACARE FUNDING.** The
 190.24 commissioner may expend money
 190.25 appropriated from the health care access fund
 190.26 for MinnesotaCare in either fiscal year of the
 190.27 biennium.

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 190.29 and Children

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 191.20 ~~medical care, and the MinnesotaCare program;~~
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 191.22 ~~subject to the taxes imposed under Minnesota~~
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 191.27 ~~MinnesotaCare program. Any increase based~~
 191.28 ~~on clause (2) must be reflected in provider~~
 191.29 ~~rates paid by the managed care plan unless the~~

197.30 ~~managed care plan is a staff model health plan~~
197.31 ~~company.~~

197.32 ~~(b) The commissioner of human services shall~~
197.33 ~~increase by the applicable tax rate in effect~~
197.34 ~~under Minnesota Statutes, section 295.52, the~~
197.35 ~~fee for service payments under medical~~
198.1 ~~assistance, general assistance medical care,~~
198.2 ~~and the MinnesotaCare program for services~~
198.3 ~~subject to the hospital, surgical center, or~~
198.4 ~~health care provider taxes under Minnesota~~
198.5 ~~Statutes, sections 295.50 to 295.57, effective~~
198.6 ~~for services rendered on or after January 1,~~
198.7 ~~2004.~~

198.8 (c) The commissioner of finance shall transfer
198.9 from the health care access fund to the general
198.10 fund the following amounts in the fiscal years
198.11 indicated: 2004, \$16,587,000; 2005,
198.12 \$46,322,000; 2006, \$49,413,000; and 2007,
198.13 \$58,695,000.

198.14 (d) Notwithstanding section 14, these
198.15 provisions shall not expire.

198.16 (c) MA Basic Health Care Grants - Elderly
198.17 and Disabled

198.18 General 610,518,000 743,858,000

198.19 **DELAY MEDICAL ASSISTANCE**

198.20 **FEE-FOR-SERVICE - ACUTE CARE.** The
198.21 following payments in fiscal year 2005 from
198.22 the Medicaid Management Information
198.23 System that would otherwise have been made
198.24 to providers for medical assistance and general
198.25 assistance medical care services shall be
198.26 delayed and included in the first payment in
198.27 fiscal year 2006:

198.28 (1) for hospitals, the last two payments; and

198.29 (2) for nonhospital providers, the last payment.

191.30 ~~managed care plan is a staff model health plan~~
191.31 ~~company.~~

191.32 ~~(b) The commissioner of human services shall~~
191.33 ~~increase by the applicable tax rate in effect~~
191.34 ~~under Minnesota Statutes, section 295.52, the~~
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192.1 ~~assistance, general assistance medical care,~~
192.2 ~~and the MinnesotaCare program for services~~
192.3 ~~subject to the hospital, surgical center, or~~
192.4 ~~health care provider taxes under Minnesota~~
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192.7 ~~2004.~~

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192.25 assistance medical care services shall be
192.26 delayed and included in the first payment in
192.27 fiscal year 2006:

192.28 (1) for hospitals, the last two payments; and

192.29 (2) for nonhospital providers, the last payment.

198.30 This payment delay shall not include payments
 198.31 to skilled nursing facilities, intermediate care
 198.32 facilities for mental retardation, prepaid health
 198.33 plans, home health agencies, personal care
 199.1 nursing providers, and providers of only
 199.2 waiver services. The provisions of Minnesota
 199.3 Statutes, section 16A.124, shall not apply to
 199.4 these delayed payments. Notwithstanding
 199.5 section 14, this provision shall not expire.

199.6 **DEAF AND HARD-OF-HEARING**
 199.7 **SERVICES.** If, after making reasonable
 199.8 efforts, the service provider for mental health
 199.9 services to persons who are deaf or hearing
 199.10 impaired is not able to earn \$227,000 through
 199.11 participation in medical assistance intensive
 199.12 rehabilitation services in fiscal year 2005, the
 199.13 commissioner shall transfer \$227,000 minus
 199.14 medical assistance earnings achieved by the
 199.15 grantee to deaf and hard-of-hearing grants to
 199.16 enable the provider to continue providing
 199.17 services to eligible persons.

199.18 (d) General Assistance Medical Care Grants

199.19	General	239,861,000	229,960,000
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199.20 (e) Health Care Grants - Other Assistance

199.21	General	3,067,000	3,407,000
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199.22	Health Care Access	750,000	750,000
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199.23 **MINNESOTA PRESCRIPTION DRUG**
 199.24 **DEDICATED FUND.** Of the general fund
 199.25 appropriation, \$284,000 in fiscal year 2005 is
 199.26 appropriated to the commissioner for the
 199.27 prescription drug dedicated fund established
 199.28 under the prescription drug discount program.

199.29 **DENTAL ACCESS GRANTS**
 199.30 **CARRYOVER AUTHORITY.** Any unspent
 199.31 portion of the appropriation from the health
 199.32 care access fund in fiscal years 2002 and 2003

192.30 This payment delay shall not include payments
 192.31 to skilled nursing facilities, intermediate care
 192.32 facilities for mental retardation, prepaid health
 192.33 plans, home health agencies, personal care
 193.1 nursing providers, and providers of only
 193.2 waiver services. The provisions of Minnesota
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193.18 (d) General Assistance Medical Care Grants

193.19	General	239,861,000	229,960,000
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193.20 (e) Health Care Grants - Other Assistance

193.21	General	3,067,000	3,407,000
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193.22	Health Care Access	750,000	750,000
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193.29 **DENTAL ACCESS GRANTS**
 193.30 **CARRYOVER AUTHORITY.** Any unspent
 193.31 portion of the appropriation from the health
 193.32 care access fund in fiscal years 2002 and 2003

199.33 for dental access grants under Minnesota
 199.34 Statutes, section 256B.53, shall not cancel but
 200.1 shall be allowed to carry forward to be spent
 200.2 in the biennium beginning July 1, 2003, for
 200.3 these purposes.

200.4 **STOP-LOSS FUND ACCOUNT.** The
 200.5 appropriation to the purchasing alliance
 200.6 stop-loss fund account established under
 200.7 Minnesota Statutes, section 256.956,
 200.8 subdivision 2, for fiscal years 2004 and 2005
 200.9 shall only be available for claim
 200.10 reimbursements for qualifying enrollees who
 200.11 are members of purchasing alliances that meet
 200.12 the requirements described under Minnesota
 200.13 Statutes, section 256.956, subdivision 1,
 200.14 paragraph (f), clauses (1), (2), and (3).

200.15 (f) Prescription Drug Program

200.16 General 9,239,000 9,226,000

200.17 **PRESCRIPTION DRUG ASSISTANCE**
 200.18 **PROGRAM.** Of the general fund
 200.19 appropriation, \$702,000 in fiscal year 2004
 200.20 and \$887,000 in fiscal year 2005 are for the
 200.21 commissioner to establish and administer the
 200.22 prescription drug assistance program through
 200.23 the Minnesota board on aging.

200.24 **REBATE REVENUE RECAPTURE.** Any
 200.25 funds received by the state from a drug
 200.26 manufacturer due to errors in the
 200.27 pharmaceutical pricing used by the
 200.28 manufacturer in determining the prescription
 200.29 drug rebate are appropriated to the
 200.30 commissioner to augment funding of the
 200.31 prescription drug program established in
 200.32 Minnesota Statutes, section 256.955.

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 194.27 pharmaceutical pricing used by the
 194.28 manufacturer in determining the prescription
 194.29 drug rebate are appropriated to the
 194.30 commissioner to augment funding of the
 194.31 prescription drug program established in
 194.32 Minnesota Statutes, section 256.955.

201.1 Sec. 10. **REPEALER.**
 201.2 Laws 2011, First Special Session chapter 9, article 6, section 97, subdivision 6, is repealed
 201.3 effective the day following final enactment.
 201.4 **ARTICLE 10**
 201.5 **DULUTH REGIONAL EXCHANGE DISTRICT**
 201.6 Section 1. **[16A.968] DULUTH REGIONAL EXCHANGE DISTRICT**
 201.7 **APPROPRIATION BONDS.**
 201.8 Subdivision 1. **Definitions.** (a) The definitions in this subdivision and in section 469.50
 201.9 apply to this section.
 201.10 (b) "Appropriation bond" or "bond" means a bond, note, or other similar instrument of
 201.11 the state payable during a biennium from one or more of the following sources:
 201.12 (1) money appropriated by law from the general fund in any biennium for debt service
 201.13 due with respect to obligations described in subdivision 3;
 201.14 (2) proceeds of the sale of obligations described in subdivision 3;
 201.15 (3) payments received for that purpose under agreements and ancillary arrangements
 201.16 described in subdivision 2, paragraph (d); and
 201.17 (4) investment earnings on amounts in clauses (1) to (3).
 201.18 (c) "Debt service" means the amount payable in any biennium of principal, premium, if
 201.19 any, and interest on appropriation bonds, and the fees, charges, and expenses related to the
 201.20 bonds.
 201.21 Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the limitations of
 201.22 this subdivision, and upon request by the governing body of the city of Duluth as provided
 201.23 in section 469.54, subdivision 3, paragraph (f), the commissioner may sell and issue
 201.24 appropriation bonds of the state under this section for public purposes as provided by law.
 201.25 (b) Proceeds of the appropriation bonds must be credited to a special appropriation
 201.26 Duluth regional exchange district bond proceeds fund in the state treasury. All income from
 201.27 investment of the bond proceeds, as estimated by the commissioner, is appropriated to the
 201.28 commissioner for the payment of principal and interest on the appropriation bonds.
 201.29 (c) Appropriation bonds may be issued in one or more issues or series on the terms and
 201.30 conditions the commissioner determines to be in the best interests of the state, but the term
 201.31 on any series of appropriation bonds may not exceed 25 years. The appropriation bonds of

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 195.30 conditions the commissioner determines to be in the best interests of the state, but the term
 195.31 on any series of appropriation bonds may not exceed 25 years. The appropriation bonds of

202.1 each issue and series thereof shall be dated and bear interest and may be includable in or
 202.2 excludable from the gross income of the owners for federal income tax purposes.

202.3 (d) At the time of or in anticipation of issuing the appropriation bonds, and at any time
 202.4 thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter
 202.5 into agreements and ancillary arrangements relating to the appropriation bonds, including
 202.6 but not limited to trust indentures, grant agreements, lease or use agreements, operating
 202.7 agreements, management agreements, liquidity facilities, remarketing or dealer agreements,
 202.8 letter of credit agreements, insurance policies, guaranty agreements, reimbursement
 202.9 agreements, indexing agreements, or interest exchange agreements. Any payments made
 202.10 or received according to the agreement or ancillary arrangement shall be made from or
 202.11 deposited as provided in the agreement or ancillary arrangement. The determination of the
 202.12 commissioner included in an interest exchange agreement that the agreement relates to an
 202.13 appropriation bond shall be conclusive.

202.14 (e) The commissioner may enter into written agreements or contracts relating to the
 202.15 continuing disclosure of information necessary to comply with or facilitate the issuance of
 202.16 appropriation bonds in accordance with federal securities laws, rules, and regulations,
 202.17 including Securities and Exchange Commission rules and regulations in Code of Federal
 202.18 Regulations, title 17, section 240.15c2-12. An agreement may be in the form of covenants
 202.19 with purchasers and holders of appropriation bonds set forth in the order or resolution
 202.20 authorizing the issuance of the appropriation bonds or a separate document authorized by
 202.21 the order or resolution.

202.22 (f) The appropriation bonds are not subject to chapter 16C.

202.23 Subd. 3. **Appropriation bonds authorization.** (a) Appropriation bonds may be sold
 202.24 and issued in amounts that, in the opinion of the commissioner, are necessary to provide
 202.25 sufficient funds to the commissioner of employment and economic development under
 202.26 subdivision 8, not to exceed \$97,720,000 net of costs of issuance, for the purposes as
 202.27 provided under this subdivision, and pay debt service including capitalized interest, costs
 202.28 of issuance, costs of credit enhancement, or make payments under other agreements entered
 202.29 into under subdivision 2, paragraph (d).

202.30 (b) The bonds authorized by this subdivision are for the purposes of financing public
 202.31 infrastructure projects authorized and approved by the city of Duluth under sections 469.50
 202.32 to 469.54. No bonds shall be sold under this subdivision until: (1) there has been a request
 202.33 pursuant to subdivision 2, paragraph (a); and (2) for any parking structure the requirements
 202.34 in section 469.54, subdivisions 2 and 3, paragraph (a), have been met. Upon certification
 203.1 of the required qualified expenditures under section 469.54, subdivision 3, paragraph (a),
 203.2 by a medical business entity, bonds may be sold for a parking structure or structures
 203.3 benefiting that medical business entity, notwithstanding the status of certified qualified
 203.4 expenditures for another medical business entity.

196.1 each issue and series thereof shall be dated and bear interest and may be includable in or
 196.2 excludable from the gross income of the owners for federal income tax purposes.

196.3 (d) At the time of or in anticipation of issuing the appropriation bonds, and at any time
 196.4 thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter
 196.5 into agreements and ancillary arrangements relating to the appropriation bonds, including
 196.6 but not limited to trust indentures, grant agreements, lease or use agreements, operating
 196.7 agreements, management agreements, liquidity facilities, remarketing or dealer agreements,
 196.8 letter of credit agreements, insurance policies, guaranty agreements, reimbursement
 196.9 agreements, indexing agreements, or interest exchange agreements. Any payments made
 196.10 or received according to the agreement or ancillary arrangement shall be made from or
 196.11 deposited as provided in the agreement or ancillary arrangement. The determination of the
 196.12 commissioner included in an interest exchange agreement that the agreement relates to an
 196.13 appropriation bond shall be conclusive.

196.14 (e) The commissioner may enter into written agreements or contracts relating to the
 196.15 continuing disclosure of information necessary to comply with or facilitate the issuance of
 196.16 appropriation bonds in accordance with federal securities laws, rules, and regulations,
 196.17 including Securities and Exchange Commission rules and regulations in Code of Federal
 196.18 Regulations, title 17, section 240.15c2-12. An agreement may be in the form of covenants
 196.19 with purchasers and holders of appropriation bonds set forth in the order or resolution
 196.20 authorizing the issuance of the appropriation bonds or a separate document authorized by
 196.21 the order or resolution.

196.22 (f) The appropriation bonds are not subject to chapter 16C.

196.23 Subd. 3. **Appropriation bonds authorization.** (a) Appropriation bonds may be sold
 196.24 and issued in amounts that, in the opinion of the commissioner, are necessary to provide
 196.25 sufficient funds to the commissioner of employment and economic development under
 196.26 subdivision 8, not to exceed \$97,720,000 net of costs of issuance, for the purposes as
 196.27 provided under this subdivision, and pay debt service including capitalized interest, costs
 196.28 of issuance, costs of credit enhancement, or make payments under other agreements entered
 196.29 into under subdivision 2, paragraph (d).

196.30 (b) The bonds authorized by this subdivision are for the purposes of financing public
 196.31 infrastructure projects authorized and approved by the city of Duluth under sections 469.50
 196.32 to 469.54. No bonds shall be sold under this subdivision until: (1) there has been a request
 196.33 pursuant to subdivision 2, paragraph (a); and (2) for any parking structure the requirements
 196.34 in section 469.54, subdivisions 2 and 3, paragraph (a), have been met. Upon certification
 197.1 of the required qualified expenditures under section 469.54, subdivision 3, paragraph (a),
 197.2 by a medical business entity, bonds may be sold for a parking structure or structures
 197.3 benefiting that medical business entity, notwithstanding the status of certified qualified
 197.4 expenditures for another medical business entity.

203.5 Subd. 4. **Form; procedure.** (a) Appropriation bonds may be issued in the form of bonds,
 203.6 notes, or other similar instruments and in the manner provided in section 16A.672. In the
 203.7 event that any provision of section 16A.672 conflicts with this section, this section shall
 203.8 control.

203.9 (b) Every appropriation bond shall include a conspicuous statement of the limitation
 203.10 established in subdivision 7.

203.11 (c) Appropriation bonds may be sold at either public or private sale upon terms as the
 203.12 commissioner shall determine are not inconsistent with this section and may be sold at any
 203.13 price or percentage of par value. Any bid received may be rejected.

203.14 (d) Appropriation bonds must bear interest at a fixed or variable rate.

203.15 (e) Notwithstanding any other law, appropriation bonds issued under this section shall
 203.16 be fully negotiable.

203.17 Subd. 5. **Refunding bonds.** The commissioner may issue appropriation bonds for the
 203.18 purpose of refunding any appropriation bonds then outstanding, including the payment of
 203.19 any redemption premiums on the bonds, any interest accrued or to accrue to the redemption
 203.20 date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any
 203.21 refunding bonds may, in the discretion of the commissioner, be applied to the purchase or
 203.22 payment at maturity of the appropriation bonds to be refunded, to the redemption of the
 203.23 outstanding appropriation bonds on any redemption date, or to pay interest on the refunding
 203.24 bonds and may, pending application, be placed in escrow to be applied to the purchase,
 203.25 payment, retirement, or redemption. Any escrowed proceeds pending use may be invested
 203.26 and reinvested in obligations that are authorized investments under section 11A.24. The
 203.27 income earned or realized on the investment may also be applied to the payment of the
 203.28 appropriation bonds to be refunded or interest or premiums on the refunded appropriation
 203.29 bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been
 203.30 fully satisfied, any balance of the proceeds and any investment income may be returned to
 203.31 the general fund or, if applicable, the special appropriation Duluth regional exchange district
 203.32 bond proceeds fund for use in any lawful manner. All refunding bonds issued under this
 203.33 subdivision must be prepared, executed, delivered, and secured by appropriations in the
 203.34 same manner as the appropriation bonds to be refunded.

204.1 Subd. 6. **Appropriation bonds as legal investments.** Any of the following entities may
 204.2 legally invest any sinking funds, money, or other funds belonging to them or under their
 204.3 control in any appropriation bonds issued under this section:

204.4 (1) the state, the investment board, public officers, municipal corporations, political
 204.5 subdivisions, and public bodies;

197.5 Subd. 4. **Form; procedure.** (a) Appropriation bonds may be issued in the form of bonds,
 197.6 notes, or other similar instruments and in the manner provided in section 16A.672. In the
 197.7 event that any provision of section 16A.672 conflicts with this section, this section shall
 197.8 control.

197.9 (b) Every appropriation bond shall include a conspicuous statement of the limitation
 197.10 established in subdivision 7.

197.11 (c) Appropriation bonds may be sold at either public or private sale upon terms as the
 197.12 commissioner shall determine are not inconsistent with this section and may be sold at any
 197.13 price or percentage of par value. Any bid received may be rejected.

197.14 (d) Appropriation bonds must bear interest at a fixed or variable rate.

197.15 (e) Notwithstanding any other law, appropriation bonds issued under this section shall
 197.16 be fully negotiable.

197.17 Subd. 5. **Refunding bonds.** The commissioner may issue appropriation bonds for the
 197.18 purpose of refunding any appropriation bonds then outstanding, including the payment of
 197.19 any redemption premiums on the bonds, any interest accrued or to accrue to the redemption
 197.20 date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any
 197.21 refunding bonds may, in the discretion of the commissioner, be applied to the purchase or
 197.22 payment at maturity of the appropriation bonds to be refunded, to the redemption of the
 197.23 outstanding appropriation bonds on any redemption date, or to pay interest on the refunding
 197.24 bonds and may, pending application, be placed in escrow to be applied to the purchase,
 197.25 payment, retirement, or redemption. Any escrowed proceeds pending use may be invested
 197.26 and reinvested in obligations that are authorized investments under section 11A.24. The
 197.27 income earned or realized on the investment may also be applied to the payment of the
 197.28 appropriation bonds to be refunded or interest or premiums on the refunded appropriation
 197.29 bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been
 197.30 fully satisfied, any balance of the proceeds and any investment income may be returned to
 197.31 the general fund or, if applicable, the special appropriation Duluth regional exchange district
 197.32 bond proceeds fund for use in any lawful manner. All refunding bonds issued under this
 197.33 subdivision must be prepared, executed, delivered, and secured by appropriations in the
 197.34 same manner as the appropriation bonds to be refunded.

198.1 Subd. 6. **Appropriation bonds as legal investments.** Any of the following entities may
 198.2 legally invest any sinking funds, money, or other funds belonging to them or under their
 198.3 control in any appropriation bonds issued under this section:

198.4 (1) the state, the investment board, public officers, municipal corporations, political
 198.5 subdivisions, and public bodies;

204.6 (2) banks and bankers, savings and loan associations, credit unions, trust companies,
 204.7 savings banks and institutions, investment companies, insurance companies, insurance
 204.8 associations, and other persons carrying on a banking or insurance business; and

204.9 (3) personal representatives, guardians, trustees, and other fiduciaries.

204.10 Subd. 7. **No full faith and credit; state not required to make appropriations.** The
 204.11 appropriation bonds are not public debt of the state, and the full faith, credit, and taxing
 204.12 powers of the state are not pledged to the payment of the appropriation bonds or to any
 204.13 payment that the state agrees to make under this section. Appropriation bonds shall not be
 204.14 obligations paid directly, in whole or in part, from a tax of statewide application on any
 204.15 class of property, income, transaction, or privilege. Appropriation bonds shall be payable
 204.16 in each fiscal year only from amounts that the legislature may appropriate for debt service
 204.17 for any fiscal year, provided that nothing in this section shall be construed to require the
 204.18 state to appropriate money sufficient to make debt service payments with respect to the
 204.19 appropriation bonds in any fiscal year. Appropriation bonds shall be canceled and shall no
 204.20 longer be outstanding on the earlier of (1) the first day of a fiscal year for which the
 204.21 legislature shall not have appropriated amounts sufficient for debt service, or (2) the date
 204.22 of final payment of the principal of and interest on the appropriation bonds.

204.23 Subd. 8. **Appropriation of proceeds.** The proceeds of appropriation bonds issued under
 204.24 subdivision 3 and interest credited to the special appropriation Duluth regional exchange
 204.25 district bond proceeds fund are appropriated as follows:

204.26 (1) to the commissioner of employment and economic development for a grant or grants
 204.27 to the city of Duluth for public infrastructure projects as specified in subdivision 3, upon
 204.28 other terms and conditions that the commissioner of employment and economic development
 204.29 in the commissioner's sole discretion determines are warranted, with the agreement being
 204.30 exempt from sections 16B.97 to 16B.991; and

204.31 (2) to the commissioner for accrued and capitalized interest, nonsalary costs of issuance
 204.32 of the bonds, costs of credit enhancement of the bonds, and payments under any agreements
 204.33 entered into under subdivision 2, paragraph (d), each as permitted by state and federal law.

205.1 Subd. 9. **Appropriation for debt service and other purposes.** An amount up to
 205.2 \$8,100,000 needed to pay principal and interest on appropriation bonds issued under
 205.3 subdivision 3 is appropriated each fiscal year from the general fund to the commissioner,
 205.4 subject to the city of Duluth's entitlement to receive appropriation support payments under
 205.5 section 469.54, subdivision 3, and further subject to repeal, unallotment under section
 205.6 16A.152, or cancellation, otherwise as provided in subdivision 7, for deposit into the bond
 205.7 payments account established for this purpose in the special Duluth regional exchange
 205.8 district bond proceeds fund. The appropriation is available beginning in fiscal year 2022
 205.9 and through fiscal year 2055.

198.6 (2) banks and bankers, savings and loan associations, credit unions, trust companies,
 198.7 savings banks and institutions, investment companies, insurance companies, insurance
 198.8 associations, and other persons carrying on a banking or insurance business; and

198.9 (3) personal representatives, guardians, trustees, and other fiduciaries.

198.10 Subd. 7. **No full faith and credit; state not required to make appropriations.** The
 198.11 appropriation bonds are not public debt of the state, and the full faith, credit, and taxing
 198.12 powers of the state are not pledged to the payment of the appropriation bonds or to any
 198.13 payment that the state agrees to make under this section. Appropriation bonds shall not be
 198.14 obligations paid directly, in whole or in part, from a tax of statewide application on any
 198.15 class of property, income, transaction, or privilege. Appropriation bonds shall be payable
 198.16 in each fiscal year only from amounts that the legislature may appropriate for debt service
 198.17 for any fiscal year, provided that nothing in this section shall be construed to require the
 198.18 state to appropriate money sufficient to make debt service payments with respect to the
 198.19 appropriation bonds in any fiscal year. Appropriation bonds shall be canceled and shall no
 198.20 longer be outstanding on the earlier of (1) the first day of a fiscal year for which the
 198.21 legislature shall not have appropriated amounts sufficient for debt service, or (2) the date
 198.22 of final payment of the principal of and interest on the appropriation bonds.

198.23 Subd. 8. **Appropriation of proceeds.** The proceeds of appropriation bonds issued under
 198.24 subdivision 3 and interest credited to the special appropriation Duluth regional exchange
 198.25 district bond proceeds fund are appropriated as follows:

198.26 (1) to the commissioner of employment and economic development for a grant or grants
 198.27 to the city of Duluth for public infrastructure projects as specified in subdivision 3, upon
 198.28 other terms and conditions that the commissioner of employment and economic development
 198.29 in the commissioner's sole discretion determines are warranted, with the agreement being
 198.30 exempt from sections 16B.97 to 16B.991; and

198.31 (2) to the commissioner for accrued and capitalized interest, nonsalary costs of issuance
 198.32 of the bonds, costs of credit enhancement of the bonds, and payments under any agreements
 198.33 entered into under subdivision 2, paragraph (d), each as permitted by state and federal law.

199.1 Subd. 9. **Appropriation for debt service and other purposes.** An amount up to
 199.2 \$8,100,000 needed to pay principal and interest on appropriation bonds issued under
 199.3 subdivision 3 is appropriated each fiscal year from the general fund to the commissioner,
 199.4 subject to the city of Duluth's entitlement to receive appropriation support payments under
 199.5 section 469.54, subdivision 3, and further subject to repeal, unallotment under section
 199.6 16A.152, or cancellation, otherwise as provided in subdivision 7, for deposit into the bond
 199.7 payments account established for this purpose in the special Duluth regional exchange
 199.8 district bond proceeds fund. The appropriation is available beginning in fiscal year 2022
 199.9 and through fiscal year 2055.

205.10 Subd. 10. **Waiver of immunity.** The waiver of immunity by the state provided for by
 205.11 section 3.751, subdivision 1, shall be applicable to the appropriation bonds and any ancillary
 205.12 contracts to which the commissioner is a party.

205.13 **Sec. 2. [469.50] DEFINITIONS.**

205.14 Subdivision 1. **Application.** For the purposes of sections 469.50 to 469.54, the terms
 205.15 defined in this section have the meanings given them.

205.16 Subd. 2. **City.** "City" means the city of Duluth.

205.17 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of employment and
 205.18 economic development.

205.19 Subd. 4. **County.** "County" means St. Louis County.

205.20 Subd. 5. **District.** "District" means the regional exchange district established under
 205.21 section 469.51.

205.22 Subd. 6. **Medical business entity west.** "Medical business entity west" means a nonprofit
 205.23 integrated health system with two hospitals located within the district.

205.24 Subd. 7. **Medical business entity east.** "Medical business entity east" means a nonprofit
 205.25 health system operating one hospital within the district.

205.26 Subd. 8. **Public infrastructure project.** (a) "Public infrastructure project" means a
 205.27 project identified in section 469.53.

205.28 (b) A public infrastructure project is not a business subsidy under section 116J.993.

205.29 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 205.30 city of Duluth and its chief clerical clerk officer timely comply with Minnesota Statutes,
 205.31 section 645.021, subdivisions 2 and 3.

206.1 **Sec. 3. [469.51] REGIONAL EXCHANGE DISTRICT.**

206.2 Subdivision 1. **Establishment.** There is established in the city a regional exchange
 206.3 district. The regional exchange district is bounded by: East 6th Street from North 3rd Avenue
 206.4 East to North 7th Avenue East; North 7th Avenue East from East 6th Street to East 3rd
 206.5 Street; East 3rd Street from North 7th Avenue East to North 12th Avenue East; North 12th
 206.6 Avenue East from East 3rd Street straight through the Duluth Rose Garden to the Lake
 206.7 Superior waterfront; the Lake Superior waterfront from the Duluth Rose Garden at North
 206.8 12th Avenue East to Lake Place Park at North 3rd Avenue East; North 3rd Avenue East
 206.9 from Lake Place Park at the Lake Superior waterfront to East 6th Street, excluding any
 206.10 property operated as a hotel on the corner of Superior Street and North 3rd Avenue East.

199.10 Subd. 10. **Waiver of immunity.** The waiver of immunity by the state provided for by
 199.11 section 3.751, subdivision 1, shall be applicable to the appropriation bonds and any ancillary
 199.12 contracts to which the commissioner is a party.

199.13 **Sec. 2. [469.50] DEFINITIONS.**

199.14 Subdivision 1. **Application.** For the purposes of sections 469.50 to 469.54, the terms
 199.15 defined in this section have the meanings given them.

199.16 Subd. 2. **City.** "City" means the city of Duluth.

199.17 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of employment and
 199.18 economic development.

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 199.21 section 469.51.

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 199.23 integrated health system with two hospitals located within the district.

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 199.25 health system operating one hospital within the district.

199.26 Subd. 8. **Public infrastructure project.** (a) "Public infrastructure project" means a
 199.27 project identified in section 469.53.

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199.29 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 199.30 city of Duluth and its chief clerical clerk officer timely comply with Minnesota Statutes,
 199.31 section 645.021, subdivisions 2 and 3.

200.1 **Sec. 3. [469.51] REGIONAL EXCHANGE DISTRICT.**

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 200.3 district. The regional exchange district is bounded by: East 6th Street from North 3rd Avenue
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 200.6 Avenue East from East 3rd Street straight through the Duluth Rose Garden to the Lake
 200.7 Superior waterfront; the Lake Superior waterfront from the Duluth Rose Garden at North
 200.8 12th Avenue East to Lake Place Park at North 3rd Avenue East; North 3rd Avenue East
 200.9 from Lake Place Park at the Lake Superior waterfront to East 6th Street, excluding any
 200.10 property operated as a hotel on the corner of Superior Street and North 3rd Avenue East.

200.11 Subd. 2. **Purpose; findings.** The public purposes of the district are to facilitate:

- 206.11 Subd. 2. **Purpose; findings.** The public purposes of the district are to facilitate:
- 206.12 (1) repurposing vacant or underutilized private land, or unutilized property interests such
206.13 as air rights, for development or redevelopment and to incent significant private investment;
- 206.14 (2) redeveloping vacant or underutilized private land to increase its tax-generating and
206.15 job-creating potential or to provide housing or meet community needs; and
- 206.16 (3) development by the anchoring institutions in the community, such as health care
206.17 organizations and institutions of higher education, to create opportunities to improve the
206.18 economy of the city and greater Minnesota regions and attract and retain workforce.
- 206.19 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
206.20 city of Duluth and its chief clerical clerk officer timely comply with Minnesota Statutes,
206.21 section 645.021, subdivisions 2 and 3.
- 206.22 Sec. 4. **[469.52] CITY POWERS; DUTIES.**
- 206.23 Subdivision 1. **Port authority powers.** The city may exercise the powers of a port
206.24 authority under sections 469.048 to 469.068 for purposes of implementing sections 469.50
206.25 to 469.54.
- 206.26 Subd. 2. **Steel products.** The city must require that a public infrastructure project use
206.27 steel products made from iron ore mined from the taconite assistance area as defined in
206.28 section 273.1341 to the extent practicable. In determining whether it is practicable, the city
206.29 may consider the exceptions to the requirement by Public Law 111-5, section 1605.
- 206.30 Subd. 3. **City contracts; construction requirements.** For all public infrastructure
206.31 projects, the city must make reasonable efforts to hire and cause the construction manager
206.32 and any subcontractors to employ women and members of minority communities. Goals
207.1 for construction contracts must be established in the manner required under the city's
207.2 disadvantaged business enterprises plan.
- 207.3 Subd. 4. **Public bidding exemption.** Notwithstanding section 469.068 or any other law
207.4 to the contrary, the city need not require competitive bidding with respect to a parking
207.5 facility or other public improvements constructed in conjunction with, and directly above
207.6 or below, or adjacent and integrally related to, a private development within a district.
- 207.7 Subd. 5. **Parking structure revenue.** Parking facilities or structures constructed must
207.8 charge market rate parking fees, except for use separately negotiated between the city and
207.9 a church whose parking facility is removed to accommodate construction of a parking ramp.
- 207.10 Subd. 6. **City utility fund contribution.** The city must use the city utility fund to finance
207.11 improvements made within the district for sanitary sewer, storm sewer, and water systems
207.12 and other related utility improvements. The improvements must be approved by the city.

- 200.12 (1) repurposing vacant or underutilized private land, or unutilized property interests such
200.13 as air rights, for development or redevelopment and to incent significant private investment;
- 200.14 (2) redeveloping vacant or underutilized private land to increase its tax-generating and
200.15 job-creating potential or to provide housing or meet community needs; and
- 200.16 (3) development by the anchoring institutions in the community, such as health care
200.17 organizations and institutions of higher education, to create opportunities to improve the
200.18 economy of the city and greater Minnesota regions and attract and retain workforce.
- 200.19 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
200.20 city of Duluth and its chief clerical clerk officer timely comply with Minnesota Statutes,
200.21 section 645.021, subdivisions 2 and 3.
- 200.22 Sec. 4. **[469.52] CITY POWERS; DUTIES.**
- 200.23 Subdivision 1. **Port authority powers.** The city may exercise the powers of a port
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200.25 to 469.54.
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200.29 may consider the exceptions to the requirement by Public Law 111-5, section 1605.
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200.32 and any subcontractors to employ women and members of minority communities. Goals
201.1 for construction contracts must be established in the manner required under the city's
201.2 disadvantaged business enterprises plan.
- 201.3 Subd. 4. **Public bidding exemption.** Notwithstanding section 469.068 or any other law
201.4 to the contrary, the city need not require competitive bidding with respect to a parking
201.5 facility or other public improvements constructed in conjunction with, and directly above
201.6 or below, or adjacent and integrally related to, a private development within a district.
- 201.7 Subd. 5. **Parking structure revenue.** Parking facilities or structures constructed must
201.8 charge market rate parking fees, except for use separately negotiated between the city and
201.9 a church whose parking facility is removed to accommodate construction of a parking ramp.
- 201.10 Subd. 6. **City utility fund contribution.** The city must use the city utility fund to finance
201.11 improvements made within the district for sanitary sewer, storm sewer, and water systems
201.12 and other related utility improvements. The improvements must be approved by the city.

- 207.13 The total expenditures required under this subdivision and under Laws 1980, chapter 511,
 207.14 section 1, subdivision 1, paragraph (d), as added by section 7, must equal at least
 207.15 \$10,000,000.
- 207.16 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 207.17 city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section
 207.18 645.021, subdivisions 2 and 3.
- 207.19 **Sec. 5. [469.53] REGIONAL EXCHANGE DISTRICT PUBLIC INFRASTRUCTURE**
 207.20 **PROJECTS.**
- 207.21 (a) The following projects shall be eligible for state appropriation support payments
 207.22 upon approval by the Duluth City Council. Costs may be reimbursed for eligible projects
 207.23 that begin construction prior to September 30, 2020, but in no case may the total state
 207.24 payment per project exceed the amount established in this section. Eligible projects include:
- 207.25 (1) two levels of expansion to an existing medical district parking ramp and skywalk
 207.26 replacement in an amount not to exceed \$13,010,000, including any land acquisition;
- 207.27 (2) a ramp with up to 1,400 new parking stalls and a skywalk to serve medical entity
 207.28 west in an amount not to exceed \$36,400,000, including any land acquisition;
- 207.29 (3) extension of 6th Avenue East from 2nd Street to 1st Street in an amount not to exceed
 207.30 \$5,900,000, including any land acquisition;
- 207.31 (4) demolition of existing hospital structure for site reuse, to accomplish the purposes
 207.32 in section 469.51, subdivision 2, in an amount not to exceed \$10,000,000;
- 208.1 (5) roadway, utility, and site improvements and capacity upgrades to support medical
 208.2 entity west hospital construction in an amount not to exceed \$11,410,000;
- 208.3 (6) district energy connections, capacity enhancement, and a pressure pump station in
 208.4 an amount not to exceed \$7,000,000; and
- 208.5 (7) a ramp with up to 400 new parking stall to serve medical entity east in an amount
 208.6 not to exceed \$14,000,000.
- 208.7 (b) For any public infrastructure project that will not be let by the city for which state
 208.8 support is sought, the project must proceed and comply with any state and local contracting
 208.9 requirements otherwise applicable to the city had the city let the project. The city shall have
 208.10 the right to inspect, upon reasonable notice, the construction contracts and related
 208.11 documentation for any public infrastructure project for which state support is sought.

- 201.13 The total expenditures required under this subdivision and under Laws 1980, chapter 511,
 201.14 section 1, subdivision 1, paragraph (d), must equal at least \$10,000,000.
- 201.15 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 201.16 city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section
 201.17 645.021, subdivisions 2 and 3.
- 201.18 **Sec. 5. [469.53] REGIONAL EXCHANGE DISTRICT PUBLIC INFRASTRUCTURE**
 201.19 **PROJECTS.**
- 201.20 (a) The following projects shall be eligible for state appropriation support payments
 201.21 upon approval by the Duluth City Council. Costs may be reimbursed for eligible projects
 201.22 that begin construction prior to September 30, 2020, but in no case may the total state
 201.23 payment per project exceed the amount established in this section. Eligible projects include:
- 201.24 (1) two levels of expansion to an existing medical district parking ramp and skywalk
 201.25 replacement in an amount not to exceed \$13,010,000, including any land acquisition;
- 201.26 (2) a ramp with up to 1,400 new parking stalls and a skywalk to serve medical entity
 201.27 west in an amount not to exceed \$36,400,000, including any land acquisition;
- 201.28 (3) extension of 6th Avenue East from 2nd Street to 1st Street in an amount not to exceed
 201.29 \$5,900,000, including any land acquisition;
- 201.30 (4) demolition of existing hospital structure for site reuse, to accomplish the purposes
 201.31 in section 469.51, subdivision 2, in an amount not to exceed \$10,000,000;
- 202.1 (5) roadway, utility, and site improvements and capacity upgrades to support medical
 202.2 entity west hospital construction in an amount not to exceed \$11,410,000;
- 202.3 (6) district energy connections, capacity enhancement, and a pressure pump station in
 202.4 an amount not to exceed \$7,000,000; and
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 202.6 not to exceed \$14,000,000.
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 202.8 support is sought, the project must proceed and comply with any state and local contracting
 202.9 requirements otherwise applicable to the city had the city let the project. The city shall have
 202.10 the right to inspect, upon reasonable notice, the construction contracts and related
 202.11 documentation for any public infrastructure project for which state support is sought.

208.12 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 208.13 city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section
 208.14 645.021, subdivisions 2 and 3.

208.15 Sec. 6. **[469.54] STATE VALUE CAPTURE.**

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

208.18 (b) "Appropriation support payments" means payment from the state to the city pursuant
 208.19 to subdivision 3.

208.20 (c) "Construction projects" means expenditures for the constructing, furnishing,
 208.21 commissioning, and equipping of buildings, ancillary facilities, utilities, parking, and other
 208.22 improvements that are located within the district.

208.23 (d) "Expenditures" means expenditures made by a private entity on construction projects,
 208.24 including, but not limited to:

208.25 (1) planning, predesign, and design, including architectural, engineering, project
 208.26 management, and similar services;

208.27 (2) legal, regulatory, and other compliance costs of the project;

208.28 (3) land acquisition, demolition of existing improvements, and other site preparation
 208.29 costs;

208.30 (4) construction costs, including all materials and supplies of the project; and

208.31 (5) equipment, furnishings, and fixtures.

209.1 Expenditures excludes supplies and other items with a useful life of less than a year that
 209.2 are not used or consumed in constructing improvements to real property or are otherwise
 209.3 chargeable to capital costs.

209.4 (e) "Qualified expenditures" means the total expenditures under paragraph (d) since
 209.5 January 1, 2019, and certified under subdivision 2, and excludes any expenditures for which
 209.6 reimbursement is or will be sought under section 469.53.

209.7 Subd. 2. Certification of expenditures. By May 1 of any year, the city must certify to
 209.8 the commissioner the amount of qualified expenditures, required under subdivision 3,
 209.9 paragraph (a). The certification must be made in the form that the commissioner prescribes
 209.10 and include any documentation of and supporting information regarding the qualified
 209.11 expenditures that the commissioner requires. By September 1 of the year in which a
 209.12 certification was submitted, the commissioner must confirm or revise the amount of the
 209.13 qualified expenditures.

202.12 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 202.13 city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section
 202.14 645.021, subdivisions 2 and 3.

202.15 Sec. 6. **[469.54] STATE VALUE CAPTURE.**

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

202.18 (b) "Appropriation support payments" means payment from the state to the city pursuant
 202.19 to subdivision 3.

202.20 (c) "Construction projects" means expenditures for the constructing, furnishing,
 202.21 commissioning, and equipping of buildings, ancillary facilities, utilities, parking, and other
 202.22 improvements that are located within the district.

202.23 (d) "Expenditures" means expenditures made by a private entity on construction projects,
 202.24 including, but not limited to:

202.25 (1) planning, predesign, and design, including architectural, engineering, project
 202.26 management, and similar services;

202.27 (2) legal, regulatory, and other compliance costs of the project;

202.28 (3) land acquisition, demolition of existing improvements, and other site preparation
 202.29 costs;

202.30 (4) construction costs, including all materials and supplies of the project; and

202.31 (5) equipment, furnishings, and fixtures.

203.1 Expenditures excludes supplies and other items with a useful life of less than a year that
 203.2 are not used or consumed in constructing improvements to real property or are otherwise
 203.3 chargeable to capital costs.

203.4 (e) "Qualified expenditures" means the total expenditures under paragraph (d) since
 203.5 January 1, 2019, and certified under subdivision 2, and excludes any expenditures for which
 203.6 reimbursement is or will be sought under section 469.53.

203.7 Subd. 2. Certification of expenditures. By May 1 of any year, the city must certify to
 203.8 the commissioner the amount of qualified expenditures, required under subdivision 3,
 203.9 paragraph (a). The certification must be made in the form that the commissioner prescribes
 203.10 and include any documentation of and supporting information regarding the qualified
 203.11 expenditures that the commissioner requires. By September 1 of the year in which a
 203.12 certification was submitted, the commissioner must confirm or revise the amount of the
 203.13 qualified expenditures.

209.14 Subd. 3. **Appropriation support payments.** (a) Public financing for the construction
 209.15 of a parking structure for a medical business entity is not available until the commissioner
 209.16 determines that the medical business entity that would benefit from the parking structure
 209.17 to be financed has made at least \$50,000,000 in qualified expenditures. The requirements
 209.18 of this paragraph apply to each medical entity individually. Upon certification of the required
 209.19 amount by either medical business entity, public financing for the construction of parking
 209.20 structures benefiting that entity is available.

209.21 (b) No appropriation support payments shall be paid before July 1, 2021. The maximum
 209.22 appropriation support payment paid in fiscal year 2022 is \$3,660,000. The maximum
 209.23 appropriation support payment in any subsequent fiscal year is limited to no more than
 209.24 \$8,100,000, each subject to paragraph (e). The total amount of appropriation support
 209.25 payments made under this subdivision is limited to an amount sufficient to finance
 209.26 \$97,720,000 of public infrastructure projects.

209.27 (c) The city must use the appropriation support payments it receives under this subdivision
 209.28 for public infrastructure projects, including the cost to finance such projects. The city must
 209.29 maintain appropriate records to document the use of the funds under this requirement.

209.30 (d) The commissioner must pay to the city the amount of appropriation support payments
 209.31 determined under this section for the year by September 1.

209.32 (e) In lieu of directly receiving the appropriation support payments, the city may elect
 209.33 to have the state issue appropriation bonds as provided in section 16A.968 to finance up to
 209.34 \$97,720,000 of public infrastructure projects. In the event the state issues appropriation
 210.1 bonds for these purposes, the amount of appropriation support payments in any year is
 210.2 reduced by an amount equal to the amount needed from the general fund under section
 210.3 16A.968, subdivision 8.

210.4 Subd. 4. **Credit for parking revenue.** (a) By March 1 of the year following the year in
 210.5 which the parking facilities or structures are constructed within the district, the city must
 210.6 certify to the commissioner:

210.7 (1) the total amount of revenue generated by the parking facilities and structures in the
 210.8 preceding year; and

210.9 (2) the total amount necessary for operational and maintenance expenses of the facilities
 210.10 or structures in the current year.

210.11 (b) By July 1 of each year thereafter, for a period of 25 years, the commissioner must
 210.12 confirm or revise the amounts as reported. An amount equal to 50 percent of the amount of
 210.13 revenue received by the city by the parking structures and facilities in the previous year that
 210.14 is greater than the amount necessary for operational and maintenance expenses of the

203.14 Subd. 3. **Appropriation support payments.** (a) Public financing for the construction
 203.15 of a parking structure for a medical business entity is not available until the commissioner
 203.16 determines that the medical business entity that would benefit from the parking structure
 203.17 to be financed has made at least \$50,000,000 in qualified expenditures. The requirements
 203.18 of this paragraph apply to each medical entity individually. Upon certification of the required
 203.19 amount by either medical business entity, public financing for the construction of parking
 203.20 structures benefiting that entity is available.

203.21 (b) No appropriation support payments shall be paid before July 1, 2021. The maximum
 203.22 appropriation support payment paid in fiscal year 2022 is \$3,660,000. The maximum
 203.23 appropriation support payment in any subsequent fiscal year is limited to no more than
 203.24 \$8,100,000, each subject to paragraph (e). The total amount of appropriation support
 203.25 payments made under this subdivision is limited to an amount sufficient to finance
 203.26 \$97,720,000 of public infrastructure projects.

203.27 (c) The city must use the appropriation support payments it receives under this subdivision
 203.28 for public infrastructure projects, including the cost to finance such projects. The city must
 203.29 maintain appropriate records to document the use of the funds under this requirement.

203.30 (d) The commissioner must pay to the city the amount of appropriation support payments
 203.31 determined under this section for the year by September 1.

203.32 (e) In lieu of directly receiving the appropriation support payments, the city may elect
 203.33 to have the state issue appropriation bonds as provided in section 16A.968 to finance up to
 203.34 \$97,720,000 of public infrastructure projects. In the event the state issues appropriation
 204.1 bonds for these purposes, the amount of appropriation support payments in any year is
 204.2 reduced by an amount equal to the amount needed from the general fund under section
 204.3 16A.968, subdivision 8.

204.4 Subd. 4. **Credit for parking revenue.** (a) By March 1 of the year following the year in
 204.5 which the parking facilities or structures are constructed within the district, the city must
 204.6 certify to the commissioner:

204.7 (1) the total amount of revenue generated by the parking facilities and structures in the
 204.8 preceding year; and

204.9 (2) the total amount necessary for operational and maintenance expenses of the facilities
 204.10 or structures in the current year.

204.11 (b) By July 1 of each year thereafter, for a period of 25 years, the commissioner must
 204.12 confirm or revise the amounts as reported. An amount equal to 50 percent of the amount of
 204.13 revenue received by the city by the parking structures and facilities in the previous year that
 204.14 is greater than the amount necessary for operational and maintenance expenses of the

- 210.15 facilities or structures in the current year must be paid by the city to the commissioner of
 210.16 employment and economic development by September 1 for deposit into the general fund.
- 210.17 Subd. 5. **Prevailing wage requirement.** During the construction, installation, remodeling,
 210.18 and repairs of any public infrastructure project funded by appropriation support payments,
 210.19 laborers and mechanics at the site must be paid the prevailing wage rate as defined in section
 210.20 177.42, subdivision 6, and the public infrastructure project is subject to the requirements
 210.21 of sections 177.30 and 177.41 to 177.44.
- 210.22 Subd. 6. **Termination.** No aid may be paid under this section after fiscal year 2055.
- 210.23 Subd. 7. **Appropriation.** An amount sufficient to pay the appropriation support payments
 210.24 authorized under this section to the city is appropriated to the commissioner from the general
 210.25 fund.
- 210.26 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 210.27 city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section
 210.28 645.021, subdivisions 2 and 3.
- 210.29 Sec. 7. Laws 1980, chapter 511, section 1, subdivision 1, is amended to read:
- 210.30 Section 1. **CITY OF DULUTH; SALES AND USE TAX.** Subdivision 1. (a) Minnesota
 210.31 Statutes, Section 477A.01, ~~Subdivision 18~~ 477A.016, shall not be deemed to prohibit the
 210.32 city of Duluth from amending its sales and use tax ordinances so as to impose a sales ~~or~~
 211.1 and use tax at the rate of one percent upon any or all sales or uses which are taxed by the
 211.2 state of Minnesota pursuant to Minnesota Statutes, Chapter 297A ~~or 297B.~~
- 211.3 (b) Notwithstanding Minnesota Statutes, section 477A.016, or any ordinance, city charter,
 211.4 or other provision of law, pursuant to the approval of the voters at the election on November
 211.5 7, 2017, the city of Duluth may impose by ordinance an additional sales and use tax of
 211.6 one-half of one percent for the purposes specified in paragraphs (c) and (d). The provisions
 211.7 of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection,
 211.8 and enforcement of the taxes authorized under this paragraph. The tax may not be imposed
 211.9 until the city complies with the provisions of article 6, section 34.
- 211.10 (c) Revenues received from the tax authorized by paragraph (b) must be used to pay all
 211.11 or part of the capital and administrative costs of street, curb, gutter, sidewalk, and bridge
 211.12 improvements, including related lighting and signals in the city of Duluth as outlined in the
 211.13 Duluth Street Improvement program 2017 as designated August 8, 2017.
- 211.14 (d) Revenues from the tax authorized by paragraph (b) must be used to pay all or part
 211.15 of the improvements listed in paragraph (c) that are located within the district established
 211.16 under Minnesota Statutes, section 469.51. The total expenditures required under this
 211.17 paragraph and under Minnesota Statutes, section 469.52, subdivision 6, must equal at least

- 204.15 facilities or structures in the current year must be paid by the city to the commissioner of
 204.16 employment and economic development by September 1 for deposit into the general fund.
- 204.17 Subd. 5. **Prevailing wage requirement.** During the construction, installation, remodeling,
 204.18 and repairs of any public infrastructure project funded by appropriation support payments,
 204.19 laborers and mechanics at the site must be paid the prevailing wage rate as defined in section
 204.20 177.42, subdivision 6, and the public infrastructure project is subject to the requirements
 204.21 of sections 177.30 and 177.41 to 177.44.
- 204.22 Subd. 6. **Termination.** No aid may be paid under this section after fiscal year 2055.
- 204.23 Subd. 7. **Appropriation.** An amount sufficient to pay the appropriation support payments
 204.24 authorized under this section to the city is appropriated to the commissioner from the general
 204.25 fund.
- 204.26 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 204.27 city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section
 204.28 645.021, subdivisions 2 and 3.

211.18 \$10,000,000. The allocation required under this paragraph expires ten years after the date
 211.19 of initial imposition of the tax.

211.20 (e) The city of Duluth, pursuant to the approval of the voters at the November 7, 2017,
 211.21 referendum authorizing the imposition of the taxes in this section, may issue bonds under
 211.22 Minnesota Statutes, chapter 475, to pay capital and administrative expenses for the projects
 211.23 described in paragraphs (c) and (d), until the tax terminates as provided in paragraph (f). A
 211.24 separate election to approve the bonds under Minnesota Statutes, section 475.58, is not
 211.25 required.

211.26 (f) The tax authorized under paragraph (b) terminates at the earlier of: (1) 25 years after
 211.27 the date of initial imposition of the tax; or (2) when the city council determines that sufficient
 211.28 funds have been raised from the tax to finance the capital and administrative costs of the
 211.29 improvements described in paragraphs (c) and (d), plus the additional amount needed to
 211.30 pay the costs related to issuance of bonds under paragraph (e), including interest bonds.
 211.31 Any funds remaining after completion of the projects specified in paragraphs (c) and (d)
 211.32 and retirement or redemption of bonds in paragraph (e) shall be placed in the general fund
 211.33 of the city. The tax imposed under paragraph (b) may expire at an earlier time if the city so
 211.34 determines by ordinance.

212.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 212.2 city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section
 212.3 645.021, subdivisions 2 and 3.

204.29 Sec. 7. Laws 1980, chapter 511, section 1, subdivision 1, is amended to read:

204.30 Section 1. **CITY OF DULUTH; SALES AND USE TAX.** Subdivision 1. (a) Minnesota
 204.31 Statutes, Section 477A.01, ~~Subdivision 18~~ 477A.016, shall not be deemed to prohibit the
 204.32 city of Duluth from amending its sales and use tax ordinances so as to impose a sales ~~or~~
 205.1 and use tax at the rate of one percent upon any or all sales or uses which are taxed by the
 205.2 state of Minnesota pursuant to Minnesota Statutes, Chapter 297A ~~or 297B.~~

205.3 (b) Notwithstanding Minnesota Statutes, section 477A.016, or any ordinance, city charter,
 205.4 or other provision of law, pursuant to the approval of the voters at the election on November
 205.5 7, 2017, the city of Duluth may impose by ordinance an additional sales and use tax of
 205.6 one-half of one percent for the purposes specified in paragraphs (c) and (d). The provisions
 205.7 of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection,
 205.8 and enforcement of the taxes authorized under this paragraph. The tax may not be imposed
 205.9 until the city complies with the provisions of article 6, section 34.

205.10 (c) Revenues received from the tax authorized by paragraph (b) must be used to pay all
 205.11 or part of the capital and administrative costs of street, curb, gutter, sidewalk, and bridge
 205.12 improvements, including related lighting and signals in the city of Duluth as outlined in the
 205.13 Duluth Street Improvement program 2017 as designated August 8, 2017.

205.14 (d) Revenues from the tax authorized by paragraph (b) must be used to pay all or part
 205.15 of the improvements listed in paragraph (c) that are located within the district established
 205.16 under Minnesota Statutes, section 469.51. The total expenditures required under this
 205.17 paragraph and under Minnesota Statutes, section 469.52, subdivision 6, must equal at least
 205.18 \$10,000,000. The allocation required under this paragraph expires ten years after the date
 205.19 of initial imposition of the tax.

205.20 (e) The city of Duluth, pursuant to the approval of the voters at the November 7, 2017,
 205.21 referendum authorizing the imposition of the taxes in this section, may issue bonds under
 205.22 Minnesota Statutes, chapter 475, to pay capital and administrative expenses for the projects
 205.23 described in paragraphs (c) and (d), until the tax terminates as provided in paragraph (f). A
 205.24 separate election to approve the bonds under Minnesota Statutes, section 475.58, is not
 205.25 required.

205.26 (f) The tax authorized under paragraph (b) terminates at the earlier of: (1) 25 years after
 205.27 the date of initial imposition of the tax; or (2) when the city council determines that sufficient
 205.28 funds have been raised from the tax to finance the capital and administrative costs of the
 205.29 improvements described in paragraphs (c) and (d), plus the additional amount needed to
 205.30 pay the costs related to issuance of bonds under paragraph (e), including interest bonds.
 205.31 Any funds remaining after completion of the projects specified in paragraphs (c) and (d)
 205.32 and retirement or redemption of bonds in paragraph (e) shall be placed in the general fund
 205.33 of the city. The tax imposed under paragraph (b) may expire at an earlier time if the city so
 205.34 determines by ordinance.

206.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 206.2 city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section
 206.3 645.021, subdivisions 2 and 3.

ARTICLE 11

MISCELLANEOUS

Section 1. **[270B.162] DISCLOSURE; MINIMUM WAGE STUDY.**

206.7 (a) The commissioner may disclose return information to the Federal Reserve Bank of
 206.8 Minneapolis to be used only for the purpose of conducting and publishing economic research
 206.9 studies regarding the impact of minimum wage ordinances adopted by Minneapolis, St.
 206.10 Paul, and other Minnesota cities.

206.11 (b) For purposes of this section, the scope of the return information disclosed is limited
 206.12 to return information for returns filed under chapter 290 and does not include a name,
 206.13 address, Social Security number, taxpayer identification number, or a federal employer
 206.14 identification number.

206.15 (c) The commissioner may enter into a data-sharing agreement only if the agreement
 206.16 includes the following:

212.4

ARTICLE 11

MISCELLANEOUS

Section 1. **[270B.162] DISCLOSURE; MINIMUM WAGE STUDY.**

212.7 (a) The commissioner may disclose return information to the Federal Reserve Bank of
 212.8 Minneapolis to be used only for the purpose of conducting and publishing economic research
 212.9 studies regarding the impact of minimum wage ordinances adopted by Minneapolis, St.
 212.10 Paul, and other Minnesota cities.

212.11 (b) For purposes of this section, the scope of the return information disclosed is limited
 212.12 to return information for returns filed under chapter 290 and does not include a name,
 212.13 address, Social Security number, taxpayer identification number, or a federal employer
 212.14 identification number.

- 212.15 (c) The commissioner may enter into a data-sharing agreement only if the agreement
 212.16 includes the following:
- 212.17 (1) the rationale, purpose, and legal authority for the data sharing;
- 212.18 (2) a description of the data that may be shared;
- 212.19 (3) procedures governing the use of the data;
- 212.20 (4) procedures for transmitting the data;
- 212.21 (5) procedures for ensuring the security of the data, including protecting the data from
 212.22 unauthorized access or use;
- 212.23 (6) prohibitions on duplication and redisclosure of the data;
- 212.24 (7) a requirement that access to the data be limited to persons whose work assignment
 212.25 requires access to the data;
- 212.26 (8) a requirement that published studies must not include the identity of a taxpayer or
 212.27 any data where the identity of a taxpayer could be associated with any of the data derived
 212.28 from the taxpayer's return;
- 212.29 (9) procedures for retention and destruction of data shared and created, including
 212.30 requirements that all data must be destroyed following the final publication of any research
 213.1 studies and that the Federal Reserve Bank of Minneapolis must provide the commissioner
 213.2 with a certificate of destruction;
- 213.3 (10) a requirement that the Federal Reserve Bank of Minneapolis maintain a data audit
 213.4 trail that records all instances of access and all actions in which data are entered, updated,
 213.5 or disseminated and identify all persons with access to the data;
- 213.6 (11) procedures for arranging and providing for an independent annual audit to verify
 213.7 the Federal Reserve Bank of Minneapolis's compliance with the data-sharing agreement,
 213.8 including a requirement that the results of each independent annual audit be submitted to
 213.9 the chairs and ranking minority members of the legislative committees with jurisdiction
 213.10 over civil law and data practices by June 30 each year; and
- 213.11 (12) a requirement that the results of the minimum wage study be submitted to the chairs
 213.12 and ranking minority members of the legislative committees with jurisdiction over jobs.
- 213.13 (d) The results of an audit are public to the extent the data are not otherwise classified
 213.14 by law.
- 213.15 (e) The commissioner's authority to disclose return information under this section expires
 213.16 on December 31, 2033.

- 206.17 (1) the rationale, purpose, and legal authority for the data sharing;
- 206.18 (2) a description of the data that may be shared;
- 206.19 (3) procedures governing the use of the data;
- 206.20 (4) procedures for transmitting the data;
- 206.21 (5) procedures for ensuring the security of the data, including protecting the data from
 206.22 unauthorized access or use;
- 206.23 (6) prohibitions on duplication and redisclosure of the data;
- 206.24 (7) a requirement that access to the data be limited to persons whose work assignment
 206.25 requires access to the data;
- 206.26 (8) a requirement that published studies must not include the identity of a taxpayer or
 206.27 any data where the identity of a taxpayer could be associated with any of the data derived
 206.28 from the taxpayer's return;
- 206.29 (9) procedures for retention and destruction of data shared and created, including
 206.30 requirements that all data must be destroyed following the final publication of any research
 207.1 studies and that the Federal Reserve Bank of Minneapolis must provide the commissioner
 207.2 with a certificate of destruction;
- 207.3 (10) a requirement that the Federal Reserve Bank of Minneapolis maintain a data audit
 207.4 trail that records all instances of access and all actions in which data are entered, updated,
 207.5 or disseminated and identify all persons with access to the data; and
- 207.6 (11) procedures for arranging and providing for an independent annual audit to verify
 207.7 the Federal Reserve Bank of Minneapolis's compliance with the data-sharing agreement,
 207.8 including a requirement that the results of each independent annual audit be submitted to
 207.9 the chairs and ranking minority members of the legislative committees with jurisdiction
 207.10 over jobs, civil law, and data practices by June 30 each year.
- 207.11 (d) The results of an audit are public to the extent the data are not otherwise classified
 207.12 by law.
- 207.13 (e) The commissioner's authority to disclose return information under this section expires
 207.14 on December 31, 2033.
- 207.15 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
 207.16 that the first independent annual audit report, as specified in paragraph (c), clause (11), is
 207.17 not due until June 30, 2020.

213.17 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
 213.18 that the first independent annual audit report, as specified in paragraph (c), clause (11), is
 213.19 not due until June 30, 2020.

213.20 Sec. 2. Minnesota Statutes 2018, section 270C.57, is amended to read:

213.21 **270C.57 SUCCESSOR LIABILITY OF BUSINESSES.**

213.22 Subdivision 1. **Definitions.** (a) The following terms used in this section have the following
 213.23 meanings.

213.24 (b) "Successor" means a person who directly or indirectly purchases, acquires, is gifted,
 213.25 or succeeds to the business or stock of goods of any person quitting, selling, or otherwise
 213.26 disposing of a business or stock of goods. Successor does not include a personal
 213.27 representative or beneficiary of an estate, a trustee in bankruptcy, a debtor in possession, a
 213.28 receiver, a secured party, a mortgagee, an assignee of rents, or any other lienholder.

213.29 (c) "Person" means an individual, partnership, corporation, sole proprietorship, joint
 213.30 venture, limited liability company, or any other type of business entity or association.

214.1 (d) "Withhold" means setting aside money or dealing with the payment of consideration
 214.2 in a manner that denies a transferring business the benefit of the transfer in an amount equal
 214.3 to the sales and withholding tax liability of the transferring business.

214.4 (e) "Purchase price" means the consideration paid or to be paid for the transfer by the
 214.5 successor to the transferring business, and includes amounts paid for tangible property or
 214.6 intangibles such as leases, licenses, or goodwill. Purchase price also includes debts assumed
 214.7 or forgiven by the successor, or real or personal property conveyed or to be conveyed by
 214.8 the successor to the transferring business.

214.9 (f) "Arm's-length transaction" means a transfer for adequate consideration between
 214.10 independent parties both acting in their own best interests. If the parties are related to each
 214.11 other, a rebuttable presumption arises that the transaction is not at arm's length.

214.12 (g) "Transfer" means every mode, direct or indirect, absolute or conditional, voluntary
 214.13 or involuntary, of disposing of or parting with a business or an interest in a business, or a
 214.14 stock of goods, whether by gift or for consideration. Transfer includes a change in the type
 214.15 of business entity or the name of the business, where one business is discontinued and a
 214.16 new one started. Transfer also includes the acquisition by a new corporation of the assets
 214.17 of a prior business in exchange for the stock of the new corporation. Transfer does not
 214.18 include an assignment for the benefit of creditors, foreclosure or enforcement of a mortgage,
 214.19 assignment of rents, security interest or lien, sale or disposition in a bankruptcy proceeding,
 214.20 or sale or disposition by a receiver.

207.18 Sec. 2. Minnesota Statutes 2018, section 270C.57, is amended to read:

207.19 **270C.57 SUCCESSOR LIABILITY OF BUSINESSES.**

207.20 Subdivision 1. **Definitions.** (a) The following terms used in this section have the following
 207.21 meanings.

207.22 (b) "Successor" means a person who directly or indirectly purchases, acquires, is gifted,
 207.23 or succeeds to the business or stock of goods of any person quitting, selling, or otherwise
 207.24 disposing of a business or stock of goods. Successor does not include a personal
 207.25 representative or beneficiary of an estate, a trustee in bankruptcy, a debtor in possession, a
 207.26 receiver, a secured party, a mortgagee, an assignee of rents, or any other lienholder.

207.27 (c) "Person" means an individual, partnership, corporation, sole proprietorship, joint
 207.28 venture, limited liability company, or any other type of business entity or association.

207.29 (d) "Withhold" means setting aside money or dealing with the payment of consideration
 207.30 in a manner that denies a transferring business the benefit of the transfer in an amount equal
 207.31 to the sales and withholding tax liability of the transferring business.

208.1 (e) "Purchase price" means the consideration paid or to be paid for the transfer by the
 208.2 successor to the transferring business, and includes amounts paid for tangible property or
 208.3 intangibles such as leases, licenses, or goodwill. Purchase price also includes debts assumed
 208.4 or forgiven by the successor, or real or personal property conveyed or to be conveyed by
 208.5 the successor to the transferring business.

208.6 (f) "Arm's-length transaction" means a transfer for adequate consideration between
 208.7 independent parties both acting in their own best interests. If the parties are related to each
 208.8 other, a rebuttable presumption arises that the transaction is not at arm's length.

208.9 (g) "Transfer" means every mode, direct or indirect, absolute or conditional, voluntary
 208.10 or involuntary, of disposing of or parting with a business or an interest in a business, or a
 208.11 stock of goods, whether by gift or for consideration. Transfer includes a change in the type
 208.12 of business entity or the name of the business, where one business is discontinued and a
 208.13 new one started. Transfer also includes the acquisition by a new corporation of the assets
 208.14 of a prior business in exchange for the stock of the new corporation. Transfer does not
 208.15 include an assignment for the benefit of creditors, foreclosure or enforcement of a mortgage,
 208.16 assignment of rents, security interest or lien, sale or disposition in a bankruptcy proceeding,
 208.17 or sale or disposition by a receiver.

214.21 (h) "Transfer in bulk" means a transfer, other than in the ordinary course of the transferor's
 214.22 trade or business, of more than one-half of all the property of a business at all locations
 214.23 combined, as measured by the value of the property at the time of the transfer.

214.24 (i) For purposes of this section, "tax" means sales, withholding, and any tax imposed by
 214.25 chapter 296A.

214.26 Subd. 2. **Bulk transfers; liability of successor; lien.** (a) Whenever a business transfers
 214.27 in bulk to a successor the business assets, and an enforceable lien for unpaid ~~sales and~~
 214.28 ~~withholding~~ taxes has been filed against the business by the commissioner under section
 214.29 270C.63, at least 20 days before taking possession of the assets or paying the purchase price,
 214.30 the successor shall notify the commissioner of the transfer and the terms and conditions
 214.31 related to it. The notice must include the tax identification number of the transferring
 214.32 business. If an agreement to transfer has been entered into, this notice requirement only
 214.33 applies: (1) if a lien described under this paragraph has been filed prior to the date of the
 214.34 agreement; or (2) if the date of the transfer is more than 30 days after the date of the
 215.1 agreement, and a lien described under this paragraph is filed at least 30 days prior to the
 215.2 date of transfer.

215.3 (b) If the successor fails to give the notice required in paragraph (a), the successor is
 215.4 liable for any unpaid ~~sales and withholding~~ taxes, interest, and penalties due from the
 215.5 transferring business to the extent of the purchase price. If the successor provides the notice
 215.6 required in paragraph (a) and, within 20 days after receipt of the notice, the commissioner
 215.7 notifies the successor that tax liabilities exist in addition to those included on the lien or
 215.8 there are ~~sales and withholding~~ tax returns due but not filed, the successor is, in addition to
 215.9 being liable for the amounts included on the lien, liable for all other uncontested ~~sales and~~
 215.10 ~~withholding~~ taxes, interest, and penalties as stated in the commissioner's notice from the
 215.11 transferring business to the extent of the purchase price if the successor pays the purchase
 215.12 price or takes possession of the assets without withholding and remitting the liability to the
 215.13 commissioner. The successor is liable whether the purchase price is paid or the assets are
 215.14 transferred prior to or after notification from the commissioner. The commissioner may
 215.15 also notify the successor that there are ~~no sales or withholding~~ tax liabilities or tax returns
 215.16 due from the transferring business other than the liabilities included on the lien, and of the
 215.17 current balance due to satisfy the lien.

215.18 (c) If, based upon the information available, the commissioner determines that a transfer
 215.19 was not at arm's length or was a gift, the successor's liability under this section equals the
 215.20 value of the assets transferred. For purposes of imposing the liability, the value of the
 215.21 property transferred is presumed, subject to rebuttal, to equal the unpaid ~~sales and withholding~~
 215.22 taxes, interest, and penalties of the transferring business.

215.23 (d) In the case of a gift resulting in successor liability under this section, return of the
 215.24 gifted property by the donee to the donor releases the donee's successor liability.

208.18 (h) "Transfer in bulk" means a transfer, other than in the ordinary course of the transferor's
 208.19 trade or business, of more than one-half of all the property of a business at all locations
 208.20 combined, as measured by the value of the property at the time of the transfer.

208.21 (i) For purposes of this section, "tax" means sales, withholding, and any tax imposed by
 208.22 chapter 296A.

208.23 Subd. 2. **Bulk transfers; liability of successor; lien.** (a) Whenever a business transfers
 208.24 in bulk to a successor the business assets, and an enforceable lien for unpaid ~~sales and~~
 208.25 ~~withholding~~ taxes has been filed against the business by the commissioner under section
 208.26 270C.63, at least 20 days before taking possession of the assets or paying the purchase price,
 208.27 the successor shall notify the commissioner of the transfer and the terms and conditions
 208.28 related to it. The notice must include the tax identification number of the transferring
 208.29 business. If an agreement to transfer has been entered into, this notice requirement only
 208.30 applies: (1) if a lien described under this paragraph has been filed prior to the date of the
 208.31 agreement; or (2) if the date of the transfer is more than 30 days after the date of the
 208.32 agreement, and a lien described under this paragraph is filed at least 30 days prior to the
 208.33 date of transfer.

209.1 (b) If the successor fails to give the notice required in paragraph (a), the successor is
 209.2 liable for any unpaid ~~sales and withholding~~ taxes, interest, and penalties due from the
 209.3 transferring business to the extent of the purchase price. If the successor provides the notice
 209.4 required in paragraph (a) and, within 20 days after receipt of the notice, the commissioner
 209.5 notifies the successor that tax liabilities exist in addition to those included on the lien or
 209.6 there are ~~sales and withholding~~ tax returns due but not filed, the successor is, in addition to
 209.7 being liable for the amounts included on the lien, liable for all other uncontested ~~sales and~~
 209.8 ~~withholding~~ taxes, interest, and penalties as stated in the commissioner's notice from the
 209.9 transferring business to the extent of the purchase price if the successor pays the purchase
 209.10 price or takes possession of the assets without withholding and remitting the liability to the
 209.11 commissioner. The successor is liable whether the purchase price is paid or the assets are
 209.12 transferred prior to or after notification from the commissioner. The commissioner may
 209.13 also notify the successor that there are ~~no sales or withholding~~ tax liabilities or tax returns
 209.14 due from the transferring business other than the liabilities included on the lien, and of the
 209.15 current balance due to satisfy the lien.

209.16 (c) If, based upon the information available, the commissioner determines that a transfer
 209.17 was not at arm's length or was a gift, the successor's liability under this section equals the
 209.18 value of the assets transferred. For purposes of imposing the liability, the value of the
 209.19 property transferred is presumed, subject to rebuttal, to equal the unpaid ~~sales and withholding~~
 209.20 taxes, interest, and penalties of the transferring business.

209.21 (d) In the case of a gift resulting in successor liability under this section, return of the
 209.22 gifted property by the donee to the donor releases the donee's successor liability.

215.25 (e) A successor who complies with the requirements of paragraphs (a) and (b) is not
 215.26 liable for any assessments of ~~sales and withholding~~ taxes of the transferring business made
 215.27 after the commissioner provides notice to the successor under paragraph (b), except for
 215.28 taxes assessed on returns filed to comply with the notice. If the commissioner fails to provide
 215.29 the notice and the 20-day period expires, the successor is not liable for any ~~sales and~~
 215.30 ~~withholding~~ taxes of the transferring business other than those included on the lien.

215.31 Subd. 3. **Assessment; abatement; review.** The commissioner may assess liability against
 215.32 a successor business under this section within the time prescribed for collecting the
 215.33 underlying ~~sales and withholding~~ taxes, interest, and penalties. The assessment is presumed
 215.34 to be valid, and the burden is upon the successor to show it is incorrect or invalid. An order
 216.1 assessing successor liability is reviewable administratively under section 270C.35 and is
 216.2 appealable to Tax Court under chapter 271. The commissioner may abate an assessment if
 216.3 the successor's failure to give the notice required under this section is due to reasonable
 216.4 cause. The procedural and appeal provisions under section 270C.34 apply to abatement
 216.5 requests under this subdivision. Collection remedies available against the transferring
 216.6 business are available against the successor from the date of assessment of successor liability.

216.7 Subd. 4. **Disclosure.** Notification by the commissioner to the successor under subdivision
 216.8 2, paragraph (b), that the transferring business owes ~~sales and withholding~~ taxes, interest,
 216.9 and penalties or has returns that are due, or that there are no outstanding liabilities or returns
 216.10 other than the liabilities included on the lien, or of the current balance due to satisfy the
 216.11 lien, is not a disclosure violation under chapter 270B.

216.12 **EFFECTIVE DATE.** This section is effective for all transfers in bulk that take place
 216.13 after July 31, 2019.

216.14 Sec. 3. Minnesota Statutes 2018, section 296A.03, subdivision 2, is amended to read:

216.15 Subd. 2. **Qualifications.** (a) A distributor's license shall be issued to any responsible
 216.16 person who applies and qualifies as a distributor.

216.17 (b) Upon application to the commissioner, the commissioner must issue a distributor's
 216.18 license to any person who:

216.19 (1) receives petroleum products in this state for bulk storage and subsequent distribution
 216.20 by tank truck;

216.21 (2) produces, manufactures, or refines petroleum products in this state;

216.22 ~~(3) holds an unrevoked license as a distributor as of July 1, 1994;~~

216.23 ~~(4) (3)~~ imports petroleum products into this state via boat, barge, or pipeline for storage
 216.24 and subsequent delivery at or further transportation from boat, barge, or pipeline terminals
 216.25 in this state; or

209.23 (e) A successor who complies with the requirements of paragraphs (a) and (b) is not
 209.24 liable for any assessments of ~~sales and withholding~~ taxes of the transferring business made
 209.25 after the commissioner provides notice to the successor under paragraph (b), except for
 209.26 taxes assessed on returns filed to comply with the notice. If the commissioner fails to provide
 209.27 the notice and the 20-day period expires, the successor is not liable for any ~~sales and~~
 209.28 ~~withholding~~ taxes of the transferring business other than those included on the lien.

209.29 Subd. 3. **Assessment; abatement; review.** The commissioner may assess liability against
 209.30 a successor business under this section within the time prescribed for collecting the
 209.31 underlying ~~sales and withholding~~ taxes, interest, and penalties. The assessment is presumed
 209.32 to be valid, and the burden is upon the successor to show it is incorrect or invalid. An order
 209.33 assessing successor liability is reviewable administratively under section 270C.35 and is
 209.34 appealable to Tax Court under chapter 271. The commissioner may abate an assessment if
 209.35 the successor's failure to give the notice required under this section is due to reasonable
 210.1 cause. The procedural and appeal provisions under section 270C.34 apply to abatement
 210.2 requests under this subdivision. Collection remedies available against the transferring
 210.3 business are available against the successor from the date of assessment of successor liability.

210.4 Subd. 4. **Disclosure.** Notification by the commissioner to the successor under subdivision
 210.5 2, paragraph (b), that the transferring business owes ~~sales and withholding~~ taxes, interest,
 210.6 and penalties or has returns that are due, or that there are no outstanding liabilities or returns
 210.7 other than the liabilities included on the lien, or of the current balance due to satisfy the
 210.8 lien, is not a disclosure violation under chapter 270B.

210.9 **EFFECTIVE DATE.** This section is effective for all transfers in bulk that take place
 210.10 after July 31, 2019.

210.11 Sec. 3. Minnesota Statutes 2018, section 296A.03, subdivision 2, is amended to read:

210.12 Subd. 2. **Qualifications.** (a) A distributor's license shall be issued to any responsible
 210.13 person who applies and qualifies as a distributor.

210.14 (b) Upon application to the commissioner, the commissioner must issue a distributor's
 210.15 license to any person who:

210.16 (1) receives petroleum products in this state for bulk storage and subsequent distribution
 210.17 by tank truck;

210.18 (2) produces, manufactures, or refines petroleum products in this state;

210.19 ~~(3) holds an unrevoked license as a distributor as of July 1, 1994;~~

210.20 ~~(4) (3)~~ imports petroleum products into this state via boat, barge, or pipeline for storage
 210.21 and subsequent delivery at or further transportation from boat, barge, or pipeline terminals
 210.22 in this state; or

216.26 ~~(5)~~ (4) holds a license and performs a function under the motor fuel tax law of an
 216.27 adjoining state equivalent to that of a distributor under this chapter, who desires to ship or
 216.28 deliver petroleum products from that state to persons in this state not licensed as distributors
 216.29 in this state and who agrees to assume with respect to all petroleum products so shipped or
 216.30 delivered the liabilities of a distributor receiving petroleum products in this state; provided,
 216.31 however, that any such license shall be issued only for the purpose of permitting such person
 216.32 to receive in this state the petroleum products so shipped or delivered. Except as herein
 217.1 provided, all persons licensed as distributors under this clause shall have the same rights
 217.2 and privileges and be subject to the same duties, requirements, and penalties as other licensed
 217.3 distributors.

217.4 (c) The commissioner shall not issue or renew a license to a person otherwise eligible
 217.5 under this subdivision if the person:

217.6 (1) has unpaid tax due under this chapter;

217.7 (2) has unfiled tax returns or reports due under this chapter;

217.8 (3) has had a license issued pursuant to chapter 296A revoked within the last five years;

217.9 or

217.10 (4) has had an equivalent license issued by another state or Canadian province revoked
 217.11 within the last five years for failure to pay a tax or file a tax return or report.

217.12 **EFFECTIVE DATE.** This section is effective for all licenses with an effective date
 217.13 after June 30, 2019.

217.14 Sec. 4. Minnesota Statutes 2018, section 296A.04, is amended by adding a subdivision to
 217.15 read:

217.16 Subd. 1a. **Issuance and renewal of license.** The provisions of section 296A.03,
 217.17 subdivision 2, paragraph (c), apply to special fuel dealers.

217.18 **EFFECTIVE DATE.** This section is effective for all licenses with an effective date
 217.19 after June 30, 2019.

217.20 Sec. 5. Minnesota Statutes 2018, section 296A.05, is amended by adding a subdivision to
 217.21 read:

217.22 Subd. 1a. **Issuance and renewal of license.** The provisions of section 296A.03,
 217.23 subdivision 2, paragraph (c), apply to bulk purchasers.

217.24 **EFFECTIVE DATE.** This section is effective for all licenses with an effective date
 217.25 after June 30, 2019.

210.23 ~~(5)~~ (4) holds a license and performs a function under the motor fuel tax law of an
 210.24 adjoining state equivalent to that of a distributor under this chapter, who desires to ship or
 210.25 deliver petroleum products from that state to persons in this state not licensed as distributors
 210.26 in this state and who agrees to assume with respect to all petroleum products so shipped or
 210.27 delivered the liabilities of a distributor receiving petroleum products in this state; provided,
 210.28 however, that any such license shall be issued only for the purpose of permitting such person
 210.29 to receive in this state the petroleum products so shipped or delivered. Except as herein
 210.30 provided, all persons licensed as distributors under this clause shall have the same rights
 210.31 and privileges and be subject to the same duties, requirements, and penalties as other licensed
 210.32 distributors.

211.1 (c) The commissioner shall not issue or renew a license to a person otherwise eligible
 211.2 under this subdivision if the person:

211.3 (1) has unpaid tax due under this chapter;

211.4 (2) has unfiled tax returns or reports due under this chapter;

211.5 (3) has had a license issued pursuant to chapter 296A revoked within the last five years;

211.6 or

211.7 (4) has had an equivalent license issued by another state or Canadian province revoked
 211.8 within the last five years for failure to pay a tax or file a tax return or report.

211.9 **EFFECTIVE DATE.** This section is effective for all licenses with an effective date
 211.10 after June 30, 2019.

211.11 Sec. 4. Minnesota Statutes 2018, section 296A.04, is amended by adding a subdivision to
 211.12 read:

211.13 Subd. 1a. **Issuance and renewal of license.** The provisions of section 296A.03,
 211.14 subdivision 2, paragraph (c), apply to special fuel dealers.

211.15 **EFFECTIVE DATE.** This section is effective for all licenses with an effective date
 211.16 after June 30, 2019.

211.17 Sec. 5. Minnesota Statutes 2018, section 296A.05, is amended by adding a subdivision to
 211.18 read:

211.19 Subd. 1a. **Issuance and renewal of license.** The provisions of section 296A.03,
 211.20 subdivision 2, paragraph (c), apply to bulk purchasers.

211.21 **EFFECTIVE DATE.** This section is effective for all licenses with an effective date
 211.22 after June 30, 2019.

217.26 Sec. 6. Minnesota Statutes 2018, section 296A.06, is amended to read:

217.27 **296A.06 REVOCATION OF LICENSE, PERMIT, OR CERTIFICATE;**
217.28 **SUSPENSION OF LICENSE.**

217.29 **Subd. 1. Revocation of license, permit, or certificate.** If any person fails to comply
217.30 with this chapter or the rules adopted under this chapter, without reasonable cause, the
218.1 commissioner may give the person 30 days' notice in writing, specifying the violations, and
218.2 stating that based upon such violations the commissioner intends to revoke the person's
218.3 license, permit, or certificate. The notice shall also advise the person of the person's right
218.4 to contest the revocation under this section and the general procedures for a contested case
218.5 hearing under chapter 14. The notice may be served personally or by mail in the manner
218.6 prescribed for service of an order of assessment. A license, permit, or certificate is revoked
218.7 when the commissioner serves a notice of revocation upon the person after 30 days have
218.8 passed following the date of the notice of intent to revoke without the person requesting a
218.9 hearing. If a hearing is timely requested and held, the license, permit, or certificate is revoked
218.10 after the commissioner serves an order of revocation under section 14.62, subdivision 1.

218.11 **Subd. 2. Suspension of license. (a)** Notwithstanding subdivision 1, the license of a
218.12 distributor, fuel dealer, or bulk purchaser that has not filed a tax return or report or paid a
218.13 delinquent tax or fee within five days after notice and demand by the commissioner is
218.14 suspended. The suspension remains in effect until the demanded tax return or report has
218.15 been filed and the tax and fees shown on that return or report have been paid. If the
218.16 commissioner determines that the failure to file or failure to pay is due to reasonable cause,
218.17 then a license must not be suspended, or if suspended, must be reinstated.

218.18 (b) A licensee whose license is suspended under this subdivision may request a contested
218.19 case hearing under chapter 14. Any such hearing must be held within 20 days of the issuance
218.20 of the notice and demand issued under paragraph (a), unless the parties agree to a later
218.21 hearing date. The administrative law judge's report must be issued within 20 days after the
218.22 close of the hearing record, unless the parties agree to a later report issuance date. The
218.23 commissioner must issue a final decision within 30 days after receipt of the report of the
218.24 administrative law judge and subsequent exceptions and argument under section 14.61. The
218.25 suspension imposed under paragraph (a) remains in effect during any contest case hearing
218.26 process requested pursuant to this paragraph.

218.27 **EFFECTIVE DATE.** This section is effective July 1, 2019.

218.28 Sec. 7. Minnesota Statutes 2018, section 297F.08, subdivision 8, is amended to read:

218.29 **Subd. 8. Sale of stamps.** The commissioner may sell stamps on a credit basis under
218.30 conditions prescribed by the commissioner. The commissioner shall sell the stamps at a
218.31 price which includes the tax after giving effect to the discount provided in subdivision 7.
218.32 The commissioner shall recover the actual costs of the stamps from the distributor. The

211.23 Sec. 6. Minnesota Statutes 2018, section 296A.06, is amended to read:

211.24 **296A.06 REVOCATION OF LICENSE, PERMIT, OR CERTIFICATE;**
211.25 **SUSPENSION OF LICENSE.**

211.26 **Subd. 1. Revocation of license, permit, or certificate.** If any person fails to comply
211.27 with this chapter or the rules adopted under this chapter, without reasonable cause, the
211.28 commissioner may give the person 30 days' notice in writing, specifying the violations, and
211.29 stating that based upon such violations the commissioner intends to revoke the person's
211.30 license, permit, or certificate. The notice shall also advise the person of the person's right
212.1 to contest the revocation under this section and the general procedures for a contested case
212.2 hearing under chapter 14. The notice may be served personally or by mail in the manner
212.3 prescribed for service of an order of assessment. A license, permit, or certificate is revoked
212.4 when the commissioner serves a notice of revocation upon the person after 30 days have
212.5 passed following the date of the notice of intent to revoke without the person requesting a
212.6 hearing. If a hearing is timely requested and held, the license, permit, or certificate is revoked
212.7 after the commissioner serves an order of revocation under section 14.62, subdivision 1.

212.8 **Subd. 2. Suspension of license. (a)** Notwithstanding subdivision 1, the license of a
212.9 distributor, fuel dealer, or bulk purchaser that has not filed a tax return or report or paid a
212.10 delinquent tax or fee within five days after notice and demand by the commissioner is
212.11 suspended. The suspension remains in effect until the demanded tax return or report has
212.12 been filed and the tax and fees shown on that return or report have been paid. If the
212.13 commissioner determines that the failure to file or failure to pay is due to reasonable cause,
212.14 then a license must not be suspended, or if suspended, must be reinstated.

212.15 (b) A licensee whose license is suspended under this subdivision may request a contested
212.16 case hearing under chapter 14. Any such hearing must be held within 20 days of the issuance
212.17 of the notice and demand issued under paragraph (a), unless the parties agree to a later
212.18 hearing date. The administrative law judge's report must be issued within 20 days after the
212.19 close of the hearing record, unless the parties agree to a later report issuance date. The
212.20 commissioner must issue a final decision within 30 days after receipt of the report of the
212.21 administrative law judge and subsequent exceptions and argument under section 14.61. The
212.22 suspension imposed under paragraph (a) remains in effect during any contest case hearing
212.23 process requested pursuant to this paragraph.

212.24 **EFFECTIVE DATE.** This section is effective July 1, 2019.

212.25 Sec. 7. Minnesota Statutes 2018, section 297F.08, subdivision 8, is amended to read:

212.26 **Subd. 8. Sale of stamps.** The commissioner may sell stamps on a credit basis under
212.27 conditions prescribed by the commissioner. The commissioner shall sell the stamps at a
212.28 price which includes the tax after giving effect to the discount provided in subdivision 7.
212.29 The commissioner shall recover the actual costs of the stamps from the distributor. The

218.33 commissioner shall annually establish the maximum amount of stamps that may be purchased
218.34 each month.

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

219.2 Sec. 8. Minnesota Statutes 2018, section 297F.08, subdivision 9, is amended to read:

219.3 Subd. 9. **Tax stamping machines.** The commissioner shall require any person licensed
219.4 as a distributor to stamp packages with a tax stamping machine, approved by the
219.5 commissioner, which shall be provided by the distributor. The commissioner shall also
219.6 supervise and check the operation of the machines and shall provide for the payment of the
219.7 tax on any package so stamped, ~~subject to the discount provided in subdivision 7.~~ If the
219.8 commissioner finds that a stamping machine is not affixing a legible stamp on the package,
219.9 the commissioner may order the distributor to immediately cease the stamping process until
219.10 the machine is functioning properly.

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

219.12 Sec. 9. Minnesota Statutes 2018, section 298.225, subdivision 1, is amended to read:

219.13 Subdivision 1. **Guaranteed distribution.** (a) Except as provided under paragraph (c),
219.14 the distribution of the taconite production tax as provided in section 298.28, subdivisions
219.15 3 to 5, 6, paragraph (b), 7, and 8, shall equal the lesser of the following amounts:

219.16 (1) the amount distributed pursuant to this section and section 298.28, with respect to
219.17 1983 production if the production for the year prior to the distribution year is no less than
219.18 42,000,000 taxable tons. If the production is less than 42,000,000 taxable tons, the amount
219.19 of the distributions shall be reduced proportionately at the rate of two percent for each
219.20 1,000,000 tons, or part of 1,000,000 tons by which the production is less than 42,000,000
219.21 tons; or

219.22 (2)(i) for the distributions made pursuant to section 298.28, subdivisions 4, paragraphs
219.23 (b) and (c), and 6, paragraph (c), 31.2 percent of the amount distributed pursuant to this
219.24 section and section 298.28, with respect to 1983 production;

219.25 (ii) for the distributions made pursuant to section 298.28, subdivision 5, paragraphs (b)
219.26 and (d), 75 percent of the amount distributed pursuant to this section and section 298.28,
219.27 with respect to 1983 production provided that the aid guarantee for distributions under
219.28 section 298.28, subdivision 5, paragraph (b), shall be reduced by five cents per taxable ton
219.29 for production years 2014 and thereafter.

219.30 (b) The distribution of the taconite production tax as provided in section 298.28,
219.31 subdivision 2, shall equal the following amount:

212.30 commissioner shall annually establish the maximum amount of stamps that may be purchased
212.31 each month.

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

213.1 Sec. 8. Minnesota Statutes 2018, section 297F.08, subdivision 9, is amended to read:

213.2 Subd. 9. **Tax stamping machines.** The commissioner shall require any person licensed
213.3 as a distributor to stamp packages with a tax stamping machine, approved by the
213.4 commissioner, which shall be provided by the distributor. The commissioner shall also
213.5 supervise and check the operation of the machines and shall provide for the payment of the
213.6 tax on any package so stamped, ~~subject to the discount provided in subdivision 7.~~ If the
213.7 commissioner finds that a stamping machine is not affixing a legible stamp on the package,
213.8 the commissioner may order the distributor to immediately cease the stamping process until
213.9 the machine is functioning properly.

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

213.11 Sec. 9. Minnesota Statutes 2018, section 298.225, subdivision 1, is amended to read:

213.12 Subdivision 1. **Guaranteed distribution.** (a) Except as provided under paragraph (c),
213.13 the distribution of the taconite production tax as provided in section 298.28, subdivisions
213.14 3 to 5, 6, paragraph (b), 7, and 8, shall equal the lesser of the following amounts:

213.15 (1) the amount distributed pursuant to this section and section 298.28, with respect to
213.16 1983 production if the production for the year prior to the distribution year is no less than
213.17 42,000,000 taxable tons. If the production is less than 42,000,000 taxable tons, the amount
213.18 of the distributions shall be reduced proportionately at the rate of two percent for each
213.19 1,000,000 tons, or part of 1,000,000 tons by which the production is less than 42,000,000
213.20 tons; or

213.21 (2)(i) for the distributions made pursuant to section 298.28, subdivisions 4, paragraphs
213.22 (b) and (c), and 6, paragraph (c), 31.2 percent of the amount distributed pursuant to this
213.23 section and section 298.28, with respect to 1983 production;

213.24 (ii) for the distributions made pursuant to section 298.28, subdivision 5, paragraphs (b)
213.25 and (d), 75 percent of the amount distributed pursuant to this section and section 298.28,
213.26 with respect to 1983 production provided that the aid guarantee for distributions under
213.27 section 298.28, subdivision 5, paragraph (b), shall be reduced by five cents per taxable ton
213.28 for production years 2014 and thereafter.

213.29 (b) The distribution of the taconite production tax as provided in section 298.28,
213.30 subdivision 2, shall equal the following amount:

220.1 (1) if the production for the year prior to the distribution year is at least 42,000,000
 220.2 taxable tons, the amount distributed pursuant to this section and section 298.28 with respect
 220.3 to 1999 production; or

220.4 (2) if the production for the year prior to the distribution year is less than 42,000,000
 220.5 taxable tons, the amount distributed pursuant to this section and section 298.28 with respect
 220.6 to 1999 production, reduced proportionately at the rate of two percent for each 1,000,000
 220.7 tons or part of 1,000,000 tons by which the production is less than 42,000,000 tons.

220.8 (c) The distribution of the taconite production tax under section 298.28, subdivision 3,
 220.9 paragraph (a), must equal the amount distributed under 298.28, with respect to 1983
 220.10 production.

220.11 **EFFECTIVE DATE.** This section is effective for distributions in 2020 and thereafter.

220.12 Sec. 10. Minnesota Statutes 2018, section 298.28, subdivision 3, is amended to read:

220.13 Subd. 3. **Cities; towns.** (a) 12.5 cents per taxable ton, less any amount distributed under
 220.14 subdivision 8, and paragraph (b), must be allocated to the taconite municipal aid account
 220.15 to be distributed as provided in section 298.282. The amount allocated to the taconite
 220.16 municipal aid account must be annually increased in the same proportion as the increase in
 220.17 the implicit price deflator as provided in section 298.24, subdivision 1.

220.18 (b) An amount must be allocated to towns or cities that is annually certified by the county
 220.19 auditor of a county containing a taconite tax relief area as defined in section 273.134,
 220.20 paragraph (b), within which there is (1) an organized township if, as of January 2, 1982,
 220.21 more than 75 percent of the assessed valuation of the township consists of iron ore or (2) a
 220.22 city if, as of January 2, 1980, more than 75 percent of the assessed valuation of the city
 220.23 consists of iron ore.

220.24 (c) The amount allocated under paragraph (b) will be the portion of a township's or city's
 220.25 certified levy equal to the proportion of (1) the difference between 50 percent of January
 220.26 2, 1982, assessed value in the case of a township and 50 percent of the January 2, 1980,
 220.27 assessed value in the case of a city and its current assessed value to (2) the sum of its current
 220.28 assessed value plus the difference determined in (1), provided that the amount distributed
 220.29 shall not exceed \$55 per capita in the case of a township or \$75 per capita in the case of a
 220.30 city. For purposes of this limitation, population will be determined according to the 1980
 220.31 decennial census conducted by the United States Bureau of the Census. If the current assessed
 220.32 value of the township exceeds 50 percent of the township's January 2, 1982, assessed value,
 220.33 or if the current assessed value of the city exceeds 50 percent of the city's January 2, 1980,
 221.1 assessed value, this paragraph shall not apply. For purposes of this paragraph, "assessed
 221.2 value," when used in reference to years other than 1980 or 1982, means the appropriate net
 221.3 tax capacities multiplied by 10.2.

213.31 (1) if the production for the year prior to the distribution year is at least 42,000,000
 213.32 taxable tons, the amount distributed pursuant to this section and section 298.28 with respect
 213.33 to 1999 production; or

214.1 (2) if the production for the year prior to the distribution year is less than 42,000,000
 214.2 taxable tons, the amount distributed pursuant to this section and section 298.28 with respect
 214.3 to 1999 production, reduced proportionately at the rate of two percent for each 1,000,000
 214.4 tons or part of 1,000,000 tons by which the production is less than 42,000,000 tons.

214.5 (c) The distribution of the taconite production tax under section 298.28, subdivision 3,
 214.6 paragraph (a), must equal the amount distributed under 298.28, with respect to 1983
 214.7 production.

214.8 **EFFECTIVE DATE.** This section is effective for distributions in 2020 and thereafter.

214.9 Sec. 10. Minnesota Statutes 2018, section 298.28, subdivision 3, is amended to read:

214.10 Subd. 3. **Cities; towns.** (a) 12.5 cents per taxable ton, less any amount distributed under
 214.11 subdivision 8, and paragraph (b), must be allocated to the taconite municipal aid account
 214.12 to be distributed as provided in section 298.282. The amount allocated to the taconite
 214.13 municipal aid account must be annually increased in the same proportion as the increase in
 214.14 the implicit price deflator as provided in section 298.24, subdivision 1.

214.15 (b) An amount must be allocated to towns or cities that is annually certified by the county
 214.16 auditor of a county containing a taconite tax relief area as defined in section 273.134,
 214.17 paragraph (b), within which there is (1) an organized township if, as of January 2, 1982,
 214.18 more than 75 percent of the assessed valuation of the township consists of iron ore or (2) a
 214.19 city if, as of January 2, 1980, more than 75 percent of the assessed valuation of the city
 214.20 consists of iron ore.

214.21 (c) The amount allocated under paragraph (b) will be the portion of a township's or city's
 214.22 certified levy equal to the proportion of (1) the difference between 50 percent of January
 214.23 2, 1982, assessed value in the case of a township and 50 percent of the January 2, 1980,
 214.24 assessed value in the case of a city and its current assessed value to (2) the sum of its current
 214.25 assessed value plus the difference determined in (1), provided that the amount distributed
 214.26 shall not exceed \$55 per capita in the case of a township or \$75 per capita in the case of a
 214.27 city. For purposes of this limitation, population will be determined according to the 1980
 214.28 decennial census conducted by the United States Bureau of the Census. If the current assessed
 214.29 value of the township exceeds 50 percent of the township's January 2, 1982, assessed value,
 214.30 or if the current assessed value of the city exceeds 50 percent of the city's January 2, 1980,
 214.31 assessed value, this paragraph shall not apply. For purposes of this paragraph, "assessed
 214.32 value," when used in reference to years other than 1980 or 1982, means the appropriate net
 214.33 tax capacities multiplied by 10.2.

221.4 (d) In addition to other distributions under this subdivision, three cents per taxable ton
 221.5 for distributions in 2009 must be allocated for distribution to towns that are entirely located
 221.6 within the taconite tax relief area defined in section 273.134, paragraph (b). For distribution
 221.7 in 2010 through 2014 and for distribution in 2018 and subsequent years, the three-cent
 221.8 amount must be annually increased in the same proportion as the increase in the implicit
 221.9 price deflator as provided in section 298.24, subdivision 1. The amount available under this
 221.10 paragraph will be distributed to eligible towns on a per capita basis, provided that no town
 221.11 may receive more than \$50,000 in any year under this paragraph. Any amount of the
 221.12 distribution that exceeds the \$50,000 limitation for a town under this paragraph must be
 221.13 redistributed on a per capita basis among the other eligible towns, to whose distributions
 221.14 do not exceed \$50,000.

221.15 **EFFECTIVE DATE.** This section is effective for distributions in 2020 and thereafter.

221.16 Sec. 11. Minnesota Statutes 2018, section 298.28, subdivision 11, is amended to read:

221.17 Subd. 11. **Remainder.** (a) The proceeds of the tax imposed by section 298.24 which
 221.18 remain after the distributions and payments in subdivisions 2 to 10a, as certified by the
 221.19 commissioner of revenue, and paragraphs (b), (c), and (d) have been made, together with
 221.20 interest earned on all money distributed under this section prior to distribution, shall be
 221.21 divided between the taconite environmental protection fund created in section 298.223 and
 221.22 the Douglas J. Johnson economic protection trust fund created in section 298.292 as follows:
 221.23 Two-thirds to the taconite environmental protection fund and one-third to the Douglas J.
 221.24 Johnson economic protection trust fund. The proceeds shall be placed in the respective
 221.25 special accounts.

221.26 (b) There shall be distributed to each city, town, and county the amount that it received
 221.27 under Minnesota Statutes 1978, section 294.26, in calendar year 1977; provided, however,
 221.28 that (1) the amount distributed in 1981 to the unorganized territory number 2 of Lake County
 221.29 and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company
 221.30 will be distributed in 1982 and subsequent years to the unorganized territory number 2 of
 221.31 Lake County and the towns of Beaver Bay and Stony River based on the miles of track of
 221.32 Erie Mining Company in each taxing district; and (2) a city located within six miles of five
 221.33 other cities qualifying for a distribution under section 298.282 shall receive a distribution
 221.34 equal to \$5,000 under this paragraph in calendar year 2020 and subsequent years. The
 222.1 distribution to all other cities and towns receiving a distribution under this paragraph shall
 222.2 be reduced by the ratio that \$5,000 bears to the total aid distribution received by all cities
 222.3 and towns under this paragraph.

222.4 (c) There shall be distributed to the Iron Range resources and rehabilitation account the
 222.5 amounts it received in 1977 under Minnesota Statutes 1978, section 298.22. The amount
 222.6 distributed under this paragraph shall be expended within or for the benefit of the taconite
 222.7 assistance area defined in section 273.1341.

215.1 (d) In addition to other distributions under this subdivision, three cents per taxable ton
 215.2 for distributions in 2009 must be allocated for distribution to towns that are entirely located
 215.3 within the taconite tax relief area defined in section 273.134, paragraph (b). For distribution
 215.4 in 2010 through 2014 and for distribution in 2018 and subsequent years, the three-cent
 215.5 amount must be annually increased in the same proportion as the increase in the implicit
 215.6 price deflator as provided in section 298.24, subdivision 1. The amount available under this
 215.7 paragraph will be distributed to eligible towns on a per capita basis, provided that no town
 215.8 may receive more than \$50,000 in any year under this paragraph. Any amount of the
 215.9 distribution that exceeds the \$50,000 limitation for a town under this paragraph must be
 215.10 redistributed on a per capita basis among the other eligible towns, to whose distributions
 215.11 do not exceed \$50,000.

215.12 **EFFECTIVE DATE.** This section is effective for distributions in 2020 and thereafter.

215.13 Sec. 11. Minnesota Statutes 2018, section 298.28, subdivision 11, is amended to read:

215.14 Subd. 11. **Remainder.** (a) The proceeds of the tax imposed by section 298.24 which
 215.15 remain after the distributions and payments in subdivisions 2 to 10a, as certified by the
 215.16 commissioner of revenue, and paragraphs (b), (c), and (d) have been made, together with
 215.17 interest earned on all money distributed under this section prior to distribution, shall be
 215.18 divided between the taconite environmental protection fund created in section 298.223 and
 215.19 the Douglas J. Johnson economic protection trust fund created in section 298.292 as follows:
 215.20 Two-thirds to the taconite environmental protection fund and one-third to the Douglas J.
 215.21 Johnson economic protection trust fund. The proceeds shall be placed in the respective
 215.22 special accounts.

215.23 (b) There shall be distributed to each city, town, and county the amount that it received
 215.24 under Minnesota Statutes 1978, section 294.26, in calendar year 1977; provided, however,
 215.25 that (1) the amount distributed in 1981 to the unorganized territory number 2 of Lake County
 215.26 and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company
 215.27 will be distributed in 1982 and subsequent years to the unorganized territory number 2 of
 215.28 Lake County and the towns of Beaver Bay and Stony River based on the miles of track of
 215.29 Erie Mining Company in each taxing district; and (2) a city located within six miles of five
 215.30 other cities qualifying for a distribution under section 298.282 shall receive a distribution
 215.31 equal to \$5,000 under this paragraph in calendar year 2020 and subsequent years. The
 215.32 distribution to all other cities and towns receiving a distribution under this paragraph shall
 215.33 be reduced by the ratio that \$5,000 bears to the total aid distribution received by all cities
 215.34 and towns under this paragraph.

216.1 (c) There shall be distributed to the Iron Range resources and rehabilitation account the
 216.2 amounts it received in 1977 under Minnesota Statutes 1978, section 298.22. The amount
 216.3 distributed under this paragraph shall be expended within or for the benefit of the taconite
 216.4 assistance area defined in section 273.1341.

222.8 (d) There shall be distributed to each school district 62 percent of the amount that it
222.9 received under Minnesota Statutes 1978, section 294.26, in calendar year 1977.

222.10 **EFFECTIVE DATE.** This section is effective for aid distributions in 2020 and
222.11 subsequent years.

222.12 Sec. 12. Minnesota Statutes 2018, section 298.282, subdivision 1, is amended to read:

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

222.21 **EFFECTIVE DATE.** This section is effective beginning with distributions in 2020.

222.22 Sec. 13. Minnesota Statutes 2018, section 353.27, subdivision 3c, is amended to read:

222.23 Subd. 3c. **Former MERF members; member and employer contributions.** (a) For
222.24 the period July 1, ~~2015~~ 2019, through December 31, 2031, the member contributions for
222.25 former members of the Minneapolis Employees Retirement Fund and by the former
222.26 Minneapolis Employees Retirement Fund-covered employing units are governed by this
222.27 subdivision.

222.28 (b) The member contribution for a public employee who was a member of the former
222.29 Minneapolis Employees Retirement Fund on June 29, 2010, is 9.75 percent of the salary of
222.30 the employee.

223.1 (c) The employer regular contribution with respect to a public employee who was a
223.2 member of the former Minneapolis Employees Retirement Fund on June 29, 2010, is 9.75
223.3 percent of the salary of the employee.

223.4 (d) The annual employer supplemental contribution is the employing unit's share of
223.5 ~~\$31,000,000. For calendar years 2017 and 2018, the employer supplemental contribution~~
223.6 ~~is the employing unit's share of \$21,000,000.~~

223.7 (e) Each employing unit's share under paragraph (d) is the amount determined from an
223.8 allocation between each employing unit in the portion equal to the unit's employer
223.9 supplemental contribution paid or payable under Minnesota Statutes 2012, section 353.50,
223.10 during calendar year 2014.

223.11 (f) The employer supplemental contribution amount under paragraph (d) for calendar
223.12 year ~~2015~~ 2019 must be invoiced by the executive director of the Public Employees

216.5 (d) There shall be distributed to each school district 62 percent of the amount that it
216.6 received under Minnesota Statutes 1978, section 294.26, in calendar year 1977.

216.7 **EFFECTIVE DATE.** This section is effective for aid distributions in 2020 and
216.8 subsequent years.

216.9 Sec. 12. Minnesota Statutes 2018, section 298.282, subdivision 1, is amended to read:

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

216.18 **EFFECTIVE DATE.** This section is effective beginning with distributions in 2020.

216.19 Sec. 13. Minnesota Statutes 2018, section 353.27, subdivision 3c, is amended to read:

216.20 Subd. 3c. **Former MERF members; member and employer contributions.** (a) For
216.21 the period July 1, ~~2015~~ 2019, through December 31, 2031, the member contributions for
216.22 former members of the Minneapolis Employees Retirement Fund and by the former
216.23 Minneapolis Employees Retirement Fund-covered employing units are governed by this
216.24 subdivision.

216.25 (b) The member contribution for a public employee who was a member of the former
216.26 Minneapolis Employees Retirement Fund on June 29, 2010, is 9.75 percent of the salary of
216.27 the employee.

216.28 (c) The employer regular contribution with respect to a public employee who was a
216.29 member of the former Minneapolis Employees Retirement Fund on June 29, 2010, is 9.75
216.30 percent of the salary of the employee.

217.1 (d) The annual employer supplemental contribution is the employing unit's share of
217.2 ~~\$31,000,000. For calendar years 2017 and 2018, the employer supplemental contribution~~
217.3 ~~is the employing unit's share of \$21,000,000.~~

217.4 (e) Each employing unit's share under paragraph (d) is the amount determined from an
217.5 allocation between each employing unit in the portion equal to the unit's employer
217.6 supplemental contribution paid or payable under Minnesota Statutes 2012, section 353.50,
217.7 during calendar year 2014.

217.8 (f) The employer supplemental contribution amount under paragraph (d) for calendar
217.9 year ~~2015~~ 2019 must be invoiced by the executive director of the Public Employees

223.13 Retirement Association by July 1, 2015. ~~The calendar year 2015 payment is payable in a~~
 223.14 ~~single amount on or before September 30, 2015~~ 2019. For subsequent calendar years, the
 223.15 employer supplemental contribution under paragraph (d) must be invoiced on January 31
 223.16 of each year ~~and~~. The employer supplemental contribution is payable in two parts, with the
 223.17 first half payable on or before July 31 and with the second half payable on or before
 223.18 December 15. Late payments are payable with interest, compounded annually, at the
 223.19 applicable rate or rates specified in section 356.59, subdivision 3, per month for each month
 223.20 or portion of a month that has elapsed after the due date.

223.21 (g) The employer supplemental contribution under paragraph (d) terminates on December
 223.22 31, 2031.

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

223.24 Sec. 14. Minnesota Statutes 2018, section 353.505, is amended to read:

223.25 **353.505 STATE CONTRIBUTIONS; FORMER MERF DIVISION.**

223.26 (a) On September 15, 2019, and annually thereafter, the state shall pay to the general
 223.27 employees retirement plan of the Public Employees Retirement Association, with respect
 223.28 to the former MERF division, ~~\$6,000,000~~ \$16,000,000.

223.29 ~~(b) On September 15, 2017, and September 15, 2018, the state shall pay to the general~~
 223.30 ~~employees retirement plan of the Public Employees Retirement Association, with respect~~
 223.31 ~~to the former MERF division, \$16,000,000.~~

223.32 ~~(e)~~ (b) State contributions under this section end on September 15, 2031.

224.1 (c) The commissioner of management and budget shall pay the contribution specified
 224.2 in this section. The amount required is appropriated annually from the general fund to the
 224.3 commissioner of management and budget.

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

224.5 Sec. 15. Laws 2009, chapter 122, section 3, subdivision 1, is amended to read:

224.6 Subdivision 1. **Establishment.** Any two or more of the following municipalities in St.
 224.7 Louis County may establish, by resolution of their respective governing bodies, the Central
 224.8 Iron Range Sanitary Sewer District: the cities of Buhl, Chisholm, and Kinney, and the ~~towns~~
 224.9 ~~town of Balkan and~~ Great Scott. Instead of adopting a resolution, a municipality may hold
 224.10 a referendum on the question of whether to join the district at a general or special election.
 224.11 After a municipality has adopted a resolution or held a referendum in which the voters
 224.12 approved joining the district, the municipality must provide notice to the chief clerical
 224.13 officer of other municipalities listed. The district is established when the first two
 224.14 municipalities have notified the other municipalities. Other municipalities may join without
 224.15 the consent of the member municipalities within 60 days after the district is established. If

217.10 Retirement Association by July 1, 2015. ~~The calendar year 2015 payment is payable in a~~
 217.11 ~~single amount on or before September 30, 2015~~ 2019. For subsequent calendar years, the
 217.12 employer supplemental contribution under paragraph (d) must be invoiced on January 31
 217.13 of each year ~~and~~. The employer supplemental contribution is payable in two parts, with the
 217.14 first half payable on or before July 31 and with the second half payable on or before
 217.15 December 15. Late payments are payable with interest, compounded annually, at the
 217.16 applicable rate or rates specified in section 356.59, subdivision 3, per month for each month
 217.17 or portion of a month that has elapsed after the due date.

217.18 (g) The employer supplemental contribution under paragraph (d) terminates on December
 217.19 31, 2031.

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

217.21 Sec. 14. Minnesota Statutes 2018, section 353.505, is amended to read:

217.22 **353.505 STATE CONTRIBUTIONS; FORMER MERF DIVISION.**

217.23 (a) On September 15, 2019, and annually thereafter, the state shall pay to the general
 217.24 employees retirement plan of the Public Employees Retirement Association, with respect
 217.25 to the former MERF division, ~~\$6,000,000~~ \$16,000,000.

217.26 ~~(b) On September 15, 2017, and September 15, 2018, the state shall pay to the general~~
 217.27 ~~employees retirement plan of the Public Employees Retirement Association, with respect~~
 217.28 ~~to the former MERF division, \$16,000,000.~~

217.29 ~~(e)~~ (b) State contributions under this section end on September 15, 2031.

217.30 (c) The commissioner of management and budget shall pay the contribution specified
 217.31 in this section. The amount required is appropriated annually from the general fund to the
 217.32 commissioner of management and budget.

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

218.2 Sec. 15. Laws 2009, chapter 122, section 3, subdivision 1, is amended to read:

218.3 Subdivision 1. **Establishment.** Any two or more of the following municipalities in St.
 218.4 Louis County may establish, by resolution of their respective governing bodies, the Central
 218.5 Iron Range Sanitary Sewer District: the cities of Buhl, Chisholm, and Kinney, and the ~~towns~~
 218.6 ~~town of Balkan and~~ Great Scott. Instead of adopting a resolution, a municipality may
 218.7 hold a referendum on the question of whether to join the district at a general or special
 218.8 election. After a municipality has adopted a resolution or held a referendum in which the
 218.9 voters approved joining the district, the municipality must provide notice to the chief clerical
 218.10 officer of other municipalities listed. The district is established when the first two
 218.11 municipalities have notified the other municipalities. Other municipalities may join without
 218.12 the consent of the member municipalities within 60 days after the district is established. If

224.16 the district is established, it also includes the territory occupied by the Minnesota Discovery
 224.17 Center, formerly Ironworld. The sewer district is under the control and management of the
 224.18 Central Iron Range Sanitary Sewer Board. The district is established as a public corporation
 224.19 and political subdivision of the state with perpetual succession and all the rights, powers,
 224.20 privileges, immunities, and duties granted to or imposed upon a municipal corporation, as
 224.21 provided in this act.

224.22 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day after
 224.23 the governing body and chief clerical officer of each municipality that is part of the Central
 224.24 Iron Range Sanitary Sewer District timely complete their compliance with Minnesota
 224.25 Statutes, section 645.021, subdivisions 2 and 3.

224.26 Sec. 16. Laws 2009, chapter 122, section 3, subdivision 2, is amended to read:

224.27 Subd. 2. **Members and selection.** The board is composed of members selected as
 224.28 provided in this subdivision. The town board of each township that joins the district shall
 224.29 appoint one resident member to the sewer board. The city council of each city that joins the
 224.30 district shall appoint members to the sewer board as follows: three members for the city of
 224.31 Chisholm, two members for the city of Buhl, and one member for the city of Kinney. One
 224.32 member must be selected by the Iron Range Resources and Rehabilitation Board (IRRRB)
 224.33 on behalf of Ironworld the Minnesota Discovery Center. Each member of the sewer board:

225.1 (1) must be a resident of the municipality the member represents, except the member
 225.2 appointed by the IRRRB;

225.3 (2) may be a member of the governing body of the municipality appointing the member;
 225.4 and

225.5 (3) has one vote.

225.6 The first terms are as follows: one-third of the members for one year, one-third for two
 225.7 years, and the remainder for three years, fixed by lot at the district's first meeting; thereafter,
 225.8 all terms are for three years.

225.9 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective retroactively
 225.10 from December 27, 2003, and all appointments of sewer board members made since such
 225.11 date are ratified and confirmed, the day after the governing body and chief clerical officer
 225.12 of each municipality that is part of the Central Iron Range Sanitary Sewer District comply
 225.13 with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

225.14 Sec. 17. **BUDGET RESERVE REDUCTION.**

225.15 On July 1, 2021, the balance of the budget reserve account established in Minnesota
 225.16 Statutes, section 16A.152, subdivision 1a, is reduced by \$491,369,000.

218.13 the district is established, it also includes the territory occupied by the Minnesota Discovery
 218.14 Center, formerly Ironworld. The sewer district is under the control and management of the
 218.15 Central Iron Range Sanitary Sewer Board. The district is established as a public corporation
 218.16 and political subdivision of the state with perpetual succession and all the rights, powers,
 218.17 privileges, immunities, and duties granted to or imposed upon a municipal corporation, as
 218.18 provided in this act.

218.19 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day after
 218.20 the governing body and chief clerical officer of each municipality that is part of the Central
 218.21 Iron Range Sanitary Sewer District timely complete their compliance with Minnesota
 218.22 Statutes, section 645.021, subdivisions 2 and 3.

218.23 Sec. 16. Laws 2009, chapter 122, section 3, subdivision 2, is amended to read:

218.24 Subd. 2. **Members and selection.** The board is composed of members selected as
 218.25 provided in this subdivision. The town board of each township that joins the district shall
 218.26 appoint one resident member to the sewer board. The city council of each city that joins the
 218.27 district shall appoint members to the sewer board as follows: three members for the city of
 218.28 Chisholm, two members for the city of Buhl, and one member for the city of Kinney. One
 218.29 member must be selected by the Iron Range Resources and Rehabilitation Board (IRRRB)
 218.30 on behalf of Ironworld the Minnesota Discovery Center. Each member of the sewer board:

218.31 (1) must be a resident of the municipality the member represents, except the member
 218.32 appointed by the IRRRB;

219.1 (2) may be a member of the governing body of the municipality appointing the member;
 219.2 and

219.3 (3) has one vote.

219.4 The first terms are as follows: one-third of the members for one year, one-third for two
 219.5 years, and the remainder for three years, fixed by lot at the district's first meeting; thereafter,
 219.6 all terms are for three years.

219.7 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective retroactively
 219.8 from December 27, 2003, and all appointments of sewer board members made since such
 219.9 date are ratified and confirmed, the day after the governing body and chief clerical officer
 219.10 of each municipality that is part of the Central Iron Range Sanitary Sewer District comply
 219.11 with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

219.12 Sec. 17. **BUDGET RESERVE REDUCTION.**

219.13 On July 1, 2021, the balance of the budget reserve account established in Minnesota
 219.14 Statutes, section 16A.152, subdivision 1a, is reduced by \$491,369,000.

225.17 Sec. 18. APPROPRIATION; TAXPAYER ASSISTANCE GRANTS.

225.18 (a) \$200,000 in fiscal year 2020 and \$200,000 in fiscal year 2021 are appropriated from
 225.19 the general fund to the commissioner of revenue to make grants to one or more nonprofit
 225.20 organizations, qualifying under section 501(c)(3) of the Internal Revenue Code of 1986, to
 225.21 coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services.
 225.22 These amounts are in addition to any other amounts appropriated by law. Of the amount
 225.23 appropriated, up to five percent may be used for the administration of the taxpayer assistance
 225.24 grants program.

225.25 (b) For purposes of this section, "taxpayer assistance services" means accounting and
 225.26 tax preparation services provided by volunteers to low-income, elderly, and disadvantaged
 225.27 Minnesota residents to help them file federal and state income tax returns and Minnesota
 225.28 property tax refund claims and to provide personal representation before the Department
 225.29 of Revenue and Internal Revenue Service.

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

226.1 Sec. 19. APPROPRIATION.

226.2 \$3,000,000 in fiscal year 2020 and \$3,000,000 in fiscal year 2021 are appropriated to
 226.3 the commissioner of revenue to administer this act.

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

226.5 Sec. 20. REPEALER.

226.6 (a) Minnesota Statutes 2018, section 297F.08, subdivision 5, is repealed.

226.7 (b) Minnesota Statutes 2018, sections 296A.03, subdivision 5; 296A.04, subdivision 2;
 226.8 and 296A.05, subdivision 2, and Minnesota Rules, part 8125.0410, subpart 1, are repealed.

226.9 EFFECTIVE DATE. Paragraph (a) is effective the day following final enactment.
 226.10 Paragraph (b) is effective for all licenses with an effective date after June 30, 2019.

226.11 **ARTICLE 12**226.12 **DEPARTMENT OF REVENUE INDIVIDUAL INCOME AND CORPORATE**
226.13 **FRANCHISE TAXES; POLICY CHANGES**

226.14 Section 1. Minnesota Statutes 2018, section 290.0137, is amended to read:

226.15 **290.0137 ACCELERATED RECOGNITION OF CERTAIN INSTALLMENT**
226.16 **SALE GAINS.**

226.17 (a) In the case of a nonresident individual or a person who becomes a nonresident
 226.18 individual during the tax year, taxable net income shall include the ~~allocable~~ amount realized
 226.19 upon a sale of the assets of, or any interest in, an S corporation or partnership that operated

219.15 Sec. 18. APPROPRIATION; TAXPAYER ASSISTANCE GRANTS.

219.16 (a) \$400,000 in fiscal year 2020 and \$400,000 in fiscal year 2021 are appropriated from
 219.17 the general fund to the commissioner of revenue to make grants to one or more nonprofit
 219.18 organizations, qualifying under section 501(c)(3) of the Internal Revenue Code of 1986, to
 219.19 coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services.
 219.20 These amounts are in addition to any other amounts appropriated by law. Of the amount
 219.21 appropriated, up to five percent may be used for the administration of the taxpayer assistance
 219.22 grants program.

219.23 (b) For purposes of this section, "taxpayer assistance services" means accounting and
 219.24 tax preparation services provided by volunteers to low-income, elderly, and disadvantaged
 219.25 Minnesota residents to help them file federal and state income tax returns and Minnesota
 219.26 property tax refund claims and to provide personal representation before the Department
 219.27 of Revenue and Internal Revenue Service.

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

219.29 Sec. 19. APPROPRIATION.

219.30 \$3,000,000 in fiscal year 2020 and \$3,000,000 in fiscal year 2021 are appropriated to
 219.31 the commissioner of revenue to administer this act.

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

220.2 Sec. 20. REPEALER.

220.3 (a) Minnesota Statutes 2018, section 297F.08, subdivision 5, is repealed.

220.4 (b) Minnesota Statutes 2018, sections 296A.03, subdivision 5; 296A.04, subdivision 2;
 220.5 and 296A.05, subdivision 2, and Minnesota Rules, part 8125.0410, subpart 1, are repealed.

220.6 EFFECTIVE DATE. Paragraph (a) is effective the day following final enactment.
 220.7 Paragraph (b) is effective for all licenses with an effective date after June 30, 2019.

220.8 **ARTICLE 12**220.9 **DEPARTMENT OF REVENUE INDIVIDUAL INCOME AND CORPORATE**
220.10 **FRANCHISE TAXES; POLICY CHANGES**

220.11 Section 1. Minnesota Statutes 2018, section 290.0137, is amended to read:

220.12 **290.0137 ACCELERATED RECOGNITION OF CERTAIN INSTALLMENT**
220.13 **SALE GAINS.**

220.14 (a) In the case of a nonresident individual or a person who becomes a nonresident
 220.15 individual during the tax year, taxable net income shall include the ~~allocable~~ amount realized
 220.16 upon a sale of the assets of, or any interest in, an S corporation or partnership that operated

226.20 in Minnesota during the year of sale, including any income or gain to be recognized in future
226.21 years pursuant to an installment sale method of reporting under the Internal Revenue Code.

226.22 (1) For the purposes of this paragraph, an individual who becomes a nonresident of
226.23 Minnesota in any year after an installment sale is required to recognize the full amount of
226.24 any income or gain described in this paragraph on the individual's final Minnesota resident
226.25 tax return to the extent that such income has not been recognized in a prior year.

226.26 (2) For the purposes of this section, "realized" has the meaning given in section 1001(b)
226.27 of the Internal Revenue Code.

226.28 (3) For the purposes of this section, "installment sale" means any installment sale under
226.29 section 453 of the Internal Revenue Code and any other sale that is reported utilizing a
226.30 method of accounting authorized under subchapter E of the Internal Revenue Code that
226.31 allows taxpayers to delay reporting or recognizing a realized gain until a future year.

227.1 ~~(4) For the purposes of this section, "allocable amount" means the full amount to be~~
227.2 ~~apportioned to Minnesota under section 290.191 or 290.20, or the full amount to be assigned~~
227.3 ~~to Minnesota under section 290.17.~~

227.4 (b) Notwithstanding paragraph (a), nonresident taxpayers may elect to defer recognizing
227.5 unrecognized installment sale gains by making an election under this paragraph. The election
227.6 must be filed on a form to be determined or prescribed by the commissioner and must be
227.7 filed by the due date of the individual income tax return, including any extension. Electing
227.8 taxpayers must make an irrevocable agreement to:

227.9 (1) file Minnesota tax returns in all subsequent years when gains from the installment
227.10 sales are recognized and reported to the Internal Revenue Service;

227.11 (2) allocate gains to the state of Minnesota as though the gains were realized in the year
227.12 of sale under section 290.17, 290.191, or 290.20; and

227.13 (3) include all relevant federal tax documents reporting the installment sale with
227.14 subsequent Minnesota tax returns.

227.15 (c) Income or gain recognized for Minnesota purposes pursuant to paragraph (a) must
227.16 be excluded from taxable net income in any future year that the taxpayer files a Minnesota
227.17 tax return to the extent that the income or gain has already been subject to tax pursuant to
227.18 paragraph (a).

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

227.20 Sec. 2. Minnesota Statutes 2018, section 290.06, subdivision 2c, is amended to read:

227.21 Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes
227.22 imposed by this chapter upon married individuals filing joint returns and surviving spouses

220.17 in Minnesota during the year of sale, including any income or gain to be recognized in future
220.18 years pursuant to an installment sale method of reporting under the Internal Revenue Code.

220.19 (1) For the purposes of this paragraph, an individual who becomes a nonresident of
220.20 Minnesota in any year after an installment sale is required to recognize the full amount of
220.21 any income or gain described in this paragraph on the individual's final Minnesota resident
220.22 tax return to the extent that such income has not been recognized in a prior year.

220.23 (2) For the purposes of this section, "realized" has the meaning given in section 1001(b)
220.24 of the Internal Revenue Code.

220.25 (3) For the purposes of this section, "installment sale" means any installment sale under
220.26 section 453 of the Internal Revenue Code and any other sale that is reported utilizing a
220.27 method of accounting authorized under subchapter E of the Internal Revenue Code that
220.28 allows taxpayers to delay reporting or recognizing a realized gain until a future year.

220.29 ~~(4) For the purposes of this section, "allocable amount" means the full amount to be~~
220.30 ~~apportioned to Minnesota under section 290.191 or 290.20, or the full amount to be assigned~~
220.31 ~~to Minnesota under section 290.17.~~

221.1 (b) Notwithstanding paragraph (a), nonresident taxpayers may elect to defer recognizing
221.2 unrecognized installment sale gains by making an election under this paragraph. The election
221.3 must be filed on a form to be determined or prescribed by the commissioner and must be
221.4 filed by the due date of the individual income tax return, including any extension. Electing
221.5 taxpayers must make an irrevocable agreement to:

221.6 (1) file Minnesota tax returns in all subsequent years when gains from the installment
221.7 sales are recognized and reported to the Internal Revenue Service;

221.8 (2) allocate gains to the state of Minnesota as though the gains were realized in the year
221.9 of sale under section 290.17, 290.191, or 290.20; and

221.10 (3) include all relevant federal tax documents reporting the installment sale with
221.11 subsequent Minnesota tax returns.

221.12 (c) Income or gain recognized for Minnesota purposes pursuant to paragraph (a) must
221.13 be excluded from taxable net income in any future year that the taxpayer files a Minnesota
221.14 tax return to the extent that the income or gain has already been subject to tax pursuant to
221.15 paragraph (a).

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

221.17 Sec. 2. Minnesota Statutes 2018, section 290.06, subdivision 2c, is amended to read:

221.18 Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes
221.19 imposed by this chapter upon married individuals filing joint returns and surviving spouses

227.23 as defined in section 2(a) of the Internal Revenue Code must be computed by applying to
 227.24 their taxable net income the following schedule of rates:

227.25 (1) On the first \$35,480, 5.35 percent;

227.26 (2) On all over \$35,480, but not over \$140,960, 7.05 percent;

227.27 (3) On all over \$140,960, but not over \$250,000, 7.85 percent;

227.28 (4) On all over \$250,000, 9.85 percent.

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

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

228.3 (1) On the first \$24,270, 5.35 percent;

228.4 (2) On all over \$24,270, but not over \$79,730, 7.05 percent;

228.5 (3) On all over \$79,730, but not over \$150,000, 7.85 percent;

228.6 (4) On all over \$150,000, 9.85 percent.

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

228.10 (1) On the first \$29,880, 5.35 percent;

228.11 (2) On all over \$29,880, but not over \$120,070, 7.05 percent;

228.12 (3) On all over \$120,070, but not over \$200,000, 7.85 percent;

228.13 (4) On all over \$200,000, 9.85 percent.

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

221.20 as defined in section 2(a) of the Internal Revenue Code must be computed by applying to
 221.21 their taxable net income the following schedule of rates:

221.22 (1) On the first \$35,480, 5.35 percent;

221.23 (2) On all over \$35,480, but not over \$140,960, 7.05 percent;

221.24 (3) On all over \$140,960, but not over \$250,000, 7.85 percent;

221.25 (4) On all over \$250,000, 9.85 percent.

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

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

221.31 (1) On the first \$24,270, 5.35 percent;

222.1 (2) On all over \$24,270, but not over \$79,730, 7.05 percent;

222.2 (3) On all over \$79,730, but not over \$150,000, 7.85 percent;

222.3 (4) On all over \$150,000, 9.85 percent.

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

222.7 (1) On the first \$29,880, 5.35 percent;

222.8 (2) On all over \$29,880, but not over \$120,070, 7.05 percent;

222.9 (3) On all over \$120,070, but not over \$200,000, 7.85 percent;

222.10 (4) On all over \$200,000, 9.85 percent.

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

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

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

228.27 (i) the additions required under ~~section~~ sections 290.0131, subdivisions 2 and 6 to 11,
228.28 and 290.0137, paragraph (a); and reduced by

228.29 (ii) the Minnesota assignable portion of the subtraction for United States government
228.30 interest under section 290.0132, subdivision 2, ~~and~~ the subtractions under ~~section~~ sections
229.1 290.0132, subdivisions 9, 10, 14, 15, 17, and 18, ~~and~~ 290.0137, paragraph (c), after applying
229.2 the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

229.3 (2) the denominator is the individual's federal adjusted gross income as defined in section
229.4 62 of the Internal Revenue Code, increased by:

229.5 (i) the ~~amounts specified in section~~ additions required under sections 290.0131,
229.6 subdivisions 2 and 6 to 11, ~~and~~ 290.0137, paragraph (a); and reduced by

229.7 (ii) the ~~amounts specified in section~~ subtractions under sections 290.0132, subdivisions
229.8 2, 9, 10, 14, 15, 17, and 18, ~~and~~ 290.0137, paragraph (c).

229.9 **EFFECTIVE DATE.** The amendment to paragraph (a) is effective for taxable years
229.10 beginning after December 31, 2018. The amendment to paragraph (e) is effective the day
229.11 following final enactment.

229.12 Sec. 3. Minnesota Statutes 2018, section 290.06, subdivision 2d, is amended to read:

229.13 Subd. 2d. **Inflation adjustment of brackets.** (a) For taxable years beginning after
229.14 December 31, 2013, the minimum and maximum dollar amounts for each rate bracket for
229.15 which a tax is imposed in subdivision 2c shall be adjusted for inflation by the percentage
229.16 determined under paragraph (b). For the purpose of making the adjustment as provided in
229.17 this subdivision all of the rate brackets provided in subdivision 2c shall be the rate brackets
229.18 as they existed for taxable years beginning after December 31, 2012, and before January 1,
229.19 2014. The rate applicable to any rate bracket must not be changed. The dollar amounts
229.20 setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate
229.21 brackets as adjusted must be rounded to the nearest \$10 amount. If the rate bracket ends in
229.22 \$5, it must be rounded up to the nearest \$10 amount.

229.23 (b) The commissioner shall adjust the rate brackets and by the percentage determined
229.24 pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in section
229.25 1(f)(3)(B) the word "2012" shall be substituted for the word "1992." For 2014, the
229.26 commissioner shall then determine the percent change from the 12 months ending on August

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

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

222.24 (i) the additions required under ~~section~~ sections 290.0131, subdivisions 2 and 6 to 11,
222.25 and 290.0137, paragraph (a); and reduced by

222.26 (ii) the Minnesota assignable portion of the subtraction for United States government
222.27 interest under section 290.0132, subdivision 2, ~~and~~ the subtractions under ~~section~~ sections
222.28 290.0132, subdivisions 9, 10, 14, 15, 17, and 18, ~~and~~ 290.0137, paragraph (c), after applying
222.29 the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

222.30 (2) the denominator is the individual's federal adjusted gross income as defined in section
222.31 62 of the Internal Revenue Code, increased by:

223.1 (i) the ~~amounts specified in section~~ additions required under sections 290.0131,
223.2 subdivisions 2 and 6 to 11, ~~and~~ 290.0137, paragraph (a); and reduced by

223.3 (ii) the ~~amounts specified in section~~ subtractions under sections 290.0132, subdivisions
223.4 2, 9, 10, 14, 15, 17, and 18, ~~and~~ 290.0137, paragraph (c).

223.5 **EFFECTIVE DATE.** The amendment to paragraph (a) is effective for taxable years
223.6 beginning after December 31, 2018. The amendment to paragraph (e) is effective the day
223.7 following final enactment.

223.8 Sec. 3. Minnesota Statutes 2018, section 290.06, subdivision 2d, is amended to read:

223.9 Subd. 2d. **Inflation adjustment of brackets.** (a) For taxable years beginning after
223.10 December 31, 2013, the minimum and maximum dollar amounts for each rate bracket for
223.11 which a tax is imposed in subdivision 2c shall be adjusted for inflation by the percentage
223.12 determined under paragraph (b). For the purpose of making the adjustment as provided in
223.13 this subdivision all of the rate brackets provided in subdivision 2c shall be the rate brackets
223.14 as they existed for taxable years beginning after December 31, 2012, and before January 1,
223.15 2014. The rate applicable to any rate bracket must not be changed. The dollar amounts
223.16 setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate
223.17 brackets as adjusted must be rounded to the nearest \$10 amount. If the rate bracket ends in
223.18 \$5, it must be rounded up to the nearest \$10 amount.

223.19 (b) The commissioner shall adjust the rate brackets and by the percentage determined
223.20 pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in section
223.21 1(f)(3)(B) the word "2012" shall be substituted for the word "1992." For 2014, the
223.22 commissioner shall then determine the percent change from the 12 months ending on August

229.27 31, 2012, to the 12 months ending on August 31, 2013, and in each subsequent year, from
 229.28 the 12 months ending on August 31, 2012, to the 12 months ending on August 31 of the
 229.29 year preceding the taxable year. The commissioner shall determine the rate bracket for
 229.30 married filing separate returns after this adjustment is done. The rate bracket for married
 229.31 filing separate must be one-half of the rate bracket for married filing joint. The determination
 229.32 of the commissioner pursuant to this subdivision shall not be considered a "rule" and shall
 229.33 not be subject to the Administrative Procedure Act contained in chapter 14.

230.1 No later than December 15 of each year, the commissioner shall announce the specific
 230.2 percentage that will be used to adjust the tax rate brackets.

230.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 230.4 31, 2018.

ARTICLE 13

DEPARTMENT OF REVENUE INDIVIDUAL INCOME AND CORPORATE FRANCHISE TAXES; TECHNICAL CHANGES

230.8 Section 1. Minnesota Statutes 2018, section 289A.38, subdivision 7, is amended to read:

230.9 Subd. 7. **Federal tax changes.** (a) If the amount of income, items of tax preference,
 230.10 deductions, or credits for any year of a taxpayer, or the wages paid by a taxpayer for any
 230.11 period, as reported to the Internal Revenue Service is changed or corrected by the
 230.12 commissioner of Internal Revenue or other officer of the United States or other competent
 230.13 authority, or where a renegotiation of a contract or subcontract with the United States results
 230.14 in a change in income, items of tax preference, deductions, credits, or withholding tax, or,
 230.15 in the case of estate tax, where there are adjustments to the taxable estate, the taxpayer shall
 230.16 report the change or correction or renegotiation results in writing to the commissioner. The
 230.17 report must be submitted within 180 days after the final determination and must be in the
 230.18 form of either an amended Minnesota estate, withholding tax, corporate franchise tax, or
 230.19 income tax return conceding the accuracy of the federal determination or a letter detailing
 230.20 how the federal determination is incorrect or does not change the Minnesota tax. An amended
 230.21 Minnesota income tax return must be accompanied by an amended property tax refund
 230.22 return, if necessary. A taxpayer filing an amended federal tax return must also file a copy
 230.23 of the amended return with the commissioner of revenue within 180 days after filing the
 230.24 amended return.

230.25 (b) For the purposes of paragraph (a), a change or correction includes any case where a
 230.26 taxpayer reaches a closing agreement or compromise with the Internal Revenue Service
 230.27 under section 7121 or 7122 of the Internal Revenue Code.

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

223.23 31, 2012, to the 12 months ending on August 31, 2013, and in each subsequent year, from
 223.24 the 12 months ending on August 31, 2012, to the 12 months ending on August 31 of the
 223.25 year preceding the taxable year. The commissioner shall determine the rate bracket for
 223.26 married filing separate returns after this adjustment is done. The rate bracket for married
 223.27 filing separate must be one-half of the rate bracket for married filing joint. The determination
 223.28 of the commissioner pursuant to this subdivision shall not be considered a "rule" and shall
 223.29 not be subject to the Administrative Procedure Act contained in chapter 14.

223.30 No later than December 15 of each year, the commissioner shall announce the specific
 223.31 percentage that will be used to adjust the tax rate brackets.

223.32 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 223.33 31, 2018.

ARTICLE 13

DEPARTMENT OF REVENUE INDIVIDUAL INCOME AND CORPORATE FRANCHISE TAXES; TECHNICAL CHANGES

224.4 Section 1. Minnesota Statutes 2018, section 289A.38, subdivision 7, is amended to read:

224.5 Subd. 7. **Federal tax changes.** (a) If the amount of income, items of tax preference,
 224.6 deductions, or credits for any year of a taxpayer, or the wages paid by a taxpayer for any
 224.7 period, as reported to the Internal Revenue Service is changed or corrected by the
 224.8 commissioner of Internal Revenue or other officer of the United States or other competent
 224.9 authority, or where a renegotiation of a contract or subcontract with the United States results
 224.10 in a change in income, items of tax preference, deductions, credits, or withholding tax, or,
 224.11 in the case of estate tax, where there are adjustments to the taxable estate, the taxpayer shall
 224.12 report the change or correction or renegotiation results in writing to the commissioner. The
 224.13 report must be submitted within 180 days after the final determination and must be in the
 224.14 form of either an amended Minnesota estate, withholding tax, corporate franchise tax, or
 224.15 income tax return conceding the accuracy of the federal determination or a letter detailing
 224.16 how the federal determination is incorrect or does not change the Minnesota tax. An amended
 224.17 Minnesota income tax return must be accompanied by an amended property tax refund
 224.18 return, if necessary. A taxpayer filing an amended federal tax return must also file a copy
 224.19 of the amended return with the commissioner of revenue within 180 days after filing the
 224.20 amended return.

224.21 (b) For the purposes of paragraph (a), a change or correction includes any case where a
 224.22 taxpayer reaches a closing agreement or compromise with the Internal Revenue Service
 224.23 under section 7121 or 7122 of the Internal Revenue Code.

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

230.29 Sec. 2. Minnesota Statutes 2018, section 290.92, subdivision 28, is amended to read:

230.30 Subd. 28. **Payments to horse racing license holders.** Effective with payments made
 230.31 after April 1, 1988, any holder of a license issued by the Minnesota Racing Commission
 230.32 who makes a payment for personal or professional services to a holder of a class C license
 230.33 issued by the commission, except an amount paid as a purse, shall deduct from the payment
 231.1 and withhold 6.25 percent of the amount as Minnesota withholding tax when the amount
 231.2 paid to that individual by the same person during the calendar year exceeds \$600. For
 231.3 purposes of the provisions of this section, a payment to any person which is subject to
 231.4 withholding under this subdivision must be treated as if the payment was a wage paid by
 231.5 an employer to an employee. Every individual who is to receive a payment which is subject
 231.6 to withholding under this subdivision shall furnish the license holder with a statement, made
 231.7 under the penalties of perjury, containing the name, address, and Social Security account
 231.8 number of the person receiving the payment. No withholding is required if the individual
 231.9 presents a signed certificate from the individual's employer which states that the individual
 231.10 is an employee of that employer. A nonresident individual who holds a class C license must
 231.11 be treated as an athlete for purposes of applying the provisions of subdivision 4a and section
 231.12 290.17, subdivision 2~~(1)(b)(ii)~~(a)(2)(ii).

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

231.14 Sec. 3. Minnesota Statutes 2018, section 462D.03, subdivision 2, is amended to read:

231.15 Subd. 2. **Designation of qualified beneficiary.** (a) The account holder must designate
 231.16 a first-time home buyer as the qualified beneficiary of the account ~~by April 15 of the year~~
 231.17 in a form and manner prescribed by the commissioner following the taxable year in which
 231.18 the account was established. The account holder may be the qualified beneficiary. The
 231.19 account holder may change the designated qualified beneficiary at any time, but no more
 231.20 than one qualified beneficiary may be designated for an account at any one time. For purposes
 231.21 of the one beneficiary restriction, a married couple qualifies as one beneficiary. Changing
 231.22 the designated qualified beneficiary of an account does not affect computation of the ten-year
 231.23 period under section 462D.06, subdivision 2.

231.24 (b) The commissioner shall establish a process for account holders to notify the state
 231.25 that permits recording of the account, the account holder or holders, any transfers under
 231.26 section 462D.04, subdivision 2, and the designated qualified beneficiary for each account.
 231.27 This may be done upon filing the account holder's income tax return or in any other way
 231.28 the commissioner determines to be appropriate.

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

224.25 Sec. 2. Minnesota Statutes 2018, section 290.92, subdivision 28, is amended to read:

224.26 Subd. 28. **Payments to horse racing license holders.** Effective with payments made
 224.27 after April 1, 1988, any holder of a license issued by the Minnesota Racing Commission
 224.28 who makes a payment for personal or professional services to a holder of a class C license
 224.29 issued by the commission, except an amount paid as a purse, shall deduct from the payment
 224.30 and withhold 6.25 percent of the amount as Minnesota withholding tax when the amount
 224.31 paid to that individual by the same person during the calendar year exceeds \$600. For
 224.32 purposes of the provisions of this section, a payment to any person which is subject to
 224.33 withholding under this subdivision must be treated as if the payment was a wage paid by
 224.34 an employer to an employee. Every individual who is to receive a payment which is subject
 225.1 to withholding under this subdivision shall furnish the license holder with a statement, made
 225.2 under the penalties of perjury, containing the name, address, and Social Security account
 225.3 number of the person receiving the payment. No withholding is required if the individual
 225.4 presents a signed certificate from the individual's employer which states that the individual
 225.5 is an employee of that employer. A nonresident individual who holds a class C license must
 225.6 be treated as an athlete for purposes of applying the provisions of subdivision 4a and section
 225.7 290.17, subdivision 2~~(1)(b)(ii)~~(a)(2)(ii).

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

225.9 Sec. 3. Minnesota Statutes 2018, section 462D.03, subdivision 2, is amended to read:

225.10 Subd. 2. **Designation of qualified beneficiary.** (a) The account holder must designate
 225.11 a first-time home buyer as the qualified beneficiary of the account ~~by April 15 of the year~~
 225.12 in a form and manner prescribed by the commissioner following the taxable year in which
 225.13 the account was established. The account holder may be the qualified beneficiary. The
 225.14 account holder may change the designated qualified beneficiary at any time, but no more
 225.15 than one qualified beneficiary may be designated for an account at any one time. For purposes
 225.16 of the one beneficiary restriction, a married couple qualifies as one beneficiary. Changing
 225.17 the designated qualified beneficiary of an account does not affect computation of the ten-year
 225.18 period under section 462D.06, subdivision 2.

225.19 (b) The commissioner shall establish a process for account holders to notify the state
 225.20 that permits recording of the account, the account holder or holders, any transfers under
 225.21 section 462D.04, subdivision 2, and the designated qualified beneficiary for each account.
 225.22 This may be done upon filing the account holder's income tax return or in any other way
 225.23 the commissioner determines to be appropriate.

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

232.1

ARTICLE 14232.2 **DEPARTMENT OF REVENUE; SALES AND USE TAXES; TECHNICAL CHANGES**

232.3 Section 1. Minnesota Statutes 2018, section 297A.68, subdivision 17, is amended to read:

232.4 Subd. 17. **Ships used in interstate commerce; other vessels.** Repair, replacement, and
232.5 rebuilding parts and materials, and lubricants, for the following are exempt:232.6 (1) ships or vessels used or to be used principally in interstate or foreign commerce ~~are~~
232.7 ~~exempt;~~ and232.8 (2) vessels with a gross registered tonnage of at least 3,000 tons ~~are exempt.~~232.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

232.10 Sec. 2. Minnesota Statutes 2018, section 297A.68, subdivision 42, is amended to read:

232.11 Subd. 42. **Qualified data centers.** (a) Purchases of enterprise information technology
232.12 equipment and computer software for use in a qualified data center, or a qualified refurbished
232.13 data center, are exempt, except that computer software maintenance agreements are exempt
232.14 for purchases made after June 30, 2013. The tax on purchases exempt under this paragraph
232.15 must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied,
232.16 and then refunded after June 30, 2013, in the manner provided in section 297A.75. This
232.17 exemption includes enterprise information technology equipment and computer software
232.18 purchased to replace or upgrade enterprise information technology equipment and computer
232.19 software in a qualified data center, or a qualified refurbished data center.232.20 (b) Electricity used or consumed in the operation of a qualified data center or qualified
232.21 refurbished data center is exempt.

232.22 (c) For purposes of this subdivision, "qualified data center" means a facility in Minnesota:

232.23 (1) that is comprised of one or more buildings that consist in the aggregate of at least
232.24 25,000 square feet, and that are located on a single parcel or on contiguous parcels, where
232.25 the total cost of construction or refurbishment, investment in enterprise information
232.26 technology equipment, and computer software is at least \$30,000,000 within a 48-month
232.27 period. The 48-month period begins no sooner than July 1, 2012, except that costs for
232.28 computer software maintenance agreements purchased before July 1, 2013, are not included
232.29 in determining if the \$30,000,000 threshold has been met;232.30 (2) that is constructed or substantially refurbished after June 30, 2012, where
232.31 "substantially refurbished" means that at least 25,000 square feet have been rebuilt or
232.32 modified, including:233.1 (i) installation of enterprise information technology equipment; environmental control,
233.2 computer software, and energy efficiency improvements; and

225.25

ARTICLE 14225.26 **DEPARTMENT OF REVENUE; SALES AND USE TAXES; TECHNICAL CHANGES**

225.27 Section 1. Minnesota Statutes 2018, section 297A.68, subdivision 17, is amended to read:

225.28 Subd. 17. **Ships used in interstate commerce; other vessels.** Repair, replacement, and
225.29 rebuilding parts and materials, and lubricants, for the following are exempt:225.30 (1) ships or vessels used or to be used principally in interstate or foreign commerce ~~are~~
225.31 ~~exempt;~~ and225.32 (2) vessels with a gross registered tonnage of at least 3,000 tons ~~are exempt.~~226.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

226.2 Sec. 2. Minnesota Statutes 2018, section 297A.68, subdivision 42, is amended to read:

226.3 Subd. 42. **Qualified data centers.** (a) Purchases of enterprise information technology
226.4 equipment and computer software for use in a qualified data center, or a qualified refurbished
226.5 data center, are exempt, except that computer software maintenance agreements are exempt
226.6 for purchases made after June 30, 2013. The tax on purchases exempt under this paragraph
226.7 must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied,
226.8 and then refunded after June 30, 2013, in the manner provided in section 297A.75. This
226.9 exemption includes enterprise information technology equipment and computer software
226.10 purchased to replace or upgrade enterprise information technology equipment and computer
226.11 software in a qualified data center, or a qualified refurbished data center.226.12 (b) Electricity used or consumed in the operation of a qualified data center or qualified
226.13 refurbished data center is exempt.

226.14 (c) For purposes of this subdivision, "qualified data center" means a facility in Minnesota:

226.15 (1) that is comprised of one or more buildings that consist in the aggregate of at least
226.16 25,000 square feet, and that are located on a single parcel or on contiguous parcels, where
226.17 the total cost of construction or refurbishment, investment in enterprise information
226.18 technology equipment, and computer software is at least \$30,000,000 within a 48-month
226.19 period. The 48-month period begins no sooner than July 1, 2012, except that costs for
226.20 computer software maintenance agreements purchased before July 1, 2013, are not included
226.21 in determining if the \$30,000,000 threshold has been met;226.22 (2) that is constructed or substantially refurbished after June 30, 2012, where
226.23 "substantially refurbished" means that at least 25,000 square feet have been rebuilt or
226.24 modified, including:226.25 (i) installation of enterprise information technology equipment; environmental control,
226.26 computer software, and energy efficiency improvements; and

- 233.3 (ii) building improvements; and
- 233.4 (3) that is used to house enterprise information technology equipment, where the facility
233.5 has the following characteristics:
- 233.6 (i) uninterruptible power supplies, generator backup power, or both;
- 233.7 (ii) sophisticated fire suppression and prevention systems; and
- 233.8 (iii) enhanced security. A facility will be considered to have enhanced security if it has
233.9 restricted access to the facility to selected personnel; permanent security guards; video
233.10 camera surveillance; an electronic system requiring pass codes, keycards, or biometric scans,
233.11 such as hand scans and retinal or fingerprint recognition; or similar security features.
- 233.12 In determining whether the facility has the required square footage, the square footage
233.13 of the following spaces shall be included if the spaces support the operation of enterprise
233.14 information technology equipment: office space, meeting space, and mechanical and other
233.15 support facilities. For purposes of this subdivision, "computer software" includes, but is not
233.16 limited to, software utilized or loaded at a qualified data center or qualified refurbished data
233.17 center, including maintenance, licensing, and software customization.
- 233.18 (d) For purposes of this subdivision, a "qualified refurbished data center" means an
233.19 existing facility that qualifies as a data center under paragraph (c), clauses (2) and (3), but
233.20 that is comprised of one or more buildings that consist in the aggregate of at least 25,000
233.21 square feet, and that are located on a single parcel or contiguous parcels, where the total
233.22 cost of construction or refurbishment, investment in enterprise information technology
233.23 equipment, and computer software is at least \$50,000,000 within a 24-month period.
- 233.24 (e) For purposes of this subdivision, "enterprise information technology equipment"
233.25 means computers and equipment supporting computing, networking, or data storage,
233.26 including servers and routers. It includes, but is not limited to: cooling systems, cooling
233.27 towers, and other temperature control infrastructure; power infrastructure for transformation,
233.28 distribution, or management of electricity used for the maintenance and operation of a
233.29 qualified data center or qualified refurbished data center, including but not limited to exterior
233.30 dedicated business-owned substations, backup power generation systems, battery systems,
233.31 and related infrastructure; and racking systems, cabling, and trays, which are necessary for
233.32 the maintenance and operation of the qualified data center or qualified refurbished data
233.33 center.
- 234.1 (f) A qualified data center or qualified refurbished data center may claim the exemptions
234.2 in this subdivision for purchases made either within 20 years of the date of its first purchase
234.3 qualifying for the exemption under paragraph (a), or by June 30, 2042, whichever is earlier.
- 234.4 (g) The purpose of this exemption is to create jobs in the construction and data center
234.5 industries.

- 226.27 (ii) building improvements; and
- 226.28 (3) that is used to house enterprise information technology equipment, where the facility
226.29 has the following characteristics:
- 226.30 (i) uninterruptible power supplies, generator backup power, or both;
- 226.31 (ii) sophisticated fire suppression and prevention systems; and
- 227.1 (iii) enhanced security. A facility will be considered to have enhanced security if it has
227.2 restricted access to the facility to selected personnel; permanent security guards; video
227.3 camera surveillance; an electronic system requiring pass codes, keycards, or biometric scans,
227.4 such as hand scans and retinal or fingerprint recognition; or similar security features.
- 227.5 In determining whether the facility has the required square footage, the square footage
227.6 of the following spaces shall be included if the spaces support the operation of enterprise
227.7 information technology equipment: office space, meeting space, and mechanical and other
227.8 support facilities. For purposes of this subdivision, "computer software" includes, but is not
227.9 limited to, software utilized or loaded at a qualified data center or qualified refurbished data
227.10 center, including maintenance, licensing, and software customization.
- 227.11 (d) For purposes of this subdivision, a "qualified refurbished data center" means an
227.12 existing facility that qualifies as a data center under paragraph (c), clauses (2) and (3), but
227.13 that is comprised of one or more buildings that consist in the aggregate of at least 25,000
227.14 square feet, and that are located on a single parcel or contiguous parcels, where the total
227.15 cost of construction or refurbishment, investment in enterprise information technology
227.16 equipment, and computer software is at least \$50,000,000 within a 24-month period.
- 227.17 (e) For purposes of this subdivision, "enterprise information technology equipment"
227.18 means computers and equipment supporting computing, networking, or data storage,
227.19 including servers and routers. It includes, but is not limited to: cooling systems, cooling
227.20 towers, and other temperature control infrastructure; power infrastructure for transformation,
227.21 distribution, or management of electricity used for the maintenance and operation of a
227.22 qualified data center or qualified refurbished data center, including but not limited to exterior
227.23 dedicated business-owned substations, backup power generation systems, battery systems,
227.24 and related infrastructure; and racking systems, cabling, and trays, which are necessary for
227.25 the maintenance and operation of the qualified data center or qualified refurbished data
227.26 center.
- 227.27 (f) A qualified data center or qualified refurbished data center may claim the exemptions
227.28 in this subdivision for purchases made either within 20 years of the date of its first purchase
227.29 qualifying for the exemption under paragraph (a), or by June 30, 2042, whichever is earlier.
- 227.30 (g) The purpose of this exemption is to create jobs in the construction and data center
227.31 industries.

- 234.6 (h) This subdivision is effective for sales and purchases made before July 1, 2042.
- 234.7 (i) The commissioner of employment and economic development must certify to the
 234.8 commissioner of revenue, in a format approved by the commissioner of revenue, when a
 234.9 qualified data center has met the requirements under paragraph (c) or a qualified refurbished
 234.10 data center has met the requirements under paragraph (d). The certification must provide
 234.11 the following information regarding each qualified data center or qualified refurbished data
 234.12 center:
- 234.13 (1) the total square footage amount;
- 234.14 (2) the total amount of construction or refurbishment costs and the total amount of
 234.15 qualifying investments in enterprise information technology equipment and computer
 234.16 software; ~~and~~
- 234.17 (3) the beginning and ending of the applicable period under either paragraph (c) or (d)
 234.18 in which the qualifying expenditures and purchases under clause (2) were made, but in no
 234.19 case shall the period begin before July 1, 2012; and
- 234.20 (4) the date upon which the qualified data center first met the requirements under
 234.21 paragraph (c) or a qualified refurbished data center first met the requirements under paragraph
 234.22 (d).
- 234.23 (j) Any refund for sales tax paid on qualifying purchases under this subdivision must
 234.24 not be issued unless the commissioner of revenue has received the certification required
 234.25 under paragraph (i) ~~either from~~ issued by the commissioner of employment and economic
 234.26 development ~~or the qualified data center or qualified refurbished data center claiming the~~
 234.27 ~~refund; and.~~
- 234.28 (k) The commissioner of employment and economic development must annually notify
 234.29 the commissioner of revenue of the qualified data centers that are projected to meet the
 234.30 requirements under paragraph (c) and the qualified refurbished data centers that are projected
 234.31 to meet the requirements under paragraph (d) in each of the next four years. The notification
 234.32 must provide the information required under paragraph (i), clauses (1) to ~~(3)~~ (4), for each
 234.33 qualified data center or qualified refurbished data center.
- 235.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 235.2 Sec. 3. Minnesota Statutes 2018, section 297A.68, subdivision 44, is amended to read:
- 235.3 Subd. 44. **Greater Minnesota business expansions.** (a) Purchases and use of tangible
 235.4 personal property or taxable services by a qualified business, ~~as defined in section 116J.8738,~~
 235.5 are exempt if:

- 227.32 (h) This subdivision is effective for sales and purchases made before July 1, 2042.
- 227.33 (i) The commissioner of employment and economic development must certify to the
 227.34 commissioner of revenue, in a format approved by the commissioner of revenue, when a
 228.1 qualified data center has met the requirements under paragraph (c) or a qualified refurbished
 228.2 data center has met the requirements under paragraph (d). The certification must provide
 228.3 the following information regarding each qualified data center or qualified refurbished data
 228.4 center:
- 228.5 (1) the total square footage amount;
- 228.6 (2) the total amount of construction or refurbishment costs and the total amount of
 228.7 qualifying investments in enterprise information technology equipment and computer
 228.8 software; ~~and~~
- 228.9 (3) the beginning and ending of the applicable period under either paragraph (c) or (d)
 228.10 in which the qualifying expenditures and purchases under clause (2) were made, but in no
 228.11 case shall the period begin before July 1, 2012; and
- 228.12 (4) the date upon which the qualified data center first met the requirements under
 228.13 paragraph (c) or a qualified refurbished data center first met the requirements under paragraph
 228.14 (d).
- 228.15 (j) Any refund for sales tax paid on qualifying purchases under this subdivision must
 228.16 not be issued unless the commissioner of revenue has received the certification required
 228.17 under paragraph (i) ~~either from~~ issued by the commissioner of employment and economic
 228.18 development ~~or the qualified data center or qualified refurbished data center claiming the~~
 228.19 ~~refund; and.~~
- 228.20 (k) The commissioner of employment and economic development must annually notify
 228.21 the commissioner of revenue of the qualified data centers that are projected to meet the
 228.22 requirements under paragraph (c) and the qualified refurbished data centers that are projected
 228.23 to meet the requirements under paragraph (d) in each of the next four years. The notification
 228.24 must provide the information required under paragraph (i), clauses (1) to ~~(3)~~ (4), for each
 228.25 qualified data center or qualified refurbished data center.
- 228.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 228.27 Sec. 3. Minnesota Statutes 2018, section 297A.68, subdivision 44, is amended to read:
- 228.28 Subd. 44. **Greater Minnesota business expansions.** (a) Purchases and use of tangible
 228.29 personal property or taxable services by a qualified business, ~~as defined in section 116J.8738,~~
 228.30 are exempt if:

235.6 (1) the commissioner of employment and economic development certifies to the
 235.7 commissioner of revenue, in a format approved by the commissioner of revenue, that the
 235.8 qualified business meets the requirements under section 116J.8738;

235.9 (2) the business subsidy agreement provides that the exemption under this subdivision
 235.10 applies;

235.11 ~~(2)~~ (3) the property or services are primarily used or consumed at the facility in greater
 235.12 Minnesota identified in the business subsidy agreement; and

235.13 ~~(3)~~ (4) the purchase was made and delivery received during the duration of the
 235.14 ~~certification of the business as a qualified business under section 116J.8738~~ business subsidy
 235.15 agreement.

235.16 (b) Purchase and use of construction materials and supplies used or consumed in, and
 235.17 equipment incorporated into, the construction of improvements to real property in greater
 235.18 Minnesota are exempt if the improvements after completion of construction are to be used
 235.19 in the conduct of the trade or business of the qualified business, ~~as defined in section~~
 235.20 ~~116J.8738~~ and the commissioner of employment and economic development certifies to
 235.21 the commissioner of revenue, in a format approved by the commissioner of revenue, that
 235.22 the qualified business meets the requirements under section 116J.8738. This exemption
 235.23 applies regardless of whether the purchases are made by the business or a contractor.

235.24 (c) The exemptions under this subdivision apply to a local sales and use tax.

235.25 (d) The tax on purchases imposed under this subdivision must be imposed and collected
 235.26 as if the rate under section 297A.62 applied, and then refunded in the manner provided in
 235.27 section 297A.75. The total amount refunded for a facility over the certification period is
 235.28 limited to the amount listed in the business subsidy agreement. No more than \$7,000,000
 235.29 may be refunded in a fiscal year for all purchases under this subdivision. Refunds must be
 235.30 allocated on a first-come, first-served basis. If more than \$7,000,000 of eligible claims are
 235.31 made in a fiscal year, claims by qualified businesses carry over to the next fiscal year, and
 235.32 the commissioner of revenue must first allocate refunds to qualified businesses eligible for
 235.33 a refund in the preceding fiscal year. Any portion of the balance of funds allocated for
 236.1 refunds under this paragraph does not cancel and shall be carried forward to and available
 236.2 for refunds in subsequent fiscal years. Notwithstanding section 297A.75, subdivision 4, for
 236.3 an eligible refund claim that carries over to a subsequent fiscal year, the interest on the
 236.4 amount carried over must be paid on the refund no sooner than from 90 days after July 1
 236.5 of the fiscal year in which funds are available for the eligible claim.

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

236.7 Sec. 4. Minnesota Statutes 2018, section 297A.71, subdivision 45, is amended to read:

236.8 Subd. 45. **Biopharmaceutical manufacturing facility.** (a) Materials and supplies used
 236.9 or consumed in, capital equipment incorporated into, and privately owned infrastructure in

229.1 (1) the commissioner of employment and economic development certifies to the
 229.2 commissioner of revenue, in a format approved by the commissioner of revenue, that the
 229.3 qualified business meets the requirements under section 116J.8738;

229.4 (2) the business subsidy agreement provides that the exemption under this subdivision
 229.5 applies;

229.6 ~~(2)~~ (3) the property or services are primarily used or consumed at the facility in greater
 229.7 Minnesota identified in the business subsidy agreement; and

229.8 ~~(3)~~ (4) the purchase was made and delivery received during the duration of the
 229.9 ~~certification of the business as a qualified business under section 116J.8738~~ business subsidy
 229.10 agreement.

229.11 (b) Purchase and use of construction materials and supplies used or consumed in, and
 229.12 equipment incorporated into, the construction of improvements to real property in greater
 229.13 Minnesota are exempt if the improvements after completion of construction are to be used
 229.14 in the conduct of the trade or business of the qualified business, ~~as defined in section~~
 229.15 ~~116J.8738~~ and the commissioner of employment and economic development certifies to
 229.16 the commissioner of revenue, in a format approved by the commissioner of revenue, that
 229.17 the qualified business meets the requirements under section 116J.8738. This exemption
 229.18 applies regardless of whether the purchases are made by the business or a contractor.

229.19 (c) The exemptions under this subdivision apply to a local sales and use tax.

229.20 (d) The tax on purchases imposed under this subdivision must be imposed and collected
 229.21 as if the rate under section 297A.62 applied, and then refunded in the manner provided in
 229.22 section 297A.75. The total amount refunded for a facility over the certification period is
 229.23 limited to the amount listed in the business subsidy agreement. No more than \$7,000,000
 229.24 may be refunded in a fiscal year for all purchases under this subdivision. Refunds must be
 229.25 allocated on a first-come, first-served basis. If more than \$7,000,000 of eligible claims are
 229.26 made in a fiscal year, claims by qualified businesses carry over to the next fiscal year, and
 229.27 the commissioner of revenue must first allocate refunds to qualified businesses eligible for
 229.28 a refund in the preceding fiscal year. Any portion of the balance of funds allocated for
 229.29 refunds under this paragraph does not cancel and shall be carried forward to and available
 229.30 for refunds in subsequent fiscal years. Notwithstanding section 297A.75, subdivision 4, for
 229.31 an eligible refund claim that carries over to a subsequent fiscal year, the interest on the
 229.32 amount carried over must be paid on the refund no sooner than from 90 days after July 1
 229.33 of the fiscal year in which funds are available for the eligible claim.

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

230.1 Sec. 4. Minnesota Statutes 2018, section 297A.71, subdivision 45, is amended to read:

230.2 Subd. 45. **Biopharmaceutical manufacturing facility.** (a) Materials and supplies used
 230.3 or consumed in, capital equipment incorporated into, and privately owned infrastructure in

236.10 support of the construction, improvement, or expansion of a biopharmaceutical manufacturing
 236.11 facility in the state are exempt if the commissioner of employment and economic
 236.12 development certifies to the commissioner of revenue that the following criteria are met:

236.13 (1) the facility is used for the manufacturing of biologics;

236.14 (2) the total capital investment made at the facility exceeds \$50,000,000; and

236.15 (3) the facility creates and maintains at least 190 full-time equivalent positions at the
 236.16 facility. These positions must be new jobs in Minnesota and not the result of relocating jobs
 236.17 that currently exist in Minnesota.

236.18 (b) The tax must be imposed and collected as if the rate under section 297A.62 applied,
 236.19 and refunded in the manner provided in section 297A.75.

236.20 (c) To be eligible for a refund, the owner of the biopharmaceutical manufacturing facility
 236.21 must:

236.22 (1) initially apply to the ~~Department~~ commissioner of employment and economic
 236.23 development for certification no later than one year from the final completion date of
 236.24 construction, improvement, or expansion of the facility; and

236.25 (2) for each year that the owner of the biopharmaceutical manufacturing facility applies
 236.26 for a refund, the ~~owner~~ commissioner of revenue must have received written certification
 236.27 from the ~~Department~~ commissioner of employment and economic development that the
 236.28 facility has met the criteria of paragraph (a).

236.29 (d) The refund is to be paid annually at a rate of 25 percent of the total allowable refund
 236.30 payable to date, with the commissioner making annual payments of the remaining refund
 236.31 until all of the refund has been paid.

237.1 (e) For purposes of this subdivision, "biopharmaceutical" and "biologics" are
 237.2 interchangeable and mean medical drugs or medicinal preparations produced using
 237.3 technology that uses biological systems, living organisms, or derivatives of living organisms
 237.4 to make or modify products or processes for specific use. The medical drugs or medicinal
 237.5 preparations include but are not limited to proteins, antibodies, nucleic acids, and vaccines.

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

237.7 Sec. 5. Minnesota Statutes 2018, section 297A.77, is amended by adding a subdivision to
 237.8 read:

237.9 **Subd. 5. Records must be kept.** Every person liable for any tax imposed by this chapter,
 237.10 or for the collection thereof, shall keep such records, render such statements, make such
 237.11 returns, and comply with such rules, as the commissioner may from time to time prescribe.

230.4 support of the construction, improvement, or expansion of a biopharmaceutical manufacturing
 230.5 facility in the state are exempt if the commissioner of employment and economic
 230.6 development certifies to the commissioner of revenue that the following criteria are met:

230.7 (1) the facility is used for the manufacturing of biologics;

230.8 (2) the total capital investment made at the facility exceeds \$50,000,000; and

230.9 (3) the facility creates and maintains at least 190 full-time equivalent positions at the
 230.10 facility. These positions must be new jobs in Minnesota and not the result of relocating jobs
 230.11 that currently exist in Minnesota.

230.12 (b) The tax must be imposed and collected as if the rate under section 297A.62 applied,
 230.13 and refunded in the manner provided in section 297A.75.

230.14 (c) To be eligible for a refund, the owner of the biopharmaceutical manufacturing facility
 230.15 must:

230.16 (1) initially apply to the ~~Department~~ commissioner of employment and economic
 230.17 development for certification no later than one year from the final completion date of
 230.18 construction, improvement, or expansion of the facility; and

230.19 (2) for each year that the owner of the biopharmaceutical manufacturing facility applies
 230.20 for a refund, the ~~owner~~ commissioner of revenue must have received written certification
 230.21 from the ~~Department~~ commissioner of employment and economic development that the
 230.22 facility has met the criteria of paragraph (a).

230.23 (d) The refund is to be paid annually at a rate of 25 percent of the total allowable refund
 230.24 payable to date, with the commissioner making annual payments of the remaining refund
 230.25 until all of the refund has been paid.

230.26 (e) For purposes of this subdivision, "biopharmaceutical" and "biologics" are
 230.27 interchangeable and mean medical drugs or medicinal preparations produced using
 230.28 technology that uses biological systems, living organisms, or derivatives of living organisms
 230.29 to make or modify products or processes for specific use. The medical drugs or medicinal
 230.30 preparations include but are not limited to proteins, antibodies, nucleic acids, and vaccines.

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

231.1 Sec. 5. Minnesota Statutes 2018, section 297A.77, is amended by adding a subdivision to
 231.2 read:

231.3 **Subd. 5. Records must be kept.** Every person liable for any tax imposed by this chapter,
 231.4 or for the collection thereof, shall keep such records, render such statements, make such
 231.5 returns, and comply with such rules, as the commissioner may from time to time prescribe.

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

237.13 **ARTICLE 15**

237.14 **DEPARTMENT OF REVENUE; TOBACCO TAXES; TECHNICAL CHANGES**

237.15 Section 1. Minnesota Statutes 2018, section 297F.01, subdivision 19, is amended to read:

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

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

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

238.1 Sec. 2. Minnesota Statutes 2018, section 297F.01, is amended by adding a subdivision to
238.2 read:

238.3 Subd. 22b. **Nicotine solution products.** (a) "Nicotine solution products" means any
238.4 cartridge, bottle, or other package that contains nicotine made or derived from tobacco, that
238.5 is in a solution that is consumed, or meant to be consumed, through the use of a heating
238.6 element, power source, electronic circuit, or other electronic, chemical, or mechanical means
238.7 that produces vapor or aerosol. This paragraph expires December 31, 2019.

238.8 (b) Beginning January 1, 2020, "nicotine solution products" means any cartridge, bottle,
238.9 or other package that contains nicotine, including nicotine made or derived from tobacco
238.10 or sources other than tobacco, that is in a solution that is consumed, or meant to be consumed,
238.11 through the use of a heating element, power source, electronic circuit, or other electronic,
238.12 chemical, or mechanical means that produces vapor or aerosol.

238.13 (c) Nicotine solution products includes any electronic cigarette, electronic cigar, electronic
238.14 cigarillo, electronic pipe, or similar product or device, and any batteries, heating elements,
238.15 or other components, parts, or accessories sold with and meant to be used in the consumption
238.16 of a solution containing nicotine.

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

231.7 **ARTICLE 15**

231.8 **DEPARTMENT OF REVENUE; TOBACCO TAXES; TECHNICAL CHANGES**

231.9 Section 1. Minnesota Statutes 2018, section 297F.01, subdivision 19, is amended to read:

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

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

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

231.25 Sec. 2. Minnesota Statutes 2018, section 297F.01, is amended by adding a subdivision to
231.26 read:

231.27 Subd. 22b. **Nicotine solution products.** (a) "Nicotine solution products" means any
231.28 cartridge, bottle, or other package that contains nicotine made or derived from tobacco, that
231.29 is in a solution that is consumed, or meant to be consumed, through the use of a heating
231.30 element, power source, electronic circuit, or other electronic, chemical, or mechanical means
231.31 that produces vapor or aerosol. This paragraph expires December 31, 2019.

232.1 (b) Beginning January 1, 2020, "nicotine solution products" means any cartridge, bottle,
232.2 or other package that contains nicotine, including nicotine made or derived from tobacco
232.3 or sources other than tobacco, that is in a solution that is consumed, or meant to be consumed,
232.4 through the use of a heating element, power source, electronic circuit, or other electronic,
232.5 chemical, or mechanical means that produces vapor or aerosol.

232.6 (c) Nicotine solution products includes any electronic cigarette, electronic cigar, electronic
232.7 cigarillo, electronic pipe, or similar product or device, and any batteries, heating elements,
232.8 or other components, parts, or accessories sold with and meant to be used in the consumption
232.9 of a solution containing nicotine.

- 238.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 238.18 Sec. 3. Minnesota Statutes 2018, section 297F.01, subdivision 23, is amended to read:
- 238.19 Subd. 23. **Wholesale sales price.** (a) "Wholesale sales price" means the price at which
- 238.20 a distributor purchases a tobacco product.
- 238.21 (b) When a distributor sells a cartridge, bottle, or other package of a solution containing
- 238.22 nicotine that is part of a kit that also includes a product, device, component, part, or accessory
- 238.23 described in subdivision 22b:
- 238.24 (1) the wholesale sales price is the price at which the distributor purchases the kit; except
- 238.25 that
- 238.26 (2) if the distributor also separately sells the same package of solution containing nicotine
- 238.27 that is sold with the kit and can isolate the cost of the package of solution containing nicotine,
- 238.28 then the wholesale sales price includes only the price at which the distributor separately
- 238.29 purchases the package of the solution containing nicotine and any taxes, charges, and costs
- 238.30 listed in paragraph (c).
- 238.31 (c) Wholesale sales price includes the applicable federal excise tax, freight charges, or
- 238.32 packaging costs, regardless of whether they were included in the purchase price.

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

239.2 ARTICLE 16

239.3 MINNESOTACARE; TECHNICAL CHANGES

239.4 Section 1. Minnesota Statutes 2018, section 295.50, is amended by adding a subdivision

239.5 to read:

239.6 Subd. 2b. **Emergency medical reasons.** "Emergency medical reasons" means a public

239.7 health emergency declaration pursuant to United States Code, title 42, section 247d; a

239.8 national security or peacetime emergency declared by the governor pursuant to section

239.9 12.31; or a situation involving an action by the commissioner of health pursuant to section

239.10 144.4197, 144.4198, or 151.37, subdivisions 2, paragraph (b), and 10, except that, for

239.11 purposes of this subdivision, a drug shortage not caused by a public health emergency shall

239.12 not constitute an emergency medical reason.

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

239.14 Sec. 2. Minnesota Statutes 2018, section 295.50, subdivision 3, is amended to read:

239.15 Subd. 3. **Gross revenues.** "Gross revenues" are total amounts received in money or

239.16 otherwise by:

239.17 (1) a hospital for patient services;

- 232.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 232.11 Sec. 3. Minnesota Statutes 2018, section 297F.01, subdivision 23, is amended to read:
- 232.12 Subd. 23. **Wholesale sales price.** (a) "Wholesale sales price" means the price at which
- 232.13 a distributor purchases a tobacco product.
- 232.14 (b) When a distributor sells a cartridge, bottle, or other package of a solution containing
- 232.15 nicotine that is part of a kit that also includes a product, device, component, part, or accessory
- 232.16 described in subdivision 22b:
- 232.17 (1) the wholesale sales price is the price at which the distributor purchases the kit; except
- 232.18 that
- 232.19 (2) if the distributor also separately sells the same package of solution containing nicotine
- 232.20 that is sold with the kit and can isolate the cost of the package of solution containing nicotine,
- 232.21 then the wholesale sales price includes only the price at which the distributor separately
- 232.22 purchases the package of the solution containing nicotine and any taxes, charges, and costs
- 232.23 listed in paragraph (c).
- 232.24 (c) Wholesale sales price includes the applicable federal excise tax, freight charges, or
- 232.25 packaging costs, regardless of whether they were included in the purchase price.

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

233.1 ARTICLE 16

233.2 MINNESOTACARE; TECHNICAL CHANGES

233.3 Section 1. Minnesota Statutes 2018, section 295.50, is amended by adding a subdivision

233.4 to read:

233.5 Subd. 2b. **Emergency medical reasons.** "Emergency medical reasons" means a public

233.6 health emergency declaration pursuant to United States Code, title 42, section 247d; a

233.7 national security or peacetime emergency declared by the governor pursuant to section

233.8 12.31; or a situation involving an action by the commissioner of health pursuant to section

233.9 144.4197, 144.4198, or 151.37, subdivisions 2, paragraph (b), and 10, except that, for

233.10 purposes of this subdivision, a drug shortage not caused by a public health emergency shall

233.11 not constitute an emergency medical reason.

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

233.13 Sec. 2. Minnesota Statutes 2018, section 295.50, subdivision 3, is amended to read:

233.14 Subd. 3. **Gross revenues.** "Gross revenues" are total amounts received in money or

233.15 otherwise by:

233.16 (1) a hospital for patient services;

- 239.18 (2) a surgical center for patient services;
- 239.19 (3) a health care provider, other than a staff model health ~~carrier~~ plan company, for
239.20 patient services;
- 239.21 (4) a wholesale drug distributor for sale or distribution of legend drugs that are delivered
239.22 in Minnesota by the wholesale drug distributor, by common carrier, or by mail, unless the
239.23 legend drugs are delivered to another wholesale drug distributor who sells legend drugs
239.24 exclusively at wholesale. ~~Legend drugs do not include nutritional products as defined in~~
239.25 ~~Minnesota Rules, part 9505.0325, and blood and blood components; and~~
- 239.26 (5) a staff model health plan company as gross premiums for enrollees, co-payments,
239.27 deductibles, coinsurance, and fees for patient services.
- 239.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 239.29 Sec. 3. Minnesota Statutes 2018, section 295.50, subdivision 4, is amended to read:
- 239.30 Subd. 4. **Health care provider.** (a) "Health care provider" means:
- 240.1 (1) a person whose health care occupation is regulated or required to be regulated by
240.2 the state of Minnesota furnishing any or all of the following goods or services directly to a
240.3 patient or consumer: medical, surgical, optical, visual, dental, hearing, nursing services,
240.4 drugs, laboratory, diagnostic or therapeutic services;
- 240.5 (2) a person who provides goods and services not listed in clause (1) that qualify for
240.6 reimbursement under the medical assistance program provided under chapter 256B;
- 240.7 (3) a staff model health plan company;
- 240.8 (4) an ambulance service required to be licensed; ~~or~~
- 240.9 (5) a person who sells or repairs hearing aids and related equipment or prescription
240.10 eyewear; or
- 240.11 (6) a person providing patient services, who does not otherwise meet the definition of
240.12 health care provider and is not specifically excluded in clause (b), who employs or contracts
240.13 with a health care provider as defined in clauses (1) to (5) to perform, supervise, otherwise
240.14 oversee, or consult with regarding patient services.
- 240.15 (b) Health care provider does not include:
- 240.16 (1) hospitals; medical supplies distributors, except as specified under paragraph (a),
240.17 clause (5); nursing homes licensed under chapter 144A or licensed in any other jurisdiction;
240.18 wholesale drug distributors; pharmacies; surgical centers; bus and taxicab transportation,
240.19 or any other providers of transportation services other than ambulance services required to
240.20 be licensed; supervised living facilities for persons with developmental disabilities, licensed

- 233.17 (2) a surgical center for patient services;
- 233.18 (3) a health care provider, other than a staff model health ~~carrier~~ plan company, for
233.19 patient services;
- 233.20 (4) a wholesale drug distributor for sale or distribution of legend drugs that are delivered
233.21 in Minnesota by the wholesale drug distributor, by common carrier, or by mail, unless the
233.22 legend drugs are delivered to another wholesale drug distributor who sells legend drugs
233.23 exclusively at wholesale. ~~Legend drugs do not include nutritional products as defined in~~
233.24 ~~Minnesota Rules, part 9505.0325, and blood and blood components; and~~
- 233.25 (5) a staff model health plan company as gross premiums for enrollees, co-payments,
233.26 deductibles, coinsurance, and fees for patient services.
- 233.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 233.28 Sec. 3. Minnesota Statutes 2018, section 295.50, subdivision 4, is amended to read:
- 233.29 Subd. 4. **Health care provider.** (a) "Health care provider" means:
- 234.1 (1) a person whose health care occupation is regulated or required to be regulated by
234.2 the state of Minnesota furnishing any or all of the following goods or services directly to a
234.3 patient or consumer: medical, surgical, optical, visual, dental, hearing, nursing services,
234.4 drugs, laboratory, diagnostic or therapeutic services;
- 234.5 (2) a person who provides goods and services not listed in clause (1) that qualify for
234.6 reimbursement under the medical assistance program provided under chapter 256B;
- 234.7 (3) a staff model health plan company;
- 234.8 (4) an ambulance service required to be licensed; ~~or~~
- 234.9 (5) a person who sells or repairs hearing aids and related equipment or prescription
234.10 eyewear; or
- 234.11 (6) a person providing patient services, who does not otherwise meet the definition of
234.12 health care provider and is not specifically excluded in clause (b), who employs or contracts
234.13 with a health care provider as defined in clauses (1) to (5) to perform, supervise, otherwise
234.14 oversee, or consult with regarding patient services.
- 234.15 (b) Health care provider does not include:
- 234.16 (1) hospitals; medical supplies distributors, except as specified under paragraph (a),
234.17 clause (5); nursing homes licensed under chapter 144A or licensed in any other jurisdiction;
234.18 wholesale drug distributors; pharmacies; surgical centers; bus and taxicab transportation,
234.19 or any other providers of transportation services other than ambulance services required to
234.20 be licensed; supervised living facilities for persons with developmental disabilities, licensed

240.21 under Minnesota Rules, parts 4665.0100 to 4665.9900; housing with services establishments
 240.22 required to be registered under chapter 144D; board and lodging establishments providing
 240.23 only custodial services that are licensed under chapter 157 and registered under section
 240.24 157.17 to provide supportive services or health supervision services; adult foster homes as
 240.25 defined in Minnesota Rules, part 9555.5105; day training and habilitation services for adults
 240.26 with developmental disabilities as defined in section 252.41, subdivision 3; boarding care
 240.27 homes, as defined in Minnesota Rules, part 4655.0100; and adult day care centers as defined
 240.28 in Minnesota Rules, part 9555.9600;

240.29 (2) home health agencies as defined in Minnesota Rules, part 9505.0175, subpart 15; a
 240.30 person providing personal care services and supervision of personal care services as defined
 240.31 in Minnesota Rules, part 9505.0335; a person providing home care nursing services as
 240.32 defined in Minnesota Rules, part 9505.0360; and home care providers required to be licensed
 240.33 under chapter 144A for home care services provided under chapter 144A;

241.1 (3) a person who employs health care providers solely for the purpose of providing
 241.2 patient services to its employees;

241.3 (4) an educational institution that employs health care providers solely for the purpose
 241.4 of providing patient services to its students if the institution does not receive fee for service
 241.5 payments or payments for extended coverage; and

241.6 (5) a person who receives all payments for patient services from health care providers,
 241.7 surgical centers, or hospitals for goods and services that are taxable to the paying health
 241.8 care providers, surgical centers, or hospitals, as provided under section 295.53, subdivision
 241.9 1, paragraph (b), clause (3) or (4), or from a source of funds that is exempt from tax under
 241.10 this chapter.

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

241.12 Sec. 4. Minnesota Statutes 2018, section 295.50, is amended by adding a subdivision to
 241.13 read:

241.14 Subd. 7a. **Manufacturer.** "Manufacturer" has the meaning provided in section 151.01,
 241.15 subdivision 14a.

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

241.17 Sec. 5. Minnesota Statutes 2018, section 295.50, subdivision 9b, is amended to read:

241.18 Subd. 9b. **Patient services.** (a) "Patient services" means inpatient and outpatient services
 241.19 and other goods and services provided by hospitals, surgical centers, or health care providers.
 241.20 They include the following health care goods and services provided to a patient or consumer:

241.21 (1) bed and board;

241.22 (2) nursing services and other related services;

234.21 under Minnesota Rules, parts 4665.0100 to 4665.9900; housing with services establishments
 234.22 required to be registered under chapter 144D; board and lodging establishments providing
 234.23 only custodial services that are licensed under chapter 157 and registered under section
 234.24 157.17 to provide supportive services or health supervision services; adult foster homes as
 234.25 defined in Minnesota Rules, part 9555.5105; day training and habilitation services for adults
 234.26 with developmental disabilities as defined in section 252.41, subdivision 3; boarding care
 234.27 homes, as defined in Minnesota Rules, part 4655.0100; and adult day care centers as defined
 234.28 in Minnesota Rules, part 9555.9600;

234.29 (2) home health agencies as defined in Minnesota Rules, part 9505.0175, subpart 15; a
 234.30 person providing personal care services and supervision of personal care services as defined
 234.31 in Minnesota Rules, part 9505.0335; a person providing home care nursing services as
 234.32 defined in Minnesota Rules, part 9505.0360; and home care providers required to be licensed
 234.33 under chapter 144A for home care services provided under chapter 144A;

235.1 (3) a person who employs health care providers solely for the purpose of providing
 235.2 patient services to its employees;

235.3 (4) an educational institution that employs health care providers solely for the purpose
 235.4 of providing patient services to its students if the institution does not receive fee for service
 235.5 payments or payments for extended coverage; and

235.6 (5) a person who receives all payments for patient services from health care providers,
 235.7 surgical centers, or hospitals for goods and services that are taxable to the paying health
 235.8 care providers, surgical centers, or hospitals, as provided under section 295.53, subdivision
 235.9 1, paragraph (b), clause (3) or (4), or from a source of funds that is exempt from tax under
 235.10 this chapter.

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

235.12 Sec. 4. Minnesota Statutes 2018, section 295.50, is amended by adding a subdivision to
 235.13 read:

235.14 Subd. 7a. **Manufacturer.** "Manufacturer" has the meaning provided in section 151.01,
 235.15 subdivision 14a.

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

235.17 Sec. 5. Minnesota Statutes 2018, section 295.50, subdivision 9b, is amended to read:

235.18 Subd. 9b. **Patient services.** (a) "Patient services" means inpatient and outpatient services
 235.19 and other goods and services provided by hospitals, surgical centers, or health care providers.
 235.20 They include the following health care goods and services provided to a patient or consumer:

235.21 (1) bed and board;

235.22 (2) nursing services and other related services;

- 241.23 (3) use of hospitals, surgical centers, or health care provider facilities;
- 241.24 (4) medical social services;
- 241.25 (5) drugs, biologicals, supplies, appliances, and equipment;
- 241.26 (6) other diagnostic or therapeutic items or services;
- 241.27 (7) medical or surgical services;
- 241.28 (8) items and services furnished to ambulatory patients not requiring emergency care;
- 241.29 and
- 242.1 (9) emergency services.
- 242.2 (b) "Patient services" does not include:
- 242.3 (1) services provided to nursing homes licensed under chapter 144A;
- 242.4 (2) examinations for purposes of utilization reviews, insurance claims or eligibility,
- 242.5 litigation, and employment, including reviews of medical records for those purposes;
- 242.6 (3) services provided to and by community residential mental health facilities licensed
- 242.7 under Minnesota Rules, parts 9520.0500 to 9520.0670, and to and by residential treatment
- 242.8 programs for children with severe emotional disturbance licensed or certified under chapter
- 242.9 245A;
- 242.10 (4) services provided to and by community support programs and family community
- 242.11 support programs approved under Minnesota Rules, parts 9535.1700 to 9535.1760, or
- 242.12 certified as mental health rehabilitative services under chapter 256B; under the following
- 242.13 programs: day treatment services as defined in section 245.462, subdivision 8; assertive
- 242.14 community treatment as described in section 256B.0622; adult rehabilitative mental health
- 242.15 services as described in section 256B.0623; adult crisis response services as described in
- 242.16 section 256B.0624; children's therapeutic services and supports as described in section
- 242.17 256B.0943; and children's mental health crisis response services as described in section
- 242.18 256B.0944;
- 242.19 (5) services provided to and by community mental health centers as defined in section
- 242.20 245.62, subdivision 2;
- 242.21 (6) services provided to and by assisted living programs and congregate housing
- 242.22 programs;
- 242.23 (7) hospice care services;
- 242.24 (8) home and community-based waived services under sections 256B.0915, 256B.49,
- 242.25 and 256B.501;

- 235.23 (3) use of hospitals, surgical centers, or health care provider facilities;
- 235.24 (4) medical social services;
- 235.25 (5) drugs, biologicals, supplies, appliances, and equipment;
- 235.26 (6) other diagnostic or therapeutic items or services;
- 235.27 (7) medical or surgical services;
- 235.28 (8) items and services furnished to ambulatory patients not requiring emergency care;
- 235.29 and
- 236.1 (9) emergency services.
- 236.2 (b) "Patient services" does not include:
- 236.3 (1) services provided to nursing homes licensed under chapter 144A;
- 236.4 (2) examinations for purposes of utilization reviews, insurance claims or eligibility,
- 236.5 litigation, and employment, including reviews of medical records for those purposes;
- 236.6 (3) services provided to and by community residential mental health facilities licensed
- 236.7 under Minnesota Rules, parts 9520.0500 to 9520.0670, and to and by residential treatment
- 236.8 programs for children with severe emotional disturbance licensed or certified under chapter
- 236.9 245A;
- 236.10 (4) services provided to and by community support programs and family community
- 236.11 support programs approved under Minnesota Rules, parts 9535.1700 to 9535.1760, or
- 236.12 certified as mental health rehabilitative services under chapter 256B; under the following
- 236.13 programs: day treatment services as defined in section 245.462, subdivision 8; assertive
- 236.14 community treatment as described in section 256B.0622; adult rehabilitative mental health
- 236.15 services as described in section 256B.0623; adult crisis response services as described in
- 236.16 section 256B.0624; children's therapeutic services and supports as described in section
- 236.17 256B.0943; and children's mental health crisis response services as described in section
- 236.18 256B.0944;
- 236.19 (5) services provided to and by community mental health centers as defined in section
- 236.20 245.62, subdivision 2;
- 236.21 (6) services provided to and by assisted living programs and congregate housing
- 236.22 programs;
- 236.23 (7) hospice care services;
- 236.24 (8) home and community-based waived services under sections 256B.0915, 256B.49,
- 236.25 and 256B.501;

- 242.26 (9) targeted case management services under sections 256B.0621; 256B.0625,
242.27 subdivisions 20, 20a, 33, and 44; and 256B.094; and
- 242.28 (10) services provided to the following: supervised living facilities for persons with
242.29 developmental disabilities licensed under Minnesota Rules, parts 4665.0100 to 4665.9900;
242.30 housing with services establishments required to be registered under chapter 144D; board
242.31 and lodging establishments providing only custodial services that are licensed under chapter
242.32 157 and registered under section 157.17 to provide supportive services or health supervision
243.1 services; adult foster homes as defined in Minnesota Rules, part 9555.5105; day training
243.2 and habilitation services for adults with developmental disabilities as defined in section
243.3 252.41, subdivision 3; boarding care homes as defined in Minnesota Rules, part 4655.0100;
243.4 adult day care services as defined in section 245A.02, subdivision 2a; and home health
243.5 agencies as defined in Minnesota Rules, part 9505.0175, subpart 15, or licensed under
243.6 chapter 144A.
- 243.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 243.8 Sec. 6. Minnesota Statutes 2018, section 295.50, is amended by adding a subdivision to
243.9 read:
- 243.10 Subd. 10c. **Pharmacy benefits manager.** "Pharmacy benefits manager" means an entity
243.11 that performs pharmacy benefits management.
- 243.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 243.13 Sec. 7. Minnesota Statutes 2018, section 295.50, is amended by adding a subdivision to
243.14 read:
- 243.15 Subd. 13a. **Third-party purchaser of health care services.** "Third-party purchaser of
243.16 health care services" includes but is not limited to a health carrier or community integrated
243.17 service network that pays for health care services on behalf of patients or that reimburses,
243.18 indemnifies, compensates, or otherwise insures patients for health care services.
- 243.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 243.20 Sec. 8. Minnesota Statutes 2018, section 295.50, subdivision 14, is amended to read:
- 243.21 Subd. 14. **Wholesale drug distributor.** "Wholesale drug distributor" means a wholesale
243.22 drug distributor required to be licensed under sections 151.42 to 151.51; any person engaged
243.23 in wholesale drug distribution including but not limited to manufacturers; repackagers;
243.24 own-label distributors; jobbers; brokers; warehouses, including manufacturers' and
243.25 distributors' warehouses, chain drug warehouses, and wholesale drug warehouses;
243.26 independent wholesale drug traders; and pharmacies that conduct wholesale drug distribution.
243.27 A wholesale drug distributor does not include a common carrier or individual hired primarily
243.28 to transport legend drugs.

- 236.26 (9) targeted case management services under sections 256B.0621; 256B.0625,
236.27 subdivisions 20, 20a, 33, and 44; and 256B.094; and
- 236.28 (10) services provided to the following: supervised living facilities for persons with
236.29 developmental disabilities licensed under Minnesota Rules, parts 4665.0100 to 4665.9900;
236.30 housing with services establishments required to be registered under chapter 144D; board
236.31 and lodging establishments providing only custodial services that are licensed under chapter
236.32 157 and registered under section 157.17 to provide supportive services or health supervision
237.1 services; adult foster homes as defined in Minnesota Rules, part 9555.5105; day training
237.2 and habilitation services for adults with developmental disabilities as defined in section
237.3 252.41, subdivision 3; boarding care homes as defined in Minnesota Rules, part 4655.0100;
237.4 adult day care services as defined in section 245A.02, subdivision 2a; and home health
237.5 agencies as defined in Minnesota Rules, part 9505.0175, subpart 15, or licensed under
237.6 chapter 144A.
- 237.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 237.8 Sec. 6. Minnesota Statutes 2018, section 295.50, is amended by adding a subdivision to
237.9 read:
- 237.10 Subd. 10c. **Pharmacy benefits manager.** "Pharmacy benefits manager" means an entity
237.11 that performs pharmacy benefits management.
- 237.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 237.13 Sec. 7. Minnesota Statutes 2018, section 295.50, is amended by adding a subdivision to
237.14 read:
- 237.15 Subd. 13a. **Third-party purchaser of health care services.** "Third-party purchaser of
237.16 health care services" includes but is not limited to a health carrier or community integrated
237.17 service network that pays for health care services on behalf of patients or that reimburses,
237.18 indemnifies, compensates, or otherwise insures patients for health care services.
- 237.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 237.20 Sec. 8. Minnesota Statutes 2018, section 295.50, subdivision 14, is amended to read:
- 237.21 Subd. 14. **Wholesale drug distributor.** "Wholesale drug distributor" means a wholesale
237.22 drug distributor required to be licensed under sections 151.42 to 151.51; any person engaged
237.23 in wholesale drug distribution including but not limited to manufacturers; repackagers;
237.24 own-label distributors; jobbers; brokers; warehouses, including manufacturers' and
237.25 distributors' warehouses, chain drug warehouses, and wholesale drug warehouses;
237.26 independent wholesale drug traders; and pharmacies that conduct wholesale drug distribution.
237.27 A wholesale drug distributor does not include a common carrier or individual hired primarily
237.28 to transport legend drugs.

- 243.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 244.1 Sec. 9. Minnesota Statutes 2018, section 295.50, subdivision 15, is amended to read:
- 244.2 Subd. 15. **Legend drug.** "Legend drug" means a drug that is required by federal law to
 244.3 bear one of the following statements: "Caution: Federal law prohibits dispensing without
 244.4 prescription" or "Rx only." Legend drugs do not include nutritional products as defined in
 244.5 Minnesota Rules, part 9505.0325, subpart 1, and blood and blood components.
- 244.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 244.7 Sec. 10. Minnesota Statutes 2018, section 295.50, is amended by adding a subdivision to
 244.8 read:
- 244.9 Subd. 16. **Wholesale drug distribution.** "Wholesale drug distribution" means the sale
 244.10 or distribution of legend drugs to a person other than a consumer or patient, but does not
 244.11 include:
- 244.12 (1) a sale between a division, subsidiary, parent, affiliated, or related company under
 244.13 the common ownership and control of a corporate entity;
- 244.14 (2) the purchase or other acquisition, by a hospital or other health care entity that is a
 244.15 member of a group purchasing organization, of a legend drug for its own use from the
 244.16 organization or from other hospitals or health care entities that are members of such
 244.17 organizations;
- 244.18 (3) the sale, purchase, or trade of a legend drug by a charitable organization described
 244.19 in section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December
 244.20 31, 1988, to a nonprofit affiliate of the organization to the extent otherwise permitted by
 244.21 law;
- 244.22 (4) the sale, purchase, or trade of a legend drug among hospitals or other health care
 244.23 entities that are under common control;
- 244.24 (5) the sale, purchase, or trade of a legend drug for emergency medical reasons;
- 244.25 (6) the transfer of legend drugs by a retail pharmacy to another retail pharmacy to alleviate
 244.26 a temporary shortage; or
- 244.27 (7) the distribution of legend drug samples by manufacturer representatives.
- 244.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

- 237.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 238.1 Sec. 9. Minnesota Statutes 2018, section 295.50, subdivision 15, is amended to read:
- 238.2 Subd. 15. **Legend drug.** "Legend drug" means a drug that is required by federal law to
 238.3 bear one of the following statements: "Caution: Federal law prohibits dispensing without
 238.4 prescription" or "Rx only." Legend drugs do not include nutritional products as defined in
 238.5 Minnesota Rules, part 9505.0325, subpart 1, and blood and blood components.
- 238.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 238.7 Sec. 10. Minnesota Statutes 2018, section 295.50, is amended by adding a subdivision to
 238.8 read:
- 238.9 Subd. 16. **Wholesale drug distribution.** "Wholesale drug distribution" means the sale
 238.10 or distribution of legend drugs to a person other than a consumer or patient, but does not
 238.11 include:
- 238.12 (1) a sale between a division, subsidiary, parent, affiliated, or related company under
 238.13 the common ownership and control of a corporate entity;
- 238.14 (2) the purchase or other acquisition, by a hospital or other health care entity that is a
 238.15 member of a group purchasing organization, of a legend drug for its own use from the
 238.16 organization or from other hospitals or health care entities that are members of such
 238.17 organizations;
- 238.18 (3) the sale, purchase, or trade of a legend drug by a charitable organization described
 238.19 in section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December
 238.20 31, 1988, to a nonprofit affiliate of the organization to the extent otherwise permitted by
 238.21 law;
- 238.22 (4) the sale, purchase, or trade of a legend drug among hospitals or other health care
 238.23 entities that are under common control;
- 238.24 (5) the sale, purchase, or trade of a legend drug for emergency medical reasons;
- 238.25 (6) the transfer of legend drugs by a retail pharmacy to another retail pharmacy to alleviate
 238.26 a temporary shortage; or
- 238.27 (7) the distribution of legend drug samples by manufacturer representatives.
- 238.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

- 245.1 Sec. 11. Minnesota Statutes 2018, section 295.53, subdivision 1, is amended to read:
- 245.2 Subdivision 1. **Exclusions and Exemptions.** (a) The following payments are excluded
- 245.3 from the gross revenues subject to the hospital, surgical center, or health care provider taxes
- 245.4 under sections 295.50 to 295.59:
- 245.5 ~~(1) payments received for services provided under the Medicare program, including~~
- 245.6 ~~payments received from the government, and organizations governed by sections 1833 and~~
- 245.7 ~~1876 of title XVIII of the federal Social Security Act, United States Code, title 42, section~~
- 245.8 ~~1395, and enrollee deductibles, coinsurance, and co-payments, whether paid by the Medicare~~
- 245.9 ~~enrollee or by a Medicare supplemental coverage as defined in section 62A.011, subdivision~~
- 245.10 ~~3, clause (10), or by Medicaid payments under title XIX of the federal Social Security Act.~~
- 245.11 ~~Payments for services not covered by Medicare are taxable;~~
- 245.12 ~~(2) payments received for home health care services;~~
- 245.13 ~~(3) payments received from hospitals or surgical centers for goods and services on which~~
- 245.14 ~~liability for tax is imposed under section 295.52 or the source of funds for the payment is~~
- 245.15 ~~exempt under clause (1), (7), (10), or (14);~~
- 245.16 ~~(4) payments received from health care providers for goods and services on which~~
- 245.17 ~~liability for tax is imposed under this chapter or the source of funds for the payment is~~
- 245.18 ~~exempt under clause (1), (7), (10), or (14);~~
- 245.19 ~~(5) amounts paid for legend drugs, other than nutritional products and blood and blood~~
- 245.20 ~~components, to a wholesale drug distributor who is subject to tax under section 295.52,~~
- 245.21 ~~subdivision 3, reduced by reimbursements received for legend drugs otherwise exempt~~
- 245.22 ~~under this chapter;~~
- 245.23 ~~(6) (1) payments received by a health care provider or the wholly owned subsidiary of~~
- 245.24 ~~a health care provider for care provided outside Minnesota;~~
- 245.25 ~~(7) payments received from the chemical dependency fund under chapter 254B;~~
- 245.26 ~~(8) payments received in the nature of charitable donations that are not designated for~~
- 245.27 ~~providing patient services to a specific individual or group;~~
- 245.28 ~~(9) payments received for providing patient services incurred through a formal program~~
- 245.29 ~~of health care research conducted in conformity with federal regulations governing research~~
- 245.30 ~~on human subjects. Payments received from patients or from other persons paying on behalf~~
- 245.31 ~~of the patients are subject to tax;~~
- 246.1 ~~(10) payments received from any governmental agency for services benefiting the public,~~
- 246.2 ~~not including payments made by the government in its capacity as an employer or insurer~~
- 246.3 ~~or payments made by the government for services provided under the MinnesotaCare~~

- 239.1 Sec. 11. Minnesota Statutes 2018, section 295.53, subdivision 1, is amended to read:
- 239.2 Subdivision 1. **Exclusions and Exemptions.** (a) The following payments are excluded
- 239.3 from the gross revenues subject to the hospital, surgical center, or health care provider taxes
- 239.4 under sections 295.50 to 295.59:
- 239.5 ~~(1) payments received for services provided under the Medicare program, including~~
- 239.6 ~~payments received from the government, and organizations governed by sections 1833 and~~
- 239.7 ~~1876 of title XVIII of the federal Social Security Act, United States Code, title 42, section~~
- 239.8 ~~1395, and enrollee deductibles, coinsurance, and co-payments, whether paid by the Medicare~~
- 239.9 ~~enrollee or by a Medicare supplemental coverage as defined in section 62A.011, subdivision~~
- 239.10 ~~3, clause (10), or by Medicaid payments under title XIX of the federal Social Security Act.~~
- 239.11 ~~Payments for services not covered by Medicare are taxable;~~
- 239.12 ~~(2) payments received for home health care services;~~
- 239.13 ~~(3) payments received from hospitals or surgical centers for goods and services on which~~
- 239.14 ~~liability for tax is imposed under section 295.52 or the source of funds for the payment is~~
- 239.15 ~~exempt under clause (1), (7), (10), or (14);~~
- 239.16 ~~(4) payments received from health care providers for goods and services on which~~
- 239.17 ~~liability for tax is imposed under this chapter or the source of funds for the payment is~~
- 239.18 ~~exempt under clause (1), (7), (10), or (14);~~
- 239.19 ~~(5) amounts paid for legend drugs, other than nutritional products and blood and blood~~
- 239.20 ~~components, to a wholesale drug distributor who is subject to tax under section 295.52,~~
- 239.21 ~~subdivision 3, reduced by reimbursements received for legend drugs otherwise exempt~~
- 239.22 ~~under this chapter;~~
- 239.23 ~~(6) (1) payments received by a health care provider or the wholly owned subsidiary of~~
- 239.24 ~~a health care provider for care provided outside Minnesota;~~
- 239.25 ~~(7) payments received from the chemical dependency fund under chapter 254B;~~
- 239.26 ~~(8) payments received in the nature of charitable donations that are not designated for~~
- 239.27 ~~providing patient services to a specific individual or group;~~
- 239.28 ~~(9) payments received for providing patient services incurred through a formal program~~
- 239.29 ~~of health care research conducted in conformity with federal regulations governing research~~
- 239.30 ~~on human subjects. Payments received from patients or from other persons paying on behalf~~
- 239.31 ~~of the patients are subject to tax;~~
- 240.1 ~~(10) payments received from any governmental agency for services benefiting the public,~~
- 240.2 ~~not including payments made by the government in its capacity as an employer or insurer~~
- 240.3 ~~or payments made by the government for services provided under the MinnesotaCare~~

- 246.4 ~~program or the medical assistance program governed by title XIX of the federal Social~~
 246.5 ~~Security Act, United States Code, title 42, sections 1396 to 1396v;~~
- 246.6 ~~(11)~~ (2) government payments received by the commissioner of human services for
 246.7 state-operated services;
- 246.8 ~~(12)~~ (3) payments received by a health care provider for hearing aids and related
 246.9 equipment or prescription eyewear delivered outside of Minnesota; and
- 246.10 ~~(13)~~ (4) payments received by an educational institution from student tuition, student
 246.11 activity fees, health care service fees, government appropriations, donations, or grants, and
 246.12 for services identified in and provided under an individualized education program as defined
 246.13 in section 256B.0625 or Code of Federal Regulations, chapter 34, section 300.340(a). Fee
 246.14 for service payments and payments for extended coverage are taxable; ;
- 246.15 ~~(14) payments received under the federal Employees Health Benefits Act, United States~~
 246.16 ~~Code, title 5, section 8909(f), as amended by the Omnibus Reconciliation Act of 1990.~~
 246.17 ~~Enrollee deductibles, coinsurance, and co-payments are subject to tax; and~~
- 246.18 ~~(15) payments received under the federal Tricare program, Code of Federal Regulations,~~
 246.19 ~~title 32, section 199.17(a)(7). Enrollee deductibles, coinsurance, and co-payments are subject~~
 246.20 ~~to tax.~~
- 246.21 (b) The following payments are exempted from the gross revenues subject to hospital,
 246.22 surgical center, or health care provider taxes under sections 295.50 to 295.59:
- 246.23 (1) payments received for services provided under the Medicare program, including
 246.24 payments received from the government and organizations governed by sections 1833,
 246.25 1853, and 1876 of title XVIII of the federal Social Security Act, United States Code, title
 246.26 42, section 1395; and enrollee deductibles, co-insurance, and co-payments, whether paid
 246.27 by the Medicare enrollee, by Medicare supplemental coverage as described in section
 246.28 62A.011, subdivision 3, clause (10), or by Medicaid payments under title XIX of the federal
 246.29 Social Security Act. Payments for services not covered by Medicare are taxable;
- 246.30 (2) payments received for home health care services;
- 246.31 (3) payments received from hospitals or surgical centers for goods and services on which
 246.32 liability for tax is imposed under section 295.52 or the source of funds for the payment is
 246.33 exempt under clauses (1), (6), (9), (10), or (11);
- 247.1 (4) payments received from the health care providers for goods and services on which
 247.2 liability for tax is imposed under this chapter or the source of funds for the payment is
 247.3 exempt under clause (1), (6), (9), (10), or (11);

- 240.4 ~~program or the medical assistance program governed by title XIX of the federal Social~~
 240.5 ~~Security Act, United States Code, title 42, sections 1396 to 1396v;~~
- 240.6 ~~(11)~~ (2) government payments received by the commissioner of human services for
 240.7 state-operated services;
- 240.8 ~~(12)~~ (3) payments received by a health care provider for hearing aids and related
 240.9 equipment or prescription eyewear delivered outside of Minnesota; and
- 240.10 ~~(13)~~ (4) payments received by an educational institution from student tuition, student
 240.11 activity fees, health care service fees, government appropriations, donations, or grants, and
 240.12 for services identified in and provided under an individualized education program as defined
 240.13 in section 256B.0625 or Code of Federal Regulations, chapter 34, section 300.340(a). Fee
 240.14 for service payments and payments for extended coverage are taxable; ;
- 240.15 ~~(14) payments received under the federal Employees Health Benefits Act, United States~~
 240.16 ~~Code, title 5, section 8909(f), as amended by the Omnibus Reconciliation Act of 1990.~~
 240.17 ~~Enrollee deductibles, coinsurance, and co-payments are subject to tax; and~~
- 240.18 ~~(15) payments received under the federal Tricare program, Code of Federal Regulations,~~
 240.19 ~~title 32, section 199.17(a)(7). Enrollee deductibles, coinsurance, and co-payments are subject~~
 240.20 ~~to tax.~~
- 240.21 (b) The following payments are exempted from the gross revenues subject to hospital,
 240.22 surgical center, or health care provider taxes under sections 295.50 to 295.59:
- 240.23 (1) payments received for services provided under the Medicare program, including
 240.24 payments received from the government and organizations governed by sections 1833,
 240.25 1853, and 1876 of title XVIII of the federal Social Security Act, United States Code, title
 240.26 42, section 1395; and enrollee deductibles, co-insurance, and co-payments, whether paid
 240.27 by the Medicare enrollee, by Medicare supplemental coverage as described in section
 240.28 62A.011, subdivision 3, clause (10), or by Medicaid payments under title XIX of the federal
 240.29 Social Security Act. Payments for services not covered by Medicare are taxable;
- 240.30 (2) payments received for home health care services;
- 240.31 (3) payments received from hospitals or surgical centers for goods and services on which
 240.32 liability for tax is imposed under section 295.52 or the source of funds for the payment is
 240.33 exempt under clauses (1), (6), (9), (10), or (11);
- 241.1 (4) payments received from the health care providers for goods and services on which
 241.2 liability for tax is imposed under this chapter or the source of funds for the payment is
 241.3 exempt under clause (1), (6), (9), (10), or (11);

- 247.4 (5) amounts paid for legend drugs to a wholesale drug distributor who is subject to tax
 247.5 under section 295.52, subdivision 3, reduced by reimbursement received for legend drugs
 247.6 otherwise exempt under this chapter;
- 247.7 (6) payments received from the chemical dependency fund under chapter 254B;
- 247.8 (7) payments received in the nature of charitable donations that are not designated for
 247.9 providing patient services to a specific individual or group;
- 247.10 (8) payments received for providing patient services incurred through a formal program
 247.11 of health care research conducted in conformity with federal regulations governing research
 247.12 on human subjects. Payments received from patients or from other persons paying on behalf
 247.13 of the patients are subject to tax;
- 247.14 (9) payments received from any governmental agency for services benefiting the public,
 247.15 not including payments made by the government in its capacity as an employer or insurer
 247.16 or payments made by the government for services provided under the MinnesotaCare
 247.17 program or the medical assistance program governed by title XIX of the federal Social
 247.18 Security Act, United States Code, title 42, section 1396 to 1396v;
- 247.19 (10) payments received under the federal Employees Health Benefits Act, United States
 247.20 Code, title 5, section 8909(f), as amended by the Omnibus Reconciliation Act of 1990.
 247.21 Enrollee deductibles, co-insurance, and co-payments are subject to tax;
- 247.22 (11) payments received under the federal Tricare program, Code of Federal Regulations,
 247.23 title 32, section 199.17(a)(7). Enrollee deductibles, co-insurance, and co-payments are
 247.24 subject to tax; and
- 247.25 (12) supplemental or enhanced payments authorized under section 256B.196 or 256B.197.
- 247.26 ~~(b)~~ (c) Payments received by wholesale drug distributors for legend drugs sold directly
 247.27 to veterinarians or veterinary bulk purchasing organizations are excluded from the gross
 247.28 revenues subject to the wholesale drug distributor tax under sections 295.50 to 295.59.
- 247.29 ~~(e) Supplemental or enhanced payments authorized under section 256B.19, subdivision~~
 247.30 ~~1e, 256B.196, or 256B.197 are excluded from gross revenues subject to the tax under sections~~
 247.31 ~~295.50 to 295.59.~~
- 247.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 248.1 Sec. 12. Minnesota Statutes 2018, section 295.57, subdivision 5, is amended to read:
- 248.2 Subd. 5. **Exemption for amounts paid for legend drugs.** If a hospital, surgical center,
 248.3 or health care provider cannot determine the actual cost or reimbursement of legend drugs
 248.4 under the exemption provided in section 295.53, subdivision 1, paragraph ~~(a)~~ (b), clause
 248.5 (5), the following method must be used:

- 241.4 (5) amounts paid for legend drugs to a wholesale drug distributor who is subject to tax
 241.5 under section 295.52, subdivision 3, reduced by reimbursement received for legend drugs
 241.6 otherwise exempt under this chapter;
- 241.7 (6) payments received from the chemical dependency fund under chapter 254B;
- 241.8 (7) payments received in the nature of charitable donations that are not designated for
 241.9 providing patient services to a specific individual or group;
- 241.10 (8) payments received for providing patient services incurred through a formal program
 241.11 of health care research conducted in conformity with federal regulations governing research
 241.12 on human subjects. Payments received from patients or from other persons paying on behalf
 241.13 of the patients are subject to tax;
- 241.14 (9) payments received from any governmental agency for services benefiting the public,
 241.15 not including payments made by the government in its capacity as an employer or insurer
 241.16 or payments made by the government for services provided under the MinnesotaCare
 241.17 program or the medical assistance program governed by title XIX of the federal Social
 241.18 Security Act, United States Code, title 42, section 1396 to 1396v;
- 241.19 (10) payments received under the federal Employees Health Benefits Act, United States
 241.20 Code, title 5, section 8909(f), as amended by the Omnibus Reconciliation Act of 1990.
 241.21 Enrollee deductibles, co-insurance, and co-payments are subject to tax;
- 241.22 (11) payments received under the federal Tricare program, Code of Federal Regulations,
 241.23 title 32, section 199.17(a)(7). Enrollee deductibles, co-insurance, and co-payments are
 241.24 subject to tax; and
- 241.25 (12) supplemental or enhanced payments authorized under section 256B.196 or 256B.197.
- 241.26 ~~(b)~~ (c) Payments received by wholesale drug distributors for legend drugs sold directly
 241.27 to veterinarians or veterinary bulk purchasing organizations are excluded from the gross
 241.28 revenues subject to the wholesale drug distributor tax under sections 295.50 to 295.59.
- 241.29 ~~(e) Supplemental or enhanced payments authorized under section 256B.19, subdivision~~
 241.30 ~~1e, 256B.196, or 256B.197 are excluded from gross revenues subject to the tax under sections~~
 241.31 ~~295.50 to 295.59.~~
- 241.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 242.1 Sec. 12. Minnesota Statutes 2018, section 295.57, subdivision 5, is amended to read:
- 242.2 Subd. 5. **Exemption for amounts paid for legend drugs.** If a hospital, surgical center,
 242.3 or health care provider cannot determine the actual cost or reimbursement of legend drugs
 242.4 under the exemption provided in section 295.53, subdivision 1, paragraph ~~(a)~~ (b), clause
 242.5 (5), the following method must be used:

248.6 A hospital, surgical center, or health care provider must determine the amount paid for
 248.7 legend drugs used during the month or quarter and multiply that amount by a ratio, the
 248.8 numerator of which is the total amount received for taxable patient services, and the
 248.9 denominator of which is the total amount received for all patient services, including amounts
 248.10 exempt under section 295.53, subdivision 1, paragraph (b). The result represents the allowable
 248.11 exemption for the monthly or quarterly cost of drugs.

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

248.13 Sec. 13. Minnesota Statutes 2018, section 295.582, subdivision 1, is amended to read:

248.14 Subdivision 1. **Tax expense transfer.** ~~(a) A hospital, surgical center, or health care~~
 248.15 ~~provider that is subject to a tax under section 295.52, or a pharmacy that has paid additional~~
 248.16 ~~expense transferred under this section by a wholesale drug distributor, may transfer additional~~
 248.17 ~~expense generated by section 295.52 obligations on to all third-party contracts for the~~
 248.18 ~~purchase of health care services on behalf of a patient or consumer. Nothing shall prohibit~~
 248.19 ~~a pharmacy from transferring the additional expense generated under section 295.52 to a~~
 248.20 ~~pharmacy benefits manager. The additional expense transferred to the third-party purchaser~~
 248.21 ~~or a pharmacy benefits manager must not exceed the tax percentage specified in section~~
 248.22 ~~295.52 multiplied against the gross revenues received under the third-party contract, and~~
 248.23 ~~the tax percentage specified in section 295.52 multiplied against co-payments and deductibles~~
 248.24 ~~paid by the individual patient or consumer. The expense must not be generated on revenues~~
 248.25 ~~derived from payments that are excluded from the tax under section 295.53. All third-party~~
 248.26 ~~purchasers of health care services including, but not limited to, third-party purchasers~~
 248.27 ~~regulated under chapter 60A, 62A, 62C, 62D, 62H, 62N, 64B, 65A, 65B, 79, or 79A, or~~
 248.28 ~~under section 471.61 or 471.617, and pharmacy benefits managers must pay the transferred~~
 248.29 ~~expense in addition to any payments due under existing contracts with the hospital, surgical~~
 248.30 ~~center, pharmacy, or health care provider, to the extent allowed under federal law. A~~
 248.31 ~~third-party purchaser of health care services includes, but is not limited to, a health carrier~~
 248.32 ~~or community integrated service network that pays for health care services on behalf of~~
 248.33 ~~patients or that reimburses, indemnifies, compensates, or otherwise insures patients for~~
 248.34 ~~health care services. For purposes of this section, a pharmacy benefits manager means an~~
 249.1 ~~entity that performs pharmacy benefits management. A third-party purchaser or pharmacy~~
 249.2 ~~benefits manager shall comply with this section regardless of whether the third-party~~
 249.3 ~~purchaser or pharmacy benefits manager is a for-profit, not-for-profit, or nonprofit entity.~~
 249.4 ~~A wholesale drug distributor may transfer additional expense generated by section 295.52~~
 249.5 ~~obligations to entities that purchase from the wholesaler, and the entities must pay the~~
 249.6 ~~additional expense. Nothing in this section limits the ability of a hospital, surgical center,~~
 249.7 ~~pharmacy, wholesale drug distributor, or health care provider to recover all or part of the~~
 249.8 ~~section 295.52 obligation by other methods, including increasing fees or charges.~~

249.9 (a) The tax expense generated by section 295.52 may be transferred as follows:

242.6 A hospital, surgical center, or health care provider must determine the amount paid for
 242.7 legend drugs used during the month or quarter and multiply that amount by a ratio, the
 242.8 numerator of which is the total amount received for taxable patient services, and the
 242.9 denominator of which is the total amount received for all patient services, including amounts
 242.10 exempt under section 295.53, subdivision 1, paragraph (b). The result represents the allowable
 242.11 exemption for the monthly or quarterly cost of drugs.

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

242.13 Sec. 13. Minnesota Statutes 2018, section 295.582, subdivision 1, is amended to read:

242.14 Subdivision 1. **Tax expense transfer.** ~~(a) A hospital, surgical center, or health care~~
 242.15 ~~provider that is subject to a tax under section 295.52, or a pharmacy that has paid additional~~
 242.16 ~~expense transferred under this section by a wholesale drug distributor, may transfer additional~~
 242.17 ~~expense generated by section 295.52 obligations on to all third-party contracts for the~~
 242.18 ~~purchase of health care services on behalf of a patient or consumer. Nothing shall prohibit~~
 242.19 ~~a pharmacy from transferring the additional expense generated under section 295.52 to a~~
 242.20 ~~pharmacy benefits manager. The additional expense transferred to the third-party purchaser~~
 242.21 ~~or a pharmacy benefits manager must not exceed the tax percentage specified in section~~
 242.22 ~~295.52 multiplied against the gross revenues received under the third-party contract, and~~
 242.23 ~~the tax percentage specified in section 295.52 multiplied against co-payments and deductibles~~
 242.24 ~~paid by the individual patient or consumer. The expense must not be generated on revenues~~
 242.25 ~~derived from payments that are excluded from the tax under section 295.53. All third-party~~
 242.26 ~~purchasers of health care services including, but not limited to, third-party purchasers~~
 242.27 ~~regulated under chapter 60A, 62A, 62C, 62D, 62H, 62N, 64B, 65A, 65B, 79, or 79A, or~~
 242.28 ~~under section 471.61 or 471.617, and pharmacy benefits managers must pay the transferred~~
 242.29 ~~expense in addition to any payments due under existing contracts with the hospital, surgical~~
 242.30 ~~center, pharmacy, or health care provider, to the extent allowed under federal law. A~~
 242.31 ~~third-party purchaser of health care services includes, but is not limited to, a health carrier~~
 242.32 ~~or community integrated service network that pays for health care services on behalf of~~
 242.33 ~~patients or that reimburses, indemnifies, compensates, or otherwise insures patients for~~
 242.34 ~~health care services. For purposes of this section, a pharmacy benefits manager means an~~
 243.1 ~~entity that performs pharmacy benefits management. A third-party purchaser or pharmacy~~
 243.2 ~~benefits manager shall comply with this section regardless of whether the third-party~~
 243.3 ~~purchaser or pharmacy benefits manager is a for-profit, not-for-profit, or nonprofit entity.~~
 243.4 ~~A wholesale drug distributor may transfer additional expense generated by section 295.52~~
 243.5 ~~obligations to entities that purchase from the wholesaler, and the entities must pay the~~
 243.6 ~~additional expense. Nothing in this section limits the ability of a hospital, surgical center,~~
 243.7 ~~pharmacy, wholesale drug distributor, or health care provider to recover all or part of the~~
 243.8 ~~section 295.52 obligation by other methods, including increasing fees or charges.~~

243.9 (a) The tax expense generated by section 295.52 may be transferred as follows:

- 249.10 (1) a hospital, surgical center, or health care provider subject to the tax under section
 249.11 295.52 may transfer the tax expense to all third-party contracts for the purchase of health
 249.12 care services on behalf of a patient or consumer;
- 249.13 (2) a wholesale drug distributor subject to the tax under section 295.52 may transfer the
 249.14 tax expense to entities that purchase legend drugs from the wholesale drug distributor; and
- 249.15 (3) a pharmacy that has paid the tax expense transferred by a wholesale drug distributor
 249.16 may transfer the tax expense to all third-party contracts for the purchase of health care
 249.17 services on behalf of a patient or consumer. Nothing shall prohibit a pharmacy from
 249.18 transferring the tax expense generated under section 295.52 to a pharmacy benefits manager.
- 249.19 (b) The transfer of the tax expense under paragraph (a) must comply with the following:
- 249.20 (1) the tax expense transferred to the third-party purchaser or a pharmacy benefits
 249.21 manager must not exceed the tax percentage specified in section 295.52 multiplied against:
- 249.22 (i) gross revenues received under the third-party contract; and
- 249.23 (ii) co-payments and deductibles paid by the individual patient or consumer; and
- 249.24 (2) the tax expense must not be generated on revenues derived from payments that are
 249.25 excluded or exempted from the tax under section 295.53.
- 249.26 (c) Payment of the transferred tax expense is required as follows:
- 249.27 (1) all third-party purchasers of health care services, including but not limited to
 249.28 third-party purchasers regulated under chapter 60A, 62A, 62C, 62D, 62H, 62N, 64B, 65A,
 249.29 65B, 79, or 79A, or under section 471.61 or 471.617, and pharmacy benefits managers must
 249.30 pay the transferred expense. This is in addition to any payments due under existing contracts
 249.31 with the hospital, surgical center, pharmacy, or health care provider, to the extent allowed
 249.32 under federal law; and
- 250.1 (2) all entities that purchase legend drugs from a wholesale drug distributor must pay
 250.2 the transferred expense.
- 250.3 (d) A third-party purchaser or pharmacy benefits manager must comply with this section
 250.4 regardless of whether the third-party purchaser or pharmacy benefits manager is a for-profit,
 250.5 not-for-profit, or nonprofit entity.
- 250.6 (e) Nothing in this section limits the ability of a hospital, surgical center, health care
 250.7 provider, pharmacy, or wholesale drug distributor to recover all or part of the section 295.52
 250.8 obligation by other methods, including increasing fees or charges.
- 250.9 ~~(b)~~ (f) Any hospital, surgical center, or health care provider subject to a tax under section
 250.10 295.52 or a pharmacy that has paid the additional expense transferred under this section by

- 243.10 (1) a hospital, surgical center, or health care provider subject to the tax under section
 243.11 295.52 may transfer the tax expense to all third-party contracts for the purchase of health
 243.12 care services on behalf of a patient or consumer;
- 243.13 (2) a wholesale drug distributor subject to the tax under section 295.52 may transfer the
 243.14 tax expense to entities that purchase legend drugs from the wholesale drug distributor; and
- 243.15 (3) a pharmacy that has paid the tax expense transferred by a wholesale drug distributor
 243.16 may transfer the tax expense to all third-party contracts for the purchase of health care
 243.17 services on behalf of a patient or consumer. Nothing shall prohibit a pharmacy from
 243.18 transferring the tax expense generated under section 295.52 to a pharmacy benefits manager.
- 243.19 (b) The transfer of the tax expense under paragraph (a) must comply with the following:
- 243.20 (1) the tax expense transferred to the third-party purchaser or a pharmacy benefits
 243.21 manager must not exceed the tax percentage specified in section 295.52 multiplied against:
- 243.22 (i) gross revenues received under the third-party contract; and
- 243.23 (ii) co-payments and deductibles paid by the individual patient or consumer; and
- 243.24 (2) the tax expense must not be generated on revenues derived from payments that are
 243.25 excluded or exempted from the tax under section 295.53.
- 243.26 (c) Payment of the transferred tax expense is required as follows:
- 243.27 (1) all third-party purchasers of health care services, including but not limited to
 243.28 third-party purchasers regulated under chapter 60A, 62A, 62C, 62D, 62H, 62N, 64B, 65A,
 243.29 65B, 79, or 79A, or under section 471.61 or 471.617, and pharmacy benefits managers must
 243.30 pay the transferred expense. This is in addition to any payments due under existing contracts
 243.31 with the hospital, surgical center, pharmacy, or health care provider, to the extent allowed
 243.32 under federal law; and
- 244.1 (2) all entities that purchase legend drugs from a wholesale drug distributor must pay
 244.2 the transferred expense.
- 244.3 (d) A third-party purchaser or pharmacy benefits manager must comply with this section
 244.4 regardless of whether the third-party purchaser or pharmacy benefits manager is a for-profit,
 244.5 not-for-profit, or nonprofit entity.
- 244.6 (e) Nothing in this section limits the ability of a hospital, surgical center, health care
 244.7 provider, pharmacy, or wholesale drug distributor to recover all or part of the section 295.52
 244.8 obligation by other methods, including increasing fees or charges.
- 244.9 ~~(b)~~ (f) Any hospital, surgical center, or health care provider subject to a tax under section
 244.10 295.52 or a pharmacy that has paid the additional expense transferred under this section by

250.11 a wholesale drug distributor may file a complaint with the commissioner responsible for
 250.12 regulating the third-party purchaser if at any time the third-party purchaser fails to comply
 250.13 with ~~paragraph (a)~~ this section.

250.14 ~~(e)~~ (g) If the commissioner responsible for regulating the third-party purchaser finds at
 250.15 any time that the third-party purchaser has not complied with ~~paragraph (a)~~ this section, the
 250.16 commissioner may take enforcement action against a third-party purchaser which is subject
 250.17 to the commissioner's regulatory jurisdiction and which does not allow a hospital, surgical
 250.18 center, pharmacy, or provider to pass-through the tax expense. The commissioner may by
 250.19 order fine or censure the third-party purchaser or revoke or suspend the certificate of authority
 250.20 or license of the third-party purchaser to do business in this state if the commissioner finds
 250.21 that the third-party purchaser has not complied with this section. The third-party purchaser
 250.22 may appeal the commissioner's order through a contested case hearing in accordance with
 250.23 chapter 14.

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

250.25 **ARTICLE 17**

250.26 **DEPARTMENT OF REVENUE; PROPERTY TAX; POLICY**

250.27 Section 1. Minnesota Statutes 2018, section 162.145, subdivision 3, is amended to read:

250.28 Subd. 3. **Administration.** (a) Subject to funds made available by law, the commissioner
 250.29 shall allocate all funds as provided in subdivision 4 and shall ~~notify, by June 1, certify to~~
 250.30 the commissioner of revenue the amounts to be paid.

250.31 (b) Following ~~notification certification~~ notification certification from the commissioner of ~~transportation~~, the
 250.32 commissioner of revenue shall distribute the specified funds to cities in the same manner
 251.1 as local government aid under chapter 477A. An appropriation to the commissioner of
 251.2 ~~transportation~~ under this section is available to the commissioner of revenue for the purposes
 251.3 specified in this paragraph.

251.4 (c) Notwithstanding other law to the contrary, in order to receive distributions under
 251.5 this section, a city must conform to the standards in section 477A.017, subdivision 2. A city
 251.6 that receives funds under this section must make and preserve records necessary to show
 251.7 that the funds are spent in compliance with subdivision 4.

251.8 EFFECTIVE DATE. This section is effective for aids payable in 2019 and thereafter.

251.9 Sec. 2. Minnesota Statutes 2018, section 273.124, subdivision 13, is amended to read:

251.10 Subd. 13. **Homestead application.** (a) A person who meets the homestead requirements
 251.11 under subdivision 1 must file a homestead application with the county assessor to initially
 251.12 obtain homestead classification.

244.11 a wholesale drug distributor may file a complaint with the commissioner responsible for
 244.12 regulating the third-party purchaser if at any time the third-party purchaser fails to comply
 244.13 with ~~paragraph (a)~~ this section.

244.14 ~~(e)~~ (g) If the commissioner responsible for regulating the third-party purchaser finds at
 244.15 any time that the third-party purchaser has not complied with ~~paragraph (a)~~ this section, the
 244.16 commissioner may take enforcement action against a third-party purchaser which is subject
 244.17 to the commissioner's regulatory jurisdiction and which does not allow a hospital, surgical
 244.18 center, pharmacy, or provider to pass-through the tax expense. The commissioner may by
 244.19 order fine or censure the third-party purchaser or revoke or suspend the certificate of authority
 244.20 or license of the third-party purchaser to do business in this state if the commissioner finds
 244.21 that the third-party purchaser has not complied with this section. The third-party purchaser
 244.22 may appeal the commissioner's order through a contested case hearing in accordance with
 244.23 chapter 14.

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

244.25 **ARTICLE 17**

244.26 **DEPARTMENT OF REVENUE; PROPERTY TAX; POLICY**

244.27 Section 1. Minnesota Statutes 2018, section 162.145, subdivision 3, is amended to read:

244.28 Subd. 3. **Administration.** (a) Subject to funds made available by law, the commissioner
 244.29 shall allocate all funds as provided in subdivision 4 and shall ~~notify, by June 1, certify to~~
 244.30 the commissioner of revenue the amounts to be paid.

244.31 (b) Following ~~notification certification~~ notification certification from the commissioner of ~~transportation~~, the
 244.32 commissioner of revenue shall distribute the specified funds to cities in the same manner
 245.1 as local government aid under chapter 477A. An appropriation to the commissioner of
 245.2 ~~transportation~~ under this section is available to the commissioner of revenue for the purposes
 245.3 specified in this paragraph.

245.4 (c) Notwithstanding other law to the contrary, in order to receive distributions under
 245.5 this section, a city must conform to the standards in section 477A.017, subdivision 2. A city
 245.6 that receives funds under this section must make and preserve records necessary to show
 245.7 that the funds are spent in compliance with subdivision 4.

245.8 EFFECTIVE DATE. This section is effective for aids payable in 2019 and thereafter.

245.9 Sec. 2. Minnesota Statutes 2018, section 273.124, subdivision 13, is amended to read:

245.10 Subd. 13. **Homestead application.** (a) A person who meets the homestead requirements
 245.11 under subdivision 1 must file a homestead application with the county assessor to initially
 245.12 obtain homestead classification.

251.13 (b) The commissioner shall prescribe the content, format, and manner of the homestead
 251.14 application required to be filed under this chapter pursuant to section 270C.30. The
 251.15 application must clearly inform the taxpayer that this application must be signed by all
 251.16 owners who occupy the property or by the qualifying relative and returned to the county
 251.17 assessor in order for the property to receive homestead treatment.

251.18 (c) Every property owner applying for homestead classification must furnish to the
 251.19 county assessor the Social Security number of each occupant who is listed as an owner of
 251.20 the property on the deed of record, the name and address of each owner who does not occupy
 251.21 the property, and the name and Social Security number of ~~each owner's~~ the spouse of each
 251.22 occupying owner. The application must be signed by each owner who occupies the property
 251.23 and by each owner's spouse who occupies the property, or, in the case of property that
 251.24 qualifies as a homestead under subdivision 1, paragraph (c), by the qualifying relative.

251.25 If a property owner occupies a homestead, the property owner's spouse may not claim
 251.26 another property as a homestead unless the property owner and the property owner's spouse
 251.27 file with the assessor an affidavit or other proof required by the assessor stating that the
 251.28 property qualifies as a homestead under subdivision 1, paragraph (e).

251.29 Owners or spouses occupying residences owned by their spouses and previously occupied
 251.30 with the other spouse, either of whom fail to include the other spouse's name and Social
 251.31 Security number on the homestead application or provide the affidavits or other proof
 251.32 requested, will be deemed to have elected to receive only partial homestead treatment of
 251.33 their residence. The remainder of the residence will be classified as nonhomestead residential.
 252.1 When an owner or spouse's name and Social Security number appear on homestead
 252.2 applications for two separate residences and only one application is signed, the owner or
 252.3 spouse will be deemed to have elected to homestead the residence for which the application
 252.4 was signed.

252.5 (d) If residential real estate is occupied and used for purposes of a homestead by a relative
 252.6 of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for
 252.7 the property to receive homestead status, a homestead application must be filed with the
 252.8 assessor. The Social Security number of each relative occupying the property and the name
 252.9 and Social Security number of the spouse of a relative occupying the property shall be
 252.10 required on the homestead application filed under this subdivision. If a different relative of
 252.11 the owner subsequently occupies the property, the owner of the property must notify the
 252.12 assessor within 30 days of the change in occupancy. The Social Security number of a relative
 252.13 occupying the property or the spouse of a relative occupying the property is private data on
 252.14 individuals as defined by section 13.02, subdivision 12, but may be disclosed to the
 252.15 commissioner of revenue, or, for the purposes of proceeding under the Revenue Recapture
 252.16 Act to recover personal property taxes owing, to the county treasurer.

252.17 (e) The homestead application shall also notify the property owners that if the property
 252.18 is granted homestead status for any assessment year, that same property shall remain
 252.19 classified as homestead until the property is sold or transferred to another person, or the

245.13 (b) The commissioner shall prescribe the content, format, and manner of the homestead
 245.14 application required to be filed under this chapter pursuant to section 270C.30. The
 245.15 application must clearly inform the taxpayer that this application must be signed by all
 245.16 owners who occupy the property or by the qualifying relative and returned to the county
 245.17 assessor in order for the property to receive homestead treatment.

245.18 (c) Every property owner applying for homestead classification must furnish to the
 245.19 county assessor the Social Security number of each occupant who is listed as an owner of
 245.20 the property on the deed of record, the name and address of each owner who does not occupy
 245.21 the property, and the name and Social Security number of ~~each owner's~~ the spouse of each
 245.22 occupying owner. The application must be signed by each owner who occupies the property
 245.23 and by each owner's spouse who occupies the property, or, in the case of property that
 245.24 qualifies as a homestead under subdivision 1, paragraph (c), by the qualifying relative.

245.25 If a property owner occupies a homestead, the property owner's spouse may not claim
 245.26 another property as a homestead unless the property owner and the property owner's spouse
 245.27 file with the assessor an affidavit or other proof required by the assessor stating that the
 245.28 property qualifies as a homestead under subdivision 1, paragraph (e).

245.29 Owners or spouses occupying residences owned by their spouses and previously occupied
 245.30 with the other spouse, either of whom fail to include the other spouse's name and Social
 245.31 Security number on the homestead application or provide the affidavits or other proof
 245.32 requested, will be deemed to have elected to receive only partial homestead treatment of
 245.33 their residence. The remainder of the residence will be classified as nonhomestead residential.
 246.1 When an owner or spouse's name and Social Security number appear on homestead
 246.2 applications for two separate residences and only one application is signed, the owner or
 246.3 spouse will be deemed to have elected to homestead the residence for which the application
 246.4 was signed.

246.5 (d) If residential real estate is occupied and used for purposes of a homestead by a relative
 246.6 of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for
 246.7 the property to receive homestead status, a homestead application must be filed with the
 246.8 assessor. The Social Security number of each relative occupying the property and the name
 246.9 and Social Security number of the spouse of a relative occupying the property shall be
 246.10 required on the homestead application filed under this subdivision. If a different relative of
 246.11 the owner subsequently occupies the property, the owner of the property must notify the
 246.12 assessor within 30 days of the change in occupancy. The Social Security number of a relative
 246.13 occupying the property or the spouse of a relative occupying the property is private data on
 246.14 individuals as defined by section 13.02, subdivision 12, but may be disclosed to the
 246.15 commissioner of revenue, or, for the purposes of proceeding under the Revenue Recapture
 246.16 Act to recover personal property taxes owing, to the county treasurer.

246.17 (e) The homestead application shall also notify the property owners that if the property
 246.18 is granted homestead status for any assessment year, that same property shall remain
 246.19 classified as homestead until the property is sold or transferred to another person, or the

252.20 owners, the spouse of the owner, or the relatives no longer use the property as their
 252.21 homestead. Upon the sale or transfer of the homestead property, a certificate of value must
 252.22 be timely filed with the county auditor as provided under section 272.115. Failure to notify
 252.23 the assessor within 30 days that the property has been sold, transferred, or that the owner,
 252.24 the spouse of the owner, or the relative is no longer occupying the property as a homestead,
 252.25 shall result in the penalty provided under this subdivision and the property will lose its
 252.26 current homestead status.

252.27 (f) If a homestead application has not been filed with the county by December 15, the
 252.28 assessor shall classify the property as nonhomestead for the current assessment year for
 252.29 taxes payable in the following year, provided that the owner may be entitled to receive the
 252.30 homestead classification by proper application under section 375.192.

252.31 EFFECTIVE DATE. This section is effective for applications for homestead filed in
 252.32 2020 and thereafter.

253.1 ARTICLE 18

253.2 DEPARTMENT OF REVENUE; PROPERTY TAXES; TECHNICAL

253.3 Section 1. Minnesota Statutes 2018, section 270C.85, subdivision 2, is amended to read:

253.4 Subd. 2. **Powers and duties.** The commissioner shall have and exercise the following
 253.5 powers and duties in administering the property tax laws:;

253.6 ~~(a)~~ (1) confer with, advise, and give the necessary instructions and directions to local
 253.7 assessors and local boards of review throughout the state as to their duties under the laws
 253.8 of the state;;

253.9 ~~(b)~~ (2) direct proceedings, actions, and prosecutions to be instituted to enforce the laws
 253.10 relating to the liability and punishment of public officers and officers and agents of
 253.11 corporations for failure or negligence to comply with the provisions of the property tax
 253.12 laws, and cause complaints to be made against local assessors, members of boards of
 253.13 equalization, members of boards of review, or any other assessing or taxing officer, to the
 253.14 proper authority, for their removal from office for misconduct or negligence of duty;;

253.15 ~~(c)~~ (3) require county attorneys to assist in the commencement of prosecutions in actions
 253.16 or proceedings for removal, forfeiture, and punishment, for violation of the property tax
 253.17 laws in their respective districts or counties;;

253.18 ~~(d)~~ (4) require town, city, county, and other public officers to report and certify
 253.19 information, at the parcel level or in the aggregate, as to the assessment and taxation of real
 253.20 and personal property, and such other information as may be needful in the work of the
 253.21 commissioner, in such form as the commissioner may prescribe. The commissioner shall

246.20 owners, the spouse of the owner, or the relatives no longer use the property as their
 246.21 homestead. Upon the sale or transfer of the homestead property, a certificate of value must
 246.22 be timely filed with the county auditor as provided under section 272.115. Failure to notify
 246.23 the assessor within 30 days that the property has been sold, transferred, or that the owner,
 246.24 the spouse of the owner, or the relative is no longer occupying the property as a homestead,
 246.25 shall result in the penalty provided under this subdivision and the property will lose its
 246.26 current homestead status.

246.27 (f) If a homestead application has not been filed with the county by December 15, the
 246.28 assessor shall classify the property as nonhomestead for the current assessment year for
 246.29 taxes payable in the following year, provided that the owner may be entitled to receive the
 246.30 homestead classification by proper application under section 375.192.

246.31 EFFECTIVE DATE. This section is effective for applications for homestead filed in
 246.32 2020 and thereafter.

247.1 ARTICLE 18

247.2 DEPARTMENT OF REVENUE; PROPERTY TAXES; TECHNICAL

247.3 Section 1. Minnesota Statutes 2018, section 270C.85, subdivision 2, is amended to read:

247.4 Subd. 2. **Powers and duties.** The commissioner shall have and exercise the following
 247.5 powers and duties in administering the property tax laws:;

247.6 ~~(a)~~ (1) confer with, advise, and give the necessary instructions and directions to local
 247.7 assessors and local boards of review throughout the state as to their duties under the laws
 247.8 of the state;;

247.9 ~~(b)~~ (2) direct proceedings, actions, and prosecutions to be instituted to enforce the laws
 247.10 relating to the liability and punishment of public officers and officers and agents of
 247.11 corporations for failure or negligence to comply with the provisions of the property tax
 247.12 laws, and cause complaints to be made against local assessors, members of boards of
 247.13 equalization, members of boards of review, or any other assessing or taxing officer, to the
 247.14 proper authority, for their removal from office for misconduct or negligence of duty;;

247.15 ~~(c)~~ (3) require county attorneys to assist in the commencement of prosecutions in actions
 247.16 or proceedings for removal, forfeiture, and punishment, for violation of the property tax
 247.17 laws in their respective districts or counties;;

247.18 ~~(d)~~ (4) require town, city, county, and other public officers to report and certify
 247.19 information, at the parcel level or in the aggregate, as to the assessment and taxation of real
 247.20 and personal property, and such other information as may be needful in the work of the
 247.21 commissioner, in such form as the commissioner may prescribe. The commissioner shall

253.22 prescribe the content, format, manner, and time of filing of all required reports and
253.23 certifications;

253.24 ~~(e)~~ (5) transmit to the governor, on or before the third Monday in December of each
253.25 even-numbered year, and to each member of the legislature, on or before November 15 of
253.26 each even-numbered year, the report of the department for the preceding years, showing all
253.27 the taxable property subject to the property tax laws and the value of the same, in tabulated
253.28 form;

253.29 ~~(f)~~ (6) inquire into the methods of assessment and taxation and ascertain whether the
253.30 assessors faithfully discharge their duties; and

253.31 ~~(g)~~ (7) assist local assessors in determining the estimated market value of industrial
253.32 special-use property. For purposes of this paragraph clause, "industrial special-use property"
253.33 means property that:

254.1 ~~(h)~~ (i) is designed and equipped for a particular type of industry;

254.2 ~~(i)~~ (ii) is not easily adapted to some other use due to the unique nature of the facilities;

254.3 ~~(j)~~ (iii) has facilities totaling at least 75,000 square feet in size; and

254.4 ~~(k)~~ (iv) has a total estimated market value of \$10,000,000 or greater based on the
254.5 assessor's preliminary determination.

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

254.7 Sec. 2. Minnesota Statutes 2018, section 270C.89, subdivision 1, is amended to read:

254.8 Subdivision 1. **Initial report.** Each county assessor shall file ~~by April 1~~ with the
254.9 commissioner a copy of ~~the abstract preliminary assessment information that the~~
254.10 commissioner may require under section 270C.85, subdivision 2, clause (4), that will be
254.11 acted upon by the local and county boards of review. ~~The abstract must list the real and~~
254.12 personal property in the county itemized by assessment districts. The assessor of each county
254.13 in the state shall file with the commissioner, within ten working days following final action
254.14 of the local board of review or equalization and within five days following final action of
254.15 the county board of equalization, any changes made by the local or county board. ~~The~~
254.16 ~~information must be filed in the manner prescribed by the commissioner.~~

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

254.18 Sec. 3. Minnesota Statutes 2018, section 270C.89, subdivision 2, is amended to read:

254.19 Subd. 2. **Final report.** The final ~~abstract of assessments~~ assessment information after
254.20 adjustments by the State Board of Equalization and inclusion of any omitted property shall
254.21 be submitted reported to the commissioner on or before September 1 of each calendar year
254.22 under section 270C.85, subdivision 2, clause (4). ~~The final abstract must separately report~~

247.22 prescribe the content, format, manner, and time of filing of all required reports and
247.23 certifications;

247.24 ~~(e)~~ (5) transmit to the governor, on or before the third Monday in December of each
247.25 even-numbered year, and to each member of the legislature, on or before November 15 of
247.26 each even-numbered year, the report of the department for the preceding years, showing all
247.27 the taxable property subject to the property tax laws and the value of the same, in tabulated
247.28 form;

247.29 ~~(f)~~ (6) inquire into the methods of assessment and taxation and ascertain whether the
247.30 assessors faithfully discharge their duties; and

247.31 ~~(g)~~ (7) assist local assessors in determining the estimated market value of industrial
247.32 special-use property. For purposes of this paragraph clause, "industrial special-use property"
247.33 means property that:

248.1 ~~(h)~~ (i) is designed and equipped for a particular type of industry;

248.2 ~~(i)~~ (ii) is not easily adapted to some other use due to the unique nature of the facilities;

248.3 ~~(j)~~ (iii) has facilities totaling at least 75,000 square feet in size; and

248.4 ~~(k)~~ (iv) has a total estimated market value of \$10,000,000 or greater based on the
248.5 assessor's preliminary determination.

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

248.7 Sec. 2. Minnesota Statutes 2018, section 270C.89, subdivision 1, is amended to read:

248.8 Subdivision 1. **Initial report.** Each county assessor shall file ~~by April 1~~ with the
248.9 commissioner a copy of ~~the abstract preliminary assessment information that the~~
248.10 commissioner may require under section 270C.85, subdivision 2, clause (4), that will be
248.11 acted upon by the local and county boards of review. ~~The abstract must list the real and~~
248.12 personal property in the county itemized by assessment districts. The assessor of each county
248.13 in the state shall file with the commissioner, within ten working days following final action
248.14 of the local board of review or equalization and within five days following final action of
248.15 the county board of equalization, any changes made by the local or county board. ~~The~~
248.16 ~~information must be filed in the manner prescribed by the commissioner.~~

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

248.18 Sec. 3. Minnesota Statutes 2018, section 270C.89, subdivision 2, is amended to read:

248.19 Subd. 2. **Final report.** The final ~~abstract of assessments~~ assessment information after
248.20 adjustments by the State Board of Equalization and inclusion of any omitted property shall
248.21 be submitted reported to the commissioner on or before September 1 of each calendar year
248.22 under section 270C.85, subdivision 2, clause (4). ~~The final abstract must separately report~~

254.23 ~~the captured tax capacity of tax increment financing districts under section 469.177,~~
 254.24 ~~subdivision 2, the areawide net tax capacity contribution values determined under sections~~
 254.25 ~~276A.05, subdivision 1, and 473F.07, subdivision 1, and the value subject to the power line~~
 254.26 ~~credit under section 273.42.~~

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

255.1 Sec. 4. Minnesota Statutes 2018, section 270C.91, is amended to read:

255.2 **270C.91 RECORD OF PROCEEDINGS CHANGING NET TAX CAPACITY;**
 255.3 **DUTIES OF COUNTY AUDITOR.**

255.4 A record of all proceedings of the commissioner affecting any change in the net tax
 255.5 capacity of any property, as revised by the State Board of Equalization, shall be kept by the
 255.6 commissioner and a copy thereof, duly certified, shall be mailed each year to the auditor of
 255.7 each county wherein such property is situated, on or before June 30 ~~or 30 days after~~
 255.8 ~~submission of the abstract required by section 270C.89, whichever is later.~~ This record shall
 255.9 specify the amounts or amount, or both, added to or deducted from the net tax capacity of
 255.10 the real property of each of the several towns and cities, and of the real property not in towns
 255.11 or cities, also the percent or amount of both, added to or deducted from the several classes
 255.12 of personal property in each of the towns and cities, and also the amount added to or deducted
 255.13 from the assessment of any person. The county auditor shall add to or deduct from such
 255.14 tract or lot, or portion thereof, of any real property in the county the required percent or
 255.15 amount, or both, on the net tax capacity thereof as it stood after equalized by the county
 255.16 board, adding in each case a fractional sum of 50 cents or more, and deducting in each case
 255.17 any fractional sum of less than 50 cents, so that no net tax capacity of any separate tract or
 255.18 lot shall contain any fraction of a dollar; and add to, or deduct from, the several classes of
 255.19 personal property in the county the required percent or amount, or both, on the net tax
 255.20 capacity thereof as it stood after equalized by the county board, adding or deducting in
 255.21 manner aforesaid any fractional sum so that no net tax capacity of any separate class of
 255.22 personal property shall contain a fraction of a dollar, and add to or deduct from assessment
 255.23 of any person, as they stood after equalization by the county board, the required amounts
 255.24 to agree with the assessments as returned by the commissioner.

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

255.26 Sec. 5. Minnesota Statutes 2018, section 273.061, subdivision 9, is amended to read:

255.27 Subd. 9. **Additional general duties.** Additional duties of the county assessor ~~shall be~~
 255.28 are as follows:

255.29 (1) to make all assessments, based upon the appraised values reported by the local
 255.30 assessors or assistants and the county assessor's own knowledge of the value of the property
 255.31 assessed;

248.23 ~~the captured tax capacity of tax increment financing districts under section 469.177,~~
 248.24 ~~subdivision 2, the areawide net tax capacity contribution values determined under sections~~
 248.25 ~~276A.05, subdivision 1, and 473F.07, subdivision 1, and the value subject to the power line~~
 248.26 ~~credit under section 273.42.~~

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

249.1 Sec. 4. Minnesota Statutes 2018, section 270C.91, is amended to read:

249.2 **270C.91 RECORD OF PROCEEDINGS CHANGING NET TAX CAPACITY;**
 249.3 **DUTIES OF COUNTY AUDITOR.**

249.4 A record of all proceedings of the commissioner affecting any change in the net tax
 249.5 capacity of any property, as revised by the State Board of Equalization, shall be kept by the
 249.6 commissioner and a copy thereof, duly certified, shall be mailed each year to the auditor of
 249.7 each county wherein such property is situated, on or before June 30 ~~or 30 days after~~
 249.8 ~~submission of the abstract required by section 270C.89, whichever is later.~~ This record shall
 249.9 specify the amounts or amount, or both, added to or deducted from the net tax capacity of
 249.10 the real property of each of the several towns and cities, and of the real property not in towns
 249.11 or cities, also the percent or amount of both, added to or deducted from the several classes
 249.12 of personal property in each of the towns and cities, and also the amount added to or deducted
 249.13 from the assessment of any person. The county auditor shall add to or deduct from such
 249.14 tract or lot, or portion thereof, of any real property in the county the required percent or
 249.15 amount, or both, on the net tax capacity thereof as it stood after equalized by the county
 249.16 board, adding in each case a fractional sum of 50 cents or more, and deducting in each case
 249.17 any fractional sum of less than 50 cents, so that no net tax capacity of any separate tract or
 249.18 lot shall contain any fraction of a dollar; and add to, or deduct from, the several classes of
 249.19 personal property in the county the required percent or amount, or both, on the net tax
 249.20 capacity thereof as it stood after equalized by the county board, adding or deducting in
 249.21 manner aforesaid any fractional sum so that no net tax capacity of any separate class of
 249.22 personal property shall contain a fraction of a dollar, and add to or deduct from assessment
 249.23 of any person, as they stood after equalization by the county board, the required amounts
 249.24 to agree with the assessments as returned by the commissioner.

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

249.26 Sec. 5. Minnesota Statutes 2018, section 273.061, subdivision 9, is amended to read:

249.27 Subd. 9. **Additional general duties.** Additional duties of the county assessor ~~shall be~~
 249.28 are as follows:

249.29 (1) to make all assessments, based upon the appraised values reported by the local
 249.30 assessors or assistants and the county assessor's own knowledge of the value of the property
 249.31 assessed;

255.32 (2) to personally view and determine the value of any property ~~which~~ that because of
255.33 its type or character may be difficult for the local assessor to appraise;

256.1 (3) to make all changes ordered by the local boards of review, relative to the net tax
256.2 capacity of the property of any individual, firm or corporation after notice has been given
256.3 and hearings held as provided by law;

256.4 (4) to enter all assessments in the assessment books, furnished by the county auditor,
256.5 with each book and the tabular statements for each book in correct balance;

256.6 (5) to prepare all assessment cards, charts, maps and any other forms prescribed by the
256.7 commissioner of revenue;

256.8 (6) to attend the meeting of the county board of equalization; to investigate and report
256.9 on any assessment ordered by said board; to enter all changes made by said board in the
256.10 assessment books and prepare ~~the abstract of assessments for the commissioner of revenue~~
256.11 information reported to the commissioner under section 270C.85, subdivision 2, clause (4);
256.12 to enter all changes made by the State Board of Equalization in the assessment books; to
256.13 deduct all exemptions authorized by law from each assessment and certify to the county
256.14 auditor the taxable value of each parcel of land, as described and listed in the assessment
256.15 books by the county auditor, and the taxable value of the personal property of each person,
256.16 firm, or corporation assessed;

256.17 (7) to investigate and make recommendations relative to all applications for the abatement
256.18 of taxes or applications for the reduction of the net tax capacity of any property; and

256.19 (8) to perform all other duties relating to the assessment of property for the purpose of
256.20 taxation which may be required by the commissioner of revenue.

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

256.22 Sec. 6. Minnesota Statutes 2018, section 273.0755, is amended to read:

256.23 **273.0755 TRAINING AND EDUCATION OF PROPERTY TAX PERSONNEL.**

256.24 (a) Beginning with the four-year period starting on July 1, 2000, every person licensed
256.25 by the state Board of Assessors at the Accredited Minnesota Assessor level or higher, shall
256.26 successfully complete a weeklong Minnesota laws course sponsored by the Department of
256.27 Revenue at least once in every four-year period. An assessor need not attend the course if
256.28 they successfully pass the test for the course.

256.29 (b) The commissioner of revenue may require that each county, and each city for which
256.30 the city assessor performs the duties of county assessor, have ~~(+)~~ (1) a person on the assessor's
256.31 staff who is certified by the Department of Revenue in sales ratio calculations, ~~(+)~~ (2) an
256.32 officer or employee who is certified by the Department of Revenue in tax calculations, and
257.1 ~~(+)~~ (3) an officer or employee who is certified by the Department of Revenue in the proper

249.32 (2) to personally view and determine the value of any property ~~which~~ that because of
249.33 its type or character may be difficult for the local assessor to appraise;

250.1 (3) to make all changes ordered by the local boards of review, relative to the net tax
250.2 capacity of the property of any individual, firm or corporation after notice has been given
250.3 and hearings held as provided by law;

250.4 (4) to enter all assessments in the assessment books, furnished by the county auditor,
250.5 with each book and the tabular statements for each book in correct balance;

250.6 (5) to prepare all assessment cards, charts, maps and any other forms prescribed by the
250.7 commissioner of revenue;

250.8 (6) to attend the meeting of the county board of equalization; to investigate and report
250.9 on any assessment ordered by said board; to enter all changes made by said board in the
250.10 assessment books and prepare ~~the abstract of assessments for the commissioner of revenue~~
250.11 information reported to the commissioner under section 270C.85, subdivision 2, clause (4);
250.12 to enter all changes made by the State Board of Equalization in the assessment books; to
250.13 deduct all exemptions authorized by law from each assessment and certify to the county
250.14 auditor the taxable value of each parcel of land, as described and listed in the assessment
250.15 books by the county auditor, and the taxable value of the personal property of each person,
250.16 firm, or corporation assessed;

250.17 (7) to investigate and make recommendations relative to all applications for the abatement
250.18 of taxes or applications for the reduction of the net tax capacity of any property; and

250.19 (8) to perform all other duties relating to the assessment of property for the purpose of
250.20 taxation which may be required by the commissioner of revenue.

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

250.22 Sec. 6. Minnesota Statutes 2018, section 273.0755, is amended to read:

250.23 **273.0755 TRAINING AND EDUCATION OF PROPERTY TAX PERSONNEL.**

250.24 (a) Beginning with the four-year period starting on July 1, 2000, every person licensed
250.25 by the state Board of Assessors at the Accredited Minnesota Assessor level or higher, shall
250.26 successfully complete a weeklong Minnesota laws course sponsored by the Department of
250.27 Revenue at least once in every four-year period. An assessor need not attend the course if
250.28 they successfully pass the test for the course.

250.29 (b) The commissioner of revenue may require that each county, and each city for which
250.30 the city assessor performs the duties of county assessor, have ~~(+)~~ (1) a person on the assessor's
250.31 staff who is certified by the Department of Revenue in sales ratio calculations, ~~(+)~~ (2) an
250.32 officer or employee who is certified by the Department of Revenue in tax calculations, and
251.1 ~~(+)~~ (3) an officer or employee who is certified by the Department of Revenue in the proper

257.2 preparation of abstracts of assessment. The commissioner of revenue may require that each
 257.3 county have an officer or employee who is certified by the Department of Revenue in the
 257.4 proper preparation of abstracts of tax lists information reported to the commissioner under
 257.5 section 270C.85, subdivision 2, clause (4). Certifications under this paragraph expire after
 257.6 four years.

257.7 (c) Beginning with the four-year educational licensing period starting on July 1, 2004,
 257.8 every Minnesota assessor licensed by the State Board of Assessors must attend and participate
 257.9 in a seminar that focuses on ethics, professional conduct and the need for standardized
 257.10 assessment practices developed and presented by the commissioner of revenue. This
 257.11 requirement must be met at least once in every subsequent four-year period. This requirement
 257.12 applies to all assessors licensed for one year or more in the four-year period.

257.13 (d) When the commissioner of revenue determines that an individual or board that
 257.14 performs functions related to property tax administration has performed those functions in
 257.15 a manner that is not uniform or equitable, the commissioner may require that the individual
 257.16 or members of the board complete supplemental training. The commissioner may not require
 257.17 that an individual complete more than 32 hours of supplemental training pursuant to this
 257.18 paragraph. If the individual is required to complete supplemental training due to that
 257.19 individual's membership on a local or county board of appeal and equalization, the
 257.20 commissioner may not require that the individual complete more than two hours of
 257.21 supplemental training.

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

257.23 Sec. 7. Minnesota Statutes 2018, section 273.113, subdivision 3, is amended to read:

257.24 Subd. 3. **Reimbursement for lost revenue.** The county auditor shall certify to the
 257.25 commissioner of revenue, as part of the abstracts of tax lists required to be filed with the
 257.26 commissioner under section ~~275.29~~ 270C.85, subdivision 2, clause (4), the amount of tax
 257.27 lost to the county from the property tax credit under subdivision 2. Any prior year adjustments
 257.28 must also be certified in the abstracts of tax lists. The commissioner of revenue shall review
 257.29 the certifications to determine their accuracy. The commissioner may make the changes in
 257.30 the certification that are considered necessary or return a certification to the county auditor
 257.31 for corrections. The commissioner shall reimburse each taxing district, other than school
 257.32 districts, for the taxes lost. The payments must be made at the time provided in section
 257.33 473H.10 for payment to taxing jurisdictions in the same proportion that the ad valorem tax
 257.34 is distributed. Reimbursements to school districts must be made as provided in section
 258.1 273.1392. The amount necessary to make the reimbursements under this section is annually
 258.2 appropriated from the general fund to the commissioner of revenue.

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

251.2 preparation of abstracts of assessment. The commissioner of revenue may require that each
 251.3 county have an officer or employee who is certified by the Department of Revenue in the
 251.4 proper preparation of abstracts of tax lists information reported to the commissioner under
 251.5 section 270C.85, subdivision 2, clause (4). Certifications under this paragraph expire after
 251.6 four years.

251.7 (c) Beginning with the four-year educational licensing period starting on July 1, 2004,
 251.8 every Minnesota assessor licensed by the State Board of Assessors must attend and participate
 251.9 in a seminar that focuses on ethics, professional conduct and the need for standardized
 251.10 assessment practices developed and presented by the commissioner of revenue. This
 251.11 requirement must be met at least once in every subsequent four-year period. This requirement
 251.12 applies to all assessors licensed for one year or more in the four-year period.

251.13 (d) When the commissioner of revenue determines that an individual or board that
 251.14 performs functions related to property tax administration has performed those functions in
 251.15 a manner that is not uniform or equitable, the commissioner may require that the individual
 251.16 or members of the board complete supplemental training. The commissioner may not require
 251.17 that an individual complete more than 32 hours of supplemental training pursuant to this
 251.18 paragraph. If the individual is required to complete supplemental training due to that
 251.19 individual's membership on a local or county board of appeal and equalization, the
 251.20 commissioner may not require that the individual complete more than two hours of
 251.21 supplemental training.

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

251.23 Sec. 7. Minnesota Statutes 2018, section 273.113, subdivision 3, is amended to read:

251.24 Subd. 3. **Reimbursement for lost revenue.** The county auditor shall certify to the
 251.25 commissioner of revenue, as part of the abstracts of tax lists required to be filed with the
 251.26 commissioner under section ~~275.29~~ 270C.85, subdivision 2, clause (4), the amount of tax
 251.27 lost to the county from the property tax credit under subdivision 2. Any prior year adjustments
 251.28 must also be certified in the abstracts of tax lists. The commissioner of revenue shall review
 251.29 the certifications to determine their accuracy. The commissioner may make the changes in
 251.30 the certification that are considered necessary or return a certification to the county auditor
 251.31 for corrections. The commissioner shall reimburse each taxing district, other than school
 251.32 districts, for the taxes lost. The payments must be made at the time provided in section
 251.33 473H.10 for payment to taxing jurisdictions in the same proportion that the ad valorem tax
 251.34 is distributed. Reimbursements to school districts must be made as provided in section
 252.1 273.1392. The amount necessary to make the reimbursements under this section is annually
 252.2 appropriated from the general fund to the commissioner of revenue.

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

258.4 Sec. 8. Minnesota Statutes 2018, section 273.119, subdivision 2, is amended to read:

258.5 Subd. 2. **Reimbursement for lost revenue.** The county may transfer money from the
258.6 county conservation account created in section 40A.152 to the county revenue fund to
258.7 reimburse the fund for the cost of the property tax credit. The county auditor shall certify
258.8 to the commissioner of revenue, ~~as part of the abstracts of tax lists required to be filed with~~
258.9 ~~the commissioner~~ under section ~~275.29~~ 270C.85, subdivision 2, clause (4), the amount of
258.10 tax lost to the county from the property tax credit under subdivision 1 and the extent that
258.11 the tax lost exceeds funds available in the county conservation account. Any prior year
258.12 adjustments must also be certified ~~in the abstracts of tax lists~~. The commissioner of revenue
258.13 shall review the certifications to determine their accuracy. The commissioner may make
258.14 the changes in the certification that are considered necessary or return a certification to the
258.15 county auditor for corrections. The commissioner shall reimburse each taxing district, other
258.16 than school districts, from the Minnesota conservation fund under section 40A.151 for the
258.17 taxes lost in excess of the county account. The payments must be made at the time provided
258.18 in section 473H.10, subdivision 3, for payment to taxing jurisdictions in the same proportion
258.19 that the ad valorem tax is distributed.

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

258.21 Sec. 9. Minnesota Statutes 2018, section 273.1231, subdivision 3, is amended to read:

258.22 Subd. 3. **Disaster or emergency area.** (a) "Disaster or emergency area" means a
258.23 geographic area for which:

258.24 (1)(i) the president of the United States, the secretary of agriculture, or the administrator
258.25 of the Small Business Administration has determined that a disaster exists pursuant to federal
258.26 law, or

258.27 (ii) a local emergency has been declared pursuant to section 12.29; and

258.28 (2) an application by the local unit of government requesting property tax relief under
258.29 this section has been received by the governor and approved by the executive council.

258.30 (b) The executive council must not approve an application unless:

258.31 (1) a completed disaster survey is included; and

259.1 (2) within the boundaries of the applicant, (i) the average damage for the buildings that
259.2 are damaged is at least \$5,000, and (ii) either at least 25 taxable buildings were damaged,
259.3 or the total dollar amount of damage to all taxable buildings equals or exceeds one percent
259.4 of the total taxable market value of buildings for the applicant as reported to the commissioner
259.5 of revenue under section ~~270C.89, subdivision 2~~ 270C.85, subdivision 2, clause (4), for the
259.6 assessment in the year prior to the year of the damage.

252.4 Sec. 8. Minnesota Statutes 2018, section 273.119, subdivision 2, is amended to read:

252.5 Subd. 2. **Reimbursement for lost revenue.** The county may transfer money from the
252.6 county conservation account created in section 40A.152 to the county revenue fund to
252.7 reimburse the fund for the cost of the property tax credit. The county auditor shall certify
252.8 to the commissioner of revenue, ~~as part of the abstracts of tax lists required to be filed with~~
252.9 ~~the commissioner~~ under section ~~275.29~~ 270C.85, subdivision 2, clause (4), the amount of
252.10 tax lost to the county from the property tax credit under subdivision 1 and the extent that
252.11 the tax lost exceeds funds available in the county conservation account. Any prior year
252.12 adjustments must also be certified ~~in the abstracts of tax lists~~. The commissioner of revenue
252.13 shall review the certifications to determine their accuracy. The commissioner may make
252.14 the changes in the certification that are considered necessary or return a certification to the
252.15 county auditor for corrections. The commissioner shall reimburse each taxing district, other
252.16 than school districts, from the Minnesota conservation fund under section 40A.151 for the
252.17 taxes lost in excess of the county account. The payments must be made at the time provided
252.18 in section 473H.10, subdivision 3, for payment to taxing jurisdictions in the same proportion
252.19 that the ad valorem tax is distributed.

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

252.21 Sec. 9. Minnesota Statutes 2018, section 273.1231, subdivision 3, is amended to read:

252.22 Subd. 3. **Disaster or emergency area.** (a) "Disaster or emergency area" means a
252.23 geographic area for which:

252.24 (1)(i) the president of the United States, the secretary of agriculture, or the administrator
252.25 of the Small Business Administration has determined that a disaster exists pursuant to federal
252.26 law, or

252.27 (ii) a local emergency has been declared pursuant to section 12.29; and

252.28 (2) an application by the local unit of government requesting property tax relief under
252.29 this section has been received by the governor and approved by the executive council.

252.30 (b) The executive council must not approve an application unless:

252.31 (1) a completed disaster survey is included; and

253.1 (2) within the boundaries of the applicant, (i) the average damage for the buildings that
253.2 are damaged is at least \$5,000, and (ii) either at least 25 taxable buildings were damaged,
253.3 or the total dollar amount of damage to all taxable buildings equals or exceeds one percent
253.4 of the total taxable market value of buildings for the applicant as reported to the commissioner
253.5 of revenue under section ~~270C.89, subdivision 2~~ 270C.85, subdivision 2, clause (4), for the
253.6 assessment in the year prior to the year of the damage.

- 259.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 259.8 Sec. 10. Minnesota Statutes 2018, section 273.136, subdivision 2, is amended to read:
- 259.9 Subd. 2. **Reduction amounts submitted to county.** The commissioner of revenue shall
 259.10 determine, not later than April 1 of each year, the amount of reduction resulting from section
 259.11 273.135 in each county containing a tax relief area as defined by section 273.134, paragraph
 259.12 (b), basing determinations on a review of ~~abstracts of tax lists submitted by the county~~
 259.13 ~~auditors pursuant to section 275.29~~ information reported to the commissioner under section
 259.14 270C.85, subdivision 2, clause (4). The commissioner may make changes ~~in the abstracts~~
 259.15 ~~of tax lists~~ as deemed necessary. The commissioner of revenue, after such review, shall
 259.16 submit to the St. Louis County auditor, on or before April 15, the amount of the first half
 259.17 payment payable hereunder and on or before September 15 the amount of the second half
 259.18 payment.
- 259.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 259.20 Sec. 11. Minnesota Statutes 2018, section 273.1384, subdivision 3, is amended to read:
- 259.21 Subd. 3. **Credit reimbursements.** The county auditor shall determine the tax reductions
 259.22 allowed under subdivision 2 within the county for each taxes payable year and shall certify
 259.23 that amount to the commissioner of revenue ~~as a part of the abstracts of tax lists submitted~~
 259.24 ~~by the county auditors under section 275.29~~ under section 270C.85, subdivision 2, clause
 259.25 (4). Any prior year adjustments shall also be certified ~~on the abstracts of tax lists.~~ The
 259.26 commissioner shall review the certifications for accuracy, and may make such changes as
 259.27 are deemed necessary, or return the certification to the county auditor for correction. The
 259.28 credit under this section must be used to proportionately reduce the net tax capacity-based
 259.29 property tax payable to each local taxing jurisdiction as provided in section 273.1393.
- 259.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 260.1 Sec. 12. Minnesota Statutes 2018, section 273.1387, subdivision 3, is amended to read:
- 260.2 Subd. 3. **Credit reimbursements.** The county auditor shall determine the tax reductions
 260.3 allowed under this section within the county for each taxes payable year and shall certify
 260.4 that amount to the commissioner of revenue ~~as a part of the abstracts of tax lists submitted~~
 260.5 ~~under section 275.29~~ under section 270C.85, subdivision 2, clause (4). Any prior year
 260.6 adjustments shall also be certified ~~on the abstracts of tax lists.~~ The commissioner shall
 260.7 review the certifications for accuracy, and may make such changes as are deemed necessary,
 260.8 or return the certification to the county auditor for correction. The credit under this section
 260.9 must be used to reduce the school district net tax capacity-based property tax as provided
 260.10 in section 273.1393.
- 260.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

- 253.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 253.8 Sec. 10. Minnesota Statutes 2018, section 273.136, subdivision 2, is amended to read:
- 253.9 Subd. 2. **Reduction amounts submitted to county.** The commissioner of revenue shall
 253.10 determine, not later than April 1 of each year, the amount of reduction resulting from section
 253.11 273.135 in each county containing a tax relief area as defined by section 273.134, paragraph
 253.12 (b), basing determinations on a review of ~~abstracts of tax lists submitted by the county~~
 253.13 ~~auditors pursuant to section 275.29~~ information reported to the commissioner under section
 253.14 270C.85, subdivision 2, clause (4). The commissioner may make changes ~~in the abstracts~~
 253.15 ~~of tax lists~~ as deemed necessary. The commissioner of revenue, after such review, shall
 253.16 submit to the St. Louis County auditor, on or before April 15, the amount of the first half
 253.17 payment payable hereunder and on or before September 15 the amount of the second half
 253.18 payment.
- 253.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 253.20 Sec. 11. Minnesota Statutes 2018, section 273.1384, subdivision 3, is amended to read:
- 253.21 Subd. 3. **Credit reimbursements.** The county auditor shall determine the tax reductions
 253.22 allowed under subdivision 2 within the county for each taxes payable year and shall certify
 253.23 that amount to the commissioner of revenue ~~as a part of the abstracts of tax lists submitted~~
 253.24 ~~by the county auditors under section 275.29~~ under section 270C.85, subdivision 2, clause
 253.25 (4). Any prior year adjustments shall also be certified ~~on the abstracts of tax lists.~~ The
 253.26 commissioner shall review the certifications for accuracy, and may make such changes as
 253.27 are deemed necessary, or return the certification to the county auditor for correction. The
 253.28 credit under this section must be used to proportionately reduce the net tax capacity-based
 253.29 property tax payable to each local taxing jurisdiction as provided in section 273.1393.
- 253.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 254.1 Sec. 12. Minnesota Statutes 2018, section 273.1387, subdivision 3, is amended to read:
- 254.2 Subd. 3. **Credit reimbursements.** The county auditor shall determine the tax reductions
 254.3 allowed under this section within the county for each taxes payable year and shall certify
 254.4 that amount to the commissioner of revenue ~~as a part of the abstracts of tax lists submitted~~
 254.5 ~~under section 275.29~~ under section 270C.85, subdivision 2, clause (4). Any prior year
 254.6 adjustments shall also be certified ~~on the abstracts of tax lists.~~ The commissioner shall
 254.7 review the certifications for accuracy, and may make such changes as are deemed necessary,
 254.8 or return the certification to the county auditor for correction. The credit under this section
 254.9 must be used to reduce the school district net tax capacity-based property tax as provided
 254.10 in section 273.1393.
- 254.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

260.12 Sec. 13. Minnesota Statutes 2018, section 273.18, is amended to read:

260.13 **273.18 LISTING, VALUATION, AND ASSESSMENT OF EXEMPT PROPERTY**
260.14 **BY COUNTY AUDITORS.**

260.15 (a) In every sixth year after the year 2010, the county auditor shall enter the description
260.16 of each tract of real property exempt by law from taxation, with the name of the owner, and
260.17 the assessor shall value and assess the same in the same manner that other real property is
260.18 valued and assessed, and shall designate in each case the purpose for which the property is
260.19 used.

260.20 (b) ~~For purposes of the apportionment of fire state aid under section 69.021, subdivision~~
260.21 ~~7, The county auditor shall include on the abstract of assessment of exempt real property~~
260.22 ~~filed under this section in the exempt property information that the commissioner may~~
260.23 ~~require under section 270C.85, subdivision 2, clause (4), the total number of acres of all~~
260.24 ~~natural resources lands for which in lieu payments are made under sections 477A.11 to~~
260.25 ~~477A.14. The assessor shall estimate its market value, provided that if the assessor is not~~
260.26 ~~able to estimate the market value of the land on a per parcel basis, the assessor shall furnish~~
260.27 ~~the commissioner of revenue with an estimate of the average value per acre of this land~~
260.28 ~~within the county.~~

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

261.1 Sec. 14. Minnesota Statutes 2018, section 274.14, is amended to read:

261.2 **274.14 LENGTH OF SESSION; RECORD.**

261.3 The board must meet after the second Friday in June on at least one meeting day and
261.4 may meet for up to ten consecutive meeting days. The actual meeting dates must be contained
261.5 on the valuation notices mailed to each property owner in the county as provided in section
261.6 273.121. For this purpose, "meeting days" is defined as any day of the week excluding
261.7 Sunday. At the board's discretion, "meeting days" may include Saturday. No action taken
261.8 by the county board of review after June 30 is valid, except for corrections permitted in
261.9 sections 273.01 and 274.01. The county auditor shall keep an accurate record of the
261.10 proceedings and orders of the board. The record must be published like other proceedings
261.11 of county commissioners. A copy of the published record must be sent to the commissioner
261.12 of revenue, ~~with the abstract of assessment required by section 274.16 within five days~~
261.13 ~~following final action of the county board of equalization.~~

261.14 For counties that conduct either regular board of review meetings or open book meetings,
261.15 at least one of the meeting days must include a meeting that does not end before 7:00 p.m.
261.16 For counties that require taxpayer appointments for the board of review, appointments must
261.17 include some available times that extend until at least 7:00 p.m. The county may have a
261.18 Saturday meeting in lieu of, or in addition to, the extended meeting times under this
261.19 paragraph.

254.12 Sec. 13. Minnesota Statutes 2018, section 273.18, is amended to read:

254.13 **273.18 LISTING, VALUATION, AND ASSESSMENT OF EXEMPT PROPERTY**
254.14 **BY COUNTY AUDITORS.**

254.15 (a) In every sixth year after the year 2010, the county auditor shall enter the description
254.16 of each tract of real property exempt by law from taxation, with the name of the owner, and
254.17 the assessor shall value and assess the same in the same manner that other real property is
254.18 valued and assessed, and shall designate in each case the purpose for which the property is
254.19 used.

254.20 (b) ~~For purposes of the apportionment of fire state aid under section 69.021, subdivision~~
254.21 ~~7, The county auditor shall include on the abstract of assessment of exempt real property~~
254.22 ~~filed under this section in the exempt property information that the commissioner may~~
254.23 ~~require under section 270C.85, subdivision 2, clause (4), the total number of acres of all~~
254.24 ~~natural resources lands for which in lieu payments are made under sections 477A.11 to~~
254.25 ~~477A.14. The assessor shall estimate its market value, provided that if the assessor is not~~
254.26 ~~able to estimate the market value of the land on a per parcel basis, the assessor shall furnish~~
254.27 ~~the commissioner of revenue with an estimate of the average value per acre of this land~~
254.28 ~~within the county.~~

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

255.1 Sec. 14. Minnesota Statutes 2018, section 274.14, is amended to read:

255.2 **274.14 LENGTH OF SESSION; RECORD.**

255.3 The board must meet after the second Friday in June on at least one meeting day and
255.4 may meet for up to ten consecutive meeting days. The actual meeting dates must be contained
255.5 on the valuation notices mailed to each property owner in the county as provided in section
255.6 273.121. For this purpose, "meeting days" is defined as any day of the week excluding
255.7 Sunday. At the board's discretion, "meeting days" may include Saturday. No action taken
255.8 by the county board of review after June 30 is valid, except for corrections permitted in
255.9 sections 273.01 and 274.01. The county auditor shall keep an accurate record of the
255.10 proceedings and orders of the board. The record must be published like other proceedings
255.11 of county commissioners. A copy of the published record must be sent to the commissioner
255.12 of revenue, ~~with the abstract of assessment required by section 274.16 within five days~~
255.13 ~~following final action of the county board of equalization.~~

255.14 For counties that conduct either regular board of review meetings or open book meetings,
255.15 at least one of the meeting days must include a meeting that does not end before 7:00 p.m.
255.16 For counties that require taxpayer appointments for the board of review, appointments must
255.17 include some available times that extend until at least 7:00 p.m. The county may have a
255.18 Saturday meeting in lieu of, or in addition to, the extended meeting times under this
255.19 paragraph.

- 261.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 261.21 Sec. 15. Minnesota Statutes 2018, section 274.16, is amended to read:
- 261.22 **274.16 CORRECTED LISTS, ~~ABSTRACTS~~.**
- 261.23 The county assessor or, in Ramsey County, the official designated by the board of county
261.24 commissioners shall calculate the changes of the assessment lists determined by the county
261.25 board of equalization, and make corrections accordingly, in the real or personal lists, or
261.26 both, and shall make ~~duplicate abstracts~~ duplicates of them. One must be filed in the assessor's
261.27 office, and one must be forwarded to the commissioner of revenue as provided in section
261.28 270C.89.
- 261.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 261.30 Sec. 16. Minnesota Statutes 2018, section 275.025, subdivision 1, is amended to read:
- 261.31 Subdivision 1. **Levy amount.** The state general levy is levied against
261.32 commercial-industrial property and seasonal residential recreational property, as defined
262.1 in this section. The state general levy for commercial-industrial property is \$784,590,000
262.2 for taxes payable in 2018 and thereafter. The state general levy for seasonal-recreational
262.3 property is \$44,190,000 for taxes payable in 2018 and thereafter. The tax under this section
262.4 is not treated as a local tax rate under section 469.177 and is not the levy of a governmental
262.5 unit under chapters 276A and 473F.
- 262.6 The commissioner shall increase or decrease the preliminary or final rate for a year as
262.7 necessary to account for errors and tax base changes that affected a preliminary or final rate
262.8 for either of the two preceding years. Adjustments are allowed to the extent that the necessary
262.9 information is available to the commissioner at the time the rates for a year must be certified,
262.10 and for the following reasons:
- 262.11 (1) an erroneous report of taxable value by a local official;
- 262.12 (2) an erroneous calculation by the commissioner; and
- 262.13 (3) an increase or decrease in taxable value for commercial-industrial or seasonal
262.14 residential recreational property reported ~~on the abstracts of tax lists submitted under section~~
262.15 ~~275.29 that was not reported on the abstracts of assessment submitted under section 270C.89,~~
262.16 to the commissioner under section 270C.85, subdivision 2, clause (4), for the same year.
- 262.17 The commissioner may, but need not, make adjustments if the total difference in the tax
262.18 levied for the year would be less than \$100,000.
- 262.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

- 255.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 255.21 Sec. 15. Minnesota Statutes 2018, section 274.16, is amended to read:
- 255.22 **274.16 CORRECTED LISTS, ~~ABSTRACTS~~.**
- 255.23 The county assessor or, in Ramsey County, the official designated by the board of county
255.24 commissioners shall calculate the changes of the assessment lists determined by the county
255.25 board of equalization, and make corrections accordingly, in the real or personal lists, or
255.26 both, and shall make ~~duplicate abstracts~~ duplicates of them. One must be filed in the assessor's
255.27 office, and one must be forwarded to the commissioner of revenue as provided in section
255.28 270C.89.
- 255.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 255.30 Sec. 16. Minnesota Statutes 2018, section 275.025, subdivision 1, is amended to read:
- 255.31 Subdivision 1. **Levy amount.** The state general levy is levied against
255.32 commercial-industrial property and seasonal residential recreational property, as defined
256.1 in this section. The state general levy for commercial-industrial property is \$784,590,000
256.2 for taxes payable in 2018 and thereafter. The state general levy for seasonal-recreational
256.3 property is \$44,190,000 for taxes payable in 2018 and thereafter. The tax under this section
256.4 is not treated as a local tax rate under section 469.177 and is not the levy of a governmental
256.5 unit under chapters 276A and 473F.
- 256.6 The commissioner shall increase or decrease the preliminary or final rate for a year as
256.7 necessary to account for errors and tax base changes that affected a preliminary or final rate
256.8 for either of the two preceding years. Adjustments are allowed to the extent that the necessary
256.9 information is available to the commissioner at the time the rates for a year must be certified,
256.10 and for the following reasons:
- 256.11 (1) an erroneous report of taxable value by a local official;
- 256.12 (2) an erroneous calculation by the commissioner; and
- 256.13 (3) an increase or decrease in taxable value for commercial-industrial or seasonal
256.14 residential recreational property reported ~~on the abstracts of tax lists submitted under section~~
256.15 ~~275.29 that was not reported on the abstracts of assessment submitted under section 270C.89,~~
256.16 to the commissioner under section 270C.85, subdivision 2, clause (4), for the same year.
- 256.17 The commissioner may, but need not, make adjustments if the total difference in the tax
256.18 levied for the year would be less than \$100,000.
- 256.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

262.20 Sec. 17. Minnesota Statutes 2018, section 290B.09, subdivision 1, is amended to read:

262.21 Subdivision 1. **Determination; payment.** The county auditor shall determine the total
262.22 current year's deferred amount of property tax under this chapter in the county, and ~~submit~~
262.23 ~~report those amounts as part of the abstracts of tax lists submitted by the county auditors~~
262.24 ~~under section 275.29 to the commissioner under section 270C.85, subdivision 2, clause (4).~~
262.25 The commissioner may make changes in the abstracts of tax lists as deemed necessary. The
262.26 commissioner of revenue, after such review, shall pay the deferred amount of property tax
262.27 to each county treasurer on or before August 31.

262.28 The county treasurer shall distribute as part of the October settlement the funds received
262.29 as if they had been collected as a part of the property tax.

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

263.1 Sec. 18. Minnesota Statutes 2018, section 469.177, subdivision 1, is amended to read:

263.2 Subdivision 1. **Original net tax capacity.** (a) Upon or after adoption of a tax increment
263.3 financing plan, the auditor of any county in which the district is situated shall, upon request
263.4 of the authority, certify the original net tax capacity of the tax increment financing district
263.5 and that portion of the district overlying any subdistrict as described in the tax increment
263.6 financing plan and shall certify in each year thereafter the amount by which the original net
263.7 tax capacity has increased or decreased as a result of a change in tax exempt status of
263.8 property within the district and any subdistrict, reduction or enlargement of the district or
263.9 changes pursuant to subdivision 4. The auditor shall certify the amount within 30 days after
263.10 receipt of the request and sufficient information to identify the parcels included in the district.
263.11 The certification relates to the taxes payable year as provided in subdivision 6.

263.12 (b) If the classification under section 273.13 of property located in a district changes to
263.13 a classification that has a different assessment ratio, the original net tax capacity of that
263.14 property must be redetermined at the time when its use is changed as if the property had
263.15 originally been classified in the same class in which it is classified after its use is changed.

263.16 (c) The amount to be added to the original net tax capacity of the district as a result of
263.17 previously tax exempt real property within the district becoming taxable equals the net tax
263.18 capacity of the real property as most recently assessed pursuant to ~~section 273.18 information~~
263.19 ~~reported to the commissioner under section 270C.85, subdivision 2, clause (4),~~ or, if that
263.20 assessment was made more than one year prior to the date of title transfer rendering the
263.21 property taxable, the net tax capacity assessed by the assessor at the time of the transfer. If
263.22 improvements are made to tax exempt property after the municipality approves the district
263.23 and before the parcel becomes taxable, the assessor shall, at the request of the authority,
263.24 separately assess the estimated market value of the improvements. If the property becomes
263.25 taxable, the county auditor shall add to original net tax capacity, the net tax capacity of the
263.26 parcel, excluding the separately assessed improvements. If substantial taxable improvements
263.27 were made to a parcel after certification of the district and if the property later becomes tax

256.20 Sec. 17. Minnesota Statutes 2018, section 290B.09, subdivision 1, is amended to read:

256.21 Subdivision 1. **Determination; payment.** The county auditor shall determine the total
256.22 current year's deferred amount of property tax under this chapter in the county, and ~~submit~~
256.23 ~~report those amounts as part of the abstracts of tax lists submitted by the county auditors~~
256.24 ~~under section 275.29 to the commissioner under section 270C.85, subdivision 2, clause (4).~~
256.25 The commissioner may make changes in the abstracts of tax lists as deemed necessary. The
256.26 commissioner of revenue, after such review, shall pay the deferred amount of property tax
256.27 to each county treasurer on or before August 31.

256.28 The county treasurer shall distribute as part of the October settlement the funds received
256.29 as if they had been collected as a part of the property tax.

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

257.1 Sec. 18. Minnesota Statutes 2018, section 469.177, subdivision 1, is amended to read:

257.2 Subdivision 1. **Original net tax capacity.** (a) Upon or after adoption of a tax increment
257.3 financing plan, the auditor of any county in which the district is situated shall, upon request
257.4 of the authority, certify the original net tax capacity of the tax increment financing district
257.5 and that portion of the district overlying any subdistrict as described in the tax increment
257.6 financing plan and shall certify in each year thereafter the amount by which the original net
257.7 tax capacity has increased or decreased as a result of a change in tax exempt status of
257.8 property within the district and any subdistrict, reduction or enlargement of the district or
257.9 changes pursuant to subdivision 4. The auditor shall certify the amount within 30 days after
257.10 receipt of the request and sufficient information to identify the parcels included in the district.
257.11 The certification relates to the taxes payable year as provided in subdivision 6.

257.12 (b) If the classification under section 273.13 of property located in a district changes to
257.13 a classification that has a different assessment ratio, the original net tax capacity of that
257.14 property must be redetermined at the time when its use is changed as if the property had
257.15 originally been classified in the same class in which it is classified after its use is changed.

257.16 (c) The amount to be added to the original net tax capacity of the district as a result of
257.17 previously tax exempt real property within the district becoming taxable equals the net tax
257.18 capacity of the real property as most recently assessed pursuant to ~~section 273.18 information~~
257.19 ~~reported to the commissioner under section 270C.85, subdivision 2, clause (4),~~ or, if that
257.20 assessment was made more than one year prior to the date of title transfer rendering the
257.21 property taxable, the net tax capacity assessed by the assessor at the time of the transfer. If
257.22 improvements are made to tax exempt property after the municipality approves the district
257.23 and before the parcel becomes taxable, the assessor shall, at the request of the authority,
257.24 separately assess the estimated market value of the improvements. If the property becomes
257.25 taxable, the county auditor shall add to original net tax capacity, the net tax capacity of the
257.26 parcel, excluding the separately assessed improvements. If substantial taxable improvements
257.27 were made to a parcel after certification of the district and if the property later becomes tax

263.28 exempt, in whole or part, as a result of the authority acquiring the property through
 263.29 foreclosure or exercise of remedies under a lease or other revenue agreement or as a result
 263.30 of tax forfeiture, the amount to be added to the original net tax capacity of the district as a
 263.31 result of the property again becoming taxable is the amount of the parcel's value that was
 263.32 included in original net tax capacity when the parcel was first certified. The amount to be
 263.33 added to the original net tax capacity of the district as a result of enlargements equals the
 263.34 net tax capacity of the added real property as most recently certified by the commissioner
 264.1 of revenue as of the date of modification of the tax increment financing plan pursuant to
 264.2 section 469.175, subdivision 4.

264.3 (d) If the net tax capacity of a property increases because the property no longer qualifies
 264.4 under the Minnesota Agricultural Property Tax Law, section 273.111; the Minnesota Open
 264.5 Space Property Tax Law, section 273.112; or the Metropolitan Agricultural Preserves Act,
 264.6 chapter 473H, the Rural Preserve Property Tax Program under section 273.114, or because
 264.7 platted, unimproved property is improved or market value is increased after approval of the
 264.8 plat under section 273.11, subdivision 14a or 14b, the increase in net tax capacity must be
 264.9 added to the original net tax capacity. If the net tax capacity of a property increases because
 264.10 the property no longer qualifies for the homestead market value exclusion under section
 264.11 273.13, subdivision 35, the increase in net tax capacity must be added to original net tax
 264.12 capacity if the original construction of the affected home was completed before the date the
 264.13 assessor certified the original net tax capacity of the district.

264.14 (e) The amount to be subtracted from the original net tax capacity of the district as a
 264.15 result of previously taxable real property within the district becoming tax exempt or
 264.16 qualifying in whole or part for an exclusion from taxable market value, or a reduction in
 264.17 the geographic area of the district, shall be the amount of original net tax capacity initially
 264.18 attributed to the property becoming tax exempt, being excluded from taxable market value,
 264.19 or being removed from the district. If the net tax capacity of property located within the tax
 264.20 increment financing district is reduced by reason of a court-ordered abatement, stipulation
 264.21 agreement, voluntary abatement made by the assessor or auditor or by order of the
 264.22 commissioner of revenue, the reduction shall be applied to the original net tax capacity of
 264.23 the district when the property upon which the abatement is made has not been improved
 264.24 since the date of certification of the district and to the captured net tax capacity of the district
 264.25 in each year thereafter when the abatement relates to improvements made after the date of
 264.26 certification. The county auditor may specify reasonable form and content of the request
 264.27 for certification of the authority and any modification thereof pursuant to section 469.175,
 264.28 subdivision 4.

264.29 (f) If a parcel of property contained a substandard building or improvements described
 264.30 in section 469.174, subdivision 10, paragraph (e), that were demolished or removed and if
 264.31 the authority elects to treat the parcel as occupied by a substandard building under section
 264.32 469.174, subdivision 10, paragraph (b), or by improvements under section 469.174,
 264.33 subdivision 10, paragraph (e), the auditor shall certify the original net tax capacity of the
 264.34 parcel using the greater of (1) the current net tax capacity of the parcel, or (2) the estimated

257.28 exempt, in whole or part, as a result of the authority acquiring the property through
 257.29 foreclosure or exercise of remedies under a lease or other revenue agreement or as a result
 257.30 of tax forfeiture, the amount to be added to the original net tax capacity of the district as a
 257.31 result of the property again becoming taxable is the amount of the parcel's value that was
 257.32 included in original net tax capacity when the parcel was first certified. The amount to be
 257.33 added to the original net tax capacity of the district as a result of enlargements equals the
 257.34 net tax capacity of the added real property as most recently certified by the commissioner
 258.1 of revenue as of the date of modification of the tax increment financing plan pursuant to
 258.2 section 469.175, subdivision 4.

258.3 (d) If the net tax capacity of a property increases because the property no longer qualifies
 258.4 under the Minnesota Agricultural Property Tax Law, section 273.111; the Minnesota Open
 258.5 Space Property Tax Law, section 273.112; or the Metropolitan Agricultural Preserves Act,
 258.6 chapter 473H, the Rural Preserve Property Tax Program under section 273.114, or because
 258.7 platted, unimproved property is improved or market value is increased after approval of the
 258.8 plat under section 273.11, subdivision 14a or 14b, the increase in net tax capacity must be
 258.9 added to the original net tax capacity. If the net tax capacity of a property increases because
 258.10 the property no longer qualifies for the homestead market value exclusion under section
 258.11 273.13, subdivision 35, the increase in net tax capacity must be added to original net tax
 258.12 capacity if the original construction of the affected home was completed before the date the
 258.13 assessor certified the original net tax capacity of the district.

258.14 (e) The amount to be subtracted from the original net tax capacity of the district as a
 258.15 result of previously taxable real property within the district becoming tax exempt or
 258.16 qualifying in whole or part for an exclusion from taxable market value, or a reduction in
 258.17 the geographic area of the district, shall be the amount of original net tax capacity initially
 258.18 attributed to the property becoming tax exempt, being excluded from taxable market value,
 258.19 or being removed from the district. If the net tax capacity of property located within the tax
 258.20 increment financing district is reduced by reason of a court-ordered abatement, stipulation
 258.21 agreement, voluntary abatement made by the assessor or auditor or by order of the
 258.22 commissioner of revenue, the reduction shall be applied to the original net tax capacity of
 258.23 the district when the property upon which the abatement is made has not been improved
 258.24 since the date of certification of the district and to the captured net tax capacity of the district
 258.25 in each year thereafter when the abatement relates to improvements made after the date of
 258.26 certification. The county auditor may specify reasonable form and content of the request
 258.27 for certification of the authority and any modification thereof pursuant to section 469.175,
 258.28 subdivision 4.

258.29 (f) If a parcel of property contained a substandard building or improvements described
 258.30 in section 469.174, subdivision 10, paragraph (e), that were demolished or removed and if
 258.31 the authority elects to treat the parcel as occupied by a substandard building under section
 258.32 469.174, subdivision 10, paragraph (b), or by improvements under section 469.174,
 258.33 subdivision 10, paragraph (e), the auditor shall certify the original net tax capacity of the
 258.34 parcel using the greater of (1) the current net tax capacity of the parcel, or (2) the estimated

265.1 market value of the parcel for the year in which the building or other improvements were
265.2 demolished or removed, but applying the classification rates for the current year.

265.3 (g) For a redevelopment district qualifying under section 469.174, subdivision 10,
265.4 paragraph (a), clause (4), as a qualified disaster area, the auditor shall certify the value of
265.5 the land as the original tax capacity for any parcel in the district that contains a building
265.6 that suffered substantial damage as a result of the disaster or emergency.

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

265.8 Sec. 19. **REPEALER.**

265.9 Minnesota Statutes 2018, section 275.29, is repealed.

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

ARTICLE 19

FIRE STATE AID; TECHNICAL CHANGES

265.13 Section 1. **[477B.01] DEFINITIONS.**

265.14 Subdivision 1. **Scope.** Unless the language or context clearly indicates that a different
265.15 meaning is intended, the following words and terms, for the purposes of this chapter and
265.16 chapters 423A and 424A, have the meanings given to them.

265.17 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of revenue.

265.18 Subd. 3. **Company or insurance company.** "Company" or "insurance company" has
265.19 the meaning given in section 60A.02, subdivision 4.

265.20 Subd. 4. **Estimated market value.** "Estimated market value" has the meaning given in
265.21 section 272.03, subdivision 14.

265.22 Subd. 5. **Fire department.** "Fire department" includes a municipal fire department and
265.23 an independent nonprofit firefighting corporation.

265.24 Subd. 6. **Fire department service area.** "Fire department service area" means the area
265.25 served by a qualifying fire department that meets the requirements of section 477B.02.

265.26 Subd. 7. **Independent nonprofit firefighting corporation.** "Independent nonprofit
265.27 firefighting corporation" means an independent nonprofit firefighting corporation that meets
265.28 the criteria in section 424A.094, subdivision 1, paragraph (a).

265.29 Subd. 8. **Minnesota Fire Premium Report.** "Minnesota Fire Premium Report" means
265.30 a form for reporting by insurance companies of (1) gross direct fire, lightning, sprinkler
266.1 leakage, and extended coverage premiums received upon risks located or to be performed

259.1 market value of the parcel for the year in which the building or other improvements were
259.2 demolished or removed, but applying the classification rates for the current year.

259.3 (g) For a redevelopment district qualifying under section 469.174, subdivision 10,
259.4 paragraph (a), clause (4), as a qualified disaster area, the auditor shall certify the value of
259.5 the land as the original tax capacity for any parcel in the district that contains a building
259.6 that suffered substantial damage as a result of the disaster or emergency.

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

259.8 Sec. 19. **REPEALER.**

259.9 Minnesota Statutes 2018, section 275.29, is repealed.

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

ARTICLE 19

FIRE STATE AID; TECHNICAL CHANGES

259.13 Section 1. **[477B.01] DEFINITIONS.**

259.14 Subdivision 1. **Scope.** Unless the language or context clearly indicates that a different
259.15 meaning is intended, the following words and terms, for the purposes of this chapter and
259.16 chapters 423A and 424A, have the meanings given to them.

259.17 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of revenue.

259.18 Subd. 3. **Company or insurance company.** "Company" or "insurance company" has
259.19 the meaning given in section 60A.02, subdivision 4.

259.20 Subd. 4. **Estimated market value.** "Estimated market value" has the meaning given in
259.21 section 272.03, subdivision 14.

259.22 Subd. 5. **Fire department.** "Fire department" includes a municipal fire department and
259.23 an independent nonprofit firefighting corporation.

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259.25 served by a qualifying fire department that meets the requirements of section 477B.02.

259.26 Subd. 7. **Independent nonprofit firefighting corporation.** "Independent nonprofit
259.27 firefighting corporation" means an independent nonprofit firefighting corporation that meets
259.28 the criteria in section 424A.094, subdivision 1, paragraph (a).

259.29 Subd. 8. **Minnesota Fire Premium Report.** "Minnesota Fire Premium Report" means
259.30 a form for reporting by insurance companies of (1) gross direct fire, lightning, sprinkler
260.1 leakage, and extended coverage premiums received upon risks located or to be performed

266.2 in this state less return premiums and dividends, and (2) other facts that the commissioner
 266.3 may require.

266.4 Subd. 9. **Municipal clerk.** "Municipal clerk" means the person elected or appointed to
 266.5 the position of municipal clerk or, if there is no such person, the chief financial official, the
 266.6 chief administrative official, or the person primarily responsible for managing the finances
 266.7 of a municipality.

266.8 Subd. 10. **Municipality.** (a) "Municipality" means:

266.9 (1) a home rule charter or statutory city;

266.10 (2) an organized town;

266.11 (3) a park district subject to chapter 398;

266.12 (4) the University of Minnesota; and

266.13 (5) an American Indian tribal government entity located within a federally recognized
 266.14 American Indian reservation.

266.15 (b) This subdivision only applies to chapter 477B.

266.16 Subd. 11. **Secretary.** "Secretary" means the secretary of an independent nonprofit
 266.17 firefighting corporation that has a subsidiary incorporated firefighters' relief association or
 266.18 whose firefighters participate in the voluntary statewide volunteer firefighter retirement
 266.19 plan.

266.20 Subd. 12. **Voluntary statewide volunteer firefighter retirement plan.** "Voluntary
 266.21 statewide volunteer firefighter retirement plan" means the retirement plan established under
 266.22 chapter 353G.

266.23 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

266.24 Sec. 2. **[477B.02] QUALIFYING FOR FIRE STATE AID.**

266.25 Subdivision 1. **Qualifications for fire state aid.** A municipality or independent nonprofit
 266.26 firefighting corporation qualifies to receive fire state aid if all the requirements of this section
 266.27 are met.

266.28 Subd. 2. **Establishment of fire department.** (a) An independent nonprofit firefighting
 266.29 corporation must be created under the nonprofit corporation act of this state operating for
 266.30 the exclusive purpose of firefighting, or the governing body of a municipality must officially
 266.31 establish a fire department.

260.2 in this state less return premiums and dividends, and (2) other facts that the commissioner
 260.3 may require.

260.4 Subd. 9. **Municipal clerk.** "Municipal clerk" means the person elected or appointed to
 260.5 the position of municipal clerk or, if there is no such person, the chief financial official, the
 260.6 chief administrative official, or the person primarily responsible for managing the finances
 260.7 of a municipality.

260.8 Subd. 10. **Municipality.** (a) "Municipality" means:

260.9 (1) a home rule charter or statutory city;

260.10 (2) an organized town;

260.11 (3) a park district subject to chapter 398;

260.12 (4) the University of Minnesota; and

260.13 (5) an American Indian tribal government entity located within a federally recognized
 260.14 American Indian reservation.

260.15 (b) This subdivision only applies to chapter 477B.

260.16 Subd. 11. **Secretary.** "Secretary" means the secretary of an independent nonprofit
 260.17 firefighting corporation that has a subsidiary incorporated firefighters' relief association or
 260.18 whose firefighters participate in the voluntary statewide volunteer firefighter retirement
 260.19 plan.

260.20 Subd. 12. **Voluntary statewide volunteer firefighter retirement plan.** "Voluntary
 260.21 statewide volunteer firefighter retirement plan" means the retirement plan established under
 260.22 chapter 353G.

260.23 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

260.24 Sec. 2. **[477B.02] QUALIFYING FOR FIRE STATE AID.**

260.25 Subdivision 1. **Qualifications for fire state aid.** A municipality or independent nonprofit
 260.26 firefighting corporation qualifies to receive fire state aid if all the requirements of this section
 260.27 are met.

260.28 Subd. 2. **Establishment of fire department.** (a) An independent nonprofit firefighting
 260.29 corporation must be created under the nonprofit corporation act of this state operating for
 260.30 the exclusive purpose of firefighting, or the governing body of a municipality must officially
 260.31 establish a fire department.

261.1 (b) The fire department must have provided firefighting services for at least one calendar
 261.2 year.

- 267.1 (b) The fire department must have provided firefighting services for at least one calendar
 267.2 year.
- 267.3 **Subd. 3. Personnel and benefits requirements.** (a) A fire department must have a
 267.4 minimum of ten paid or volunteer firefighters, including a fire chief and assistant fire chief.
- 267.5 (b) The fire department must have regular scheduled meetings and frequent drills that
 267.6 include instructions in firefighting tactics and in the use, care, and operation of all fire
 267.7 apparatus and equipment.
- 267.8 (c) The fire department must have a separate subsidiary incorporated firefighters' relief
 267.9 association that provides retirement benefits or must participate in the voluntary statewide
 267.10 volunteer firefighter retirement plan; or if the municipality solely employs full-time
 267.11 firefighters as defined in section 299N.03, subdivision 5, retirement coverage must be
 267.12 provided by the public employees police and fire retirement plan.
- 267.13 (d) Notwithstanding paragraph (c), a municipality without a relief association as described
 267.14 under section 424A.08, paragraph (a), may still qualify to receive fire state aid if all other
 267.15 requirements of this section are met.
- 267.16 **Subd. 4. Equipment requirements.** The fire department must have all of the following
 267.17 equipment, or the equivalent as determined by the state fire marshal, by December 31 of
 267.18 the year preceding the certification required in subdivision 8:
- 267.19 (1) a motorized fire truck equipped with:
- 267.20 (i) a motorized pump;
- 267.21 (ii) a 250-gallon or larger water tank;
- 267.22 (iii) 300 feet of one inch or larger fire hose in two lines with combination spray and
 267.23 straight stream nozzles;
- 267.24 (iv) five-gallon hand pumps - tank extinguisher or equivalent;
- 267.25 (v) a dry chemical extinguisher or equivalent;
- 267.26 (vi) ladders;
- 267.27 (vii) extension ladders;
- 267.28 (viii) pike poles;
- 267.29 (ix) crowbars;
- 267.30 (x) axes;

- 261.3 **Subd. 3. Personnel and benefits requirements.** (a) A fire department must have a
 261.4 minimum of ten paid or volunteer firefighters, including a fire chief and assistant fire chief.
- 261.5 (b) The fire department must have regular scheduled meetings and frequent drills that
 261.6 include instructions in firefighting tactics and in the use, care, and operation of all fire
 261.7 apparatus and equipment.
- 261.8 (c) The fire department must have a separate subsidiary incorporated firefighters' relief
 261.9 association that provides retirement benefits or must participate in the voluntary statewide
 261.10 volunteer firefighter retirement plan; or if the municipality solely employs full-time
 261.11 firefighters as defined in section 299N.03, subdivision 5, retirement coverage must be
 261.12 provided by the public employees police and fire retirement plan.
- 261.13 (d) Notwithstanding paragraph (c), a municipality without a relief association as described
 261.14 under section 424A.08, paragraph (a), may still qualify to receive fire state aid if all other
 261.15 requirements of this section are met.
- 261.16 **Subd. 4. Equipment requirements.** The fire department must have all of the following
 261.17 equipment, or the equivalent as determined by the state fire marshal, by December 31 of
 261.18 the year preceding the certification required in subdivision 8:
- 261.19 (1) a motorized fire truck equipped with:
- 261.20 (i) a motorized pump;
- 261.21 (ii) a 250-gallon or larger water tank;
- 261.22 (iii) 300 feet of one inch or larger fire hose in two lines with combination spray and
 261.23 straight stream nozzles;
- 261.24 (iv) five-gallon hand pumps - tank extinguisher or equivalent;
- 261.25 (v) a dry chemical extinguisher or equivalent;
- 261.26 (vi) ladders;
- 261.27 (vii) extension ladders;
- 261.28 (viii) pike poles;
- 261.29 (ix) crowbars;
- 261.30 (x) axes;
- 262.1 (xi) lanterns; and
- 262.2 (xii) fire coats, helmets, and boots;

268.1 (xi) lanterns; and

268.2 (xii) fire coats, helmets, and boots;

268.3 (2) the items in clause (1) suitably housed in a building of good construction with facilities
268.4 for care of hoses and equipment;

268.5 (3) a reliable and adequate method of receiving fire alarms by telephone or with electric
268.6 siren and suitable means of sounding an alarm; and

268.7 (4) if response is to be provided outside the corporate limits of the municipality where
268.8 the fire department is located, another piece of motorized apparatus to make the response.

268.9 **Subd. 5. Fire service contract or agreement; apportionment agreement filing**
268.10 **requirement.** (a) Every municipality or independent nonprofit firefighting corporation must
268.11 file a copy of any duly executed and valid fire service contract or agreement with the
268.12 commissioner.

268.13 (b) If more than one fire department provides service to a municipality, the fire
268.14 departments furnishing service must enter into an agreement apportioning among themselves
268.15 the percentage of the population and the percentage of the estimated market value of each
268.16 shared service fire department service area. The agreement must be in writing and must be
268.17 filed with the commissioner.

268.18 **Subd. 6. Compliance with rules.** The fire department must meet all other requirements
268.19 that the commissioner establishes by rule.

268.20 **Subd. 7. Financial reporting requirements.** The financial reporting requirements of
268.21 section 424A.014 must be satisfied.

268.22 **Subd. 8. PERA certification to commissioner.** On or before February 1 each year, if
268.23 retirement coverage for a fire department is provided by the voluntary statewide volunteer
268.24 firefighter retirement plan, the executive director of the Public Employees Retirement
268.25 Association must certify the existence of retirement coverage.

268.26 **Subd. 9. Fire department certification to commissioner.** On or before March 15 of
268.27 each year, the municipal clerk or the secretary, and the fire chief, must jointly certify to the
268.28 commissioner that the fire department exists and meets the qualification requirements of
268.29 this section. The certification must be on a form prescribed by the commissioner and must
268.30 include all other information that the commissioner requires.

268.31 **Subd. 10. Penalty for failure to file certification.** (a) If the certification under
268.32 subdivision 9 is not filed with the commissioner on or before March 15, the commissioner
269.1 must notify the municipal clerk or the secretary that a penalty equal to a portion or all of
269.2 the current year aid will apply if the certification is not received within ten days of the
269.3 postmark date of the notification.

262.3 (2) the items in clause (1) suitably housed in a building of good construction with facilities
262.4 for care of hoses and equipment;

262.5 (3) a reliable and adequate method of receiving fire alarms by telephone or with electric
262.6 siren and suitable means of sounding an alarm; and

262.7 (4) if response is to be provided outside the corporate limits of the municipality where
262.8 the fire department is located, another piece of motorized apparatus to make the response.

262.9 **Subd. 5. Fire service contract or agreement; apportionment agreement filing**
262.10 **requirement.** (a) Every municipality or independent nonprofit firefighting corporation must
262.11 file a copy of any duly executed and valid fire service contract or agreement with the
262.12 commissioner.

262.13 (b) If more than one fire department provides service to a municipality, the fire
262.14 departments furnishing service must enter into an agreement apportioning among themselves
262.15 the percentage of the population and the percentage of the estimated market value of each
262.16 shared service fire department service area. The agreement must be in writing and must be
262.17 filed with the commissioner.

262.18 **Subd. 6. Compliance with rules.** The fire department must meet all other requirements
262.19 that the commissioner establishes by rule.

262.20 **Subd. 7. Financial reporting requirements.** The financial reporting requirements of
262.21 section 424A.014 must be satisfied.

262.22 **Subd. 8. PERA certification to commissioner.** On or before February 1 each year, if
262.23 retirement coverage for a fire department is provided by the voluntary statewide volunteer
262.24 firefighter retirement plan, the executive director of the Public Employees Retirement
262.25 Association must certify the existence of retirement coverage.

262.26 **Subd. 9. Fire department certification to commissioner.** On or before March 15 of
262.27 each year, the municipal clerk or the secretary, and the fire chief, must jointly certify to the
262.28 commissioner that the fire department exists and meets the qualification requirements of
262.29 this section. The certification must be on a form prescribed by the commissioner and must
262.30 include all other information that the commissioner requires.

262.31 **Subd. 10. Penalty for failure to file certification.** (a) If the certification under
262.32 subdivision 9 is not filed with the commissioner on or before March 15, the commissioner
263.1 must notify the municipal clerk or the secretary that a penalty equal to a portion or all of
263.2 the current year aid will apply if the certification is not received within ten days of the
263.3 postmark date of the notification.

263.4 (b) The penalty for failure to file the certification under subdivision 9 is equal to the
263.5 amount of fire state aid determined for the municipality or the independent nonprofit
263.6 firefighting corporation for the current year, multiplied by five percent for each week or

269.4 (b) The penalty for failure to file the certification under subdivision 9 is equal to the
 269.5 amount of fire state aid determined for the municipality or the independent nonprofit
 269.6 firefighting corporation for the current year, multiplied by five percent for each week or
 269.7 fraction of a week that the certification is late. The penalty must be computed beginning
 269.8 ten days after the postmark date of the commissioner's notification. Aid amounts forfeited
 269.9 as a result of the penalty revert to the state general fund. Failure to receive the certification
 269.10 form is not a defense for a failure to file.

269.11 Subd. 11. **Determination by commissioner.** The commissioner must determine which
 269.12 municipalities and independent nonprofit firefighting corporations are qualified to receive
 269.13 fire state aid directly or are qualified to receive the benefit of fire state aid paid to the
 269.14 voluntary statewide volunteer firefighter retirement plan based on compliance with the
 269.15 requirements of this section and the financial compliance report required under section
 269.16 6.495, subdivision 3, if applicable. The commissioner may take into account any other
 269.17 relevant information that comes to the attention of the commissioner when making the
 269.18 determination.

269.19 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

269.20 Sec. 3. **[477B.03] CALCULATION OF FIRE STATE AID; APPEAL.**

269.21 Subdivision 1. **Certification and calculation of fire state aid.** (a) On or before October
 269.22 1, the commissioner must calculate the amount of fire state aid that each municipality or
 269.23 independent nonprofit firefighting corporation is to receive.

269.24 (b) The commissioner must calculate an initial fire state aid allocation amount for each
 269.25 municipality or independent nonprofit firefighting corporation under subdivision 4 and, if
 269.26 applicable, a minimum fire state aid allocation amount for each municipality or independent
 269.27 nonprofit firefighting corporation under subdivision 5. The municipality or independent
 269.28 nonprofit firefighting corporation must be apportioned the greater of the amounts calculated
 269.29 under subdivisions 4 and 5.

269.30 Subd. 2. **Apportionment of fire state aid.** (a) The amount of fire state aid available for
 269.31 apportionment, before the addition of the minimum fire state aid allocation amount under
 269.32 subdivision 5, is equal to 107 percent of the amount of premium taxes paid to the state upon
 269.33 the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the
 270.1 commissioner by companies or insurance companies on the Minnesota Fire Premium Report.
 270.2 This amount must be reduced by the amount required to pay the state auditor's costs and
 270.3 expenses of the audits or exams of the firefighters' relief associations.

270.4 (b) The total amount available for apportionment must not be less than two percent of
 270.5 the premiums less return premiums reported to the commissioner by companies or insurance
 270.6 companies on the Minnesota Fire Premium Report after subtracting the following amounts:

263.7 fraction of a week that the certification is late. The penalty must be computed beginning
 263.8 ten days after the postmark date of the commissioner's notification. Aid amounts forfeited
 263.9 as a result of the penalty revert to the state general fund. Failure to receive the certification
 263.10 form is not a defense for a failure to file.

263.11 Subd. 11. **Determination by commissioner.** The commissioner must determine which
 263.12 municipalities and independent nonprofit firefighting corporations are qualified to receive
 263.13 fire state aid directly or are qualified to receive the benefit of fire state aid paid to the
 263.14 voluntary statewide volunteer firefighter retirement plan based on compliance with the
 263.15 requirements of this section and the financial compliance report required under section
 263.16 6.495, subdivision 3, if applicable. The commissioner may take into account any other
 263.17 relevant information that comes to the attention of the commissioner when making the
 263.18 determination.

263.19 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

263.20 Sec. 3. **[477B.03] CALCULATION OF FIRE STATE AID; APPEAL.**

263.21 Subdivision 1. **Certification and calculation of fire state aid.** (a) On or before October
 263.22 1, the commissioner must calculate the amount of fire state aid that each municipality or
 263.23 independent nonprofit firefighting corporation is to receive.

263.24 (b) The commissioner must calculate an initial fire state aid allocation amount for each
 263.25 municipality or independent nonprofit firefighting corporation under subdivision 4 and, if
 263.26 applicable, a minimum fire state aid allocation amount for each municipality or independent
 263.27 nonprofit firefighting corporation under subdivision 5. The municipality or independent
 263.28 nonprofit firefighting corporation must be apportioned the greater of the amounts calculated
 263.29 under subdivisions 4 and 5.

263.30 Subd. 2. **Apportionment of fire state aid.** (a) The amount of fire state aid available for
 263.31 apportionment, before the addition of the minimum fire state aid allocation amount under
 263.32 subdivision 5, is equal to 107 percent of the amount of premium taxes paid to the state upon
 263.33 the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the
 264.1 commissioner by companies or insurance companies on the Minnesota Fire Premium Report.
 264.2 This amount must be reduced by the amount required to pay the state auditor's costs and
 264.3 expenses of the audits or exams of the firefighters' relief associations.

264.4 (b) The total amount available for apportionment must not be less than two percent of
 264.5 the premiums less return premiums reported to the commissioner by companies or insurance
 264.6 companies on the Minnesota Fire Premium Report after subtracting the following amounts:

270.7 (1) the amount required to pay the state auditor's costs and expenses of the audits or
 270.8 exams of the firefighters' relief associations; and

270.9 (2) one percent of the premiums reported by township mutual insurance companies and
 270.10 mutual property and casualty companies with total assets of \$5,000,000 or less.

270.11 (c) The commissioner must apportion the fire state aid to each municipality or independent
 270.12 nonprofit firefighting corporation qualified under section 477B.02 relative to the premiums
 270.13 reported on the Minnesota Fire Premium Reports filed under this chapter.

270.14 (d) The commissioner must calculate the percentage of increase or decrease reflected in
 270.15 the apportionment over or under the previous year's available state aid using the same
 270.16 premiums as a basis for comparison.

270.17 **Subd. 3. Population and estimated market value.** (a) Official statewide federal census
 270.18 figures must be used in calculations requiring the use of population figures under this chapter.
 270.19 Increases or decreases in population disclosed by reason of any special census must not be
 270.20 taken into consideration.

270.21 (b) The latest available estimated market value property figures must be used in
 270.22 calculations requiring the use of estimated market value property figures under this chapter.

270.23 **Subd. 4. Initial fire state aid allocation amount.** (a) The initial fire state aid allocation
 270.24 amount is the amount available for apportionment as fire state aid under subdivision 2,
 270.25 without the inclusion of any additional funding amount to support a minimum fire state aid
 270.26 amount under section 423A.02, subdivision 3. The initial fire state aid allocation amount
 270.27 is allocated one-half in proportion to the population for each fire department service area
 270.28 and one-half in proportion to the estimated market value of each fire department service
 270.29 area, including (1) the estimated market value of tax-exempt property, and (2) the estimated
 270.30 market value of natural resources lands receiving in lieu payments under sections 477A.11
 270.31 to 477A.14 and 477A.17. The estimated market value of minerals is excluded.

270.32 (b) In the case of a municipality or independent nonprofit firefighting corporation
 270.33 furnishing fire protection to other municipalities as evidenced by valid fire service contracts
 271.1 filed with the commissioner under section 477B.02, subdivision 5, the distribution must be
 271.2 adjusted proportionately to take into consideration the crossover fire protection service.
 271.3 Necessary adjustments must be made to subsequent apportionments.

271.4 (c) In the case of municipalities or independent nonprofit firefighting corporations
 271.5 qualifying for aid, the commissioner must calculate the state aid for the municipality or
 271.6 independent nonprofit firefighting corporation on the basis of the population and the estimated
 271.7 market value of the area furnished fire protection service by the fire department as evidenced
 271.8 by fire service agreements filed with the commissioner under section 477B.02, subdivision
 271.9 5.

264.7 (1) the amount required to pay the state auditor's costs and expenses of the audits or
 264.8 exams of the firefighters' relief associations; and

264.9 (2) one percent of the premiums reported by township mutual insurance companies and
 264.10 mutual property and casualty companies with total assets of \$5,000,000 or less.

264.11 (c) The commissioner must apportion the fire state aid to each municipality or independent
 264.12 nonprofit firefighting corporation qualified under section 477B.02 relative to the premiums
 264.13 reported on the Minnesota Fire Premium Reports filed under this chapter.

264.14 (d) The commissioner must calculate the percentage of increase or decrease reflected in
 264.15 the apportionment over or under the previous year's available state aid using the same
 264.16 premiums as a basis for comparison.

264.17 **Subd. 3. Population and estimated market value.** (a) Official statewide federal census
 264.18 figures must be used in calculations requiring the use of population figures under this chapter.
 264.19 Increases or decreases in population disclosed by reason of any special census must not be
 264.20 taken into consideration.

264.21 (b) The latest available estimated market value property figures must be used in
 264.22 calculations requiring the use of estimated market value property figures under this chapter.

264.23 **Subd. 4. Initial fire state aid allocation amount.** (a) The initial fire state aid allocation
 264.24 amount is the amount available for apportionment as fire state aid under subdivision 2,
 264.25 without the inclusion of any additional funding amount to support a minimum fire state aid
 264.26 amount under section 423A.02, subdivision 3. The initial fire state aid allocation amount
 264.27 is allocated one-half in proportion to the population for each fire department service area
 264.28 and one-half in proportion to the estimated market value of each fire department service
 264.29 area, including (1) the estimated market value of tax-exempt property, and (2) the estimated
 264.30 market value of natural resources lands receiving in lieu payments under sections 477A.11
 264.31 to 477A.14 and 477A.17. The estimated market value of minerals is excluded.

264.32 (b) In the case of a municipality or independent nonprofit firefighting corporation
 264.33 furnishing fire protection to other municipalities as evidenced by valid fire service contracts
 265.1 filed with the commissioner under section 477B.02, subdivision 5, the distribution must be
 265.2 adjusted proportionately to take into consideration the crossover fire protection service.
 265.3 Necessary adjustments must be made to subsequent apportionments.

265.4 (c) In the case of municipalities or independent nonprofit firefighting corporations
 265.5 qualifying for aid, the commissioner must calculate the state aid for the municipality or
 265.6 independent nonprofit firefighting corporation on the basis of the population and the estimated
 265.7 market value of the area furnished fire protection service by the fire department as evidenced
 265.8 by fire service agreements filed with the commissioner under section 477B.02, subdivision
 265.9 5.

271.10 (d) In the case of more than one fire department furnishing contracted fire service to a
 271.11 municipality, the population and estimated market value in the apportionment agreement
 271.12 filed with the commissioner under section 477B.02, subdivision 5, must be used in calculating
 271.13 the state aid.

271.14 Subd. 5. **Minimum fire state aid allocation amount.** (a) The minimum fire state aid
 271.15 allocation amount is the amount derived from any additional funding amount to support a
 271.16 minimum fire state aid amount under section 423A.02, subdivision 3. The minimum fire
 271.17 state aid allocation amount is allocated to municipalities or independent nonprofit firefighting
 271.18 corporations with volunteer firefighters' relief associations or covered by the voluntary
 271.19 statewide volunteer firefighter retirement plan. The amount is based on the number of active
 271.20 volunteer firefighters who are (1) members of the relief association as reported to the Office
 271.21 of the State Auditor in a specific annual financial reporting year as specified in paragraphs
 271.22 (b) to (d), or (2) covered by the voluntary statewide volunteer firefighter retirement plan as
 271.23 specified in paragraph (e).

271.24 (b) For relief associations established in calendar year 1993 or a prior year, the number
 271.25 of active volunteer firefighters equals the number of active volunteer firefighters who were
 271.26 members of the relief association as reported in the annual financial reporting for calendar
 271.27 year 1993, but not to exceed 30 active volunteer firefighters.

271.28 (c) For relief associations established in calendar year 1994 through calendar year 1999,
 271.29 the number of active volunteer firefighters equals the number of active volunteer firefighters
 271.30 who were members of the relief association as reported in the annual financial reporting for
 271.31 calendar year 1998 to the Office of the State Auditor, but not to exceed 30 active volunteer
 271.32 firefighters.

271.33 (d) For relief associations established after calendar year 1999, the number of active
 271.34 volunteer firefighters equals the number of active volunteer firefighters who are members
 272.1 of the relief association as reported in the first annual financial reporting submitted to the
 272.2 Office of the State Auditor, but not to exceed 20 active volunteer firefighters.

272.3 (e) If a relief association is terminated as a result of providing retirement coverage for
 272.4 volunteer firefighters by the voluntary statewide volunteer firefighter retirement plan under
 272.5 chapter 353G, the number of active volunteer firefighters equals the number of active
 272.6 volunteer firefighters of the municipality or independent nonprofit firefighting corporation
 272.7 covered by the statewide plan as certified by the executive director of the Public Employees
 272.8 Retirement Association to the commissioner and the state auditor, but not to exceed 30
 272.9 active firefighters.

272.10 Subd. 6. **Corrective aid adjustments.** Any adjustments needed to correct prior
 272.11 misallocations must be made to subsequent fire state aid apportionments.

272.12 Subd. 7. **Appeal.** A municipality, an independent nonprofit firefighting corporation, a
 272.13 fire relief association, or the voluntary statewide volunteer firefighter retirement plan may

265.10 (d) In the case of more than one fire department furnishing contracted fire service to a
 265.11 municipality, the population and estimated market value in the apportionment agreement
 265.12 filed with the commissioner under section 477B.02, subdivision 5, must be used in calculating
 265.13 the state aid.

265.14 Subd. 5. **Minimum fire state aid allocation amount.** (a) The minimum fire state aid
 265.15 allocation amount is the amount derived from any additional funding amount to support a
 265.16 minimum fire state aid amount under section 423A.02, subdivision 3. The minimum fire
 265.17 state aid allocation amount is allocated to municipalities or independent nonprofit firefighting
 265.18 corporations with volunteer firefighters' relief associations or covered by the voluntary
 265.19 statewide volunteer firefighter retirement plan. The amount is based on the number of active
 265.20 volunteer firefighters who are (1) members of the relief association as reported to the Office
 265.21 of the State Auditor in a specific annual financial reporting year as specified in paragraphs
 265.22 (b) to (d), or (2) covered by the voluntary statewide volunteer firefighter retirement plan as
 265.23 specified in paragraph (e).

265.24 (b) For relief associations established in calendar year 1993 or a prior year, the number
 265.25 of active volunteer firefighters equals the number of active volunteer firefighters who were
 265.26 members of the relief association as reported in the annual financial reporting for calendar
 265.27 year 1993, but not to exceed 30 active volunteer firefighters.

265.28 (c) For relief associations established in calendar year 1994 through calendar year 1999,
 265.29 the number of active volunteer firefighters equals the number of active volunteer firefighters
 265.30 who were members of the relief association as reported in the annual financial reporting for
 265.31 calendar year 1998 to the Office of the State Auditor, but not to exceed 30 active volunteer
 265.32 firefighters.

265.33 (d) For relief associations established after calendar year 1999, the number of active
 265.34 volunteer firefighters equals the number of active volunteer firefighters who are members
 266.1 of the relief association as reported in the first annual financial reporting submitted to the
 266.2 Office of the State Auditor, but not to exceed 20 active volunteer firefighters.

266.3 (e) If a relief association is terminated as a result of providing retirement coverage for
 266.4 volunteer firefighters by the voluntary statewide volunteer firefighter retirement plan under
 266.5 chapter 353G, the number of active volunteer firefighters equals the number of active
 266.6 volunteer firefighters of the municipality or independent nonprofit firefighting corporation
 266.7 covered by the statewide plan as certified by the executive director of the Public Employees
 266.8 Retirement Association to the commissioner and the state auditor, but not to exceed 30
 266.9 active firefighters.

266.10 Subd. 6. **Corrective aid adjustments.** Any adjustments needed to correct prior
 266.11 misallocations must be made to subsequent fire state aid apportionments.

266.12 Subd. 7. **Appeal.** A municipality, an independent nonprofit firefighting corporation, a
 266.13 fire relief association, or the voluntary statewide volunteer firefighter retirement plan may

272.14 object to the amount of fire state aid apportioned to it by filing a written request with the
 272.15 commissioner to review and adjust the apportionment of funds within the state. The decision
 272.16 of the commissioner is subject to appeal, review, and adjustment by the district court in the
 272.17 county in which the applicable municipality or independent nonprofit firefighting corporation
 272.18 is located or by the Ramsey County District Court with respect to the voluntary statewide
 272.19 volunteer firefighter retirement plan.

272.20 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

272.21 Sec. 4. **[477B.04] APPROPRIATION, PAYMENT, AND ADMINISTRATION.**

272.22 **Subdivision 1. Payments.** (a) The commissioner must make payments to the Public
 272.23 Employees Retirement Association for deposit in the voluntary statewide volunteer firefighter
 272.24 retirement fund on behalf of a municipality or independent nonprofit firefighting corporation
 272.25 that is a member of the voluntary statewide volunteer firefighter retirement plan under
 272.26 chapter 353G, or directly to a municipality or county designated by an independent nonprofit
 272.27 firefighting corporation. The payment is equal to the amount of fire state aid apportioned
 272.28 to the applicable fire state aid recipient under section 477B.03.

272.29 (b) Fire state aid is payable on October 1 annually. The amount of state aid due and not
 272.30 paid by October 1 accrues interest payable to the recipient at the rate of one percent for each
 272.31 month or part of a month that the amount remains unpaid after October 1.

272.32 (c) The interest under paragraph (b) does not apply when payment has not been made
 272.33 by October 1 due to noncompliance with sections 424A.014 and 477B.02, subdivision 7.

273.1 **Subd. 2. Appropriation.** The amount necessary to make the payments under this section
 273.2 and section 477B.03 is annually appropriated to the commissioner from the general fund.

273.3 **Subd. 3. Deposit of state aid.** (a) If the municipality or the independent nonprofit
 273.4 firefighting corporation is covered by the voluntary statewide volunteer firefighter retirement
 273.5 plan under chapter 353G, the executive director of the Public Employees Retirement
 273.6 Association must credit the fire state aid against future municipal contribution requirements
 273.7 under section 353G.08 and must notify the municipality or the independent nonprofit
 273.8 firefighting corporation of the fire state aid so credited at least annually.

273.9 (b) If the municipality or the independent nonprofit firefighting corporation is not covered
 273.10 by the voluntary statewide volunteer firefighter retirement plan, the treasurer of the
 273.11 municipality must, within 30 days after receipt, transmit the fire state aid to the treasurer
 273.12 of the duly incorporated firefighters' relief association if there is one organized and the
 273.13 association has filed a financial report with the municipality pursuant to section 424A.014,
 273.14 subdivision 1 or 2, whichever applies. If the relief association has not filed a financial report
 273.15 with the municipality, the treasurer of the municipality must delay transmission of the fire
 273.16 state aid to the relief association until the complete financial report is filed.

266.14 object to the amount of fire state aid apportioned to it by filing a written request with the
 266.15 commissioner to review and adjust the apportionment of funds within the state. The decision
 266.16 of the commissioner is subject to appeal, review, and adjustment by the district court in the
 266.17 county in which the applicable municipality or independent nonprofit firefighting corporation
 266.18 is located or by the Ramsey County District Court with respect to the voluntary statewide
 266.19 volunteer firefighter retirement plan.

266.20 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

266.21 Sec. 4. **[477B.04] APPROPRIATION, PAYMENT, AND ADMINISTRATION.**

266.22 **Subdivision 1. Payments.** (a) The commissioner must make payments to the Public
 266.23 Employees Retirement Association for deposit in the voluntary statewide volunteer firefighter
 266.24 retirement fund on behalf of a municipality or independent nonprofit firefighting corporation
 266.25 that is a member of the voluntary statewide volunteer firefighter retirement plan under
 266.26 chapter 353G, or directly to a municipality or county designated by an independent nonprofit
 266.27 firefighting corporation. The payment is equal to the amount of fire state aid apportioned
 266.28 to the applicable fire state aid recipient under section 477B.03.

266.29 (b) Fire state aid is payable on October 1 annually. The amount of state aid due and not
 266.30 paid by October 1 accrues interest payable to the recipient at the rate of one percent for each
 266.31 month or part of a month that the amount remains unpaid after October 1.

266.32 (c) The interest under paragraph (b) does not apply when payment has not been made
 266.33 by October 1 due to noncompliance with sections 424A.014 and 477B.02, subdivision 7.

267.1 **Subd. 2. Appropriation.** The amount necessary to make the payments under this section
 267.2 and section 477B.03 is annually appropriated to the commissioner from the general fund.

267.3 **Subd. 3. Deposit of state aid.** (a) If the municipality or the independent nonprofit
 267.4 firefighting corporation is covered by the voluntary statewide volunteer firefighter retirement
 267.5 plan under chapter 353G, the executive director of the Public Employees Retirement
 267.6 Association must credit the fire state aid against future municipal contribution requirements
 267.7 under section 353G.08 and must notify the municipality or the independent nonprofit
 267.8 firefighting corporation of the fire state aid so credited at least annually.

267.9 (b) If the municipality or the independent nonprofit firefighting corporation is not covered
 267.10 by the voluntary statewide volunteer firefighter retirement plan, the treasurer of the
 267.11 municipality must, within 30 days after receipt, transmit the fire state aid to the treasurer
 267.12 of the duly incorporated firefighters' relief association if there is one organized and the
 267.13 association has filed a financial report with the municipality pursuant to section 424A.014,
 267.14 subdivision 1 or 2, whichever applies. If the relief association has not filed a financial report
 267.15 with the municipality, the treasurer of the municipality must delay transmission of the fire
 267.16 state aid to the relief association until the complete financial report is filed.

273.17 (c) The treasurer of the municipality must deposit the fire state aid money in the municipal
 273.18 treasury if (1) the municipality or independent nonprofit firefighting corporation is not
 273.19 covered by the voluntary statewide volunteer firefighter retirement plan, (2) there is no
 273.20 relief association organized, (3) the association has dissolved, or (4) the association has
 273.21 been removed as trustees of state aid. The money may be disbursed from the municipal
 273.22 treasury only for the purposes and in the manner set forth in section 424A.08 or for the
 273.23 payment of the employer contribution requirement with respect to firefighters covered by
 273.24 the public employees police and fire retirement plan under section 353.65, subdivision 3.

273.25 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

273.26 Sec. 5. **[477B.05] SHORTFALL FROM GENERAL FUND.**

273.27 (a) If the annual funding requirements of fire relief associations or consolidation accounts
 273.28 under sections 424A.091 to 424A.095 or Laws 2013, chapter 111, article 5, sections 31 to
 273.29 42, exceed all applicable revenue sources of a given year, including the insurance premium
 273.30 taxes funding fire state aid under this chapter as set under section 2971.05, subdivisions 2,
 273.31 3, and 4, the shortfall in the annual funding requirements must be paid from the general
 273.32 fund to the extent appropriated by the legislature.

274.1 (b) Nothing in this section relieves any municipality from its obligation to a relief
 274.2 association or consolidation account under law.

274.3 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

274.4 Sec. 6. **PURPOSE.**

274.5 It is the intent of the legislature to make Minnesota's fire and police state aid laws more
 274.6 understandable by separating and recodifying disparate administration and compliance
 274.7 provisions currently contained in chapter 69 of Minnesota Statutes. Due to the complexity
 274.8 of the recodification, prior provisions are repealed on the effective date of the new provisions.

274.9 **EFFECTIVE DATE.** This section is effective July 1, 2019.

274.10 Sec. 7. **REPEALER.**

274.11 Minnesota Statutes 2018, sections 69.011, subdivisions 1, 2, 2b, 2c, 3, and 4; 69.021,
 274.12 subdivisions 1, 2, 3, 4, 5, 7, 7a, 8, 9, 10, and 11; 69.031, subdivisions 1, 3, and 5; and 69.041,
 274.13 are repealed.

274.14 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

267.17 (c) The treasurer of the municipality must deposit the fire state aid money in the municipal
 267.18 treasury if (1) the municipality or independent nonprofit firefighting corporation is not
 267.19 covered by the voluntary statewide volunteer firefighter retirement plan, (2) there is no
 267.20 relief association organized, (3) the association has dissolved, or (4) the association has
 267.21 been removed as trustees of state aid. The money may be disbursed from the municipal
 267.22 treasury only for the purposes and in the manner set forth in section 424A.08 or for the
 267.23 payment of the employer contribution requirement with respect to firefighters covered by
 267.24 the public employees police and fire retirement plan under section 353.65, subdivision 3.

267.25 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

267.26 Sec. 5. **[477B.05] SHORTFALL FROM GENERAL FUND.**

267.27 (a) If the annual funding requirements of fire relief associations or consolidation accounts
 267.28 under sections 424A.091 to 424A.095 or Laws 2013, chapter 111, article 5, sections 31 to
 267.29 42, exceed all applicable revenue sources of a given year, including the insurance premium
 267.30 taxes funding fire state aid under this chapter as set under section 2971.05, subdivisions 2,
 267.31 3, and 4, the shortfall in the annual funding requirements must be paid from the general
 267.32 fund to the extent appropriated by the legislature.

268.1 (b) Nothing in this section relieves any municipality from its obligation to a relief
 268.2 association or consolidation account under law.

268.3 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

268.4 Sec. 6. **PURPOSE.**

268.5 It is the intent of the legislature to make Minnesota's fire and police state aid laws more
 268.6 understandable by separating and recodifying disparate administration and compliance
 268.7 provisions currently contained in chapter 69 of Minnesota Statutes. Due to the complexity
 268.8 of the recodification, prior provisions are repealed on the effective date of the new provisions.

268.9 **EFFECTIVE DATE.** This section is effective July 1, 2019.

268.10 Sec. 7. **REPEALER.**

268.11 Minnesota Statutes 2018, sections 69.011, subdivisions 1, 2, 2b, 2c, 3, and 4; 69.021,
 268.12 subdivisions 1, 2, 3, 4, 5, 7, 7a, 8, 9, 10, and 11; 69.031, subdivisions 1, 3, and 5; and 69.041,
 268.13 are repealed.

268.14 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

- 274.15 **ARTICLE 20**
- 274.16 **POLICE STATE AID; TECHNICAL CHANGES**
- 274.17 Section 1. **[477C.01] DEFINITIONS.**
- 274.18 Subdivision 1. **Scope.** Unless the language or context clearly indicates that a different
- 274.19 meaning is intended, the following words and terms, for the purposes of this chapter and
- 274.20 chapter 423A have the meanings given to them.
- 274.21 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of revenue.
- 274.22 Subd. 3. **Company or insurance company.** "Company" or "insurance company" has
- 274.23 the meaning given in section 60A.02, subdivision 4.
- 274.24 Subd. 4. **Minnesota Aid to Police Premium Report.** "Minnesota Aid to Police Premium
- 274.25 Report" means a form for reporting the total gross premiums, less return premiums and
- 274.26 dividends, on all direct business received by an insurance company in this state during the
- 274.27 preceding calendar year, with reference to insurance written for perils contained in auto
- 274.28 insurance coverages as reported to the National Association of Insurance Commissioners
- 274.29 and the commissioner of commerce.
- 275.1 Subd. 5. **Municipal clerk, municipal clerk-treasurer, or county auditor.** "Municipal
- 275.2 clerk," "municipal clerk-treasurer," or "county auditor" means:
- 275.3 (1) the person elected or appointed to the position of municipal clerk, municipal
- 275.4 clerk-treasurer, or county auditor or, if there is no such person, the chief financial official
- 275.5 or the person primarily responsible for managing the finances of a municipality;
- 275.6 (2) for a park district, the secretary of the board of park district commissioners;
- 275.7 (3) for the University of Minnesota, the official designated by the Board of Regents;
- 275.8 (4) for the Metropolitan Airports Commission, the person designated by the commission;
- 275.9 (5) for the Departments of Natural Resources and Public Safety, the respective
- 275.10 commissioner of the agency; and
- 275.11 (6) for a tribal police department that exercises state arrest powers under section 626.90,
- 275.12 626.91, 626.92, or 626.93, the person designated by the applicable American Indian tribal
- 275.13 government.
- 275.14 Subd. 6. **Municipality.** (a) "Municipality" means:
- 275.15 (1) a home rule charter or statutory city;

- 268.15 **ARTICLE 20**
- 268.16 **POLICE STATE AID; TECHNICAL CHANGES**
- 268.17 Section 1. **[477C.01] DEFINITIONS.**
- 268.18 Subdivision 1. **Scope.** Unless the language or context clearly indicates that a different
- 268.19 meaning is intended, the following words and terms, for the purposes of this chapter and
- 268.20 chapter 423A have the meanings given to them.
- 268.21 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of revenue.
- 268.22 Subd. 3. **Company or insurance company.** "Company" or "insurance company" has
- 268.23 the meaning given in section 60A.02, subdivision 4.
- 268.24 Subd. 4. **Minnesota Aid to Police Premium Report.** "Minnesota Aid to Police Premium
- 268.25 Report" means a form for reporting the total gross premiums, less return premiums and
- 268.26 dividends, on all direct business received by an insurance company in this state during the
- 268.27 preceding calendar year, with reference to insurance written for perils contained in auto
- 268.28 insurance coverages as reported to the National Association of Insurance Commissioners
- 268.29 and the commissioner of commerce.
- 269.1 Subd. 5. **Municipal clerk, municipal clerk-treasurer, or county auditor.** "Municipal
- 269.2 clerk," "municipal clerk-treasurer," or "county auditor" means:
- 269.3 (1) the person elected or appointed to the position of municipal clerk, municipal
- 269.4 clerk-treasurer, or county auditor or, if there is no such person, the chief financial official
- 269.5 or the person primarily responsible for managing the finances of a municipality;
- 269.6 (2) for a park district, the secretary of the board of park district commissioners;
- 269.7 (3) for the University of Minnesota, the official designated by the Board of Regents;
- 269.8 (4) for the Metropolitan Airports Commission, the person designated by the commission;
- 269.9 (5) for the Departments of Natural Resources and Public Safety, the respective
- 269.10 commissioner of the agency; and
- 269.11 (6) for a tribal police department that exercises state arrest powers under section 626.90,
- 269.12 626.91, 626.92, or 626.93, the person designated by the applicable American Indian tribal
- 269.13 government.
- 269.14 Subd. 6. **Municipality.** (a) "Municipality" means:
- 269.15 (1) a home rule charter or statutory city;
- 269.16 (2) an organized town;

- 275.16 (2) an organized town;
- 275.17 (3) a county;
- 275.18 (4) a park district subject to chapter 398;
- 275.19 (5) the University of Minnesota;
- 275.20 (6) an American Indian tribal government with a tribal police department that exercises
275.21 state arrest powers under section 626.90, 626.91, 626.92, or 626.93;
- 275.22 (7) the Metropolitan Airports Commission; and
- 275.23 (8) the Departments of Natural Resources and Public Safety with respect to peace officers
275.24 covered under chapter 352B.
- 275.25 (b) This subdivision only applies to chapter 477C.
- 275.26 Subd. 7. **Peace officer.** "Peace officer" means any person:
- 275.27 (1) whose primary source of income derived from wages is from direct employment by
275.28 a municipality as a law enforcement officer on a full-time basis of not less than 30 hours
275.29 per week;
- 276.1 (2) who has been employed for a minimum of six months before December 31 preceding
276.2 the date of the current year's certification under section 477C.02, subdivision 1;
- 276.3 (3) who is sworn to enforce the general criminal laws of the state and local ordinances;
- 276.4 (4) who is licensed by the Peace Officers Standards and Training Board and is authorized
276.5 to arrest with a warrant; and
- 276.6 (5) who is a member of the State Patrol retirement plan or the public employees police
276.7 and fire fund.
- 276.8 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.
- 276.9 Sec. 2. **[477C.02] QUALIFYING FOR POLICE STATE AID.**
- 276.10 Subdivision 1. **Certification to commissioner.** (a) A certification made under this
276.11 section must be filed with the commissioner on a form prescribed by the commissioner and
276.12 must include all other facts that the commissioner requires.
- 276.13 (b) Except as provided in subdivision 2, on or before March 15 annually, the municipal
276.14 clerk, municipal clerk-treasurer, or county auditor of each municipality employing one or
276.15 more peace officers must certify to the commissioner the number of peace officers employed

- 269.17 (3) a county;
- 269.18 (4) a park district subject to chapter 398;
- 269.19 (5) the University of Minnesota;
- 269.20 (6) an American Indian tribal government with a tribal police department that exercises
269.21 state arrest powers under section 626.90, 626.91, 626.92, or 626.93;
- 269.22 (7) the Metropolitan Airports Commission; and
- 269.23 (8) the Departments of Natural Resources and Public Safety with respect to peace officers
269.24 covered under chapter 352B.
- 269.25 (b) This subdivision only applies to chapter 477C.
- 269.26 Subd. 7. **Peace officer.** "Peace officer" means any person:
- 269.27 (1) whose primary source of income derived from wages is from direct employment by
269.28 a municipality as a law enforcement officer on a full-time basis of not less than 30 hours
269.29 per week;
- 270.1 (2) who has been employed for a minimum of six months before December 31 preceding
270.2 the date of the current year's certification under section 477C.02, subdivision 1;
- 270.3 (3) who is sworn to enforce the general criminal laws of the state and local ordinances;
- 270.4 (4) who is licensed by the Peace Officers Standards and Training Board and is authorized
270.5 to arrest with a warrant; and
- 270.6 (5) who is a member of the State Patrol retirement plan or the public employees police
270.7 and fire fund.
- 270.8 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.
- 270.9 Sec. 2. **[477C.02] QUALIFYING FOR POLICE STATE AID.**
- 270.10 Subdivision 1. **Certification to commissioner.** (a) A certification made under this
270.11 section must be filed with the commissioner on a form prescribed by the commissioner and
270.12 must include all other facts that the commissioner requires.
- 270.13 (b) Except as provided in subdivision 2, on or before March 15 annually, the municipal
270.14 clerk, municipal clerk-treasurer, or county auditor of each municipality employing one or
270.15 more peace officers must certify to the commissioner the number of peace officers employed

- 276.16 during the previous calendar year. No peace officer may be included in the certification by
 276.17 more than one municipality for the same month.
- 276.18 (c) Credit for peace officers employed less than a full year must be apportioned. Each
 276.19 full month of employment of a qualifying officer during the calendar year entitles the
 276.20 employing municipality to credit for 1/12 of the payment for employment of a peace officer
 276.21 for the entire year. For purposes of this chapter, employment of a peace officer begins when
 276.22 the peace officer is entered on the payroll of the employing municipality.
- 276.23 **Subd. 2. Departments of Natural Resources and Public Safety.** On or before March
 276.24 15 annually, the commissioner of natural resources must certify the number of peace officers
 276.25 employed by the Enforcement Division and the commissioner of public safety must certify
 276.26 the number of peace officers employed by the Bureau of Criminal Apprehension, the
 276.27 Gambling Enforcement Division, and the State Patrol Division. The certification must be
 276.28 on the form described in subdivision 1, paragraph (a). Peace officers certified under this
 276.29 subdivision must be included in the total certifications under subdivision 1.
- 276.30 **Subd. 3. Ineligibility of certain peace officers.** A peace officer employed by the
 276.31 University of Minnesota who is required by the Board of Regents to be a member of the
 277.1 University of Minnesota faculty retirement plan is not eligible to be included in any police
 277.2 state aid certification under this section.
- 277.3 **Subd. 4. Penalty for failure to file certification.** (a) If a certification under subdivision
 277.4 1 or 2 is not filed with the commissioner on or before March 15, the commissioner must
 277.5 notify the municipal clerk, municipal clerk-treasurer, or county auditor that a penalty equal
 277.6 to a portion or all of its current year aid will apply if the certification is not received within
 277.7 ten days.
- 277.8 (b) The penalty for failure to file the certification under subdivision 1 or 2 is equal to
 277.9 the amount of police state aid determined for the municipality for the current year, multiplied
 277.10 by five percent for each week or fraction of a week that the certification is late. The penalty
 277.11 must be computed beginning ten days after the postmark date of the commissioner's
 277.12 notification as required under this subdivision. All aid amounts forfeited as a result of the
 277.13 penalty revert to the state general fund. Failure to receive the certification form may not be
 277.14 used as a defense for a failure to file.
- 277.15 **Subd. 5. Determination by commissioner.** The commissioner must determine which
 277.16 municipalities are qualified to receive police state aid based on compliance with the
 277.17 requirements of this section. The commissioner may take into account any other relevant
 277.18 information that comes to the attention of the commissioner when making the determination.
- 277.19 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

- 270.16 during the previous calendar year. No peace officer may be included in the certification by
 270.17 more than one municipality for the same month.
- 270.18 (c) Credit for peace officers employed less than a full year must be apportioned. Each
 270.19 full month of employment of a qualifying officer during the calendar year entitles the
 270.20 employing municipality to credit for 1/12 of the payment for employment of a peace officer
 270.21 for the entire year. For purposes of this chapter, employment of a peace officer begins when
 270.22 the peace officer is entered on the payroll of the employing municipality.
- 270.23 **Subd. 2. Departments of Natural Resources and Public Safety.** On or before March
 270.24 15 annually, the commissioner of natural resources must certify the number of peace officers
 270.25 employed by the Enforcement Division and the commissioner of public safety must certify
 270.26 the number of peace officers employed by the Bureau of Criminal Apprehension, the
 270.27 Gambling Enforcement Division, and the State Patrol Division. The certification must be
 270.28 on the form described in subdivision 1, paragraph (a). Peace officers certified under this
 270.29 subdivision must be included in the total certifications under subdivision 1.
- 270.30 **Subd. 3. Ineligibility of certain peace officers.** A peace officer employed by the
 270.31 University of Minnesota who is required by the Board of Regents to be a member of the
 271.1 University of Minnesota faculty retirement plan is not eligible to be included in any police
 271.2 state aid certification under this section.
- 271.3 **Subd. 4. Penalty for failure to file certification.** (a) If a certification under subdivision
 271.4 1 or 2 is not filed with the commissioner on or before March 15, the commissioner must
 271.5 notify the municipal clerk, municipal clerk-treasurer, or county auditor that a penalty equal
 271.6 to a portion or all of its current year aid will apply if the certification is not received within
 271.7 ten days.
- 271.8 (b) The penalty for failure to file the certification under subdivision 1 or 2 is equal to
 271.9 the amount of police state aid determined for the municipality for the current year, multiplied
 271.10 by five percent for each week or fraction of a week that the certification is late. The penalty
 271.11 must be computed beginning ten days after the postmark date of the commissioner's
 271.12 notification as required under this subdivision. All aid amounts forfeited as a result of the
 271.13 penalty revert to the state general fund. Failure to receive the certification form may not be
 271.14 used as a defense for a failure to file.
- 271.15 **Subd. 5. Determination by commissioner.** The commissioner must determine which
 271.16 municipalities are qualified to receive police state aid based on compliance with the
 271.17 requirements of this section. The commissioner may take into account any other relevant
 271.18 information that comes to the attention of the commissioner when making the determination.
- 271.19 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

277.20 Sec. 3. [477C.03] CALCULATION OF POLICE STATE AID; APPEAL.

277.21 Subdivision 1. **Certification and calculation of police state aid.** (a) On or before
 277.22 October 1, the commissioner must calculate the amount of police state aid that each
 277.23 municipality is to receive.

277.24 (b) The commissioner must calculate an excess police state aid amount for each
 277.25 municipality under subdivision 3 and must reduce the apportionment amount for each
 277.26 municipality based on the calculation.

277.27 Subd. 2. **Apportionment of police state aid.** (a) The total amount available for
 277.28 apportionment as police state aid is equal to 104 percent of the amount of premium taxes
 277.29 paid to the state on the premiums reported to the commissioner by companies or insurance
 277.30 companies on the Minnesota Aid to Police Premium Report. The total amount for
 277.31 apportionment for the police state aid program must not be less than two percent of the
 277.32 amount of premiums reported to the commissioner by companies or insurance companies
 277.33 on the Minnesota Aid to Police Premium Report.

278.1 (b) The commissioner must calculate the percentage of increase or decrease reflected in
 278.2 the apportionment over or under the previous year's available state aid using the same
 278.3 premiums as a basis for comparison.

278.4 (c) In addition to the amount for apportionment of police state aid under paragraph (a),
 278.5 each year \$100,000 must be apportioned for police state aid. An amount sufficient to pay
 278.6 this increase is annually appropriated from the general fund.

278.7 (d) The commissioner must apportion police state aid to all municipalities in proportion
 278.8 to the relationship that the total number of peace officers employed by that municipality for
 278.9 the prior calendar year and the proportional or fractional number who were employed less
 278.10 than a calendar year as credited under section 477C.02, subdivision 1, paragraph (c), bears
 278.11 to the total number of peace officers employed by all municipalities subject to any reduction
 278.12 under subdivision 3.

278.13 (e) Any necessary additional adjustments must be made to subsequent police state aid
 278.14 apportionments.

278.15 Subd. 3. **Apportionment reduction; excess police state aid.** (a) The commissioner
 278.16 must reduce the apportionment of police state aid under this section for eligible municipalities
 278.17 by the amount of any excess police state aid calculated under this subdivision.

278.18 (b) The commissioner must calculate the amount of excess police state aid for each
 278.19 municipality as follows:

278.20 (1) for municipalities in which police retirement coverage is provided wholly by the
 278.21 public employees police and fire fund and all peace officers are members of the plan governed
 278.22 by sections 353.63 to 353.657, the excess police state aid amount equals the amount of

271.20 Sec. 3. [477C.03] CALCULATION OF POLICE STATE AID; APPEAL.

271.21 Subdivision 1. **Certification and calculation of police state aid.** (a) On or before
 271.22 October 1, the commissioner must calculate the amount of police state aid that each
 271.23 municipality is to receive.

271.24 (b) The commissioner must calculate an excess police state aid amount for each
 271.25 municipality under subdivision 3 and must reduce the apportionment amount for each
 271.26 municipality based on the calculation.

271.27 Subd. 2. **Apportionment of police state aid.** (a) The total amount available for
 271.28 apportionment as police state aid is equal to 104 percent of the amount of premium taxes
 271.29 paid to the state on the premiums reported to the commissioner by companies or insurance
 271.30 companies on the Minnesota Aid to Police Premium Report. The total amount for
 271.31 apportionment for the police state aid program must not be less than two percent of the
 271.32 amount of premiums reported to the commissioner by companies or insurance companies
 271.33 on the Minnesota Aid to Police Premium Report.

272.1 (b) The commissioner must calculate the percentage of increase or decrease reflected in
 272.2 the apportionment over or under the previous year's available state aid using the same
 272.3 premiums as a basis for comparison.

272.4 (c) In addition to the amount for apportionment of police state aid under paragraph (a),
 272.5 each year \$100,000 must be apportioned for police state aid. An amount sufficient to pay
 272.6 this increase is annually appropriated from the general fund.

272.7 (d) The commissioner must apportion police state aid to all municipalities in proportion
 272.8 to the relationship that the total number of peace officers employed by that municipality for
 272.9 the prior calendar year and the proportional or fractional number who were employed less
 272.10 than a calendar year as credited under section 477C.02, subdivision 1, paragraph (c), bears
 272.11 to the total number of peace officers employed by all municipalities subject to any reduction
 272.12 under subdivision 3.

272.13 (e) Any necessary additional adjustments must be made to subsequent police state aid
 272.14 apportionments.

272.15 Subd. 3. **Apportionment reduction; excess police state aid.** (a) The commissioner
 272.16 must reduce the apportionment of police state aid under this section for eligible municipalities
 272.17 by the amount of any excess police state aid calculated under this subdivision.

272.18 (b) The commissioner must calculate the amount of excess police state aid for each
 272.19 municipality as follows:

272.20 (1) for municipalities in which police retirement coverage is provided wholly by the
 272.21 public employees police and fire fund and all peace officers are members of the plan governed
 272.22 by sections 353.63 to 353.657, the excess police state aid amount equals the amount of

278.23 police state aid apportioned under subdivision 2 that exceeds the employer's total prior
278.24 calendar year obligation as defined in paragraph (c), as certified by the executive director
278.25 of the Public Employees Retirement Association;

278.26 (2) for the Metropolitan Airports Commission, the excess police state aid amount equals
278.27 the amount of apportioned police aid calculated under subdivision 2 that exceeds the
278.28 commission's total prior calendar year obligation as defined in paragraph (c), as certified
278.29 by the executive director of the Public Employees Retirement Association; and

278.30 (3) for the Departments of Natural Resources and Public Safety, the excess police state
278.31 aid amount equals the amount of apportioned police aid calculated under subdivision 2 that
278.32 exceeds the employer's total prior calendar year obligation under section 352B.02, subdivision
279.1 1c, for plan members who are peace officers, as certified by the executive director of the
279.2 Minnesota State Retirement System.

279.3 (c) The municipality's total prior calendar year obligation with respect to the public
279.4 employees police and fire plan under paragraph (b), clause (1), is the total prior calendar
279.5 year obligation under section 353.65, subdivision 3, for police officers as defined in section
279.6 353.64, subdivisions 1, la, and 2, and the actual total prior calendar year obligation under
279.7 section 353.65, subdivision 3, for firefighters, as defined in section 353.64, subdivisions 1,
279.8 la, and 2, but not to exceed for those firefighters the applicable following employer calendar
279.9 year amount:

	<u>Municipality</u>	<u>Maximum Amount</u>
279.10	<u>Albert Lea</u>	<u>\$54,157.01</u>
279.11	<u>Anoka</u>	<u>10,399.31</u>
279.12	<u>Apple Valley</u>	<u>5,442.44</u>
279.13	<u>Austin</u>	<u>49,864.73</u>
279.14	<u>Bemidji</u>	<u>27,671.38</u>
279.15	<u>Brooklyn Center</u>	<u>6,605.92</u>
279.16	<u>Brooklyn Park</u>	<u>24,002.26</u>
279.17	<u>Burnsville</u>	<u>15,956.00</u>
279.18	<u>Cloquet</u>	<u>4,260.49</u>
279.19	<u>Coon Rapids</u>	<u>39,920.00</u>

272.23 police state aid apportioned under subdivision 2 that exceeds the employer's total prior
272.24 calendar year obligation as defined in paragraph (c), as certified by the executive director
272.25 of the Public Employees Retirement Association;

272.26 (2) for the Metropolitan Airports Commission, the excess police state aid amount equals
272.27 the amount of apportioned police aid calculated under subdivision 2 that exceeds the
272.28 commission's total prior calendar year obligation as defined in paragraph (c), as certified
272.29 by the executive director of the Public Employees Retirement Association; and

272.30 (3) for the Departments of Natural Resources and Public Safety, the excess police state
272.31 aid amount equals the amount of apportioned police aid calculated under subdivision 2 that
272.32 exceeds the employer's total prior calendar year obligation under section 352B.02, subdivision
273.1 1c, for plan members who are peace officers, as certified by the executive director of the
273.2 Minnesota State Retirement System.

273.3 (c) The municipality's total prior calendar year obligation with respect to the public
273.4 employees police and fire plan under paragraph (b), clause (1), is the total prior calendar
273.5 year obligation under section 353.65, subdivision 3, for police officers as defined in section
273.6 353.64, subdivisions 1, la, and 2, and the actual total prior calendar year obligation under
273.7 section 353.65, subdivision 3, for firefighters, as defined in section 353.64, subdivisions 1,
273.8 la, and 2, but not to exceed for those firefighters the applicable following employer calendar
273.9 year amount:

	<u>Municipality</u>	<u>Maximum Amount</u>
273.10	<u>Albert Lea</u>	<u>\$54,157.01</u>
273.11	<u>Anoka</u>	<u>10,399.31</u>
273.12	<u>Apple Valley</u>	<u>5,442.44</u>
273.13	<u>Austin</u>	<u>49,864.73</u>
273.14	<u>Bemidji</u>	<u>27,671.38</u>
273.15	<u>Brooklyn Center</u>	<u>6,605.92</u>
273.16	<u>Brooklyn Park</u>	<u>24,002.26</u>
273.17	<u>Burnsville</u>	<u>15,956.00</u>
273.18	<u>Cloquet</u>	<u>4,260.49</u>
273.19	<u>Coon Rapids</u>	<u>39,920.00</u>

279.21	<u>Cottage Grove</u>	<u>8,588.48</u>
279.22	<u>Crystal</u>	<u>5,855.00</u>
279.23	<u>East Grand Forks</u>	<u>51,009.88</u>
279.24	<u>Edina</u>	<u>32,251.00</u>
279.25	<u>Elk River</u>	<u>5,216.55</u>
279.26	<u>Ely</u>	<u>13,584.16</u>
279.27	<u>Eveleth</u>	<u>16,288.27</u>
279.28	<u>Fergus Falls</u>	<u>6,742.00</u>
279.29	<u>Fridley</u>	<u>33,420.64</u>
279.30	<u>Golden Valley</u>	<u>11,744.61</u>
279.31	<u>Hastings</u>	<u>16,561.00</u>
279.32	<u>Hopkins</u>	<u>4,324.23</u>
279.33	<u>International Falls</u>	<u>14,400.69</u>
279.34	<u>Lakeville</u>	<u>782.35</u>
279.35	<u>Lino Lakes</u>	<u>5,324.00</u>
279.36	<u>Little Falls</u>	<u>7,889.41</u>
279.37	<u>Maple Grove</u>	<u>6,707.54</u>
280.1	<u>Maplewood</u>	<u>8,476.69</u>
280.2	<u>Minnetonka</u>	<u>10,403.00</u>
280.3	<u>Montevideo</u>	<u>1,307.66</u>
280.4	<u>Moorhead</u>	<u>68,069.26</u>
280.5	<u>New Hope</u>	<u>6,739.72</u>
280.6	<u>North St. Paul</u>	<u>4,241.14</u>
280.7	<u>Northfield</u>	<u>770.63</u>

273.21	<u>Cottage Grove</u>	<u>8,588.48</u>
273.22	<u>Crystal</u>	<u>5,855.00</u>
273.23	<u>East Grand Forks</u>	<u>51,009.88</u>
273.24	<u>Edina</u>	<u>32,251.00</u>
273.25	<u>Elk River</u>	<u>5,216.55</u>
273.26	<u>Ely</u>	<u>13,584.16</u>
273.27	<u>Eveleth</u>	<u>16,288.27</u>
273.28	<u>Fergus Falls</u>	<u>6,742.00</u>
273.29	<u>Fridley</u>	<u>33,420.64</u>
273.30	<u>Golden Valley</u>	<u>11,744.61</u>
273.31	<u>Hastings</u>	<u>16,561.00</u>
273.32	<u>Hopkins</u>	<u>4,324.23</u>
273.33	<u>International Falls</u>	<u>14,400.69</u>
273.34	<u>Lakeville</u>	<u>782.35</u>
273.35	<u>Lino Lakes</u>	<u>5,324.00</u>
273.36	<u>Little Falls</u>	<u>7,889.41</u>
273.37	<u>Maple Grove</u>	<u>6,707.54</u>
274.1	<u>Maplewood</u>	<u>8,476.69</u>
274.2	<u>Minnetonka</u>	<u>10,403.00</u>
274.3	<u>Montevideo</u>	<u>1,307.66</u>
274.4	<u>Moorhead</u>	<u>68,069.26</u>
274.5	<u>New Hope</u>	<u>6,739.72</u>
274.6	<u>North St. Paul</u>	<u>4,241.14</u>
274.7	<u>Northfield</u>	<u>770.63</u>

280.8	<u>Owatonna</u>	<u>37,292.67</u>
280.9	<u>Plymouth</u>	<u>6,754.71</u>
280.10	<u>Red Wing</u>	<u>3,504.01</u>
280.11	<u>Richfield</u>	<u>53,757.96</u>
280.12	<u>Rosemount</u>	<u>1,712.55</u>
280.13	<u>Roseville</u>	<u>9,854.51</u>
280.14	<u>St. Anthony</u>	<u>33,055.00</u>
280.15	<u>St. Louis Park</u>	<u>53,643.11</u>
280.16	<u>Thief River Falls</u>	<u>28,365.04</u>
280.17	<u>Virginia</u>	<u>31,164.46</u>
280.18	<u>Waseca</u>	<u>11,135.17</u>
280.19	<u>West St. Paul</u>	<u>15,707.20</u>
280.20	<u>White Bear Lake</u>	<u>6,521.04</u>
280.21	<u>Woodbury</u>	<u>3,613.00</u>
280.22	<u>any other municipality</u>	<u>0.00</u>

280.23 (d) The total amount of excess police state aid must be deposited in the excess police
280.24 state aid account in the general fund, and administered and distributed as provided in
280.25 subdivision 4.

280.26 Subd. 4. Excess police state aid holding account. (a) The excess police state aid holding
280.27 account is established in the general fund. The excess police state aid holding account is
280.28 administered by the commissioner.

280.29 (b) Excess police state aid determined under subdivision 3 must be deposited annually
280.30 in the excess police state aid holding account.

280.31 (c) From the balance in the excess police state aid holding account, \$900,000 must be
280.32 canceled annually to the general fund.

280.33 (d) On October 1 annually, one-half of the balance of the excess police state aid holding
280.34 account remaining after the deduction under paragraph (c) is appropriated for additional
280.35 amortization aid under section 423A.02, subdivision 1b.

274.8	<u>Owatonna</u>	<u>37,292.67</u>
274.9	<u>Plymouth</u>	<u>6,754.71</u>
274.10	<u>Red Wing</u>	<u>3,504.01</u>
274.11	<u>Richfield</u>	<u>53,757.96</u>
274.12	<u>Rosemount</u>	<u>1,712.55</u>
274.13	<u>Roseville</u>	<u>9,854.51</u>
274.14	<u>St. Anthony</u>	<u>33,055.00</u>
274.15	<u>St. Louis Park</u>	<u>53,643.11</u>
274.16	<u>Thief River Falls</u>	<u>28,365.04</u>
274.17	<u>Virginia</u>	<u>31,164.46</u>
274.18	<u>Waseca</u>	<u>11,135.17</u>
274.19	<u>West St. Paul</u>	<u>15,707.20</u>
274.20	<u>White Bear Lake</u>	<u>6,521.04</u>
274.21	<u>Woodbury</u>	<u>3,613.00</u>
274.22	<u>any other municipality</u>	<u>0.00</u>

274.23 (d) The total amount of excess police state aid must be deposited in the excess police
274.24 state aid account in the general fund, and administered and distributed as provided in
274.25 subdivision 4.

274.26 Subd. 4. Excess police state aid holding account. (a) The excess police state aid holding
274.27 account is established in the general fund. The excess police state aid holding account is
274.28 administered by the commissioner.

274.29 (b) Excess police state aid determined under subdivision 3 must be deposited annually
274.30 in the excess police state aid holding account.

274.31 (c) From the balance in the excess police state aid holding account, \$900,000 must be
274.32 canceled annually to the general fund.

281.1 (e) The remaining balance in the excess police state aid holding account, after the
 281.2 deductions under paragraphs (c) and (d), must be canceled annually to the general fund.

281.3 Subd. 5. **Appeal.** A municipality may object to the amount of police state aid apportioned
 281.4 to it by filing a written request with the commissioner to review and adjust the apportionment
 281.5 of funds to the municipality. The decision of the commissioner is subject to appeal, review,
 281.6 and adjustment by the district court in the county in which the applicable municipality is
 281.7 located or by the Ramsey County District Court with respect to the Departments of Natural
 281.8 Resources or Public Safety.

281.9 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

281.10 Sec. 4. **[477C.04] APPROPRIATION, PAYMENT, AND ADMINISTRATION.**

281.11 Subdivision 1. **Payments.** (a) The commissioner must make payments to the municipality
 281.12 equal to the amount of police state aid apportioned to the applicable state aid recipient under
 281.13 section 477C.03.

281.14 (b) Police state aid is payable on October 1 annually. The amount of state aid due and
 281.15 not paid by October 1 accrues interest payable to the recipient at the rate of one percent for
 281.16 each month or part of a month that the amount remains unpaid after October 1.

281.17 Subd. 2. **Appropriation.** (a) The amount necessary to make the payments under this
 281.18 section and section 477C.03 is annually appropriated to the commissioner from the general
 281.19 fund.

281.20 (b) The police state aid apportioned to the Departments of Public Safety and Natural
 281.21 Resources under section 477C.03 is allocated to the commissioner of management and
 281.22 budget for transfer to the funds and accounts from which the salaries of peace officers
 281.23 certified under section 477C.02, subdivision 2, are paid. On or before October 1, the
 281.24 commissioner of revenue must certify to the commissioners of public safety, natural
 281.25 resources, and management and budget the amounts to be transferred from the appropriation
 281.26 for police state aid. The commissioners of public safety and natural resources must certify
 281.27 to the commissioner of management and budget the amounts to be credited to each of the
 281.28 funds and accounts from which the peace officers employed by their respective departments
 281.29 are paid.

281.30 Subd. 3. **Deposit of state aid.** (a) For a municipality in which police retirement coverage
 281.31 is provided by the public employees police and fire fund and all peace officers are members
 281.32 of the fund, including municipalities covered by section 353.665, the total state aid must

274.33 (d) On October 1 annually, one-half of the balance of the excess police state aid holding
 274.34 account remaining after the deduction under paragraph (c) is appropriated for additional
 274.35 amortization aid under section 423A.02, subdivision 1b.

275.1 (e) The remaining balance in the excess police state aid holding account, after the
 275.2 deductions under paragraphs (c) and (d), must be canceled annually to the general fund.

275.3 Subd. 5. **Appeal.** A municipality may object to the amount of police state aid apportioned
 275.4 to it by filing a written request with the commissioner to review and adjust the apportionment
 275.5 of funds to the municipality. The decision of the commissioner is subject to appeal, review,
 275.6 and adjustment by the district court in the county in which the applicable municipality is
 275.7 located or by the Ramsey County District Court with respect to the Departments of Natural
 275.8 Resources or Public Safety.

275.9 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

275.10 Sec. 4. **[477C.04] APPROPRIATION, PAYMENT, AND ADMINISTRATION.**

275.11 Subdivision 1. **Payments.** (a) The commissioner must make payments to the municipality
 275.12 equal to the amount of police state aid apportioned to the applicable state aid recipient under
 275.13 section 477C.03.

275.14 (b) Police state aid is payable on October 1 annually. The amount of state aid due and
 275.15 not paid by October 1 accrues interest payable to the recipient at the rate of one percent for
 275.16 each month or part of a month that the amount remains unpaid after October 1.

275.17 Subd. 2. **Appropriation.** (a) The amount necessary to make the payments under this
 275.18 section and section 477C.03 is annually appropriated to the commissioner from the general
 275.19 fund.

275.20 (b) The police state aid apportioned to the Departments of Public Safety and Natural
 275.21 Resources under section 477C.03 is allocated to the commissioner of management and
 275.22 budget for transfer to the funds and accounts from which the salaries of peace officers
 275.23 certified under section 477C.02, subdivision 2, are paid. On or before October 1, the
 275.24 commissioner of revenue must certify to the commissioners of public safety, natural
 275.25 resources, and management and budget the amounts to be transferred from the appropriation
 275.26 for police state aid. The commissioners of public safety and natural resources must certify
 275.27 to the commissioner of management and budget the amounts to be credited to each of the
 275.28 funds and accounts from which the peace officers employed by their respective departments
 275.29 are paid.

275.30 Subd. 3. **Deposit of state aid.** (a) For a municipality in which police retirement coverage
 275.31 is provided by the public employees police and fire fund and all peace officers are members
 275.32 of the fund, including municipalities covered by section 353.665, the total state aid must

- 282.1 be applied toward the municipality's employer contribution to the public employees police
 282.2 and fire fund under sections 353.65, subdivision 3, and 353.665, subdivision 8.
- 282.3 (b) The county treasurer, upon receipt of the police state aid for the county, must apply
 282.4 the total state aid toward the county's employer contribution to the public employees police
 282.5 and fire fund under section 353.65, subdivision 3.
- 282.6 (c) The designated Metropolitan Airports Commission official, upon receipt of the police
 282.7 state aid for the Metropolitan Airports Commission, must apply the total police state aid
 282.8 toward the commission's employer contribution for peace officers to the public employees
 282.9 police and fire plan under section 353.65, subdivision 3.
- 282.10 (d) The commissioners of public safety and natural resources must allocate the police
 282.11 state aid first for employer contributions funded from the general fund and then for employer
 282.12 contributions funded from other funds. For peace officers employed by the Departments of
 282.13 Natural Resources or Public Safety whose salaries are paid from the general fund, the
 282.14 amounts transferred from the appropriation for police state aid must be canceled to the
 282.15 general fund.

282.16 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

282.17 **ARTICLE 21**

282.18 **FIRE AND POLICE STATE AID; MISCELLANEOUS TECHNICAL CHANGES**

282.19 Section 1. **[2971.26] FIRE AND POLICE PREMIUM REPORTS.**

- 282.20 Subdivision 1. **Filing reports.** (a) Each company must file with the commissioner the
 282.21 reports defined in sections 477B.01, subdivision 8, and 477C.01, subdivision 4, signed by
 282.22 the authorized representative of the company, on or before March 1 annually. The fire and
 282.23 extended coverage portion of multiperil package premiums and all other combination
 282.24 premiums must be determined by applying percentages determined by the commissioner
 282.25 or by rating bureaus recognized by the commissioner. The commissioner shall prescribe
 282.26 the content, form, and manner of the reports.

- 282.27 (b) The commissioner must notify each company that fails to timely file the report
 282.28 required under paragraph (a). The notice must demand that the company file the report
 282.29 within 30 days. Where good cause exists, the commissioner may extend the period for filing
 282.30 the report as long as a request for extension is filed by the company before the expiration
 282.31 of the 30-day period.

- 283.1 Subd. 2. **Penalties.** (a) A company that fails to file the report on or before the due date
 283.2 in subdivision 1 is liable for a penalty equal to \$25 for each seven days, or fraction thereof,
 283.3 that the report is delinquent, but not to exceed \$200.

- 276.1 be applied toward the municipality's employer contribution to the public employees police
 276.2 and fire fund under sections 353.65, subdivision 3, and 353.665, subdivision 8.
- 276.3 (b) The county treasurer, upon receipt of the police state aid for the county, must apply
 276.4 the total state aid toward the county's employer contribution to the public employees police
 276.5 and fire fund under section 353.65, subdivision 3.
- 276.6 (c) The designated Metropolitan Airports Commission official, upon receipt of the police
 276.7 state aid for the Metropolitan Airports Commission, must apply the total police state aid
 276.8 toward the commission's employer contribution for peace officers to the public employees
 276.9 police and fire plan under section 353.65, subdivision 3.
- 276.10 (d) The commissioners of public safety and natural resources must allocate the police
 276.11 state aid first for employer contributions funded from the general fund and then for employer
 276.12 contributions funded from other funds. For peace officers employed by the Departments of
 276.13 Natural Resources or Public Safety whose salaries are paid from the general fund, the
 276.14 amounts transferred from the appropriation for police state aid must be canceled to the
 276.15 general fund.

276.16 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

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 276.22 the authorized representative of the company, on or before March 1 annually. The fire and
 276.23 extended coverage portion of multiperil package premiums and all other combination
 276.24 premiums must be determined by applying percentages determined by the commissioner
 276.25 or by rating bureaus recognized by the commissioner. The commissioner shall prescribe
 276.26 the content, form, and manner of the reports.

- 276.27 (b) The commissioner must notify each company that fails to timely file the report
 276.28 required under paragraph (a). The notice must demand that the company file the report
 276.29 within 30 days. Where good cause exists, the commissioner may extend the period for filing
 276.30 the report as long as a request for extension is filed by the company before the expiration
 276.31 of the 30-day period.

- 277.1 Subd. 2. **Penalties.** (a) A company that fails to file the report on or before the due date
 277.2 in subdivision 1 is liable for a penalty equal to \$25 for each seven days, or fraction thereof,
 277.3 that the report is delinquent, but not to exceed \$200.

283.4 (b) Any person whose duty it is to file the report and who fails or refuses to file within
 283.5 30 days after the postmark of the notice in subdivision 1 must be fined an amount of no
 283.6 more than \$1,000.

283.7 (c) Any company that knowingly makes and files an inaccurate or false report is liable
 283.8 for a fine in an amount not less than \$25 nor more than \$1,000, as determined by the
 283.9 commissioner, and the commissioner of commerce may revoke the company's certificate
 283.10 of authority.

283.11 **EFFECTIVE DATE.** This section is effective for reports filed after December 31, 2019.

283.12 Sec. 2. **[424A.014] FINANCIAL REPORT; BOND; EXAMINATION.**

283.13 Subdivision 1. **Financial report and audit.** (a) The board of the Bloomington Fire
 283.14 Department Relief Association and each volunteer firefighters relief association with assets
 283.15 of at least \$500,000 or liabilities of at least \$500,000 in the prior year or in any previous
 283.16 year, according to the applicable actuarial valuation or according to the financial report if
 283.17 no valuation is required, must prepare a financial report covering the special and general
 283.18 funds of the relief association for the preceding fiscal year, file the financial report, and
 283.19 submit financial statements.

283.20 (b) The financial report must contain financial statements and disclosures that present
 283.21 the true financial condition of the relief association and the results of relief association
 283.22 operations in conformity with generally accepted accounting principles and in compliance
 283.23 with the regulatory, financing, and funding provisions of this chapter and any other applicable
 283.24 laws. The financial report must be countersigned by:

283.25 (1) the municipal clerk or clerk-treasurer of the municipality in which the relief
 283.26 association is located if the relief association is a firefighters' relief association that is directly
 283.27 associated with a municipal fire department;

283.28 (2) the municipal clerk or clerk-treasurer of the largest municipality in population that
 283.29 contracts with the independent nonprofit firefighting corporation if the volunteer firefighter
 283.30 relief association is a subsidiary of an independent nonprofit firefighting corporation, and
 283.31 by the secretary of the independent nonprofit firefighting corporation; or

284.1 (3) the chief financial official of the county in which the volunteer firefighter relief
 284.2 association is located or primarily located if the relief association is associated with a fire
 284.3 department that is not located in or associated with an organized municipality.

284.4 (c) The financial report must be retained in the office of the Bloomington Fire Department
 284.5 Relief Association or the volunteer firefighter relief association for public inspection and
 284.6 must be filed with the governing body of the government subdivision in which the associated
 284.7 fire department is located after the close of the fiscal year. One copy of the financial report
 284.8 must be furnished to the state auditor after the close of the fiscal year.

277.4 (b) Any person whose duty it is to file the report and who fails or refuses to file within
 277.5 30 days after the postmark of the notice in subdivision 1 must be fined an amount of no
 277.6 more than \$1,000.

277.7 (c) Any company that knowingly makes and files an inaccurate or false report is liable
 277.8 for a fine in an amount not less than \$25 nor more than \$1,000, as determined by the
 277.9 commissioner, and the commissioner of commerce may revoke the company's certificate
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 277.14 Department Relief Association and each volunteer firefighters relief association with assets
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 277.16 year, according to the applicable actuarial valuation or according to the financial report if
 277.17 no valuation is required, must prepare a financial report covering the special and general
 277.18 funds of the relief association for the preceding fiscal year, file the financial report, and
 277.19 submit financial statements.

277.20 (b) The financial report must contain financial statements and disclosures that present
 277.21 the true financial condition of the relief association and the results of relief association
 277.22 operations in conformity with generally accepted accounting principles and in compliance
 277.23 with the regulatory, financing, and funding provisions of this chapter and any other applicable
 277.24 laws. The financial report must be countersigned by:

277.25 (1) the municipal clerk or clerk-treasurer of the municipality in which the relief
 277.26 association is located if the relief association is a firefighters' relief association that is directly
 277.27 associated with a municipal fire department;

277.28 (2) the municipal clerk or clerk-treasurer of the largest municipality in population that
 277.29 contracts with the independent nonprofit firefighting corporation if the volunteer firefighter
 277.30 relief association is a subsidiary of an independent nonprofit firefighting corporation, and
 277.31 by the secretary of the independent nonprofit firefighting corporation; or

278.1 (3) the chief financial official of the county in which the volunteer firefighter relief
 278.2 association is located or primarily located if the relief association is associated with a fire
 278.3 department that is not located in or associated with an organized municipality.

278.4 (c) The financial report must be retained in the office of the Bloomington Fire Department
 278.5 Relief Association or the volunteer firefighter relief association for public inspection and
 278.6 must be filed with the governing body of the government subdivision in which the associated
 278.7 fire department is located after the close of the fiscal year. One copy of the financial report
 278.8 must be furnished to the state auditor after the close of the fiscal year.

- 284.9 (d) Audited financial statements must be attested to by a certified public accountant or
 284.10 by the state auditor and must be filed with the state auditor on or before June 30 after the
 284.11 close of the fiscal year. The state auditor may accept this report in lieu of the report required
 284.12 in paragraph (c).
- 284.13 Subd. 2. **Financial statement.** (a) The board of each volunteer firefighter relief
 284.14 association that is not required to file a financial report and audit under subdivision 1 must
 284.15 prepare a detailed statement of the financial affairs for the preceding fiscal year of the relief
 284.16 association's special and general funds in the style and form prescribed by the state auditor.
 284.17 The detailed statement must show:
- 284.18 (1) the sources and amounts of all money received;
- 284.19 (2) all disbursements, accounts payable, and accounts receivable;
- 284.20 (3) the amount of money remaining in the treasury;
- 284.21 (4) total assets, including a listing of all investments;
- 284.22 (5) the accrued liabilities; and
- 284.23 (6) all other items necessary to show accurately the revenues and expenditures and
 284.24 financial position of the relief association.
- 284.25 (b) The detailed financial statement of the special and general funds required under
 284.26 paragraph (a) must be certified by a certified public accountant or by the state auditor in
 284.27 accordance with agreed-upon procedures and forms prescribed by the state auditor. The
 284.28 accountant must have at least five years of public accounting, auditing, or similar experience
 284.29 and must not be an active, inactive, or retired member of the relief association or the fire
 284.30 department.
- 284.31 (c) The detailed financial statement required under paragraph (a) must be countersigned
 284.32 by:
- 285.1 (1) the municipal clerk or clerk-treasurer of the municipality;
- 285.2 (2) where applicable, the municipal clerk or clerk-treasurer of the largest municipality
 285.3 in population that contracts with the independent nonprofit firefighting corporation if the
 285.4 relief association is a subsidiary of an independent nonprofit firefighting corporation, and
 285.5 by the secretary of the independent nonprofit firefighting corporation; or
- 285.6 (3) the chief financial official of the county in which the volunteer firefighter relief
 285.7 association is located or primarily located if the relief association is associated with a fire
 285.8 department that is not located in or associated with an organized municipality.

- 278.9 (d) Audited financial statements must be attested to by a certified public accountant or
 278.10 by the state auditor and must be filed with the state auditor on or before June 30 after the
 278.11 close of the fiscal year. The state auditor may accept this report in lieu of the report required
 278.12 in paragraph (c).
- 278.13 Subd. 2. **Financial statement.** (a) The board of each volunteer firefighter relief
 278.14 association that is not required to file a financial report and audit under subdivision 1 must
 278.15 prepare a detailed statement of the financial affairs for the preceding fiscal year of the relief
 278.16 association's special and general funds in the style and form prescribed by the state auditor.
 278.17 The detailed statement must show:
- 278.18 (1) the sources and amounts of all money received;
- 278.19 (2) all disbursements, accounts payable, and accounts receivable;
- 278.20 (3) the amount of money remaining in the treasury;
- 278.21 (4) total assets, including a listing of all investments;
- 278.22 (5) the accrued liabilities; and
- 278.23 (6) all other items necessary to show accurately the revenues and expenditures and
 278.24 financial position of the relief association.
- 278.25 (b) The detailed financial statement of the special and general funds required under
 278.26 paragraph (a) must be certified by a certified public accountant or by the state auditor in
 278.27 accordance with agreed-upon procedures and forms prescribed by the state auditor. The
 278.28 accountant must have at least five years of public accounting, auditing, or similar experience
 278.29 and must not be an active, inactive, or retired member of the relief association or the fire
 278.30 department.
- 278.31 (c) The detailed financial statement required under paragraph (a) must be countersigned
 278.32 by:
- 279.1 (1) the municipal clerk or clerk-treasurer of the municipality;
- 279.2 (2) where applicable, the municipal clerk or clerk-treasurer of the largest municipality
 279.3 in population that contracts with the independent nonprofit firefighting corporation if the
 279.4 relief association is a subsidiary of an independent nonprofit firefighting corporation, and
 279.5 by the secretary of the independent nonprofit firefighting corporation; or
- 279.6 (3) the chief financial official of the county in which the volunteer firefighter relief
 279.7 association is located or primarily located if the relief association is associated with a fire
 279.8 department that is not located in or associated with an organized municipality.

285.9 (d) The volunteer firefighters relief association board must submit a copy of the detailed
 285.10 financial statement required under paragraph (a) that has been certified by the governing
 285.11 body of the municipality to the state auditor on or before March 31 after the close of the
 285.12 fiscal year.

285.13 (e) A certified public accountant or auditor who performs the agreed-upon procedures
 285.14 under paragraph (b) is subject to the reporting requirement of section 6.67.

285.15 Subd. 3. **Qualification.** The state auditor may, upon a demonstration by a relief
 285.16 association of hardship or an inability to conform, extend the deadline for reports under
 285.17 subdivision 1 or 2, but not beyond November 30 following the due date. If the reports are
 285.18 not received by November 30, the municipality or relief association forfeits its current year
 285.19 state aid, and, until the state auditor receives the required information, the relief association
 285.20 or municipality is ineligible to receive any future state aid. A municipality or relief association
 285.21 does not qualify initially to receive, or be entitled subsequently to retain, fire state aid and
 285.22 police and firefighter retirement supplemental state aid payable under chapter 477B and
 285.23 section 423A.022 if the financial reporting requirement or the applicable requirements of
 285.24 this chapter or any other statute or special law have not been complied with or are not
 285.25 fulfilled.

285.26 Subd. 4. **Treasurer bond.** (a) The treasurer of the Bloomington Fire Department Relief
 285.27 Association may not enter upon duties without having given the association a bond in a
 285.28 reasonable amount acceptable to the municipality for the faithful discharge of duties
 285.29 according to law.

285.30 (b) No treasurer of a relief association governed by sections 424A.091 to 424A.096 may
 285.31 enter upon the duties of the office until the treasurer has given the association a good and
 285.32 sufficient bond in an amount equal to at least ten percent of the assets of the relief association;
 285.33 however, the amount of the bond need not exceed \$500,000.

286.1 Subd. 5. **Report by certain municipalities; exceptions.** (a) The chief administrative
 286.2 officer of each municipality that has a fire department but does not have a relief association
 286.3 governed by sections 424A.091 to 424A.095 or Laws 2014, chapter 275, article 2, section
 286.4 23, and that is not exempted under paragraph (b) or (c) must annually prepare a detailed
 286.5 financial report of the receipts and disbursements by the municipality for fire protection
 286.6 service during the preceding calendar year on a form prescribed by the state auditor. The
 286.7 financial report must contain any information that the state auditor deems necessary to
 286.8 disclose the sources of receipts and the purpose of disbursements for fire protection service.
 286.9 The financial report must be signed by the municipal clerk or clerk-treasurer with the state
 286.10 auditor on or before July 1 annually. The municipality does not qualify initially to receive,
 286.11 and is not entitled subsequently to retain, any fire state aid and police and firefighter
 286.12 retirement supplemental state aid payable under chapter 477B and section 423A.022 if the
 286.13 financial reporting requirement or the applicable requirements of any other statute or special
 286.14 law have not been complied with or are not fulfilled.

279.9 (d) The volunteer firefighters relief association board must submit a copy of the detailed
 279.10 financial statement required under paragraph (a) that has been certified by the governing
 279.11 body of the municipality to the state auditor on or before March 31 after the close of the
 279.12 fiscal year.

279.13 (e) A certified public accountant or auditor who performs the agreed-upon procedures
 279.14 under paragraph (b) is subject to the reporting requirement of section 6.67.

279.15 Subd. 3. **Qualification.** The state auditor may, upon a demonstration by a relief
 279.16 association of hardship or an inability to conform, extend the deadline for reports under
 279.17 subdivision 1 or 2, but not beyond November 30 following the due date. If the reports are
 279.18 not received by November 30, the municipality or relief association forfeits its current year
 279.19 state aid, and, until the state auditor receives the required information, the relief association
 279.20 or municipality is ineligible to receive any future state aid. A municipality or relief association
 279.21 does not qualify initially to receive, or be entitled subsequently to retain, fire state aid and
 279.22 police and firefighter retirement supplemental state aid payable under chapter 477B and
 279.23 section 423A.022 if the financial reporting requirement or the applicable requirements of
 279.24 this chapter or any other statute or special law have not been complied with or are not
 279.25 fulfilled.

279.26 Subd. 4. **Treasurer bond.** (a) The treasurer of the Bloomington Fire Department Relief
 279.27 Association may not enter upon duties without having given the association a bond in a
 279.28 reasonable amount acceptable to the municipality for the faithful discharge of duties
 279.29 according to law.

279.30 (b) No treasurer of a relief association governed by sections 424A.091 to 424A.096 may
 279.31 enter upon the duties of the office until the treasurer has given the association a good and
 279.32 sufficient bond in an amount equal to at least ten percent of the assets of the relief association;
 279.33 however, the amount of the bond need not exceed \$500,000.

280.1 Subd. 5. **Report by certain municipalities; exceptions.** (a) The chief administrative
 280.2 officer of each municipality that has a fire department but does not have a relief association
 280.3 governed by sections 424A.091 to 424A.095 or Laws 2014, chapter 275, article 2, section
 280.4 23, and that is not exempted under paragraph (b) or (c) must annually prepare a detailed
 280.5 financial report of the receipts and disbursements by the municipality for fire protection
 280.6 service during the preceding calendar year on a form prescribed by the state auditor. The
 280.7 financial report must contain any information that the state auditor deems necessary to
 280.8 disclose the sources of receipts and the purpose of disbursements for fire protection service.
 280.9 The financial report must be signed by the municipal clerk or clerk-treasurer with the state
 280.10 auditor on or before July 1 annually. The municipality does not qualify initially to receive,
 280.11 and is not entitled subsequently to retain, any fire state aid and police and firefighter
 280.12 retirement supplemental state aid payable under chapter 477B and section 423A.022 if the
 280.13 financial reporting requirement or the applicable requirements of any other statute or special
 280.14 law have not been complied with or are not fulfilled.

286.15 (b) Each municipality that has a fire department and provides retirement coverage to its
 286.16 firefighters through the voluntary statewide volunteer firefighter retirement plan under
 286.17 chapter 353G qualifies to have fire state aid transmitted to and retained in the statewide
 286.18 volunteer firefighter retirement fund without filing a detailed financial report if the executive
 286.19 director of the Public Employees Retirement Association certifies compliance by the
 286.20 municipality with the requirements of sections 353G.04 and 353G.08, subdivision 1,
 286.21 paragraph (e), and certifies conformity by the applicable fire chief with the requirements
 286.22 of section 353G.07.

286.23 (c) Each municipality qualifies to receive fire state aid under chapter 477B without filing
 286.24 a financial report under paragraph (a) if the municipality:

286.25 (1) has a fire department;

286.26 (2) does not have a volunteer firefighters relief association directly associated with its
 286.27 fire department;

286.28 (3) does not participate in the statewide volunteer firefighter retirement plan under
 286.29 chapter 353G;

286.30 (4) provides retirement coverage to its firefighters through the public employees police
 286.31 and fire retirement plan under sections 353.63 to 353.68; and

286.32 (5) is certified by the executive director of the Public Employees Retirement Association
 286.33 to the state auditor to have had an employer contribution under section 353.65, subdivision
 287.1 3, for its firefighters for the immediately prior calendar year equal to or greater than its fire
 287.2 state aid for the immediately prior calendar year.

287.3 Subd. 6. Notification by commissioner of revenue and state auditor. (a) The state
 287.4 auditor, in performing an audit or examination, must notify the Legislative Commission on
 287.5 Pensions and Retirement if the audit or examination reveals malfeasance, misfeasance, or
 287.6 nonfeasance in office by relief association officials or municipal officials.

287.7 (b) The commissioner of revenue must notify the Legislative Commission on Pensions
 287.8 and Retirement if the state auditor has not filed the required financial compliance reports
 287.9 by July 1.

287.10 **EFFECTIVE DATE.** This section is effective July 1, 2019.

287.11 Sec. 3. Minnesota Statutes 2018, section 424A.05, is amended by adding a subdivision to
 287.12 read:

287.13 Subd. 3b. Authorized administrative expenses from special fund. (a) Notwithstanding
 287.14 any provision of law to the contrary, the payment of the following necessary, reasonable,
 287.15 and direct expenses of maintaining, protecting, and administering the special fund, when
 287.16 provided for in the bylaws of the association and approved by the board of trustees,

280.15 (b) Each municipality that has a fire department and provides retirement coverage to its
 280.16 firefighters through the voluntary statewide volunteer firefighter retirement plan under
 280.17 chapter 353G qualifies to have fire state aid transmitted to and retained in the statewide
 280.18 volunteer firefighter retirement fund without filing a detailed financial report if the executive
 280.19 director of the Public Employees Retirement Association certifies compliance by the
 280.20 municipality with the requirements of sections 353G.04 and 353G.08, subdivision 1,
 280.21 paragraph (e), and certifies conformity by the applicable fire chief with the requirements
 280.22 of section 353G.07.

280.23 (c) Each municipality qualifies to receive fire state aid under chapter 477B without filing
 280.24 a financial report under paragraph (a) if the municipality:

280.25 (1) has a fire department;

280.26 (2) does not have a volunteer firefighters relief association directly associated with its
 280.27 fire department;

280.28 (3) does not participate in the statewide volunteer firefighter retirement plan under
 280.29 chapter 353G;

280.30 (4) provides retirement coverage to its firefighters through the public employees police
 280.31 and fire retirement plan under sections 353.63 to 353.68; and

280.32 (5) is certified by the executive director of the Public Employees Retirement Association
 280.33 to the state auditor to have had an employer contribution under section 353.65, subdivision
 281.1 3, for its firefighters for the immediately prior calendar year equal to or greater than its fire
 281.2 state aid for the immediately prior calendar year.

281.3 Subd. 6. Notification by commissioner of revenue and state auditor. (a) The state
 281.4 auditor, in performing an audit or examination, must notify the Legislative Commission on
 281.5 Pensions and Retirement if the audit or examination reveals malfeasance, misfeasance, or
 281.6 nonfeasance in office by relief association officials or municipal officials.

281.7 (b) The commissioner of revenue must notify the Legislative Commission on Pensions
 281.8 and Retirement if the state auditor has not filed the required financial compliance reports
 281.9 by July 1.

281.10 **EFFECTIVE DATE.** This section is effective July 1, 2019.

281.11 Sec. 3. Minnesota Statutes 2018, section 424A.05, is amended by adding a subdivision to
 281.12 read:

281.13 Subd. 3b. Authorized administrative expenses from special fund. (a) Notwithstanding
 281.14 any provision of law to the contrary, the payment of the following necessary, reasonable,
 281.15 and direct expenses of maintaining, protecting, and administering the special fund, when
 281.16 provided for in the bylaws of the association and approved by the board of trustees,

- 287.17 constitutes authorized administrative expenses of a volunteer firefighters relief association
 287.18 organized under any law of the state or the Bloomington Fire Department Relief Association:
- 287.19 (1) office expenses, including but not limited to rent, utilities, equipment, supplies,
 287.20 postage, periodical subscriptions, furniture, fixtures, and salaries of administrative personnel;
- 287.21 (2) salaries of the officers of the association or their designees, and salaries of the
 287.22 members of the board of trustees of the association if the salary amounts are approved by
 287.23 the governing body of the entity that is responsible for meeting any minimum obligation
 287.24 under section 424A.092 or 424A.093 or Laws 2013, chapter 111, article 5, sections 31 to
 287.25 42, and the itemized expenses of relief association officers and board members that are
 287.26 incurred as a result of fulfilling their responsibilities as administrators of the special fund;
- 287.27 (3) tuition, registration fees, organizational dues, and other authorized expenses of the
 287.28 officers or members of the board of trustees incurred in attending educational conferences,
 287.29 seminars, or classes relating to the administration of the relief association;
- 287.30 (4) audit and audit-related services, accounting and accounting-related services, and
 287.31 actuarial, medical, legal, and investment and performance evaluation expenses;
- 288.1 (5) filing and application fees payable by the relief association to federal or other
 288.2 government entities;
- 288.3 (6) reimbursement to the officers and members of the board of trustees or their designees,
 288.4 for reasonable and necessary expenses actually paid and incurred in the performance of
 288.5 their duties as officers or members of the board; and
- 288.6 (7) premiums on fiduciary liability insurance and official bonds for the officers, members
 288.7 of the board of trustees, and employees of the relief association.
- 288.8 (b) All other expenses of the relief association must be paid from the general fund of
 288.9 the association if one exists. If a relief association has only one fund, that fund is the special
 288.10 fund for purposes of this subdivision. If a relief association has a special fund and a general
 288.11 fund, the payment of any expense of the relief association that is directly related to the
 288.12 purposes for which both funds were established must be apportioned between the two funds
 288.13 on the basis of the benefits derived by each fund.
- 288.14 **EFFECTIVE DATE.** This section is effective July 1, 2019.
- 288.15 Sec. 4. **REPEALER.**
- 288.16 (a) Minnesota Statutes 2018, sections 69.051, subdivisions 1, 1a, 1b, 2, 3, and 4; and
 288.17 69.80, are repealed.
- 288.18 (b) Minnesota Statutes 2018, sections 69.33; and 297I.25, subdivision 2, are repealed.

- 281.17 constitutes authorized administrative expenses of a volunteer firefighters relief association
 281.18 organized under any law of the state or the Bloomington Fire Department Relief Association:
- 281.19 (1) office expenses, including but not limited to rent, utilities, equipment, supplies,
 281.20 postage, periodical subscriptions, furniture, fixtures, and salaries of administrative personnel;
- 281.21 (2) salaries of the officers of the association or their designees, and salaries of the
 281.22 members of the board of trustees of the association if the salary amounts are approved by
 281.23 the governing body of the entity that is responsible for meeting any minimum obligation
 281.24 under section 424A.092 or 424A.093 or Laws 2013, chapter 111, article 5, sections 31 to
 281.25 42, and the itemized expenses of relief association officers and board members that are
 281.26 incurred as a result of fulfilling their responsibilities as administrators of the special fund;
- 281.27 (3) tuition, registration fees, organizational dues, and other authorized expenses of the
 281.28 officers or members of the board of trustees incurred in attending educational conferences,
 281.29 seminars, or classes relating to the administration of the relief association;
- 281.30 (4) audit and audit-related services, accounting and accounting-related services, and
 281.31 actuarial, medical, legal, and investment and performance evaluation expenses;
- 282.1 (5) filing and application fees payable by the relief association to federal or other
 282.2 government entities;
- 282.3 (6) reimbursement to the officers and members of the board of trustees or their designees,
 282.4 for reasonable and necessary expenses actually paid and incurred in the performance of
 282.5 their duties as officers or members of the board; and
- 282.6 (7) premiums on fiduciary liability insurance and official bonds for the officers, members
 282.7 of the board of trustees, and employees of the relief association.
- 282.8 (b) All other expenses of the relief association must be paid from the general fund of
 282.9 the association if one exists. If a relief association has only one fund, that fund is the special
 282.10 fund for purposes of this subdivision. If a relief association has a special fund and a general
 282.11 fund, the payment of any expense of the relief association that is directly related to the
 282.12 purposes for which both funds were established must be apportioned between the two funds
 282.13 on the basis of the benefits derived by each fund.
- 282.14 **EFFECTIVE DATE.** This section is effective July 1, 2019.
- 282.15 Sec. 4. **REPEALER.**
- 282.16 (a) Minnesota Statutes 2018, sections 69.051, subdivisions 1, 1a, 1b, 2, 3, and 4; and
 282.17 69.80, are repealed.
- 282.18 (b) Minnesota Statutes 2018, sections 69.33; and 297I.25, subdivision 2, are repealed.

288.19 **EFFECTIVE DATE.** Paragraph (a) is effective July 1, 2019. Paragraph (b) is effective
 288.20 for reports filed after December 31, 2019.

288.21 **ARTICLE 22**

288.22 **FIRE AND POLICE STATE AID; CONFORMING CHANGES**

288.23 Section 1. Minnesota Statutes 2018, section 6.495, subdivision 3, is amended to read:

288.24 Subd. 3. **Report to commissioner of revenue.** The state auditor shall file with the
 288.25 commissioner of revenue a financial compliance report certifying for each relief association:

288.26 (1) the completion of the annual financial report required under section ~~69.051~~ 424A.014
 288.27 and the auditing or certification of those financial reports under subdivision 1; and

288.28 (2) the receipt of any actuarial valuations required under section 424A.093 or Laws
 288.29 2013, chapter 111, article 5, sections 31 to 42.

288.30 **EFFECTIVE DATE.** This section is effective July 1, 2019.

289.1 Sec. 2. Minnesota Statutes 2018, section 144E.42, subdivision 2, is amended to read:

289.2 Subd. 2. **Trust account.** (a) There is established in the general fund the Cooper/Sams
 289.3 volunteer ambulance trust account and the Cooper/Sams volunteer ambulance award and
 289.4 account.

289.5 (b) The trust account must be credited with:

289.6 (1) general fund appropriations for that purpose;

289.7 (2) transfers from the Cooper/Sams volunteer ambulance award and account; and

289.8 (3) investment earnings on those accumulated proceeds. The assets and income of the
 289.9 trust account must be held and managed by the commissioner of management and budget
 289.10 and the State Board of Investment for the benefit of the state of Minnesota and its general
 289.11 creditors.

289.12 (c) The Cooper/Sams volunteer ambulance account must be credited with transfers from
 289.13 the excess police state-aid holding account established in section ~~69.021, subdivision 11~~
 289.14 477C.03, subdivision 4, any per-year-of-service allocation under section 144E.45, subdivision
 289.15 2, paragraph (c), that was not made for an individual, and investment earnings on those
 289.16 accumulated proceeds. The Cooper/Sams volunteer ambulance account must be managed
 289.17 by the commissioner of management and budget and the State Board of Investment. From
 289.18 the Cooper/Sams volunteer ambulance account to the trust account there must be transferred
 289.19 to the Cooper/Sams volunteer ambulance trust account, as the Cooper/Sams volunteer
 289.20 ambulance account balance permits, the following amounts:

282.19 **EFFECTIVE DATE.** Paragraph (a) is effective July 1, 2019. Paragraph (b) is effective
 282.20 for reports filed after December 31, 2019.

282.21 **ARTICLE 22**

282.22 **FIRE AND POLICE STATE AID; CONFORMING CHANGES**

282.23 Section 1. Minnesota Statutes 2018, section 6.495, subdivision 3, is amended to read:

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 282.27 and the auditing or certification of those financial reports under subdivision 1; and

282.28 (2) the receipt of any actuarial valuations required under section 424A.093 or Laws
 282.29 2013, chapter 111, article 5, sections 31 to 42.

282.30 **EFFECTIVE DATE.** This section is effective July 1, 2019.

283.1 Sec. 2. Minnesota Statutes 2018, section 144E.42, subdivision 2, is amended to read:

283.2 Subd. 2. **Trust account.** (a) There is established in the general fund the Cooper/Sams
 283.3 volunteer ambulance trust account and the Cooper/Sams volunteer ambulance award and
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283.5 (b) The trust account must be credited with:

283.6 (1) general fund appropriations for that purpose;

283.7 (2) transfers from the Cooper/Sams volunteer ambulance award and account; and

283.8 (3) investment earnings on those accumulated proceeds. The assets and income of the
 283.9 trust account must be held and managed by the commissioner of management and budget
 283.10 and the State Board of Investment for the benefit of the state of Minnesota and its general
 283.11 creditors.

283.12 (c) The Cooper/Sams volunteer ambulance account must be credited with transfers from
 283.13 the excess police state-aid holding account established in section ~~69.021, subdivision 11~~
 283.14 477C.03, subdivision 4, any per-year-of-service allocation under section 144E.45, subdivision
 283.15 2, paragraph (c), that was not made for an individual, and investment earnings on those
 283.16 accumulated proceeds. The Cooper/Sams volunteer ambulance account must be managed
 283.17 by the commissioner of management and budget and the State Board of Investment. From
 283.18 the Cooper/Sams volunteer ambulance account to the trust account there must be transferred
 283.19 to the Cooper/Sams volunteer ambulance trust account, as the Cooper/Sams volunteer
 283.20 ambulance account balance permits, the following amounts:

289.21 (1) an amount equal to any general fund appropriation to the Cooper/Sams volunteer
289.22 ambulance trust account for that fiscal year; and

289.23 (2) an amount equal to the percentage of the remaining balance in the account after the
289.24 deduction of the amount under clause (1), as specified for the applicable fiscal year:

289.25	Fiscal year	Percentage
289.26	1995	20
289.27	1996	40
289.28	1997	50
289.29	1998	60
289.30	1999	70
289.31	2000	80
289.32	2001	90
289.33	2002 and thereafter	100

290.1 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

290.2 Sec. 3. Minnesota Statutes 2018, section 297I.20, subdivision 3, is amended to read:

290.3 Subd. 3. **Historic structure rehabilitation credit.** An insurance company may claim
290.4 a credit against the premiums tax imposed under this chapter equal to the amount of the
290.5 credit certificate issued to it, or to a person who has assigned the credit to the insurance
290.6 company, under section 290.0681. If the amount of the credit exceeds the liability for tax
290.7 under this chapter, the commissioner shall refund the excess to the insurance company. An
290.8 amount sufficient to pay the refunds under this section is appropriated to the commissioner
290.9 from the general fund. This credit does not affect the calculation of ~~police and fire~~ state aid
290.10 under section ~~69.024~~ 477B.03 and police state aid under section 477C.03.

290.11 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

290.12 Sec. 4. Minnesota Statutes 2018, section 353G.01, subdivision 9, is amended to read:

290.13 Subd. 9. **Municipality.** "Municipality" means a governmental entity specified in section
290.14 ~~69.011, subdivision 1, paragraph (b), clauses (1), (2), and (5)~~ 477B.01, subdivision 10, a
290.15 city or township that has entered into a contract with an independent nonprofit firefighting
290.16 corporation, or a city or township that has entered into a contract with a joint powers entity
290.17 established under section 471.59.

283.21 (1) an amount equal to any general fund appropriation to the Cooper/Sams volunteer
283.22 ambulance trust account for that fiscal year; and

283.23 (2) an amount equal to the percentage of the remaining balance in the account after the
283.24 deduction of the amount under clause (1), as specified for the applicable fiscal year:

283.25	Fiscal year	Percentage
283.26	1995	20
283.27	1996	40
283.28	1997	50
283.29	1998	60
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283.31	2000	80
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284.5 credit certificate issued to it, or to a person who has assigned the credit to the insurance
284.6 company, under section 290.0681. If the amount of the credit exceeds the liability for tax
284.7 under this chapter, the commissioner shall refund the excess to the insurance company. An
284.8 amount sufficient to pay the refunds under this section is appropriated to the commissioner
284.9 from the general fund. This credit does not affect the calculation of ~~police and fire~~ state aid
284.10 under section ~~69.024~~ 477B.03 and police state aid under section 477C.03.

284.11 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

284.12 Sec. 4. Minnesota Statutes 2018, section 353G.01, subdivision 9, is amended to read:

284.13 Subd. 9. **Municipality.** "Municipality" means a governmental entity specified in section
284.14 ~~69.011, subdivision 1, paragraph (b), clauses (1), (2), and (5)~~ 477B.01, subdivision 10, a
284.15 city or township that has entered into a contract with an independent nonprofit firefighting
284.16 corporation, or a city or township that has entered into a contract with a joint powers entity
284.17 established under section 471.59.

290.18 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

290.19 Sec. 5. Minnesota Statutes 2018, section 353G.05, subdivision 2, is amended to read:

290.20 Subd. 2. **Election of coverage; lump sum.** (a) The process for electing coverage of
290.21 volunteer firefighters by the lump-sum retirement division is initiated by a request to the
290.22 executive director for a cost analysis of the prospective retirement coverage under the
290.23 lump-sum retirement division.

290.24 (b) If the volunteer firefighters are currently covered by a lump-sum volunteer firefighter
290.25 relief association or a defined contribution volunteer firefighter relief association governed
290.26 by chapter 424A, the cost analysis of the prospective retirement coverage must be requested
290.27 jointly by the secretary of the volunteer firefighter relief association, following approval of
290.28 the request by the board of the volunteer firefighter relief association, and the chief
290.29 administrative officer of the entity associated with the relief association, following approval
290.30 of the request by the governing body of the entity associated with the relief association. If
290.31 the relief association is associated with more than one entity, the chief administrative officer
290.32 of each associated entity must execute the request. If the volunteer firefighters are not
291.1 currently covered by a volunteer firefighter relief association, the cost analysis of the
291.2 prospective retirement coverage must be requested by the chief administrative officer of
291.3 the entity operating the fire department. The request must be made in writing and must be
291.4 made on a form prescribed by the executive director.

291.5 (c) The cost analysis of the prospective retirement coverage by the lump-sum retirement
291.6 division of the statewide retirement plan must be based on the service pension amount under
291.7 section 353G.11 closest to the service pension amount provided by the volunteer firefighter
291.8 relief association if the relief association is a lump-sum defined benefit plan, or the amount
291.9 equal to 95 percent of the most current average account balance per relief association member
291.10 if the relief association is a defined contribution plan, or to the lowest service pension amount
291.11 under section 353G.11 if there is no volunteer firefighter relief association, rounded up, and
291.12 any other service pension amount designated by the requester or requesters. The cost analysis
291.13 must be prepared using a mathematical procedure certified as accurate by an approved
291.14 actuary retained by the Public Employees Retirement Association.

291.15 (d) If a cost analysis is requested and a volunteer ~~firefighters'~~ firefighters relief association
291.16 exists that has filed the information required under section ~~69.051~~ 424A.014 in a timely
291.17 fashion, upon request by the executive director, the state auditor shall provide the most
291.18 recent data available on the financial condition of the volunteer firefighter relief association,
291.19 the most recent firefighter demographic data available, and a copy of the current relief
291.20 association bylaws. If a cost analysis is requested, but no volunteer firefighter relief
291.21 association exists, the chief administrative officer of the entity operating the fire department
291.22 shall provide the demographic information on the volunteer firefighters serving as members
291.23 of the fire department requested by the executive director.

284.18 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

284.19 Sec. 5. Minnesota Statutes 2018, section 353G.05, subdivision 2, is amended to read:

284.20 Subd. 2. **Election of coverage; lump sum.** (a) The process for electing coverage of
284.21 volunteer firefighters by the lump-sum retirement division is initiated by a request to the
284.22 executive director for a cost analysis of the prospective retirement coverage under the
284.23 lump-sum retirement division.

284.24 (b) If the volunteer firefighters are currently covered by a lump-sum volunteer firefighter
284.25 relief association or a defined contribution volunteer firefighter relief association governed
284.26 by chapter 424A, the cost analysis of the prospective retirement coverage must be requested
284.27 jointly by the secretary of the volunteer firefighter relief association, following approval of
284.28 the request by the board of the volunteer firefighter relief association, and the chief
284.29 administrative officer of the entity associated with the relief association, following approval
284.30 of the request by the governing body of the entity associated with the relief association. If
284.31 the relief association is associated with more than one entity, the chief administrative officer
284.32 of each associated entity must execute the request. If the volunteer firefighters are not
285.1 currently covered by a volunteer firefighter relief association, the cost analysis of the
285.2 prospective retirement coverage must be requested by the chief administrative officer of
285.3 the entity operating the fire department. The request must be made in writing and must be
285.4 made on a form prescribed by the executive director.

285.5 (c) The cost analysis of the prospective retirement coverage by the lump-sum retirement
285.6 division of the statewide retirement plan must be based on the service pension amount under
285.7 section 353G.11 closest to the service pension amount provided by the volunteer firefighter
285.8 relief association if the relief association is a lump-sum defined benefit plan, or the amount
285.9 equal to 95 percent of the most current average account balance per relief association member
285.10 if the relief association is a defined contribution plan, or to the lowest service pension amount
285.11 under section 353G.11 if there is no volunteer firefighter relief association, rounded up, and
285.12 any other service pension amount designated by the requester or requesters. The cost analysis
285.13 must be prepared using a mathematical procedure certified as accurate by an approved
285.14 actuary retained by the Public Employees Retirement Association.

285.15 (d) If a cost analysis is requested and a volunteer ~~firefighters'~~ firefighters relief association
285.16 exists that has filed the information required under section ~~69.051~~ 424A.014 in a timely
285.17 fashion, upon request by the executive director, the state auditor shall provide the most
285.18 recent data available on the financial condition of the volunteer firefighter relief association,
285.19 the most recent firefighter demographic data available, and a copy of the current relief
285.20 association bylaws. If a cost analysis is requested, but no volunteer firefighter relief
285.21 association exists, the chief administrative officer of the entity operating the fire department
285.22 shall provide the demographic information on the volunteer firefighters serving as members
285.23 of the fire department requested by the executive director.

291.24 **EFFECTIVE DATE.** This section is effective July 1, 2019.

291.25 Sec. 6. Minnesota Statutes 2018, section 353G.08, subdivision 1, is amended to read:

291.26 Subdivision 1. **Annual funding requirements; lump-sum retirement division.** (a)
 291.27 Annually, the executive director shall determine the funding requirements of each account
 291.28 in the lump-sum retirement division of the voluntary statewide volunteer firefighter retirement
 291.29 plan on or before August 1. The funding requirements computed under this subdivision
 291.30 must be determined using a mathematical procedure developed and certified as accurate by
 291.31 the approved actuary retained by the Public Employees Retirement Association and must
 291.32 be based on present value factors using a six percent interest rate, without any decrement
 291.33 assumptions. The funding requirements must be certified to the entity or entities associated
 291.34 with the fire department whose active firefighters are covered by the retirement plan.

292.1 (b) The overall funding balance of each lump-sum account for the current calendar year
 292.2 must be determined in the following manner:

292.3 (1) The total accrued liability for all active and deferred members of the account as of
 292.4 December 31 of the current year must be calculated based on the good time service credit
 292.5 of active and deferred members as of that date.

292.6 (2) The total present assets of the account projected to December 31 of the current year,
 292.7 including receipts by and disbursements from the account anticipated to occur on or before
 292.8 December 31, must be calculated. To the extent possible, the market value of assets must
 292.9 be utilized in making this calculation.

292.10 (3) The amount of the total present assets calculated under clause (2) must be subtracted
 292.11 from the amount of the total accrued liability calculated under clause (1). If the amount of
 292.12 total present assets exceeds the amount of the total accrued liability, then the account is
 292.13 considered to have a surplus over full funding. If the amount of the total present assets is
 292.14 less than the amount of the total accrued liability, then the account is considered to have a
 292.15 deficit from full funding. If the amount of total present assets is equal to the amount of the
 292.16 total accrued liability, then the special fund is considered to be fully funded.

292.17 (c) The financial requirements of each lump-sum account for the following calendar
 292.18 year must be determined in the following manner:

292.19 (1) The total accrued liability for all active and deferred members of the account as of
 292.20 December 31 of the calendar year next following the current calendar year must be calculated
 292.21 based on the good time service used in the calculation under paragraph (b), clause (1),
 292.22 increased by one year.

292.23 (2) The increase in the total accrued liability of the account for the following calendar
 292.24 year over the total accrued liability of the account for the current year must be calculated.

285.24 **EFFECTIVE DATE.** This section is effective July 1, 2019.

285.25 Sec. 6. Minnesota Statutes 2018, section 353G.08, subdivision 1, is amended to read:

285.26 Subdivision 1. **Annual funding requirements; lump-sum retirement division.** (a)
 285.27 Annually, the executive director shall determine the funding requirements of each account
 285.28 in the lump-sum retirement division of the voluntary statewide volunteer firefighter retirement
 285.29 plan on or before August 1. The funding requirements computed under this subdivision
 285.30 must be determined using a mathematical procedure developed and certified as accurate by
 285.31 the approved actuary retained by the Public Employees Retirement Association and must
 285.32 be based on present value factors using a six percent interest rate, without any decrement
 285.33 assumptions. The funding requirements must be certified to the entity or entities associated
 285.34 with the fire department whose active firefighters are covered by the retirement plan.

286.1 (b) The overall funding balance of each lump-sum account for the current calendar year
 286.2 must be determined in the following manner:

286.3 (1) The total accrued liability for all active and deferred members of the account as of
 286.4 December 31 of the current year must be calculated based on the good time service credit
 286.5 of active and deferred members as of that date.

286.6 (2) The total present assets of the account projected to December 31 of the current year,
 286.7 including receipts by and disbursements from the account anticipated to occur on or before
 286.8 December 31, must be calculated. To the extent possible, the market value of assets must
 286.9 be utilized in making this calculation.

286.10 (3) The amount of the total present assets calculated under clause (2) must be subtracted
 286.11 from the amount of the total accrued liability calculated under clause (1). If the amount of
 286.12 total present assets exceeds the amount of the total accrued liability, then the account is
 286.13 considered to have a surplus over full funding. If the amount of the total present assets is
 286.14 less than the amount of the total accrued liability, then the account is considered to have a
 286.15 deficit from full funding. If the amount of total present assets is equal to the amount of the
 286.16 total accrued liability, then the special fund is considered to be fully funded.

286.17 (c) The financial requirements of each lump-sum account for the following calendar
 286.18 year must be determined in the following manner:

286.19 (1) The total accrued liability for all active and deferred members of the account as of
 286.20 December 31 of the calendar year next following the current calendar year must be calculated
 286.21 based on the good time service used in the calculation under paragraph (b), clause (1),
 286.22 increased by one year.

286.23 (2) The increase in the total accrued liability of the account for the following calendar
 286.24 year over the total accrued liability of the account for the current year must be calculated.

292.25 (3) The amount of administrative expenses of the account must be calculated by
 292.26 multiplying the per-person dollar amount of the administrative expenses for the most recent
 292.27 prior calendar year by the number of active and deferred firefighters reported to PERA on
 292.28 the most recent good time service credit certification form for each account.

292.29 (4) If the account is fully funded, the financial requirement of the account for the
 292.30 following calendar year is the total of the amounts calculated under clauses (2) and (3).

292.31 (5) If the account has a deficit from full funding, the financial requirement of the account
 292.32 for the following calendar year is the total of the amounts calculated under clauses (2) and
 293.1 (3) plus an amount equal to one-tenth of the amount of the deficit from full funding of the
 293.2 account.

293.3 (6) If the account has a surplus over full funding, the financial requirement of the account
 293.4 for the following calendar year is the financial requirement of the account calculated as
 293.5 though the account was fully funded under clause (4) and, if the account has also had a
 293.6 surplus over full funding during the prior two years, additionally reduced by an amount
 293.7 equal to one-tenth of the amount of the surplus over full funding of the account.

293.8 (d) The required contribution of the entity or entities associated with the fire department
 293.9 whose active firefighters are covered by the lump-sum retirement division is the annual
 293.10 financial requirements of the lump-sum account of the retirement plan under paragraph (c)
 293.11 reduced by the amount of any fire state aid payable under ~~sections 69.011 to 69.051~~ chapter
 293.12 477B or police and firefighter retirement supplemental state aid payable under section
 293.13 423A.022 that is reasonably anticipated to be received by the retirement plan attributable
 293.14 to the entity or entities during the following calendar year, and an amount of interest on the
 293.15 assets projected to be received during the following calendar year calculated at the rate of
 293.16 six percent per annum. The required contribution must be allocated between the entities if
 293.17 more than one entity is involved. A reasonable amount of anticipated fire state aid is an
 293.18 amount that does not exceed the fire state aid actually received in the prior year multiplied
 293.19 by the factor 1.035.

293.20 (e) The required contribution calculated in paragraph (d) must be paid to the retirement
 293.21 plan on or before December 31 of the year for which it was calculated. If the contribution
 293.22 is not received by the retirement plan by December 31, it is payable with interest at an
 293.23 annual compound rate of six percent from the date due until the date payment is received
 293.24 by the retirement plan. If the entity does not pay the full amount of the required contribution,
 293.25 the executive director shall collect the unpaid amount under section 353.28, subdivision 6.

293.26 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

293.27 Sec. 7. Minnesota Statutes 2018, section 353G.08, subdivision 1a, is amended to read:

293.28 Subd. 1a. **Annual funding requirements; monthly benefit retirement division.** (a)
 293.29 Annually, the executive director shall determine the funding requirements of each monthly

286.25 (3) The amount of administrative expenses of the account must be calculated by
 286.26 multiplying the per-person dollar amount of the administrative expenses for the most recent
 286.27 prior calendar year by the number of active and deferred firefighters reported to PERA on
 286.28 the most recent good time service credit certification form for each account.

286.29 (4) If the account is fully funded, the financial requirement of the account for the
 286.30 following calendar year is the total of the amounts calculated under clauses (2) and (3).

286.31 (5) If the account has a deficit from full funding, the financial requirement of the account
 286.32 for the following calendar year is the total of the amounts calculated under clauses (2) and
 287.1 (3) plus an amount equal to one-tenth of the amount of the deficit from full funding of the
 287.2 account.

287.3 (6) If the account has a surplus over full funding, the financial requirement of the account
 287.4 for the following calendar year is the financial requirement of the account calculated as
 287.5 though the account was fully funded under clause (4) and, if the account has also had a
 287.6 surplus over full funding during the prior two years, additionally reduced by an amount
 287.7 equal to one-tenth of the amount of the surplus over full funding of the account.

287.8 (d) The required contribution of the entity or entities associated with the fire department
 287.9 whose active firefighters are covered by the lump-sum retirement division is the annual
 287.10 financial requirements of the lump-sum account of the retirement plan under paragraph (c)
 287.11 reduced by the amount of any fire state aid payable under ~~sections 69.011 to 69.051~~ chapter
 287.12 477B or police and firefighter retirement supplemental state aid payable under section
 287.13 423A.022 that is reasonably anticipated to be received by the retirement plan attributable
 287.14 to the entity or entities during the following calendar year, and an amount of interest on the
 287.15 assets projected to be received during the following calendar year calculated at the rate of
 287.16 six percent per annum. The required contribution must be allocated between the entities if
 287.17 more than one entity is involved. A reasonable amount of anticipated fire state aid is an
 287.18 amount that does not exceed the fire state aid actually received in the prior year multiplied
 287.19 by the factor 1.035.

287.20 (e) The required contribution calculated in paragraph (d) must be paid to the retirement
 287.21 plan on or before December 31 of the year for which it was calculated. If the contribution
 287.22 is not received by the retirement plan by December 31, it is payable with interest at an
 287.23 annual compound rate of six percent from the date due until the date payment is received
 287.24 by the retirement plan. If the entity does not pay the full amount of the required contribution,
 287.25 the executive director shall collect the unpaid amount under section 353.28, subdivision 6.

287.26 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

287.27 Sec. 7. Minnesota Statutes 2018, section 353G.08, subdivision 1a, is amended to read:

287.28 Subd. 1a. **Annual funding requirements; monthly benefit retirement division.** (a)
 287.29 Annually, the executive director shall determine the funding requirements of each monthly

293.30 benefit account in the voluntary statewide volunteer firefighter retirement plan on or before
 293.31 August 1.

293.32 (b) The executive director must determine the funding requirements of a monthly benefit
 293.33 account under this subdivision from:

294.1 (1) the most recent actuarial valuation normal cost, administrative expense, including
 294.2 the cost of a regular actuarial valuation, and amortization results for the account determined
 294.3 by the approved actuary retained by the retirement association under sections 356.215 and
 294.4 356.216; and

294.5 (2) the standards for actuarial work, utilizing a six percent interest rate actuarial
 294.6 assumption and other actuarial assumptions approved under section 356.215, subdivision
 294.7 18:

294.8 (i) with that portion of any unfunded actuarial accrued liability attributable to a benefit
 294.9 increase to be amortized over a period of 20 years from the date of the benefit change;

294.10 (ii) with that portion of any unfunded actuarial accrued liability attributable to an
 294.11 assumption change or an actuarial method change to be amortized over a period of 20 years
 294.12 from the date of the assumption or method change;

294.13 (iii) with that portion of any unfunded actuarial accrued liability attributable to an
 294.14 investment loss to be amortized over a period of ten years from the date of investment loss;
 294.15 and

294.16 (iv) with the balance of any net unfunded actuarial accrued liability to be amortized over
 294.17 a period of five years from the date of the actuarial valuation.

294.18 (c) The required contributions of the entity or entities associated with the fire department
 294.19 whose active firefighters are covered by the monthly benefit retirement division are the
 294.20 annual financial requirements of the monthly benefit account of the retirement plan under
 294.21 paragraph (b) reduced by the amount of any fire state aid payable under ~~sections 69.011 to~~
 294.22 ~~69.051 chapter 477B~~, or any police and firefighter retirement supplemental state aid payable
 294.23 under section 423A.022, that is reasonably anticipated to be received by the retirement plan
 294.24 attributable to the entity or entities during the following calendar year. The required
 294.25 contribution must be allocated between the entities if more than one entity is involved. A
 294.26 reasonable amount of anticipated fire state aid is an amount that does not exceed the fire
 294.27 state aid actually received in the prior year multiplied by the factor 1.035.

294.28 (d) The required contribution calculated in paragraph (c) must be paid to the retirement
 294.29 plan on or before December 31 of the year for which it was calculated. If the contribution
 294.30 is not received by the retirement plan by December 31, it is payable with interest at an
 294.31 annual compound rate of six percent from the date due until the date payment is received

287.30 benefit account in the voluntary statewide volunteer firefighter retirement plan on or before
 287.31 August 1.

287.32 (b) The executive director must determine the funding requirements of a monthly benefit
 287.33 account under this subdivision from:

288.1 (1) the most recent actuarial valuation normal cost, administrative expense, including
 288.2 the cost of a regular actuarial valuation, and amortization results for the account determined
 288.3 by the approved actuary retained by the retirement association under sections 356.215 and
 288.4 356.216; and

288.5 (2) the standards for actuarial work, utilizing a six percent interest rate actuarial
 288.6 assumption and other actuarial assumptions approved under section 356.215, subdivision
 288.7 18:

288.8 (i) with that portion of any unfunded actuarial accrued liability attributable to a benefit
 288.9 increase to be amortized over a period of 20 years from the date of the benefit change;

288.10 (ii) with that portion of any unfunded actuarial accrued liability attributable to an
 288.11 assumption change or an actuarial method change to be amortized over a period of 20 years
 288.12 from the date of the assumption or method change;

288.13 (iii) with that portion of any unfunded actuarial accrued liability attributable to an
 288.14 investment loss to be amortized over a period of ten years from the date of investment loss;
 288.15 and

288.16 (iv) with the balance of any net unfunded actuarial accrued liability to be amortized over
 288.17 a period of five years from the date of the actuarial valuation.

288.18 (c) The required contributions of the entity or entities associated with the fire department
 288.19 whose active firefighters are covered by the monthly benefit retirement division are the
 288.20 annual financial requirements of the monthly benefit account of the retirement plan under
 288.21 paragraph (b) reduced by the amount of any fire state aid payable under ~~sections 69.011 to~~
 288.22 ~~69.051 chapter 477B~~, or any police and firefighter retirement supplemental state aid payable
 288.23 under section 423A.022, that is reasonably anticipated to be received by the retirement plan
 288.24 attributable to the entity or entities during the following calendar year. The required
 288.25 contribution must be allocated between the entities if more than one entity is involved. A
 288.26 reasonable amount of anticipated fire state aid is an amount that does not exceed the fire
 288.27 state aid actually received in the prior year multiplied by the factor 1.035.

288.28 (d) The required contribution calculated in paragraph (c) must be paid to the retirement
 288.29 plan on or before December 31 of the year for which it was calculated. If the contribution
 288.30 is not received by the retirement plan by December 31, it is payable with interest at an
 288.31 annual compound rate of six percent from the date due until the date payment is received

294.32 by the retirement plan. If the entity does not pay the full amount of the required contribution,
294.33 the executive director shall collect the unpaid amount under section 353.28, subdivision 6.

295.1 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

295.2 Sec. 8. Minnesota Statutes 2018, section 353G.17, subdivision 2, is amended to read:

295.3 Subd. 2. **Approval by the relief association.** (a) Before a transfer of records, assets,
295.4 and liabilities from the retirement plan to a relief association may occur, the board of trustees
295.5 of the relief association shall adopt resolutions as follows:

295.6 (1) approving and accepting the transfer of records, assets, and liabilities from the
295.7 retirement plan; and

295.8 (2) amending the bylaws of the relief association as necessary to add the firefighters
295.9 whose benefits are being transferred from the retirement plan and to provide that each benefit
295.10 being transferred retains vesting, distribution, and other rights to which the firefighter, for
295.11 whom the benefit is being transferred, is entitled under the terms of the retirement plan to
295.12 the date of the transfer.

295.13 The board of trustees shall file a copy of the resolutions with the executive director.

295.14 (b) The board of trustees of the relief association shall file with the state auditor the
295.15 following:

295.16 (1) a copy of the resolutions required under paragraph (a);

295.17 (2) a copy of the bylaws of the relief association and any bylaw amendments;

295.18 (3) a copy of the relief association's investment policy;

295.19 (4) a statement that a board of trustees has been duly elected and each trustee's name,
295.20 address, telephone number, and e-mail address, if any;

295.21 (5) a copy of the most recent annual financial, investment, and plan administration report
295.22 filed under section ~~69.051~~ 424A.014, unless the due date for the first report has not yet
295.23 occurred; and

295.24 (6) a copy of the documentation indicating that a special fund has been established with
295.25 a financial institution to receive a transfer of assets from the retirement plan.

295.26 (c) Upon receipt of the information and documents required under paragraph (b), the
295.27 state auditor shall issue to the relief association and the executive director written
295.28 confirmation of receipt of all required information and documents.

295.29 **EFFECTIVE DATE.** This section is effective July 1, 2019.

288.32 by the retirement plan. If the entity does not pay the full amount of the required contribution,
288.33 the executive director shall collect the unpaid amount under section 353.28, subdivision 6.

289.1 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

289.2 Sec. 8. Minnesota Statutes 2018, section 353G.17, subdivision 2, is amended to read:

289.3 Subd. 2. **Approval by the relief association.** (a) Before a transfer of records, assets,
289.4 and liabilities from the retirement plan to a relief association may occur, the board of trustees
289.5 of the relief association shall adopt resolutions as follows:

289.6 (1) approving and accepting the transfer of records, assets, and liabilities from the
289.7 retirement plan; and

289.8 (2) amending the bylaws of the relief association as necessary to add the firefighters
289.9 whose benefits are being transferred from the retirement plan and to provide that each benefit
289.10 being transferred retains vesting, distribution, and other rights to which the firefighter, for
289.11 whom the benefit is being transferred, is entitled under the terms of the retirement plan to
289.12 the date of the transfer.

289.13 The board of trustees shall file a copy of the resolutions with the executive director.

289.14 (b) The board of trustees of the relief association shall file with the state auditor the
289.15 following:

289.16 (1) a copy of the resolutions required under paragraph (a);

289.17 (2) a copy of the bylaws of the relief association and any bylaw amendments;

289.18 (3) a copy of the relief association's investment policy;

289.19 (4) a statement that a board of trustees has been duly elected and each trustee's name,
289.20 address, telephone number, and e-mail address, if any;

289.21 (5) a copy of the most recent annual financial, investment, and plan administration report
289.22 filed under section ~~69.051~~ 424A.014, unless the due date for the first report has not yet
289.23 occurred; and

289.24 (6) a copy of the documentation indicating that a special fund has been established with
289.25 a financial institution to receive a transfer of assets from the retirement plan.

289.26 (c) Upon receipt of the information and documents required under paragraph (b), the
289.27 state auditor shall issue to the relief association and the executive director written
289.28 confirmation of receipt of all required information and documents.

289.29 **EFFECTIVE DATE.** This section is effective July 1, 2019.

296.1 Sec. 9. Minnesota Statutes 2018, section 356.20, subdivision 4a, is amended to read:

296.2 Subd. 4a. **Financial report for police or firefighters relief association.** For any police
296.3 or ~~firefighter's~~ firefighters relief association referred to in subdivision 2, clause (10) or (11),
296.4 a financial report that is duly filed and that meets the requirements of section ~~69.051~~
296.5 424A.014 is deemed to have met the requirements of subdivision 4.

296.6 **EFFECTIVE DATE.** This section is effective July 1, 2019.

296.7 Sec. 10. Minnesota Statutes 2018, section 356.219, subdivision 8, is amended to read:

296.8 Subd. 8. **Timing of reports.** (a) For the Bloomington Fire Department Relief Association
296.9 and the volunteer firefighter relief associations, the information required under this section
296.10 must be submitted by the due date for reports required under section ~~69.051, subdivision 1~~
296.11 ~~or 424A.014, subdivision 1 or 2~~, as applicable. If a relief association satisfies the definition
296.12 of a fully invested plan under subdivision 1, paragraph (b), for the calendar year covered
296.13 by the report required under section ~~69.051, subdivision 1 or 424A.014, subdivision 1~~
296.14 ~~or 2~~, as applicable, the chief administrative officer of the covered pension plan shall certify
296.15 that compliance on a form prescribed by the state auditor. The state auditor shall transmit
296.16 annually to the State Board of Investment a list or lists of covered pension plans which
296.17 submitted certifications in order to facilitate reporting by the State Board of Investment
296.18 under paragraph (c).

296.19 (b) For the St. Paul Teachers Retirement Fund Association and the University of
296.20 Minnesota faculty supplemental retirement plan, the information required under this section
296.21 must be submitted to the state auditor by June 1 of each year.

296.22 (c) The State Board of Investment, on behalf of pension funds specified in subdivision
296.23 1, paragraph (c), shall report information required under this section by September 1 of each
296.24 year.

296.25 **EFFECTIVE DATE.** This section is effective July 1, 2019.

296.26 Sec. 11. Minnesota Statutes 2018, section 423A.02, subdivision 1b, is amended to read:

296.27 Subd. 1b. **Additional amortization state aid.** (a) Annually, the commissioner shall
296.28 allocate the additional amortization state aid, if any, including any state aid in excess of the
296.29 limitation in subdivision 4, on the following basis:

296.30 (1) 47.1 percent to the city of Minneapolis to defray the employer costs associated with
296.31 police and firefighter retirement coverage;

297.1 (2) 25.8 percent as additional funding to support the minimum fire state aid for volunteer
297.2 firefighter relief associations under section ~~69.021, subdivision 7, paragraph (d)~~ 477B.03,
297.3 subdivision 5;

290.1 Sec. 9. Minnesota Statutes 2018, section 356.20, subdivision 4a, is amended to read:

290.2 Subd. 4a. **Financial report for police or firefighters relief association.** For any police
290.3 or ~~firefighter's~~ firefighters relief association referred to in subdivision 2, clause (10) or (11),
290.4 a financial report that is duly filed and that meets the requirements of section ~~69.051~~
290.5 424A.014 is deemed to have met the requirements of subdivision 4.

290.6 **EFFECTIVE DATE.** This section is effective July 1, 2019.

290.7 Sec. 10. Minnesota Statutes 2018, section 356.219, subdivision 8, is amended to read:

290.8 Subd. 8. **Timing of reports.** (a) For the Bloomington Fire Department Relief Association
290.9 and the volunteer firefighter relief associations, the information required under this section
290.10 must be submitted by the due date for reports required under section ~~69.051, subdivision 1~~
290.11 ~~or 424A.014, subdivision 1 or 2~~, as applicable. If a relief association satisfies the definition
290.12 of a fully invested plan under subdivision 1, paragraph (b), for the calendar year covered
290.13 by the report required under section ~~69.051, subdivision 1 or 424A.014, subdivision 1~~
290.14 ~~or 2~~, as applicable, the chief administrative officer of the covered pension plan shall certify
290.15 that compliance on a form prescribed by the state auditor. The state auditor shall transmit
290.16 annually to the State Board of Investment a list or lists of covered pension plans which
290.17 submitted certifications in order to facilitate reporting by the State Board of Investment
290.18 under paragraph (c).

290.19 (b) For the St. Paul Teachers Retirement Fund Association and the University of
290.20 Minnesota faculty supplemental retirement plan, the information required under this section
290.21 must be submitted to the state auditor by June 1 of each year.

290.22 (c) The State Board of Investment, on behalf of pension funds specified in subdivision
290.23 1, paragraph (c), shall report information required under this section by September 1 of each
290.24 year.

290.25 **EFFECTIVE DATE.** This section is effective July 1, 2019.

290.26 Sec. 11. Minnesota Statutes 2018, section 423A.02, subdivision 1b, is amended to read:

290.27 Subd. 1b. **Additional amortization state aid.** (a) Annually, the commissioner shall
290.28 allocate the additional amortization state aid, if any, including any state aid in excess of the
290.29 limitation in subdivision 4, on the following basis:

290.30 (1) 47.1 percent to the city of Minneapolis to defray the employer costs associated with
290.31 police and firefighter retirement coverage;

291.1 (2) 25.8 percent as additional funding to support the minimum fire state aid for volunteer
291.2 firefighter relief associations under section ~~69.021, subdivision 7, paragraph (d)~~ 477B.03,
291.3 subdivision 5;

297.4 (3) 12.9 percent to the city of Duluth to defray employer costs associated with police
297.5 and firefighter retirement coverage;

297.6 (4) 12.9 percent to the St. Paul Teachers Retirement Fund Association if the investment
297.7 performance requirement of paragraph (c) is met; and

297.8 (5) 1.3 percent to the city of Virginia to defray the employer contribution under section
297.9 353.665, subdivision 8, paragraph (d).

297.10 If there is no additional employer contribution under section 353.665, subdivision 8,
297.11 paragraph (b), certified under subdivision 1, paragraph (d), clause (2), with respect to the
297.12 former Minneapolis Police Relief Association and the former Minneapolis Fire Department
297.13 Relief Association, the commissioner shall allocate that 47.1 percent of the aid as follows:
297.14 49 percent to the Teachers Retirement Association, 21 percent to the St. Paul Teachers
297.15 Retirement Fund Association, and 30 percent as additional funding to support minimum
297.16 fire state aid for volunteer firefighter relief associations under section ~~69.021, subdivision~~
297.17 ~~7, paragraph (d) 477B.03, subdivision 5~~. If there is no employer contribution by the city of
297.18 Virginia under section 353.665, subdivision 8, paragraph (d), for the former Virginia Fire
297.19 Department Relief Association certified on or before June 30 by the executive director of
297.20 the Public Employees Retirement Association, the commissioner shall allocate that 1.3
297.21 percent of the aid as follows: 49 percent to the Teachers Retirement Association, 21 percent
297.22 to the St. Paul Teachers Retirement Fund Association, and 30 percent as additional funding
297.23 to support minimum fire state aid for volunteer firefighter relief associations under section
297.24 ~~69.021, subdivision 7, paragraph (d) 477B.03, subdivision 5~~.

297.25 (b) The allocation must be made by the commissioner of revenue on October 1 annually.

297.26 (c) With respect to the St. Paul Teachers Retirement Fund Association, annually, if the
297.27 teacher's association five-year average time-weighted rate of investment return does not
297.28 equal or exceed the performance of a composite portfolio assumed passively managed
297.29 (indexed) invested ten percent in cash equivalents, 60 percent in bonds and similar debt
297.30 securities, and 30 percent in domestic stock calculated using the formula under section
297.31 11A.04, clause (11), the aid allocation to the retirement fund under this section ceases until
297.32 the five-year annual rate of investment return equals or exceeds the performance of that
297.33 composite portfolio.

298.1 (d) The amounts required under this subdivision are the amounts annually appropriated
298.2 to the commissioner of revenue under section ~~69.021, subdivision 11 477B.03, subdivision~~
298.3 ~~5~~, paragraph (d), if any, and the aid amounts in excess of the limitation in subdivision 4.

298.4 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

298.5 Sec. 12. Minnesota Statutes 2018, section 423A.02, subdivision 3, is amended to read:

298.6 Subd. 3. **Reallocation of amortization state aid.** (a) Seventy percent of the difference
298.7 between \$5,720,000 and the current year amortization aid distributed under subdivision 1

291.4 (3) 12.9 percent to the city of Duluth to defray employer costs associated with police
291.5 and firefighter retirement coverage;

291.6 (4) 12.9 percent to the St. Paul Teachers Retirement Fund Association if the investment
291.7 performance requirement of paragraph (c) is met; and

291.8 (5) 1.3 percent to the city of Virginia to defray the employer contribution under section
291.9 353.665, subdivision 8, paragraph (d).

291.10 If there is no additional employer contribution under section 353.665, subdivision 8,
291.11 paragraph (b), certified under subdivision 1, paragraph (d), clause (2), with respect to the
291.12 former Minneapolis Police Relief Association and the former Minneapolis Fire Department
291.13 Relief Association, the commissioner shall allocate that 47.1 percent of the aid as follows:
291.14 49 percent to the Teachers Retirement Association, 21 percent to the St. Paul Teachers
291.15 Retirement Fund Association, and 30 percent as additional funding to support minimum
291.16 fire state aid for volunteer firefighter relief associations under section ~~69.021, subdivision~~
291.17 ~~7, paragraph (d) 477B.03, subdivision 5~~. If there is no employer contribution by the city of
291.18 Virginia under section 353.665, subdivision 8, paragraph (d), for the former Virginia Fire
291.19 Department Relief Association certified on or before June 30 by the executive director of
291.20 the Public Employees Retirement Association, the commissioner shall allocate that 1.3
291.21 percent of the aid as follows: 49 percent to the Teachers Retirement Association, 21 percent
291.22 to the St. Paul Teachers Retirement Fund Association, and 30 percent as additional funding
291.23 to support minimum fire state aid for volunteer firefighter relief associations under section
291.24 ~~69.021, subdivision 7, paragraph (d) 477B.03, subdivision 5~~.

291.25 (b) The allocation must be made by the commissioner of revenue on October 1 annually.

291.26 (c) With respect to the St. Paul Teachers Retirement Fund Association, annually, if the
291.27 teacher's association five-year average time-weighted rate of investment return does not
291.28 equal or exceed the performance of a composite portfolio assumed passively managed
291.29 (indexed) invested ten percent in cash equivalents, 60 percent in bonds and similar debt
291.30 securities, and 30 percent in domestic stock calculated using the formula under section
291.31 11A.04, clause (11), the aid allocation to the retirement fund under this section ceases until
291.32 the five-year annual rate of investment return equals or exceeds the performance of that
291.33 composite portfolio.

292.1 (d) The amounts required under this subdivision are the amounts annually appropriated
292.2 to the commissioner of revenue under section ~~69.021, subdivision 11 477B.03, subdivision~~
292.3 ~~5~~, paragraph (d), if any, and the aid amounts in excess of the limitation in subdivision 4.

292.4 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

292.5 Sec. 12. Minnesota Statutes 2018, section 423A.02, subdivision 3, is amended to read:

292.6 Subd. 3. **Reallocation of amortization state aid.** (a) Seventy percent of the difference
292.7 between \$5,720,000 and the current year amortization aid distributed under subdivision 1

298.8 that is not distributed for any reason to a municipality must be distributed by the
 298.9 commissioner of revenue according to this paragraph. The commissioner shall distribute
 298.10 60 percent of the amounts derived under this paragraph to the Teachers Retirement
 298.11 Association, and 40 percent to the St. Paul Teachers Retirement Fund Association to fund
 298.12 the unfunded actuarial accrued liabilities of the respective funds. These payments must be
 298.13 made on July 15 each fiscal year. If the St. Paul Teachers Retirement Fund Association or
 298.14 the Teachers Retirement Association satisfies subdivision 5, eligibility for its portion of this
 298.15 aid ceases. Amounts remaining in the undistributed balance account at the end of the
 298.16 biennium if aid eligibility ceases cancel to the general fund.

298.17 (b) In order to receive amortization aid under paragraph (a), before June 30 annually
 298.18 Independent School District No. 625, St. Paul, must make an additional contribution of
 298.19 \$800,000 each year to the St. Paul Teachers Retirement Fund Association.

298.20 (c) Thirty percent of the difference between \$5,720,000 and the current year amortization
 298.21 aid under subdivision 1 that is not distributed for any reason to a municipality must be
 298.22 distributed under section ~~69.021, subdivision 7, paragraph (d)~~ 477B.03, subdivision 5, as
 298.23 additional funding to support a minimum fire state aid amount for volunteer firefighter relief
 298.24 associations.

298.25 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

298.26 Sec. 13. Minnesota Statutes 2018, section 423A.022, subdivision 2, is amended to read:

298.27 Subd. 2. **Allocation.** (a) Of the total amount appropriated as supplemental state aid:

298.28 (1) 58.064 percent must be paid to the executive director of the Public Employees
 298.29 Retirement Association for deposit in the public employees police and fire retirement fund
 298.30 established by section 353.65, subdivision 1;

298.31 (2) 35.484 percent must be paid to municipalities other than municipalities solely
 298.32 employing firefighters with retirement coverage provided by the public employees police
 299.1 and fire retirement plan which qualified to receive fire state aid in that calendar year, allocated
 299.2 in proportion to the most recent amount of fire state aid paid under section ~~69.021,~~
 299.3 ~~subdivision 7~~ 477B.04, for the municipality bears to the most recent total fire state aid for
 299.4 all municipalities other than the municipalities solely employing firefighters with retirement
 299.5 coverage provided by the public employees police and fire retirement plan paid under section
 299.6 ~~69.021, subdivision 7~~ 477B.04, with the allocated amount for fire departments participating
 299.7 in the voluntary statewide lump-sum volunteer firefighter retirement plan paid to the
 299.8 executive director of the Public Employees Retirement Association for deposit in the fund
 299.9 established by section 353G.02, subdivision 3, and credited to the respective account and
 299.10 with the balance paid to the treasurer of each municipality for transmittal within 30 days of
 299.11 receipt to the treasurer of the applicable volunteer firefighter relief association for deposit
 299.12 in its special fund; and

292.8 that is not distributed for any reason to a municipality must be distributed by the
 292.9 commissioner of revenue according to this paragraph. The commissioner shall distribute
 292.10 60 percent of the amounts derived under this paragraph to the Teachers Retirement
 292.11 Association, and 40 percent to the St. Paul Teachers Retirement Fund Association to fund
 292.12 the unfunded actuarial accrued liabilities of the respective funds. These payments must be
 292.13 made on July 15 each fiscal year. If the St. Paul Teachers Retirement Fund Association or
 292.14 the Teachers Retirement Association satisfies subdivision 5, eligibility for its portion of this
 292.15 aid ceases. Amounts remaining in the undistributed balance account at the end of the
 292.16 biennium if aid eligibility ceases cancel to the general fund.

292.17 (b) In order to receive amortization aid under paragraph (a), before June 30 annually
 292.18 Independent School District No. 625, St. Paul, must make an additional contribution of
 292.19 \$800,000 each year to the St. Paul Teachers Retirement Fund Association.

292.20 (c) Thirty percent of the difference between \$5,720,000 and the current year amortization
 292.21 aid under subdivision 1 that is not distributed for any reason to a municipality must be
 292.22 distributed under section ~~69.021, subdivision 7, paragraph (d)~~ 477B.03, subdivision 5, as
 292.23 additional funding to support a minimum fire state aid amount for volunteer firefighter relief
 292.24 associations.

292.25 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

292.26 Sec. 13. Minnesota Statutes 2018, section 423A.022, subdivision 2, is amended to read:

292.27 Subd. 2. **Allocation.** (a) Of the total amount appropriated as supplemental state aid:

292.28 (1) 58.064 percent must be paid to the executive director of the Public Employees
 292.29 Retirement Association for deposit in the public employees police and fire retirement fund
 292.30 established by section 353.65, subdivision 1;

292.31 (2) 35.484 percent must be paid to municipalities other than municipalities solely
 292.32 employing firefighters with retirement coverage provided by the public employees police
 293.1 and fire retirement plan which qualified to receive fire state aid in that calendar year, allocated
 293.2 in proportion to the most recent amount of fire state aid paid under section ~~69.021,~~
 293.3 ~~subdivision 7~~ 477B.04, for the municipality bears to the most recent total fire state aid for
 293.4 all municipalities other than the municipalities solely employing firefighters with retirement
 293.5 coverage provided by the public employees police and fire retirement plan paid under section
 293.6 ~~69.021, subdivision 7~~ 477B.04, with the allocated amount for fire departments participating
 293.7 in the voluntary statewide lump-sum volunteer firefighter retirement plan paid to the
 293.8 executive director of the Public Employees Retirement Association for deposit in the fund
 293.9 established by section 353G.02, subdivision 3, and credited to the respective account and
 293.10 with the balance paid to the treasurer of each municipality for transmittal within 30 days of
 293.11 receipt to the treasurer of the applicable volunteer firefighter relief association for deposit
 293.12 in its special fund; and

299.13 (3) 6.452 percent must be paid to the executive director of the Minnesota State Retirement
299.14 System for deposit in the state patrol retirement fund.

299.15 (b) For purposes of this section, the term "municipalities" includes independent nonprofit
299.16 firefighting corporations that participate in the voluntary statewide lump-sum volunteer
299.17 firefighter retirement plan under chapter 353G or with subsidiary volunteer firefighter relief
299.18 associations operating under chapter 424A.

299.19 EFFECTIVE DATE. This section is effective for aids payable in 2020 and thereafter.

299.20 Sec. 14. Minnesota Statutes 2018, section 423A.022, subdivision 4, is amended to read:

299.21 Subd. 4. **Payments; conditions prerequisite.** (a) The payments under this section must
299.22 be made on October 1 each year, with interest at one percent for each month, or portion of
299.23 a month, that the amount remains unpaid after October 1. Any necessary adjustments must
299.24 be made to subsequent payments.

299.25 (b) The provisions of ~~sections 69.011 to 69.051~~ chapter 477B and section 424A.014 that
299.26 prevent municipalities and relief associations from being eligible for, or receiving fire state
299.27 aid under ~~sections 69.011 to 69.051~~ chapter 477B and section 424A.014 until the applicable
299.28 financial reporting requirements have been complied with, apply to the amounts payable to
299.29 municipalities and relief associations under this section.

299.30 EFFECTIVE DATE. This section is effective July 1, 2019, except the references to
299.31 Minnesota Statutes, chapter 477B, are effective for aids payable in 2020 and thereafter.

300.1 Sec. 15. Minnesota Statutes 2018, section 424A.016, subdivision 2, is amended to read:

300.2 Subd. 2. **Defined contribution service pension eligibility.** (a) A relief association,
300.3 when its articles of incorporation or bylaws so provide, may pay out of the assets of its
300.4 special fund a defined contribution service pension to each of its members who:

300.5 (1) separates from active service with the fire department;

300.6 (2) reaches age 50;

300.7 (3) completes at least five years of active service as an active member of the fire
300.8 department to which the relief association is associated;

300.9 (4) completes at least five years of active membership with the relief association before
300.10 separation from active service; and

300.11 (5) complies with any additional conditions as to age, service, and membership that are
300.12 prescribed by the bylaws of the relief association.

300.13 (b) In the case of a member who has completed at least five years of active service as
300.14 an active member of the fire department to which the relief association is associated on the

293.13 (3) 6.452 percent must be paid to the executive director of the Minnesota State Retirement
293.14 System for deposit in the state patrol retirement fund.

293.15 (b) For purposes of this section, the term "municipalities" includes independent nonprofit
293.16 firefighting corporations that participate in the voluntary statewide lump-sum volunteer
293.17 firefighter retirement plan under chapter 353G or with subsidiary volunteer firefighter relief
293.18 associations operating under chapter 424A.

293.19 EFFECTIVE DATE. This section is effective for aids payable in 2020 and thereafter.

293.20 Sec. 14. Minnesota Statutes 2018, section 423A.022, subdivision 4, is amended to read:

293.21 Subd. 4. **Payments; conditions prerequisite.** (a) The payments under this section must
293.22 be made on October 1 each year, with interest at one percent for each month, or portion of
293.23 a month, that the amount remains unpaid after October 1. Any necessary adjustments must
293.24 be made to subsequent payments.

293.25 (b) The provisions of ~~sections 69.011 to 69.051~~ chapter 477B and section 424A.014 that
293.26 prevent municipalities and relief associations from being eligible for, or receiving fire state
293.27 aid under ~~sections 69.011 to 69.051~~ chapter 477B and section 424A.014 until the applicable
293.28 financial reporting requirements have been complied with, apply to the amounts payable to
293.29 municipalities and relief associations under this section.

293.30 EFFECTIVE DATE. This section is effective July 1, 2019, except the references to
293.31 Minnesota Statutes, chapter 477B, are effective for aids payable in 2020 and thereafter.

294.1 Sec. 15. Minnesota Statutes 2018, section 424A.016, subdivision 2, is amended to read:

294.2 Subd. 2. **Defined contribution service pension eligibility.** (a) A relief association,
294.3 when its articles of incorporation or bylaws so provide, may pay out of the assets of its
294.4 special fund a defined contribution service pension to each of its members who:

294.5 (1) separates from active service with the fire department;

294.6 (2) reaches age 50;

294.7 (3) completes at least five years of active service as an active member of the fire
294.8 department to which the relief association is associated;

294.9 (4) completes at least five years of active membership with the relief association before
294.10 separation from active service; and

294.11 (5) complies with any additional conditions as to age, service, and membership that are
294.12 prescribed by the bylaws of the relief association.

294.13 (b) In the case of a member who has completed at least five years of active service as
294.14 an active member of the fire department to which the relief association is associated on the

300.15 date that the relief association is established and incorporated, the requirement that the
 300.16 member complete at least five years of active membership with the relief association before
 300.17 separation from active service may be waived by the board of trustees of the relief association
 300.18 if the member completes at least five years of inactive membership with the relief association
 300.19 before the date of the payment of the service pension. During the period of inactive
 300.20 membership, the member is not entitled to receive any disability benefit coverage, is not
 300.21 entitled to receive additional individual account allocation of fire state aid or municipal
 300.22 contribution towards a service pension, and is considered to have the status of a person
 300.23 entitled to a deferred service pension.

300.24 (c) The service pension earned by a volunteer under this chapter and the articles of
 300.25 incorporation and bylaws of the relief association may be paid whether or not the municipality
 300.26 or independent nonprofit firefighting corporation to which the relief association is associated
 300.27 qualifies for the receipt of fire state aid under chapter ~~69~~ 477B.

300.28 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

300.29 Sec. 16. Minnesota Statutes 2018, section 424A.016, subdivision 4, is amended to read:

300.30 Subd. 4. **Individual accounts.** (a) An individual account must be established for each
 300.31 firefighter who is a member of the relief association.

300.32 (b) To each individual active member account must be credited an equal share of:

301.1 (1) any amounts of fire state aid and police and firefighter retirement supplemental state
 301.2 aid received by the relief association;

301.3 (2) any amounts of municipal contributions to the relief association raised from levies
 301.4 on real estate or from other available municipal revenue sources exclusive of fire state aid;
 301.5 and

301.6 (3) any amounts equal to the share of the assets of the special fund to the credit of:

301.7 (i) any former member who terminated active service with the fire department to which
 301.8 the relief association is associated before meeting the minimum service requirement provided
 301.9 for in subdivision 2, paragraph (b), and has not returned to active service with the fire
 301.10 department for a period no shorter than five years; or

301.11 (ii) any retired member who retired before obtaining a full nonforfeitable interest in the
 301.12 amounts credited to the individual member account under subdivision 2, paragraph (b), and
 301.13 any applicable provision of the bylaws of the relief association. In addition, any investment
 301.14 return on the assets of the special fund must be credited in proportion to the share of the
 301.15 assets of the special fund to the credit of each individual active member account.
 301.16 Administrative expenses of the relief association payable from the special fund may be
 301.17 deducted from individual accounts in a manner specified in the bylaws of the relief
 301.18 association.

294.15 date that the relief association is established and incorporated, the requirement that the
 294.16 member complete at least five years of active membership with the relief association before
 294.17 separation from active service may be waived by the board of trustees of the relief association
 294.18 if the member completes at least five years of inactive membership with the relief association
 294.19 before the date of the payment of the service pension. During the period of inactive
 294.20 membership, the member is not entitled to receive any disability benefit coverage, is not
 294.21 entitled to receive additional individual account allocation of fire state aid or municipal
 294.22 contribution towards a service pension, and is considered to have the status of a person
 294.23 entitled to a deferred service pension.

294.24 (c) The service pension earned by a volunteer under this chapter and the articles of
 294.25 incorporation and bylaws of the relief association may be paid whether or not the municipality
 294.26 or independent nonprofit firefighting corporation to which the relief association is associated
 294.27 qualifies for the receipt of fire state aid under chapter ~~69~~ 477B.

294.28 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

294.29 Sec. 16. Minnesota Statutes 2018, section 424A.016, subdivision 4, is amended to read:

294.30 Subd. 4. **Individual accounts.** (a) An individual account must be established for each
 294.31 firefighter who is a member of the relief association.

294.32 (b) To each individual active member account must be credited an equal share of:

295.1 (1) any amounts of fire state aid and police and firefighter retirement supplemental state
 295.2 aid received by the relief association;

295.3 (2) any amounts of municipal contributions to the relief association raised from levies
 295.4 on real estate or from other available municipal revenue sources exclusive of fire state aid;
 295.5 and

295.6 (3) any amounts equal to the share of the assets of the special fund to the credit of:

295.7 (i) any former member who terminated active service with the fire department to which
 295.8 the relief association is associated before meeting the minimum service requirement provided
 295.9 for in subdivision 2, paragraph (b), and has not returned to active service with the fire
 295.10 department for a period no shorter than five years; or

295.11 (ii) any retired member who retired before obtaining a full nonforfeitable interest in the
 295.12 amounts credited to the individual member account under subdivision 2, paragraph (b), and
 295.13 any applicable provision of the bylaws of the relief association. In addition, any investment
 295.14 return on the assets of the special fund must be credited in proportion to the share of the
 295.15 assets of the special fund to the credit of each individual active member account.
 295.16 Administrative expenses of the relief association payable from the special fund may be
 295.17 deducted from individual accounts in a manner specified in the bylaws of the relief
 295.18 association.

301.19 (c) If the bylaws so permit and as the bylaws define, the relief association may credit
301.20 any investment return on the assets of the special fund to the accounts of inactive members.

301.21 (d) Amounts to be credited to individual accounts must be allocated uniformly for all
301.22 years of active service and allocations must be made for all years of service, except for caps
301.23 on service credit if so provided in the bylaws of the relief association. Amounts forfeited
301.24 under paragraph (b), clause (3), before a resumption of active service and membership under
301.25 section 424A.01, subdivision 6, remain forfeited and may not be reinstated upon the
301.26 resumption of active service and membership. The allocation method may utilize monthly
301.27 proration for fractional years of service, as the bylaws or articles of incorporation of the
301.28 relief association so provide. The bylaws or articles of incorporation may define a "month,"
301.29 but the definition must require a calendar month to have at least 16 days of active service.
301.30 If the bylaws or articles of incorporation do not define a "month," a "month" is a completed
301.31 calendar month of active service measured from the member's date of entry to the same date
301.32 in the subsequent month.

301.33 (e) At the time of retirement under subdivision 2 and any applicable provision of the
301.34 bylaws of the relief association, a retiring member is entitled to that portion of the assets of
302.1 the special fund to the credit of the member in the individual member account which is
302.2 nonforfeitable under subdivision 3 and any applicable provision of the bylaws of the relief
302.3 association based on the number of years of service to the credit of the retiring member.

302.4 (f) Annually, the secretary of the relief association shall certify the individual account
302.5 allocations to the state auditor at the same time that the annual financial statement or financial
302.6 report and audit of the relief association, whichever applies, is due under section ~~69.054~~
302.7 424A.014.

302.8 **EFFECTIVE DATE.** This section is effective July 1, 2019.

302.9 Sec. 17. Minnesota Statutes 2018, section 424A.02, subdivision 1, is amended to read:

302.10 Subdivision 1. **Authorization.** (a) A defined benefit relief association, when its articles
302.11 of incorporation or bylaws so provide, may pay out of the assets of its special fund a defined
302.12 benefit service pension to each of its members who: (1) separates from active service with
302.13 the fire department; (2) reaches age 50; (3) completes at least five years of active service
302.14 as an active member of the fire department to which the relief association is associated; (4)
302.15 completes at least five years of active membership with the relief association before
302.16 separation from active service; and (5) complies with any additional conditions as to age,
302.17 service, and membership that are prescribed by the bylaws of the relief association. A service
302.18 pension computed under this section may be prorated monthly for fractional years of service
302.19 as the bylaws or articles of incorporation of the relief association so provide. The bylaws
302.20 or articles of incorporation may define a "month," but the definition must require a calendar
302.21 month to have at least 16 days of active service. If the bylaws or articles of incorporation
302.22 do not define a "month," a "month" is a completed calendar month of active service measured
302.23 from the member's date of entry to the same date in the subsequent month. The service

295.19 (c) If the bylaws so permit and as the bylaws define, the relief association may credit
295.20 any investment return on the assets of the special fund to the accounts of inactive members.

295.21 (d) Amounts to be credited to individual accounts must be allocated uniformly for all
295.22 years of active service and allocations must be made for all years of service, except for caps
295.23 on service credit if so provided in the bylaws of the relief association. Amounts forfeited
295.24 under paragraph (b), clause (3), before a resumption of active service and membership under
295.25 section 424A.01, subdivision 6, remain forfeited and may not be reinstated upon the
295.26 resumption of active service and membership. The allocation method may utilize monthly
295.27 proration for fractional years of service, as the bylaws or articles of incorporation of the
295.28 relief association so provide. The bylaws or articles of incorporation may define a "month,"
295.29 but the definition must require a calendar month to have at least 16 days of active service.
295.30 If the bylaws or articles of incorporation do not define a "month," a "month" is a completed
295.31 calendar month of active service measured from the member's date of entry to the same date
295.32 in the subsequent month.

295.33 (e) At the time of retirement under subdivision 2 and any applicable provision of the
295.34 bylaws of the relief association, a retiring member is entitled to that portion of the assets of
296.1 the special fund to the credit of the member in the individual member account which is
296.2 nonforfeitable under subdivision 3 and any applicable provision of the bylaws of the relief
296.3 association based on the number of years of service to the credit of the retiring member.

296.4 (f) Annually, the secretary of the relief association shall certify the individual account
296.5 allocations to the state auditor at the same time that the annual financial statement or financial
296.6 report and audit of the relief association, whichever applies, is due under section ~~69.054~~
296.7 424A.014.

296.8 **EFFECTIVE DATE.** This section is effective July 1, 2019.

296.9 Sec. 17. Minnesota Statutes 2018, section 424A.02, subdivision 1, is amended to read:

296.10 Subdivision 1. **Authorization.** (a) A defined benefit relief association, when its articles
296.11 of incorporation or bylaws so provide, may pay out of the assets of its special fund a defined
296.12 benefit service pension to each of its members who: (1) separates from active service with
296.13 the fire department; (2) reaches age 50; (3) completes at least five years of active service
296.14 as an active member of the fire department to which the relief association is associated; (4)
296.15 completes at least five years of active membership with the relief association before
296.16 separation from active service; and (5) complies with any additional conditions as to age,
296.17 service, and membership that are prescribed by the bylaws of the relief association. A service
296.18 pension computed under this section may be prorated monthly for fractional years of service
296.19 as the bylaws or articles of incorporation of the relief association so provide. The bylaws
296.20 or articles of incorporation may define a "month," but the definition must require a calendar
296.21 month to have at least 16 days of active service. If the bylaws or articles of incorporation
296.22 do not define a "month," a "month" is a completed calendar month of active service measured
296.23 from the member's date of entry to the same date in the subsequent month. The service

302.24 pension earned by a volunteer firefighter under this chapter and the articles of incorporation
 302.25 and bylaws of the volunteer firefighters relief association may be paid whether or not the
 302.26 municipality or independent nonprofit firefighting corporation to which the relief association
 302.27 is associated qualifies for the receipt of fire state aid under chapter ~~69 477B~~.

302.28 (b) In the case of a member who has completed at least five years of active service as
 302.29 an active member of the fire department to which the relief association is associated on the
 302.30 date that the relief association is established and incorporated, the requirement that the
 302.31 member complete at least five years of active membership with the relief association before
 302.32 separation from active service may be waived by the board of trustees of the relief association
 302.33 if the member completes at least five years of inactive membership with the relief association
 302.34 before the date of the payment of the service pension. During the period of inactive
 303.1 membership, the member is not entitled to receive disability benefit coverage, is not entitled
 303.2 to receive additional service credit towards computation of a service pension, and is
 303.3 considered to have the status of a person entitled to a deferred service pension under
 303.4 subdivision 7.

303.5 (c) No municipality, independent nonprofit firefighting corporation, or joint powers
 303.6 entity may delegate the power to take final action in setting a service pension or ancillary
 303.7 benefit amount or level to the board of trustees of the relief association or to approve in
 303.8 advance a service pension or ancillary benefit amount or level equal to the maximum amount
 303.9 or level that this chapter would allow rather than a specific dollar amount or level.

303.10 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

303.11 Sec. 18. Minnesota Statutes 2018, section 424A.02, subdivision 3a, is amended to read:

303.12 Subd. 3a. **Penalty for paying pension greater than applicable maximum.** (a) If a
 303.13 defined benefit relief association pays a service pension greater than the maximum service
 303.14 pension associated with the applicable average amount of available financing per active
 303.15 covered firefighter under the table in subdivision 3, paragraph (c) or (d), whichever applies,
 303.16 the maximum service pension under subdivision 3, paragraph (f), or the applicable maximum
 303.17 service pension amount specified in subdivision 3, paragraph (g), whichever is less, the
 303.18 state auditor shall:

303.19 (1) disqualify the municipality or the independent nonprofit firefighting corporation
 303.20 associated with the relief association from receiving fire state aid by making the appropriate
 303.21 notification to the municipality and the commissioner of revenue, with the disqualification
 303.22 applicable for the next apportionment and payment of fire state aid; and

303.23 (2) order the treasurer of the applicable relief association to recover the amount of the
 303.24 overpaid service pension or pensions from any retired firefighter who received an
 303.25 overpayment.

296.24 pension earned by a volunteer firefighter under this chapter and the articles of incorporation
 296.25 and bylaws of the volunteer firefighters relief association may be paid whether or not the
 296.26 municipality or independent nonprofit firefighting corporation to which the relief association
 296.27 is associated qualifies for the receipt of fire state aid under chapter ~~69 477B~~.

296.28 (b) In the case of a member who has completed at least five years of active service as
 296.29 an active member of the fire department to which the relief association is associated on the
 296.30 date that the relief association is established and incorporated, the requirement that the
 296.31 member complete at least five years of active membership with the relief association before
 296.32 separation from active service may be waived by the board of trustees of the relief association
 296.33 if the member completes at least five years of inactive membership with the relief association
 296.34 before the date of the payment of the service pension. During the period of inactive
 297.1 membership, the member is not entitled to receive disability benefit coverage, is not entitled
 297.2 to receive additional service credit towards computation of a service pension, and is
 297.3 considered to have the status of a person entitled to a deferred service pension under
 297.4 subdivision 7.

297.5 (c) No municipality, independent nonprofit firefighting corporation, or joint powers
 297.6 entity may delegate the power to take final action in setting a service pension or ancillary
 297.7 benefit amount or level to the board of trustees of the relief association or to approve in
 297.8 advance a service pension or ancillary benefit amount or level equal to the maximum amount
 297.9 or level that this chapter would allow rather than a specific dollar amount or level.

297.10 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

297.11 Sec. 18. Minnesota Statutes 2018, section 424A.02, subdivision 3a, is amended to read:

297.12 Subd. 3a. **Penalty for paying pension greater than applicable maximum.** (a) If a
 297.13 defined benefit relief association pays a service pension greater than the maximum service
 297.14 pension associated with the applicable average amount of available financing per active
 297.15 covered firefighter under the table in subdivision 3, paragraph (c) or (d), whichever applies,
 297.16 the maximum service pension under subdivision 3, paragraph (f), or the applicable maximum
 297.17 service pension amount specified in subdivision 3, paragraph (g), whichever is less, the
 297.18 state auditor shall:

297.19 (1) disqualify the municipality or the independent nonprofit firefighting corporation
 297.20 associated with the relief association from receiving fire state aid by making the appropriate
 297.21 notification to the municipality and the commissioner of revenue, with the disqualification
 297.22 applicable for the next apportionment and payment of fire state aid; and

297.23 (2) order the treasurer of the applicable relief association to recover the amount of the
 297.24 overpaid service pension or pensions from any retired firefighter who received an
 297.25 overpayment.

303.26 (b) Fire state aid amounts from disqualified municipalities for the period of
303.27 disqualifications under paragraph (a), clause (1), must be credited to the amount of fire
303.28 insurance premium tax proceeds available for the next subsequent fire state aid
303.29 apportionment.

303.30 (c) The amount of any overpaid service pension recovered under paragraph (a), clause
303.31 (2), must be credited to the amount of fire insurance premium tax proceeds available for
303.32 the next subsequent fire state aid apportionment.

304.1 (d) The determination of the state auditor that a relief association has paid a service
304.2 pension greater than the applicable maximum must be made on the basis of the information
304.3 filed by the relief association and the municipality with the state auditor under ~~sections~~
304.4 ~~69.011, subdivision 2, and 69.051, subdivision 1 or 1a, whichever applies, this chapter and~~
304.5 any other relevant information that comes to the attention of the state auditor. The
304.6 determination of the state auditor is final. An aggrieved municipality, relief association, or
304.7 person may appeal the determination under section 480A.06.

304.8 (e) The state auditor may certify, upon learning that a relief association overpaid a service
304.9 pension based on an error in the maximum service pension calculation, the municipality or
304.10 independent nonprofit firefighting corporation associated with the relief association for fire
304.11 state aid if (1) there is evidence that the error occurred in good faith, and (2) the relief
304.12 association has initiated recovery of any overpayment amount. Notwithstanding paragraph
304.13 (c), all overpayments recovered under this paragraph must be credited to the relief
304.14 association's special fund.

304.15 **EFFECTIVE DATE.** This section is effective July 1, 2019.

304.16 Sec. 19. Minnesota Statutes 2018, section 424A.02, subdivision 10, is amended to read:

304.17 Subd. 10. **Local approval of bylaw amendments; filing requirements.** (a) Each defined
304.18 benefit relief association to which this section applies must file a revised copy of its governing
304.19 bylaws with the state auditor upon the adoption of any amendment to its governing bylaws
304.20 by the relief association or upon the approval of any amendment to its governing bylaws
304.21 granted by the governing body of each municipality served by the fire department to which
304.22 the relief association is directly associated. Failure of the relief association to file a copy of
304.23 the bylaws or any bylaw amendments with the state auditor disqualifies the municipality
304.24 from the distribution of any future fire state aid until this filing requirement has been
304.25 completed.

304.26 (b) If the special fund of the relief association does not have a surplus over full funding
304.27 under section 424A.092, subdivision 3, paragraph (c), clause (5), or 424A.093, subdivision
304.28 4, and if the municipality is required to provide financial support to the special fund of the
304.29 relief association under section 424A.092 or 424A.093, no bylaw amendment which would
304.30 affect the amount of, the manner of payment of, or the conditions for qualification for service
304.31 pensions or ancillary benefits or disbursements other than administrative expenses authorized

297.26 (b) Fire state aid amounts from disqualified municipalities for the period of
297.27 disqualifications under paragraph (a), clause (1), must be credited to the amount of fire
297.28 insurance premium tax proceeds available for the next subsequent fire state aid
297.29 apportionment.

297.30 (c) The amount of any overpaid service pension recovered under paragraph (a), clause
297.31 (2), must be credited to the amount of fire insurance premium tax proceeds available for
297.32 the next subsequent fire state aid apportionment.

298.1 (d) The determination of the state auditor that a relief association has paid a service
298.2 pension greater than the applicable maximum must be made on the basis of the information
298.3 filed by the relief association and the municipality with the state auditor under ~~sections~~
298.4 ~~69.011, subdivision 2, and 69.051, subdivision 1 or 1a, whichever applies, this chapter and~~
298.5 any other relevant information that comes to the attention of the state auditor. The
298.6 determination of the state auditor is final. An aggrieved municipality, relief association, or
298.7 person may appeal the determination under section 480A.06.

298.8 (e) The state auditor may certify, upon learning that a relief association overpaid a service
298.9 pension based on an error in the maximum service pension calculation, the municipality or
298.10 independent nonprofit firefighting corporation associated with the relief association for fire
298.11 state aid if (1) there is evidence that the error occurred in good faith, and (2) the relief
298.12 association has initiated recovery of any overpayment amount. Notwithstanding paragraph
298.13 (c), all overpayments recovered under this paragraph must be credited to the relief
298.14 association's special fund.

298.15 **EFFECTIVE DATE.** This section is effective July 1, 2019.

298.16 Sec. 19. Minnesota Statutes 2018, section 424A.02, subdivision 10, is amended to read:

298.17 Subd. 10. **Local approval of bylaw amendments; filing requirements.** (a) Each defined
298.18 benefit relief association to which this section applies must file a revised copy of its governing
298.19 bylaws with the state auditor upon the adoption of any amendment to its governing bylaws
298.20 by the relief association or upon the approval of any amendment to its governing bylaws
298.21 granted by the governing body of each municipality served by the fire department to which
298.22 the relief association is directly associated. Failure of the relief association to file a copy of
298.23 the bylaws or any bylaw amendments with the state auditor disqualifies the municipality
298.24 from the distribution of any future fire state aid until this filing requirement has been
298.25 completed.

298.26 (b) If the special fund of the relief association does not have a surplus over full funding
298.27 under section 424A.092, subdivision 3, paragraph (c), clause (5), or 424A.093, subdivision
298.28 4, and if the municipality is required to provide financial support to the special fund of the
298.29 relief association under section 424A.092 or 424A.093, no bylaw amendment which would
298.30 affect the amount of, the manner of payment of, or the conditions for qualification for service
298.31 pensions or ancillary benefits or disbursements other than administrative expenses authorized

304.32 under section ~~69.80~~ 424A.05, subdivision 3b, payable from the special fund of the relief
 304.33 association is effective until it has been ratified as required under section 424A.092,
 304.34 subdivision 6, or 424A.093, subdivision 6. If the special fund of the relief association has
 305.1 a surplus over full funding under section 424A.092, subdivision 3, or 424A.093, subdivision
 305.2 4, and if the municipality is not required to provide financial support to the special fund
 305.3 under this section, the relief association may adopt or amend without municipal ratification
 305.4 its articles of incorporation or bylaws which increase or otherwise affect the service pensions
 305.5 or ancillary benefits payable from the special fund if authorized under section 424A.092,
 305.6 subdivision 6, or 424A.093, subdivision 6.

305.7 (c) If the relief association pays only a lump-sum pension, the financial requirements
 305.8 are to be determined by the board of trustees following the preparation of an estimate of
 305.9 the expected increase in the accrued liability and annual accruing liability of the relief
 305.10 association attributable to the change. If the relief association pays a monthly benefit service
 305.11 pension, the financial requirements are to be determined by the board of trustees following
 305.12 either an updated actuarial valuation including the proposed change or an estimate of the
 305.13 expected actuarial impact of the proposed change prepared by the actuary of the relief
 305.14 association. If a relief association adopts or amends its articles of incorporation or bylaws
 305.15 without municipal ratification under this subdivision, and, subsequent to the amendment or
 305.16 adoption, the financial requirements of the special fund under this section are such so as to
 305.17 require financial support from the municipality, the provision which was implemented
 305.18 without municipal ratification is no longer effective without municipal ratification, and any
 305.19 service pensions or ancillary benefits payable after that date must be paid only in accordance
 305.20 with the articles of incorporation or bylaws as amended or adopted with municipal
 305.21 ratification.

305.22 **EFFECTIVE DATE.** This section is effective July 1, 2019.

305.23 Sec. 20. Minnesota Statutes 2018, section 424A.03, subdivision 2, is amended to read:

305.24 Subd. 2. **Penalties for violations.** A municipality which has a fire department associated
 305.25 with a relief association which violates the provisions of subdivision 1 is directly associated
 305.26 or which contracts with an independent nonprofit firefighting corporation associated with
 305.27 a relief association which violates the provisions of subdivision 1 is a subsidiary may not
 305.28 be included in the apportionment of fire state aid ~~to the applicable county auditor and police~~
 305.29 ~~and firefighter retirement supplemental state aid payable under section 69.021, subdivision~~
 305.30 ~~6; chapter 477B and section 423A.022~~ and may not be included in the apportionment of
 305.31 fire state aid ~~by the county auditor~~ to the various municipalities under section ~~69.021,~~
 305.32 ~~subdivision 7 477B.03.~~

305.33 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

298.32 under section ~~69.80~~ 424A.05, subdivision 3b, payable from the special fund of the relief
 298.33 association is effective until it has been ratified as required under section 424A.092,
 298.34 subdivision 6, or 424A.093, subdivision 6. If the special fund of the relief association has
 299.1 a surplus over full funding under section 424A.092, subdivision 3, or 424A.093, subdivision
 299.2 4, and if the municipality is not required to provide financial support to the special fund
 299.3 under this section, the relief association may adopt or amend without municipal ratification
 299.4 its articles of incorporation or bylaws which increase or otherwise affect the service pensions
 299.5 or ancillary benefits payable from the special fund if authorized under section 424A.092,
 299.6 subdivision 6, or 424A.093, subdivision 6.

299.7 (c) If the relief association pays only a lump-sum pension, the financial requirements
 299.8 are to be determined by the board of trustees following the preparation of an estimate of
 299.9 the expected increase in the accrued liability and annual accruing liability of the relief
 299.10 association attributable to the change. If the relief association pays a monthly benefit service
 299.11 pension, the financial requirements are to be determined by the board of trustees following
 299.12 either an updated actuarial valuation including the proposed change or an estimate of the
 299.13 expected actuarial impact of the proposed change prepared by the actuary of the relief
 299.14 association. If a relief association adopts or amends its articles of incorporation or bylaws
 299.15 without municipal ratification under this subdivision, and, subsequent to the amendment or
 299.16 adoption, the financial requirements of the special fund under this section are such so as to
 299.17 require financial support from the municipality, the provision which was implemented
 299.18 without municipal ratification is no longer effective without municipal ratification, and any
 299.19 service pensions or ancillary benefits payable after that date must be paid only in accordance
 299.20 with the articles of incorporation or bylaws as amended or adopted with municipal
 299.21 ratification.

299.22 **EFFECTIVE DATE.** This section is effective July 1, 2019.

299.23 Sec. 20. Minnesota Statutes 2018, section 424A.03, subdivision 2, is amended to read:

299.24 Subd. 2. **Penalties for violations.** A municipality which has a fire department associated
 299.25 with a relief association which violates the provisions of subdivision 1 is directly associated
 299.26 or which contracts with an independent nonprofit firefighting corporation associated with
 299.27 a relief association which violates the provisions of subdivision 1 is a subsidiary may not
 299.28 be included in the apportionment of fire state aid ~~to the applicable county auditor and police~~
 299.29 ~~and firefighter retirement supplemental state aid payable under section 69.021, subdivision~~
 299.30 ~~6; chapter 477B and section 423A.022~~ and may not be included in the apportionment of
 299.31 fire state aid ~~by the county auditor~~ to the various municipalities under section ~~69.021,~~
 299.32 ~~subdivision 7 477B.03.~~

299.33 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

306.1 Sec. 21. Minnesota Statutes 2018, section 424A.05, subdivision 2, is amended to read:

306.2 Subd. 2. **Special fund assets and revenues.** The special fund must be credited with all
 306.3 fire state aid and police and firefighter retirement supplemental state aid received under
 306.4 ~~sections 69.011 to 69.051~~ chapter 477B and section 423A.022, all taxes levied by or other
 306.5 revenues received from the municipality under sections 424A.091 to 424A.096 or any
 306.6 applicable special law requiring municipal support for the relief association, any funds or
 306.7 property donated, given, granted or devised by any person which is specified for use for the
 306.8 support of the special fund and any interest or investment return earned upon the assets of
 306.9 the special fund. The treasurer of the relief association is the custodian of the assets of the
 306.10 special fund and must be the recipient on behalf of the special fund of all revenues payable
 306.11 to the special fund. The treasurer shall maintain adequate records documenting any
 306.12 transaction involving the assets or the revenues of the special fund. These records and the
 306.13 bylaws of the relief association are public and must be open for inspection by any member
 306.14 of the relief association, any officer or employee of the state or of the municipality, or any
 306.15 member of the public, at reasonable times and places.

306.16 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

306.17 Sec. 22. Minnesota Statutes 2018, section 424A.05, subdivision 3, is amended to read:

306.18 Subd. 3. **Authorized disbursements from special fund.** (a) Disbursements from the
 306.19 special fund may not be made for any purpose other than one of the following:

306.20 (1) for the payment of service pensions to retired members of the relief association if
 306.21 authorized and paid under law and the bylaws governing the relief association;

306.22 (2) for the purchase of an annuity for the applicable person under section 424A.015,
 306.23 subdivision 3, for the transfer of service pension or benefit amounts to the applicable person's
 306.24 individual retirement account under section 424A.015, subdivision 4, or to the applicable
 306.25 person's account in the Minnesota deferred compensation plan under section 424A.015,
 306.26 subdivision 5;

306.27 (3) for the payment of temporary or permanent disability benefits to disabled members
 306.28 of the relief association if authorized and paid under law and specified in amount in the
 306.29 bylaws governing the relief association;

306.30 (4) for the payment of survivor benefits or for the payment of a death benefit to the estate
 306.31 of the deceased active or deferred firefighter, if authorized and paid under law and specified
 306.32 in amount in the bylaws governing the relief association;

307.1 (5) for the payment of the fees, dues and assessments to the Minnesota State Fire
 307.2 Department Association and to the Minnesota State Fire Chiefs Association in order to
 307.3 entitle relief association members to membership in and the benefits of these associations
 307.4 or organizations;

300.1 Sec. 21. Minnesota Statutes 2018, section 424A.05, subdivision 2, is amended to read:

300.2 Subd. 2. **Special fund assets and revenues.** The special fund must be credited with all
 300.3 fire state aid and police and firefighter retirement supplemental state aid received under
 300.4 ~~sections 69.011 to 69.051~~ chapter 477B and section 423A.022, all taxes levied by or other
 300.5 revenues received from the municipality under sections 424A.091 to 424A.096 or any
 300.6 applicable special law requiring municipal support for the relief association, any funds or
 300.7 property donated, given, granted or devised by any person which is specified for use for the
 300.8 support of the special fund and any interest or investment return earned upon the assets of
 300.9 the special fund. The treasurer of the relief association is the custodian of the assets of the
 300.10 special fund and must be the recipient on behalf of the special fund of all revenues payable
 300.11 to the special fund. The treasurer shall maintain adequate records documenting any
 300.12 transaction involving the assets or the revenues of the special fund. These records and the
 300.13 bylaws of the relief association are public and must be open for inspection by any member
 300.14 of the relief association, any officer or employee of the state or of the municipality, or any
 300.15 member of the public, at reasonable times and places.

300.16 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

300.17 Sec. 22. Minnesota Statutes 2018, section 424A.05, subdivision 3, is amended to read:

300.18 Subd. 3. **Authorized disbursements from special fund.** (a) Disbursements from the
 300.19 special fund may not be made for any purpose other than one of the following:

300.20 (1) for the payment of service pensions to retired members of the relief association if
 300.21 authorized and paid under law and the bylaws governing the relief association;

300.22 (2) for the purchase of an annuity for the applicable person under section 424A.015,
 300.23 subdivision 3, for the transfer of service pension or benefit amounts to the applicable person's
 300.24 individual retirement account under section 424A.015, subdivision 4, or to the applicable
 300.25 person's account in the Minnesota deferred compensation plan under section 424A.015,
 300.26 subdivision 5;

300.27 (3) for the payment of temporary or permanent disability benefits to disabled members
 300.28 of the relief association if authorized and paid under law and specified in amount in the
 300.29 bylaws governing the relief association;

300.30 (4) for the payment of survivor benefits or for the payment of a death benefit to the estate
 300.31 of the deceased active or deferred firefighter, if authorized and paid under law and specified
 300.32 in amount in the bylaws governing the relief association;

301.1 (5) for the payment of the fees, dues and assessments to the Minnesota State Fire
 301.2 Department Association and to the Minnesota State Fire Chiefs Association in order to
 301.3 entitle relief association members to membership in and the benefits of these associations
 301.4 or organizations;

307.5 (6) for the payment of insurance premiums to the state Volunteer Firefighters Benefit
 307.6 Association, or an insurance company licensed by the state of Minnesota offering casualty
 307.7 insurance, in order to entitle relief association members to membership in and the benefits
 307.8 of the association or organization; and

307.9 (7) for the payment of administrative expenses of the relief association as authorized
 307.10 under ~~section 69.80~~ subdivision 3b.

307.11 (b) Checks or authorizations for electronic fund transfers for disbursements authorized
 307.12 by this section must be signed by the relief association treasurer and at least one other elected
 307.13 trustee who has been designated by the board of trustees to sign the checks or authorizations.
 307.14 A relief association may make disbursements authorized by this subdivision by electronic
 307.15 fund transfers only if the specific method of payment and internal control policies and
 307.16 procedures regarding the method are approved by the board of trustees.

307.17 **EFFECTIVE DATE.** This section is effective July 1, 2019.

307.18 Sec. 23. Minnesota Statutes 2018, section 424A.07, is amended to read:

307.19 **424A.07 NONPROFIT FIREFIGHTING CORPORATIONS; ESTABLISHMENT**
 307.20 **OF RELIEF ASSOCIATIONS.**

307.21 Before paying any service pensions or retirement benefits under section 424A.02 or
 307.22 before becoming entitled to receive any amounts of fire state aid upon transmittal from a
 307.23 contracting municipality under section ~~69.031, subdivision 5~~ 477B.04, subdivision 3, an
 307.24 independent nonprofit firefighting corporation shall establish a volunteer firefighters relief
 307.25 association governed by this chapter.

307.26 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

307.27 Sec. 24. Minnesota Statutes 2018, section 424A.091, subdivision 3, is amended to read:

307.28 Subd. 3. **Remedy for noncompliance; determination.** (a) A municipality in which
 307.29 there exists a firefighters relief association as specified in subdivision 1 which does not
 307.30 comply with the applicable provisions of sections 424A.091 to 424A.096 or the provisions
 307.31 of any applicable special law relating to the funding or financing of the association does
 307.32 not qualify initially to receive, and is not entitled subsequently to retain, fire state aid under
 308.1 ~~sections 69.011 to 69.051~~ chapter 477B until the reason for the disqualification specified
 308.2 by the state auditor is remedied, whereupon the municipality or relief association, if otherwise
 308.3 qualified, is entitled to again receive fire state aid for the year occurring immediately
 308.4 subsequent to the year in which the disqualification is remedied.

308.5 (b) The state auditor shall determine if a municipality to which a firefighters' relief
 308.6 association is directly associated or a firefighters relief association fails to comply with the
 308.7 provisions of sections 424A.091 to 424A.096 or the funding or financing provisions of any
 308.8 applicable special law based upon the information contained in the annual financial report

301.5 (6) for the payment of insurance premiums to the state Volunteer Firefighters Benefit
 301.6 Association, or an insurance company licensed by the state of Minnesota offering casualty
 301.7 insurance, in order to entitle relief association members to membership in and the benefits
 301.8 of the association or organization; and

301.9 (7) for the payment of administrative expenses of the relief association as authorized
 301.10 under ~~section 69.80~~ subdivision 3b.

301.11 (b) Checks or authorizations for electronic fund transfers for disbursements authorized
 301.12 by this section must be signed by the relief association treasurer and at least one other elected
 301.13 trustee who has been designated by the board of trustees to sign the checks or authorizations.
 301.14 A relief association may make disbursements authorized by this subdivision by electronic
 301.15 fund transfers only if the specific method of payment and internal control policies and
 301.16 procedures regarding the method are approved by the board of trustees.

301.17 **EFFECTIVE DATE.** This section is effective July 1, 2019.

301.18 Sec. 23. Minnesota Statutes 2018, section 424A.07, is amended to read:

301.19 **424A.07 NONPROFIT FIREFIGHTING CORPORATIONS; ESTABLISHMENT**
 301.20 **OF RELIEF ASSOCIATIONS.**

301.21 Before paying any service pensions or retirement benefits under section 424A.02 or
 301.22 before becoming entitled to receive any amounts of fire state aid upon transmittal from a
 301.23 contracting municipality under section ~~69.031, subdivision 5~~ 477B.04, subdivision 3, an
 301.24 independent nonprofit firefighting corporation shall establish a volunteer firefighters relief
 301.25 association governed by this chapter.

301.26 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.

301.27 Sec. 24. Minnesota Statutes 2018, section 424A.091, subdivision 3, is amended to read:

301.28 Subd. 3. **Remedy for noncompliance; determination.** (a) A municipality in which
 301.29 there exists a firefighters relief association as specified in subdivision 1 which does not
 301.30 comply with the applicable provisions of sections 424A.091 to 424A.096 or the provisions
 301.31 of any applicable special law relating to the funding or financing of the association does
 301.32 not qualify initially to receive, and is not entitled subsequently to retain, fire state aid under
 302.1 ~~sections 69.011 to 69.051~~ chapter 477B until the reason for the disqualification specified
 302.2 by the state auditor is remedied, whereupon the municipality or relief association, if otherwise
 302.3 qualified, is entitled to again receive fire state aid for the year occurring immediately
 302.4 subsequent to the year in which the disqualification is remedied.

302.5 (b) The state auditor shall determine if a municipality to which a firefighters' relief
 302.6 association is directly associated or a firefighters relief association fails to comply with the
 302.7 provisions of sections 424A.091 to 424A.096 or the funding or financing provisions of any
 302.8 applicable special law based upon the information contained in the annual financial report

308.9 of the firefighters relief association required under section ~~69.051~~ 424A.014, the actuarial
 308.10 valuation of the relief association, if applicable, the relief association officers' financial
 308.11 requirements of the relief association and minimum municipal obligation determination
 308.12 documentation under section 424A.092, subdivisions 3 and 4; 424A.093, subdivisions 4
 308.13 and 5; or 424A.094, subdivision 2, if requested to be filed by the state auditor, the applicable
 308.14 municipal or independent nonprofit firefighting corporation budget, if requested to be filed
 308.15 by the state auditor, and any other relevant documents or reports obtained by the state
 308.16 auditor.

308.17 (c) The municipality or independent nonprofit firefighting corporation and the associated
 308.18 relief association are not eligible to receive or to retain fire state aid if:

308.19 (1) the relief association fails to prepare or to file the financial report or financial
 308.20 statement under section ~~69.051~~ 424A.014;

308.21 (2) the relief association treasurer is not bonded in the manner and in the amount required
 308.22 by ~~section 69.051, subdivision 2~~ 424A.014, subdivision 4;

308.23 (3) the relief association officers fail to determine or improperly determine the accrued
 308.24 liability and the annual accruing liability of the relief association under section 424A.092,
 308.25 subdivisions 2, 2a, and 3, paragraph (c), clause (2), if applicable;

308.26 (4) if applicable, the relief association officers fail to obtain and file a required actuarial
 308.27 valuation or the officers file an actuarial valuation that does not contain the special fund
 308.28 actuarial liability calculated under the entry age normal actuarial cost method, the special
 308.29 fund current assets, the special fund unfunded actuarial accrued liability, the special fund
 308.30 normal cost under the entry age normal actuarial cost method, the amortization requirement
 308.31 for the special fund unfunded actuarial accrued liability by the applicable target date, a
 308.32 summary of the applicable benefit plan, a summary of the membership of the relief
 308.33 association, a summary of the actuarial assumptions used in preparing the valuation, and a
 309.1 signed statement by the actuary attesting to its results and certifying to the qualifications of
 309.2 the actuary as an approved actuary under section 356.215, subdivision 1, paragraph (c);

309.3 (5) the municipality failed to provide a municipal contribution, or the independent
 309.4 nonprofit firefighting corporation failed to provide a corporate contribution, in the amount
 309.5 equal to the minimum municipal obligation if the relief association is governed under section
 309.6 424A.092, or the amount necessary, when added to the fire state aid actually received in
 309.7 the plan year in question, to at least equal in total the calculated annual financial requirements
 309.8 of the special fund of the relief association if the relief association is governed under section
 309.9 424A.093, and, if the municipal or corporate contribution is deficient, the municipality
 309.10 failed to include the minimum municipal obligation certified under section 424A.092,
 309.11 subdivision 3, or 424A.093, subdivision 5, in its budget and tax levy or the independent
 309.12 nonprofit firefighting corporation failed to include the minimum corporate obligation certified
 309.13 under section 424A.094, subdivision 2, in the corporate budget;

302.9 of the firefighters relief association required under section ~~69.051~~ 424A.014, the actuarial
 302.10 valuation of the relief association, if applicable, the relief association officers' financial
 302.11 requirements of the relief association and minimum municipal obligation determination
 302.12 documentation under section 424A.092, subdivisions 3 and 4; 424A.093, subdivisions 4
 302.13 and 5; or 424A.094, subdivision 2, if requested to be filed by the state auditor, the applicable
 302.14 municipal or independent nonprofit firefighting corporation budget, if requested to be filed
 302.15 by the state auditor, and any other relevant documents or reports obtained by the state
 302.16 auditor.

302.17 (c) The municipality or independent nonprofit firefighting corporation and the associated
 302.18 relief association are not eligible to receive or to retain fire state aid if:

302.19 (1) the relief association fails to prepare or to file the financial report or financial
 302.20 statement under section ~~69.051~~ 424A.014;

302.21 (2) the relief association treasurer is not bonded in the manner and in the amount required
 302.22 by ~~section 69.051, subdivision 2~~ 424A.014, subdivision 4;

302.23 (3) the relief association officers fail to determine or improperly determine the accrued
 302.24 liability and the annual accruing liability of the relief association under section 424A.092,
 302.25 subdivisions 2, 2a, and 3, paragraph (c), clause (2), if applicable;

302.26 (4) if applicable, the relief association officers fail to obtain and file a required actuarial
 302.27 valuation or the officers file an actuarial valuation that does not contain the special fund
 302.28 actuarial liability calculated under the entry age normal actuarial cost method, the special
 302.29 fund current assets, the special fund unfunded actuarial accrued liability, the special fund
 302.30 normal cost under the entry age normal actuarial cost method, the amortization requirement
 302.31 for the special fund unfunded actuarial accrued liability by the applicable target date, a
 302.32 summary of the applicable benefit plan, a summary of the membership of the relief
 302.33 association, a summary of the actuarial assumptions used in preparing the valuation, and a
 303.1 signed statement by the actuary attesting to its results and certifying to the qualifications of
 303.2 the actuary as an approved actuary under section 356.215, subdivision 1, paragraph (c);

303.3 (5) the municipality failed to provide a municipal contribution, or the independent
 303.4 nonprofit firefighting corporation failed to provide a corporate contribution, in the amount
 303.5 equal to the minimum municipal obligation if the relief association is governed under section
 303.6 424A.092, or the amount necessary, when added to the fire state aid actually received in
 303.7 the plan year in question, to at least equal in total the calculated annual financial requirements
 303.8 of the special fund of the relief association if the relief association is governed under section
 303.9 424A.093, and, if the municipal or corporate contribution is deficient, the municipality
 303.10 failed to include the minimum municipal obligation certified under section 424A.092,
 303.11 subdivision 3, or 424A.093, subdivision 5, in its budget and tax levy or the independent
 303.12 nonprofit firefighting corporation failed to include the minimum corporate obligation certified
 303.13 under section 424A.094, subdivision 2, in the corporate budget;

309.14 (6) the defined benefit relief association did not receive municipal ratification for the
 309.15 most recent plan amendment when municipal ratification was required under section 424A.02,
 309.16 subdivision 10; 424A.092, subdivision 6; or 424A.093, subdivision 6;

309.17 (7) the relief association invested special fund assets in an investment security that is
 309.18 not authorized under section 424A.095;

309.19 (8) the relief association had an administrative expense that is not authorized under
 309.20 section ~~69.80~~ or 424A.05, subdivision 3 or 3b, or the municipality had an expenditure that
 309.21 is not authorized under section 424A.08;

309.22 (9) the relief association officers fail to provide a complete and accurate public pension
 309.23 plan investment portfolio and performance disclosure under section 356.219;

309.24 (10) the relief association fails to obtain the acknowledgment from a broker of the
 309.25 statement of investment restrictions under section 356A.06, subdivision 8b;

309.26 (11) the relief association officers permitted to occur a prohibited transaction under
 309.27 section 356A.06, subdivision 9, or 424A.04, subdivision 2a, or failed to undertake correction
 309.28 of a prohibited transaction that did occur; or

309.29 (12) the relief association pays a defined benefit service pension in an amount that is in
 309.30 excess of the applicable service pension maximum under section 424A.02, subdivision 3.

309.31 **EFFECTIVE DATE.** This section is effective July 1, 2019, except the reference to
 309.32 Minnesota Statutes, chapter 477B, is effective for aids payable in 2020 and thereafter.

310.1 Sec. 25. Minnesota Statutes 2018, section 424A.092, subdivision 3, is amended to read:

310.2 Subd. 3. **Financial requirements of relief association; minimum obligation of**
 310.3 **municipality.** (a) During the month of July, the officers of the relief association shall
 310.4 determine the overall funding balance of the special fund for the current calendar year, the
 310.5 financial requirements of the special fund for the following calendar year and the minimum
 310.6 obligation of the municipality with respect to the special fund for the following calendar
 310.7 year in accordance with the requirements of this subdivision.

310.8 (b) The overall funding balance of the special fund for the current calendar year must
 310.9 be determined in the following manner:

310.10 (1) The total accrued liability of the special fund for all active and deferred members of
 310.11 the relief association as of December 31 of the current year must be calculated under
 310.12 subdivisions 2 and 2a, if applicable.

310.13 (2) The total present assets of the special fund projected to December 31 of the current
 310.14 year, including receipts by and disbursements from the special fund anticipated to occur on
 310.15 or before December 31, must be calculated. To the extent possible, for those assets for which

303.14 (6) the defined benefit relief association did not receive municipal ratification for the
 303.15 most recent plan amendment when municipal ratification was required under section 424A.02,
 303.16 subdivision 10; 424A.092, subdivision 6; or 424A.093, subdivision 6;

303.17 (7) the relief association invested special fund assets in an investment security that is
 303.18 not authorized under section 424A.095;

303.19 (8) the relief association had an administrative expense that is not authorized under
 303.20 section ~~69.80~~ or 424A.05, subdivision 3 or 3b, or the municipality had an expenditure that
 303.21 is not authorized under section 424A.08;

303.22 (9) the relief association officers fail to provide a complete and accurate public pension
 303.23 plan investment portfolio and performance disclosure under section 356.219;

303.24 (10) the relief association fails to obtain the acknowledgment from a broker of the
 303.25 statement of investment restrictions under section 356A.06, subdivision 8b;

303.26 (11) the relief association officers permitted to occur a prohibited transaction under
 303.27 section 356A.06, subdivision 9, or 424A.04, subdivision 2a, or failed to undertake correction
 303.28 of a prohibited transaction that did occur; or

303.29 (12) the relief association pays a defined benefit service pension in an amount that is in
 303.30 excess of the applicable service pension maximum under section 424A.02, subdivision 3.

303.31 **EFFECTIVE DATE.** This section is effective July 1, 2019, except the reference to
 303.32 Minnesota Statutes, chapter 477B, is effective for aids payable in 2020 and thereafter.

304.1 Sec. 25. Minnesota Statutes 2018, section 424A.092, subdivision 3, is amended to read:

304.2 Subd. 3. **Financial requirements of relief association; minimum obligation of**
 304.3 **municipality.** (a) During the month of July, the officers of the relief association shall
 304.4 determine the overall funding balance of the special fund for the current calendar year, the
 304.5 financial requirements of the special fund for the following calendar year and the minimum
 304.6 obligation of the municipality with respect to the special fund for the following calendar
 304.7 year in accordance with the requirements of this subdivision.

304.8 (b) The overall funding balance of the special fund for the current calendar year must
 304.9 be determined in the following manner:

304.10 (1) The total accrued liability of the special fund for all active and deferred members of
 304.11 the relief association as of December 31 of the current year must be calculated under
 304.12 subdivisions 2 and 2a, if applicable.

304.13 (2) The total present assets of the special fund projected to December 31 of the current
 304.14 year, including receipts by and disbursements from the special fund anticipated to occur on
 304.15 or before December 31, must be calculated. To the extent possible, for those assets for which

310.16 a market value is readily ascertainable, the current market value as of the date of the
310.17 calculation for those assets must be utilized in making this calculation. For any asset for
310.18 which no market value is readily ascertainable, the cost value or the book value, whichever
310.19 is applicable, must be utilized in making this calculation.

310.20 (3) The amount of the total present assets of the special fund calculated under clause (2)
310.21 must be subtracted from the amount of the total accrued liability of the special fund calculated
310.22 under clause (1). If the amount of total present assets exceeds the amount of the total accrued
310.23 liability, then the special fund is considered to have a surplus over full funding. If the amount
310.24 of the total present assets is less than the amount of the total accrued liability, then the
310.25 special fund is considered to have a deficit from full funding. If the amount of total present
310.26 assets is equal to the amount of the total accrued liability, then the special fund is considered
310.27 to be fully funded.

310.28 (c) The financial requirements of the special fund for the following calendar year must
310.29 be determined in the following manner:

310.30 (1) The total accrued liability of the special fund for all active and deferred members of
310.31 the relief association as of December 31 of the calendar year next following the current
310.32 calendar year must be calculated under subdivisions 2 and 2a, if applicable.

311.1 (2) The increase in the total accrued liability of the special fund for the following calendar
311.2 year over the total accrued liability of the special fund for the current year must be calculated.

311.3 (3) The amount of anticipated future administrative expenses of the special fund must
311.4 be calculated by multiplying the dollar amount of the administrative expenses of the special
311.5 fund for the most recent prior calendar year by the factor of 1.035.

311.6 (4) If the special fund is fully funded, the financial requirements of the special fund for
311.7 the following calendar year are the total of the amounts calculated under clauses (2) and
311.8 (3).

311.9 (5) If the special fund has a deficit from full funding, the financial requirements of the
311.10 special fund for the following calendar year are the financial requirements of the special
311.11 fund calculated as though the special fund were fully funded under clause (4) plus an amount
311.12 equal to one-tenth of the original amount of the deficit from full funding of the special fund
311.13 as determined under clause (2) resulting either from an increase in the amount of the service
311.14 pension occurring in the last ten years or from a net annual investment loss occurring during
311.15 the last ten years until each increase in the deficit from full funding is fully retired. The
311.16 annual amortization contribution under this clause may not exceed the amount of the deficit
311.17 from full funding.

311.18 (6) If the special fund has a surplus over full funding, the financial requirements of the
311.19 special fund for the following calendar year are the financial requirements of the special
311.20 fund calculated as though the special fund were fully funded under clause (4) reduced by

304.16 a market value is readily ascertainable, the current market value as of the date of the
304.17 calculation for those assets must be utilized in making this calculation. For any asset for
304.18 which no market value is readily ascertainable, the cost value or the book value, whichever
304.19 is applicable, must be utilized in making this calculation.

304.20 (3) The amount of the total present assets of the special fund calculated under clause (2)
304.21 must be subtracted from the amount of the total accrued liability of the special fund calculated
304.22 under clause (1). If the amount of total present assets exceeds the amount of the total accrued
304.23 liability, then the special fund is considered to have a surplus over full funding. If the amount
304.24 of the total present assets is less than the amount of the total accrued liability, then the
304.25 special fund is considered to have a deficit from full funding. If the amount of total present
304.26 assets is equal to the amount of the total accrued liability, then the special fund is considered
304.27 to be fully funded.

304.28 (c) The financial requirements of the special fund for the following calendar year must
304.29 be determined in the following manner:

304.30 (1) The total accrued liability of the special fund for all active and deferred members of
304.31 the relief association as of December 31 of the calendar year next following the current
304.32 calendar year must be calculated under subdivisions 2 and 2a, if applicable.

305.1 (2) The increase in the total accrued liability of the special fund for the following calendar
305.2 year over the total accrued liability of the special fund for the current year must be calculated.

305.3 (3) The amount of anticipated future administrative expenses of the special fund must
305.4 be calculated by multiplying the dollar amount of the administrative expenses of the special
305.5 fund for the most recent prior calendar year by the factor of 1.035.

305.6 (4) If the special fund is fully funded, the financial requirements of the special fund for
305.7 the following calendar year are the total of the amounts calculated under clauses (2) and
305.8 (3).

305.9 (5) If the special fund has a deficit from full funding, the financial requirements of the
305.10 special fund for the following calendar year are the financial requirements of the special
305.11 fund calculated as though the special fund were fully funded under clause (4) plus an amount
305.12 equal to one-tenth of the original amount of the deficit from full funding of the special fund
305.13 as determined under clause (2) resulting either from an increase in the amount of the service
305.14 pension occurring in the last ten years or from a net annual investment loss occurring during
305.15 the last ten years until each increase in the deficit from full funding is fully retired. The
305.16 annual amortization contribution under this clause may not exceed the amount of the deficit
305.17 from full funding.

305.18 (6) If the special fund has a surplus over full funding, the financial requirements of the
305.19 special fund for the following calendar year are the financial requirements of the special
305.20 fund calculated as though the special fund were fully funded under clause (4) reduced by

- 311.21 an amount equal to one-tenth of the amount of the surplus over full funding of the special
311.22 fund.
- 311.23 (d) The minimum obligation of the municipality with respect to the special fund is the
311.24 financial requirements of the special fund reduced by the amount of any fire state aid and
311.25 police and firefighter retirement supplemental state aid payable under ~~sections 69.011 to~~
311.26 ~~69.051~~ chapter 477B and section 423A.022 reasonably anticipated to be received by the
311.27 municipality for transmittal to the special fund during the following calendar year, an amount
311.28 of interest on the assets of the special fund projected to the beginning of the following
311.29 calendar year calculated at the rate of five percent per annum, and the amount of any
311.30 contributions to the special fund required by the relief association bylaws from the active
311.31 members of the relief association reasonably anticipated to be received during the following
311.32 calendar year. A reasonable amount of anticipated fire state aid is an amount that does not
311.33 exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.
- 311.34 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.
- 312.1 Sec. 26. Minnesota Statutes 2018, section 424A.092, subdivision 4, is amended to read:
- 312.2 Subd. 4. **Certification of financial requirements and minimum municipal obligation;**
312.3 **levy.** (a) The officers of the relief association shall certify the financial requirements of the
312.4 special fund of the relief association and the minimum obligation of the municipality with
312.5 respect to the special fund of the relief association as determined under subdivision 3 on or
312.6 before August 1 of each year. The certification must be made to the entity that is responsible
312.7 for satisfying the minimum obligation with respect to the special fund of the relief association.
312.8 If the responsible entity is a joint powers entity, the certification must be made in the manner
312.9 specified in the joint powers agreement, or if the joint powers agreement is silent on this
312.10 point, the certification must be made to the chair of the joint powers board.
- 312.11 (b) The financial requirements of the relief association and the minimum municipal
312.12 obligation must be included in the financial report or financial statement under section
312.13 ~~69.051~~ 424A.014. The schedule forms related to the determination of the financial
312.14 requirements must be filed with the state auditor by March 31, annually, if the relief
312.15 association is required to file a financial statement under section ~~69.051, subdivision 1a~~
312.16 424A.014, subdivision 2, or by June 30, annually, if the relief association is required to file
312.17 a financial report and audit under section ~~69.051, subdivision 1~~ 424A.014, subdivision 1.
- 312.18 (c) The municipality shall provide for at least the minimum obligation of the municipality
312.19 with respect to the special fund of the relief association by tax levy or from any other source
312.20 of public revenue.
- 312.21 (d) The municipality may levy taxes for the payment of the minimum municipal obligation
312.22 without any limitation as to rate or amount and irrespective of any limitations imposed by
312.23 other provisions of law upon the rate or amount of taxation until the balance of the special
312.24 fund or any fund of the relief association has attained a specified level. In addition, any

- 305.21 an amount equal to one-tenth of the amount of the surplus over full funding of the special
305.22 fund.
- 305.23 (d) The minimum obligation of the municipality with respect to the special fund is the
305.24 financial requirements of the special fund reduced by the amount of any fire state aid and
305.25 police and firefighter retirement supplemental state aid payable under ~~sections 69.011 to~~
305.26 ~~69.051~~ chapter 477B and section 423A.022 reasonably anticipated to be received by the
305.27 municipality for transmittal to the special fund during the following calendar year, an amount
305.28 of interest on the assets of the special fund projected to the beginning of the following
305.29 calendar year calculated at the rate of five percent per annum, and the amount of any
305.30 contributions to the special fund required by the relief association bylaws from the active
305.31 members of the relief association reasonably anticipated to be received during the following
305.32 calendar year. A reasonable amount of anticipated fire state aid is an amount that does not
305.33 exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.
- 305.34 **EFFECTIVE DATE.** This section is effective for aids payable in 2020 and thereafter.
- 306.1 Sec. 26. Minnesota Statutes 2018, section 424A.092, subdivision 4, is amended to read:
- 306.2 Subd. 4. **Certification of financial requirements and minimum municipal obligation;**
306.3 **levy.** (a) The officers of the relief association shall certify the financial requirements of the
306.4 special fund of the relief association and the minimum obligation of the municipality with
306.5 respect to the special fund of the relief association as determined under subdivision 3 on or
306.6 before August 1 of each year. The certification must be made to the entity that is responsible
306.7 for satisfying the minimum obligation with respect to the special fund of the relief association.
306.8 If the responsible entity is a joint powers entity, the certification must be made in the manner
306.9 specified in the joint powers agreement, or if the joint powers agreement is silent on this
306.10 point, the certification must be made to the chair of the joint powers board.
- 306.11 (b) The financial requirements of the relief association and the minimum municipal
306.12 obligation must be included in the financial report or financial statement under section
306.13 ~~69.051~~ 424A.014. The schedule forms related to the determination of the financial
306.14 requirements must be filed with the state auditor by March 31, annually, if the relief
306.15 association is required to file a financial statement under section ~~69.051, subdivision 1a~~
306.16 424A.014, subdivision 2, or by June 30, annually, if the relief association is required to file
306.17 a financial report and audit under section ~~69.051, subdivision 1~~ 424A.014, subdivision 1.
- 306.18 (c) The municipality shall provide for at least the minimum obligation of the municipality
306.19 with respect to the special fund of the relief association by tax levy or from any other source
306.20 of public revenue.
- 306.21 (d) The municipality may levy taxes for the payment of the minimum municipal obligation
306.22 without any limitation as to rate or amount and irrespective of any limitations imposed by
306.23 other provisions of law upon the rate or amount of taxation until the balance of the special
306.24 fund or any fund of the relief association has attained a specified level. In addition, any

312.25 taxes levied under this section must not cause the amount or rate of any other taxes levied
 312.26 in that year or to be levied in a subsequent year by the municipality which are subject to a
 312.27 limitation as to rate or amount to be reduced.

312.28 (e) If the municipality does not include the full amount of the minimum municipal
 312.29 obligations in its levy for any year, the officers of the relief association shall certify that
 312.30 amount to the county auditor, who shall spread a levy in the amount of the certified minimum
 312.31 municipal obligation on the taxable property of the municipality.

312.32 (f) If the state auditor determines that a municipal contribution actually made in a plan
 312.33 year was insufficient under section 424A.091, subdivision 3, paragraph (c), clause (5), the
 312.34 state auditor may request a copy of the certifications under this subdivision from the relief
 313.1 association or from the city. The relief association or the city, whichever applies, must
 313.2 provide the certifications within 14 days of the date of the request from the state auditor.

313.3 **EFFECTIVE DATE.** This section is effective July 1, 2019.

313.4 Sec. 27. Minnesota Statutes 2018, section 424A.093, subdivision 5, is amended to read:

313.5 Subd. 5. **Minimum municipal obligation.** (a) The officers of the relief association shall
 313.6 determine the minimum obligation of the municipality with respect to the special fund of
 313.7 the relief association for the following calendar year on or before August 1 of each year in
 313.8 accordance with the requirements of this subdivision.

313.9 (b) The minimum obligation of the municipality with respect to the special fund is an
 313.10 amount equal to the financial requirements of the special fund of the relief association
 313.11 determined under subdivision 4, reduced by the estimated amount of any fire state aid and
 313.12 police and firefighter retirement supplemental state aid payable under ~~sections 69.011 to~~
 313.13 ~~69.051 chapter 477B~~ and section 423A.022 reasonably anticipated to be received by the
 313.14 municipality for transmittal to the special fund of the relief association during the following
 313.15 year and the amount of any anticipated contributions to the special fund required by the
 313.16 relief association bylaws from the active members of the relief association reasonably
 313.17 anticipated to be received during the following calendar year. A reasonable amount of
 313.18 anticipated fire state aid is an amount that does not exceed the fire state aid actually received
 313.19 in the prior year multiplied by the factor 1.035.

313.20 (c) The officers of the relief association shall certify the financial requirements of the
 313.21 special fund of the relief association and the minimum obligation of the municipality with
 313.22 respect to the special fund of the relief association as determined under subdivision 4 and
 313.23 this subdivision by August 1 of each year. The certification must be made to the entity that
 313.24 is responsible for satisfying the minimum obligation with respect to the special fund of the
 313.25 relief association. If the responsible entity is a joint powers entity, the certification must be
 313.26 made in the manner specified in the joint powers agreement, or if the joint powers agreement
 313.27 is silent on this point, the certification must be made to the chair of the joint powers board.

306.25 taxes levied under this section must not cause the amount or rate of any other taxes levied
 306.26 in that year or to be levied in a subsequent year by the municipality which are subject to a
 306.27 limitation as to rate or amount to be reduced.

306.28 (e) If the municipality does not include the full amount of the minimum municipal
 306.29 obligations in its levy for any year, the officers of the relief association shall certify that
 306.30 amount to the county auditor, who shall spread a levy in the amount of the certified minimum
 306.31 municipal obligation on the taxable property of the municipality.

306.32 (f) If the state auditor determines that a municipal contribution actually made in a plan
 306.33 year was insufficient under section 424A.091, subdivision 3, paragraph (c), clause (5), the
 306.34 state auditor may request a copy of the certifications under this subdivision from the relief
 307.1 association or from the city. The relief association or the city, whichever applies, must
 307.2 provide the certifications within 14 days of the date of the request from the state auditor.

307.3 **EFFECTIVE DATE.** This section is effective July 1, 2019.

307.4 Sec. 27. Minnesota Statutes 2018, section 424A.093, subdivision 5, is amended to read:

307.5 Subd. 5. **Minimum municipal obligation.** (a) The officers of the relief association shall
 307.6 determine the minimum obligation of the municipality with respect to the special fund of
 307.7 the relief association for the following calendar year on or before August 1 of each year in
 307.8 accordance with the requirements of this subdivision.

307.9 (b) The minimum obligation of the municipality with respect to the special fund is an
 307.10 amount equal to the financial requirements of the special fund of the relief association
 307.11 determined under subdivision 4, reduced by the estimated amount of any fire state aid and
 307.12 police and firefighter retirement supplemental state aid payable under ~~sections 69.011 to~~
 307.13 ~~69.051 chapter 477B~~ and section 423A.022 reasonably anticipated to be received by the
 307.14 municipality for transmittal to the special fund of the relief association during the following
 307.15 year and the amount of any anticipated contributions to the special fund required by the
 307.16 relief association bylaws from the active members of the relief association reasonably
 307.17 anticipated to be received during the following calendar year. A reasonable amount of
 307.18 anticipated fire state aid is an amount that does not exceed the fire state aid actually received
 307.19 in the prior year multiplied by the factor 1.035.

307.20 (c) The officers of the relief association shall certify the financial requirements of the
 307.21 special fund of the relief association and the minimum obligation of the municipality with
 307.22 respect to the special fund of the relief association as determined under subdivision 4 and
 307.23 this subdivision by August 1 of each year. The certification must be made to the entity that
 307.24 is responsible for satisfying the minimum obligation with respect to the special fund of the
 307.25 relief association. If the responsible entity is a joint powers entity, the certification must be
 307.26 made in the manner specified in the joint powers agreement, or if the joint powers agreement
 307.27 is silent on this point, the certification must be made to the chair of the joint powers board.

313.28 (d) The financial requirements of the relief association and the minimum municipal
 313.29 obligation must be included in the financial report or financial statement under section
 313.30 ~~69-051~~ 424A.014.

313.31 (e) The municipality shall provide for at least the minimum obligation of the municipality
 313.32 with respect to the special fund of the relief association by tax levy or from any other source
 313.33 of public revenue. The municipality may levy taxes for the payment of the minimum
 314.1 municipal obligation without any limitation as to rate or amount and irrespective of any
 314.2 limitations imposed by other provisions of law or charter upon the rate or amount of taxation
 314.3 until the balance of the special fund or any fund of the relief association has attained a
 314.4 specified level. In addition, any taxes levied under this section must not cause the amount
 314.5 or rate of any other taxes levied in that year or to be levied in a subsequent year by the
 314.6 municipality which are subject to a limitation as to rate or amount to be reduced.

314.7 (f) If the municipality does not include the full amount of the minimum municipal
 314.8 obligation in its levy for any year, the officers of the relief association shall certify that
 314.9 amount to the county auditor, who shall spread a levy in the amount of the minimum
 314.10 municipal obligation on the taxable property of the municipality.

314.11 (g) If the state auditor determines that a municipal contribution actually made in a plan
 314.12 year was insufficient under section 424A.091, subdivision 3, paragraph (c), clause (5), the
 314.13 state auditor may request from the relief association or from the city a copy of the
 314.14 certifications under this subdivision. The relief association or the city, whichever applies,
 314.15 must provide the certifications within 14 days of the date of the request from the state auditor.

314.16 **EFFECTIVE DATE.** This section is effective July 1, 2019, except the reference to
 314.17 Minnesota Statutes, chapter 477B, is effective for aids payable in 2020 and thereafter.

314.18 Sec. 28. Minnesota Statutes 2018, section 424B.09, is amended to read:

314.19 **424B.09 ADMINISTRATIVE EXPENSES.**

314.20 The payment of authorized administrative expenses of the subsequent volunteer
 314.21 firefighters relief association must be from the special fund of the subsequent volunteer
 314.22 firefighters relief association in accordance with section ~~69-80~~ 424A.05, subdivision 3b,
 314.23 and as provided for in the bylaws of the subsequent volunteer firefighters relief association
 314.24 and approved by the board of trustees of the subsequent volunteer firefighters relief
 314.25 association. The payment of any other expenses of the subsequent volunteer firefighters
 314.26 relief association must be from the general fund of the subsequent volunteer firefighters
 314.27 relief association in accordance with section ~~69-80~~ 424A.05, subdivision 3b, and as provided
 314.28 for in the bylaws of the subsequent volunteer firefighters relief association and approved
 314.29 by the board of trustees of the subsequent volunteer firefighters relief association.

314.30 **EFFECTIVE DATE.** This section is effective July 1, 2019.

307.28 (d) The financial requirements of the relief association and the minimum municipal
 307.29 obligation must be included in the financial report or financial statement under section
 307.30 ~~69-051~~ 424A.014.

307.31 (e) The municipality shall provide for at least the minimum obligation of the municipality
 307.32 with respect to the special fund of the relief association by tax levy or from any other source
 307.33 of public revenue. The municipality may levy taxes for the payment of the minimum
 308.1 municipal obligation without any limitation as to rate or amount and irrespective of any
 308.2 limitations imposed by other provisions of law or charter upon the rate or amount of taxation
 308.3 until the balance of the special fund or any fund of the relief association has attained a
 308.4 specified level. In addition, any taxes levied under this section must not cause the amount
 308.5 or rate of any other taxes levied in that year or to be levied in a subsequent year by the
 308.6 municipality which are subject to a limitation as to rate or amount to be reduced.

308.7 (f) If the municipality does not include the full amount of the minimum municipal
 308.8 obligation in its levy for any year, the officers of the relief association shall certify that
 308.9 amount to the county auditor, who shall spread a levy in the amount of the minimum
 308.10 municipal obligation on the taxable property of the municipality.

308.11 (g) If the state auditor determines that a municipal contribution actually made in a plan
 308.12 year was insufficient under section 424A.091, subdivision 3, paragraph (c), clause (5), the
 308.13 state auditor may request from the relief association or from the city a copy of the
 308.14 certifications under this subdivision. The relief association or the city, whichever applies,
 308.15 must provide the certifications within 14 days of the date of the request from the state auditor.

308.16 **EFFECTIVE DATE.** This section is effective July 1, 2019, except the reference to
 308.17 Minnesota Statutes, chapter 477B, is effective for aids payable in 2020 and thereafter.

308.18 Sec. 28. Minnesota Statutes 2018, section 424B.09, is amended to read:

308.19 **424B.09 ADMINISTRATIVE EXPENSES.**

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 308.21 firefighters relief association must be from the special fund of the subsequent volunteer
 308.22 firefighters relief association in accordance with section ~~69-80~~ 424A.05, subdivision 3b,
 308.23 and as provided for in the bylaws of the subsequent volunteer firefighters relief association
 308.24 and approved by the board of trustees of the subsequent volunteer firefighters relief
 308.25 association. The payment of any other expenses of the subsequent volunteer firefighters
 308.26 relief association must be from the general fund of the subsequent volunteer firefighters
 308.27 relief association in accordance with section ~~69-80~~ 424A.05, subdivision 3b, and as provided
 308.28 for in the bylaws of the subsequent volunteer firefighters relief association and approved
 308.29 by the board of trustees of the subsequent volunteer firefighters relief association.

308.30 **EFFECTIVE DATE.** This section is effective July 1, 2019.

314.31 Sec. 29. **REPEALER.**314.32 Minnesota Statutes 2018, section 69.022, is repealed.315.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.315.2 **ARTICLE 23**315.3 **DEPARTMENT OF REVENUE; MISCELLANEOUS; POLICY CHANGES**

315.4 Section 1. Minnesota Statutes 2018, section 270B.08, subdivision 2, is amended to read:

315.5 Subd. 2. **Revocation or cancellation.** When a taxpayer's sales tax permit has been
 315.6 revoked or canceled under section 270C.722 or 297A.84, the commissioner may disclose
 315.7 to any person data identifying the holder of the revoked or canceled permit, stating the basis
 315.8 for the revocation or cancellation, the date of the revocation or cancellation, and stating
 315.9 whether the if a revoked or canceled permit has been reinstated, the date upon which the
 315.10 permit was reinstated.

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

315.12 Sec. 2. Minnesota Statutes 2018, section 297A.84, is amended to read:

315.13 **297A.84 PERMITS ISSUED AND NOT ISSUED; CANCELLATION.**315.14 Subdivision 1. **Definitions.** (a) The following definitions apply for the purposes of this
 315.15 section.315.16 (b) "Applicant" means an individual, corporation, or partnership. Applicant also includes
 315.17 any officer of a corporation or member of a partnership.315.18 (c) "Delinquent sales tax" means tax not paid by the date the tax was due and payable
 315.19 under section 289A.20, subdivision 4, or an assessment not paid if the applicant has been
 315.20 issued an order assessing sales and use tax under section 270C.33, subdivision 4.

315.21 Subd. 2. **Permits issued.** Except as provided in subdivision 3, the commissioner shall
 315.22 must issue a permit to each applicant who has complied with section 297A.83, and with
 315.23 section 297A.92 if security is required. A person is considered to have a permit if the person
 315.24 has a Minnesota tax identification number issued by the commissioner that is currently
 315.25 active for taxes imposed by this chapter. A permit is valid until canceled or revoked. It is
 315.26 not assignable and is valid only for the person in whose name it is granted and for the
 315.27 transaction of business at the places designated on the permit.

315.28 Subd. 3. **Permits not issued.** (a) Except as provided in paragraph (b), the commissioner
 315.29 must not issue a permit to an applicant if the applicant is liable for delinquent sales tax.315.30 (b) The commissioner must issue a permit to an applicant if an appeal period of an order
 315.31 assessing sales tax under section 270C.33, subdivision 5, has not ended. The commissioner308.31 Sec. 29. **REPEALER.**308.32 Minnesota Statutes 2018, section 69.022, is repealed.309.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.309.2 **ARTICLE 23**309.3 **DEPARTMENT OF REVENUE; MISCELLANEOUS; POLICY CHANGES**

309.4 Section 1. Minnesota Statutes 2018, section 270B.08, subdivision 2, is amended to read:

309.5 Subd. 2. **Revocation or cancellation.** When a taxpayer's sales tax permit has been
 309.6 revoked or canceled under section 270C.722 or 297A.84, the commissioner may disclose
 309.7 to any person data identifying the holder of the revoked or canceled permit, stating the basis
 309.8 for the revocation or cancellation, the date of the revocation or cancellation, and stating
 309.9 whether the if a revoked or canceled permit has been reinstated, the date upon which the
 309.10 permit was reinstated.

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

309.12 Sec. 2. Minnesota Statutes 2018, section 297A.84, is amended to read:

309.13 **297A.84 PERMITS ISSUED AND NOT ISSUED; CANCELLATION.**309.14 Subdivision 1. **Definitions.** (a) The following definitions apply for the purposes of this
 309.15 section.309.16 (b) "Applicant" means an individual, corporation, or partnership. Applicant also includes
 309.17 any officer of a corporation or member of a partnership.309.18 (c) "Delinquent sales tax" means tax not paid by the date the tax was due and payable
 309.19 under section 289A.20, subdivision 4, or an assessment not paid if the applicant has been
 309.20 issued an order assessing sales and use tax under section 270C.33, subdivision 4.

309.21 Subd. 2. **Permits issued.** Except as provided in subdivision 3, the commissioner shall
 309.22 must issue a permit to each applicant who has complied with section 297A.83, and with
 309.23 section 297A.92 if security is required. A person is considered to have a permit if the person
 309.24 has a Minnesota tax identification number issued by the commissioner that is currently
 309.25 active for taxes imposed by this chapter. A permit is valid until canceled or revoked. It is
 309.26 not assignable and is valid only for the person in whose name it is granted and for the
 309.27 transaction of business at the places designated on the permit.

309.28 Subd. 3. **Permits not issued.** (a) Except as provided in paragraph (b), the commissioner
 309.29 must not issue a permit to an applicant if the applicant is liable for delinquent sales tax.309.30 (b) The commissioner must issue a permit to an applicant if an appeal period of an order
 309.31 assessing sales tax under section 270C.33, subdivision 5, has not ended. The commissioner

- 316.1 may cancel a permit issued under this paragraph in the manner provided in subdivision 4
 316.2 if the applicant owes delinquent sales tax after the appeal period has ended.
- 316.3 **Subd. 4. Nonconforming permits; cancellation; reissue.** (a) If the commissioner issues
 316.4 a permit that does not conform with the requirements of this section or applicable rules, the
 316.5 commissioner may cancel the permit upon notice to the permit holder. The notice must be
 316.6 served by first class and certified mail at the permit holder's last known address. The
 316.7 cancellation is effective immediately.
- 316.8 (b) If a permit holder shows that a canceled permit was issued in conformance with the
 316.9 requirements of this section and applicable rules, the commissioner must reissue the permit.
- 316.10 **EFFECTIVE DATE.** This section is effective for permit applications filed after
 316.11 December 31, 2019.
- 316.12 Sec. 3. Minnesota Statutes 2018, section 297A.85, is amended to read:
- 316.13 **297A.85 CANCELLATION OF PERMITS.**
- 316.14 The commissioner may cancel a permit if one of the following conditions occurs:
- 316.15 (1) the permit holder has not filed a sales or use tax return for at least one year;
- 316.16 (2) the permit holder has not reported any sales or use tax liability on the permit holder's
 316.17 returns for at least two years;
- 316.18 (3) the permit holder requests cancellation of the permit; ~~or~~
- 316.19 (4) the permit is subject to cancellation ~~pursuant to~~ under section 270C.722, subdivision
 316.20 2, paragraph (a); or
- 316.21 (5) the permit is subject to cancellation under section 297A.84.
- 316.22 **EFFECTIVE DATE.** This section is effective for permit applications filed after
 316.23 December 31, 2019.
- 316.24 Sec. 4. **REPEALER.**
- 316.25 Minnesota Statutes 2018, section 270C.131, is repealed.
- 316.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

- 310.1 may cancel a permit issued under this paragraph in the manner provided in subdivision 4
 310.2 if the applicant owes delinquent sales tax after the appeal period has ended.
- 310.3 **Subd. 4. Nonconforming permits; cancellation; reissue.** (a) If the commissioner issues
 310.4 a permit that does not conform with the requirements of this section or applicable rules, the
 310.5 commissioner may cancel the permit upon notice to the permit holder. The notice must be
 310.6 served by first class and certified mail at the permit holder's last known address. The
 310.7 cancellation is effective immediately.
- 310.8 (b) If a permit holder shows that a canceled permit was issued in conformance with the
 310.9 requirements of this section and applicable rules, the commissioner must reissue the permit.
- 310.10 **EFFECTIVE DATE.** This section is effective for permit applications filed after
 310.11 December 31, 2019.
- 310.12 Sec. 3. Minnesota Statutes 2018, section 297A.85, is amended to read:
- 310.13 **297A.85 CANCELLATION OF PERMITS.**
- 310.14 The commissioner may cancel a permit if one of the following conditions occurs:
- 310.15 (1) the permit holder has not filed a sales or use tax return for at least one year;
- 310.16 (2) the permit holder has not reported any sales or use tax liability on the permit holder's
 310.17 returns for at least two years;
- 310.18 (3) the permit holder requests cancellation of the permit; ~~or~~
- 310.19 (4) the permit is subject to cancellation ~~pursuant to~~ under section 270C.722, subdivision
 310.20 2, paragraph (a); or
- 310.21 (5) the permit is subject to cancellation under section 297A.84.
- 310.22 **EFFECTIVE DATE.** This section is effective for permit applications filed after
 310.23 December 31, 2019.
- 310.24 Sec. 4. **REPEALER.**
- 310.25 Minnesota Statutes 2018, section 270C.131, is repealed.
- 310.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

317.1

ARTICLE 24317.2 **DEPARTMENT OF REVENUE; MISCELLANEOUS; TECHNICAL CHANGES**

317.3 Section 1. Minnesota Statutes 2018, section 272.02, subdivision 27, is amended to read:

317.4 Subd. 27. **Superior National Forest; recreational property for use by ~~disabled~~**
 317.5 **veterans with a disability.** Real and personal property is exempt if it is located in the
 317.6 Superior National Forest, and owned or leased and operated by a nonprofit organization
 317.7 that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue
 317.8 Code and primarily used to provide recreational opportunities for ~~disabled~~ veterans with a
 317.9 disability and their families.

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

317.11 Sec. 2. Minnesota Statutes 2018, section 272.02, subdivision 81, is amended to read:

317.12 Subd. 81. **Certain recreational property for ~~disabled~~ veterans with a disability.** Real
 317.13 and personal property is exempt if it is located in a county in the metropolitan area with a
 317.14 population of less than 500,000 according to the 2000 federal census, and owned or leased
 317.15 and operated by a nonprofit organization, and primarily used to provide recreational
 317.16 opportunities for ~~disabled~~ veterans with a disability and their families.

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

317.18 Sec. 3. Minnesota Statutes 2018, section 273.032, is amended to read:

317.19 **273.032 MARKET VALUE DEFINITION.**

317.20 (a) Unless otherwise provided, for the purpose of determining any property tax levy
 317.21 limitation based on market value or any limit on net debt, the issuance of bonds, certificates
 317.22 of indebtedness, or capital notes based on market value, any qualification to receive state
 317.23 aid based on market value, or any state aid amount based on market value, the terms "market
 317.24 value," "estimated market value," and "market valuation," whether equalized or unequalized,
 317.25 mean the estimated market value of taxable property within the local unit of government
 317.26 before any of the following or similar adjustments for:

317.27 (1) the market value exclusions under:

317.28 (i) section 273.11, subdivisions 14a and 14c (vacant platted land);

317.29 (ii) section 273.11, subdivision 16 (certain improvements to homestead property);

317.30 (iii) section 273.11, subdivisions 19 and 20 (certain improvements to business properties);

318.1 (iv) section 273.11, subdivision 21 (homestead property damaged by mold);

311.1

ARTICLE 24311.2 **DEPARTMENT OF REVENUE; MISCELLANEOUS; TECHNICAL CHANGES**

311.3 Section 1. Minnesota Statutes 2018, section 272.02, subdivision 27, is amended to read:

311.4 Subd. 27. **Superior National Forest; recreational property for use by ~~disabled~~**
 311.5 **veterans with a disability.** Real and personal property is exempt if it is located in the
 311.6 Superior National Forest, and owned or leased and operated by a nonprofit organization
 311.7 that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue
 311.8 Code and primarily used to provide recreational opportunities for ~~disabled~~ veterans with a
 311.9 disability and their families.

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

311.11 Sec. 2. Minnesota Statutes 2018, section 272.02, subdivision 81, is amended to read:

311.12 Subd. 81. **Certain recreational property for ~~disabled~~ veterans with a disability.** Real
 311.13 and personal property is exempt if it is located in a county in the metropolitan area with a
 311.14 population of less than 500,000 according to the 2000 federal census, and owned or leased
 311.15 and operated by a nonprofit organization, and primarily used to provide recreational
 311.16 opportunities for ~~disabled~~ veterans with a disability and their families.

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

311.18 Sec. 3. Minnesota Statutes 2018, section 273.032, is amended to read:

311.19 **273.032 MARKET VALUE DEFINITION.**

311.20 (a) Unless otherwise provided, for the purpose of determining any property tax levy
 311.21 limitation based on market value or any limit on net debt, the issuance of bonds, certificates
 311.22 of indebtedness, or capital notes based on market value, any qualification to receive state
 311.23 aid based on market value, or any state aid amount based on market value, the terms "market
 311.24 value," "estimated market value," and "market valuation," whether equalized or unequalized,
 311.25 mean the estimated market value of taxable property within the local unit of government
 311.26 before any of the following or similar adjustments for:

311.27 (1) the market value exclusions under:

311.28 (i) section 273.11, subdivisions 14a and 14c (vacant platted land);

311.29 (ii) section 273.11, subdivision 16 (certain improvements to homestead property);

311.30 (iii) section 273.11, subdivisions 19 and 20 (certain improvements to business properties);

312.1 (iv) section 273.11, subdivision 21 (homestead property damaged by mold);

- 318.2 (v) section 273.13, subdivision 34 (homestead of a ~~disabled~~ veteran with a disability or
318.3 family caregiver); or
- 318.4 (vi) section 273.13, subdivision 35 (homestead market value exclusion); or
- 318.5 (2) the deferment of value under:
- 318.6 (i) the Minnesota Agricultural Property Tax Law, section 273.111;
- 318.7 (ii) the Aggregate Resource Preservation Law, section 273.1115;
- 318.8 (iii) the Minnesota Open Space Property Tax Law, section 273.112;
- 318.9 (iv) the rural preserves property tax program, section 273.114; or
- 318.10 (v) the Metropolitan Agricultural Preserves Act, section 473H.10; or
- 318.11 (3) the adjustments to tax capacity for:
- 318.12 (i) tax increment financing under sections 469.174 to 469.1794;
- 318.13 (ii) fiscal disparities under chapter 276A or 473F; or
- 318.14 (iii) powerline credit under section 273.425.
- 318.15 (b) Estimated market value under paragraph (a) also includes the market value of
318.16 tax-exempt property if the applicable law specifically provides that the limitation,
318.17 qualification, or aid calculation includes tax-exempt property.
- 318.18 (c) Unless otherwise provided, "market value," "estimated market value," and "market
318.19 valuation" for purposes of property tax levy limitations and calculation of state aid, refer
318.20 to the estimated market value for the previous assessment year and for purposes of limits
318.21 on net debt, the issuance of bonds, certificates of indebtedness, or capital notes refer to the
318.22 estimated market value as last finally equalized.
- 318.23 (d) For purposes of a provision of a home rule charter or of any special law that is not
318.24 codified in the statutes and that imposes a levy limitation based on market value or any limit
318.25 on debt, the issuance of bonds, certificates of indebtedness, or capital notes based on market
318.26 value, the terms "market value," "taxable market value," and "market valuation," whether
318.27 equalized or unequalized, mean "estimated market value" as defined in paragraph (a).
- 318.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 319.1 Sec. 4. Minnesota Statutes 2018, section 273.13, subdivision 22, is amended to read:
- 319.2 Subd. 22. **Class 1.** (a) Except as provided in subdivision 23 and in paragraphs (b) and
319.3 (c), real estate which is residential and used for homestead purposes is class 1a. In the case

- 312.2 (v) section 273.13, subdivision 34 (homestead of a ~~disabled~~ veteran with a disability or
312.3 family caregiver); or
- 312.4 (vi) section 273.13, subdivision 35 (homestead market value exclusion); or
- 312.5 (2) the deferment of value under:
- 312.6 (i) the Minnesota Agricultural Property Tax Law, section 273.111;
- 312.7 (ii) the Aggregate Resource Preservation Law, section 273.1115;
- 312.8 (iii) the Minnesota Open Space Property Tax Law, section 273.112;
- 312.9 (iv) the rural preserves property tax program, section 273.114; or
- 312.10 (v) the Metropolitan Agricultural Preserves Act, section 473H.10; or
- 312.11 (3) the adjustments to tax capacity for:
- 312.12 (i) tax increment financing under sections 469.174 to 469.1794;
- 312.13 (ii) fiscal disparities under chapter 276A or 473F; or
- 312.14 (iii) powerline credit under section 273.425.
- 312.15 (b) Estimated market value under paragraph (a) also includes the market value of
312.16 tax-exempt property if the applicable law specifically provides that the limitation,
312.17 qualification, or aid calculation includes tax-exempt property.
- 312.18 (c) Unless otherwise provided, "market value," "estimated market value," and "market
312.19 valuation" for purposes of property tax levy limitations and calculation of state aid, refer
312.20 to the estimated market value for the previous assessment year and for purposes of limits
312.21 on net debt, the issuance of bonds, certificates of indebtedness, or capital notes refer to the
312.22 estimated market value as last finally equalized.
- 312.23 (d) For purposes of a provision of a home rule charter or of any special law that is not
312.24 codified in the statutes and that imposes a levy limitation based on market value or any limit
312.25 on debt, the issuance of bonds, certificates of indebtedness, or capital notes based on market
312.26 value, the terms "market value," "taxable market value," and "market valuation," whether
312.27 equalized or unequalized, mean "estimated market value" as defined in paragraph (a).
- 312.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 313.1 Sec. 4. Minnesota Statutes 2018, section 273.13, subdivision 22, is amended to read:
- 313.2 Subd. 22. **Class 1.** (a) Except as provided in subdivision 23 and in paragraphs (b) and
313.3 (c), real estate which is residential and used for homestead purposes is class 1a. In the case

319.4 of a duplex or triplex in which one of the units is used for homestead purposes, the entire
 319.5 property is deemed to be used for homestead purposes. The market value of class 1a property
 319.6 must be determined based upon the value of the house, garage, and land.

319.7 The first \$500,000 of market value of class 1a property has a net classification rate of
 319.8 one percent of its market value; and the market value of class 1a property that exceeds
 319.9 \$500,000 has a classification rate of 1.25 percent of its market value.

319.10 (b) Class 1b property includes homestead real estate or homestead manufactured homes
 319.11 used for the purposes of a homestead by:

319.12 (1) any person who is blind as defined in section 256D.35, or the ~~blind~~ person who is
 319.13 blind and the blind person's spouse of the person who is blind;

319.14 (2) any person who is permanently and totally disabled or by the ~~disabled~~ person with
 319.15 a disability and the disabled person's spouse of the person with a disability; or

319.16 (3) the surviving spouse of a veteran who was permanently and totally disabled ~~veteran~~
 319.17 homesteading a property classified under this paragraph for taxes payable in 2008.

319.18 Property is classified and assessed under clause (2) only if the government agency or
 319.19 income-providing source certifies, upon the request of the homestead occupant, that the
 319.20 homestead occupant satisfies the disability requirements of this paragraph, and that the
 319.21 property is not eligible for the valuation exclusion under subdivision 34.

319.22 Property is classified and assessed under paragraph (b) only if the commissioner of
 319.23 revenue or the county assessor certifies that the homestead occupant satisfies the requirements
 319.24 of this paragraph.

319.25 Permanently and totally disabled for the purpose of this subdivision means a condition
 319.26 which is permanent in nature and totally incapacitates the person from working at an
 319.27 occupation which brings the person an income. The first \$50,000 market value of class 1b
 319.28 property has a net classification rate of .45 percent of its market value. The remaining market
 319.29 value of class 1b property is classified as class 1a or class 2a property, whichever is
 319.30 appropriate.

319.31 (c) Class 1c property is commercial use real and personal property that abuts public
 319.32 water as defined in section 103G.005, subdivision 15, or abuts a state trail administered by
 319.33 the Department of Natural Resources, and is devoted to temporary and seasonal residential
 320.1 occupancy for recreational purposes but not devoted to commercial purposes for more than
 320.2 250 days in the year preceding the year of assessment, and that includes a portion used as
 320.3 a homestead by the owner, which includes a dwelling occupied as a homestead by a
 320.4 shareholder of a corporation that owns the resort, a partner in a partnership that owns the
 320.5 resort, or a member of a limited liability company that owns the resort even if the title to
 320.6 the homestead is held by the corporation, partnership, or limited liability company. For

313.4 of a duplex or triplex in which one of the units is used for homestead purposes, the entire
 313.5 property is deemed to be used for homestead purposes. The market value of class 1a property
 313.6 must be determined based upon the value of the house, garage, and land.

313.7 The first \$500,000 of market value of class 1a property has a net classification rate of
 313.8 one percent of its market value; and the market value of class 1a property that exceeds
 313.9 \$500,000 has a classification rate of 1.25 percent of its market value.

313.10 (b) Class 1b property includes homestead real estate or homestead manufactured homes
 313.11 used for the purposes of a homestead by:

313.12 (1) any person who is blind as defined in section 256D.35, or the ~~blind~~ person who is
 313.13 blind and the blind person's spouse of the person who is blind;

313.14 (2) any person who is permanently and totally disabled or by the ~~disabled~~ person with
 313.15 a disability and the disabled person's spouse of the person with a disability; or

313.16 (3) the surviving spouse of a veteran who was permanently and totally disabled ~~veteran~~
 313.17 homesteading a property classified under this paragraph for taxes payable in 2008.

313.18 Property is classified and assessed under clause (2) only if the government agency or
 313.19 income-providing source certifies, upon the request of the homestead occupant, that the
 313.20 homestead occupant satisfies the disability requirements of this paragraph, and that the
 313.21 property is not eligible for the valuation exclusion under subdivision 34.

313.22 Property is classified and assessed under paragraph (b) only if the commissioner of
 313.23 revenue or the county assessor certifies that the homestead occupant satisfies the requirements
 313.24 of this paragraph.

313.25 Permanently and totally disabled for the purpose of this subdivision means a condition
 313.26 which is permanent in nature and totally incapacitates the person from working at an
 313.27 occupation which brings the person an income. The first \$50,000 market value of class 1b
 313.28 property has a net classification rate of .45 percent of its market value. The remaining market
 313.29 value of class 1b property is classified as class 1a or class 2a property, whichever is
 313.30 appropriate.

313.31 (c) Class 1c property is commercial use real and personal property that abuts public
 313.32 water as defined in section 103G.005, subdivision 15, or abuts a state trail administered by
 313.33 the Department of Natural Resources, and is devoted to temporary and seasonal residential
 314.1 occupancy for recreational purposes but not devoted to commercial purposes for more than
 314.2 250 days in the year preceding the year of assessment, and that includes a portion used as
 314.3 a homestead by the owner, which includes a dwelling occupied as a homestead by a
 314.4 shareholder of a corporation that owns the resort, a partner in a partnership that owns the
 314.5 resort, or a member of a limited liability company that owns the resort even if the title to
 314.6 the homestead is held by the corporation, partnership, or limited liability company. For

320.7 purposes of this paragraph, property is devoted to a commercial purpose on a specific day
 320.8 if any portion of the property, excluding the portion used exclusively as a homestead, is
 320.9 used for residential occupancy and a fee is charged for residential occupancy. Class 1c
 320.10 property must contain three or more rental units. A "rental unit" is defined as a cabin,
 320.11 condominium, townhouse, sleeping room, or individual camping site equipped with water
 320.12 and electrical hookups for recreational vehicles. Class 1c property must provide recreational
 320.13 activities such as the rental of ice fishing houses, boats and motors, snowmobiles, downhill
 320.14 or cross-country ski equipment; provide marina services, launch services, or guide services;
 320.15 or sell bait and fishing tackle. Any unit in which the right to use the property is transferred
 320.16 to an individual or entity by deeded interest, or the sale of shares or stock, no longer qualifies
 320.17 for class 1c even though it may remain available for rent. A camping pad offered for rent
 320.18 by a property that otherwise qualifies for class 1c is also class 1c, regardless of the term of
 320.19 the rental agreement, as long as the use of the camping pad does not exceed 250 days. If
 320.20 the same owner owns two separate parcels that are located in the same township, and one
 320.21 of those properties is classified as a class 1c property and the other would be eligible to be
 320.22 classified as a class 1c property if it was used as the homestead of the owner, both properties
 320.23 will be assessed as a single class 1c property; for purposes of this sentence, properties are
 320.24 deemed to be owned by the same owner if each of them is owned by a limited liability
 320.25 company, and both limited liability companies have the same membership. The portion of
 320.26 the property used as a homestead is class 1a property under paragraph (a). The remainder
 320.27 of the property is classified as follows: the first \$600,000 of market value is tier I, the next
 320.28 \$1,700,000 of market value is tier II, and any remaining market value is tier III. The
 320.29 classification rates for class 1c are: tier I, 0.50 percent; tier II, 1.0 percent; and tier III, 1.25
 320.30 percent. Owners of real and personal property devoted to temporary and seasonal residential
 320.31 occupancy for recreation purposes in which all or a portion of the property was devoted to
 320.32 commercial purposes for not more than 250 days in the year preceding the year of assessment
 320.33 desiring classification as class 1c, must submit a declaration to the assessor designating the
 320.34 cabins or units occupied for 250 days or less in the year preceding the year of assessment
 320.35 by January 15 of the assessment year. Those cabins or units and a proportionate share of
 320.36 the land on which they are located must be designated as class 1c as otherwise provided.
 321.1 The remainder of the cabins or units and a proportionate share of the land on which they
 321.2 are located must be designated as class 3a commercial. The owner of property desiring
 321.3 designation as class 1c property must provide guest registers or other records demonstrating
 321.4 that the units for which class 1c designation is sought were not occupied for more than 250
 321.5 days in the year preceding the assessment if so requested. The portion of a property operated
 321.6 as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center or meeting room, and (5)
 321.7 other nonresidential facility operated on a commercial basis not directly related to temporary
 321.8 and seasonal residential occupancy for recreation purposes does not qualify for class 1c.

321.9 (d) Class 1d property includes structures that meet all of the following criteria:

321.10 (1) the structure is located on property that is classified as agricultural property under
 321.11 section 273.13, subdivision 23;

314.7 purposes of this paragraph, property is devoted to a commercial purpose on a specific day
 314.8 if any portion of the property, excluding the portion used exclusively as a homestead, is
 314.9 used for residential occupancy and a fee is charged for residential occupancy. Class 1c
 314.10 property must contain three or more rental units. A "rental unit" is defined as a cabin,
 314.11 condominium, townhouse, sleeping room, or individual camping site equipped with water
 314.12 and electrical hookups for recreational vehicles. Class 1c property must provide recreational
 314.13 activities such as the rental of ice fishing houses, boats and motors, snowmobiles, downhill
 314.14 or cross-country ski equipment; provide marina services, launch services, or guide services;
 314.15 or sell bait and fishing tackle. Any unit in which the right to use the property is transferred
 314.16 to an individual or entity by deeded interest, or the sale of shares or stock, no longer qualifies
 314.17 for class 1c even though it may remain available for rent. A camping pad offered for rent
 314.18 by a property that otherwise qualifies for class 1c is also class 1c, regardless of the term of
 314.19 the rental agreement, as long as the use of the camping pad does not exceed 250 days. If
 314.20 the same owner owns two separate parcels that are located in the same township, and one
 314.21 of those properties is classified as a class 1c property and the other would be eligible to be
 314.22 classified as a class 1c property if it was used as the homestead of the owner, both properties
 314.23 will be assessed as a single class 1c property; for purposes of this sentence, properties are
 314.24 deemed to be owned by the same owner if each of them is owned by a limited liability
 314.25 company, and both limited liability companies have the same membership. The portion of
 314.26 the property used as a homestead is class 1a property under paragraph (a). The remainder
 314.27 of the property is classified as follows: the first \$600,000 of market value is tier I, the next
 314.28 \$1,700,000 of market value is tier II, and any remaining market value is tier III. The
 314.29 classification rates for class 1c are: tier I, 0.50 percent; tier II, 1.0 percent; and tier III, 1.25
 314.30 percent. Owners of real and personal property devoted to temporary and seasonal residential
 314.31 occupancy for recreation purposes in which all or a portion of the property was devoted to
 314.32 commercial purposes for not more than 250 days in the year preceding the year of assessment
 314.33 desiring classification as class 1c, must submit a declaration to the assessor designating the
 314.34 cabins or units occupied for 250 days or less in the year preceding the year of assessment
 314.35 by January 15 of the assessment year. Those cabins or units and a proportionate share of
 314.36 the land on which they are located must be designated as class 1c as otherwise provided.
 315.1 The remainder of the cabins or units and a proportionate share of the land on which they
 315.2 are located must be designated as class 3a commercial. The owner of property desiring
 315.3 designation as class 1c property must provide guest registers or other records demonstrating
 315.4 that the units for which class 1c designation is sought were not occupied for more than 250
 315.5 days in the year preceding the assessment if so requested. The portion of a property operated
 315.6 as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center or meeting room, and (5)
 315.7 other nonresidential facility operated on a commercial basis not directly related to temporary
 315.8 and seasonal residential occupancy for recreation purposes does not qualify for class 1c.

315.9 (d) Class 1d property includes structures that meet all of the following criteria:

315.10 (1) the structure is located on property that is classified as agricultural property under
 315.11 section 273.13, subdivision 23;

321.12 (2) the structure is occupied exclusively by seasonal farm workers during the time when
321.13 they work on that farm, and the occupants are not charged rent for the privilege of occupying
321.14 the property, provided that use of the structure for storage of farm equipment and produce
321.15 does not disqualify the property from classification under this paragraph;

321.16 (3) the structure meets all applicable health and safety requirements for the appropriate
321.17 season; and

321.18 (4) the structure is not salable as residential property because it does not comply with
321.19 local ordinances relating to location in relation to streets or roads.

321.20 The market value of class 1d property has the same classification rates as class 1a property
321.21 under paragraph (a).

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

321.23 Sec. 5. Minnesota Statutes 2018, section 273.13, subdivision 34, is amended to read:

321.24 Subd. 34. **Homestead of disabled veteran with a disability or family caregiver.** (a)
321.25 All or a portion of the market value of property owned by a veteran and serving as the
321.26 veteran's homestead under this section is excluded in determining the property's taxable
321.27 market value if the veteran has a service-connected disability of 70 percent or more as
321.28 certified by the United States Department of Veterans Affairs. To qualify for exclusion
321.29 under this subdivision, the veteran must have been honorably discharged from the United
321.30 States armed forces, as indicated by United States Government Form DD214 or other official
321.31 military discharge papers.

322.1 (b)(1) For a disability rating of 70 percent or more, \$150,000 of market value is excluded,
322.2 except as provided in clause (2); and

322.3 (2) for a total (100 percent) and permanent disability, \$300,000 of market value is
322.4 excluded.

322.5 (c) If a ~~disabled~~ disabled veteran with a disability qualifying for a valuation exclusion under
322.6 paragraph (b), clause (2), predeceases the veteran's spouse, and if upon the death of the
322.7 veteran the spouse holds the legal or beneficial title to the homestead and permanently
322.8 resides there, the exclusion shall carry over to the benefit of the veteran's spouse for the
322.9 current taxes payable year and for eight additional taxes payable years or until such time
322.10 as the spouse remarries, or sells, transfers, or otherwise disposes of the property, whichever
322.11 comes first. Qualification under this paragraph requires an application under paragraph (h),
322.12 and a spouse must notify the assessor if there is a change in the spouse's marital status,
322.13 ownership of the property, or use of the property as a permanent residence.

322.14 (d) If the spouse of a member of any branch or unit of the United States armed forces
322.15 who dies due to a service-connected cause while serving honorably in active service, as
322.16 indicated on United States Government Form DD1300 or DD2064, holds the legal or

315.12 (2) the structure is occupied exclusively by seasonal farm workers during the time when
315.13 they work on that farm, and the occupants are not charged rent for the privilege of occupying
315.14 the property, provided that use of the structure for storage of farm equipment and produce
315.15 does not disqualify the property from classification under this paragraph;

315.16 (3) the structure meets all applicable health and safety requirements for the appropriate
315.17 season; and

315.18 (4) the structure is not salable as residential property because it does not comply with
315.19 local ordinances relating to location in relation to streets or roads.

315.20 The market value of class 1d property has the same classification rates as class 1a property
315.21 under paragraph (a).

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

315.23 Sec. 5. Minnesota Statutes 2018, section 273.13, subdivision 34, is amended to read:

315.24 Subd. 34. **Homestead of disabled veteran with a disability or family caregiver.** (a)
315.25 All or a portion of the market value of property owned by a veteran and serving as the
315.26 veteran's homestead under this section is excluded in determining the property's taxable
315.27 market value if the veteran has a service-connected disability of 70 percent or more as
315.28 certified by the United States Department of Veterans Affairs. To qualify for exclusion
315.29 under this subdivision, the veteran must have been honorably discharged from the United
315.30 States armed forces, as indicated by United States Government Form DD214 or other official
315.31 military discharge papers.

316.1 (b)(1) For a disability rating of 70 percent or more, \$150,000 of market value is excluded,
316.2 except as provided in clause (2); and

316.3 (2) for a total (100 percent) and permanent disability, \$300,000 of market value is
316.4 excluded.

316.5 (c) If a ~~disabled~~ disabled veteran with a disability qualifying for a valuation exclusion under
316.6 paragraph (b), clause (2), predeceases the veteran's spouse, and if upon the death of the
316.7 veteran the spouse holds the legal or beneficial title to the homestead and permanently
316.8 resides there, the exclusion shall carry over to the benefit of the veteran's spouse for the
316.9 current taxes payable year and for eight additional taxes payable years or until such time
316.10 as the spouse remarries, or sells, transfers, or otherwise disposes of the property, whichever
316.11 comes first. Qualification under this paragraph requires an application under paragraph (h),
316.12 and a spouse must notify the assessor if there is a change in the spouse's marital status,
316.13 ownership of the property, or use of the property as a permanent residence.

316.14 (d) If the spouse of a member of any branch or unit of the United States armed forces
316.15 who dies due to a service-connected cause while serving honorably in active service, as
316.16 indicated on United States Government Form DD1300 or DD2064, holds the legal or

322.17 beneficial title to a homestead and permanently resides there, the spouse is entitled to the
322.18 benefit described in paragraph (b), clause (2), for eight taxes payable years, or until such
322.19 time as the spouse remarries or sells, transfers, or otherwise disposes of the property,
322.20 whichever comes first.

322.21 (e) If a veteran meets the disability criteria of paragraph (a) but does not own property
322.22 classified as homestead in the state of Minnesota, then the homestead of the veteran's primary
322.23 family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify
322.24 for under paragraph (b).

322.25 (f) In the case of an agricultural homestead, only the portion of the property consisting
322.26 of the house and garage and immediately surrounding one acre of land qualifies for the
322.27 valuation exclusion under this subdivision.

322.28 (g) A property qualifying for a valuation exclusion under this subdivision is not eligible
322.29 for the market value exclusion under subdivision 35, or classification under subdivision 22,
322.30 paragraph (b).

322.31 (h) To qualify for a valuation exclusion under this subdivision a property owner must
322.32 apply to the assessor by July 1 of the first assessment year for which the exclusion is sought.
322.33 For an application received after July 1, the exclusion shall become effective for the following
322.34 assessment year. Except as provided in paragraph (c), the owner of a property that has been
323.1 accepted for a valuation exclusion must notify the assessor if there is a change in ownership
323.2 of the property or in the use of the property as a homestead.

323.3 (i) A first-time application by a qualifying spouse for the market value exclusion under
323.4 paragraph (d) must be made any time within two years of the death of the service member.

323.5 (j) For purposes of this subdivision:

323.6 (1) "active service" has the meaning given in section 190.05;

323.7 (2) "own" means that the person's name is present as an owner on the property deed;

323.8 (3) "primary family caregiver" means a person who is approved by the secretary of the
323.9 United States Department of Veterans Affairs for assistance as the primary provider of
323.10 personal care services for an eligible veteran under the Program of Comprehensive Assistance
323.11 for Family Caregivers, codified as United States Code, title 38, section 1720G; and

323.12 (4) "veteran" has the meaning given the term in section 197.447.

323.13 (k) If a veteran dying after December 31, 2011, did not apply for or receive the exclusion
323.14 under paragraph (b), clause (2), before dying, the veteran's spouse is entitled to the benefit
323.15 under paragraph (b), clause (2), for eight taxes payable years or until the spouse remarries
323.16 or sells, transfers, or otherwise disposes of the property if:

316.17 beneficial title to a homestead and permanently resides there, the spouse is entitled to the
316.18 benefit described in paragraph (b), clause (2), for eight taxes payable years, or until such
316.19 time as the spouse remarries or sells, transfers, or otherwise disposes of the property,
316.20 whichever comes first.

316.21 (e) If a veteran meets the disability criteria of paragraph (a) but does not own property
316.22 classified as homestead in the state of Minnesota, then the homestead of the veteran's primary
316.23 family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify
316.24 for under paragraph (b).

316.25 (f) In the case of an agricultural homestead, only the portion of the property consisting
316.26 of the house and garage and immediately surrounding one acre of land qualifies for the
316.27 valuation exclusion under this subdivision.

316.28 (g) A property qualifying for a valuation exclusion under this subdivision is not eligible
316.29 for the market value exclusion under subdivision 35, or classification under subdivision 22,
316.30 paragraph (b).

316.31 (h) To qualify for a valuation exclusion under this subdivision a property owner must
316.32 apply to the assessor by July 1 of the first assessment year for which the exclusion is sought.
316.33 For an application received after July 1, the exclusion shall become effective for the following
316.34 assessment year. Except as provided in paragraph (c), the owner of a property that has been
317.1 accepted for a valuation exclusion must notify the assessor if there is a change in ownership
317.2 of the property or in the use of the property as a homestead.

317.3 (i) A first-time application by a qualifying spouse for the market value exclusion under
317.4 paragraph (d) must be made any time within two years of the death of the service member.

317.5 (j) For purposes of this subdivision:

317.6 (1) "active service" has the meaning given in section 190.05;

317.7 (2) "own" means that the person's name is present as an owner on the property deed;

317.8 (3) "primary family caregiver" means a person who is approved by the secretary of the
317.9 United States Department of Veterans Affairs for assistance as the primary provider of
317.10 personal care services for an eligible veteran under the Program of Comprehensive Assistance
317.11 for Family Caregivers, codified as United States Code, title 38, section 1720G; and

317.12 (4) "veteran" has the meaning given the term in section 197.447.

317.13 (k) If a veteran dying after December 31, 2011, did not apply for or receive the exclusion
317.14 under paragraph (b), clause (2), before dying, the veteran's spouse is entitled to the benefit
317.15 under paragraph (b), clause (2), for eight taxes payable years or until the spouse remarries
317.16 or sells, transfers, or otherwise disposes of the property if:

323.17 (1) the spouse files a first-time application within two years of the death of the service
 323.18 member or by June 1, 2019, whichever is later;

323.19 (2) upon the death of the veteran, the spouse holds the legal or beneficial title to the
 323.20 homestead and permanently resides there;

323.21 (3) the veteran met the honorable discharge requirements of paragraph (a); and

323.22 (4) the United States Department of Veterans Affairs certifies that:

323.23 (i) the veteran met the total (100 percent) and permanent disability requirement under
 323.24 paragraph (b), clause (2); or

323.25 (ii) the spouse has been awarded dependency and indemnity compensation.

323.26 (l) The purpose of this provision of law providing a level of homestead property tax
 323.27 relief for ~~gravely disabled~~ veterans with a disability, their primary family caregivers, and
 323.28 their surviving spouses is to help ease the burdens of war for those among our state's citizens
 323.29 who bear those burdens most heavily.

323.30 (m) By July 1, the county veterans service officer must certify the disability rating and
 323.31 permanent address of each veteran receiving the benefit under paragraph (b) to the assessor.

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

324.2 Sec. 6. Minnesota Statutes 2018, section 289A.08, subdivision 6, is amended to read:

324.3 Subd. 6. **Returns of married persons.** ~~A husband and wife~~ Individuals who are married
 324.4 to each other must file a joint Minnesota income tax return if they filed a joint federal income
 324.5 tax return. If the ~~husband and wife~~ spouses have elected to file separate federal income tax
 324.6 returns, they must file separate Minnesota income tax returns. This election to file a joint
 324.7 or separate return must be changed if they change their election for federal purposes. In the
 324.8 event taxpayers desire to change their election, the change must be done in the manner and
 324.9 on the form prescribed by the commissioner.

324.10 The determination of whether an individual is married shall be made under the provisions
 324.11 of section 7703 of the Internal Revenue Code.

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

324.13 Sec. 7. Minnesota Statutes 2018, section 289A.25, subdivision 1, is amended to read:

324.14 Subdivision 1. **Requirements to pay.** An individual, trust, S corporation, or partnership
 324.15 must, when prescribed in subdivision 3, paragraph (b), make payments of estimated tax.
 324.16 For individuals, the term "estimated tax" means the amount the taxpayer estimates is the
 324.17 sum of the taxes imposed by chapter 290 for the taxable year. For trusts, S corporations,
 324.18 and partnerships, the term estimated tax means the amount the taxpayer estimates is the

317.17 (1) the spouse files a first-time application within two years of the death of the service
 317.18 member or by June 1, 2019, whichever is later;

317.19 (2) upon the death of the veteran, the spouse holds the legal or beneficial title to the
 317.20 homestead and permanently resides there;

317.21 (3) the veteran met the honorable discharge requirements of paragraph (a); and

317.22 (4) the United States Department of Veterans Affairs certifies that:

317.23 (i) the veteran met the total (100 percent) and permanent disability requirement under
 317.24 paragraph (b), clause (2); or

317.25 (ii) the spouse has been awarded dependency and indemnity compensation.

317.26 (l) The purpose of this provision of law providing a level of homestead property tax
 317.27 relief for ~~gravely disabled~~ veterans with a disability, their primary family caregivers, and
 317.28 their surviving spouses is to help ease the burdens of war for those among our state's citizens
 317.29 who bear those burdens most heavily.

317.30 (m) By July 1, the county veterans service officer must certify the disability rating and
 317.31 permanent address of each veteran receiving the benefit under paragraph (b) to the assessor.

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

318.2 Sec. 6. Minnesota Statutes 2018, section 289A.08, subdivision 6, is amended to read:

318.3 Subd. 6. **Returns of married persons.** ~~A husband and wife~~ Individuals who are married
 318.4 to each other must file a joint Minnesota income tax return if they filed a joint federal income
 318.5 tax return. If the ~~husband and wife~~ spouses have elected to file separate federal income tax
 318.6 returns, they must file separate Minnesota income tax returns. This election to file a joint
 318.7 or separate return must be changed if they change their election for federal purposes. In the
 318.8 event taxpayers desire to change their election, the change must be done in the manner and
 318.9 on the form prescribed by the commissioner.

318.10 The determination of whether an individual is married shall be made under the provisions
 318.11 of section 7703 of the Internal Revenue Code.

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

318.13 Sec. 7. Minnesota Statutes 2018, section 289A.25, subdivision 1, is amended to read:

318.14 Subdivision 1. **Requirements to pay.** An individual, trust, S corporation, or partnership
 318.15 must, when prescribed in subdivision 3, paragraph (b), make payments of estimated tax.
 318.16 For individuals, the term "estimated tax" means the amount the taxpayer estimates is the
 318.17 sum of the taxes imposed by chapter 290 for the taxable year. For trusts, S corporations,
 318.18 and partnerships, the term estimated tax means the amount the taxpayer estimates is the

324.19 sum of the taxes for the taxable year imposed by chapter 290 and the composite income tax
 324.20 imposed by section 289A.08, subdivision 7. If the individual is an infant or incompetent
 324.21 person, the payments must be made by the individual's guardian. If joint payments on
 324.22 estimated tax are made but a joint return is not made for the taxable year, the estimated tax
 324.23 for that year may be treated as the estimated tax of either ~~the husband or the wife~~ spouse or
 324.24 may be divided between them.

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

324.26 Sec. 8. Minnesota Statutes 2018, section 289A.31, subdivision 2, is amended to read:

324.27 Subd. 2. **Joint income tax returns.** (a) If a joint income tax return is made by ~~a husband~~
 324.28 ~~and wife spouses~~, the liability for the tax is joint and several. A spouse who qualifies for
 324.29 relief from a liability attributable to an underpayment under section 6015(b) of the Internal
 324.30 Revenue Code is relieved of the state income tax liability on the underpayment.

325.1 (b) In the case of individuals who were ~~a husband and wife~~ married as determined in
 325.2 section 7703 of the Internal Revenue Code prior to the dissolution of their marriage or their
 325.3 legal separation, or prior to the death of one of the individuals, for tax liabilities reported
 325.4 on a joint or combined return, the liability of each person is limited to the proportion of the
 325.5 tax due on the return that equals that person's proportion of the total tax due if ~~the husband~~
 325.6 ~~and wife~~ each spouse filed separate returns for the taxable year. This provision is effective
 325.7 only when the commissioner receives written notice of the marriage dissolution, legal
 325.8 separation, or death of a spouse from the ~~husband or wife~~ surviving spouse. No refund may
 325.9 be claimed by an ex-spouse, legally separated or widowed spouse for any taxes paid more
 325.10 than 60 days before receipt by the commissioner of the written notice.

325.11 (c) A request for calculation of separate liability pursuant to paragraph (b) for taxes
 325.12 reported on a return must be made within six years after the due date of the return. For
 325.13 calculation of separate liability for taxes assessed by the commissioner under section 289A.35
 325.14 or 289A.37, the request must be made within six years after the date of assessment. The
 325.15 commissioner is not required to calculate separate liability if the remaining unpaid liability
 325.16 for which recalculation is requested is \$100 or less.

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

325.18 Sec. 9. Minnesota Statutes 2018, section 289A.37, subdivision 6, is amended to read:

325.19 Subd. 6. **Order of assessment if joint income tax return.** If a joint income tax return
 325.20 is filed by ~~a husband and wife~~ spouses, an order of assessment may be a single joint notice.
 325.21 If the commissioner has been notified by either spouse that that spouse's address has changed
 325.22 and if that spouse requests it, then, instead of the single joint notice mailed to the last known
 325.23 address of the ~~husband and wife~~ spouses, a duplicate or original of the joint notice must be
 325.24 sent to the requesting spouse at the address designated by the requesting spouse. The other
 325.25 joint notice must be mailed to the other spouse at that spouse's last known address. An
 325.26 assessment is not invalid for failure to send it to a spouse if the spouse actually receives the

318.19 sum of the taxes for the taxable year imposed by chapter 290 and the composite income tax
 318.20 imposed by section 289A.08, subdivision 7. If the individual is an infant or incompetent
 318.21 person, the payments must be made by the individual's guardian. If joint payments on
 318.22 estimated tax are made but a joint return is not made for the taxable year, the estimated tax
 318.23 for that year may be treated as the estimated tax of either ~~the husband or the wife~~ spouse or
 318.24 may be divided between them.

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

318.26 Sec. 8. Minnesota Statutes 2018, section 289A.31, subdivision 2, is amended to read:

318.27 Subd. 2. **Joint income tax returns.** (a) If a joint income tax return is made by ~~a husband~~
 318.28 ~~and wife spouses~~, the liability for the tax is joint and several. A spouse who qualifies for
 318.29 relief from a liability attributable to an underpayment under section 6015(b) of the Internal
 318.30 Revenue Code is relieved of the state income tax liability on the underpayment.

319.1 (b) In the case of individuals who were ~~a husband and wife~~ married as determined in
 319.2 section 7703 of the Internal Revenue Code prior to the dissolution of their marriage or their
 319.3 legal separation, or prior to the death of one of the individuals, for tax liabilities reported
 319.4 on a joint or combined return, the liability of each person is limited to the proportion of the
 319.5 tax due on the return that equals that person's proportion of the total tax due if ~~the husband~~
 319.6 ~~and wife~~ each spouse filed separate returns for the taxable year. This provision is effective
 319.7 only when the commissioner receives written notice of the marriage dissolution, legal
 319.8 separation, or death of a spouse from the ~~husband or wife~~ surviving spouse. No refund may
 319.9 be claimed by an ex-spouse, legally separated or widowed spouse for any taxes paid more
 319.10 than 60 days before receipt by the commissioner of the written notice.

319.11 (c) A request for calculation of separate liability pursuant to paragraph (b) for taxes
 319.12 reported on a return must be made within six years after the due date of the return. For
 319.13 calculation of separate liability for taxes assessed by the commissioner under section 289A.35
 319.14 or 289A.37, the request must be made within six years after the date of assessment. The
 319.15 commissioner is not required to calculate separate liability if the remaining unpaid liability
 319.16 for which recalculation is requested is \$100 or less.

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

319.18 Sec. 9. Minnesota Statutes 2018, section 289A.37, subdivision 6, is amended to read:

319.19 Subd. 6. **Order of assessment if joint income tax return.** If a joint income tax return
 319.20 is filed by ~~a husband and wife~~ spouses, an order of assessment may be a single joint notice.
 319.21 If the commissioner has been notified by either spouse that that spouse's address has changed
 319.22 and if that spouse requests it, then, instead of the single joint notice mailed to the last known
 319.23 address of the ~~husband and wife~~ spouses, a duplicate or original of the joint notice must be
 319.24 sent to the requesting spouse at the address designated by the requesting spouse. The other
 319.25 joint notice must be mailed to the other spouse at that spouse's last known address. An
 319.26 assessment is not invalid for failure to send it to a spouse if the spouse actually receives the

325.27 notice in the same period as if it had been mailed to that spouse at the correct address or if
 325.28 the spouse has failed to provide an address to the commissioner other than the last known
 325.29 address.

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

325.31 Sec. 10. Minnesota Statutes 2018, section 290.0802, subdivision 2, is amended to read:

325.32 Subd. 2. **Subtraction.** (a) A qualified individual is allowed a subtraction from federal
 325.33 taxable income of the individual's subtraction base amount. The excess of the subtraction
 326.1 base amount over the taxable net income computed without regard to the subtraction for
 326.2 the elderly or ~~disabled~~ a person with a disability under section 290.0132, subdivision 5,
 326.3 may be used to reduce the amount of a lump sum distribution subject to tax under section
 326.4 290.032.

326.5 (b)(1) The initial subtraction base amount equals

326.6 (i) \$12,000 for a married taxpayer filing a joint return if a spouse is a qualified individual,
 326.7 (ii) \$9,600 for a single taxpayer, and
 326.8 (iii) \$6,000 for a married taxpayer filing a separate federal return.

326.9 (2) The qualified individual's initial subtraction base amount, then, must be reduced by
 326.10 the sum of nontaxable retirement and disability benefits and one-half of the amount of
 326.11 adjusted gross income in excess of the following thresholds:

326.12 (i) \$18,000 for a married taxpayer filing a joint return if both spouses are qualified
 326.13 individuals,
 326.14 (ii) \$14,500 for a single taxpayer or for a married couple filing a joint return if only one
 326.15 spouse is a qualified individual, and
 326.16 (iii) \$9,000 for a married taxpayer filing a separate federal return.

326.17 (3) In the case of a qualified individual who is under the age of 65, the maximum amount
 326.18 of the subtraction base may not exceed the taxpayer's disability income.

326.19 (4) The resulting amount is the subtraction base amount.

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

326.21 Sec. 11. Minnesota Statutes 2018, section 290.0802, subdivision 3, is amended to read:

326.22 Subd. 3. **Restrictions; married couples.** Except in the case of a ~~husband and wife~~
 326.23 spouses who live apart at all times during the taxable year, if the taxpayer is married at the

319.27 notice in the same period as if it had been mailed to that spouse at the correct address or if
 319.28 the spouse has failed to provide an address to the commissioner other than the last known
 319.29 address.

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

319.31 Sec. 10. Minnesota Statutes 2018, section 290.0802, subdivision 2, is amended to read:

319.32 Subd. 2. **Subtraction.** (a) A qualified individual is allowed a subtraction from federal
 319.33 taxable income of the individual's subtraction base amount. The excess of the subtraction
 320.1 base amount over the taxable net income computed without regard to the subtraction for
 320.2 the elderly or ~~disabled~~ a person with a disability under section 290.0132, subdivision 5,
 320.3 may be used to reduce the amount of a lump sum distribution subject to tax under section
 320.4 290.032.

320.5 (b)(1) The initial subtraction base amount equals

320.6 (i) \$12,000 for a married taxpayer filing a joint return if a spouse is a qualified individual,
 320.7 (ii) \$9,600 for a single taxpayer, and
 320.8 (iii) \$6,000 for a married taxpayer filing a separate federal return.

320.9 (2) The qualified individual's initial subtraction base amount, then, must be reduced by
 320.10 the sum of nontaxable retirement and disability benefits and one-half of the amount of
 320.11 adjusted gross income in excess of the following thresholds:

320.12 (i) \$18,000 for a married taxpayer filing a joint return if both spouses are qualified
 320.13 individuals,
 320.14 (ii) \$14,500 for a single taxpayer or for a married couple filing a joint return if only one
 320.15 spouse is a qualified individual, and
 320.16 (iii) \$9,000 for a married taxpayer filing a separate federal return.

320.17 (3) In the case of a qualified individual who is under the age of 65, the maximum amount
 320.18 of the subtraction base may not exceed the taxpayer's disability income.

320.19 (4) The resulting amount is the subtraction base amount.

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

320.21 Sec. 11. Minnesota Statutes 2018, section 290.0802, subdivision 3, is amended to read:

320.22 Subd. 3. **Restrictions; married couples.** Except in the case of a ~~husband and wife~~
 320.23 spouses who live apart at all times during the taxable year, if the taxpayer is married at the

326.24 close of the taxable year, the subtraction under subdivision 2 is allowable only if the taxpayers
 326.25 file joint federal and state income tax returns for the taxable year.

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

326.27 Sec. 12. Minnesota Statutes 2018, section 290.091, subdivision 2, is amended to read:

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

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

327.3 (1) the taxpayer's federal alternative minimum taxable income as defined in section
 327.4 55(b)(2) of the Internal Revenue Code;

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

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

327.8 (ii) the medical expense deduction;

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

327.10 (iv) the impairment-related work expenses of a ~~disabled~~ person with a disability;

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

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

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

327.22 (6) the amount of addition required by section 290.0131, subdivisions 9 to 11;

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

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

320.24 close of the taxable year, the subtraction under subdivision 2 is allowable only if the taxpayers
 320.25 file joint federal and state income tax returns for the taxable year.

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

320.27 Sec. 12. Minnesota Statutes 2018, section 290.091, subdivision 2, is amended to read:

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

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

321.3 (1) the taxpayer's federal alternative minimum taxable income as defined in section
 321.4 55(b)(2) of the Internal Revenue Code;

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

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

321.8 (ii) the medical expense deduction;

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

321.10 (iv) the impairment-related work expenses of a ~~disabled~~ person with a disability;

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

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

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

321.22 (6) the amount of addition required by section 290.0131, subdivisions 9 to 11;

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

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

327.25 (ii) an overpayment of state income tax as provided by section 290.0132, subdivision
327.26 3, to the extent included in federal alternative minimum taxable income;

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

328.1 (iv) amounts subtracted from federal taxable income as provided by section 290.0132,
328.2 subdivisions 7, 9 to 15, 17, 21, 24, and 26; and

328.3 (v) the amount of the net operating loss allowed under section 290.095, subdivision 11,
328.4 paragraph (c).

328.5 In the case of an estate or trust, alternative minimum taxable income must be computed
328.6 as provided in section 59(c) of the Internal Revenue Code.

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

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

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

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

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

328.16 Sec. 13. Minnesota Statutes 2018, section 290A.03, subdivision 3, is amended to read:

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

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

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

328.20 (i) all nontaxable income;

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

321.25 (ii) an overpayment of state income tax as provided by section 290.0132, subdivision
321.26 3, to the extent included in federal alternative minimum taxable income;

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

322.1 (iv) amounts subtracted from federal taxable income as provided by section 290.0132,
322.2 subdivisions 7, 9 to 15, 17, 21, 24, and 26; and

322.3 (v) the amount of the net operating loss allowed under section 290.095, subdivision 11,
322.4 paragraph (c).

322.5 In the case of an estate or trust, alternative minimum taxable income must be computed
322.6 as provided in section 59(c) of the Internal Revenue Code.

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

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

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

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

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

322.16 Sec. 13. Minnesota Statutes 2018, section 290A.03, subdivision 3, is amended to read:

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

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

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

322.20 (i) all nontaxable income;

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

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

328.27 (iv) cash public assistance and relief;

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

329.3 (vi) interest received from the federal or a state government or any instrumentality or
329.4 political subdivision thereof;

329.5 (vii) workers' compensation;

329.6 (viii) nontaxable strike benefits;

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

329.10 (x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of
329.11 1986, as amended through December 31, 1995;

329.12 (xi) contributions made by the claimant to an individual retirement account, including
329.13 a qualified voluntary employee contribution; simplified employee pension plan;
329.14 self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of
329.15 the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal
329.16 Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for
329.17 the claimant and spouse;

329.18 (xii) to the extent not included in federal adjusted gross income, distributions received
329.19 by the claimant or spouse from a traditional or Roth style retirement account or plan;

329.20 (xiii) nontaxable scholarship or fellowship grants;

329.21 (xiv) the amount of deduction allowed under section 199 of the Internal Revenue Code;

329.22 (xv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue
329.23 Code;

329.24 (xvi) the amount deducted for tuition expenses under section 222 of the Internal Revenue
329.25 Code; and

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

322.27 (iv) cash public assistance and relief;

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

323.3 (vi) interest received from the federal or a state government or any instrumentality or
323.4 political subdivision thereof;

323.5 (vii) workers' compensation;

323.6 (viii) nontaxable strike benefits;

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

323.10 (x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of
323.11 1986, as amended through December 31, 1995;

323.12 (xi) contributions made by the claimant to an individual retirement account, including
323.13 a qualified voluntary employee contribution; simplified employee pension plan;
323.14 self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of
323.15 the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal
323.16 Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for
323.17 the claimant and spouse;

323.18 (xii) to the extent not included in federal adjusted gross income, distributions received
323.19 by the claimant or spouse from a traditional or Roth style retirement account or plan;

323.20 (xiii) nontaxable scholarship or fellowship grants;

323.21 (xiv) the amount of deduction allowed under section 199 of the Internal Revenue Code;

323.22 (xv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue
323.23 Code;

323.24 (xvi) the amount deducted for tuition expenses under section 222 of the Internal Revenue
323.25 Code; and

- 329.26 (xvii) the amount deducted for certain expenses of elementary and secondary school
329.27 teachers under section 62(a)(2)(D) of the Internal Revenue Code.
- 329.28 In the case of an individual who files an income tax return on a fiscal year basis, the
329.29 term "federal adjusted gross income" shall mean federal adjusted gross income reflected in
329.30 the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced
329.31 by the amount of a net operating loss carryback or carryforward or a capital loss carryback
329.32 or carryforward allowed for the year.
- 330.1 (b) "Income" does not include:
- 330.2 (1) amounts excluded pursuant to the Internal Revenue Code, sections 101(a) and 102;
- 330.3 (2) amounts of any pension or annuity which was exclusively funded by the claimant
330.4 or spouse and which funding payments were not excluded from federal adjusted gross
330.5 income in the years when the payments were made;
- 330.6 (3) to the extent included in federal adjusted gross income, amounts contributed by the
330.7 claimant or spouse to a traditional or Roth style retirement account or plan, but not to exceed
330.8 the retirement base amount reduced by the amount of contributions excluded from federal
330.9 adjusted gross income, but not less than zero;
- 330.10 (4) surplus food or other relief in kind supplied by a governmental agency;
- 330.11 (5) relief granted under this chapter;
- 330.12 (6) child support payments received under a temporary or final decree of dissolution or
330.13 legal separation; or
- 330.14 (7) restitution payments received by eligible individuals and excludable interest as
330.15 defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001,
330.16 Public Law 107-16.
- 330.17 (c) The sum of the following amounts may be subtracted from income:
- 330.18 (1) for the claimant's first dependent, the exemption amount multiplied by 1.4;
- 330.19 (2) for the claimant's second dependent, the exemption amount multiplied by 1.3;
- 330.20 (3) for the claimant's third dependent, the exemption amount multiplied by 1.2;
- 330.21 (4) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;
- 330.22 (5) for the claimant's fifth dependent, the exemption amount; and

- 323.26 (xvii) the amount deducted for certain expenses of elementary and secondary school
323.27 teachers under section 62(a)(2)(D) of the Internal Revenue Code.
- 323.28 In the case of an individual who files an income tax return on a fiscal year basis, the
323.29 term "federal adjusted gross income" shall mean federal adjusted gross income reflected in
323.30 the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced
323.31 by the amount of a net operating loss carryback or carryforward or a capital loss carryback
323.32 or carryforward allowed for the year.
- 324.1 (b) "Income" does not include:
- 324.2 (1) amounts excluded pursuant to the Internal Revenue Code, sections 101(a) and 102;
- 324.3 (2) amounts of any pension or annuity which was exclusively funded by the claimant
324.4 or spouse and which funding payments were not excluded from federal adjusted gross
324.5 income in the years when the payments were made;
- 324.6 (3) to the extent included in federal adjusted gross income, amounts contributed by the
324.7 claimant or spouse to a traditional or Roth style retirement account or plan, but not to exceed
324.8 the retirement base amount reduced by the amount of contributions excluded from federal
324.9 adjusted gross income, but not less than zero;
- 324.10 (4) surplus food or other relief in kind supplied by a governmental agency;
- 324.11 (5) relief granted under this chapter;
- 324.12 (6) child support payments received under a temporary or final decree of dissolution or
324.13 legal separation; or
- 324.14 (7) restitution payments received by eligible individuals and excludable interest as
324.15 defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001,
324.16 Public Law 107-16.
- 324.17 (c) The sum of the following amounts may be subtracted from income:
- 324.18 (1) for the claimant's first dependent, the exemption amount multiplied by 1.4;
- 324.19 (2) for the claimant's second dependent, the exemption amount multiplied by 1.3;
- 324.20 (3) for the claimant's third dependent, the exemption amount multiplied by 1.2;
- 324.21 (4) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;
- 324.22 (5) for the claimant's fifth dependent, the exemption amount; and

330.23 (6) if the claimant or claimant's spouse ~~was disabled~~ had a disability or attained the age
 330.24 of 65 on or before December 31 of the year for which the taxes were levied or rent paid,
 330.25 the exemption amount.

330.26 (d) For purposes of this subdivision, the "exemption amount" means the exemption
 330.27 amount under section 151(d) of the Internal Revenue Code for the taxable year for which
 330.28 the income is reported; "retirement base amount" means the deductible amount for the
 330.29 taxable year for the claimant and spouse under section 219(b)(5)(A) of the Internal Revenue
 330.30 Code, adjusted for inflation as provided in section 219(b)(5)(C) of the Internal Revenue
 330.31 Code, without regard to whether the claimant or spouse claimed a deduction; and "traditional
 331.1 or Roth style retirement account or plan" means retirement plans under sections 401, 403,
 331.2 408, 408A, and 457 of the Internal Revenue Code.

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

331.4 Sec. 14. Minnesota Statutes 2018, section 290A.03, subdivision 4, is amended to read:

331.5 Subd. 4. **Household.** "Household" means a claimant and an individual related to the
 331.6 claimant as ~~husband or wife~~ the claimant's spouse who are domiciled in the same homestead.

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

331.8 Sec. 15. Minnesota Statutes 2018, section 290A.03, subdivision 8, is amended to read:

331.9 Subd. 8. **Claimant.** (a) "Claimant" means a person, other than a dependent, as defined
 331.10 under sections 151 and 152 of the Internal Revenue Code disregarding section 152(b)(3)
 331.11 of the Internal Revenue Code, who filed a claim authorized by this chapter and who was a
 331.12 resident of this state as provided in chapter 290 during the calendar year for which the claim
 331.13 for relief was filed.

331.14 (b) In the case of a claim relating to rent constituting property taxes, the claimant shall
 331.15 have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu
 331.16 of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem
 331.17 taxes, are payable at some time during the calendar year covered by the claim.

331.18 (c) "Claimant" shall not include a resident of a nursing home, intermediate care facility,
 331.19 long-term residential facility, or a facility that accepts housing support payments whose
 331.20 rent constituting property taxes is paid pursuant to the Supplemental Security Income
 331.21 program under title XVI of the Social Security Act, the Minnesota supplemental aid program
 331.22 under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX
 331.23 of the Social Security Act, or the housing support program under chapter 256I.

331.24 If only a portion of the rent constituting property taxes is paid by these programs, the
 331.25 resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant
 331.26 to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as
 331.27 defined in subdivision 3, paragraphs (a) and (b), reduced by the total amount of income

324.23 (6) if the claimant or claimant's spouse ~~was disabled~~ had a disability or attained the age
 324.24 of 65 on or before December 31 of the year for which the taxes were levied or rent paid,
 324.25 the exemption amount.

324.26 (d) For purposes of this subdivision, the "exemption amount" means the exemption
 324.27 amount under section 151(d) of the Internal Revenue Code for the taxable year for which
 324.28 the income is reported; "retirement base amount" means the deductible amount for the
 324.29 taxable year for the claimant and spouse under section 219(b)(5)(A) of the Internal Revenue
 324.30 Code, adjusted for inflation as provided in section 219(b)(5)(C) of the Internal Revenue
 324.31 Code, without regard to whether the claimant or spouse claimed a deduction; and "traditional
 325.1 or Roth style retirement account or plan" means retirement plans under sections 401, 403,
 325.2 408, 408A, and 457 of the Internal Revenue Code.

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

325.4 Sec. 14. Minnesota Statutes 2018, section 290A.03, subdivision 4, is amended to read:

325.5 Subd. 4. **Household.** "Household" means a claimant and an individual related to the
 325.6 claimant as ~~husband or wife~~ the claimant's spouse who are domiciled in the same homestead.

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

325.8 Sec. 15. Minnesota Statutes 2018, section 290A.03, subdivision 8, is amended to read:

325.9 Subd. 8. **Claimant.** (a) "Claimant" means a person, other than a dependent, as defined
 325.10 under sections 151 and 152 of the Internal Revenue Code disregarding section 152(b)(3)
 325.11 of the Internal Revenue Code, who filed a claim authorized by this chapter and who was a
 325.12 resident of this state as provided in chapter 290 during the calendar year for which the claim
 325.13 for relief was filed.

325.14 (b) In the case of a claim relating to rent constituting property taxes, the claimant shall
 325.15 have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu
 325.16 of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem
 325.17 taxes, are payable at some time during the calendar year covered by the claim.

325.18 (c) "Claimant" shall not include a resident of a nursing home, intermediate care facility,
 325.19 long-term residential facility, or a facility that accepts housing support payments whose
 325.20 rent constituting property taxes is paid pursuant to the Supplemental Security Income
 325.21 program under title XVI of the Social Security Act, the Minnesota supplemental aid program
 325.22 under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX
 325.23 of the Social Security Act, or the housing support program under chapter 256I.

325.24 If only a portion of the rent constituting property taxes is paid by these programs, the
 325.25 resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant
 325.26 to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as
 325.27 defined in subdivision 3, paragraphs (a) and (b), reduced by the total amount of income

331.28 from the above sources other than vendor payments under the medical assistance program
 331.29 and the denominator of which is income as defined in subdivision 3, paragraphs (a) and (b),
 331.30 plus vendor payments under the medical assistance program, to determine the allowable
 331.31 refund pursuant to this chapter.

332.1 (d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home,
 332.2 intermediate care facility, long-term residential facility, or facility for which the rent was
 332.3 paid for the claimant by the housing support program for only a portion of the calendar year
 332.4 covered by the claim, the claimant may compute rent constituting property taxes by
 332.5 disregarding the rent constituting property taxes from the nursing home or facility and use
 332.6 only that amount of rent constituting property taxes or property taxes payable relating to
 332.7 that portion of the year when the claimant was not in the facility. The claimant's household
 332.8 income is the income for the entire calendar year covered by the claim.

332.9 (e) In the case of a claim for rent constituting property taxes of a part-year Minnesota
 332.10 resident, the income and rental reflected in this computation shall be for the period of
 332.11 Minnesota residency only. Any rental expenses paid which may be reflected in arriving at
 332.12 federal adjusted gross income cannot be utilized for this computation. When two individuals
 332.13 of a household are able to meet the qualifications for a claimant, they may determine among
 332.14 them as to who the claimant shall be. If they are unable to agree, the matter shall be referred
 332.15 to the commissioner of revenue whose decision shall be final. If a homestead property owner
 332.16 was a part-year Minnesota resident, the income reflected in the computation made pursuant
 332.17 to section 290A.04 shall be for the entire calendar year, including income not assignable to
 332.18 Minnesota.

332.19 (f) If a homestead is occupied by two or more renters, who are not ~~husband and wife~~
 332.20 ~~married to each other~~, the rent shall be deemed to be paid equally by each, and separate
 332.21 claims shall be filed by each. The income of each shall be each renter's household income
 332.22 for purposes of computing the amount of credit to be allowed.

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

332.24 Sec. 16. Minnesota Statutes 2018, section 290A.05, is amended to read:

332.25 **290A.05 COMBINED HOUSEHOLD INCOME.**

332.26 If a person occupies a homestead with another person ~~or persons~~ not related to the person
 332.27 as ~~husband and wife~~ the person's spouse, excluding dependents, roomers or boarders on
 332.28 contract, and has property tax payable with respect to the homestead, the household income
 332.29 of the claimant or claimants for the purpose of computing the refund allowed by section
 332.30 290A.04 shall include the total income received by the other persons residing in the
 332.31 homestead. For purposes of this section, "dependent" includes a parent of the claimant or
 332.32 spouse who lives in the claimant's homestead and does not have an ownership interest in
 332.33 the homestead. If a person occupies a homestead with another person or persons not related

325.28 from the above sources other than vendor payments under the medical assistance program
 325.29 and the denominator of which is income as defined in subdivision 3, paragraphs (a) and (b),
 325.30 plus vendor payments under the medical assistance program, to determine the allowable
 325.31 refund pursuant to this chapter.

326.1 (d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home,
 326.2 intermediate care facility, long-term residential facility, or facility for which the rent was
 326.3 paid for the claimant by the housing support program for only a portion of the calendar year
 326.4 covered by the claim, the claimant may compute rent constituting property taxes by
 326.5 disregarding the rent constituting property taxes from the nursing home or facility and use
 326.6 only that amount of rent constituting property taxes or property taxes payable relating to
 326.7 that portion of the year when the claimant was not in the facility. The claimant's household
 326.8 income is the income for the entire calendar year covered by the claim.

326.9 (e) In the case of a claim for rent constituting property taxes of a part-year Minnesota
 326.10 resident, the income and rental reflected in this computation shall be for the period of
 326.11 Minnesota residency only. Any rental expenses paid which may be reflected in arriving at
 326.12 federal adjusted gross income cannot be utilized for this computation. When two individuals
 326.13 of a household are able to meet the qualifications for a claimant, they may determine among
 326.14 them as to who the claimant shall be. If they are unable to agree, the matter shall be referred
 326.15 to the commissioner of revenue whose decision shall be final. If a homestead property owner
 326.16 was a part-year Minnesota resident, the income reflected in the computation made pursuant
 326.17 to section 290A.04 shall be for the entire calendar year, including income not assignable to
 326.18 Minnesota.

326.19 (f) If a homestead is occupied by two or more renters, who are not ~~husband and wife~~
 326.20 ~~married to each other~~, the rent shall be deemed to be paid equally by each, and separate
 326.21 claims shall be filed by each. The income of each shall be each renter's household income
 326.22 for purposes of computing the amount of credit to be allowed.

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

326.24 Sec. 16. Minnesota Statutes 2018, section 290A.05, is amended to read:

326.25 **290A.05 COMBINED HOUSEHOLD INCOME.**

326.26 If a person occupies a homestead with another person ~~or persons~~ not related to the person
 326.27 as ~~husband and wife~~ the person's spouse, excluding dependents, roomers or boarders on
 326.28 contract, and has property tax payable with respect to the homestead, the household income
 326.29 of the claimant or claimants for the purpose of computing the refund allowed by section
 326.30 290A.04 shall include the total income received by the other persons residing in the
 326.31 homestead. For purposes of this section, "dependent" includes a parent of the claimant or
 326.32 spouse who lives in the claimant's homestead and does not have an ownership interest in
 326.33 the homestead. If a person occupies a homestead with another person or persons not related

333.1 ~~to the person as husband and wife the person's spouse~~ or as dependents, the property tax
333.2 payable or rent constituting property tax shall be reduced as follows.

333.3 If the other person or persons are residing at the homestead under rental or lease
333.4 agreement, the amount of property tax payable or rent constituting property tax shall be that
333.5 portion not covered by the rental agreement.

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

333.7 Sec. 17. Minnesota Statutes 2018, section 290A.08, is amended to read:

333.8 **290A.08 ONE CLAIMANT PER HOUSEHOLD.**

333.9 Only one claimant per household per year is entitled to relief under this chapter. Payment
333.10 of the claim for relief may be made payable to the ~~husband and wife~~ spouses as one claimant.
333.11 The commissioner, upon written request, may issue separate checks, to the ~~husband and~~
333.12 ~~wife~~ spouses for one-half of the relief provided the original check has not been issued or
333.13 has been returned. Individuals related as ~~husband and wife~~ spouses who were married during
333.14 the year may elect to file a joint claim which shall include each spouse's income, rent
333.15 constituting property taxes, and property taxes payable. ~~Husbands and wives~~ Spouses who
333.16 were married for the entire year and were domiciled in the same household for the entire
333.17 year must file a joint claim. The maximum dollar amount allowable for a joint claim shall
333.18 not exceed the amount that one person could receive.

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

333.20 Sec. 18. Minnesota Statutes 2018, section 290A.09, is amended to read:

333.21 **290A.09 PROOF OF CLAIM.**

333.22 Every claimant shall supply to the commissioner of revenue, in support of the claim,
333.23 proof of eligibility under this chapter, including but not limited to amount of rent paid or
333.24 property taxes accrued, name and address of owner or managing agent of property rented,
333.25 changes in homestead, household membership, household income, size and nature of property
333.26 claimed as a homestead.

333.27 ~~Disabled~~ Persons with a disability filing claims shall submit proof of disability in the
333.28 form and manner as the commissioner may prescribe. The department may require
333.29 examination and certification by the claimant's physician or by a physician designated by
333.30 the commissioner. The cost of any examination shall be borne by the claimant, unless the
333.31 examination proves the disability, in which case the cost of the examination shall be borne
333.32 by the commissioner.

334.1 A determination of disability of a claimant by the Social Security Administration under
334.2 Title II or Title XVI of the Social Security Act shall constitute presumptive proof of disability.

327.1 ~~to the person as husband and wife the person's spouse~~ or as dependents, the property tax
327.2 payable or rent constituting property tax shall be reduced as follows.

327.3 If the other person or persons are residing at the homestead under rental or lease
327.4 agreement, the amount of property tax payable or rent constituting property tax shall be that
327.5 portion not covered by the rental agreement.

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

327.7 Sec. 17. Minnesota Statutes 2018, section 290A.08, is amended to read:

327.8 **290A.08 ONE CLAIMANT PER HOUSEHOLD.**

327.9 Only one claimant per household per year is entitled to relief under this chapter. Payment
327.10 of the claim for relief may be made payable to the ~~husband and wife~~ spouses as one claimant.
327.11 The commissioner, upon written request, may issue separate checks, to the ~~husband and~~
327.12 ~~wife~~ spouses for one-half of the relief provided the original check has not been issued or
327.13 has been returned. Individuals related as ~~husband and wife~~ spouses who were married during
327.14 the year may elect to file a joint claim which shall include each spouse's income, rent
327.15 constituting property taxes, and property taxes payable. ~~Husbands and wives~~ Spouses who
327.16 were married for the entire year and were domiciled in the same household for the entire
327.17 year must file a joint claim. The maximum dollar amount allowable for a joint claim shall
327.18 not exceed the amount that one person could receive.

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

327.20 Sec. 18. Minnesota Statutes 2018, section 290A.09, is amended to read:

327.21 **290A.09 PROOF OF CLAIM.**

327.22 Every claimant shall supply to the commissioner of revenue, in support of the claim,
327.23 proof of eligibility under this chapter, including but not limited to amount of rent paid or
327.24 property taxes accrued, name and address of owner or managing agent of property rented,
327.25 changes in homestead, household membership, household income, size and nature of property
327.26 claimed as a homestead.

327.27 ~~Disabled~~ Persons with a disability filing claims shall submit proof of disability in the
327.28 form and manner as the commissioner may prescribe. The department may require
327.29 examination and certification by the claimant's physician or by a physician designated by
327.30 the commissioner. The cost of any examination shall be borne by the claimant, unless the
327.31 examination proves the disability, in which case the cost of the examination shall be borne
327.32 by the commissioner.

328.1 A determination of disability of a claimant by the Social Security Administration under
328.2 Title II or Title XVI of the Social Security Act shall constitute presumptive proof of disability.

- 334.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 334.4 Sec. 19. Minnesota Statutes 2018, section 297A.61, subdivision 18, is amended to read:
- 334.5 Subd. 18. **Disabled Person with a disability.** "~~Disabled~~ Person with a disability" means
- 334.6 an individual who has a permanent and total disability as defined in section 273.13,
- 334.7 subdivision 22.
- 334.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 334.9 Sec. 20. Minnesota Statutes 2018, section 297A.67, subdivision 6, is amended to read:
- 334.10 Subd. 6. **Other exempt meals.** (a) Prepared food, candy, and soft drinks purchased for
- 334.11 and served exclusively to individuals who are 60 years of age or over and their spouses or
- 334.12 to ~~disabled~~ persons with a disability and their spouses by governmental agencies, nonprofit
- 334.13 organizations, or churches, or pursuant to any program funded in whole or in part through
- 334.14 United States Code, title 42, sections 3001 through 3045, wherever delivered, prepared, or
- 334.15 served, are exempt. Taxable food sold through vending machines is not exempt.
- 334.16 (b) Prepared food, candy, and soft drinks purchased for and served exclusively to children
- 334.17 who are less than 14 years of age or ~~disabled~~ children with a disability who are less than
- 334.18 16 years of age and who are attending a child care or early childhood education program,
- 334.19 are exempt if they are:
- 334.20 (1) purchased by a nonprofit child care facility that is exempt under section 297A.70,
- 334.21 subdivision 4, and that primarily serves families with income of 250 percent or less of
- 334.22 federal poverty guidelines; and
- 334.23 (2) prepared at the site of the child care facility.
- 334.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 334.25 Sec. 21. Minnesota Statutes 2018, section 297A.67, subdivision 12, is amended to read:
- 334.26 Subd. 12. **Parts and accessories used to make a motor vehicle ~~disabled~~ accessible**
- 334.27 **to a person with a disability.** Parts, accessories, and labor charges that are used solely to
- 334.28 modify a motor vehicle to make it ~~disabled~~ accessible to persons with a disability are exempt.
- 334.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 335.1 Sec. 22. Minnesota Statutes 2018, section 297A.70, subdivision 3, is amended to read:
- 335.2 Subd. 3. **Sales of certain goods and services to government.** (a) The following sales
- 335.3 to or use by the specified governments and political subdivisions of the state are exempt:
- 335.4 (1) repair and replacement parts for emergency rescue vehicles, fire trucks, and fire
- 335.5 apparatus to a political subdivision;

- 328.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 328.4 Sec. 19. Minnesota Statutes 2018, section 297A.61, subdivision 18, is amended to read:
- 328.5 Subd. 18. **Disabled Person with a disability.** "~~Disabled~~ Person with a disability" means
- 328.6 an individual who has a permanent and total disability as defined in section 273.13,
- 328.7 subdivision 22.
- 328.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 328.9 Sec. 20. Minnesota Statutes 2018, section 297A.67, subdivision 6, is amended to read:
- 328.10 Subd. 6. **Other exempt meals.** (a) Prepared food, candy, and soft drinks purchased for
- 328.11 and served exclusively to individuals who are 60 years of age or over and their spouses or
- 328.12 to ~~disabled~~ persons with a disability and their spouses by governmental agencies, nonprofit
- 328.13 organizations, or churches, or pursuant to any program funded in whole or in part through
- 328.14 United States Code, title 42, sections 3001 through 3045, wherever delivered, prepared, or
- 328.15 served, are exempt. Taxable food sold through vending machines is not exempt.
- 328.16 (b) Prepared food, candy, and soft drinks purchased for and served exclusively to children
- 328.17 who are less than 14 years of age or ~~disabled~~ children with a disability who are less than
- 328.18 16 years of age and who are attending a child care or early childhood education program,
- 328.19 are exempt if they are:
- 328.20 (1) purchased by a nonprofit child care facility that is exempt under section 297A.70,
- 328.21 subdivision 4, and that primarily serves families with income of 250 percent or less of
- 328.22 federal poverty guidelines; and
- 328.23 (2) prepared at the site of the child care facility.
- 328.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 328.25 Sec. 21. Minnesota Statutes 2018, section 297A.67, subdivision 12, is amended to read:
- 328.26 Subd. 12. **Parts and accessories used to make a motor vehicle ~~disabled~~ accessible**
- 328.27 **to a person with a disability.** Parts, accessories, and labor charges that are used solely to
- 328.28 modify a motor vehicle to make it ~~disabled~~ accessible to persons with a disability are exempt.
- 328.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 329.1 Sec. 22. Minnesota Statutes 2018, section 297A.70, subdivision 3, is amended to read:
- 329.2 Subd. 3. **Sales of certain goods and services to government.** (a) The following sales
- 329.3 to or use by the specified governments and political subdivisions of the state are exempt:
- 329.4 (1) repair and replacement parts for emergency rescue vehicles, fire trucks, and fire
- 329.5 apparatus to a political subdivision;

- 335.6 (2) machinery and equipment, except for motor vehicles, used directly for mixed
 335.7 municipal solid waste management services at a solid waste disposal facility as defined in
 335.8 section 115A.03, subdivision 10;
- 335.9 (3) chore and homemaking services to a political subdivision of the state to be provided
 335.10 to elderly ~~individuals~~ or ~~disabled individuals~~ persons with a disability;
- 335.11 (4) telephone services to the Office of MN.IT Services that are used to provide
 335.12 telecommunications services through the MN.IT services revolving fund;
- 335.13 (5) firefighter personal protective equipment as defined in paragraph (b), if purchased
 335.14 or authorized by and for the use of an organized fire department, fire protection district, or
 335.15 fire company regularly charged with the responsibility of providing fire protection to the
 335.16 state or a political subdivision;
- 335.17 (6) bullet-resistant body armor that provides the wearer with ballistic and trauma
 335.18 protection, if purchased by a law enforcement agency of the state or a political subdivision
 335.19 of the state, or a licensed peace officer, as defined in section 626.84, subdivision 1;
- 335.20 (7) motor vehicles purchased or leased by political subdivisions of the state if the vehicles
 335.21 are exempt from registration under section 168.012, subdivision 1, paragraph (b), exempt
 335.22 from taxation under section 473.448, or exempt from the motor vehicle sales tax under
 335.23 section 297B.03, clause (12);
- 335.24 (8) equipment designed to process, dewater, and recycle biosolids for wastewater
 335.25 treatment facilities of political subdivisions, and materials incidental to installation of that
 335.26 equipment;
- 335.27 (9) the removal of trees, bushes, or shrubs for the construction and maintenance of roads,
 335.28 trails, or firebreaks when purchased by an agency of the state or a political subdivision of
 335.29 the state;
- 335.30 (10) purchases by the Metropolitan Council or the Department of Transportation of
 335.31 vehicles and repair parts to equip operations provided for in section 174.90, including, but
 335.32 not limited to, the Northstar Corridor Rail project; and
- 336.1 (11) purchases of water used directly in providing public safety services by an organized
 336.2 fire department, fire protection district, or fire company regularly charged with the
 336.3 responsibility of providing fire protection to the state or a political subdivision.
- 336.4 (b) For purposes of this subdivision, "firefighters personal protective equipment" means
 336.5 helmets, including face shields, chin straps, and neck liners; bunker coats and pants, including
 336.6 pant suspenders; boots; gloves; head covers or hoods; wildfire jackets; protective coveralls;
 336.7 goggles; self-contained breathing apparatus; canister filter masks; personal alert safety
 336.8 systems; spanner belts; optical or thermal imaging search devices; and all safety equipment
 336.9 required by the Occupational Safety and Health Administration.

- 329.6 (2) machinery and equipment, except for motor vehicles, used directly for mixed
 329.7 municipal solid waste management services at a solid waste disposal facility as defined in
 329.8 section 115A.03, subdivision 10;
- 329.9 (3) chore and homemaking services to a political subdivision of the state to be provided
 329.10 to elderly ~~individuals~~ or ~~disabled individuals~~ persons with a disability;
- 329.11 (4) telephone services to the Office of MN.IT Services that are used to provide
 329.12 telecommunications services through the MN.IT services revolving fund;
- 329.13 (5) firefighter personal protective equipment as defined in paragraph (b), if purchased
 329.14 or authorized by and for the use of an organized fire department, fire protection district, or
 329.15 fire company regularly charged with the responsibility of providing fire protection to the
 329.16 state or a political subdivision;
- 329.17 (6) bullet-resistant body armor that provides the wearer with ballistic and trauma
 329.18 protection, if purchased by a law enforcement agency of the state or a political subdivision
 329.19 of the state, or a licensed peace officer, as defined in section 626.84, subdivision 1;
- 329.20 (7) motor vehicles purchased or leased by political subdivisions of the state if the vehicles
 329.21 are exempt from registration under section 168.012, subdivision 1, paragraph (b), exempt
 329.22 from taxation under section 473.448, or exempt from the motor vehicle sales tax under
 329.23 section 297B.03, clause (12);
- 329.24 (8) equipment designed to process, dewater, and recycle biosolids for wastewater
 329.25 treatment facilities of political subdivisions, and materials incidental to installation of that
 329.26 equipment;
- 329.27 (9) the removal of trees, bushes, or shrubs for the construction and maintenance of roads,
 329.28 trails, or firebreaks when purchased by an agency of the state or a political subdivision of
 329.29 the state;
- 329.30 (10) purchases by the Metropolitan Council or the Department of Transportation of
 329.31 vehicles and repair parts to equip operations provided for in section 174.90, including, but
 329.32 not limited to, the Northstar Corridor Rail project; and
- 330.1 (11) purchases of water used directly in providing public safety services by an organized
 330.2 fire department, fire protection district, or fire company regularly charged with the
 330.3 responsibility of providing fire protection to the state or a political subdivision.
- 330.4 (b) For purposes of this subdivision, "firefighters personal protective equipment" means
 330.5 helmets, including face shields, chin straps, and neck liners; bunker coats and pants, including
 330.6 pant suspenders; boots; gloves; head covers or hoods; wildfire jackets; protective coveralls;
 330.7 goggles; self-contained breathing apparatus; canister filter masks; personal alert safety
 330.8 systems; spanner belts; optical or thermal imaging search devices; and all safety equipment
 330.9 required by the Occupational Safety and Health Administration.

336.10 (c) For purchases of items listed in paragraph (a), clause (10), the tax must be imposed
 336.11 and collected as if the rate under section 297A.62, subdivision 1, applied and then refunded
 336.12 in the manner provided in section 297A.75.

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

336.14 Sec. 23. Minnesota Statutes 2018, section 297A.70, subdivision 4, is amended to read:

336.15 Subd. 4. **Sales to nonprofit groups.** (a) All sales, except those listed in paragraph (b),
 336.16 to the following "nonprofit organizations" are exempt:

336.17 (1) a corporation, society, association, foundation, or institution organized and operated
 336.18 exclusively for charitable, religious, or educational purposes if the item purchased is used
 336.19 in the performance of charitable, religious, or educational functions;

336.20 (2) any senior citizen group or association of groups that:

336.21 (i) in general limits membership to persons who are either age 55 or older, or ~~physically~~
 336.22 ~~disabled persons with a physical disability;~~

336.23 (ii) is organized and operated exclusively for pleasure, recreation, and other nonprofit
 336.24 purposes, not including housing, no part of the net earnings of which inures to the benefit
 336.25 of any private shareholders; and

336.26 (iii) is an exempt organization under section 501(c) of the Internal Revenue Code; and

336.27 (3) an organization that qualifies for an exemption for memberships under subdivision
 336.28 12 if the item is purchased and used in the performance of the organization's mission.

336.29 For purposes of this subdivision, charitable purpose includes the maintenance of a cemetery
 336.30 owned by a religious organization.

336.31 (b) This exemption does not apply to the following sales:

337.1 (1) building, construction, or reconstruction materials purchased by a contractor or a
 337.2 subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed
 337.3 maximum price covering both labor and materials for use in the construction, alteration, or
 337.4 repair of a building or facility;

337.5 (2) construction materials purchased by tax-exempt entities or their contractors to be
 337.6 used in constructing buildings or facilities that will not be used principally by the tax-exempt
 337.7 entities;

337.8 (3) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2),
 337.9 and prepared food, candy, soft drinks, and alcoholic beverages as defined in section 297A.67,
 337.10 subdivision 2, except wine purchased by an established religious organization for sacramental
 337.11 purposes or as allowed under subdivision 9a; and

330.10 (c) For purchases of items listed in paragraph (a), clause (10), the tax must be imposed
 330.11 and collected as if the rate under section 297A.62, subdivision 1, applied and then refunded
 330.12 in the manner provided in section 297A.75.

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

330.14 Sec. 23. Minnesota Statutes 2018, section 297A.70, subdivision 4, is amended to read:

330.15 Subd. 4. **Sales to nonprofit groups.** (a) All sales, except those listed in paragraph (b),
 330.16 to the following "nonprofit organizations" are exempt:

330.17 (1) a corporation, society, association, foundation, or institution organized and operated
 330.18 exclusively for charitable, religious, or educational purposes if the item purchased is used
 330.19 in the performance of charitable, religious, or educational functions;

330.20 (2) any senior citizen group or association of groups that:

330.21 (i) in general limits membership to persons who are either age 55 or older, or ~~physically~~
 330.22 ~~disabled persons with a physical disability;~~

330.23 (ii) is organized and operated exclusively for pleasure, recreation, and other nonprofit
 330.24 purposes, not including housing, no part of the net earnings of which inures to the benefit
 330.25 of any private shareholders; and

330.26 (iii) is an exempt organization under section 501(c) of the Internal Revenue Code; and

330.27 (3) an organization that qualifies for an exemption for memberships under subdivision
 330.28 12 if the item is purchased and used in the performance of the organization's mission.

330.29 For purposes of this subdivision, charitable purpose includes the maintenance of a cemetery
 330.30 owned by a religious organization.

330.31 (b) This exemption does not apply to the following sales:

331.1 (1) building, construction, or reconstruction materials purchased by a contractor or a
 331.2 subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed
 331.3 maximum price covering both labor and materials for use in the construction, alteration, or
 331.4 repair of a building or facility;

331.5 (2) construction materials purchased by tax-exempt entities or their contractors to be
 331.6 used in constructing buildings or facilities that will not be used principally by the tax-exempt
 331.7 entities;

331.8 (3) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2),
 331.9 and prepared food, candy, soft drinks, and alcoholic beverages as defined in section 297A.67,
 331.10 subdivision 2, except wine purchased by an established religious organization for sacramental
 331.11 purposes or as allowed under subdivision 9a; and

337.12 (4) leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except as
 337.13 provided in paragraph (c).

337.14 (c) This exemption applies to the leasing of a motor vehicle as defined in section 297B.01,
 337.15 subdivision 11, only if the vehicle is:

337.16 (1) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or a
 337.17 passenger automobile, as defined in section 168.002, if the automobile is designed and used
 337.18 for carrying more than nine persons including the driver; and

337.19 (2) intended to be used primarily to transport tangible personal property or individuals,
 337.20 other than employees, to whom the organization provides service in performing its charitable,
 337.21 religious, or educational purpose.

337.22 (d) A limited liability company also qualifies for exemption under this subdivision if
 337.23 (1) it consists of a sole member that would qualify for the exemption, and (2) the items
 337.24 purchased qualify for the exemption.

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

337.26 Sec. 24. Minnesota Statutes 2018, section 297A.70, subdivision 16, is amended to read:

337.27 Subd. 16. **Camp fees.** Fees to camps or other recreation facilities are exempt for:

337.28 (1) services primarily for children, adults accompanying children, or persons with
 337.29 ~~disabilities~~ a disability; or

337.30 (2) educational or religious activities;

338.1 ~~and~~ if the camp or facilities are owned and operated by an exempt organization under section
 338.2 501(c)(3) of the Internal Revenue Code.

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

338.4 Sec. 25. Minnesota Statutes 2018, section 297A.71, subdivision 22, is amended to read:

338.5 Subd. 22. **Materials used to make residential property ~~disabled~~ accessible to persons**
 338.6 **with a disability.** Building materials and equipment sold to, or stored, used, or consumed
 338.7 by, a nonprofit organization are exempt if:

338.8 (1) the materials and equipment are used or incorporated into modifying an existing
 338.9 residential structure to make it ~~disabled~~ accessible to persons with a disability; and

338.10 (2) the materials and equipment used in the modification would qualify for an exemption
 338.11 under either subdivision 11 or 12 if made by the current owner of the residence.

331.12 (4) leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except as
 331.13 provided in paragraph (c).

331.14 (c) This exemption applies to the leasing of a motor vehicle as defined in section 297B.01,
 331.15 subdivision 11, only if the vehicle is:

331.16 (1) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or a
 331.17 passenger automobile, as defined in section 168.002, if the automobile is designed and used
 331.18 for carrying more than nine persons including the driver; and

331.19 (2) intended to be used primarily to transport tangible personal property or individuals,
 331.20 other than employees, to whom the organization provides service in performing its charitable,
 331.21 religious, or educational purpose.

331.22 (d) A limited liability company also qualifies for exemption under this subdivision if
 331.23 (1) it consists of a sole member that would qualify for the exemption, and (2) the items
 331.24 purchased qualify for the exemption.

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

331.26 Sec. 24. Minnesota Statutes 2018, section 297A.70, subdivision 16, is amended to read:

331.27 Subd. 16. **Camp fees.** Fees to camps or other recreation facilities are exempt for:

331.28 (1) services primarily for children, adults accompanying children, or persons with
 331.29 ~~disabilities~~ a disability; or

331.30 (2) educational or religious activities;

332.1 ~~and~~ if the camp or facilities are owned and operated by an exempt organization under section
 332.2 501(c)(3) of the Internal Revenue Code.

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

332.4 Sec. 25. Minnesota Statutes 2018, section 297A.71, subdivision 22, is amended to read:

332.5 Subd. 22. **Materials used to make residential property ~~disabled~~ accessible to persons**
 332.6 **with a disability.** Building materials and equipment sold to, or stored, used, or consumed
 332.7 by, a nonprofit organization are exempt if:

332.8 (1) the materials and equipment are used or incorporated into modifying an existing
 332.9 residential structure to make it ~~disabled~~ accessible to persons with a disability; and

332.10 (2) the materials and equipment used in the modification would qualify for an exemption
 332.11 under either subdivision 11 or 12 if made by the current owner of the residence.

338.12 For purposes of this subdivision, "nonprofit organization" means any nonprofit
 338.13 corporation, society, association, foundation, or institution organized and operated exclusively
 338.14 for charitable, religious, educational, or civic purposes; or a veterans' group exempt from
 338.15 federal taxation under section 501(c), clause (19), of the Internal Revenue Code.

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

338.17 Sec. 26. Minnesota Statutes 2018, section 297A.75, subdivision 1, is amended to read:

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

338.21 (1) building materials for an agricultural processing facility exempt under section
 338.22 297A.71, subdivision 13;

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

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

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

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

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

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

339.3 (8) equipment and materials used for the generation, transmission, and distribution of
 339.4 electrical energy and an aerial camera package exempt under section 297A.68, subdivision
 339.5 37;

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

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

339.10 (11) materials, supplies, and equipment for construction, improvement, or expansion
 339.11 of:

339.12 (i) an aerospace defense manufacturing facility exempt under Minnesota Statutes 2014,
 339.13 section 297A.71, subdivision 42;

332.12 For purposes of this subdivision, "nonprofit organization" means any nonprofit
 332.13 corporation, society, association, foundation, or institution organized and operated exclusively
 332.14 for charitable, religious, educational, or civic purposes; or a veterans' group exempt from
 332.15 federal taxation under section 501(c), clause (19), of the Internal Revenue Code.

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

332.17 Sec. 26. Minnesota Statutes 2018, section 297A.75, subdivision 1, is amended to read:

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

332.21 (1) building materials for an agricultural processing facility exempt under section
 332.22 297A.71, subdivision 13;

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

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

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

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

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

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

333.3 (8) equipment and materials used for the generation, transmission, and distribution of
 333.4 electrical energy and an aerial camera package exempt under section 297A.68, subdivision
 333.5 37;

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

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

333.10 (11) materials, supplies, and equipment for construction, improvement, or expansion
 333.11 of:

333.12 (i) an aerospace defense manufacturing facility exempt under Minnesota Statutes 2014,
 333.13 section 297A.71, subdivision 42;

339.14 (ii) a biopharmaceutical manufacturing facility exempt under section 297A.71, subdivision
339.15 45;

339.16 (iii) a research and development facility exempt under Minnesota Statutes 2014, section
339.17 297A.71, subdivision 46; and

339.18 (iv) an industrial measurement manufacturing and controls facility exempt under
339.19 Minnesota Statutes 2014, section 297A.71, subdivision 47;

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

339.22 (13) materials, supplies, and equipment for qualifying capital projects under section
339.23 297A.71, subdivision 44, paragraph (a), clause (1), and paragraph (b);

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

339.26 (15) items and services purchased under a business subsidy agreement for use or
339.27 consumption primarily in greater Minnesota exempt under section 297A.68, subdivision
339.28 44;

339.29 (16) building materials, equipment, and supplies for constructing or replacing real
339.30 property exempt under section 297A.71, subdivision 49; and

340.1 (17) building materials, equipment, and supplies for constructing or replacing real
340.2 property exempt under section 297A.71, subdivision 50, paragraph (b).

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

340.4 Sec. 27. Minnesota Statutes 2018, section 297B.01, subdivision 14, is amended to read:

340.5 Subd. 14. **Purchase price.** (a) "Purchase price" means the total consideration valued in
340.6 money for a sale, whether paid in money or otherwise. The purchase price excludes the
340.7 amount of a manufacturer's rebate paid or payable to the purchaser. If a motor vehicle is
340.8 taken in trade as a credit or as part payment on a motor vehicle taxable under this chapter,
340.9 the credit or trade-in value allowed by the person selling the motor vehicle shall be deducted
340.10 from the total selling price to establish the purchase price of the vehicle being sold and the
340.11 trade-in allowance allowed by the seller shall constitute the purchase price of the motor
340.12 vehicle accepted as a trade-in. The purchase price in those instances where the motor vehicle
340.13 is acquired by gift or by any other transfer for a nominal or no monetary consideration shall
340.14 also include the average value of similar motor vehicles, established by standards and guides
340.15 as determined by the motor vehicle registrar. The purchase price in those instances where
340.16 a motor vehicle is manufactured by a person who registers it under the laws of this state
340.17 shall mean the manufactured cost of such motor vehicle and manufactured cost shall mean
340.18 the amount expended for materials, labor, and other properly allocable costs of manufacture,

333.14 (ii) a biopharmaceutical manufacturing facility exempt under section 297A.71, subdivision
333.15 45;

333.16 (iii) a research and development facility exempt under Minnesota Statutes 2014, section
333.17 297A.71, subdivision 46; and

333.18 (iv) an industrial measurement manufacturing and controls facility exempt under
333.19 Minnesota Statutes 2014, section 297A.71, subdivision 47;

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

333.22 (13) materials, supplies, and equipment for qualifying capital projects under section
333.23 297A.71, subdivision 44, paragraph (a), clause (1), and paragraph (b);

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

333.26 (15) items and services purchased under a business subsidy agreement for use or
333.27 consumption primarily in greater Minnesota exempt under section 297A.68, subdivision
333.28 44;

333.29 (16) building materials, equipment, and supplies for constructing or replacing real
333.30 property exempt under section 297A.71, subdivision 49; and

334.1 (17) building materials, equipment, and supplies for constructing or replacing real
334.2 property exempt under section 297A.71, subdivision 50, paragraph (b).

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

334.4 Sec. 27. Minnesota Statutes 2018, section 297B.01, subdivision 14, is amended to read:

334.5 Subd. 14. **Purchase price.** (a) "Purchase price" means the total consideration valued in
334.6 money for a sale, whether paid in money or otherwise. The purchase price excludes the
334.7 amount of a manufacturer's rebate paid or payable to the purchaser. If a motor vehicle is
334.8 taken in trade as a credit or as part payment on a motor vehicle taxable under this chapter,
334.9 the credit or trade-in value allowed by the person selling the motor vehicle shall be deducted
334.10 from the total selling price to establish the purchase price of the vehicle being sold and the
334.11 trade-in allowance allowed by the seller shall constitute the purchase price of the motor
334.12 vehicle accepted as a trade-in. The purchase price in those instances where the motor vehicle
334.13 is acquired by gift or by any other transfer for a nominal or no monetary consideration shall
334.14 also include the average value of similar motor vehicles, established by standards and guides
334.15 as determined by the motor vehicle registrar. The purchase price in those instances where
334.16 a motor vehicle is manufactured by a person who registers it under the laws of this state
334.17 shall mean the manufactured cost of such motor vehicle and manufactured cost shall mean
334.18 the amount expended for materials, labor, and other properly allocable costs of manufacture,

340.19 except that in the absence of actual expenditures for the manufacture of a part or all of the
 340.20 motor vehicle, manufactured costs shall mean the reasonable value of the completed motor
 340.21 vehicle.

340.22 (b) The term "purchase price" shall not include the portion of the value of a motor vehicle
 340.23 due solely to modifications necessary to make the motor vehicle ~~disability~~ accessible to
 340.24 persons with a disability.

340.25 (c) The term "purchase price" shall not include the transfer of a motor vehicle by way
 340.26 of gift between a ~~husband and wife~~ spouses or parent and child, or to a nonprofit organization
 340.27 as provided under subdivision 16, paragraph (c), clause (6), nor shall it include the transfer
 340.28 of a motor vehicle by a guardian to a ward when there is no monetary consideration and the
 340.29 title to such vehicle was registered in the name of the guardian, as guardian, only because
 340.30 the ward was a minor.

340.31 (d) The term "purchase price" shall not include the transfer of a motor vehicle as a gift
 340.32 between a foster parent and foster child. For purposes of this subdivision, a foster relationship
 340.33 exists, regardless of the age of the child, if (1) a foster parent's home is or was licensed as
 341.1 a foster family home under Minnesota Rules, parts 2960.3000 to 2960.3340, and (2) the
 341.2 county verifies that the child was a state ward or in permanent foster care.

341.3 (e) There shall not be included in "purchase price" the amount of any tax imposed by
 341.4 the United States upon or with respect to retail sales whether imposed upon the retailer or
 341.5 the consumer.

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

341.7 Sec. 28. Minnesota Statutes 2018, section 297B.01, subdivision 16, is amended to read:

341.8 Subd. 16. **Sale, sells, selling, purchase, purchased, or acquired.** (a) "Sale," "sells,"
 341.9 "selling," "purchase," "purchased," or "acquired" means any transfer of title of any motor
 341.10 vehicle, whether absolutely or conditionally, for a consideration in money or by exchange
 341.11 or barter for any purpose other than resale in the regular course of business.

341.12 (b) Any motor vehicle utilized by the owner only by leasing such vehicle to others or
 341.13 by holding it in an effort to so lease it, and which is put to no other use by the owner other
 341.14 than resale after such lease or effort to lease, shall be considered property purchased for
 341.15 resale.

341.16 (c) The terms also shall include any transfer of title or ownership of a motor vehicle by
 341.17 other means, for or without consideration, except that these terms shall not include:

341.18 (1) the acquisition of a motor vehicle by inheritance from or by bequest of, or
 341.19 transfer-on-death of title by, a decedent who owned it;

334.19 except that in the absence of actual expenditures for the manufacture of a part or all of the
 334.20 motor vehicle, manufactured costs shall mean the reasonable value of the completed motor
 334.21 vehicle.

334.22 (b) The term "purchase price" shall not include the portion of the value of a motor vehicle
 334.23 due solely to modifications necessary to make the motor vehicle ~~disability~~ accessible to
 334.24 persons with a disability.

334.25 (c) The term "purchase price" shall not include the transfer of a motor vehicle by way
 334.26 of gift between a ~~husband and wife~~ spouses or parent and child, or to a nonprofit organization
 334.27 as provided under subdivision 16, paragraph (c), clause (6), nor shall it include the transfer
 334.28 of a motor vehicle by a guardian to a ward when there is no monetary consideration and the
 334.29 title to such vehicle was registered in the name of the guardian, as guardian, only because
 334.30 the ward was a minor.

334.31 (d) The term "purchase price" shall not include the transfer of a motor vehicle as a gift
 334.32 between a foster parent and foster child. For purposes of this subdivision, a foster relationship
 334.33 exists, regardless of the age of the child, if (1) a foster parent's home is or was licensed as
 335.1 a foster family home under Minnesota Rules, parts 2960.3000 to 2960.3340, and (2) the
 335.2 county verifies that the child was a state ward or in permanent foster care.

335.3 (e) There shall not be included in "purchase price" the amount of any tax imposed by
 335.4 the United States upon or with respect to retail sales whether imposed upon the retailer or
 335.5 the consumer.

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

335.7 Sec. 28. Minnesota Statutes 2018, section 297B.01, subdivision 16, is amended to read:

335.8 Subd. 16. **Sale, sells, selling, purchase, purchased, or acquired.** (a) "Sale," "sells,"
 335.9 "selling," "purchase," "purchased," or "acquired" means any transfer of title of any motor
 335.10 vehicle, whether absolutely or conditionally, for a consideration in money or by exchange
 335.11 or barter for any purpose other than resale in the regular course of business.

335.12 (b) Any motor vehicle utilized by the owner only by leasing such vehicle to others or
 335.13 by holding it in an effort to so lease it, and which is put to no other use by the owner other
 335.14 than resale after such lease or effort to lease, shall be considered property purchased for
 335.15 resale.

335.16 (c) The terms also shall include any transfer of title or ownership of a motor vehicle by
 335.17 other means, for or without consideration, except that these terms shall not include:

335.18 (1) the acquisition of a motor vehicle by inheritance from or by bequest of, or
 335.19 transfer-on-death of title by, a decedent who owned it;

- 341.20 (2) the transfer of a motor vehicle which was previously licensed in the names of two
 341.21 or more joint tenants and subsequently transferred without monetary consideration to one
 341.22 or more of the joint tenants;
- 341.23 (3) the transfer of a motor vehicle by way of gift from a limited used vehicle dealer
 341.24 licensed under section 168.27, subdivision 4a, to an individual, when the transfer is with
 341.25 no monetary or other consideration or expectation of consideration and the parties to the
 341.26 transfer submit an affidavit to that effect at the time the title transfer is recorded;
- 341.27 (4) the transfer of a motor vehicle by gift between:
- 341.28 (i) spouses;
- 341.29 (ii) parents and a child; or
- 341.30 (iii) grandparents and a grandchild;
- 342.1 (5) the voluntary or involuntary transfer of a motor vehicle between ~~a husband and wife~~
 342.2 spouses in a divorce proceeding; or
- 342.3 (6) the transfer of a motor vehicle by way of a gift to an organization that is exempt from
 342.4 federal income taxation under section 501(c)(3) of the Internal Revenue Code when the
 342.5 motor vehicle will be used exclusively for religious, charitable, or educational purposes.
- 342.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 342.7 Sec. 29. Minnesota Statutes 2018, section 298.018, subdivision 1, is amended to read:
- 342.8 Subdivision 1. **Within taconite assistance area.** The proceeds of the tax paid under
 342.9 sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the
 342.10 taconite assistance area defined in section 273.1341, shall be allocated as follows:
- 342.11 (1) five percent to the city or town within which the minerals or energy resources are
 342.12 mined or extracted, or within which the concentrate was produced. If the mining and
 342.13 concentration, or different steps in either process, are carried on in more than one taxing
 342.14 district, the commissioner shall apportion equitably the proceeds among the cities and towns
 342.15 by attributing 50 percent of the proceeds of the tax to the operation of mining or extraction,
 342.16 and the remainder to the concentrating plant and to the processes of concentration, and with
 342.17 respect to each thereof giving due consideration to the relative extent of the respective
 342.18 operations performed in each taxing district;
- 342.19 (2) ten percent to the taconite municipal aid account to be distributed as provided in
 342.20 section 298.282, subdivisions 1 and 2, on the dates provided under this section;
- 342.21 (3) ten percent to the school district within which the minerals or energy resources are
 342.22 mined or extracted, or within which the concentrate was produced. If the mining and
 342.23 concentration, or different steps in either process, are carried on in more than one school

- 335.20 (2) the transfer of a motor vehicle which was previously licensed in the names of two
 335.21 or more joint tenants and subsequently transferred without monetary consideration to one
 335.22 or more of the joint tenants;
- 335.23 (3) the transfer of a motor vehicle by way of gift from a limited used vehicle dealer
 335.24 licensed under section 168.27, subdivision 4a, to an individual, when the transfer is with
 335.25 no monetary or other consideration or expectation of consideration and the parties to the
 335.26 transfer submit an affidavit to that effect at the time the title transfer is recorded;
- 335.27 (4) the transfer of a motor vehicle by gift between:
- 335.28 (i) spouses;
- 335.29 (ii) parents and a child; or
- 335.30 (iii) grandparents and a grandchild;
- 336.1 (5) the voluntary or involuntary transfer of a motor vehicle between ~~a husband and wife~~
 336.2 spouses in a divorce proceeding; or
- 336.3 (6) the transfer of a motor vehicle by way of a gift to an organization that is exempt from
 336.4 federal income taxation under section 501(c)(3) of the Internal Revenue Code when the
 336.5 motor vehicle will be used exclusively for religious, charitable, or educational purposes.
- 336.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 336.7 Sec. 29. Minnesota Statutes 2018, section 298.018, subdivision 1, is amended to read:
- 336.8 Subdivision 1. **Within taconite assistance area.** The proceeds of the tax paid under
 336.9 sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the
 336.10 taconite assistance area defined in section 273.1341, shall be allocated as follows:
- 336.11 (1) five percent to the city or town within which the minerals or energy resources are
 336.12 mined or extracted, or within which the concentrate was produced. If the mining and
 336.13 concentration, or different steps in either process, are carried on in more than one taxing
 336.14 district, the commissioner shall apportion equitably the proceeds among the cities and towns
 336.15 by attributing 50 percent of the proceeds of the tax to the operation of mining or extraction,
 336.16 and the remainder to the concentrating plant and to the processes of concentration, and with
 336.17 respect to each thereof giving due consideration to the relative extent of the respective
 336.18 operations performed in each taxing district;
- 336.19 (2) ten percent to the taconite municipal aid account to be distributed as provided in
 336.20 section 298.282, subdivisions 1 and 2, on the dates provided under this section;
- 336.21 (3) ten percent to the school district within which the minerals or energy resources are
 336.22 mined or extracted, or within which the concentrate was produced. If the mining and
 336.23 concentration, or different steps in either process, are carried on in more than one school

- 342.24 district, distribution among the school districts must be based on the apportionment formula
 342.25 prescribed in clause (1);
- 342.26 (4) 20 percent to a group of school districts comprised of those school districts wherein
 342.27 the mineral or energy resource was mined or extracted or in which there is a qualifying
 342.28 municipality as defined by section 273.134, paragraph (b), in direct proportion to school
 342.29 district indexes as follows: for each school district, its pupil units determined under section
 342.30 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted
 342.31 net tax capacity per pupil unit for school districts receiving aid under this clause as calculated
 342.32 pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution
 342.33 to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that
 343.1 portion of the distribution which its index bears to the sum of the indices for all school
 343.2 districts that receive the distributions;
- 343.3 (5) 20 percent to the county within which the minerals or energy resources are mined
 343.4 or extracted, or within which the concentrate was produced. If the mining and concentration,
 343.5 or different steps in either process, are carried on in more than one county, distribution
 343.6 among the counties must be based on the apportionment formula prescribed in clause (1),
 343.7 provided that any county receiving distributions under this clause shall pay one percent of
 343.8 its proceeds to the Range Association of Municipalities and Schools;
- 343.9 (6) 20 percent to St. Louis County acting as the counties' fiscal agent to be distributed
 343.10 as provided in sections 273.134 to 273.136;
- 343.11 (7) five percent to the commissioner of Iron Range resources and rehabilitation for the
 343.12 purposes of section 298.22;
- 343.13 (8) three percent to the Douglas J. Johnson economic protection trust fund; and
- 343.14 (9) seven percent to the taconite environmental protection fund.
- 343.15 ~~The proceeds of the tax shall be distributed on July 15 each year.~~
- 343.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 343.17 Sec. 30. Minnesota Statutes 2018, section 298.018, is amended by adding a subdivision
 343.18 to read:
- 343.19 Subd. 1a. **Distribution date.** The proceeds of the tax allocated under subdivision 1 shall
 343.20 be distributed on December 15 each year. Any payment of proceeds received after December
 343.21 15 shall be distributed on the next net proceeds tax distribution date.
- 343.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

- 336.24 district, distribution among the school districts must be based on the apportionment formula
 336.25 prescribed in clause (1);
- 336.26 (4) 20 percent to a group of school districts comprised of those school districts wherein
 336.27 the mineral or energy resource was mined or extracted or in which there is a qualifying
 336.28 municipality as defined by section 273.134, paragraph (b), in direct proportion to school
 336.29 district indexes as follows: for each school district, its pupil units determined under section
 336.30 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted
 336.31 net tax capacity per pupil unit for school districts receiving aid under this clause as calculated
 336.32 pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution
 336.33 to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that
 337.1 portion of the distribution which its index bears to the sum of the indices for all school
 337.2 districts that receive the distributions;
- 337.3 (5) 20 percent to the county within which the minerals or energy resources are mined
 337.4 or extracted, or within which the concentrate was produced. If the mining and concentration,
 337.5 or different steps in either process, are carried on in more than one county, distribution
 337.6 among the counties must be based on the apportionment formula prescribed in clause (1),
 337.7 provided that any county receiving distributions under this clause shall pay one percent of
 337.8 its proceeds to the Range Association of Municipalities and Schools;
- 337.9 (6) 20 percent to St. Louis County acting as the counties' fiscal agent to be distributed
 337.10 as provided in sections 273.134 to 273.136;
- 337.11 (7) five percent to the commissioner of Iron Range resources and rehabilitation for the
 337.12 purposes of section 298.22;
- 337.13 (8) three percent to the Douglas J. Johnson economic protection trust fund; and
- 337.14 (9) seven percent to the taconite environmental protection fund.
- 337.15 ~~The proceeds of the tax shall be distributed on July 15 each year.~~
- 337.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 337.17 Sec. 30. Minnesota Statutes 2018, section 298.018, is amended by adding a subdivision
 337.18 to read:
- 337.19 Subd. 1a. **Distribution date.** The proceeds of the tax allocated under subdivision 1 shall
 337.20 be distributed on December 15 each year. Any payment of proceeds received after December
 337.21 15 shall be distributed on the next net proceeds tax distribution date.
- 337.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

343.23 Sec. 31. Minnesota Statutes 2018, section 298.282, subdivision 1, is amended to read:

343.24 Subdivision 1. **Distribution of taconite municipal aid account.** (a) The amount
 343.25 deposited with the county as provided in section 298.28, subdivision 3, must be distributed
 343.26 as provided by this section among: (1) the municipalities comprising a taconite assistance
 343.27 area under section 273.1341; (2) a township that contains a state park consisting primarily
 343.28 of an underground iron ore mine; and (3) a city located within five miles of that state park,
 343.29 each being referred to in this section as a qualifying municipality.

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

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

344.4 Sec. 32. Laws 2017, First Special Session chapter 1, article 8, section 3, the effective date,
 344.5 is amended to read:

344.6 **EFFECTIVE DATE.** This section is effective for (1) petitions and appeals filed after
 344.7 June 30, 2017, for which notices of entry of order are mailed before July 1, 2019, and (2)
 344.8 notices of entry of order mailed after June 30, 2019.

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

337.23 Sec. 31. Minnesota Statutes 2018, section 298.282, subdivision 1, is amended to read:

337.24 Subdivision 1. **Distribution of taconite municipal aid account.** (a) The amount
 337.25 deposited with the county as provided in section 298.28, subdivision 3, must be distributed
 337.26 as provided by this section among: (1) the municipalities comprising a taconite assistance
 337.27 area under section 273.1341; (2) a township that contains a state park consisting primarily
 337.28 of an underground iron ore mine; and (3) a city located within five miles of that state park,
 337.29 each being referred to in this section as a qualifying municipality.

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

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

338.4 Sec. 32. Laws 2017, First Special Session chapter 1, article 8, section 3, the effective date,
 338.5 is amended to read:

338.6 **EFFECTIVE DATE.** This section is effective for (1) petitions and appeals filed after
 338.7 June 30, 2017, for which notices of entry of order are mailed before July 1, 2019, and (2)
 338.8 notices of entry of order mailed after June 30, 2019.

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