

April 8, 2026

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of S.F. 4986 (Rest) / H.F. 4841 (Agbaje)

Effective the day following final enactment.

Hennepin County has imposed a sales and use tax of 0.15% since 2007 and a 0.5% transit tax since 2017.

The proceeds from the 0.15% tax are used to pay costs of collecting the tax, pay bond costs, maintain reserves, pay for operating costs of the ballpark authority, and make expenditures and grants for youth activities and amateur sports and the extension of library hours.

The bill authorizes Hennepin County to increase the sales and use tax from 0.15% to 1.0%. The proceeds from the tax could additionally be used to make expenditures and grants to certain Hennepin County health care facilities, or fund capital improvements of the ballpark or public infrastructure within the development area.

The county may also distribute up to \$24 million of funds annually to a private, nonprofit hospital designated by the commissioner of health as a level I trauma hospital. These funds would be used to cover the hospital's uncompensated care charges.

The bill would expand the Minnesota Ballpark Authority's capital improvement reserve fund to also allow amounts for public infrastructure within the development area. The bill would require the ballpark authority to establish a reserve fund for these ballpark costs and increase annual payments to the fund from \$2 million to \$14 million. The Minnesota Twins' share of these annual payments would increase from approximately \$1 million to \$7 million. The payments would increase annually according to an inflation index determined by the county.

Hennepin County may spend remaining funds on other county healthcare and public health related purposes specified in the bill.

The bill would deem the Minnesota Ballpark Authority a qualifying government for purposes of its investment authority and would authorize the county to issue revenue bonds to finance all or a portion of these ballpark costs.

The bill would have no direct impact on state taxes. Hennepin County's sales and use tax generated approximately \$50 million of revenue in calendar year 2025. If the rate had been 1% in calendar year 2025 the tax would've generated approximately \$337 million.

Minnesota Department of Revenue  
Tax Research Division  
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