

1.1 moves to amend H.F. No. 2346 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2022, section 297A.99, subdivision 1, is amended to read:

1.4 Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose
1.5 a general sales tax (1) under section 297A.992, (2) under section 297A.9925, (3) under
1.6 section 297A.993, ~~(3)~~ (4) if permitted by special law, or ~~(4)~~ (5) if the political subdivision
1.7 enacted and imposed the tax before January 1, 1982, and its predecessor provision.

1.8 (b) This section governs the imposition of a general sales tax by the political subdivision.
1.9 The provisions of this section preempt the provisions of any special law:

1.10 (1) enacted before June 2, 1997, or

1.11 (2) enacted on or after June 2, 1997, that does not explicitly exempt the special law
1.12 provision from this section's rules by reference.

1.13 (c) This section does not apply to or preempt a sales tax on motor vehicles. Beginning
1.14 July 1, 2019, no political subdivision may impose a special excise tax on motor vehicles
1.15 unless it is imposed under section 297A.993.

1.16 (d) A political subdivision may not advertise or expend funds for the promotion of a
1.17 referendum to support imposing a local sales tax and may only spend funds related to
1.18 imposing a local sales tax to:

1.19 (1) conduct the referendum;

1.20 (2) disseminate information included in the resolution adopted under subdivision 2, but
1.21 only if the disseminated information includes a list of specific projects and the cost of each
1.22 individual project;

2.1 (3) provide notice of, and conduct public forums at which proponents and opponents on
2.2 the merits of the referendum are given equal time to express their opinions on the merits of
2.3 the referendum;

2.4 (4) provide facts and data on the impact of the proposed local sales tax on consumer
2.5 purchases; and

2.6 (5) provide facts and data related to the individual programs and projects to be funded
2.7 with the local sales tax.

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

2.9 Sec. 2. **[297A.9925] METROPOLITAN REGION SALES AND USE TAX.**

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

2.12 (b) "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

2.13 (c) "Metropolitan Council" or "council" means the Metropolitan Council established by
2.14 section 473.123.

2.15 (d) "Metropolitan sales tax" means the metropolitan region sales and use tax imposed
2.16 under this section.

2.17 **Subd. 2. Sales tax imposition; rate.** The Metropolitan Council must impose a
2.18 metropolitan region sales and use tax at a rate of three-quarters of one percent on retail sales
2.19 and uses taxable under this chapter occurring within the metropolitan area.

2.20 **Subd. 3. Administration; collection; enforcement.** Except as otherwise provided in
2.21 this section, the provisions of section 297A.99, subdivisions 4, and 6 to 12a, govern the
2.22 administration, collection, and enforcement of the metropolitan sales tax.

2.23 **Subd. 4. Deposit.** Proceeds of the metropolitan sales tax must be deposited in the
2.24 metropolitan area transit account under section 16A.88.

2.25 **Subd. 5. Revenue bonds.** (a) In addition to other authority granted in this section, and
2.26 notwithstanding section 473.39, subdivision 7, or any other law to the contrary, the council
2.27 may, by resolution, authorize the sale and issuance of revenue bonds, notes, or obligations
2.28 to provide funds to (1) implement the council's transit capital improvement program, and
2.29 (2) refund bonds issued under this subdivision.

2.30 (b) The bonds are payable from and secured by a pledge of all or part of the revenue
2.31 received under subdivision 4, and associated investment earnings on debt proceeds. The

3.1 council may, by resolution, authorize the issuance of the bonds as general obligations of
3.2 the council. The bonds must be sold, issued, and secured in the manner provided in chapter
3.3 475, and the council has the same powers and duties as a municipality and its governing
3.4 body in issuing bonds under chapter 475, except that no election is required and the net debt
3.5 limitations in chapter 475 do not apply to such bonds. The proceeds of the bonds may also
3.6 be used to fund necessary reserves and to pay credit enhancement fees, issuance costs, and
3.7 other financing costs during the life of the debt.

3.8 (c) The bonds may be secured by a bond resolution, or a trust indenture entered into by
3.9 the council with a corporate trustee within or outside the state, which must define the
3.10 revenues and bond proceeds pledged for the payment and security of the bonds. The pledge
3.11 must be a valid charge on the revenues received under section 297A.99, subdivision 11.
3.12 Neither the state, nor any municipality or political subdivision except the council, nor any
3.13 member or officer or employee of the council, is liable on the obligations. No mortgage or
3.14 security interest in any tangible real or personal property is granted to the bondholders or
3.15 the trustee, but they have a valid security interest in the revenues and bond proceeds received
3.16 by the council and pledged to the payment of the bonds. In the bond resolution or trust
3.17 indenture, the council may make such covenants as it determines to be reasonable for the
3.18 protection of the bondholders.

3.19 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
3.20 final enactment for sales and purchases made after October 1, 2023, and applies in the
3.21 counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

3.22 Sec. 3. **[473.4465] METROPOLITAN REGION SALES AND USE TAX**
3.23 **ALLOCATION.**

3.24 Subdivision 1. **Definition.** For purposes of this section, "sales tax revenue" means
3.25 revenue from the metropolitan region sales and use tax under section 297A.9925 that is
3.26 deposited in the metropolitan area transit account under section 16A.88.

3.27 Subd. 2. **Uses of funds.** (a) Sales tax revenue is available for transit system purposes
3.28 under sections 473.371 to 473.452, including but not limited to operations, maintenance,
3.29 and capital projects.

3.30 (b) The council must annually expend a portion of sales tax revenue in each of the
3.31 following categories:

3.32 (1) improvements to regular route bus service levels;

3.33 (2) improvements related to transit safety;

- 4.1 (3) maintenance and improvements to bus accessibility at transit stops and transit centers;
- 4.2 (4) transit shelter replacement and improvements under section 473.41;
- 4.3 (5) planning and project development for expansion of arterial bus rapid transit lines;
- 4.4 (6) operations and capital maintenance of arterial bus rapid transit;
- 4.5 (7) planning and project development for expansion of highway bus rapid transit lines;
- 4.6 (8) operations and capital maintenance of highway bus rapid transit;
- 4.7 (9) zero-emission bus procurement and associated costs in conformance with the
- 4.8 zero-emission and electric transit vehicle transition plan under section 473.3927; and
- 4.9 (10) financial assistance to replacement service providers under section 473.388, to
- 4.10 provide for service, vehicle purchases, and capital investments related to demand response
- 4.11 microtransit service.

- 4.12 (c) Subject to subdivision 3, nothing in paragraph (b) prevents expenditure for additional
- 4.13 purposes as determined by the council.

- 4.14 Subd. 3. **Prohibition.** (a) The council is prohibited from expending sales tax revenue
- 4.15 on the Southwest light rail transit (Green Line Extension) project.

- 4.16 (b) It is the intent of the legislature that the prohibition in paragraph (a) is repealed
- 4.17 following enactment of substantive changes to the governance structure of the Metropolitan
- 4.18 Council.

- 4.19 Subd. 4. **Tracking and information.** (a) The council must maintain separate financial
- 4.20 information on sales tax revenue that includes:

- 4.21 (1) a summary of annual revenue and expenditures, including but not limited to balances
- 4.22 and anticipated revenue in the forecast period under section 16A.103; and

- 4.23 (2) for each of the categories specified under subdivision 2 in the most recent prior three
- 4.24 fiscal years:

- 4.25 (i) specification of annual expenditures; and

- 4.26 (ii) an overview of the projects or services.

- 4.27 (b) The council must publish the information required under paragraph (a) on a website.

- 4.28 **EFFECTIVE DATE; APPLICATION.** This section is effective October 1, 2023, and
- 4.29 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

5.1 Sec. 4. Laws 2022, chapter 39, section 2, is amended to read:

5.2 Sec. 2. **SOUTHWEST LIGHT RAIL TRANSIT; EXPENDITURES AND**
5.3 **SCHEDULE.**

5.4 (a) Annually by January 1 and July 1, the Metropolitan Council must provide status
5.5 updates on the Southwest light rail transit project to the chairs and ranking minority members
5.6 of the legislative committees with jurisdiction over transportation policy and finance. Each
5.7 status update must include:

5.8 (1) total expenditures on the project during the previous six months as compared to
5.9 projections;

5.10 (2) total expenditures on the project anticipated over the next six months; ~~and~~

5.11 (3) total expenditures on the project to date;

5.12 (4) the total project cost estimate; and

5.13 (5) any change in the date of anticipated project completion.

5.14 (b) The Metropolitan Council must notify the chairs and ranking minority members of
5.15 the legislative committees with jurisdiction over transportation policy and finance within
5.16 seven calendar days of making a determination that:

5.17 (1) the anticipated Southwest light rail project completion date is delayed by six months
5.18 or more beyond the estimated completion date determined as of the effective date of this
5.19 section;

5.20 (2) the anticipated Southwest light rail project completion date is delayed by six months
5.21 or more beyond the most recent estimated completion date;

5.22 (3) the total Southwest light rail project cost is anticipated to increase by five percent
5.23 or more above the project cost estimate determined as of the effective date of this section;
5.24 or

5.25 (4) the total Southwest light rail project cost is anticipated to increase by five percent
5.26 or more above the most recent cost estimate.

5.27 (c) On a monthly basis and at least 30 days prior to making an expenditure for the
5.28 Southwest light rail transit project, the Metropolitan Council must submit an expenditure
5.29 notification for review and comment, to the chairs and ranking minority members of the
5.30 legislative committees with jurisdiction over transportation policy and finance, and to the

6.1 members of the Legislative Commission on Metropolitan Government. A notification must
6.2 include the following for each expenditure or for a subtotal of related expenditures:

6.3 (1) the expenditure or subtotal amount;

6.4 (2) the specific standard cost category; and

6.5 (3) identification or a brief summary of the nature of the expenditure.

6.6 (d) It is the intent of the legislature that the requirements in paragraph (c) are repealed
6.7 following enactment of substantive changes to the governance structure of the Metropolitan
6.8 Council.

6.9 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
6.10 final enactment and applies to expenditures made on or after October 1, 2023. This section
6.11 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and
6.12 Washington."

6.13 Amend the title accordingly