

1.1 A bill for an act

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

1.3 provisions governing individual income and corporate franchise taxes, federal

1.4 conformity, property taxes, certain state aids, sales and use taxes, minerals taxes,

1.5 tax increment financing, local sales and use taxes, local special taxes, provisions

1.6 related to public finance, and various other taxes and tax-related provisions;

1.7 modifying income tax credits; modifying existing and proposing new subtractions;

1.8 modifying provisions related to the taxation of pass-through entities; providing

1.9 for certain federal tax conformity; modifying provisions related to reporting of

1.10 corporate income; providing a onetime refundable rebate credit; modifying property

1.11 tax exemptions, classifications, and refunds; modifying local government aid

1.12 calculations; establishing soil and water conservation district aid; providing public

1.13 safety aid; providing for certain sales tax exemptions and providing new definitions;

1.14 modifying taconite taxes and distributions; modifying provisions related to tax

1.15 increment financing and allowing certain special local provisions; authorizing and

1.16 modifying certain local taxes; providing for a process to refund the state stadium

1.17 bonds; establishing tourism improvement areas; requiring reports; providing for

1.18 certain policy and technical modifications; requiring financial review of grant

1.19 recipients; appropriating money; amending Minnesota Statutes 2022, sections

1.20 6.495, subdivision 3; 13.46, subdivision 2; 13.4967, by adding a subdivision;

1.21 16A.726; 38.27, subdivision 4; 41B.0391, subdivisions 1, 2, 4, 6; 103D.905,

1.22 subdivision 3; 116J.401, subdivision 3; 116J.8737, subdivisions 5, 12; 116U.27,

1.23 subdivisions 1, 4, 7; 123B.61; 206.95; 270B.14, subdivision 2; 270C.13, subdivision

1.24 1; 270C.19, subdivisions 1, 2; 270C.446, subdivision 2; 270C.52, subdivision 2;

1.25 272.02, subdivisions 24, 73, 98, by adding subdivisions; 272.025, subdivision 1;

1.26 273.11, subdivisions 12, 23; 273.111, by adding a subdivision; 273.124,

1.27 subdivisions 6, 13, 13a, 13c, 13d, 14; 273.1245, subdivision 1; 273.128,

1.28 subdivisions 1, 2, by adding a subdivision; 273.13, subdivisions 22, 25, 34, 35;

1.29 273.1315, subdivision 2; 273.1341; 273.1392; 273.41; 278.01, subdivision 1;

1.30 279.03, subdivision 1a; 282.261, subdivision 2; 289A.02, subdivision 7, as

1.31 amended; 289A.08, subdivisions 7, as amended, 7a, as amended; 289A.382,

1.32 subdivision 2; 289A.50, by adding a subdivision; 290.01, subdivisions 7b, 19, 31,

1.33 as amended; 290.0131, by adding a subdivision; 290.0132, subdivisions 4, 26, by

1.34 adding subdivisions; 290.0134, by adding a subdivision; 290.06, subdivisions 2c,

1.35 as amended, 22, 23, 39, by adding a subdivision; 290.067; 290.0671, subdivisions

1.36 1, 7; 290.0674; 290.0677, subdivision 1; 290.0681, subdivisions 3, 4; 290.0685,

1.37 subdivision 1; 290.091, subdivision 2, as amended; 290.17, subdivision 4, by

1.38 adding a subdivision; 290.92, subdivision 20; 290.9705, subdivision 1; 290A.03,

2.1 subdivisions 6, 13, 15, as amended; 290A.04, subdivision 2h; 290A.19; 290B.03,
2.2 subdivision 1; 290B.04, subdivisions 3, 4; 290B.05, subdivision 1; 291.005,
2.3 subdivision 1, as amended; 295.50, subdivision 4; 296A.083, subdivision 3;
2.4 297A.61, subdivision 29; 297A.67, subdivision 9, by adding a subdivision;
2.5 297A.68, subdivision 4, by adding subdivisions; 297A.70, subdivisions 7, 19, 21;
2.6 297A.71, subdivisions 51, 52; 297A.99, subdivisions 1, 2, 3; 297A.994, subdivision
2.7 4; 297H.13, subdivision 2; 297I.20, subdivision 4, by adding subdivisions; 298.015;
2.8 298.018, subdivisions 1, 1a; 298.28, subdivisions 5, 7a, by adding a subdivision;
2.9 298.296, subdivision 4; 299C.76, subdivisions 1, 2; 366.095, subdivision 1; 373.01,
2.10 subdivision 3; 383B.117, subdivision 2; 383E.21; 410.32; 412.301; 469.033,
2.11 subdivision 6; 469.053, subdivisions 4, 6; 469.107, subdivision 1; 469.174,
2.12 subdivisions 14, 27, by adding a subdivision; 469.175, subdivision 6; 469.176,
2.13 subdivisions 3, 4; 469.1763, subdivisions 2, 3, 4, 6; 469.1771, subdivisions 2, 2a,
2.14 3; 473.39, subdivision 6, by adding a subdivision; 473F.02, subdivisions 2, 8;
2.15 473J.13, subdivisions 2, 4; 474A.02, subdivisions 22b, 23a; 475.54, subdivision
2.16 1; 477A.011, subdivision 34, by adding subdivisions; 477A.0124, subdivisions 2,
2.17 3; 477A.013, subdivisions 8, 9; 477A.014, subdivision 1; 477A.015; 477A.03,
2.18 subdivisions 2a, 2b; 477A.12, subdivision 1; 477A.16, subdivision 2; 477B.01,
2.19 subdivisions 5, 10, 11, by adding subdivisions; 477B.02, subdivisions 2, 3, 5, 8,
2.20 9, 10, by adding a subdivision; 477B.03, subdivisions 2, 3, 4, 5, 7; 477B.04,
2.21 subdivision 1, by adding a subdivision; 477C.02, subdivision 4; 477C.03,
2.22 subdivisions 2, 5; 477C.04, by adding a subdivision; Laws 1971, chapter 773,
2.23 section 1, subdivision 2, as amended; Laws 1993, chapter 375, article 9, section
2.24 46, as amended; Laws 1998, chapter 389, article 8, section 43, as amended; Laws
2.25 2003, chapter 127, article 10, section 31, subdivision 1, as amended; Laws 2006,
2.26 chapter 259, article 11, section 3, as amended; Laws 2008, chapter 366, article 5,
2.27 sections 26, as amended; 36, subdivisions 1, 3, as amended; article 7, sections 17;
2.28 20, as amended; article 17, section 6; Laws 2011, First Special Session chapter 7,
2.29 article 4, section 14; Laws 2014, chapter 308, article 6, section 12, subdivision 2;
2.30 Laws 2019, First Special Session chapter 6, article 6, sections 13, subdivisions 3,
2.31 4, by adding a subdivision; 18; 26; article 7, section 7; Laws 2021, First Special
2.32 Session chapter 14, article 8, sections 5; 6, subdivisions 2, 3; 15, subdivisions 2,
2.33 3, 4, by adding a subdivision; 20, subdivision 4; article 9, section 10; Laws 2023,
2.34 chapter 1, section 15; proposing coding for new law in Minnesota Statutes, chapters
2.35 204B; 240A; 290; 477A; proposing coding for new law as Minnesota Statutes,
2.36 chapters 116X; 428B; repealing Minnesota Statutes 2022, sections 16A.965;
2.37 41B.0391, subdivision 7; 290.0132, subdivision 33; 290.0681, subdivision 10;
2.38 297E.021; 477A.011, subdivisions 30a, 38, 42, 45; 477A.013, subdivision 13;
2.39 477B.02, subdivision 4; 477B.03, subdivision 6.

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

2.41 **ARTICLE 1**

2.42 **INCOME AND CORPORATE FRANCHISE TAXES**

2.43 Section 1. Minnesota Statutes 2022, section 13.4967, is amended by adding a subdivision
2.44 to read:

2.45 Subd. 9. **New markets tax credit.** Disclosure of information regarding issuance of new
2.46 market tax credit certificates is governed under section 270B.14, subdivision 2, paragraph
2.47 (c).

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

3.1 Sec. 2. Minnesota Statutes 2022, section 41B.0391, subdivision 1, is amended to read:

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

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

3.6 (c) "Beginning farmer" means an individual who:

3.7 (1) is a resident of Minnesota;

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

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

3.10 (4) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a
3.11 family member of the owner of the agricultural assets from whom the beginning farmer is
3.12 seeking to purchase or rent agricultural assets;

3.13 (5) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a
3.14 family member of a partner, member, shareholder, or trustee of the owner of agricultural
3.15 assets from whom the beginning farmer is seeking to purchase or rent agricultural assets;
3.16 and

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

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

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

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

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

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

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

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

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

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

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

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

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

4.15 (g) "Owner of agricultural assets" means an individual, trust, or pass-through entity that
4.16 is the owner in fee of agricultural land or has legal title to any other agricultural asset. Owner
4.17 of agricultural assets does not mean an equipment dealer, livestock dealer defined in section
4.18 17A.03, subdivision 7, or comparable entity that is engaged in the business of selling
4.19 agricultural assets for profit and that is not engaged in farming as its primary business
4.20 activity. An owner of agricultural assets approved and certified by the authority under
4.21 subdivision 4 must notify the authority if the owner no longer meets the definition in this
4.22 paragraph within the three year certification period and is then no longer eligible for credits
4.23 under this section.

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

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

4.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
4.30 31, 2022.

5.1 Sec. 3. Minnesota Statutes 2022, section 41B.0391, subdivision 2, is amended to read:

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

5.6 (1) ~~five~~ eight percent of the lesser of the sale price or the fair market value of the
5.7 agricultural asset, up to a maximum of ~~\$32,000~~ \$50,000;

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

5.10 (3) 15 percent of the cash equivalent of the gross rental income in each of the first,
5.11 second, and third years of a share rent agreement, up to a maximum of \$10,000 per year.

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

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

5.19 (d) An owner of agricultural assets or beginning farmer may terminate a rental agreement,
5.20 including a share rent agreement, for reasonable cause upon approval of the authority. If a
5.21 rental agreement is terminated without the fault of the owner of agricultural assets, the tax
5.22 credits shall not be retroactively disallowed. In determining reasonable cause, the authority
5.23 must look at which party was at fault in the termination of the agreement. If the authority
5.24 determines the owner of agricultural assets did not have reasonable cause, the owner of
5.25 agricultural assets must repay all credits received as a result of the rental agreement to the
5.26 commissioner of revenue. The repayment is additional income tax for the taxable year in
5.27 which the authority makes its decision or when a final adjudication under subdivision 5,
5.28 paragraph (a), is made, whichever is later.

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

6.1 (f) For purposes of the credit for the sale of agricultural land only, the family member
6.2 definitional exclusions in subdivision 1, paragraph (c), clauses (4) and (5), do not apply.
6.3 For a sale to a family member to qualify for the credit, the sales price of the agricultural
6.4 land must equal or exceed the assessed value of the land as of the date of the sale. For
6.5 purposes of this paragraph, "sale to a family member" means a sale to a beginning farmer
6.6 in which the beginning farmer or the beginning farmer's spouse is a family member of:

6.7 (1) the owner of the agricultural land; or

6.8 (2) a partner, member, shareholder, or trustee of the owner of the agricultural land.

6.9 (g) For a sale to a socially disadvantaged farmer or rancher, the credit rate under paragraph
6.10 (a), clause (1), is twelve percent rather than eight percent. For the purposes of this section,
6.11 "socially disadvantaged farmer or rancher" has the meaning given in United States Code,
6.12 title 7, section 2279(a)(5).

6.13 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
6.14 31, 2022.

6.15 Sec. 4. Minnesota Statutes 2022, section 41B.0391, subdivision 4, is amended to read:

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

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

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

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

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

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

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

7.5 (c) For credits for owners of agricultural assets allowed under subdivision 2, the authority
7.6 must not allocate more than ~~\$5,000,000 for taxable years beginning after December 31,~~
7.7 ~~2017, and before January 1, 2019, and must not allocate more than \$6,000,000 for taxable~~
7.8 ~~years beginning after December 31, 2018~~ \$6,500,000 for taxable years beginning after
7.9 December 31, 2022, and before January 1, 2024, and \$4,000,000 for taxable years beginning
7.10 after December 31, 2023. The authority must allocate credits on a first-come, first-served
7.11 basis beginning on January 1 of each year, except that recertifications for the second and
7.12 third years of credits under subdivision 2, paragraph (a), clauses (1) and (2), have first
7.13 priority. Any amount authorized but not allocated for taxable years ending before January
7.14 1, 2023, is canceled and is not allocated for future taxable years. For taxable years beginning
7.15 after December 31, 2022, any amount authorized but not allocated in any taxable year does
7.16 not cancel and is added to the allocation for the next taxable year.

7.17 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
7.18 31, 2022.

7.19 Sec. 5. Minnesota Statutes 2022, section 41B.0391, subdivision 6, is amended to read:

7.20 Subd. 6. **Report to legislature.** (a) No later than February 1, ~~2022~~ 2024, the Rural
7.21 Finance Authority, in consultation with the commissioner of revenue, must provide a report
7.22 to the chairs and ranking minority members of the legislative committees having jurisdiction
7.23 over agriculture, economic development, rural development, and taxes, in compliance with
7.24 sections 3.195 and 3.197, on the beginning farmer tax credits under this section issued in
7.25 tax years beginning after December 31, 2017, and before January 1, ~~2022~~ 2024.

7.26 (b) The report must include background information on beginning farmers in Minnesota
7.27 and any other information the commissioner and authority find relevant to evaluating the
7.28 effect of the credits on increasing opportunities for and the number of beginning farmers.

7.29 (c) For credits issued under subdivision 2, paragraph (a), clauses (1) to (3), the report
7.30 must include:

7.31 (1) the number and amount of credits issued under each clause;

7.32 (2) the geographic distribution of credits issued under each clause;

7.33 (3) the type of agricultural assets for which credits were issued under clause (1);

8.1 (4) the number and geographic distribution of beginning farmers whose purchase or
8.2 rental of assets resulted in credits for the seller or owner of the asset;

8.3 (5) the number and amount of credits disallowed under subdivision 2, paragraph (d);

8.4 (6) data on the number of beginning farmers by geographic region in calendar years
8.5 2017 through ~~2021~~ 2023, including:

8.6 (i) the number of beginning farmers by race and ethnicity, as those terms are applied in
8.7 the 2020 United States Census; and

8.8 (ii) to the extent available, the number of beginning farmers who are members of a
8.9 socially disadvantaged group, as defined in United States Code, title 7, section 2279(a)(6);
8.10 and

8.11 (7) the number and amount of credit applications that exceeded the allocation available
8.12 in each year.

8.13 (d) For credits issued under subdivision 3, the report must include:

8.14 (1) the number and amount of credits issued;

8.15 (2) the geographic distribution of credits;

8.16 (3) a listing and description of each approved financial management program for which
8.17 credits were issued; and

8.18 (4) a description of the approval procedure for financial management programs not on
8.19 the list maintained by the authority, as provided in subdivision 3, paragraph (a).

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

8.21 Sec. 6. Minnesota Statutes 2022, section 116J.401, subdivision 3, is amended to read:

8.22 Subd. 3. **Classification and release of data on individuals.** (a) Data collected on
8.23 individuals pursuant to a program operated by the commissioner are private data on
8.24 individuals as defined in section 13.02, subdivision 12, unless more restrictively classified
8.25 by law.

8.26 (b) The commissioner may release to the Department of Revenue data on individuals to
8.27 the extent required to administer the new markets tax credit under chapter 116X and sections
8.28 290.0693 and 297I.20, subdivision 6.

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

9.1 Sec. 7. Minnesota Statutes 2022, section 116J.8737, subdivision 5, is amended to read:

9.2 Subd. 5. **Credit allowed.** (a) A qualified investor or qualified fund is eligible for a credit
9.3 equal to 25 percent of the qualified investment in a qualified small business. Investments
9.4 made by a pass-through entity qualify for a credit only if the entity is a qualified fund. The
9.5 commissioner must not allocate to qualified investors or qualified funds more than the dollar
9.6 amount in credits allowed for the taxable years listed in paragraph (i). For each taxable year,
9.7 50 percent must be allocated to credits for qualified investments in qualified greater
9.8 Minnesota businesses and minority-owned, women-owned, or veteran-owned qualified
9.9 small businesses in Minnesota. Any portion of a taxable year's credits that is reserved for
9.10 qualified investments in greater Minnesota businesses and minority-owned, women-owned,
9.11 or veteran-owned qualified small businesses in Minnesota that is not allocated by September
9.12 30 of the taxable year is available for allocation to other credit applications beginning on
9.13 October 1. Any portion of a taxable year's credits that is not allocated by the commissioner
9.14 does not cancel and may be carried forward to subsequent taxable years until all credits
9.15 have been allocated.

9.16 (b) The commissioner may not allocate more than a total maximum amount in credits
9.17 for a taxable year to a qualified investor for the investor's cumulative qualified investments
9.18 as an individual qualified investor and as an investor in a qualified fund; for married couples
9.19 filing joint returns the maximum is \$250,000, and for all other filers the maximum is
9.20 \$125,000. The commissioner may not allocate more than a total of \$1,000,000 in credits
9.21 over all taxable years for qualified investments in any one qualified small business.

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

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

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

9.29 A member of the family of an individual disqualified by this paragraph is not eligible for a
9.30 credit under this section. For a married couple filing a joint return, the limitations in this
9.31 paragraph apply collectively to the investor and spouse. For purposes of determining the
9.32 ownership interest of an investor under this paragraph, the rules under section 267(c) and
9.33 267(e) of the Internal Revenue Code apply.

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

10.3 (e) Qualified investors and qualified funds must apply to the commissioner for tax credits.
10.4 Tax credits must be allocated to qualified investors or qualified funds in the order that the
10.5 tax credit request applications are filed with the department. The commissioner must approve
10.6 or reject tax credit request applications within 15 days of receiving the application. The
10.7 investment specified in the application must be made within 60 days of the allocation of
10.8 the credits. If the investment is not made within 60 days, the credit allocation is canceled
10.9 and available for reallocation. A qualified investor or qualified fund that fails to invest as
10.10 specified in the application, within 60 days of allocation of the credits, must notify the
10.11 commissioner of the failure to invest within five business days of the expiration of the
10.12 60-day investment period.

10.13 (f) All tax credit request applications filed with the department on the same day must
10.14 be treated as having been filed contemporaneously. If two or more qualified investors or
10.15 qualified funds file tax credit request applications on the same day, and the aggregate amount
10.16 of credit allocation claims exceeds the aggregate limit of credits under this section or the
10.17 lesser amount of credits that remain unallocated on that day, then the credits must be allocated
10.18 among the qualified investors or qualified funds who filed on that day on a pro rata basis
10.19 with respect to the amounts claimed. The pro rata allocation for any one qualified investor
10.20 or qualified fund is the product obtained by multiplying a fraction, the numerator of which
10.21 is the amount of the credit allocation claim filed on behalf of a qualified investor and the
10.22 denominator of which is the total of all credit allocation claims filed on behalf of all
10.23 applicants on that day, by the amount of credits that remain unallocated on that day for the
10.24 taxable year.

10.25 (g) A qualified investor or qualified fund, or a qualified small business acting on their
10.26 behalf, must notify the commissioner when an investment for which credits were allocated
10.27 has been made, and the taxable year in which the investment was made. A qualified fund
10.28 must also provide the commissioner with a statement indicating the amount invested by
10.29 each investor in the qualified fund based on each investor's share of the assets of the qualified
10.30 fund at the time of the qualified investment. After receiving notification that the investment
10.31 was made, the commissioner must issue credit certificates for the taxable year in which the
10.32 investment was made to the qualified investor or, for an investment made by a qualified
10.33 fund, to each qualified investor who is an investor in the fund. The certificate must state
10.34 that the credit is subject to revocation if the qualified investor or qualified fund does not
10.35 hold the investment in the qualified small business for at least three years, consisting of the

11.1 calendar year in which the investment was made and the two following years. The three-year

11.2 holding period does not apply if:

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

11.5 (2) 80 percent or more of the assets of the qualified small business is sold before the end
11.6 of the three-year period;

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

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

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

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

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

11.14 (1) \$10,000,000 for taxable years beginning after December 31, 2020, and before January
11.15 1, 2022; and

11.16 (2) \$5,000,000 for taxable years beginning after December 31, 2021, and before January
11.17 1, ~~2023~~ 2027.

11.18 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
11.19 31, 2022.

11.20 Sec. 8. Minnesota Statutes 2022, section 116J.8737, subdivision 12, is amended to read:

11.21 Subd. 12. **Sunset.** This section expires for taxable years beginning after December 31,
11.22 ~~2022~~ 2026, except that reporting requirements under subdivision 6 and revocation of credits
11.23 under subdivision 7 remain in effect through ~~2024~~ 2028 for qualified investors and qualified
11.24 funds, and through ~~2026~~ 2030 for qualified small businesses, reporting requirements under
11.25 subdivision 9 remain in effect through ~~2022~~ 2026, and the appropriation in subdivision 11
11.26 remains in effect through ~~2026~~ 2030.

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

11.28 Sec. 9. Minnesota Statutes 2022, section 116U.27, subdivision 1, is amended to read:

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

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

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

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

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

12.7 (f) "Eligible production costs" means eligible production costs as defined in section
12.8 116U.26, paragraph (b), clause (1), incurred in Minnesota that are directly attributable to
12.9 the production of a film project in Minnesota.

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

12.11 (h) "Project" means a film:

12.12 (1) that includes the promotion of Minnesota;

12.13 (2) for which the taxpayer has expended at least \$1,000,000 in ~~the taxable year~~ a
12.14 consecutive 12-month period beginning when expenditures are first paid in Minnesota for
12.15 eligible production costs; and

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

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

12.21 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
12.22 31, 2022.

12.23 Sec. 10. Minnesota Statutes 2022, section 116U.27, subdivision 4, is amended to read:

12.24 Subd. 4. **Applications; allocations.** (a) To qualify for a credit under this section, a
12.25 taxpayer must submit to the commissioner an application for a credit in the form prescribed
12.26 by the commissioner, in consultation with the commissioner of revenue.

12.27 (b) Upon approving an application for a credit that meets the requirements of this section,
12.28 the commissioner shall issue allocation certificates that:

12.29 (1) verify eligibility for the credit;

13.1 (2) state the amount of credit anticipated for the eligible project, with the credit amount
13.2 up to 25 percent of eligible project costs; and

13.3 (3) state the taxable year in which the credit is allocated.

13.4 The commissioner must consult with the Minnesota Film and TV Board prior to issuing an
13.5 allocation certificate.

13.6 (c) The commissioner must not issue allocation certificates for more than \$4,950,000
13.7 ~~\$9,950,000~~ of credits each year. ~~If the entire amount is not allocated in that taxable year,~~
13.8 ~~any remaining amount is available for allocation for the four following taxable years until~~
13.9 ~~the entire allocation has been made~~ Any amounts authorized but not allocated for taxable
13.10 years ending before January 1, 2024, are canceled and are not allocated for future taxable
13.11 years. For taxable years beginning after December 31, 2023, any amount authorized but not
13.12 allocated in any taxable year does not cancel and is added to the allocation for the next
13.13 taxable year. The commissioner must not award any credits for taxable years beginning
13.14 after December 31, ~~2024~~ 2032, and any unallocated amounts cancel on that date.

13.15 (d) The commissioner must allocate credits on a first-come, first-served basis.

13.16 (e) Upon completion of a project, the taxpayer shall submit to the commissioner a report
13.17 prepared by an independent certified public accountant licensed in the state of Minnesota
13.18 to verify the amount of eligible production costs related to the project. The report must be
13.19 prepared in accordance with generally accepted accounting principles. Upon receipt and
13.20 review of the cost verification report, the commissioner shall determine the final amount
13.21 of eligible production costs and issue a credit certificate to the taxpayer. The credit may not
13.22 exceed the anticipated credit amount on the allocation certificate. If the credit is less than
13.23 the anticipated amount on the allocation credit, the difference is returned to the amount
13.24 available for allocation under paragraph (c). To claim the credit under section 290.06,
13.25 subdivision 39, or 297I.20, subdivision 4, a taxpayer must include a copy of the credit
13.26 certificate as part of the taxpayer's return.

13.27 (f) Notwithstanding the \$9,950,000 limit on allocation of certificates in paragraph (c),
13.28 the sum of the increase in fiscal years 2024 and 2025 in the amount of credits claimed
13.29 relative to the February 2023 forecast base due to changes to the limit in paragraph (c) may
13.30 not exceed \$5,800,000, and the sum of the increase in fiscal years 2026 and 2027 in the
13.31 amount of credits claimed relative to the February 2023 forecast base due to changes to the
13.32 limit in paragraph (c) may not exceed \$6,600,000. The commissioner must adjust the amount
13.33 of allocation certificates issued under paragraph (c) for purposes of complying with this
13.34 paragraph.

14.1 **EFFECTIVE DATE.** This section is effective for allocation certificates issued after
14.2 December 31, 2022.

14.3 Sec. 11. Minnesota Statutes 2022, section 116U.27, subdivision 7, is amended to read:

14.4 Subd. 7. **Expiration.** Subdivisions 1 to 5 expire January 1, ~~2025~~ 2033, for taxable years
14.5 beginning after December 31, ~~2024~~ 2032.

14.6 **EFFECTIVE DATE.** This section is effective for allocation certificates issued after
14.7 December 31, 2022.

14.8 Sec. 12. **[116X.01] NEW MARKETS TAX CREDIT.**

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

14.11 (b) "Applicable percentage" means zero percent for each of the first two credit allowance
14.12 dates and ten percent for each of the final five credit allowance dates.

14.13 (c) "CDFI fund" means the Community Development Financial Institutions fund of the
14.14 United States Department of the Treasury.

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

14.16 (e) "Credit allowance date" means:

14.17 (1) the date on which a qualified equity investment is initially made; and

14.18 (2) each of the six anniversary dates thereafter.

14.19 (f) "Greater Minnesota allocation" means \$60,000,000 in qualified equity investment
14.20 authority to be awarded for investment in qualified active low-income community businesses
14.21 with principal business operations in a greater Minnesota county.

14.22 (g) "Greater Minnesota county" means any county located in Minnesota that is not a
14.23 metropolitan county.

14.24 (h) "Internal Revenue Code" has the meaning given in section 290.01, subdivision 31.

14.25 (i) "Metropolitan allocation" means \$60,000,000 in qualified equity investment authority
14.26 to be awarded for investment in qualified active low-income community businesses with
14.27 principal business operations in a metropolitan county.

14.28 (j) "Metropolitan county" has the meaning given in section 473.121, subdivision 4.

15.1 (k) "Minnesota qualified community development entity" means a qualified community
15.2 development entity that is or whose controlling entity is headquartered in this state.

15.3 (l) "Principal business operations" means the physical location of a business where at
15.4 least 60 percent of a qualified active low-income community business' employees work.
15.5 An out-of-state business that has agreed to relocate employees or a Minnesota business that
15.6 has agreed to hire employees using the proceeds of a qualified low-income community
15.7 investment to establish principal business operations in Minnesota is deemed to have principal
15.8 business operations in Minnesota if the business satisfies the requirements of this paragraph
15.9 within 180 days of receiving the qualified low-income community investment or another
15.10 date as agreed by the business and the commissioner.

15.11 (m) "Purchase price" means the amount paid to the qualified community development
15.12 entity for a qualified equity investment.

15.13 (n) "Qualified active low-income community business" has the meaning given in section
15.14 45D of the Internal Revenue Code, except that businesses or projects may not derive more
15.15 than 15 percent or more of its annual revenue from the rental or sale of real estate. This
15.16 exception does not apply if the business is controlled by or is under common control with
15.17 another business, and the business is a primary tenant of real estate leased from that other
15.18 business.

15.19 (o) "Qualified community development entity" has the meaning given in section 45D
15.20 of the Internal Revenue Code, provided that the entity:

15.21 (1) has previously entered into an allocation agreement with the CDFI fund with respect
15.22 to credits authorized by section 45D of the Internal Revenue Code; and

15.23 (2) includes the state within the service area set forth in the allocation agreement.

15.24 (p) "Qualified equity investment" means an equity investment in a qualified community
15.25 development entity, if the equity investment:

15.26 (1) is acquired after the effective date of this section at its original issuance solely in
15.27 exchange for cash, or if the investment met the requirements of this provision while under
15.28 the possession of a prior holder;

15.29 (2) has at least 100 percent of its cash purchase price used by the qualified community
15.30 development entity to make qualified low-income community investments in qualified
15.31 active low-income community businesses that have their principal business operations in
15.32 the state of Minnesota; and

15.33 (3) is:

16.1 (i) designated by the qualified community development entity as a qualified equity
16.2 investment under this section; and

16.3 (ii) except for a Minnesota qualified community development entity, is at least 50 percent
16.4 designated by the qualified community development entity as a qualified equity investment
16.5 eligible for the federal credit under section 45D of the Internal Revenue Code.

16.6 (q) "Qualified low-income community investment" means any capital or equity investment
16.7 in, or loan to, any qualified active low-income community business.

16.8 (r) "Tax credit" or "credit" means a credit against the tax imposed by chapter 290 or
16.9 297I.

16.10 (s) "Taxpayer" means a taxpayer as defined in section 290.01, subdivision 6, or a taxpayer
16.11 as defined in section 297I.01, subdivision 16.

16.12 Subd. 2. **Credit allowed; qualification; limitation.** (a) An entity is eligible for a credit
16.13 against the tax imposed under chapter 290 or 297I, subject to the requirements of this section.
16.14 The credit may be claimed against the tax imposed by chapter 290 or 297I, but not both.

16.15 (b) The credit equals the applicable percentage for each credit allowance date multiplied
16.16 by the purchase price paid to the qualified community development entity for the qualified
16.17 equity investment.

16.18 Subd. 3. **Requirements.** (a) A qualified community development entity that seeks to
16.19 have an equity investment designated as a qualified equity investment and be eligible for
16.20 the credit under this section must:

16.21 (1) have an allocation agreement, that is currently in effect, executed by the applicant
16.22 or its controlling entity, and the CDFI fund;

16.23 (2) be certified as a qualified community development entity by the CDFI fund; and

16.24 (3) meet all requirements under section 45D of the Internal Revenue Code.

16.25 (b) An entity that seeks to be eligible for the credit under this section must:

16.26 (1) hold a qualified equity investment on a credit allowance date of that investment; and

16.27 (2) meet all requirements under section 45D of the Internal Revenue Code.

16.28 Subd. 4. **Application.** (a) A qualified community development entity that seeks to have
16.29 an equity investment designated as a qualified equity investment under this section shall
16.30 apply to the commissioner on a form provided by the commissioner that includes:

17.1 (1) the name, address, and tax identification number of the applicant, and evidence of
17.2 the applicant's certification as a qualified community development entity by the CDFI fund;

17.3 (2) a copy of the allocation agreement executed by the applicant or its controlling entity,
17.4 and the CDFI fund;

17.5 (3) a certificate executed by an executive officer of the applicant attesting that the
17.6 allocation agreement remains in effect and has not been revoked or canceled by the CDFI
17.7 fund;

17.8 (4) a description of the proposed amount, structure, and purchaser of the equity
17.9 investment;

17.10 (5) for a qualified community development entity that is not a Minnesota qualified
17.11 community development entity, the amount of qualified equity investment authority sought
17.12 under the greater Minnesota allocation or the metropolitan allocation, as applicable, which
17.13 collectively may not exceed the applicant or its controlling entity's available qualified equity
17.14 investment authority under section 45D of the Internal Revenue Code multiplied by two;

17.15 (6) if required by clause (5), evidence of the applicant or its controlling entity's available
17.16 qualified equity investment authority under section 45D of the Internal Revenue Code; and

17.17 (7) a nonrefundable application fee of \$5,000 paid to the commissioner to offset costs
17.18 associated with personnel and administrative expenses related to administering the credit.

17.19 (b) The commissioner shall set a date to accept applications not less than 30 days but
17.20 not more than 45 days after the date the CDFI fund announces allocation awards under a
17.21 notice of funding availability that was published in the Federal Register in November 2023.

17.22 (c) A qualified community development entity may apply for both a greater Minnesota
17.23 allocation and a metropolitan allocation.

17.24 Subd. 5. **Certification and timing of qualified equity investments.** (a) Within 30 days
17.25 after receipt of an application, the commissioner shall grant or deny the application in full
17.26 or in part. If the commissioner denies any part of the application, the commissioner shall
17.27 inform the applicant of the grounds for the denial. If the applicant provides the information
17.28 required by the commissioner or otherwise completes its application within 15 days of the
17.29 notice of denial, the application is deemed complete as of the original date of submission.
17.30 If the applicant fails to provide the requested information or complete its application within
17.31 the 15-day period, the applicant may submit a new application.

17.32 (b) If the application is deemed complete, the commissioner shall certify the proposed
17.33 equity investment as a qualified equity investment eligible for a credit under this section.

18.1 The commissioner shall provide written notice of the certification to the qualified community
18.2 development entity. Once the qualified community development entity identifies the
18.3 taxpayers who are allocated credits and their respective credit amounts, the qualified
18.4 community development entity shall provide a notice of allocation to the commissioner.
18.5 The commissioner shall provide a certification to the qualified community development
18.6 entity and each taxpayer containing the credit amount and utilization schedule for which
18.7 the taxpayer is eligible. If the taxpayer's eligibility to utilize the credits change due to a
18.8 transfer of a qualified equity investment or a change in allocation pursuant to paragraph (c),
18.9 the qualified community development entity shall notify the commissioner of the change.

18.10 (c) The aggregate amount of credits allowed to all certified qualified equity investments
18.11 in greater Minnesota counties is \$30,000,000. The aggregate amount of credits allowed to
18.12 all certified qualified equity investments in metropolitan counties is \$30,000,000. The
18.13 commissioner shall certify applications for the greater Minnesota allocation and the
18.14 metropolitan allocation in proportionate percentages based upon the ratio of the amount of
18.15 qualified equity investments requested in applications for each allocation to the total amount
18.16 of qualified equity investments requested in all applications for each allocation received on
18.17 the same day.

18.18 (d) If a pending request cannot be fully certified, the commissioner shall certify the
18.19 portion that may be certified unless the qualified community development entity elects to
18.20 withdraw its request rather than receive a partial award of qualified equity investment
18.21 authority.

18.22 (e) A qualified community development entity must make its qualified equity investment
18.23 by January 1, 2026.

18.24 (f) An approved applicant may transfer all or a portion of its certified qualified equity
18.25 investment authority to its controlling entity or any affiliate or partner of the controlling
18.26 entity that is also a qualified community development entity if the applicant provides the
18.27 information required in the application with respect to the transferee and the applicant
18.28 notifies the commissioner in the notice required by paragraph (g). Within 90 days after
18.29 receiving notice of certification under paragraph (b), the applicant or transferee shall:

18.30 (1) issue qualified equity investments in an amount equal to the total amount of certified
18.31 qualified equity investment authority;

18.32 (2) receive cash in the amount of the certified qualified equity investment; and

19.1 (3) if the applicant or transferee is not a Minnesota qualified community development
19.2 entity, designate 50 percent of the qualified equity investment authority as a qualified equity
19.3 investment under section 45D of the Internal Revenue Code.

19.4 The entity to which the certified qualified equity investment authority is transferred is
19.5 responsible for any assessment resulting from an audit by the commissioner of revenue.

19.6 (g) The qualified community development entity must provide the commissioner with
19.7 evidence of the receipt of the cash investment and, if the qualified community development
19.8 entity is not a Minnesota qualified community development entity, the designation of 50
19.9 percent of the qualified equity investment as a qualified equity investment under section
19.10 45D of the Internal Revenue Code within 95 days after receiving notice of certification. If
19.11 the qualified community development entity does not receive the cash investment, issue the
19.12 qualified equity investment within 90 days following receipt of the certification notice, and
19.13 comply with paragraph (f), clause (3), if applicable, the certification is void. A voided
19.14 certification must be returned to the commissioner and must first be awarded pro rata to
19.15 applicants that received awards of qualified equity investment authority and complied with
19.16 paragraph (f).

19.17 (h) The commissioner shall notify the commissioner of revenue of credits approved
19.18 under this subdivision within 15 days of granting an application.

19.19 Subd. 6. **Examination.** The commissioner may conduct examinations to verify that the
19.20 credits under this section have been received and applied according to the requirements of
19.21 this section and to verify that no event has occurred that would result in a recapture of credits
19.22 under subdivision 5.

19.23 Subd. 7. **Annual reporting by community development entities.** (a) Each qualified
19.24 community development entity shall submit an annual report to the commissioner within
19.25 120 days after the beginning of each calendar year during the compliance period. No annual
19.26 report is due prior to the first anniversary of the initial credit allowance date. The report
19.27 must include but is not limited to information with respect to all qualified low-income
19.28 community investments made by the qualified community development entity, including:

19.29 (1) the date and amount of, and bank statements or wire transfer reports documenting,
19.30 qualified low-income community investments;

19.31 (2) the name and address of each qualified active low-income community business
19.32 funded by the qualified community development entity, the number of persons employed
19.33 by the business at the time of the initial qualified low-income community investment, and
19.34 a brief description of the business and its financing;

20.1 (3) the number of employment positions maintained by each qualified active low-income
20.2 community business as of the date of the report or the end of the preceding calendar year
20.3 and the average annual salaries of those positions;

20.4 (4) the total number of employment positions created and retained as a result of qualified
20.5 low-income community investments and the average annual salaries of those positions;

20.6 (5) a certification by its chief executive officer or similar officer that no credits have
20.7 been subject to recapture under subdivision 5;

20.8 (6) any changes with respect to the taxpayers entitled to claim credits with respect to
20.9 qualified equity investments issued by the qualified community development entity since
20.10 its last report pursuant to this section; and

20.11 (7) each qualified community development entity shall pay the commissioner an annual
20.12 fee of \$1,500. The initial annual fee required of the qualified community development entity
20.13 is due and payable to the commissioner along with the submission of documentation required
20.14 under subdivision 4, paragraph (g). Each subsequent annual fee is required to be submitted
20.15 with the annual report under paragraph (a).

20.16 (b) The qualified community development entity is not required to provide the annual
20.17 report set forth in this section for qualified low-income community investments that have
20.18 been redeemed or repaid.

20.19 Subd. 8. **Program report.** If the credit under this section has not been reviewed under
20.20 the provisions of section 3.8855 by December 15, 2032, the commissioner, with input from
20.21 the commissioner of revenue, shall report to the legislature no later than December 31, 2032,
20.22 regarding the implementation of the credit under this section, including an evaluation of
20.23 the credit using the components listed in section 3.885, subdivision 5.

20.24 Subd. 9. **Expiration.** This section expires for taxable years beginning after December
20.25 31, 2031, except that the commissioner's authority to allow the credit under subdivision 2
20.26 based on certificates that were issued under subdivision 4 before expiration remains in effect
20.27 through the year following the year in which all certificates have either been canceled or
20.28 resulted in issuance of credit certificates, or 2034, whichever is earlier.

20.29 Subd. 10. **Account created; appropriation.** The Minnesota new markets tax credit
20.30 account is created in the special revenue fund in the state treasury. The account is
20.31 administered by the commissioner. Application and reporting fees required under subdivision
20.32 3, paragraph (a), clause (7), are appropriated to the commissioner for costs associated with

21.1 certifying applications and for personnel and administrative expenses related to administering
21.2 the credit under this section.

21.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
21.4 31, 2023.

21.5 Sec. 13. Minnesota Statutes 2022, section 270B.14, subdivision 2, is amended to read:

21.6 Subd. 2. **Disclosure to Department of Employment and Economic Development.** (a)
21.7 Data relating to individuals are treated as follows:

21.8 (1) Return information may be disclosed to the Department of Employment and Economic
21.9 Development to the extent provided in clause (2) and for the purposes provided in clause
21.10 (3).

21.11 (2) The data that may be disclosed is limited to the amount of gross income earned by
21.12 an individual, the total amounts of earnings from each employer, and the employer's name.

21.13 (3) Data may be requested pertaining only to individuals who have claimed benefits
21.14 under sections 268.03 to 268.23 and only if the individuals are the subject of investigations
21.15 based on other information available to the Department of Employment and Economic
21.16 Development. Data received may be used only as set forth in section 268.19, subdivision
21.17 1, paragraph (b).

21.18 (4) Notwithstanding the limitation in paragraph (a), the commissioner may disclose
21.19 return information to the Department of Employment and Economic Development to the
21.20 extent required to administer the new markets tax credit in sections 290.0693 and 297I.20.

21.21 (b) Data pertaining to corporations or other employing units may be disclosed to the
21.22 Department of Employment and Economic Development to the extent necessary for the
21.23 proper enforcement of chapter 268.

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

21.25 Sec. 14. Minnesota Statutes 2022, section 289A.08, subdivision 7, as amended by Laws
21.26 2023, chapter 1, section 2, is amended to read:

21.27 Subd. 7. **Composite income tax returns for nonresident partners, shareholders, and**
21.28 **beneficiaries.** (a) The commissioner may allow a partnership with nonresident partners to
21.29 file a composite return and to pay the tax on behalf of nonresident partners who have no
21.30 other Minnesota source income. This composite return must include the names, addresses,

22.1 Social Security numbers, income allocation, and tax liability for the nonresident partners
22.2 electing to be covered by the composite return.

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

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

22.11 (d) The electing partner must not have any Minnesota source income other than the
22.12 income from the partnership, other electing partnerships, and other qualifying entities
22.13 electing to file and pay the pass-through entity tax under subdivision 7a. If it is determined
22.14 that the electing partner has other Minnesota source income, the inclusion of the income
22.15 and tax liability for that partner under this provision will not constitute a return to satisfy
22.16 the requirements of subdivision 1. The tax paid for the individual as part of the composite
22.17 return is allowed as a payment of the tax by the individual on the date on which the composite
22.18 return payment was made. If the electing nonresident partner has no other Minnesota source
22.19 income, filing of the composite return is a return for purposes of subdivision 1.

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

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

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

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

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

23.5 (j) For the purposes of this subdivision, "income" ~~means the partner's share of federal~~
23.6 ~~adjusted gross income from the partnership modified by the additions provided in section~~
23.7 ~~290.0131, subdivisions 8 to 10, 16, and 17, and the subtractions provided in: (1) section~~
23.8 ~~290.0132, subdivisions 9, 27, 28, and 31, to the extent the amount is assignable or allocable~~
23.9 ~~to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The subtraction~~
23.10 ~~allowed under section 290.0132, subdivision 9, is only allowed on the composite tax~~
23.11 ~~computation to the extent the electing partner would have been allowed the subtraction. has~~
23.12 ~~the meaning given in section 290.01, subdivision 19, paragraph (h).~~

23.13 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
23.14 31, 2022.

23.15 Sec. 15. Minnesota Statutes 2022, section 289A.08, subdivision 7a, as amended by Laws
23.16 2023, chapter 1, section 3, is amended to read:

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

23.19 (1) "income" has the meaning given in ~~subdivision 7, paragraph (j), modified by the~~
23.20 ~~addition provided in section 290.0131, subdivision 5, and the subtraction provided in section~~
23.21 ~~290.0132, subdivision 3, except that the provisions that apply to a partnership apply to a~~
23.22 ~~qualifying entity and the provisions that apply to a partner apply to a qualifying owner. The~~
23.23 ~~income of both a resident and nonresident qualifying owner is allocated and assigned to~~
23.24 ~~this state as provided for nonresident partners and shareholders under sections 290.17,~~
23.25 ~~290.191, and 290.20~~ section 290.01, subdivision 19, paragraph (i). The income of a resident
23.26 qualifying owner of a qualifying entity that is a partnership or limited liability company
23.27 taxed as a partnership under the Internal Revenue Code is not subject to allocation outside
23.28 this state as provided for resident individuals under section 290.17, subdivision 1, paragraph
23.29 (a). The income of a nonresident qualifying owner of a qualifying entity and the income of
23.30 a resident qualifying owner of a qualifying entity that is an S corporation, including a
23.31 qualified subchapter S subsidiary organized under section 1361(b)(3)(B) of the Internal
23.32 Revenue Code, are allocated and assigned to this state as provided for nonresident partners
23.33 and shareholders under sections 290.17, 290.191, and 290.20;

24.1 (2) "qualifying entity" means a partnership, limited liability company taxed as a
24.2 partnership or S corporation, or S corporation including a qualified subchapter S subsidiary
24.3 organized under section 1361(b)(3)(B) of the Internal Revenue Code that has at least one
24.4 qualifying owner. Qualifying entity does not include a ~~partnership, limited liability company,~~
24.5 ~~or corporation that has a partnership, limited liability company other than a disregarded~~
24.6 ~~entity, or corporation as a partner, member, or shareholder~~ publicly traded partnership, as
24.7 defined in section 7704 of the Internal Revenue Code; and

24.8 (3) "qualifying owner" means:

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

24.11 (ii) a resident or nonresident trust that is a shareholder of a qualifying entity that is an
24.12 S corporation; or

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

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

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

24.20 (2) must exclude partners, members, shareholders, or owners who are not qualifying
24.21 owners;

24.22 ~~(2)~~ (3) may only be made by qualifying owners who collectively hold more than a 50
24.23 percent of the ownership interest interests in the qualifying entity held by qualifying owners;

24.24 ~~(3)~~ (4) is binding on all qualifying owners who have an ownership interest in the
24.25 qualifying entity; and

24.26 ~~(4)~~ (5) once made is irrevocable for the taxable year.

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

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

25.1 (1) nonbusiness deductions, standard deductions, or personal exemptions are not allowed;
25.2 and

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

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

25.7 (f) This subdivision does not negate the requirement that a qualifying owner pay estimated
25.8 tax if the qualifying owner's tax liability would exceed the requirements set forth in section
25.9 289A.25. The qualifying owner's liability to pay estimated tax on the qualifying owner's
25.10 tax liability as determined under paragraph (d) is, however, satisfied when the qualifying
25.11 entity pays estimated tax in the manner prescribed in section 289A.25 for composite estimated
25.12 tax.

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

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

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

25.22 (j) If a nonresident qualifying owner of a qualifying entity making the election to file
25.23 and pay the tax under this subdivision has no other Minnesota source income, filing of the
25.24 pass-through entity tax return is a return for purposes of subdivision 1, provided that the
25.25 nonresident qualifying owner must not have any Minnesota source income other than the
25.26 income from the qualifying entity, other electing qualifying entities, and other partnerships
25.27 electing to file a composite return under subdivision 7. If it is determined that the nonresident
25.28 qualifying owner has other Minnesota source income, the inclusion of the income and tax
25.29 liability for that owner under this provision will not constitute a return to satisfy the
25.30 requirements of subdivision 1. The tax paid for the qualifying owner as part of the
25.31 pass-through entity tax return is allowed as a payment of the tax by the qualifying owner
25.32 on the date on which the pass-through entity tax return payment was made.

26.1 (k) Once a credit is claimed by a qualifying owner under section 290.06, subdivision
26.2 40, a qualifying entity cannot receive a refund for tax paid under this subdivision for any
26.3 amounts claimed under that section by the qualifying owners. Once a credit is claimed under
26.4 section 290.06, subdivision 40, any refund must be claimed in conjunction with a return
26.5 filed by the qualifying owner.

26.6 (l) This section expires at the same time and on the same terms as section 164(b)(6)(B)
26.7 of the Internal Revenue Code, except that the expiration of this section does not affect the
26.8 commissioner's authority to audit or power of examination and assessments for credits
26.9 claimed under this section.

26.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
26.11 31, 2021.

26.12 Sec. 16. Minnesota Statutes 2022, section 289A.382, subdivision 2, is amended to read:

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

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

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

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

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

26.29 (4) file amended withholding reports for all direct partners who were or should have
26.30 been subject to nonresident withholding under section 290.92, subdivision 4b, in the reviewed
26.31 year, and pay the additional amount that would have been due had the federal adjustments
26.32 been reported properly as required; and

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

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

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

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

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

27.16 Sec. 17. Minnesota Statutes 2022, section 290.01, subdivision 7b, is amended to read:

27.17 Subd. 7b. **Resident trust.** (a) ~~Resident trust means~~ A trust, except a grantor type trust,
27.18 ~~which either~~ that became irrevocable on or before December 31, 1995, or was first
27.19 administered in Minnesota on or before December 31, 1995, is a resident trust only if two
27.20 or more of the following conditions are satisfied:

27.21 (1) a majority of the discretionary decisions of the trustees relative to the investment of
27.22 trust assets are made in Minnesota;

27.23 (2) a majority of the discretionary decisions of the trustees relative to the distributions
27.24 of trust income and principal are made in Minnesota; or

27.25 (3) the official books and records of the trust, consisting of the original minutes of trustee
27.26 meetings and the original trust instruments, are located in Minnesota.

27.27 (b) A trust, except a grantor type trust, that became irrevocable after December 31, 1995,
27.28 or was first administered in Minnesota after December 31, 1995, is a resident trust only if:

27.29 (1) either it:

27.30 (i) was created by a will of a decedent who at death was domiciled in this state; or

28.1 ~~(2)~~ (ii) is an irrevocable trust, the grantor of which was domiciled in this state at the time
28.2 the trust became irrevocable; and

28.3 (2) two or more of the following conditions are satisfied:

28.4 (i) a majority of the discretionary decisions of the trustees relative to the investment of
28.5 trust assets are made in Minnesota;

28.6 (ii) a majority of the discretionary decisions of the trustees relative to the distributions
28.7 of trust income and principal are made in Minnesota; or

28.8 (iii) the official books and records of the trust, consisting of the original minutes of
28.9 trustee meetings and the original trust instruments, are located in Minnesota.

28.10 (c) For the purpose of this subdivision, a trust is considered irrevocable to the extent the
28.11 grantor is not treated as the owner thereof under sections 671 to 678 of the Internal Revenue
28.12 Code. The term "grantor type trust" means a trust where the income or gains of the trust are
28.13 taxable to the grantor or others treated as substantial owners under sections 671 to 678 of
28.14 the Internal Revenue Code. ~~This paragraph applies to trusts, except grantor type trusts, that~~
28.15 ~~became irrevocable after December 31, 1995, or are first administered in Minnesota after~~
28.16 ~~December 31, 1995.~~

28.17 ~~(b) This paragraph applies to trusts, except grantor type trusts, that are not governed~~
28.18 ~~under paragraph (a). A trust, except a grantor type trust, is a resident trust only if two or~~
28.19 ~~more of the following conditions are satisfied:~~

28.20 ~~(1) a majority of the discretionary decisions of the trustees relative to the investment of~~
28.21 ~~trust assets are made in Minnesota;~~

28.22 ~~(2) a majority of the discretionary decisions of the trustees relative to the distributions~~
28.23 ~~of trust income and principal are made in Minnesota;~~

28.24 ~~(3) the official books and records of the trust, consisting of the original minutes of trustee~~
28.25 ~~meetings and the original trust instruments, are located in Minnesota.~~

28.26 ~~(e)~~ (d) For purposes of ~~paragraph~~ paragraphs (a) and (b), if the trustees delegate decisions
28.27 and actions to an agent or custodian, the actions and decisions of the agent or custodian
28.28 must not be taken into account in determining whether the trust is administered in Minnesota,
28.29 if:

28.30 (1) the delegation was permitted under the trust agreement;

28.31 (2) the trustees retain the power to revoke the delegation on reasonable notice; and

29.1 (3) the trustees monitor and evaluate the performance of the agent or custodian on a
29.2 regular basis as is reasonably determined by the trustees.

29.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
29.4 31, 2024.

29.5 Sec. 18. Minnesota Statutes 2022, section 290.01, subdivision 19, as amended by Laws
29.6 2023, chapter 1, section 4, is amended to read:

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

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

29.16 (c) In the case of a regulated investment company or a fund thereof, as defined in section
29.17 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment
29.18 company taxable income as defined in section 852(b)(2) of the Internal Revenue Code,
29.19 except that:

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

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

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

29.29 (d) The net income of a real estate investment trust as defined and limited by section
29.30 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust
29.31 taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

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

30.4 (f) The Internal Revenue Code of 1986, as amended through December 15, 2022, applies
30.5 for taxable years beginning after December 31, 1996.

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

30.9 (h) In the case of a partnership electing to file a composite return under section 289A.08,
30.10 subdivision 7, income means the partner's share of federal adjusted gross income from the
30.11 partnership modified by the additions provided in section 290.0131, subdivisions 8 to 10,
30.12 16, and 17, and the subtractions provided in: (1) section 290.0132, subdivisions 9, 27, and
30.13 28, to the extent the amount is assignable or allocable to Minnesota under section 290.17;
30.14 and (2) section 290.0132, subdivision 14. The subtraction allowed under section 290.0132,
30.15 subdivision 9, is only allowed on the composite tax computation to the extent the electing
30.16 partner would have been allowed the subtraction.

30.17 (i) In the case of a qualifying entity electing to pay the pass-through entity tax under
30.18 section 289A.08, subdivision 7a, income means the qualifying owner's share of federal
30.19 adjusted gross income from the qualifying entity modified by the additions provided in
30.20 section 290.0131, subdivisions 5, 8 to 10, 16, and 17, and the subtractions provided in: (1)
30.21 section 290.0132, subdivisions 3, 9, 27, and 28, to the extent the amount is assignable or
30.22 allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The
30.23 subtraction allowed under section 290.0132, subdivision 9, is only allowed on the
30.24 pass-through entity tax computation to the extent the qualifying owners would have been
30.25 allowed the subtraction.

30.26 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
30.27 31, 2021.

30.28 Sec. 19. Minnesota Statutes 2022, section 290.0131, is amended by adding a subdivision
30.29 to read:

30.30 Subd. 21. **Dependent flexible spending accounts.** For a taxpayer who claims the credit
30.31 under section 290.067, or for a married taxpayer filing a separate return whose spouse claims
30.32 the credit under that section, the amount of dependent care assistance that is excluded from
30.33 gross income under section 129 of the Internal Revenue Code is an addition.

31.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
31.2 31, 2022.

31.3 Sec. 20. Minnesota Statutes 2022, section 290.0132, subdivision 4, is amended to read:

31.4 Subd. 4. **Education expenses.** (a) Subject to the limits in paragraph (b), the following
31.5 amounts paid to others for each qualifying child are a subtraction:

31.6 (1) education-related expenses; plus

31.7 (2) tuition and fees paid to attend a school described in section 290.0674, ~~subdivision 1~~
31.8 subdivision 1a, paragraph (b), clause (4), that are not included in education-related expenses;
31.9 less

31.10 (3) any amount used to claim the credit under section 290.0674.

31.11 (b) The maximum subtraction allowed under this subdivision is:

31.12 (1) \$1,625 for each qualifying child in kindergarten through grade 6; and

31.13 (2) \$2,500 for each qualifying child in grades 7 through 12.

31.14 (c) The definitions in section 290.0674, ~~subdivision 1~~ subdivision 1a, apply to this
31.15 subdivision.

31.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
31.17 31, 2022.

31.18 Sec. 21. Minnesota Statutes 2022, section 290.0132, subdivision 26, is amended to read:

31.19 Subd. 26. **Social Security benefits.** (a) ~~A portion of taxable Social Security benefits is~~
31.20 ~~allowed as a subtraction. The taxpayer is allowed a subtraction equals equal to the greater~~
31.21 of the simplified subtraction allowed under paragraph (b) or the alternate subtraction
31.22 determined under paragraph (e).

31.23 (b) A taxpayer's simplified subtraction equals the amount of taxable social security
31.24 benefits, as reduced under paragraphs (c) and (d).

31.25 (c) For a taxpayer other than a married taxpayer filing a separate return with adjusted
31.26 gross income above the phaseout threshold, the simplified subtraction is reduced by ten
31.27 percent for each \$4,000 of adjusted gross income, or fraction thereof, in excess of the
31.28 phaseout threshold. The phaseout threshold equals:

31.29 (1) \$100,000 for a married taxpayer filing a joint return or surviving spouse;

31.30 (2) \$78,000 for a single or head of household taxpayer; and

32.1 (3) for a married taxpayer filing a separate return, half the amount for a married taxpayer
32.2 filing a joint return.

32.3 (d) For a married taxpayer filing a separate return, the simplified subtraction is reduced
32.4 by ten percent for each \$2,000 of adjusted gross income, or fraction thereof, in excess of
32.5 the phaseout threshold.

32.6 (e) A taxpayer's alternate subtraction equals the lesser of taxable Social Security benefits
32.7 or a maximum subtraction subject to the limits under paragraphs ~~(b)~~, ~~(e)~~, and ~~(d)~~ (f), (g),
32.8 and (h).

32.9 ~~(b)~~ (f) For married taxpayers filing a joint return and surviving spouses, the maximum
32.10 subtraction under paragraph (c) equals ~~\$5,150~~ \$5,840. The maximum subtraction is reduced
32.11 by 20 percent of provisional income over ~~\$78,180~~ \$88,630. In no case is the subtraction
32.12 less than zero.

32.13 ~~(e)~~ (g) For single or head-of-household taxpayers, the maximum subtraction under
32.14 paragraph (c) equals ~~\$4,020~~ \$4,560. The maximum subtraction is reduced by 20 percent of
32.15 provisional income over ~~\$61,080~~ \$69,250. In no case is the subtraction less than zero.

32.16 ~~(d)~~ (h) For married taxpayers filing separate returns, the maximum subtraction under
32.17 paragraph (c) equals one-half the maximum subtraction for joint returns under paragraph
32.18 ~~(b)~~ (d). The maximum subtraction is reduced by 20 percent of provisional income over
32.19 one-half the threshold amount specified in paragraph ~~(b)~~ (d). In no case is the subtraction
32.20 less than zero.

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

32.25 ~~(f)~~ (j) The commissioner shall adjust the ~~maximum subtraction and phaseout threshold~~
32.26 ~~amounts in paragraphs ~~(b)~~ to ~~(c)~~ and (d)~~ as provided in section 270C.22. The statutory year
32.27 is taxable year ~~2019~~ 2023. The maximum subtraction and threshold amounts as adjusted
32.28 must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount is rounded
32.29 up to the nearest \$10 amount.

32.30 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
32.31 31, 2022.

33.1 Sec. 22. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision
33.2 to read:

33.3 Subd. 34. **Qualified retirement benefits.** (a) The amount of qualified public pension
33.4 income is a subtraction. The subtraction in this section is limited to:

33.5 (1) \$25,000 for a married taxpayer filing a joint return or surviving spouse; or

33.6 (2) \$12,500 for all other filers.

33.7 (b) For a taxpayer with adjusted gross income above the phaseout threshold, the
33.8 subtraction is reduced by ten percent for each \$2,000 of adjusted gross income, or fraction
33.9 thereof, in excess of the threshold. The phaseout threshold equals:

33.10 (1) \$100,000 for a married taxpayer filing a joint return or surviving spouse;

33.11 (2) \$78,000 for a single or head of household taxpayer; or

33.12 (3) for a married taxpayer filing a separate return, half the amount for a married taxpayer
33.13 filing a joint return.

33.14 (c) For the purposes of this section, "qualified public pension income" means any amount
33.15 received:

33.16 (1) by a former basic member or the survivor of a former basic member, as an annuity
33.17 or survivor benefit, from a pension plan governed by chapter 353, 353E, 354, or 354A,
33.18 provided that the annuity or benefit is based on service for which the member or survivor
33.19 is not also receiving Social Security benefits;

33.20 (2) as an annuity or survivor benefit from the legislators plan under chapter 3A, the State
33.21 Patrol retirement plan under chapter 352B, or the public employees police and fire plan
33.22 under sections 353.63 to 353.666, provided that the annuity or benefit is based on service
33.23 for which the member or survivor is not also receiving Social Security benefits;

33.24 (3) from any retirement system administered by the federal government that is based on
33.25 service for which the recipient or the recipient's survivor is not also receiving Social Security
33.26 benefits; or

33.27 (4) from a public retirement system of or created by another state or any of its political
33.28 subdivisions, or the District of Columbia, if the income tax laws of the other state or district
33.29 permit a similar deduction or exemption or a reciprocal deduction or exemption of a
33.30 retirement or pension benefit received from a public retirement system of or created by this
33.31 state or any political subdivision of this state.

34.1 (d) The commissioner must annually adjust the subtraction limits in paragraph (a) and
34.2 the phaseout thresholds in paragraph (b), as provided in section 270C.22. The statutory year
34.3 is taxable year 2023.

34.4 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
34.5 31, 2022.

34.6 Sec. 23. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision
34.7 to read:

34.8 Subd. 35. **Subpart F income.** For a unitary business, as defined in section 290.17,
34.9 subdivision 4, paragraph (b), the amount of subpart F income included in gross income
34.10 under section 951 of the Internal Revenue Code is a subtraction.

34.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
34.12 31, 2023.

34.13 Sec. 24. Minnesota Statutes 2022, section 290.0134, is amended by adding a subdivision
34.14 to read:

34.15 Subd. 21. **Subpart F income.** For a unitary business, as defined in section 290.17,
34.16 subdivision 4, paragraph (b), the amount of subpart F income included in gross income
34.17 under section 951 of the Internal Revenue Code is a subtraction.

34.18 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
34.19 31, 2023.

34.20 Sec. 25. Minnesota Statutes 2022, section 290.06, subdivision 23, is amended to read:

34.21 **Subd. 23. Refund of contributions to political parties and candidates.** (a) A taxpayer
34.22 may claim a refund equal to the amount of the taxpayer's contributions made in the calendar
34.23 year to candidates and to a political party. The maximum refund for an individual must not
34.24 exceed ~~\$50~~ \$75 and for a married couple, filing jointly, must not exceed ~~\$100~~ \$150. A
34.25 refund of a contribution is allowed only if the taxpayer files a form required by the
34.26 commissioner and attaches to the form a copy of an official refund receipt form issued by
34.27 the candidate or party and signed by the candidate, the treasurer of the candidate's principal
34.28 campaign committee, or the chair or treasurer of the party unit, after the contribution was
34.29 received. The receipt forms must be numbered, and the data on the receipt that are not public
34.30 must be made available to the campaign finance and public disclosure board upon its request.
34.31 A claim must be filed with the commissioner no sooner than January 1 of the calendar year
34.32 in which the contribution was made and no later than April 15 of the calendar year following

35.1 the calendar year in which the contribution was made. A taxpayer may file only one claim
35.2 per calendar year. Amounts paid by the commissioner after June 15 of the calendar year
35.3 following the calendar year in which the contribution was made must include interest at the
35.4 rate specified in section 270C.405.

35.5 (b) No refund is allowed under this subdivision for a contribution to a candidate unless
35.6 the candidate:

35.7 (1) has signed an agreement to limit campaign expenditures as provided in section
35.8 10A.322;

35.9 (2) is seeking an office for which voluntary spending limits are specified in section
35.10 10A.25; and

35.11 (3) has designated a principal campaign committee.

35.12 This subdivision does not limit the campaign expenditures of a candidate who does not
35.13 sign an agreement but accepts a contribution for which the contributor improperly claims
35.14 a refund.

35.15 (c) For purposes of this subdivision, "political party" means a major political party as
35.16 defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion
35.17 on the income tax or property tax refund form under section 10A.31, subdivision 3a.

35.18 A "major party" or "minor party" includes the aggregate of that party's organization
35.19 within each house of the legislature, the state party organization, and the party organization
35.20 within congressional districts, counties, legislative districts, municipalities, and precincts.

35.21 "Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a
35.22 candidate for judicial office.

35.23 "Contribution" means a gift of money.

35.24 (d) The commissioner shall make copies of the form available to the public and candidates
35.25 upon request.

35.26 (e) The following data collected or maintained by the commissioner under this subdivision
35.27 are private: the identities of individuals claiming a refund, the identities of candidates to
35.28 whom those individuals have made contributions, and the amount of each contribution.

35.29 (f) The commissioner shall report to the campaign finance and public disclosure board
35.30 by each August 1 a summary showing the total number and aggregate amount of political
35.31 contribution refunds made on behalf of each candidate and each political party. These data
35.32 are public.

36.1 (g) The amount necessary to pay claims for the refund provided in this section is
36.2 appropriated from the general fund to the commissioner of revenue.

36.3 (h) For a taxpayer who files a claim for refund via the Internet or other electronic means,
36.4 the commissioner may accept the number on the official receipt as documentation that a
36.5 contribution was made rather than the actual receipt as required by paragraph (a).

36.6 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to refunds
36.7 for contributions made in calendar year 2024 and thereafter.

36.8 Sec. 26. Minnesota Statutes 2022, section 290.06, subdivision 39, is amended to read:

36.9 Subd. 39. **Film production credit.** (a) A taxpayer, including a taxpayer to whom a credit
36.10 has been assigned under section 116U.27, subdivision 3, may claim a credit against the tax
36.11 imposed by this chapter equal to the amount certified on a credit certificate under section
36.12 116U.27, subject to the limitations in this subdivision.

36.13 (b) The credit is limited to the liability for tax, as computed under this chapter, for the
36.14 taxable year. If the amount of the credit determined under this subdivision for any taxable
36.15 year exceeds this limitation, the excess is a film production credit carryover to each of the
36.16 five succeeding taxable years. The entire amount of the excess unused credit for the taxable
36.17 year is carried first to the earliest of the taxable years to which the credit may be carried
36.18 and then to each successive year to which the credit may be carried. The amount of the
36.19 unused credit that may be added under this paragraph must not exceed the taxpayer's liability
36.20 for tax, less any film production credit for the taxable year.

36.21 (c) Credits allowed to a partnership, a limited liability company taxed as a partnership,
36.22 or an S corporation are passed through to the partners, members, shareholders, or owners,
36.23 respectively, pro rata to each based on the partner's, member's, shareholder's, or owner's
36.24 share of the entity's assets, or as specially allocated in the organizational documents or any
36.25 other executed agreement, as of the last day of the taxable year.

36.26 (d) Notwithstanding the approval and certification by the commissioner of employment
36.27 and economic development under section 116U.27, the commissioner may utilize any audit
36.28 and examination powers under chapter 270C or 289A to the extent necessary to verify that
36.29 the taxpayer is eligible for the credit and to assess the amount of any improperly claimed
36.30 credit. The commissioner may only assess the original recipient of the credit certificate for
36.31 the amount of improperly claimed credits. The commissioner may not assess a credit
36.32 certificate assignee for any amount of improperly claimed credits, and an assignee's claim

37.1 for credit is not affected by the commissioner's assessment of improperly claimed credits
37.2 against the assignor.

37.3 (e) This subdivision expires January 1, ~~2025~~ 2033, for taxable years beginning after
37.4 December 31, 2024, except that the expiration of this section does not affect the commissioner
37.5 of revenue's authority to audit or power of examination and assessment for credits claimed
37.6 under this subdivision.

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

37.8 Sec. 27. Minnesota Statutes 2022, section 290.06, is amended by adding a subdivision to
37.9 read:

37.10 **Subd. 41. Pass-through entity tax paid to another state.** (a) A credit is allowed against
37.11 the pass-through entity tax imposed under section 289A.08, subdivision 7a, for pass-through
37.12 entity tax paid to another state. The credit under this subdivision shall be deemed to be
37.13 allowed as a credit for taxes paid to another state in accordance with subdivision 22,
37.14 paragraph (a), and can only be claimed by the qualifying owner. As used in this subdivision,
37.15 "pass-through entity tax" means the tax under section 289A.08, subdivision 7a. The credit
37.16 allowed under this subdivision must be claimed in a manner prescribed by the commissioner.

37.17 (b) This section expires at the same time and on the same terms as section 164(b)(6)(B)
37.18 of the Internal Revenue Code, except that the expiration of this section does not affect the
37.19 commissioner's authority to audit or power of examination and assessments for credits
37.20 claimed under this section.

37.21 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
37.22 after December 21, 2021.

37.23 Sec. 28. Minnesota Statutes 2022, section 290.067, is amended to read:

37.24 **290.067 ~~DEPENDENT~~ GREAT START CHILD CARE AND DEPENDENT CARE**
37.25 **CREDIT.**

37.26 Subdivision 1. **Amount of credit.** (a) A taxpayer may take as a credit against the tax
37.27 due from the taxpayer and a spouse, if any, under this chapter an amount equal to ~~the~~
37.28 ~~dependent care credit for which the taxpayer is eligible pursuant to the provisions of section~~
37.29 ~~21 of the Internal Revenue Code except that in determining whether the child qualified as~~
37.30 ~~a dependent, income received as a Minnesota family investment program grant or allowance~~
37.31 ~~to or on behalf of the child must not be taken into account in determining whether the child~~
37.32 ~~received more than half of the child's support from the taxpayer~~ the taxpayer's eligible

38.1 dependent care expenses, as determined under subdivisions 1a and 1b, multiplied by the
38.2 taxpayer's credit percentage, as determined under subdivision 1c.

38.3 ~~(b) If a child who has not attained the age of six years at the close of the taxable year is~~
38.4 ~~cared for at a licensed family day care home operated by the child's parent, the taxpayer is~~
38.5 ~~deemed to have paid employment-related expenses. If the child is 16 months old or younger~~
38.6 ~~at the close of the taxable year, the amount of expenses deemed to have been paid equals~~
38.7 ~~the maximum limit for one qualified individual under section 21(e) and (d) of the Internal~~
38.8 ~~Revenue Code. If the child is older than 16 months of age but has not attained the age of~~
38.9 ~~six years at the close of the taxable year, the amount of expenses deemed to have been paid~~
38.10 ~~equals the amount the licensee would charge for the care of a child of the same age for the~~
38.11 ~~same number of hours of care.~~

38.12 ~~(e) If a married couple:~~

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

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

38.15 ~~(3) does not participate in a dependent care assistance program as defined in section 129~~
38.16 ~~of the Internal Revenue Code, in lieu of the actual employment related expenses paid for~~
38.17 ~~that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of (i)~~
38.18 ~~the combined earned income of the couple or (ii) the amount of the maximum limit for one~~
38.19 ~~qualified individual under section 21(e) and (d) of the Internal Revenue Code will be deemed~~
38.20 ~~to be the employment related expense paid for that child. The earned income limitation of~~
38.21 ~~section 21(d) of the Internal Revenue Code shall not apply to this deemed amount. These~~
38.22 ~~deemed amounts apply regardless of whether any employment-related expenses have been~~
38.23 ~~paid.~~

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

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

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

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

39.1 ~~(e) (b)~~ In the case of a nonresident, part-year resident, or a person who has earned income
39.2 not subject to tax under this chapter ~~including earned income excluded pursuant to section~~
39.3 ~~290.0132, subdivision 10~~, the credit determined under ~~section 21 of the Internal Revenue~~
39.4 ~~Code~~ this section must be allocated based on the ratio by which the earned income of the
39.5 claimant and the claimant's spouse from Minnesota sources bears to the total earned income
39.6 of the claimant and the claimant's spouse using the percentage calculated in section 290.06,
39.7 subdivision 2c, paragraph (e).

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

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

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

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

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

39.23 (2) "qualifying individual" has the meaning given in section 21(b)(1) of the Internal
39.24 Revenue Code, except that in determining whether the child qualified as a dependent, income
39.25 received as a Minnesota family investment program grant or allowance to or on behalf of
39.26 the child must not be taken into account in determining whether the child received more
39.27 than half of the child's support from the taxpayer; and

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

39.30 Subd. 1a. Eligible dependent care expenses. (a) A taxpayer's eligible dependent care
39.31 expenses equals the amount of employment-related expenses incurred by the taxable year,
39.32 subject to the limitations in paragraph (b).

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

40.3 (1) \$3,000 if there was one qualifying individual with respect to the taxpayer; or

40.4 (2) \$6,000 if there were two or more qualifying individuals with respect to the taxpayer.

40.5 Subd. 1b. **Eligible expenses for taxpayers with young children.** For a taxpayer with
40.6 a young child, the limit in subdivision 1a is increased as follows:

40.7 (1) for a taxpayer with one young child with respect to the taxpayer, the limit is increased
40.8 by \$7,000;

40.9 (2) for a taxpayer with two young children with respect to the taxpayer, the limit is
40.10 increased by \$14,000; and

40.11 (3) for a taxpayer with three or more young children with respect to the taxpayer, the
40.12 limit is increased by \$19,000.

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

40.15 (b) A taxpayer's credit percentage is reduced by one percentage point for each \$800, or
40.16 fraction thereof, by which the taxpayer's adjusted gross income exceeds \$160,000.

40.17 (c) For a married taxpayer filing a separate return, the credit percentage must be calculated
40.18 under paragraphs (a) and (b), except the adjusted gross income thresholds are one-half the
40.19 amounts for other filers, as adjusted for inflation under subdivision 2b.

40.20 Subd. 2b. **Inflation adjustment.** The commissioner shall annually adjust the dollar
40.21 amount of the income threshold at which the ~~maximum~~ credit percentage begins to be
40.22 reduced under subdivision 1c as provided in section 270C.22. The statutory year is taxable
40.23 year ~~2019~~ 2023.

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

40.29 (b) If a married couple:

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

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

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

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

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

41.11 Subd. 2d. **Special rules.** The rules in section 21(e) of the Internal Revenue Code apply
41.12 for the credit under this section.

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

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

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

41.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
41.30 31, 2022.

42.1 Sec. 29. Minnesota Statutes 2022, section 290.0671, subdivision 1, is amended to read:

42.2 Subdivision 1. **Credit allowed.** (a) An individual who is a resident of Minnesota is
42.3 allowed a credit against the tax imposed by this chapter equal to a percentage of earned
42.4 income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the
42.5 Internal Revenue Code, except that:

42.6 (1) a taxpayer with no qualifying children who has attained the age of 19, but not attained
42.7 age 65 before the close of the taxable year and is otherwise eligible for a credit under section
42.8 32 of the Internal Revenue Code may also receive a credit; ~~and~~

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

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

42.14 (b) For individuals with no qualifying children, the credit equals 3.9 percent of the first
42.15 \$7,150 of earned income. The credit is reduced by 2.0 percent of earned income or adjusted
42.16 gross income, whichever is greater, in excess of the phaseout threshold, but in no case is
42.17 the credit less than zero.

42.18 (c) For individuals with one qualifying child, the credit equals 9.35 percent of the first
42.19 \$11,950 of earned income. The credit is reduced by 6.0 percent of earned income or adjusted
42.20 gross income, whichever is greater, in excess of the phaseout threshold, but in no case is
42.21 the credit less than zero.

42.22 (d) For individuals with two qualifying children, the credit equals 11 percent of the first
42.23 \$19,600 of earned income. The credit is reduced by 10.5 percent of earned income or adjusted
42.24 gross income, whichever is greater, in excess of the phaseout threshold, but in no case is
42.25 the credit less than zero.

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

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

42.32 (g) For a person who was a resident for the entire tax year and has earned income not
42.33 subject to tax under this chapter, including income excluded under section 290.0132,

43.1 subdivision 10, the credit must be allocated based on the ratio of federal adjusted gross
43.2 income reduced by the earned income not subject to tax under this chapter over federal
43.3 adjusted gross income. For purposes of this paragraph, the following clauses are not
43.4 considered "earned income not subject to tax under this chapter":

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

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

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

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

43.10 (1) \$14,570 for married taxpayers filing joint returns with no qualifying children;

43.11 (2) \$8,730 for all other taxpayers with no qualifying children;

43.12 (3) \$28,610 for married taxpayers filing joint returns with one qualifying child;

43.13 (4) \$22,770 for all other taxpayers with one qualifying child;

43.14 (5) \$32,840 for married taxpayers filing joint returns with two qualifying children;

43.15 (6) \$27,000 for all other taxpayers with two qualifying children;

43.16 (7) \$33,140 for married taxpayers filing joint returns with three or more qualifying
43.17 children; and

43.18 (8) \$27,300 for all other taxpayers with three or more qualifying children.

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

43.23 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
43.24 31, 2022.

43.25 Sec. 30. Minnesota Statutes 2022, section 290.0674, is amended to read:

43.26 **290.0674 MINNESOTA EDUCATION CREDIT.**

43.27 Subdivision 1. **Credit allowed; definitions.** An individual is allowed a credit against
43.28 the tax imposed by this chapter in an amount equal to 75 percent of the amount paid for
43.29 education-related expenses for a qualifying child in kindergarten through grade 12.

44.1 Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the
44.2 meanings given them.

44.3 (b) "Education-related expenses" means:

44.4 (1) ~~qualifying instructional fees or tuition for instruction by an instructor under section~~
44.5 ~~120A.22, subdivision 10, clause (1), (2), (3), (4), or (5), or a member of the Minnesota~~
44.6 ~~Music Teachers Association, and who is not a lineal ancestor or sibling of the dependent~~
44.7 ~~for instruction outside the regular school day or school year, including tutoring, driver's~~
44.8 ~~education offered as part of school curriculum, regardless of whether it is taken from a~~
44.9 ~~public or private entity or summer camps, in grade or age appropriate curricula that~~
44.10 ~~supplement curricula and instruction available during the regular school year, that assists a~~
44.11 ~~dependent to improve knowledge of core curriculum areas or to expand knowledge and~~
44.12 ~~skills under the required academic standards under section 120B.021, subdivision 1, and~~
44.13 ~~the world languages standards under section 120B.022, subdivision 1, and that do not include~~
44.14 ~~the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such~~
44.15 ~~tenets, doctrines, or worship;~~

44.16 (2) expenses for textbooks, including books and other instructional materials and
44.17 equipment purchased or leased for use in elementary and secondary schools in teaching
44.18 only those subjects legally and commonly taught in public elementary and secondary schools
44.19 in this state. "Textbooks" does not include instructional books and materials used in the
44.20 teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such
44.21 tenets, doctrines, or worship, nor does it include books or materials for extracurricular
44.22 activities including sporting events, musical or dramatic events, speech activities, driver's
44.23 education, or similar programs;

44.24 (3) a maximum expense of \$200 per family for personal computer hardware, excluding
44.25 single purpose processors, and educational software that assists a dependent to improve
44.26 knowledge of core curriculum areas or to expand knowledge and skills under the required
44.27 academic standards under section 120B.021, subdivision 1, and the elective standard under
44.28 section 120B.022, subdivision 1, clause (2), purchased for use in the taxpayer's home and
44.29 not used in a trade or business regardless of whether the computer is required by the
44.30 dependent's school; and

44.31 (4) the amount paid to others for transportation of a qualifying child attending an
44.32 elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa,
44.33 or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory
44.34 attendance laws, which is not operated for profit, and which adheres to the provisions of

45.1 the Civil Rights Act of 1964 and chapter 363A. Amounts under this clause exclude any
45.2 expense the taxpayer incurred in using the taxpayer's or the qualifying child's vehicle.

45.3 (c) "Qualified instructor" means an individual who is not a lineal ancestor or sibling of
45.4 the dependent and who is:

45.5 (1) an instructor under section 120A.22, subdivision 10, clause (1), (2), (3), (4), or (5);
45.6 or

45.7 (2) a member of the Minnesota Music Teachers Association.

45.8 ~~For purposes of this section,~~ (d) "Qualifying child" has the meaning given in section
45.9 32(c)(3) of the Internal Revenue Code.

45.10 (e) "Qualifying instructional fees or tuition" means fees or tuition for instruction by a
45.11 qualified instructor outside the regular school day or school year, and that does not include
45.12 the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such
45.13 tenets, doctrines, or worship, including:

45.14 (1) driver's education offered as part of school curriculum, regardless of whether it is
45.15 taken from a public or private entity; or

45.16 (2) tutoring or summer camps that:

45.17 (i) are in grade or age appropriate curricula that supplement curricula and instruction
45.18 available during the regular school year;

45.19 (ii) assist a dependent to improve knowledge of core curriculum areas; or

45.20 (iii) expand knowledge and skills under:

45.21 (A) the required academic standards under section 120B.021, subdivision 1; and

45.22 (B) the world languages standards under section 120B.022, subdivision 1.

45.23 Subd. 2. **Limitations.** (a) For claimants with adjusted gross income not greater than
45.24 ~~\$33,500~~ \$70,000, the maximum credit allowed for a family is ~~\$1,000~~ \$1,500 multiplied by
45.25 the number of qualifying children in kindergarten through grade 12 in the family. The
45.26 maximum credit for families with one qualifying child in kindergarten through grade 12 is
45.27 reduced by \$1 for each \$4 of ~~household~~ adjusted gross income over ~~\$33,500~~ \$70,000, and
45.28 the maximum credit for families with two or more qualifying children in kindergarten
45.29 through grade 12 is reduced by \$2 for each \$4 of ~~household~~ adjusted gross income over
45.30 ~~\$33,500~~ \$70,000, but in no case is the credit less than zero.

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

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

46.6 ~~Subd. 2a. **Income.** (a) For purposes of this section, "income" means the sum of the~~
46.7 ~~following:~~

46.8 ~~(1) federal adjusted gross income as defined in section 62 of the Internal Revenue Code;~~
46.9 ~~and~~

46.10 ~~(2) the sum of the following amounts to the extent not included in clause (1):~~

46.11 ~~(i) all nontaxable income;~~

46.12 ~~(ii) the amount of a passive activity loss that is not disallowed as a result of section 469,~~
46.13 ~~paragraph (i) or (m) of the Internal Revenue Code and the amount of passive activity loss~~
46.14 ~~carryover allowed under section 469(b) of the Internal Revenue Code;~~

46.15 ~~(iii) an amount equal to the total of any discharge of qualified farm indebtedness of a~~
46.16 ~~solvent individual excluded from gross income under section 108(g) of the Internal Revenue~~
46.17 ~~Code;~~

46.18 ~~(iv) cash public assistance and relief;~~

46.19 ~~(v) any pension or annuity (including railroad retirement benefits, all payments received~~
46.20 ~~under the federal Social Security Act, Supplemental Security Income, and veterans benefits),~~
46.21 ~~which was not exclusively funded by the claimant or spouse, or which was funded exclusively~~
46.22 ~~by the claimant or spouse and which funding payments were excluded from federal adjusted~~
46.23 ~~gross income in the years when the payments were made;~~

46.24 ~~(vi) interest received from the federal or a state government or any instrumentality or~~
46.25 ~~political subdivision thereof;~~

46.26 ~~(vii) workers' compensation;~~

46.27 ~~(viii) nontaxable strike benefits;~~

46.28 ~~(ix) the gross amounts of payments received in the nature of disability income or sick~~
46.29 ~~pay as a result of accident, sickness, or other disability, whether funded through insurance~~
46.30 ~~or otherwise;~~

47.1 ~~(x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of~~
47.2 ~~1986, as amended through December 31, 1995;~~

47.3 ~~(xi) contributions made by the claimant to an individual retirement account, including~~
47.4 ~~a qualified voluntary employee contribution; simplified employee pension plan;~~
47.5 ~~self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of~~
47.6 ~~the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal~~
47.7 ~~Revenue Code;~~

47.8 ~~(xii) nontaxable scholarship or fellowship grants;~~

47.9 ~~(xiii) the amount of deduction allowed under section 199 of the Internal Revenue Code;~~

47.10 ~~(xiv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue~~
47.11 ~~Code;~~

47.12 ~~(xv) the amount deducted for tuition expenses under section 222 of the Internal Revenue~~
47.13 ~~Code; and~~

47.14 ~~(xvi) the amount deducted for certain expenses of elementary and secondary school~~
47.15 ~~teachers under section 62(a)(2)(D) of the Internal Revenue Code.~~

47.16 ~~In the case of an individual who files an income tax return on a fiscal year basis, the~~
47.17 ~~term "federal adjusted gross income" means federal adjusted gross income reflected in the~~
47.18 ~~fiscal year ending in the next calendar year. Federal adjusted gross income may not be~~
47.19 ~~reduced by the amount of a net operating loss carryback or carryforward or a capital loss~~
47.20 ~~carryback or carryforward allowed for the year.~~

47.21 ~~(b) "Income" does not include:~~

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

47.23 ~~(2) amounts of any pension or annuity that were exclusively funded by the claimant or~~
47.24 ~~spouse if the funding payments were not excluded from federal adjusted gross income in~~
47.25 ~~the years when the payments were made;~~

47.26 ~~(3) surplus food or other relief in kind supplied by a governmental agency;~~

47.27 ~~(4) relief granted under chapter 290A;~~

47.28 ~~(5) child support payments received under a temporary or final decree of dissolution or~~
47.29 ~~legal separation; and~~

48.1 ~~(6) restitution payments received by eligible individuals and excludable interest as~~
48.2 ~~defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001,~~
48.3 ~~Public Law 107-16.~~

48.4 Subd. 4. **Credit to be refundable.** If the amount of credit that the claimant is eligible
48.5 to receive under this section exceeds the claimant's tax liability under this chapter, the
48.6 commissioner shall refund the excess to the claimant.

48.7 Subd. 5. **Appropriation.** An amount sufficient to pay the refunds required by this section
48.8 is appropriated to the commissioner from the general fund.

48.9 Subd. 6. **Inflation adjustment.** The commissioner shall annually adjust the adjusted
48.10 gross income amounts in subdivision 2, as provided in section 270C.22. The statutory year
48.11 is taxable year 2023.

48.12 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
48.13 31, 2022.

48.14 Sec. 31. Minnesota Statutes 2022, section 290.0677, subdivision 1, is amended to read:

48.15 Subdivision 1. **Credit allowed; current military service.** (a) An individual is allowed
48.16 a credit against the tax due under this chapter equal to \$59 for each month or portion thereof
48.17 that the individual was in active military service in a designated area after September 11,
48.18 2001, and before January 1, 2009, while a Minnesota domiciliary.

48.19 (b) An individual is allowed a credit against the tax due under this chapter equal to \$120
48.20 for each month or portion thereof that the individual was in active military service in a
48.21 designated area after December 31, 2008, while a Minnesota domiciliary.

48.22 (c) For active service performed after September 11, 2001, and before December 31,
48.23 2006, the individual may claim the credit in the taxable year beginning after December 31,
48.24 2005, and before January 1, 2007.

48.25 (d) For active service performed after December 31, 2006, the individual may claim the
48.26 credit for the ~~taxable~~ calendar year in which the active service was performed.

48.27 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
48.28 31, 2022.

48.29 Sec. 32. Minnesota Statutes 2022, section 290.0681, subdivision 3, is amended to read:

48.30 Subd. 3. **Applications; allocations.** (a) To qualify for a credit or grant under this section,
48.31 the developer of a project must apply to the office before the rehabilitation begins. The

49.1 application must contain the information and be in the form prescribed by the office. The
49.2 office may collect a fee for application of up to 0.5 percent of qualified rehabilitation
49.3 expenditures, up to \$40,000, based on estimated qualified rehabilitation expenditures, to
49.4 offset costs associated with personnel and administrative expenses related to administering
49.5 the credit and preparing the economic impact report in subdivision 9. Application fees are
49.6 deposited in the account. The application must indicate if the application is for a credit or
49.7 a grant in lieu of the credit or a combination of the two and designate the taxpayer qualifying
49.8 for the credit or the recipient of the grant.

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

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

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

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

49.18 (4) state the fiscal year in which the credit or grant is allocated, and that the taxpayer or
49.19 grant recipient is entitled to receive one-fifth of the total amount of either the credit or the
49.20 grant at the time the project is placed in service, provided that date is within ~~three~~ five
49.21 calendar years following the issuance of the allocation certificate.

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

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

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

49.31 **EFFECTIVE DATE.** This section is effective for applications for allocation certificates
49.32 submitted after June 30, 2023.

50.1 Sec. 33. Minnesota Statutes 2022, section 290.0681, subdivision 4, is amended to read:

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

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

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

50.10 (b) The recipient of a credit certificate may assign the certificate to another taxpayer
50.11 before the first one-fifth payment is claimed, which is then allowed the credit under this
50.12 section or section 297I.20, subdivision 3. Before the payment is claimed, the first assignee
50.13 may subsequently assign the credit certificate in whole, but not in part, to a second assignee.
50.14 A second assignment may only be assigned to a financial institution. An assignment is not
50.15 valid unless the assignee notifies the commissioner within 30 days of the date that the
50.16 assignment is made. The commissioner shall prescribe the forms necessary for notifying
50.17 the commissioner of the assignment of a credit certificate and for claiming a credit by
50.18 assignment. The original credit certificate recipient, and each assignee, must file a return
50.19 with the commissioner for the taxable year that the project is placed in service.

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

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

50.24 **EFFECTIVE DATE.** This section is effective for projects placed in service after June
50.25 30, 2023.

50.26 Sec. 34. Minnesota Statutes 2022, section 290.0685, subdivision 1, is amended to read:

50.27 Subdivision 1. **Credit allowed.** (a) An individual who is a resident of Minnesota is
50.28 allowed a credit against the tax imposed by this chapter equal to \$2,000 for each birth:

50.29 (1) for which a certificate of birth resulting in stillbirth has been issued under section
50.30 144.2151-; or

50.31 (2) outside of Minnesota for which there is a certificate similar to the certificate under
50.32 section 144.2151 that documents that the stillbirth occurred under the applicable local laws.

51.1 (b) The credit under this section is allowed only in the taxable year in which the stillbirth
51.2 occurred and if the child would have been a dependent of the taxpayer as defined in section
51.3 152 of the Internal Revenue Code.

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

51.6 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
51.7 31, 2022.

51.8 Sec. 35. **[290.0687] MINNESOTA CHILD TAX CREDIT.**

51.9 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the
51.10 meanings given:

51.11 (1) "child" means a qualifying child, as defined in section 152(c) of the Internal Revenue
51.12 Code, who was under 18 years of age at the end of the taxable year;

51.13 (2) "credit" means the Minnesota Child Tax Credit allowed by this section;

51.14 (3) "disabled adult child" means a qualifying child, as defined in section 152(c) of the
51.15 Internal Revenue Code, who was:

51.16 (i) at least 18 years of age at the end of the taxable year; and

51.17 (ii) at any time during the taxable year was permanently and totally disabled, as defined
51.18 in section 22(e)(3) of the Internal Revenue Code; and

51.19 (4) "threshold amount" means:

51.20 (i) \$33,300 for individuals who are not married;

51.21 (ii) \$50,000 for married taxpayers filing a joint return; and

51.22 (iii) \$25,000 for married taxpayers filing separate returns.

51.23 Subd. 2. **Credit allowed.** Residents and part-year residents are allowed a credit against
51.24 the tax due under this chapter in an amount equal to \$620 per child or disabled adult child.

51.25 Subd. 3. **Limitations.** (a) The maximum total credit allowed to a taxpayer for the taxable
51.26 year is \$1,860.

51.27 (b) The maximum credit, as determined in paragraph (a), is reduced by \$62 for each
51.28 \$1,000 by which the taxpayer's adjusted gross income exceeds the threshold amount. In no
51.29 case is the credit less than zero.

52.1 (c) For part-year residents, the credit must be allocated based on the percentage calculated
52.2 under section 290.06, subdivision 2c, paragraph (e).

52.3 (d) For purposes of this subdivision, marital status is determined under section 7703 of
52.4 the Internal Revenue Code.

52.5 Subd. 4. **Credit refundable.** If the amount of credit which the claimant is eligible to
52.6 receive under this section exceeds the claimant's tax liability under this chapter, the
52.7 commissioner shall refund the excess to the claimant.

52.8 Subd. 5. **Inflation adjustment.** The commissioner must annually adjust the credit amount
52.9 under subdivision 2, the dollar amount of the income threshold at which the maximum credit
52.10 begins to be reduced under subdivision 3, and the maximum credit, as provided in section
52.11 270C.22. The statutory year is taxable year 2023.

52.12 Subd. 6. **Appropriation.** An amount sufficient to pay the refunds required by this section
52.13 is appropriated to the commissioner from the general fund.

52.14 Subd. 7. **Sunset.** This section expires for taxable years beginning after December 31,
52.15 2030. The expiration of this section does not affect the commissioner's authority to audit
52.16 or power of examination and assessment for credits claimed under this section.

52.17 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
52.18 31, 2022.

52.19 Sec. 36. **[290.0693] NEW MARKETS TAX CREDIT.**

52.20 Subdivision 1. **Definitions.** (a) For purposes of this section, terms defined in section
52.21 116X.01 have the meanings given in that section.

52.22 (b) "Liability for tax" means the sum of the tax imposed under section 290.06,
52.23 subdivisions 1 and 2c, for the taxable year, reduced by the sum of the nonrefundable credits
52.24 allowed under this chapter, for all of the entities required to be included on the combined
52.25 report of the unitary business.

52.26 Subd. 2. **Credit allowed.** (a) A taxpayer that is a corporation, partner in a partnership,
52.27 or shareholder in a corporation treated as an S corporation under section 290.9725 that
52.28 makes a qualified equity investment is allowed a credit against the tax imposed under this
52.29 chapter equal to the amount calculated under section 116X.01, subdivision 2. A taxpayer
52.30 may claim a credit on each credit allowance date.

52.31 (b) Tax credits earned by or allocated to a partnership, a limited liability company taxed
52.32 as a partnership, or an S corporation are passed through to the partners, members,

53.1 shareholders, or owners, respectively, in accordance with the provisions of any agreement
 53.2 among the partners, members, shareholders, or owners, or, in the absence of an agreement,
 53.3 pro rata to each partner, member, shareholder, or owner based on their share of the entity's
 53.4 assets as of the last day of the taxable year. A pass-through of a credit is not considered a
 53.5 sale for the purposes of section 116X.01.

53.6 (c) If the amount of the credit under this section exceeds the taxpayer's liability for tax
 53.7 under this chapter, the excess is a credit carryover to each of the five succeeding taxable
 53.8 years. The entire amount of the excess unused credit for the taxable year must be carried
 53.9 first to the earliest of the taxable years to which the credit may be carried and then to each
 53.10 successive year to which the credit may be carried. The amount of the unused credit that
 53.11 may be added under this paragraph may not exceed the taxpayer's liability for tax, less any
 53.12 credit for the current taxable year.

53.13 Subd. 3. **Credit recapture.** (a) The commissioner must recapture credits should it
 53.14 determine any of the following:

53.15 (1) any amount of the federal tax credit available with respect to a qualified equity
 53.16 investment that is eligible for a credit under this section is recaptured under section 45D of
 53.17 the Internal Revenue Code;

53.18 (2) the qualified community development entity redeems or makes principal repayment
 53.19 with respect to a qualified equity investment prior to seven years after the date of issuance
 53.20 of the qualified equity investment; or

53.21 (3) the qualified community development entity fails to invest at least 100 percent of
 53.22 the cash purchase price of the qualified equity investment in qualified low-income community
 53.23 investments in greater Minnesota counties or metropolitan counties, as applicable, within
 53.24 12 months of the issuance of the qualified equity investment and maintains the investment
 53.25 in qualified low-income community investments in greater Minnesota counties or
 53.26 metropolitan counties, as applicable, until the last credit allowance date for the qualified
 53.27 equity investment.

53.28 Upon verification of the event indicated in the notification, the commissioner must notify
 53.29 the entity otherwise eligible for the credit allowed under this section and issue an assessment
 53.30 and notify the entity and the commissioner of employment and economic development of
 53.31 ineligibility for future credits with respect to the qualified equity investment. The recapture
 53.32 under clause (1) must be proportionate to the federal recapture with respect to the qualified
 53.33 equity investment. The recapture under clause (2) must be proportionate to the amount of
 53.34 the redemption or repayment with respect to the qualified equity investment. The recapture

54.1 under clause (3) must be proportionate to the amount of qualified equity investment that
54.2 was failed to be invested or maintained.

54.3 (b) For purposes of paragraph (a), clause (3), an investment is considered maintained
54.4 by a qualified community development entity even if the investment has been sold or repaid,
54.5 provided that the qualified community development entity reinvests an amount equal to the
54.6 capital returned to or recovered by the qualified community development entity from the
54.7 original investment, exclusive of any profits realized, in another qualified low-income
54.8 community investment in this state as required under the greater Minnesota allocation or
54.9 metropolitan allocation within 12 months after the receipt of that capital, after notice and
54.10 written approval of both the sale and reinvestment by the commissioner of employment and
54.11 economic development. Periodic loan repayments received by a qualified community
54.12 development entity from a qualified active low-income community business within a calendar
54.13 year must be treated as maintained in qualified low-income community investments if a
54.14 qualified community development entity reinvests the repayments in qualified low-income
54.15 community investments by the end of the current taxable year.

54.16 (c) A qualified community development entity is not required to reinvest capital returned
54.17 from qualified low-income community investments after the sixth anniversary of the issuance
54.18 of the qualified equity investment, the proceeds of which were used to make the qualified
54.19 low-income community investment, and the qualified low-income community investment
54.20 is considered held by the qualified community development entity through the seventh
54.21 anniversary of the qualified equity investment's issuance.

54.22 (d) With respect to any one qualified active low-income community business, the
54.23 maximum amount of qualified low-income community investments made in that business
54.24 in aggregate with all of its affiliates that may be counted toward the satisfaction of paragraph
54.25 (a), clause (3), is \$10,000,000, whether made by one or several qualified community
54.26 development entities but exclusive of redeemed or repaid qualified low-income community
54.27 investment by the qualified active low-income community business.

54.28 (e) The commissioner shall provide notice to the qualified community development
54.29 entity of any proposed recapture of credits pursuant to this subdivision. The notice must
54.30 specify the conditions under which the deficiency resulting in the proposed recapture occurred
54.31 and state that the credits will be recaptured within 90 days unless the qualified community
54.32 development entity complies with the conditions identified in the notice. If the entity does
54.33 not comply with the conditions identified in the notice within the 90-day period, the
54.34 commissioner shall provide the entity and the taxpayer from whom the credit is to be
54.35 recaptured with an order of assessment. Any credit amount that is recaptured must be

55.1 recaptured from the taxpayer who claimed the credit on a tax return. The qualified equity
55.2 investment authority of the recaptured credits must be returned to the commissioner of
55.3 employment and economic development, and must first be awarded pro rata to applicants
55.4 that have received awards of qualified equity investment authority and complied with this
55.5 subdivision.

55.6 (f) If credits are recaptured under this section, any remaining outstanding credit is
55.7 forfeited.

55.8 Subd. 4. **Sunset.** This section expires for taxable years beginning after December 31,
55.9 2031, except that the expiration of this section does not affect the commissioner of revenue's
55.10 authority to audit or power of examination and assessment for credits claimed under this
55.11 section.

55.12 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
55.13 31, 2023.

55.14 Sec. 37. **[290.0694] CREDIT FOR SALES OF MANUFACTURED HOME PARKS**
55.15 **TO COOPERATIVES.**

55.16 Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions
55.17 have the meanings given.

55.18 (b) "Qualified seller" means a taxpayer who sells qualified property to a manufactured
55.19 home park cooperative, a nonprofit organization organized under chapter 317A, or a
55.20 representative acting on behalf of residents as defined under section 327C.015, subdivision
55.21 13.

55.22 (c) "Qualified property" means a manufactured home park in Minnesota classified as
55.23 4c(5)(i) or 4c(5)(iii) under section 273.13, subdivision 25, paragraph (d), that qualifies as
55.24 section 1250 property, as calculated under section 1250(a) of the Internal Revenue Code.

55.25 (d) "Manufactured home park cooperative" has the meaning given in section 273.124,
55.26 subdivision 3a.

55.27 Subd. 2. **Credit allowed; carryforward.** (a) A qualified seller is allowed a credit against
55.28 the tax imposed under this chapter. The credit equals five percent of the amount of the sale
55.29 price of the qualified property.

55.30 (b) If the amount of the credit under this section exceeds the taxpayer's liability for tax
55.31 under this chapter, the excess is a credit carryover to each of the five succeeding taxable
55.32 years. The entire amount of the excess unused credit for the taxable year must be carried

56.1 first to the earliest of the taxable years to which the credit may be carried and then to each
56.2 successive year to which the credit may be carried. The amount of the unused credit that
56.3 may be added under this paragraph may not exceed the taxpayer's liability for tax, less any
56.4 credit for the current taxable year.

56.5 (c) For nonresidents and part-year residents, the credit must be allocated based on the
56.6 percentage calculated under section 290.06, subdivision 2c, paragraph (e).

56.7 Subd. 3. **Partnerships; multiple owners.** Credits granted to a partnership, a limited
56.8 liability company taxed as a partnership, an S corporation, or multiple owners of property
56.9 are passed through to the partners, members, shareholders, or owners, respectively, pro rata
56.10 to each partner, member, shareholder, or owner based on their share of the entity's assets
56.11 or as specially allocated in their organizational documents or any other executed document,
56.12 as of the last day of the taxable year.

56.13 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
56.14 31, 2022.

56.15 Sec. 38. **[290.0695] SHORT LINE RAILROAD INFRASTRUCTURE**
56.16 **MODERNIZATION CREDIT.**

56.17 Subdivision 1. **Definitions.** (a) For purpose of this section, the following terms have the
56.18 meanings given them.

56.19 (b) "Eligible taxpayer" means any railroad that is classified by the United States Surface
56.20 Transportation Board as a Class II or Class III railroad.

56.21 (c) "Eligible transferee" means any taxpayer subject to tax under this chapter or chapter
56.22 297I.

56.23 (d) "Qualified railroad reconstruction or replacement expenditures" means gross
56.24 expenditures in the taxable year for maintenance, reconstruction, or replacement of railroad
56.25 infrastructure, including track, roadbed, bridges, industrial leads and sidings, and track-related
56.26 structures owned or leased by a Class II or Class III railroad in Minnesota as of January 1,
56.27 2021. Qualified railroad reconstruction or replacement expenditures also includes new
56.28 construction of industrial leads, switches, spurs and sidings and extensions of existing sidings
56.29 in Minnesota by a Class II or Class III railroad.

56.30 Subd. 2. **Credit allowed; limitation; carryover.** (a) An eligible taxpayer is allowed a
56.31 credit against the tax due under this chapter equal to 50 percent of:

56.32 (1) \$3,000, multiplied by;

57.1 (2) the number of miles of railroad track owned or leased within the state by the eligible
57.2 taxpayer for which the taxpayer made qualified railroad reconstruction or replacement
57.3 expenditures as of the close of the taxable year for which the credit is claimed.

57.4 (b) If the amount of the credit determined under this section for any taxable year exceeds
57.5 the limitation under paragraph (a), the excess is a credit carryover to each of the five
57.6 succeeding taxable years. The entire amount of the excess unused credit for the taxable year
57.7 must be carried first to the earliest of the taxable years to which the credit may be carried
57.8 and then to each successive year to which the credit may be carried. The amount of the
57.9 unused credit that may be added under this paragraph must not exceed the taxpayer's liability
57.10 for tax less the credit for the taxable year.

57.11 (c) An eligible taxpayer claiming a credit under this section may not also claim the credit
57.12 under section 297I.20, subdivision 6, for the same qualified railroad reconstruction or
57.13 replacement expenditures.

57.14 Subd. 3. **Transferability; written agreement required; credit certificate.** (a) An
57.15 eligible taxpayer may transfer the credit allowed under this section by written agreement
57.16 to an eligible transferee. The amount of the transferred credit is limited to the unused,
57.17 remaining portion of the credit.

57.18 (b) The eligible taxpayer and the eligible transferee must jointly file a copy of the written
57.19 transfer agreement with the commissioner within 30 days of the transfer. The written
57.20 agreement must contain the name, address, and taxpayer identification number of the parties
57.21 to the transfer; the taxable year the eligible taxpayer incurred the qualified expenditures;
57.22 the amount of credit being transferred; and the taxable year or years for which the transferred
57.23 credit may be claimed.

57.24 (c) The commissioner must issue a credit certificate to the transferee within 30 days of
57.25 the joint filing of a copy of the written transfer agreement with the commissioner.

57.26 (d) In the case of an audit or assessment, the transferee is liable for repayment of credits
57.27 claimed in excess of the allowed amount.

57.28 Subd. 4. **Partnerships; multiple owners.** Credits granted or transferred to a partnership,
57.29 a limited liability company taxed as a partnership, an S corporation, or multiple owners of
57.30 property are passed through to the partners, members, shareholders, or owners, respectively,
57.31 pro rata to each partner, member, shareholder, or owner based on their share of the entity's
57.32 assets or as specially allocated in their organizational documents or any other executed
57.33 agreement, as of the last day of the taxable year.

58.1 Subd. 5. Allocation for nonresidents and part-year residents. For a nonresident or
58.2 part-year resident, the credit determined under this section must be allocated based on the
58.3 percentage calculated under section 290.06, subdivision 2c, paragraph (e).

58.4 EFFECTIVE DATE. This section is effective for taxable years beginning after December
58.5 31, 2022.

58.6 Sec. 39. [290.0811] INCOME OF CERTAIN NONRESIDENTS.

58.7 Subdivision 1. Exemption allowed. Notwithstanding section 290.081, compensation
58.8 received by a qualifying nonresident individual for employment duties in Minnesota is
58.9 excluded from gross income, subject to the limitations in this section.

58.10 Subd. 2. Definitions. (a) For purposes of this section, the following terms have the
58.11 meanings given.

58.12 (b) "Employee" and "employer" have the meanings given in section 290.92, subdivision
58.13 1.

58.14 (c) "Employment duties" means professional or personal services performed for an
58.15 employer by an employee who is a qualifying nonresident individual.

58.16 (d) "Entertainer" has the meaning given in section 290.9201.

58.17 (e) "Qualifying nonresident individual" means an individual:

58.18 (1) whose residence, place of abode, and place customarily returned to at least once a
58.19 month is in another state;

58.20 (2) who is paid wages for employment duties, excluding duties performed as an
58.21 entertainer, in Minnesota on 30 or fewer days in the taxable year;

58.22 (3) who performed employment duties in more than one state during the calendar year;
58.23 and

58.24 (4) whose state of residence provides a substantially similar exclusion or does not impose
58.25 an individual income tax, or whose income is exempt from taxation in Minnesota under the
58.26 United States Constitution, or the Internal Revenue Code.

58.27 (f) "Time and attendance system" means a system through which an employee is required,
58.28 on a contemporaneous basis, to record the employee's work location for every day worked
58.29 outside the state where the employee's employment duties are primarily performed and is
58.30 designed to allow the employer to allocate the employee's compensation for income tax

59.1 purposes among all states in which the employee performs employment duties for the
59.2 employer.

59.3 Subd. 3. **Withholding exemption; limitation.** (a) Wages paid to a qualifying nonresident
59.4 individual are exempt from the withholding requirements under section 290.92, and the
59.5 filing requirements under section 289A.09, subject to the limitations of paragraph (b).

59.6 (b) If during the taxable year, the number of days an employee spends performing
59.7 employment duties in Minnesota exceeds the 30-day threshold under subdivision 2, paragraph
59.8 (e), clause (2), the withholding requirements under section 290.92, and the filing requirements
59.9 under section 289A.09, apply for every day in that calendar year, including the first 30 days,
59.10 on which the employee performs employment duties in Minnesota.

59.11 Subd. 4. **Employers; application of penalties.** The commissioner shall not apply
59.12 penalties or interest otherwise applicable under chapter 289A for failing to deduct and
59.13 withhold income taxes as required under section 290.92, if when determining whether
59.14 withholding was required, the employer met either of the following conditions:

59.15 (1) the employer at its sole discretion maintains a time and attendance system and relied
59.16 on data from that system; or

59.17 (2) if the employer does not maintain a time and attendance system, and the employer
59.18 relies on either:

59.19 (i) the employer's own records maintained in the regular course of business of the
59.20 employee's location; or

59.21 (ii) the employee's reasonable determination of the time the employee expected to spend
59.22 performing employment duties in Minnesota, the employer has no actual knowledge of
59.23 fraud by employee in making the determination, and the employer and the employee did
59.24 not collude to evade taxation in making the determination.

59.25 Subd. 5. **Timing of employment duties performed.** For the purposes of this section,
59.26 an employee shall be considered to be performing employment duties within Minnesota for
59.27 a day if the employee performs more of the employee's employment duties in Minnesota
59.28 than in any other state during that day. Any portion of the day during which the employee
59.29 is in transit must not be considered in determining the location of an employee's performance
59.30 of employment duties.

59.31 Subd. 6. **Severability.** If any provision of this section or the application of a provision
59.32 of this section to any person or circumstance is held to be unconstitutional, then all other
59.33 provisions of this section shall remain valid and any rights, remedies, and privileges that

60.1 have been otherwise accrued by this section shall remain in effect, and may be proceeded
60.2 with and concluded under the provisions of this chapter or other applicable law.

60.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
60.4 31, 2025.

60.5 Sec. 40. Minnesota Statutes 2022, section 290.091, subdivision 2, as amended by Laws
60.6 2023, chapter 1, section 18, is amended to read:

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

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

60.11 (1) the taxpayer's federal alternative minimum taxable income as defined in section
60.12 55(b)(1)(D) of the Internal Revenue Code;

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

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

60.16 (ii) the medical expense deduction;

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

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

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

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

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

60.30 (6) the amount of addition required by section 290.0131, subdivisions 9, 10, and 16;

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

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

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

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

61.8 (ii) an overpayment of state income tax as provided by section 290.0132, subdivision
61.9 3, to the extent included in federal alternative minimum taxable income;

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

61.14 (iv) amounts subtracted from federal taxable or adjusted gross income as provided by
61.15 section 290.0132, subdivisions 7, 9 to 15, 17, 21, 24, 26 to 29, ~~and~~ 31, 34, and 35;

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

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

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

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

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

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

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

62.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
62.2 31, 2022.

62.3 Sec. 41. Minnesota Statutes 2022, section 290.17, subdivision 4, is amended to read:

62.4 Subd. 4. **Unitary business principle.** (a) If a trade or business conducted wholly within
62.5 this state or partly within and partly without this state is part of a unitary business, the entire
62.6 worldwide income of the unitary business is subject to apportionment pursuant to section
62.7 290.191. Notwithstanding subdivision 2, paragraph (c), none of the income of a unitary
62.8 business is considered to be derived from any particular source and none may be allocated
62.9 to a particular place except as provided by the applicable apportionment formula. The
62.10 provisions of this subdivision do not apply to business income subject to subdivision 5,
62.11 income of an insurance company, or income of an investment company determined under
62.12 section 290.36.

62.13 (b) The term "unitary business" means business activities or operations which result in
62.14 a flow of value between them. The term may be applied within a single legal entity or
62.15 between multiple entities and without regard to whether each entity is a sole proprietorship,
62.16 a corporation, a partnership or a trust.

62.17 (c) Unity is presumed whenever there is unity of ownership, operation, and use, evidenced
62.18 by centralized management or executive force, centralized purchasing, advertising,
62.19 accounting, or other controlled interaction, but the absence of these centralized activities
62.20 will not necessarily evidence a nonunitary business. Unity is also presumed when business
62.21 activities or operations are of mutual benefit, dependent upon or contributory to one another,
62.22 either individually or as a group.

62.23 (d) Where a business operation conducted in Minnesota is owned by a business entity
62.24 that carries on business activity outside the state different in kind from that conducted within
62.25 this state, and the other business is conducted entirely outside the state, it is presumed that
62.26 the two business operations are unitary in nature, interrelated, connected, and interdependent
62.27 unless it can be shown to the contrary.

62.28 (e) Unity of ownership does not exist when two or more corporations are involved unless
62.29 more than 50 percent of the voting stock of each corporation is directly or indirectly owned
62.30 by a common owner or by common owners, either corporate or noncorporate, or by one or
62.31 more of the member corporations of the group. For this purpose, the term "voting stock"
62.32 shall include membership interests of mutual insurance holding companies formed under
62.33 section 66A.40.

63.1 ~~(f) The net income and apportionment factors under section 290.191 or 290.20 of foreign~~
63.2 ~~corporations and other foreign entities, but excluding a disqualified captive insurance~~
63.3 ~~company, which are part of a unitary business shall not be included in the net income or~~
63.4 ~~the apportionment factors of the unitary business; except that the income and apportionment~~
63.5 ~~factors of a foreign entity, other than an entity treated as a C corporation for federal income~~
63.6 ~~tax purposes, that are included in the federal taxable income, as defined in section 63 of the~~
63.7 ~~Internal Revenue Code as amended through the date named in section 290.01, subdivision~~
63.8 ~~19, of a domestic corporation, domestic entity, or individual must be included in determining~~
63.9 ~~net income and the factors to be used in the apportionment of net income pursuant to section~~
63.10 ~~290.191 or 290.20. A foreign corporation or other foreign entity which is not included on~~
63.11 ~~a combined report and which is required to file a return under this chapter shall file on a~~
63.12 ~~separate return basis.~~

63.13 ~~(g)~~ (f) For purposes of determining the net income of a unitary business and the factors
63.14 to be used in the apportionment of net income pursuant to section 290.191 or 290.20, there
63.15 must be included ~~only~~ the income and apportionment factors of domestic and foreign
63.16 corporations or other domestic and foreign entities that are determined to be part of the
63.17 unitary business pursuant to this subdivision, ~~notwithstanding that foreign corporations or~~
63.18 ~~other foreign entities might be included in the unitary business; except that the income and~~
63.19 ~~apportionment factors of a foreign entity, other than an entity treated as a C corporation for~~
63.20 ~~federal income tax purposes, that is included in the federal taxable income, as defined in~~
63.21 ~~section 63 of the Internal Revenue Code as amended through the date named in section~~
63.22 ~~290.01, subdivision 19, of a domestic corporation, domestic entity, or individual must be~~
63.23 ~~included in determining net income and the factors to be used in the apportionment of net~~
63.24 ~~income pursuant to section 290.191 or 290.20. For foreign corporations and other foreign~~
63.25 ~~entities not subject to a federal income tax filing requirement under United States Code,~~
63.26 ~~title 26, subtitle A, net income must be determined as required under section 290.01,~~
63.27 ~~subdivision 19.~~

63.28 ~~(h)~~ (g) Each corporation or other entity, except a sole proprietorship, that is part of a
63.29 unitary business must file combined reports as the commissioner determines. On the reports,
63.30 all intercompany transactions between entities included pursuant to paragraph ~~(g)~~ (f) must
63.31 be eliminated and the entire net income of the unitary business determined in accordance
63.32 with this subdivision is apportioned among the entities by using each entity's Minnesota
63.33 factors for apportionment purposes in the numerators of the apportionment formula and the
63.34 total factors for apportionment purposes of all entities included pursuant to paragraph ~~(g)~~
63.35 (f) in the denominators of the apportionment formula. Except as otherwise provided by

64.1 paragraph (f), all sales of the unitary business made within this state pursuant to section
64.2 290.191 or 290.20 must be included on the combined report of a corporation or other entity
64.3 that is a member of the unitary business and is subject to the jurisdiction of this state to
64.4 impose tax under this chapter.

64.5 ~~(f)~~ (h) If a corporation has been divested from a unitary business and is included in a
64.6 combined report for a fractional part of the common accounting period of the combined
64.7 report:

64.8 (1) its income includable in the combined report is its income incurred for that part of
64.9 the year determined by proration or separate accounting; and

64.10 (2) its sales, property, and payroll included in the apportionment formula must be prorated
64.11 or accounted for separately.

64.12 ~~(f)~~ (i) For purposes of this subdivision, "insurance company" means an insurance
64.13 company, as defined in section 290.01, subdivision 5b, that is not a disqualified captive
64.14 insurance company.

64.15 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
64.16 31, 2023.

64.17 Sec. 42. Minnesota Statutes 2022, section 290.17, is amended by adding a subdivision to
64.18 read:

64.19 **Subd. 4a. Foreign corporations and other foreign entities.** (a) For purposes of imposing
64.20 a tax under this chapter, the federal taxable income of a foreign corporation or other foreign
64.21 entity must be computed as follows:

64.22 (1) a profit and loss statement must be prepared in the currency in which the books of
64.23 account of the foreign corporation or other foreign entity are regularly maintained;

64.24 (2) except as determined by the commissioner, adjustments must be made to the profit
64.25 and loss statement to conform the statement to the accounting principles generally accepted
64.26 in the United States for the preparation of those statements;

64.27 (3) adjustments must be made to the profit and loss statement to conform it to the tax
64.28 accounting standards required by the commissioner;

64.29 (4) unless otherwise authorized by the commissioner, the profit and loss statement of
64.30 each member of the combined group, and the apportionment factors related to the combined
64.31 group, whether domestic or foreign, must be converted into United States dollars; and

64.32 (5) income apportioned to this state must be expressed in United States dollars.

65.1 (b) Notwithstanding paragraph (a), if the commissioner determines that the information
65.2 required in the statements under that paragraph may only be obtained through a burdensome
65.3 effort and expense, the commissioner may allow reasonable approximations of the
65.4 information.

65.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
65.6 31, 2023.

65.7 Sec. 43. Minnesota Statutes 2022, section 297I.20, subdivision 4, is amended to read:

65.8 Subd. 4. **Film production credit.** (a) A taxpayer may claim a credit against the premiums
65.9 tax imposed under this chapter equal to the amount indicated on the credit certificate
65.10 statement issued to the company under section 116U.27. If the amount of the credit exceeds
65.11 the taxpayer's liability for tax under this chapter, the excess is a credit carryover to each of
65.12 the five succeeding taxable years. The entire amount of the excess unused credit for the
65.13 taxable year must be carried first to the earliest of the taxable years to which the credit may
65.14 be carried and then to each successive year to which the credit may be carried. This credit
65.15 does not affect the calculation of fire state aid under section 477B.03 and police state aid
65.16 under section 477C.03.

65.17 (b) This subdivision expires January 1, ~~2025~~ 2033, for taxable years beginning after and
65.18 premiums received after December 31, ~~2024~~ 2032.

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

65.20 Sec. 44. Minnesota Statutes 2022, section 297I.20, is amended by adding a subdivision
65.21 to read:

65.22 Subd. 6. **Short line railroad infrastructure modernization credit.** A taxpayer may
65.23 claim a credit against the premiums tax imposed under this chapter equal to the amount
65.24 indicated on the credit certificate statement issued to the company under section 290.0695,
65.25 provided that the taxpayer is not also claiming a credit under that section for the same
65.26 qualified railroad reconstruction or replacement expenditures. If the amount of the credit
65.27 exceeds the taxpayer's liability for tax under this chapter, the excess is a credit carryover to
65.28 each of the five succeeding taxable years. The entire amount of the excess unused credit
65.29 for the taxable year must be carried first to the earliest of the taxable years to which the
65.30 credit may be carried and then to each successive year to which the credit may be carried.
65.31 This credit does not affect the calculation of fire state aid under section 477B.03 and police
65.32 state aid under section 477C.03.

66.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
66.2 31, 2022.

66.3 Sec. 45. Minnesota Statutes 2022, section 297I.20, is amended by adding a subdivision
66.4 to read:

66.5 Subd. 7. **New markets tax credit.** (a) A taxpayer may claim a credit against the premiums
66.6 tax imposed under this chapter equal to the amount calculated under section 116X.01,
66.7 subdivision 2. The credit is claimed beginning in the taxable year of the third credit allowance
66.8 date. If the amount of the credit exceeds the liability for tax under this chapter, the excess
66.9 is a credit carryover to each of the five succeeding taxable years. The entire amount of the
66.10 excess unused credit for the taxable year must be carried first to the earliest of the taxable
66.11 years to which the credit may be carried and then to each successive year to which the credit
66.12 may be carried. This credit does not affect the calculation of fire state aid under section
66.13 477B.03 and police state aid under section 477C.03.

66.14 (b) This subdivision expires January 1, 2032, for taxable years beginning after and
66.15 premiums received after December 31, 2031.

66.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
66.17 31, 2023.

66.18 Sec. 46. **2023 ADVANCE PAYMENT AND ONE-TIME REFUNDABLE CREDIT.**

66.19 Subdivision 1. **Credit allowed; eligibility.** (a) An individual is allowed a credit against
66.20 the tax imposed under Minnesota Statutes, chapter 290. The credit equals \$279 for an
66.21 individual who files an income tax return as a single person or as a married person who
66.22 files a married filing separate income tax return and \$558 for all other income tax filers.

66.23 (b) For an individual, or a married couple filing a joint income tax return, with a
66.24 dependent, as defined in sections 151 and 152 of the Internal Revenue Code, the credit is
66.25 increased by \$56 per dependent up to a maximum additional credit of \$168.

66.26 (c) The maximum combined credit under this subdivision is \$447 for an individual who
66.27 files an income tax return as a single person or as a married individual who files a married
66.28 filing separate income tax return and \$726 for all other income tax filers.

66.29 (d) The credit is not available to an individual who:

66.30 (1) is not a resident of Minnesota, as defined in Minnesota Statutes, section 290.01,
66.31 subdivision 7, during any part of 2023;

67.1 (2) is a dependent, as defined in sections 151 and 152 of the Internal Revenue Code, for
67.2 2023; and

67.3 (3) has adjusted gross income, as defined in Minnesota Statutes, section 290.01,
67.4 subdivision 21a, for 2023 greater than:

67.5 (i) \$75,000 for an individual who files an income tax return as a single person or as a
67.6 married person who files a married filing separate income tax return; and

67.7 (ii) \$150,000 for all other income tax filers.

67.8 (e) For an individual who was a Minnesota resident for only part of 2023, or for a married
67.9 couple filing a joint return where one or both individuals were Minnesota residents for only
67.10 part of 2023, the credit equals the credit allowed under paragraph (a) times the percentage
67.11 calculated under Minnesota Statutes, section 290.06, subdivision 2c, paragraph (e).

67.12 (f) If the amount of the credit under this subdivision exceeds the individual's or the
67.13 married couple's liability for tax under Minnesota Statutes, chapter 290, the commissioner
67.14 shall refund the excess to the taxpayer.

67.15 (g) The credit applies to taxable years beginning after December 31, 2022, and before
67.16 January 1, 2024.

67.17 Subd. 2. **Advance payment of credit.** (a) The commissioner of revenue may issue a
67.18 taxpayer an advance payment of the credit provided in subdivision 1. To be eligible for an
67.19 advance payment, the commissioner must reasonably believe the taxpayer will be eligible
67.20 for the credit, and the taxpayer must have filed, before January 1, 2023:

67.21 (1) an individual income tax return for tax year 2021; or

67.22 (2) a property tax refund return under Minnesota Statutes, chapter 290A, based on
67.23 property taxes payable in 2022 or rent constituting property taxes paid in 2021.

67.24 (b) The commissioner may contract with a third party to implement all or part of the
67.25 payment process.

67.26 (c) The commissioner must not issue an advance payment to any taxpayer who:

67.27 (1) was not a resident of Minnesota on December 31, 2021;

67.28 (2) was a dependent, as defined in sections 151 and 152 of the Internal Revenue Code,
67.29 for 2021;

68.1 (3) had adjusted gross income, as defined in Minnesota Statutes, section 290.01,
68.2 subdivision 21a, for 2021 greater than (i) \$100,000 for married taxpayers filing a joint
68.3 return, heads of household, and surviving spouses; or (ii) \$50,000 for all other filers; or

68.4 (4) died before January 1, 2023.

68.5 (d) The advance payment under this section shall be paid by the commissioner of revenue
68.6 based on information available in the commissioner's records, and individuals are not
68.7 required to file a claim with the commissioner. The decision of the commissioner to not
68.8 make an advance payment to a taxpayer is not appealable.

68.9 (e) The commissioner of revenue must make a joint advance payment to individuals
68.10 who filed a joint income tax return for 2021. If individuals who receive a joint advance
68.11 payment do not file a joint tax return with each other for 2023, each spouse is deemed to
68.12 have received an advance payment equal to one-half of the joint payment.

68.13 **Subd. 3. Payments to taxpayers who do not receive an advance payment.** (a) A
68.14 taxpayer may claim any amount of unpaid credit on an individual income tax return for
68.15 2023 if the taxpayer was eligible for:

68.16 (1) the credit under subdivision 1 and did not receive an advance payment under
68.17 subdivision 2; or

68.18 (2) the additional credit under subdivision 1, paragraph (a), clause (2), and did not receive
68.19 an advance payment for the full amount of the credit.

68.20 (b) The credit allowed to a taxpayer under this subdivision is reduced by any advance
68.21 payment received under subdivision 2. The credit allowed for married taxpayers who file
68.22 a joint return in 2023 is reduced by any advance payment received under subdivision 2 by
68.23 either spouse.

68.24 (c) No credit under paragraph (a), clause (2), is allowed unless the TIN of the dependent,
68.25 as defined in section 7701(a)(41) of the Internal Revenue Code, is included on the tax return
68.26 that lists the individual as a dependent.

68.27 **Subd. 4. Repayment of advance payment.** (a) An individual or married couple who
68.28 receives an advance payment under subdivision 2 but who does not meet eligibility for the
68.29 credit under subdivision 1, paragraph (a), or does not meet eligibility for the amount of the
68.30 advance payment of the credit allowed under subdivision (1), paragraph (b), must repay the
68.31 amount of the overpayment to the commissioner of revenue. Repayment is due on April
68.32 15, 2024.

69.1 (b) All provisions not inconsistent with this section under Minnesota Statutes, chapters
69.2 270C and 289A, relating to collection, audit, assessment, refunds, penalty, interest,
69.3 enforcement, collection remedies, appeal, and administration of individual income tax apply
69.4 to this section.

69.5 (c) The commissioner may issue an order of assessment under Minnesota Statutes,
69.6 section 270C.33, to recover an advance payment made under subdivision 2 that is issued
69.7 to a person not eligible for the credit. The assessment must be made within the period for
69.8 assessing tax for the 2023 individual income tax under Minnesota Statutes, section 289A.38.

69.9 Subd. 5. **Internal Revenue Code.** References to the Internal Revenue Code in this
69.10 section are to the Internal Revenue Code of 1986, as amended, that is in effect under
69.11 Minnesota Statutes, section 290.01, for the taxable year to which the reference relates.

69.12 Subd. 6. **Data classification.** Data classified as nonpublic data or private data on
69.13 individuals, including return information, as defined in Minnesota Statutes, section 270B.01,
69.14 subdivision 3, may be shared or disclosed between the commissioner of revenue and any
69.15 third-party vendor contracted with under this section, to the extent necessary to administer
69.16 advance payments under this section.

69.17 Subd. 7. **Advance payment not subject to set off.** The commissioner of revenue must
69.18 not apply, and must not certify to another agency to apply, an advance payment to any
69.19 unpaid tax or nontax debt.

69.20 Subd. 8. **Not income.** (a) An advance payment or refund of a credit under this section
69.21 is not considered income in determining Minnesota income tax, Minnesota income tax
69.22 credits, the Minnesota property tax refund, or the Minnesota senior citizen property tax
69.23 deferral.

69.24 (b) Notwithstanding any law to the contrary, the advance payment or credit under this
69.25 section must not be considered income, assets, or personal property for purposes of
69.26 determining eligibility or recertifying eligibility for:

69.27 (1) child care assistance programs under Minnesota Statutes, chapter 119B;

69.28 (2) general assistance, Minnesota supplemental aid, and food support under Minnesota
69.29 Statutes, chapter 256D;

69.30 (3) housing support under Minnesota Statutes, chapter 256I;

69.31 (4) the Minnesota family investment program and diversionary work program under
69.32 Minnesota Statutes, chapter 256J; and

70.1 (5) economic assistance programs under Minnesota Statutes, chapter 256P.

70.2 (c) The commissioner of human services must not consider an advance payment or credit
70.3 under this section as income or assets under Minnesota Statutes, section 256B.056,
70.4 subdivisions 1a, paragraph (a); 3; or 3c, or for persons with eligibility determined under
70.5 Minnesota Statutes, section 256B.057, subdivisions 3, 3a, or 3b.

70.6 Subd. 9. **Procurement.** The commissioner of revenue is exempt from the requirements
70.7 of Minnesota Statutes, section 16A.15, subdivision 3; 16B.97; and 16B.98, subdivisions 5,
70.8 7, and 8; and chapter 16C, and any other state procurement laws and procedures in
70.9 administering this section.

70.10 Subd. 10. **Appropriation.** The amount necessary to make the advance payments and
70.11 refunds payable under this section is appropriated to the commissioner of revenue from the
70.12 general fund.

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

70.14 Sec. 47. **HISTORIC STRUCTURE REHABILITATION CREDIT; SPECIAL**
70.15 **PROVISION.**

70.16 For the purposes of the credit under Minnesota Statutes, section 290.0681, projects that
70.17 have started rehabilitation work after June 30, 2022, and before July 1, 2023, that otherwise
70.18 meet all other requirements of Minnesota Statutes, section 290.0681, subdivision 3, may
70.19 be eligible for the credit if the application is received within 60 days of July 1, 2023.

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

70.21 Sec. 48. **REVIVAL AND REENACTMENT OF EXPIRED PROVISIONS.**

70.22 (a) The expired provisions of Minnesota Statutes, section 116J.8737, subdivisions 1 to
70.23 9, 11, and 12, as amended by Laws 2021, First Special Session chapter 14, article 1, sections
70.24 1 and 2, and sections 7 and 8 of this act, are revived and reenacted.

70.25 (b) The expired provisions of Minnesota Statutes, section 290.0692, are revived and
70.26 reenacted.

70.27 (c) The expired provisions of Minnesota Statutes, section 290.0681, subdivisions 1 to
70.28 9, as amended by sections 29 and 30, are revived and reenacted.

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

71.1 **Sec. 49. SUBTRACTION; CERTAIN UNEMPLOYMENT COMPENSATION.**

71.2 (a) For the purposes of this section, "subtraction" has the meaning given in Minnesota
71.3 Statutes, section 290.0132, subdivision 1, and the rules in that subdivision apply for this
71.4 section.

71.5 (b) Unemployment compensation received by individuals in taxable years beginning
71.6 after December 31, 2020, and before January 1, 2022, as a result of the decision issued by
71.7 the Minnesota Court of Appeals, 956 N.W. 2d 1, filed February 22, 2021, is a subtraction.

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

71.10 **Sec. 50. REPEALER; REPEAL OF EXPIRATION AND REVIVAL OF EXPIRED**
71.11 **PROVISIONS.**

71.12 (a) Minnesota Statutes 2022, section 290.0681, subdivision 10, is repealed.

71.13 (b) Minnesota Statutes 2022, section 41B.0391, subdivision 7, is repealed.

71.14 **EFFECTIVE DATE.** Paragraph (a) is effective the day following final enactment and
71.15 applies to applications for allocation certificates submitted after June 30, 2023. Paragraph
71.16 (b) is effective the day following final enactment.

71.17 **ARTICLE 2**

71.18 **FEDERAL CONFORMITY**

71.19 **Section 1.** Minnesota Statutes 2022, section 289A.02, subdivision 7, as amended by Laws
71.20 2023, chapter 1, section 1, is amended to read:

71.21 **Subd. 7. Internal Revenue Code.** Unless specifically defined otherwise, "Internal
71.22 Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December~~
71.23 ~~15, 2022~~ March 1, 2023.

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

71.27 **Sec. 2.** Minnesota Statutes 2022, section 290.01, subdivision 19, as amended by Laws
71.28 2023, chapter 1, section 4, is amended to read:

71.29 **Subd. 19. Net income.** (a) For a trust or estate taxable under section 290.03, and a
71.30 corporation taxable under section 290.02, the term "net income" means the federal taxable

72.1 income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through
72.2 the date named in this subdivision, incorporating the federal effective dates of changes to
72.3 the Internal Revenue Code and any elections made by the taxpayer in accordance with the
72.4 Internal Revenue Code in determining federal taxable income for federal income tax
72.5 purposes, and with the modifications provided in sections 290.0131 to 290.0136.

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

72.8 (c) In the case of a regulated investment company or a fund thereof, as defined in section
72.9 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment
72.10 company taxable income as defined in section 852(b)(2) of the Internal Revenue Code,
72.11 except that:

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

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

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

72.21 (d) The net income of a real estate investment trust as defined and limited by section
72.22 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust
72.23 taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

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

72.27 (f) The Internal Revenue Code of 1986, as amended through ~~December 15, 2022~~ March
72.28 1, 2023, applies for taxable years beginning after December 31, 1996.

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

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

73.4 Sec. 3. Minnesota Statutes 2022, section 290.01, subdivision 31, as amended by Laws
73.5 2023, chapter 1, section 5, is amended to read:

73.6 Subd. 31. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal
73.7 Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December~~
73.8 ~~15, 2022~~ March 1, 2023. Internal Revenue Code also includes any uncodified provision in
73.9 federal law that relates to provisions of the Internal Revenue Code that are incorporated
73.10 into Minnesota law.

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

73.14 Sec. 4. Minnesota Statutes 2022, section 290.06, subdivision 2c, as amended by Laws
73.15 2023, chapter 1, section 15, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

74.23 (i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, ~~and~~
74.24 17, 19, and 20, and 290.0137, paragraph (a); and reduced by

74.25 (ii) the Minnesota assignable portion of the subtraction for United States government
74.26 interest under section 290.0132, subdivision 2, the subtractions under sections 290.0132,
74.27 subdivisions 9, 10, 14, 15, 17, 18, 27, ~~and 31, and 32~~, and 290.0137, paragraph (c), after
74.28 applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17;
74.29 and

74.30 (2) the denominator is the individual's federal adjusted gross income as defined in section
74.31 62 of the Internal Revenue Code, increased by:

75.1 (i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, ~~and~~
75.2 17, 19, and 20, and 290.0137, paragraph (a); and reduced by

75.3 (ii) the subtractions under sections 290.0132, subdivisions 2, 9, 10, 14, 15, 17, 18, 27,
75.4 ~~and 31, and 32~~, and 290.0137, paragraph (c).

75.5 (f) If an individual who is not a Minnesota resident for the entire year is a qualifying
75.6 owner of a qualifying entity that elects to pay tax as provided in section 289A.08, subdivision
75.7 7a, paragraph (b), the individual must compute the individual's Minnesota income tax as
75.8 provided in paragraph (e), and also must include, to the extent attributed to the electing
75.9 qualifying entity:

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

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

75.14 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
75.15 after December 31, 2018.

75.16 Sec. 5. Minnesota Statutes 2022, section 290A.03, subdivision 15, as amended by Laws
75.17 2023, chapter 1, section 20, is amended to read:

75.18 Subd. 15. **Internal Revenue Code.** "Internal Revenue Code" means the Internal Revenue
75.19 Code of 1986, as amended through ~~December 15, 2022~~ March 1, 2023.

75.20 **EFFECTIVE DATE.** This section is effective beginning with refunds based on rent
75.21 paid in 2023 and property taxes payable in 2024.

75.22 Sec. 6. Minnesota Statutes 2022, section 291.005, subdivision 1, as amended by Laws
75.23 2023, chapter 1, section 21, is amended to read:

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

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

75.28 (2) "Federal gross estate" means the gross estate of a decedent as required to be valued
75.29 and otherwise determined for federal estate tax purposes under the Internal Revenue Code,
75.30 increased by the value of any property in which the decedent had a qualifying income interest

76.1 for life and for which an election was made under section 291.03, subdivision 1d, for
76.2 Minnesota estate tax purposes, but was not made for federal estate tax purposes.

76.3 (3) "Internal Revenue Code" means the United States Internal Revenue Code of 1986,
76.4 as amended through ~~December 15, 2022~~ March 1, 2023.

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

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

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

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

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

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

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

76.27 (iii) a qualified work of art, as defined in section 2503(g)(2) of the Internal Revenue
76.28 Code, owned by a nonresident decedent and that is normally kept or located in this state
76.29 because it is on loan to an organization, qualifying as exempt from taxation under section
76.30 501(c)(3) of the Internal Revenue Code, that is located in Minnesota, the situs of the art is
76.31 deemed to be outside of Minnesota, notwithstanding the provisions of item (ii); and

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

77.4 For a nonresident decedent with an ownership interest in a pass-through entity with
77.5 assets that include real or tangible personal property, situs of the real or tangible personal
77.6 property, including qualified works of art, is determined as if the pass-through entity does
77.7 not exist and the real or tangible personal property is personally owned by the decedent. If
77.8 the pass-through entity is owned by a person or persons in addition to the decedent, ownership
77.9 of the property is attributed to the decedent in proportion to the decedent's capital ownership
77.10 share of the pass-through entity.

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

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

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

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

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

77.20 (v) an entity whose ownership interest securities are traded on an exchange regulated
77.21 by the Securities and Exchange Commission as a national securities exchange under section
77.22 6 of the Securities Exchange Act, United States Code, title 15, section 78f.

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

77.26 Sec. 7. Laws 2023, chapter 1, section 15, the effective date, is amended to read:

77.27 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
77.28 after December 31, ~~2022~~ 2019.

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

78.1 Sec. 8. **REPEALER.**

78.2 Minnesota Statutes 2022, section 290.0132, subdivision 33, as added by Laws 2023,
78.3 chapter 1, section 12, is repealed.

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

78.5 **ARTICLE 3**

78.6 **PROPERTY TAX**

78.7 Section 1. Minnesota Statutes 2022, section 103D.905, subdivision 3, is amended to read:

78.8 Subd. 3. **General fund.** A general fund, consisting of an ad valorem tax levy, may not
78.9 exceed ~~0.048~~ 0.096 percent of estimated market value, or ~~\$250,000~~ \$500,000, whichever
78.10 is less. The money in the fund shall be used for general administrative expenses and for the
78.11 construction or implementation and maintenance of projects of common benefit to the
78.12 watershed district. The managers may make an annual levy for the general fund as provided
78.13 in section 103D.911. In addition to the annual general levy, the managers may annually
78.14 levy a tax not to exceed 0.00798 percent of estimated market value for a period not to exceed
78.15 15 consecutive years to pay the cost attributable to the basic water management features of
78.16 projects initiated by petition of a political subdivision within the watershed district or by
78.17 petition of at least 50 resident owners whose property is within the watershed district.

78.18 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024
78.19 and thereafter.

78.20 Sec. 2. Minnesota Statutes 2022, section 272.02, subdivision 24, is amended to read:

78.21 Subd. 24. **Solar energy generating systems.** Personal property consisting of solar energy
78.22 generating systems, as defined in section 272.0295, is exempt. If the real property upon
78.23 which a solar energy generating system is located is used primarily for solar energy
78.24 production subject to the production tax under section 272.0295, the real property shall be
78.25 classified as class 3a. If the real property upon which a solar energy generating system is
78.26 located is not used primarily for solar energy production subject to the production tax under
78.27 section 272.0295, the real property shall be classified without regard to the system. If real
78.28 property contains more than one solar energy generating system that cannot be combined
78.29 with the nameplate capacity of another solar energy generating system for the purposes of
78.30 the production tax under section 272.0295, but is in aggregate over one megawatt, then the
78.31 real property upon which the systems are located shall be classified as class 3a.

78.32 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

79.1 Sec. 3. Minnesota Statutes 2022, section 272.02, subdivision 98, is amended to read:

79.2 Subd. 98. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

79.3 (1) was classified as 3a under section 273.13, subdivision 24, for taxes payable in 2013;

79.4 (2) is located in a city of the first class with a population greater than 300,000 as of the
79.5 2010 federal census;

79.6 (3) was on January 2, 2012, and is for the current assessment owned by a federally
79.7 recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota;
79.8 and

79.9 (4) is used exclusively for tribal purposes or institutions of purely public charity as
79.10 defined in subdivision 7.

79.11 (b) For purposes of this subdivision, a "tribal purpose" means a public purpose as defined
79.12 in subdivision 8 and includes noncommercial tribal government activities. Property that
79.13 qualifies for the exemption under this subdivision is limited to no more than two contiguous
79.14 parcels and structures that do not exceed in the aggregate 20,000 square feet. Property
79.15 acquired for single-family housing, market-rate apartments, agriculture, or forestry does
79.16 not qualify for this exemption. ~~The exemption created by~~ This subdivision expires with
79.17 taxes payable in ~~2024~~ 2034.

79.18 (c) Property exempt under this section is exempt from the requirements of section
79.19 272.025. Upon the written request of an assessor, all books and records relating to the
79.20 ownership or use of the property which are reasonably necessary to verify that the property
79.21 qualifies for exemption shall be made available to the assessor.

79.22 **EFFECTIVE DATE.** This section is effective for property taxes payable in 2023 and
79.23 thereafter.

79.24 Sec. 4. Minnesota Statutes 2022, section 272.02, is amended by adding a subdivision to
79.25 read:

79.26 Subd. 105. **Elderly living facility.** An elderly living facility is exempt from taxation if
79.27 it meets all of the following requirements:

79.28 (1) the facility is located in a city of the first class with a population of fewer than
79.29 110,000;

79.30 (2) the facility is owned and operated by a nonprofit corporation organized under chapter
79.31 317A;

80.1 (3) construction of the facility was completed between January 1, 1963, and January 1,
80.2 1964;

80.3 (4) the facility is an assisted living facility licensed by the state of Minnesota;

80.4 (5) residents of the facility must be (i) at least 55 years of age, or (ii) disabled; and

80.5 (6) at least 30 percent of the units in the facility are occupied by persons whose annual
80.6 income does not exceed 50 percent of the median family income for the area.

80.7 For assessment year 2022 only, an exemption application under this section must be filed
80.8 with the county assessor by June 15, 2023.

80.9 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2023.

80.10 Sec. 5. Minnesota Statutes 2022, section 272.02, is amended by adding a subdivision to
80.11 read:

80.12 Subd. 106. **Energy storage systems.** (a) Personal property consisting of an energy
80.13 storage system is exempt, provided that:

80.14 (1) the property is not located in an energy community, as defined in the Inflation
80.15 Reduction Act of 2022, Public Law 117-169, section 13101; and

80.16 (2) the storage capacity of the system does not exceed 300 megawatt-hours.

80.17 (b) For the purposes of this subdivision, "energy storage system" has the meaning given
80.18 in section 216B.2422, subdivision 1, paragraph (f).

80.19 (c) A taxpayer requesting an exemption under this subdivision must file an application
80.20 with the commissioner of revenue. The commissioner shall prescribe the content, format,
80.21 and manner of the application pursuant to section 270C.30, except that a "law administered
80.22 by the commissioner" includes the property tax laws. In determining eligibility for the
80.23 exemption under this section, the commissioner of revenue may request information and
80.24 advice from the commissioner of commerce. On determining that property qualifies for
80.25 exemption, the commissioner of revenue shall issue an order exempting the property from
80.26 taxation. The commissioner of revenue shall develop an electronic means to notify interested
80.27 parties when the commissioner has issued an order exempting property from taxation under
80.28 this section. The energy storage system shall continue to be exempt from taxation as long
80.29 as the order issued by the commissioner of revenue remains in effect.

80.30 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

81.1 Sec. 6. Minnesota Statutes 2022, section 272.025, subdivision 1, is amended to read:

81.2 Subdivision 1. **Statement of exemption.** (a) Except in the case of property owned by
81.3 the state of Minnesota or any political subdivision thereof, a taxpayer claiming an exemption
81.4 from taxation on property described in section 272.02 must file a statement of exemption
81.5 with the assessor of the assessment district in which the property is located. By January 2,
81.6 2018, and each third year thereafter, the commissioner of revenue shall publish on its website
81.7 a list of the exemptions for which a taxpayer claiming an exemption must file a statement
81.8 of exemption. The commissioner's requirement that a taxpayer file a statement of exemption
81.9 pursuant to this subdivision shall not be considered a rule and is not subject to the
81.10 Administrative Procedure Act, chapter 14.

81.11 (b) A taxpayer claiming an exemption from taxation on property described in section
81.12 272.02, ~~subdivision~~ subdivisions 10 and 106, must file a statement of exemption with the
81.13 commissioner of revenue, on or before February 15 of each year for which the taxpayer
81.14 claims an exemption.

81.15 (c) In case of sickness, absence or other disability or for good cause, the assessor or the
81.16 commissioner may extend the time for filing the statement of exemption for a period not to
81.17 exceed 60 days.

81.18 (d) The commissioner of revenue shall prescribe the content, format, and manner of the
81.19 statement of exemption pursuant to section 270C.30, except that a "law administered by
81.20 the commissioner" includes the property tax laws.

81.21 (e) If a statement is made by electronic means, the taxpayer's signature is defined pursuant
81.22 to section 270C.304, except that a "law administered by the commissioner" includes the
81.23 property tax laws.

81.24 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

81.25 Sec. 7. Minnesota Statutes 2022, section 273.11, subdivision 12, is amended to read:

81.26 Subd. 12. **Community land trusts.** (a) A community land trust, as defined under chapter
81.27 462A, is (i) a community-based nonprofit corporation organized under chapter 317A, which
81.28 qualifies for tax exempt status under 501(c)(3), or (ii) a "city" as defined in section 462C.02,
81.29 subdivision 6, which has received funding from the Minnesota housing finance agency for
81.30 purposes of the community land trust program. The Minnesota Housing Finance Agency
81.31 shall set the criteria for community land trusts.

81.32 (b) Before the community land trust can rent or sell a unit to an applicant, the community
81.33 land trust shall verify to the satisfaction of the administering agency or the city that the

82.1 family income of each person or family applying for a unit in the community land trust
 82.2 building is within the income criteria provided in section 462A.30, subdivision 9. The
 82.3 administering agency or the city shall verify to the satisfaction of the county assessor that
 82.4 the occupant meets the income criteria under section 462A.30, subdivision 9. The property
 82.5 tax benefits under paragraph (c) shall be granted only to property owned or rented by persons
 82.6 or families within the qualifying income limits. The family income criteria and verification
 82.7 is only necessary at the time of initial occupancy in the property.

82.8 (c) A unit which is owned by the occupant and used as a homestead by the occupant
 82.9 qualifies for homestead treatment as class 1a under section 273.13, subdivision 22, unless
 82.10 the unit meets the requirements of section 273.13, subdivision 25, paragraph (e), clause (2),
 82.11 in which case the unit shall be classified as 4d(2). A unit which is rented by the occupant
 82.12 and used as a homestead by the occupant shall be class 4a or 4b property, under section
 82.13 273.13, subdivision 25, whichever is applicable. Any remaining portion of the property not
 82.14 used for residential purposes shall be classified by the assessor in the appropriate class based
 82.15 upon the use of that portion of the property owned by the community land trust. The land
 82.16 upon which the building is located shall be assessed at the same classification rate as the
 82.17 units within the building, provided that if the building contains some units assessed as class
 82.18 1a or class 4d(1) and some units assessed as class 4a or 4b, the market value of the land
 82.19 will be assessed in the same proportions as the value of the building.

82.20 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

82.21 Sec. 8. Minnesota Statutes 2022, section 273.11, subdivision 23, is amended to read:

82.22 Subd. 23. **First tier valuation limit; agricultural homestead property.** (a) The
 82.23 commissioner of revenue shall annually certify the first tier limit for agricultural homestead
 82.24 property. For assessment year ~~2010~~ 2024, the limit is ~~\$1,140,000~~ \$3,500,000. Beginning
 82.25 with assessment year ~~2011~~ 2025, the limit is the product of (i) the first tier limit for the
 82.26 preceding assessment year, and (ii) the ratio of the statewide average taxable market value
 82.27 of agricultural property per acre of deeded farm land in the preceding assessment year to
 82.28 the statewide average taxable market value of agricultural property per acre of deeded farm
 82.29 land for the second preceding assessment year. The limit shall be rounded to the nearest
 82.30 \$10,000.

82.31 (b) For the purposes of this subdivision, "agricultural property" means all class 2a
 82.32 property under section 273.13, subdivision 23, except for property consisting of the house,
 82.33 garage, and immediately surrounding one acre of land of an agricultural homestead.

82.34 (c) The commissioner shall certify the limit by January 2 of each assessment year.

83.1 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

83.2 Sec. 9. Minnesota Statutes 2022, section 273.111, is amended by adding a subdivision to
83.3 read:

83.4 Subd. 3b. **Property no longer eligible for deferment.** (a) Real estate that received the
83.5 tax deferment under this section for assessment year 2012 and would have continued to
83.6 qualify for tax deferment for assessment years from 2013 to 2023 but for an eminent domain
83.7 action that reduced the real estate to less than ten acres, shall reapply as provided in paragraph
83.8 (b) and, if determined eligible, shall qualify for the tax deferment under this section for
83.9 assessment year 2024 and thereafter until:

83.10 (1) the property no longer qualifies for classification as class 2a under section 273.13;

83.11 (2) the property is voluntarily withdrawn from the program; or

83.12 (3) the property is sold, transferred, or subdivided.

83.13 (b) Application for deferment under this subdivision shall be filed by May 1 of the year
83.14 prior to the year in which the taxes are payable. The application must be filed with the
83.15 assessor of the taxing district in which the real property is located on the form prescribed
83.16 by the commissioner of revenue. The assessor may request additional information necessary
83.17 to determine eligibility under this subdivision.

83.18 (c) Property assessed under this subdivision is subject to additional taxes, as provided
83.19 in subdivision 9, when the property:

83.20 (1) no longer qualifies for classification as class 2a under section 273.13;

83.21 (2) is voluntarily withdrawn from the program; or

83.22 (3) is sold, transferred, or subdivided.

83.23 **EFFECTIVE DATE.** This section is effective for assessment year 2024 and thereafter.

83.24 Sec. 10. Minnesota Statutes 2022, section 273.124, subdivision 6, is amended to read:

83.25 **Subd. 6. Leasehold cooperatives.** When one or more dwellings or one or more buildings
83.26 which each contain several dwelling units is owned by a nonprofit corporation subject to
83.27 the provisions of chapter 317A and qualifying under section 501(c)(3) or 501(c)(4) of the
83.28 Internal Revenue Code, or a limited partnership which corporation or partnership operates
83.29 the property in conjunction with a cooperative association, and has received public financing,
83.30 homestead treatment may be claimed by the cooperative association on behalf of the members
83.31 of the cooperative for each dwelling unit occupied by a member of the cooperative. The

84.1 cooperative association must provide the assessor with the Social Security numbers or
84.2 individual taxpayer identification numbers of those members. To qualify for the treatment
84.3 provided by this subdivision, the following conditions must be met:

84.4 (a) the cooperative association must be organized under chapter 308A or 308B and all
84.5 voting members of the board of directors must be resident tenants of the cooperative and
84.6 must be elected by the resident tenants of the cooperative;

84.7 (b) the cooperative association must have a lease for occupancy of the property for a
84.8 term of at least 20 years, which permits the cooperative association, while not in default on
84.9 the lease, to participate materially in the management of the property, including material
84.10 participation in establishing budgets, setting rent levels, and hiring and supervising a
84.11 management agent;

84.12 (c) to the extent permitted under state or federal law, the cooperative association must
84.13 have a right under a written agreement with the owner to purchase the property if the owner
84.14 proposes to sell it; if the cooperative association does not purchase the property it is offered
84.15 for sale, the owner may not subsequently sell the property to another purchaser at a price
84.16 lower than the price at which it was offered for sale to the cooperative association unless
84.17 the cooperative association approves the sale;

84.18 (d) a minimum of 40 percent of the cooperative association's members must have incomes
84.19 at or less than 60 percent of area median gross income as determined by the United States
84.20 Secretary of Housing and Urban Development under section 142(d)(2)(B) of the Internal
84.21 Revenue Code. For purposes of this clause, "member income" means the income of a member
84.22 existing at the time the member acquires cooperative membership;

84.23 (e) if a limited partnership owns the property, it must include as the managing general
84.24 partner a nonprofit organization operating under the provisions of chapter 317A and
84.25 qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code and the limited
84.26 partnership agreement must provide that the managing general partner have sufficient powers
84.27 so that it materially participates in the management and control of the limited partnership;

84.28 (f) prior to becoming a member of a leasehold cooperative described in this subdivision,
84.29 a person must have received notice that (1) describes leasehold cooperative property in plain
84.30 language, including but not limited to the effects of classification under this subdivision on
84.31 rents, property taxes and tax credits or refunds, and operating expenses, and (2) states that
84.32 copies of the articles of incorporation and bylaws of the cooperative association, the lease
84.33 between the owner and the cooperative association, a sample sublease between the
84.34 cooperative association and a tenant, and, if the owner is a partnership, a copy of the limited

85.1 partnership agreement, can be obtained upon written request at no charge from the owner,
85.2 and the owner must send or deliver the materials within seven days after receiving any
85.3 request;

85.4 (g) if a dwelling unit of a building was occupied on the 60th day prior to the date on
85.5 which the unit became leasehold cooperative property described in this subdivision, the
85.6 notice described in paragraph (f) must have been sent by first class mail to the occupant of
85.7 the unit at least 60 days prior to the date on which the unit became leasehold cooperative
85.8 property. For purposes of the notice under this paragraph, the copies of the documents
85.9 referred to in paragraph (f) may be in proposed version, provided that any subsequent
85.10 material alteration of those documents made after the occupant has requested a copy shall
85.11 be disclosed to any occupant who has requested a copy of the document. Copies of the
85.12 articles of incorporation and certificate of limited partnership shall be filed with the secretary
85.13 of state after the expiration of the 60-day period unless the change to leasehold cooperative
85.14 status does not proceed;

85.15 (h) the county attorney of the county in which the property is located must certify to the
85.16 assessor that the property meets the requirements of this subdivision;

85.17 (i) the public financing received must be from at least one of the following sources:

85.18 (1) tax increment financing proceeds used for the acquisition or rehabilitation of the
85.19 building or interest rate write-downs relating to the acquisition of the building;

85.20 (2) government issued bonds exempt from taxes under section 103 of the Internal Revenue
85.21 Code, the proceeds of which are used for the acquisition or rehabilitation of the building;

85.22 (3) programs under section 221(d)(3), 202, or 236, of Title II of the National Housing
85.23 Act;

85.24 (4) rental housing program funds under Section 8 of the United States Housing Act of
85.25 1937, as amended, or the market rate family graduated payment mortgage program funds
85.26 administered by the Minnesota Housing Finance Agency that are used for the acquisition
85.27 or rehabilitation of the building;

85.28 (5) low-income housing credit under section 42 of the Internal Revenue Code;

85.29 (6) public financing provided by a local government used for the acquisition or
85.30 rehabilitation of the building, including grants or loans from (i) federal community
85.31 development block grants; (ii) HOME block grants; or (iii) residential rental bonds issued
85.32 under chapter 474A; or

86.1 (7) other rental housing program funds provided by the Minnesota Housing Finance
86.2 Agency for the acquisition or rehabilitation of the building;

86.3 (j) at the time of the initial request for homestead classification or of any transfer of
86.4 ownership of the property, the governing body of the municipality in which the property is
86.5 located must hold a public hearing and make the following findings:

86.6 (1) that the granting of the homestead treatment of the apartment's units will facilitate
86.7 safe, clean, affordable housing for the cooperative members that would otherwise not be
86.8 available absent the homestead designation;

86.9 (2) that the owner has presented information satisfactory to the governing body showing
86.10 that the savings garnered from the homestead designation of the units will be used to reduce
86.11 tenant's rents or provide a level of furnishing or maintenance not possible absent the
86.12 designation; and

86.13 (3) that the requirements of paragraphs (b), (d), and (i) have been met.

86.14 Homestead treatment must be afforded to units occupied by members of the cooperative
86.15 association and the units must be assessed as provided in subdivision 3, provided that any
86.16 unit not so occupied shall be classified and assessed pursuant to the appropriate class. No
86.17 more than three acres of land may, for assessment purposes, be included with each dwelling
86.18 unit that qualifies for homestead treatment under this subdivision.

86.19 When dwelling units no longer qualify under this subdivision, the current owner must
86.20 notify the assessor within 60 days. Failure to notify the assessor within 60 days shall result
86.21 in the loss of benefits under this subdivision for taxes payable in the year that the failure is
86.22 discovered. For these purposes, "benefits under this subdivision" means the difference in
86.23 the net tax capacity of the units which no longer qualify as computed under this subdivision
86.24 and as computed under the otherwise applicable law, times the local tax rate applicable to
86.25 the building for that taxes payable year. Upon discovery of a failure to notify, the assessor
86.26 shall inform the auditor of the difference in net tax capacity for the building or buildings in
86.27 which units no longer qualify, and the auditor shall calculate the benefits under this
86.28 subdivision. Such amount, plus a penalty equal to 100 percent of that amount, shall then be
86.29 demanded of the building's owner. The property owner may appeal the county's determination
86.30 by serving copies of a petition for review with county officials as provided in section 278.01
86.31 and filing a proof of service as provided in section 278.01 with the Minnesota Tax Court
86.32 within 60 days of the date of the notice from the county. The appeal shall be governed by
86.33 the Tax Court procedures provided in chapter 271, for cases relating to the tax laws as
86.34 defined in section 271.01, subdivision 5; disregarding sections 273.125, subdivision 5, and

87.1 278.03, but including section 278.05, subdivision 2. If the amount of the benefits under this
87.2 subdivision and penalty are not paid within 60 days, and if no appeal has been filed, the
87.3 county auditor shall certify the amount of the benefit and penalty to the succeeding year's
87.4 tax list to be collected as part of the property taxes on the affected buildings.

87.5 EFFECTIVE DATE. This section is effective retroactively for homestead applications
87.6 filed in 2023 and thereafter.

87.7 Sec. 11. Minnesota Statutes 2022, section 273.124, subdivision 13, is amended to read:

87.8 Subd. 13. **Homestead application.** (a) A person who meets the homestead requirements
87.9 under subdivision 1 must file a homestead application with the county assessor to initially
87.10 obtain homestead classification.

87.11 (b) The commissioner shall prescribe the content, format, and manner of the homestead
87.12 application required to be filed under this chapter pursuant to section 270C.30. The
87.13 application must clearly inform the taxpayer that this application must be signed by all
87.14 owners who occupy the property or by the qualifying relative and returned to the county
87.15 assessor in order for the property to receive homestead treatment.

87.16 (c) Every property owner applying for homestead classification must furnish to the
87.17 county assessor the Social Security number or individual tax identification number of each
87.18 occupant who is listed as an owner of the property on the deed of record, the name and
87.19 address of each owner who does not occupy the property, and the name and Social Security
87.20 number or individual tax identification number of the spouse of each occupying owner. The
87.21 application must be signed by each owner who occupies the property and by each owner's
87.22 spouse who occupies the property, or, in the case of property that qualifies as a homestead
87.23 under subdivision 1, paragraph (c), by the qualifying relative.

87.24 If a property owner occupies a homestead, the property owner's spouse may not claim
87.25 another property as a homestead unless the property owner and the property owner's spouse
87.26 file with the assessor an affidavit or other proof required by the assessor stating that the
87.27 property qualifies as a homestead under subdivision 1, paragraph (e).

87.28 Owners or spouses occupying residences owned by their spouses and previously occupied
87.29 with the other spouse, either of whom fail to include the other spouse's name and Social
87.30 Security number or individual tax identification number on the homestead application or
87.31 provide the affidavits or other proof requested, will be deemed to have elected to receive
87.32 only partial homestead treatment of their residence. The remainder of the residence will be
87.33 classified as nonhomestead residential. When an owner or spouse's name and Social Security

88.1 number or individual tax identification number appear on homestead applications for two
88.2 separate residences and only one application is signed, the owner or spouse will be deemed
88.3 to have elected to homestead the residence for which the application was signed.

88.4 (d) If residential real estate is occupied and used for purposes of a homestead by a relative
88.5 of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for
88.6 the property to receive homestead status, a homestead application must be filed with the
88.7 assessor. The Social Security number or individual tax identification number of each relative
88.8 occupying the property and the name and Social Security number or individual tax
88.9 identification number of the spouse of a relative occupying the property shall be required
88.10 on the homestead application filed under this subdivision. If a different relative of the owner
88.11 subsequently occupies the property, the owner of the property must notify the assessor
88.12 within 30 days of the change in occupancy. The Social Security number or individual tax
88.13 identification number of a relative occupying the property or the spouse of a relative
88.14 occupying the property is private data on individuals as defined by section 13.02, subdivision
88.15 12, but may be disclosed to the commissioner of revenue, or, for the purposes of proceeding
88.16 under the Revenue Recapture Act to recover personal property taxes owing, to the county
88.17 treasurer.

88.18 (e) The homestead application shall also notify the property owners that if the property
88.19 is granted homestead status for any assessment year, that same property shall remain
88.20 classified as homestead until the property is sold or transferred to another person, or the
88.21 owners, the spouse of the owner, or the relatives no longer use the property as their
88.22 homestead. Upon the sale or transfer of the homestead property, a certificate of value must
88.23 be timely filed with the county auditor as provided under section 272.115. Failure to notify
88.24 the assessor within 30 days that the property has been sold, transferred, or that the owner,
88.25 the spouse of the owner, or the relative is no longer occupying the property as a homestead,
88.26 shall result in the penalty provided under this subdivision and the property will lose its
88.27 current homestead status.

88.28 (f) If a homestead application has not been filed with the county by December 31, the
88.29 assessor shall classify the property as nonhomestead for the current assessment year for
88.30 taxes payable in the following year, provided that the owner may be entitled to receive the
88.31 homestead classification by proper application under section 375.192.

88.32 **EFFECTIVE DATE.** This section is effective retroactively for applications for
88.33 homestead filed in 2023 and thereafter.

89.1 Sec. 12. Minnesota Statutes 2022, section 273.124, subdivision 13a, is amended to read:

89.2 Subd. 13a. **Occupant list.** At the request of the commissioner, each county must give
89.3 the commissioner a list that includes the name and Social Security number or individual
89.4 taxpayer identification number of each occupant of homestead property who is the property
89.5 owner, property owner's spouse, qualifying relative of a property owner, or a spouse of a
89.6 qualifying relative. The commissioner shall use the information provided on the lists as
89.7 appropriate under the law, including for the detection of improper claims by owners, or
89.8 relatives of owners, under chapter 290A.

89.9 **EFFECTIVE DATE.** This section is effective for homestead data provided to the
89.10 commissioner in 2024 and thereafter.

89.11 Sec. 13. Minnesota Statutes 2022, section 273.124, subdivision 13c, is amended to read:

89.12 Subd. 13c. **Property lists.** In addition to lists of homestead properties, the commissioner
89.13 may ask the counties to furnish lists of all properties and the record owners. The Social
89.14 Security numbers, individual taxpayer identification numbers, and federal identification
89.15 numbers that are maintained by a county or city assessor for property tax administration
89.16 purposes, and that may appear on the lists retain their classification as private or nonpublic
89.17 data; but may be viewed, accessed, and used by the county auditor or treasurer of the same
89.18 county for the limited purpose of assisting the commissioner in the preparation of microdata
89.19 samples under section 270C.12. The commissioner shall use the information provided on
89.20 the lists as appropriate under the law, including for the detection of improper claims by
89.21 owners, or relatives of owners, under chapter 290A.

89.22 **EFFECTIVE DATE.** This section is effective for homestead data provided to the
89.23 commissioner in 2024 and thereafter.

89.24 Sec. 14. Minnesota Statutes 2022, section 273.124, subdivision 13d, is amended to read:

89.25 Subd. 13d. **Homestead data.** On or before April 30 each year beginning in 2007, each
89.26 county must provide the commissioner with the following data for each parcel of homestead
89.27 property by electronic means as defined in section 289A.02, subdivision 8:

89.28 (1) the property identification number assigned to the parcel for purposes of taxes payable
89.29 in the current year;

89.30 (2) the name and Social Security number or individual taxpayer identification number
89.31 of each occupant of homestead property who is the property owner or qualifying relative

90.1 of a property owner, and the spouse of the property owner who occupies homestead property
90.2 or spouse of a qualifying relative of a property owner who occupies homestead property;

90.3 (3) the classification of the property under section 273.13 for taxes payable in the current
90.4 year and in the prior year;

90.5 (4) an indication of whether the property was classified as a homestead for taxes payable
90.6 in the current year because of occupancy by a relative of the owner or by a spouse of a
90.7 relative;

90.8 (5) the property taxes payable as defined in section 290A.03, subdivision 13, for the
90.9 current year and the prior year;

90.10 (6) the market value of improvements to the property first assessed for tax purposes for
90.11 taxes payable in the current year;

90.12 (7) the assessor's estimated market value assigned to the property for taxes payable in
90.13 the current year and the prior year;

90.14 (8) the taxable market value assigned to the property for taxes payable in the current
90.15 year and the prior year;

90.16 (9) whether there are delinquent property taxes owing on the homestead;

90.17 (10) the unique taxing district in which the property is located; and

90.18 (11) such other information as the commissioner decides is necessary.

90.19 The commissioner shall use the information provided on the lists as appropriate under
90.20 the law, including for the detection of improper claims by owners, or relatives of owners,
90.21 under chapter 290A.

90.22 **EFFECTIVE DATE.** This section is effective for homestead data provided to the
90.23 commissioner in 2024 and thereafter.

90.24 Sec. 15. Minnesota Statutes 2022, section 273.124, subdivision 14, is amended to read:

90.25 Subd. 14. **Agricultural homesteads; special provisions.** (a) Real estate of less than ten
90.26 acres that is the homestead of its owner must be classified as class 2a under section 273.13,
90.27 subdivision 23, paragraph (a), if:

90.28 (1) the parcel on which the house is located is contiguous on at least two sides to (i)
90.29 agricultural land, (ii) land owned or administered by the United States Fish and Wildlife
90.30 Service, or (iii) land administered by the Department of Natural Resources on which in lieu
90.31 taxes are paid under sections 477A.11 to 477A.14 or section 477A.17;

91.1 (2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20
91.2 acres;

91.3 (3) the noncontiguous land is located not farther than four townships or cities, or a
91.4 combination of townships or cities from the homestead; and

91.5 (4) the agricultural use value of the noncontiguous land and farm buildings is equal to
91.6 at least 50 percent of the market value of the house, garage, and one acre of land.

91.7 Homesteads initially classified as class 2a under the provisions of this paragraph shall
91.8 remain classified as class 2a, irrespective of subsequent changes in the use of adjoining
91.9 properties, as long as the homestead remains under the same ownership, the owner owns a
91.10 noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use
91.11 value qualifies under clause (4). Homestead classification under this paragraph is limited
91.12 to property that qualified under this paragraph for the 1998 assessment.

91.13 (b)(i) Agricultural property shall be classified as the owner's homestead, to the same
91.14 extent as other agricultural homestead property, if all of the following criteria are met:

91.15 (1) the agricultural property consists of at least 40 acres including undivided government
91.16 lots and correctional 40's;

91.17 (2) the owner, the owner's spouse, or a grandchild, child, sibling, or parent of the owner
91.18 or of the owner's spouse, is actively farming the agricultural property, either on the person's
91.19 own behalf as an individual or on behalf of a partnership operating a family farm, family
91.20 farm corporation, joint family farm venture, or limited liability company of which the person
91.21 is a partner, shareholder, or member;

91.22 (3) both the owner of the agricultural property and the person who is actively farming
91.23 the agricultural property under clause (2), are Minnesota residents;

91.24 (4) neither the owner nor the spouse of the owner claims another agricultural homestead
91.25 in Minnesota; and

91.26 (5) neither the owner nor the person actively farming the agricultural property lives
91.27 farther than four townships or cities, or a combination of four townships or cities, from the
91.28 agricultural property, except that if the owner or the owner's spouse is required to live in
91.29 employer-provided housing, the owner or owner's spouse, whichever is actively farming
91.30 the agricultural property, may live more than four townships or cities, or combination of
91.31 four townships or cities from the agricultural property.

91.32 The relationship under this paragraph may be either by blood or marriage.

92.1 (ii) Property containing the residence of an owner who owns qualified property under
92.2 clause (i) shall be classified as part of the owner's agricultural homestead, if that property
92.3 is also used for noncommercial storage or drying of agricultural crops.

92.4 (iii) As used in this paragraph, "agricultural property" means class 2a property and any
92.5 class 2b property that is contiguous to and under the same ownership as the class 2a property.

92.6 (c) Noncontiguous land shall be included as part of a homestead under section 273.13,
92.7 subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached
92.8 land is located in the same township or city, or not farther than four townships or cities or
92.9 combination thereof from the homestead. Any taxpayer of these noncontiguous lands must
92.10 notify the county assessor that the noncontiguous land is part of the taxpayer's homestead,
92.11 and, if the homestead is located in another county, the taxpayer must also notify the assessor
92.12 of the other county.

92.13 (d) Agricultural land used for purposes of a homestead and actively farmed by a person
92.14 holding a vested remainder interest in it must be classified as a homestead under section
92.15 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other
92.16 dwellings on the land used for purposes of a homestead by persons holding vested remainder
92.17 interests who are actively engaged in farming the property, and up to one acre of the land
92.18 surrounding each homestead and reasonably necessary for the use of the dwelling as a home,
92.19 must also be assessed class 2a.

92.20 (e) Agricultural land and buildings that were class 2a homestead property under section
92.21 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as
92.22 agricultural homesteads for subsequent assessments if:

92.23 (1) the property owner abandoned the homestead dwelling located on the agricultural
92.24 homestead as a result of the April 1997 floods;

92.25 (2) the property is located in the county of Polk, Clay, Kittson, Marshall, Norman, or
92.26 Wilkin;

92.27 (3) the agricultural land and buildings remain under the same ownership for the current
92.28 assessment year as existed for the 1997 assessment year and continue to be used for
92.29 agricultural purposes;

92.30 (4) the dwelling occupied by the owner is located in Minnesota and is within 30 miles
92.31 of one of the parcels of agricultural land that is owned by the taxpayer; and

92.32 (5) the owner notifies the county assessor that the relocation was due to the 1997 floods,
92.33 and the owner furnishes the assessor any information deemed necessary by the assessor in

93.1 verifying the change in dwelling. Further notifications to the assessor are not required if the
93.2 property continues to meet all the requirements in this paragraph and any dwellings on the
93.3 agricultural land remain uninhabited.

93.4 (f) Agricultural land and buildings that were class 2a homestead property under section
93.5 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified
93.6 agricultural homesteads for subsequent assessments if:

93.7 (1) the property owner abandoned the homestead dwelling located on the agricultural
93.8 homestead as a result of damage caused by a March 29, 1998, tornado;

93.9 (2) the property is located in the county of Blue Earth, Brown, Cottonwood, Le Sueur,
93.10 Nicollet, Nobles, or Rice;

93.11 (3) the agricultural land and buildings remain under the same ownership for the current
93.12 assessment year as existed for the 1998 assessment year;

93.13 (4) the dwelling occupied by the owner is located in this state and is within 50 miles of
93.14 one of the parcels of agricultural land that is owned by the taxpayer; and

93.15 (5) the owner notifies the county assessor that the relocation was due to a March 29,
93.16 1998, tornado, and the owner furnishes the assessor any information deemed necessary by
93.17 the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the
93.18 owner must notify the assessor by December 1, 1998. Further notifications to the assessor
93.19 are not required if the property continues to meet all the requirements in this paragraph and
93.20 any dwellings on the agricultural land remain uninhabited.

93.21 (g) Agricultural property of a family farm corporation, joint family farm venture, family
93.22 farm limited liability company, or partnership operating a family farm as described under
93.23 subdivision 8 shall be classified homestead, to the same extent as other agricultural homestead
93.24 property, if all of the following criteria are met:

93.25 (1) the property consists of at least 40 acres including undivided government lots and
93.26 correctional 40's;

93.27 (2) a shareholder, member, or partner of that entity is actively farming the agricultural
93.28 property;

93.29 (3) that shareholder, member, or partner who is actively farming the agricultural property
93.30 is a Minnesota resident;

93.31 (4) neither that shareholder, member, or partner, nor the spouse of that shareholder,
93.32 member, or partner claims another agricultural homestead in Minnesota; and

94.1 (5) that shareholder, member, or partner does not live farther than four townships or
94.2 cities, or a combination of four townships or cities, from the agricultural property.

94.3 Homestead treatment applies under this paragraph even if:

94.4 (i) the shareholder, member, or partner of that entity is actively farming the agricultural
94.5 property on the shareholder's, member's, or partner's own behalf; or

94.6 (ii) the family farm is operated by a family farm corporation, joint family farm venture,
94.7 partnership, or limited liability company other than the family farm corporation, joint family
94.8 farm venture, partnership, or limited liability company that owns the land, provided that:

94.9 (A) the shareholder, member, or partner of the family farm corporation, joint family
94.10 farm venture, partnership, or limited liability company that owns the land who is actively
94.11 farming the land is a shareholder, member, or partner of the family farm corporation, joint
94.12 family farm venture, partnership, or limited liability company that is operating the farm;
94.13 and

94.14 (B) more than half of the shareholders, members, or partners of each family farm
94.15 corporation, joint family farm venture, partnership, or limited liability company are persons
94.16 or spouses of persons who are a qualifying relative under section 273.124, subdivision 1,
94.17 paragraphs (c) and (d).

94.18 Homestead treatment applies under this paragraph for property leased to a family farm
94.19 corporation, joint farm venture, limited liability company, or partnership operating a family
94.20 farm if legal title to the property is in the name of an individual who is a member, shareholder,
94.21 or partner in the entity.

94.22 (h) To be eligible for the special agricultural homestead under this subdivision, an initial
94.23 full application must be submitted to the county assessor where the property is located.
94.24 Owners and the persons who are actively farming the property shall be required to complete
94.25 only a one-page abbreviated version of the application in each subsequent year provided
94.26 that none of the following items have changed since the initial application:

94.27 (1) the day-to-day operation, administration, and financial risks remain the same;

94.28 (2) the owners and the persons actively farming the property continue to live within the
94.29 four townships or city criteria and are Minnesota residents;

94.30 (3) the same operator of the agricultural property is listed with the Farm Service Agency;

94.31 (4) a Schedule F or equivalent income tax form was filed for the most recent year;

94.32 (5) the property's acreage is unchanged; and

95.1 (6) none of the property's acres have been enrolled in a federal or state farm program
95.2 since the initial application.

95.3 The owners and any persons who are actively farming the property must include the
95.4 appropriate Social Security numbers or individual taxpayer identification numbers, and sign
95.5 and date the application. If any of the specified information has changed since the full
95.6 application was filed, the owner must notify the assessor, and must complete a new
95.7 application to determine if the property continues to qualify for the special agricultural
95.8 homestead. The commissioner of revenue shall prepare a standard reapplication form for
95.9 use by the assessors.

95.10 (i) Agricultural land and buildings that were class 2a homestead property under section
95.11 273.13, subdivision 23, paragraph (a), for the 2007 assessment shall remain classified
95.12 agricultural homesteads for subsequent assessments if:

95.13 (1) the property owner abandoned the homestead dwelling located on the agricultural
95.14 homestead as a result of damage caused by the August 2007 floods;

95.15 (2) the property is located in the county of Dodge, Fillmore, Houston, Olmsted, Steele,
95.16 Wabasha, or Winona;

95.17 (3) the agricultural land and buildings remain under the same ownership for the current
95.18 assessment year as existed for the 2007 assessment year;

95.19 (4) the dwelling occupied by the owner is located in this state and is within 50 miles of
95.20 one of the parcels of agricultural land that is owned by the taxpayer; and

95.21 (5) the owner notifies the county assessor that the relocation was due to the August 2007
95.22 floods, and the owner furnishes the assessor any information deemed necessary by the
95.23 assessor in verifying the change in homestead dwelling. For taxes payable in 2009, the
95.24 owner must notify the assessor by December 1, 2008. Further notifications to the assessor
95.25 are not required if the property continues to meet all the requirements in this paragraph and
95.26 any dwellings on the agricultural land remain uninhabited.

95.27 (j) Agricultural land and buildings that were class 2a homestead property under section
95.28 273.13, subdivision 23, paragraph (a), for the 2008 assessment shall remain classified as
95.29 agricultural homesteads for subsequent assessments if:

95.30 (1) the property owner abandoned the homestead dwelling located on the agricultural
95.31 homestead as a result of the March 2009 floods;

95.32 (2) the property is located in the county of Marshall;

96.1 (3) the agricultural land and buildings remain under the same ownership for the current
96.2 assessment year as existed for the 2008 assessment year and continue to be used for
96.3 agricultural purposes;

96.4 (4) the dwelling occupied by the owner is located in Minnesota and is within 50 miles
96.5 of one of the parcels of agricultural land that is owned by the taxpayer; and

96.6 (5) the owner notifies the county assessor that the relocation was due to the 2009 floods,
96.7 and the owner furnishes the assessor any information deemed necessary by the assessor in
96.8 verifying the change in dwelling. Further notifications to the assessor are not required if the
96.9 property continues to meet all the requirements in this paragraph and any dwellings on the
96.10 agricultural land remain uninhabited.

96.11 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications
96.12 filed in 2023 and thereafter.

96.13 Sec. 16. Minnesota Statutes 2022, section 273.1245, subdivision 1, is amended to read:

96.14 Subdivision 1. **Private or nonpublic data.** The following data are private or nonpublic
96.15 data as defined in section 13.02, subdivisions 9 and 12, when they are submitted to a county
96.16 or local assessor under section 273.124, 273.13, or another section, to support a claim for
96.17 the property tax homestead classification under section 273.13, or other property tax
96.18 classification or benefit:

96.19 (1) Social Security numbers;

96.20 (2) individual taxpayer identification numbers;

96.21 ~~(2)~~ (3) copies of state or federal income tax returns; and

96.22 ~~(3)~~ (4) state or federal income tax return information, including the federal income tax
96.23 schedule F.

96.24 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications
96.25 filed in 2023 and thereafter.

96.26 Sec. 17. Minnesota Statutes 2022, section 273.128, subdivision 1, is amended to read:

96.27 Subdivision 1. **Requirement.** Low-income rental property classified as class ~~4d~~ 4d(1)
96.28 under section 273.13, subdivision 25, is entitled to valuation under this section if at least
96.29 20 percent of the units in the rental housing property meet any of the following qualifications:

96.30 (1) the units are subject to a housing assistance payments contract under Section 8 of
96.31 the United States Housing Act of 1937, as amended;

97.1 (2) the units are rent-restricted and income-restricted units of a qualified low-income
97.2 housing project receiving tax credits under section 42(g) of the Internal Revenue Code;

97.3 (3) the units are financed by the Rural Housing Service of the United States Department
97.4 of Agriculture and receive payments under the rental assistance program pursuant to section
97.5 521(a) of the Housing Act of 1949, as amended; or

97.6 (4) the units are subject to rent and income restrictions under the terms of financial
97.7 assistance provided to the rental housing property by the federal government or the state of
97.8 Minnesota, or a local unit of government, as evidenced by a document recorded against the
97.9 property.

97.10 The restrictions must require assisted units to be occupied by residents whose household
97.11 income at the time of initial occupancy does not exceed 60 percent of the greater of area or
97.12 state median income, adjusted for family size, as determined by the United States Department
97.13 of Housing and Urban Development. The restriction must also require the rents for assisted
97.14 units to not exceed 30 percent of 60 percent of the greater of area or state median income,
97.15 adjusted for family size, as determined by the United States Department of Housing and
97.16 Urban Development.

97.17 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

97.18 Sec. 18. Minnesota Statutes 2022, section 273.128, is amended by adding a subdivision
97.19 to read:

97.20 Subd. 1a. **Approval.** A property owner must receive approval by resolution of the
97.21 governing body of the city or town where the property is located before submitting an initial
97.22 application to the Housing Finance Agency, as required under subdivision 2, for property
97.23 that has not, in whole or in part, been classified as class 4d(1) under section 273.13,
97.24 subdivision 25, prior to assessment year 2024. A property owner that receives approval as
97.25 required under this subdivision, and the certification made under subdivision 3, shall not
97.26 be required to seek approval under this subdivision prior to submitting an application under
97.27 subdivision 2 in each subsequent year. If the property is located in a city or town in which
97.28 the net tax capacity of 4d(1) property did not exceed two percent of the total net tax capacity
97.29 in the city or town in the prior assessment year, the property owner does not need to receive
97.30 approval under this subdivision.

97.31 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

98.1 Sec. 19. Minnesota Statutes 2022, section 273.128, subdivision 2, is amended to read:

98.2 Subd. 2. **Application.** (a) Application for certification under this section must be filed
98.3 by March 31 of the levy year, or at a later date if the Housing Finance Agency deems
98.4 practicable. The application must be filed with the Housing Finance Agency, on a form
98.5 prescribed by the agency, and must contain the information required by the Housing Finance
98.6 Agency.

98.7 (b) Each application must include:

98.8 (1) the property tax identification number; and

98.9 (2) evidence that the property meets the requirements of ~~subdivision~~ subdivisions 1 and
98.10 1a.

98.11 (c) The Housing Finance Agency may charge an application fee approximately equal
98.12 to the costs of processing and reviewing the applications but not to exceed \$10 per unit. If
98.13 imposed, the applicant must pay the application fee to the Housing Finance Agency. The
98.14 fee must be deposited in the housing development fund.

98.15 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

98.16 Sec. 20. Minnesota Statutes 2022, section 273.13, subdivision 22, is amended to read:

98.17 Subd. 22. **Class 1.** (a) Except as provided in subdivision 23 and in paragraphs (b) and
98.18 (c), real estate which is residential and used for homestead purposes is class 1a. In the case
98.19 of a duplex or triplex in which one of the units is used for homestead purposes, the entire
98.20 property is deemed to be used for homestead purposes. The market value of class 1a property
98.21 must be determined based upon the value of the house, garage, and land.

98.22 The first \$500,000 of market value of class 1a property has a net classification rate of
98.23 one percent of its market value; and the market value of class 1a property that exceeds
98.24 \$500,000 has a classification rate of 1.25 percent of its market value.

98.25 (b) Class 1b property includes homestead real estate or homestead manufactured homes
98.26 used for the purposes of a homestead by:

98.27 (1) any person who is blind as defined in section 256D.35, or the person who is blind
98.28 and the spouse of the person who is blind;

98.29 (2) any person who is permanently and totally disabled or by the person with a disability
98.30 and the spouse of the person with a disability; or

99.1 (3) the surviving spouse of a veteran who was permanently and totally disabled
99.2 homesteading a property classified under this paragraph for taxes payable in 2008.

99.3 Property is classified and assessed under clause (2) only if the government agency or
99.4 income-providing source certifies, upon the request of the homestead occupant, that the
99.5 homestead occupant satisfies the disability requirements of this paragraph, and that the
99.6 property is not eligible for the valuation exclusion under subdivision 34.

99.7 Property is classified and assessed under paragraph (b) only if the commissioner of
99.8 revenue or the county assessor certifies that the homestead occupant satisfies the requirements
99.9 of this paragraph.

99.10 Permanently and totally disabled for the purpose of this subdivision means a condition
99.11 which is permanent in nature and totally incapacitates the person from working at an
99.12 occupation which brings the person an income. The first \$50,000 market value of class 1b
99.13 property has a net classification rate of .45 percent of its market value. The remaining market
99.14 value of class 1b property is classified as class 1a or class 2a property, whichever is
99.15 appropriate.

99.16 (c) Class 1c property is commercial use real and personal property that abuts public
99.17 water as defined in section 103G.005, subdivision 15, or abuts a state trail administered by
99.18 the Department of Natural Resources, and is devoted to temporary and seasonal residential
99.19 occupancy for recreational purposes but not devoted to commercial purposes for more than
99.20 250 days in the year preceding the year of assessment, and that includes a portion used as
99.21 a homestead by the owner, which includes a dwelling occupied as a homestead by a
99.22 shareholder of a corporation that owns the resort, a partner in a partnership that owns the
99.23 resort, or a member of a limited liability company that owns the resort even if the title to
99.24 the homestead is held by the corporation, partnership, or limited liability company. For
99.25 purposes of this paragraph, property is devoted to a commercial purpose on a specific day
99.26 if any portion of the property, excluding the portion used exclusively as a homestead, is
99.27 used for residential occupancy and a fee is charged for residential occupancy. Class 1c
99.28 property must contain three or more rental units. A "rental unit" is defined as a cabin,
99.29 condominium, townhouse, sleeping room, or individual camping site equipped with water
99.30 and electrical hookups for recreational vehicles. Class 1c property must provide recreational
99.31 activities such as the rental of ice fishing houses, boats and motors, snowmobiles, downhill
99.32 or cross-country ski equipment; provide marina services, launch services, or guide services;
99.33 or sell bait and fishing tackle. Any unit in which the right to use the property is transferred
99.34 to an individual or entity by deeded interest, or the sale of shares or stock, no longer qualifies
99.35 for class 1c even though it may remain available for rent. A camping pad offered for rent

100.1 by a property that otherwise qualifies for class 1c is also class 1c, regardless of the term of
100.2 the rental agreement, as long as the use of the camping pad does not exceed 250 days. If
100.3 the same owner owns two separate parcels that are located in the same township, and one
100.4 of those properties is classified as a class 1c property and the other would be eligible to be
100.5 classified as a class 1c property if it was used as the homestead of the owner, both properties
100.6 will be assessed as a single class 1c property; for purposes of this sentence, properties are
100.7 deemed to be owned by the same owner if each of them is owned by a limited liability
100.8 company, and both limited liability companies have the same membership. The portion of
100.9 the property used as a homestead is class 1a property under paragraph (a). The remainder
100.10 of the property is classified as follows: the first ~~\$600,000~~ \$850,000 of market value is tier
100.11 I, the next ~~\$1,700,000~~ \$2,250,000 of market value is tier II, and any remaining market value
100.12 is tier III. The classification rates for class 1c are: tier I, 0.50 percent; tier II, 1.0 percent;
100.13 and tier III, 1.25 percent. Owners of real and personal property devoted to temporary and
100.14 seasonal residential occupancy for recreation purposes in which all or a portion of the
100.15 property was devoted to commercial purposes for not more than 250 days in the year
100.16 preceding the year of assessment desiring classification as class 1c, must submit a declaration
100.17 to the assessor designating the cabins or units occupied for 250 days or less in the year
100.18 preceding the year of assessment by January 15 of the assessment year. Those cabins or
100.19 units and a proportionate share of the land on which they are located must be designated as
100.20 class 1c as otherwise provided. The remainder of the cabins or units and a proportionate
100.21 share of the land on which they are located must be designated as class 3a commercial. The
100.22 owner of property desiring designation as class 1c property must provide guest registers or
100.23 other records demonstrating that the units for which class 1c designation is sought were not
100.24 occupied for more than 250 days in the year preceding the assessment if so requested. The
100.25 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center
100.26 or meeting room, and (5) other nonresidential facility operated on a commercial basis not
100.27 directly related to temporary and seasonal residential occupancy for recreation purposes
100.28 does not qualify for class 1c.

100.29 (d) Class 1d property includes structures that meet all of the following criteria:

100.30 (1) the structure is located on property that is classified as agricultural property under
100.31 section 273.13, subdivision 23;

100.32 (2) the structure is occupied exclusively by seasonal farm workers during the time when
100.33 they work on that farm, and the occupants are not charged rent for the privilege of occupying
100.34 the property, provided that use of the structure for storage of farm equipment and produce
100.35 does not disqualify the property from classification under this paragraph;

101.1 (3) the structure meets all applicable health and safety requirements for the appropriate
101.2 season; and

101.3 (4) the structure is not salable as residential property because it does not comply with
101.4 local ordinances relating to location in relation to streets or roads.

101.5 The market value of class 1d property has the same classification rates as class 1a property
101.6 under paragraph (a).

101.7 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

101.8 Sec. 21. Minnesota Statutes 2022, section 273.13, subdivision 25, is amended to read:

101.9 Subd. 25. **Class 4.** (a) Class 4a is residential real estate containing four or more units
101.10 and used or held for use by the owner or by the tenants or lessees of the owner as a residence
101.11 for rental periods of 30 days or more, excluding property qualifying for class 4d. Class 4a
101.12 also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt
101.13 under section 272.02, and contiguous property used for hospital purposes, without regard
101.14 to whether the property has been platted or subdivided. The market value of class 4a property
101.15 has a classification rate of 1.25 percent.

101.16 (b) Class 4b includes:

101.17 (1) residential real estate containing less than four units, including property rented as a
101.18 short-term rental property for more than 14 days in the preceding year, that does not qualify
101.19 as class 4bb, other than seasonal residential recreational property;

101.20 (2) manufactured homes not classified under any other provision;

101.21 (3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm
101.22 classified under subdivision 23, paragraph (b) containing two or three units; and

101.23 (4) unimproved property that is classified residential as determined under subdivision
101.24 33.

101.25 For the purposes of this paragraph, "short-term rental property" means nonhomestead
101.26 residential real estate rented for periods of less than 30 consecutive days.

101.27 The market value of class 4b property has a classification rate of 1.25 percent.

101.28 (c) Class 4bb includes:

101.29 (1) nonhomestead residential real estate containing one unit, other than seasonal
101.30 residential recreational property;

102.1 (2) a single family dwelling, garage, and surrounding one acre of property on a
102.2 nonhomestead farm classified under subdivision 23, paragraph (b); and

102.3 (3) a condominium-type storage unit having an individual property identification number
102.4 that is not used for a commercial purpose.

102.5 Class 4bb property has the same classification rates as class 1a property under subdivision
102.6 22.

102.7 Property that has been classified as seasonal residential recreational property at any time
102.8 during which it has been owned by the current owner or spouse of the current owner does
102.9 not qualify for class 4bb.

102.10 (d) Class 4c property includes:

102.11 (1) except as provided in subdivision 22, paragraph (c), real and personal property
102.12 devoted to commercial temporary and seasonal residential occupancy for recreation purposes,
102.13 for not more than 250 days in the year preceding the year of assessment. For purposes of
102.14 this clause, property is devoted to a commercial purpose on a specific day if any portion of
102.15 the property is used for residential occupancy, and a fee is charged for residential occupancy.
102.16 Class 4c property under this clause must contain three or more rental units. A "rental unit"
102.17 is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site
102.18 equipped with water and electrical hookups for recreational vehicles. A camping pad offered
102.19 for rent by a property that otherwise qualifies for class 4c under this clause is also class 4c
102.20 under this clause regardless of the term of the rental agreement, as long as the use of the
102.21 camping pad does not exceed 250 days. In order for a property to be classified under this
102.22 clause, either (i) the business located on the property must provide recreational activities,
102.23 at least 40 percent of the annual gross lodging receipts related to the property must be from
102.24 business conducted during 90 consecutive days, and either (A) at least 60 percent of all paid
102.25 bookings by lodging guests during the year must be for periods of at least two consecutive
102.26 nights; or (B) at least 20 percent of the annual gross receipts must be from charges for
102.27 providing recreational activities, or (ii) the business must contain 20 or fewer rental units,
102.28 and must be located in a township or a city with a population of 2,500 or less located outside
102.29 the metropolitan area, as defined under section 473.121, subdivision 2, that contains a portion
102.30 of a state trail administered by the Department of Natural Resources. For purposes of item
102.31 (i)(A), a paid booking of five or more nights shall be counted as two bookings. Class 4c
102.32 property also includes commercial use real property used exclusively for recreational
102.33 purposes in conjunction with other class 4c property classified under this clause and devoted
102.34 to temporary and seasonal residential occupancy for recreational purposes, up to a total of

103.1 two acres, provided the property is not devoted to commercial recreational use for more
 103.2 than 250 days in the year preceding the year of assessment and is located within two miles
 103.3 of the class 4c property with which it is used. In order for a property to qualify for
 103.4 classification under this clause, the owner must submit a declaration to the assessor
 103.5 designating the cabins or units occupied for 250 days or less in the year preceding the year
 103.6 of assessment by January 15 of the assessment year. Those cabins or units and a proportionate
 103.7 share of the land on which they are located must be designated class 4c under this clause
 103.8 as otherwise provided. The remainder of the cabins or units and a proportionate share of
 103.9 the land on which they are located will be designated as class 3a. The owner of property
 103.10 desiring designation as class 4c property under this clause must provide guest registers or
 103.11 other records demonstrating that the units for which class 4c designation is sought were not
 103.12 occupied for more than 250 days in the year preceding the assessment if so requested. The
 103.13 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center
 103.14 or meeting room, and (5) other nonresidential facility operated on a commercial basis not
 103.15 directly related to temporary and seasonal residential occupancy for recreation purposes
 103.16 does not qualify for class 4c. For the purposes of this paragraph, "recreational activities"
 103.17 means renting ice fishing houses, boats and motors, snowmobiles, downhill or cross-country
 103.18 ski equipment; providing marina services, launch services, or guide services; or selling bait
 103.19 and fishing tackle;

103.20 (2) qualified property used as a golf course if:

103.21 (i) it is open to the public on a daily fee basis. It may charge membership fees or dues,
 103.22 but a membership fee may not be required in order to use the property for golfing, and its
 103.23 green fees for golfing must be comparable to green fees typically charged by municipal
 103.24 courses; and

103.25 (ii) it meets the requirements of section 273.112, subdivision 3, paragraph (d).

103.26 A structure used as a clubhouse, restaurant, or place of refreshment in conjunction with
 103.27 the golf course is classified as class 3a property;

103.28 (3) real property up to a maximum of three acres of land owned and used by a nonprofit
 103.29 community service oriented organization and not used for residential purposes on either a
 103.30 temporary or permanent basis, provided that:

103.31 (i) the property is not used for a revenue-producing activity for more than six days in
 103.32 the calendar year preceding the year of assessment; or

103.33 (ii) the organization makes annual charitable contributions and donations at least equal
 103.34 to the property's previous year's property taxes and the property is allowed to be used for

104.1 public and community meetings or events for no charge, as appropriate to the size of the
104.2 facility.

104.3 For purposes of this clause:

104.4 (A) "charitable contributions and donations" has the same meaning as lawful gambling
104.5 purposes under section 349.12, subdivision 25, excluding those purposes relating to the
104.6 payment of taxes, assessments, fees, auditing costs, and utility payments;

104.7 (B) "property taxes" excludes the state general tax;

104.8 (C) a "nonprofit community service oriented organization" means any corporation,
104.9 society, association, foundation, or institution organized and operated exclusively for
104.10 charitable, religious, fraternal, civic, or educational purposes, and which is exempt from
104.11 federal income taxation pursuant to section 501(c)(3), (8), (10), or (19) of the Internal
104.12 Revenue Code; and

104.13 (D) "revenue-producing activities" shall include but not be limited to property or that
104.14 portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt
104.15 liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling
104.16 alley, a retail store, gambling conducted by organizations licensed under chapter 349, an
104.17 insurance business, or office or other space leased or rented to a lessee who conducts a
104.18 for-profit enterprise on the premises.

104.19 Any portion of the property not qualifying under either item (i) or (ii) is class 3a. The
104.20 use of the property for social events open exclusively to members and their guests for periods
104.21 of less than 24 hours, when an admission is not charged nor any revenues are received by
104.22 the organization shall not be considered a revenue-producing activity.

104.23 The organization shall maintain records of its charitable contributions and donations
104.24 and of public meetings and events held on the property and make them available upon
104.25 request any time to the assessor to ensure eligibility. An organization meeting the requirement
104.26 under item (ii) must file an application by May 1 with the assessor for eligibility for the
104.27 current year's assessment. The commissioner shall prescribe a uniform application form
104.28 and instructions;

104.29 (4) postsecondary student housing of not more than one acre of land that is owned by a
104.30 nonprofit corporation organized under chapter 317A and is used exclusively by a student
104.31 cooperative, sorority, or fraternity for on-campus housing or housing located within two
104.32 miles of the border of a college campus;

105.1 (5)(i) manufactured home parks as defined in section 327.14, subdivision 3, excluding
105.2 manufactured home parks described in items (ii) and (iii), (ii) manufactured home parks as
105.3 defined in section 327.14, subdivision 3, that are described in section 273.124, subdivision
105.4 3a, and (iii) class I manufactured home parks as defined in section 327C.015, subdivision
105.5 2;

105.6 (6) real property that is actively and exclusively devoted to indoor fitness, health, social,
105.7 recreational, and related uses, is owned and operated by a not-for-profit corporation, and is
105.8 located within the metropolitan area as defined in section 473.121, subdivision 2;

105.9 (7) a leased or privately owned noncommercial aircraft storage hangar not exempt under
105.10 section 272.01, subdivision 2, and the land on which it is located, provided that:

105.11 (i) the land is on an airport owned or operated by a city, town, county, Metropolitan
105.12 Airports Commission, or group thereof; and

105.13 (ii) the land lease, or any ordinance or signed agreement restricting the use of the leased
105.14 premise, prohibits commercial activity performed at the hangar.

105.15 If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be
105.16 filed by the new owner with the assessor of the county where the property is located within
105.17 60 days of the sale;

105.18 (8) a privately owned noncommercial aircraft storage hangar not exempt under section
105.19 272.01, subdivision 2, and the land on which it is located, provided that:

105.20 (i) the land abuts a public airport; and

105.21 (ii) the owner of the aircraft storage hangar provides the assessor with a signed agreement
105.22 restricting the use of the premises, prohibiting commercial use or activity performed at the
105.23 hangar; and

105.24 (9) residential real estate, a portion of which is used by the owner for homestead purposes,
105.25 and that is also a place of lodging, if all of the following criteria are met:

105.26 (i) rooms are provided for rent to transient guests that generally stay for periods of 14
105.27 or fewer days;

105.28 (ii) meals are provided to persons who rent rooms, the cost of which is incorporated in
105.29 the basic room rate;

105.30 (iii) meals are not provided to the general public except for special events on fewer than
105.31 seven days in the calendar year preceding the year of the assessment; and

105.32 (iv) the owner is the operator of the property.

106.1 The market value subject to the 4c classification under this clause is limited to five rental
106.2 units. Any rental units on the property in excess of five, must be valued and assessed as
106.3 class 3a. The portion of the property used for purposes of a homestead by the owner must
106.4 be classified as class 1a property under subdivision 22;

106.5 (10) real property up to a maximum of three acres and operated as a restaurant as defined
106.6 under section 157.15, subdivision 12, provided it: (i) is located on a lake as defined under
106.7 section 103G.005, subdivision 15, paragraph (a), clause (3); and (ii) is either devoted to
106.8 commercial purposes for not more than 250 consecutive days, or receives at least 60 percent
106.9 of its annual gross receipts from business conducted during four consecutive months. Gross
106.10 receipts from the sale of alcoholic beverages must be included in determining the property's
106.11 qualification under item (ii). The property's primary business must be as a restaurant and
106.12 not as a bar. Gross receipts from gift shop sales located on the premises must be excluded.
106.13 Owners of real property desiring 4c classification under this clause must submit an annual
106.14 declaration to the assessor by February 1 of the current assessment year, based on the
106.15 property's relevant information for the preceding assessment year;

106.16 (11) lakeshore and riparian property and adjacent land, not to exceed six acres, used as
106.17 a marina, as defined in section 86A.20, subdivision 5, which is made accessible to the public
106.18 and devoted to recreational use for marina services. The marina owner must annually provide
106.19 evidence to the assessor that it provides services, including lake or river access to the public
106.20 by means of an access ramp or other facility that is either located on the property of the
106.21 marina or at a publicly owned site that abuts the property of the marina. No more than 800
106.22 feet of lakeshore may be included in this classification. Buildings used in conjunction with
106.23 a marina for marina services, including but not limited to buildings used to provide food
106.24 and beverage services, fuel, boat repairs, or the sale of bait or fishing tackle, are classified
106.25 as class 3a property; and

106.26 (12) real and personal property devoted to noncommercial temporary and seasonal
106.27 residential occupancy for recreation purposes.

106.28 Class 4c property has a classification rate of 1.5 percent of market value, except that (i)
106.29 each parcel of noncommercial seasonal residential recreational property under clause (12)
106.30 has the same classification rates as class 4bb property, (ii) manufactured home parks assessed
106.31 under clause (5), item (i), have the same classification rate as class 4b property, the market
106.32 value of manufactured home parks assessed under clause (5), item (ii), have a classification
106.33 rate of 0.75 percent if more than 50 percent of the lots in the park are occupied by
106.34 shareholders in the cooperative corporation or association and a classification rate of one
106.35 percent if 50 percent or less of the lots are so occupied, and class I manufactured home

107.1 parks as defined in section 327C.015, subdivision 2, have a classification rate of 1.0 percent,
 107.2 (iii) commercial-use seasonal residential recreational property and marina recreational land
 107.3 as described in clause (11), has a classification rate of one percent for the first \$500,000 of
 107.4 market value, and 1.25 percent for the remaining market value, (iv) the market value of
 107.5 property described in clause (4) has a classification rate of one percent, (v) the market value
 107.6 of property described in clauses (2), (6), and (10) has a classification rate of 1.25 percent,
 107.7 (vi) that portion of the market value of property in clause (9) qualifying for class 4c property
 107.8 has a classification rate of 1.25 percent, and (vii) property qualifying for classification under
 107.9 clause (3) that is owned or operated by a congressionally chartered veterans organization
 107.10 has a classification rate of one percent. The commissioner of veterans affairs must provide
 107.11 a list of congressionally chartered veterans organizations to the commissioner of revenue
 107.12 by June 30, 2017, and by January 1, 2018, and each year thereafter.

107.13 (e) Class 4d property ~~is~~ includes:

107.14 (1) qualifying low-income rental housing certified to the assessor by the Housing Finance
 107.15 Agency under section 273.128, subdivision 3. If only a portion of the units in the building
 107.16 qualify as low-income rental housing units as certified under section 273.128, subdivision
 107.17 3, only the proportion of qualifying units to the total number of units in the building qualify
 107.18 for class ~~4d~~ 4d(1). The remaining portion of the building shall be classified by the assessor
 107.19 based upon its use. Class ~~4d~~ 4d(1) also includes the same proportion of land as the qualifying
 107.20 low-income rental housing units are to the total units in the building. For all properties
 107.21 qualifying as class ~~4d~~ 4d(1), the market value determined by the assessor must be based on
 107.22 the normal approach to value using normal unrestricted rents; and

107.23 (2) a unit that is owned by the occupant and used as a homestead by the occupant, and
 107.24 otherwise meets all the requirements for community land trust property under section 273.11,
 107.25 subdivision 12, provided that by December 31 of each assessment year, the community land
 107.26 trust certifies to the assessor that (i) the community land trust owns the real property on
 107.27 which the unit is located, and (ii) the unit owner is a member in good standing of the
 107.28 community land trust. For all units qualifying as class 4d(2), the market value determined
 107.29 by the assessor must be based on the normal approach to value without regard to any
 107.30 restrictions that apply because the unit is a community land trust property.

107.31 ~~(f) The first tier of market value of class 4d property has a classification rate of 0.75~~
 107.32 ~~percent. The remaining value of class 4d property has a classification rate of 0.25 percent.~~
 107.33 ~~For the purposes of this paragraph, the "first tier of market value of class 4d property" means~~
 107.34 ~~the market value of each housing unit up to the first tier limit. For the purposes of this~~
 107.35 ~~paragraph, all class 4d property value must be assigned to individual housing units. The~~

108.1 ~~first tier limit is \$100,000 for assessment years 2022 and 2023. For subsequent assessment~~
 108.2 ~~years, the limit is adjusted each year by the average statewide change in estimated market~~
 108.3 ~~value of property classified as class 4a and 4d under this section for the previous assessment~~
 108.4 ~~year, excluding valuation change due to new construction, rounded to the nearest \$1,000,~~
 108.5 ~~provided, however, that the limit may never be less than \$100,000. Beginning with~~
 108.6 ~~assessment year 2015, the commissioner of revenue must certify the limit for each assessment~~
 108.7 ~~year by November 1 of the previous year. Class 4d(1) property has a classification rate of~~
 108.8 ~~0.25 percent. Class 4d(2) property has a classification rate of 0.75 percent.~~

108.9 EFFECTIVE DATE. This section is effective beginning with assessment year 2024
 108.10 and thereafter.

108.11 Sec. 22. Minnesota Statutes 2022, section 273.13, subdivision 34, is amended to read:

108.12 Subd. 34. **Homestead of veteran with a disability or family caregiver.** (a) All or a
 108.13 portion of the market value of property owned by a veteran and serving as the veteran's
 108.14 homestead under this section is excluded in determining the property's taxable market value
 108.15 if the veteran has a service-connected disability of 70 percent or more as certified by the
 108.16 United States Department of Veterans Affairs. To qualify for exclusion under this subdivision,
 108.17 the veteran must have been honorably discharged from the United States armed forces, as
 108.18 indicated by United States Government Form DD214 or other official military discharge
 108.19 papers.

108.20 (b)(1) For a disability rating of 70 percent or more, ~~\$150,000~~ \$165,000 of market value
 108.21 is excluded, except as provided in clause (2); and

108.22 (2) for a total (100 percent) and permanent disability, ~~\$300,000~~ \$330,000 of market
 108.23 value is excluded.

108.24 (c) If a veteran with a disability qualifying for a valuation exclusion under paragraph
 108.25 (b), clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the
 108.26 spouse holds the legal or beneficial title to the homestead and permanently resides there,
 108.27 the exclusion shall carry over to the benefit of the veteran's spouse until such time as the
 108.28 spouse remarries, or sells, transfers, or otherwise disposes of the property, except as otherwise
 108.29 provided in paragraph (n). Qualification under this paragraph requires an application under
 108.30 paragraph (h), and a spouse must notify the assessor if there is a change in the spouse's
 108.31 marital status, ownership of the property, or use of the property as a permanent residence.

108.32 (d) If the spouse of a member of any branch or unit of the United States armed forces
 108.33 who dies due to a service-connected cause while serving honorably in active service, as

109.1 indicated on United States Government Form DD1300 or DD2064, holds the legal or
109.2 beneficial title to a homestead and permanently resides there, the spouse is entitled to the
109.3 benefit described in paragraph (b), clause (2), until such time as the spouse remarries or
109.4 sells, transfers, or otherwise disposes of the property, except as otherwise provided in
109.5 paragraph (n).

109.6 (e) If a veteran meets the disability criteria of paragraph (a) but does not own property
109.7 classified as homestead in the state of Minnesota, then the homestead of the veteran's primary
109.8 family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify
109.9 for under paragraph (b).

109.10 (f) In the case of an agricultural homestead, only the portion of the property consisting
109.11 of the house and garage and immediately surrounding one acre of land qualifies for the
109.12 valuation exclusion under this subdivision.

109.13 (g) A property qualifying for a valuation exclusion under this subdivision is not eligible
109.14 for the market value exclusion under subdivision 35, or classification under subdivision 22,
109.15 paragraph (b).

109.16 (h) To qualify for a valuation exclusion under this subdivision a property owner must
109.17 apply to the assessor by December 31 of the first assessment year for which the exclusion
109.18 is sought. Except as provided in paragraph (c), the owner of a property that has been accepted
109.19 for a valuation exclusion must notify the assessor if there is a change in ownership of the
109.20 property or in the use of the property as a homestead.

109.21 (i) A first-time application by a qualifying spouse for the market value exclusion under
109.22 paragraph (d) must be made any time within two years of the death of the service member.

109.23 (j) For purposes of this subdivision:

109.24 (1) "active service" has the meaning given in section 190.05;

109.25 (2) "own" means that the person's name is present as an owner on the property deed;

109.26 (3) "primary family caregiver" means a person who is approved by the secretary of the
109.27 United States Department of Veterans Affairs for assistance as the primary provider of
109.28 personal care services for an eligible veteran under the Program of Comprehensive Assistance
109.29 for Family Caregivers, codified as United States Code, title 38, section 1720G; and

109.30 (4) "veteran" has the meaning given the term in section 197.447.

109.31 (k) If a veteran dying after December 31, 2011, did not apply for or receive the exclusion
109.32 under paragraph (b), clause (2), before dying, the veteran's spouse is entitled to the benefit

110.1 under paragraph (b), clause (2), until the spouse remarries or sells, transfers, or otherwise
110.2 disposes of the property, except as otherwise provided in paragraph (n), if:

110.3 (1) the spouse files a first-time application within two years of the death of the service
110.4 member or by June 1, 2019, whichever is later;

110.5 (2) upon the death of the veteran, the spouse holds the legal or beneficial title to the
110.6 homestead and permanently resides there;

110.7 (3) the veteran met the honorable discharge requirements of paragraph (a); and

110.8 (4) the United States Department of Veterans Affairs certifies that:

110.9 (i) the veteran met the total (100 percent) and permanent disability requirement under
110.10 paragraph (b), clause (2); or

110.11 (ii) the spouse has been awarded dependency and indemnity compensation.

110.12 (l) The purpose of this provision of law providing a level of homestead property tax
110.13 relief for veterans with a disability, their primary family caregivers, and their surviving
110.14 spouses is to help ease the burdens of war for those among our state's citizens who bear
110.15 those burdens most heavily.

110.16 (m) By July 1, the county veterans service officer must certify the disability rating and
110.17 permanent address of each veteran receiving the benefit under paragraph (b) to the assessor.

110.18 (n) A spouse who received the benefit in paragraph (c), (d), or (k) but no longer holds
110.19 the legal or beneficial title to the property may continue to receive the exclusion for a
110.20 property other than the property for which the exclusion was initially granted until the spouse
110.21 remarries or sells, transfers, or otherwise disposes of the property, provided that:

110.22 (1) the spouse applies under paragraph (h) for the continuation of the exclusion allowed
110.23 under this paragraph;

110.24 (2) the spouse holds the legal or beneficial title to the property for which the continuation
110.25 of the exclusion is sought under this paragraph, and permanently resides there;

110.26 (3) the estimated market value of the property for which the exclusion is sought under
110.27 this paragraph is less than or equal to the estimated market value of the property that first
110.28 received the exclusion, based on the value of each property on the date of the sale of the
110.29 property that first received the exclusion; and

110.30 (4) the spouse has not previously received the benefit under this paragraph for a property
110.31 other than the property for which the exclusion is sought.

111.1 (o) If a spouse previously received the exclusion under paragraph (c) or (d), but the
111.2 exclusion expired prior to assessment year 2019 before the eligibility time period for
111.3 surviving spouses was changed to a potential lifetime benefit, the spouse may reapply under
111.4 paragraph (h) for the exclusion under paragraph (c) or (d).

111.5 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

111.6 Sec. 23. Minnesota Statutes 2022, section 273.13, subdivision 35, is amended to read:

111.7 Subd. 35. **Homestead market value exclusion.** (a) Prior to determining a property's
111.8 net tax capacity under this section, property classified as 4d(2) under subdivision 25,
111.9 paragraph (e), clause (2), class 1a, or 1b under subdivision 22, and the portion of property
111.10 classified as class 2a under subdivision 23 consisting of the house, garage, and surrounding
111.11 one acre of land, shall be eligible for a market value exclusion as determined under paragraph
111.12 (b).

111.13 (b) For a homestead valued at ~~\$76,000~~ \$95,000 or less, the exclusion is 40 percent of
111.14 market value. For a homestead valued between ~~\$76,000~~ \$95,000 and ~~\$413,800~~ \$517,200,
111.15 the exclusion is ~~\$30,400~~ \$38,000 minus nine percent of the valuation over ~~\$76,000~~ \$95,000.
111.16 For a homestead valued at ~~\$413,800~~ \$517,200 or more, there is no valuation exclusion. The
111.17 valuation exclusion shall be rounded to the nearest whole dollar, and may not be less than
111.18 zero.

111.19 (c) Any valuation exclusions or adjustments under section 273.11 shall be applied prior
111.20 to determining the amount of the valuation exclusion under this subdivision.

111.21 (d) In the case of a property that is classified as part homestead and part nonhomestead,
111.22 (i) the exclusion shall apply only to the homestead portion of the property, but (ii) if a portion
111.23 of a property is classified as nonhomestead solely because not all the owners occupy the
111.24 property, not all the owners have qualifying relatives occupying the property, or solely
111.25 because not all the spouses of owners occupy the property, the exclusion amount shall be
111.26 initially computed as if that nonhomestead portion were also in the homestead class and
111.27 then prorated to the owner-occupant's percentage of ownership. For the purpose of this
111.28 section, when an owner-occupant's spouse does not occupy the property, the percentage of
111.29 ownership for the owner-occupant spouse is one-half of the couple's ownership percentage.

111.30 **EFFECTIVE DATE.** This section is effective for assessment year 2024 and thereafter.

112.1 Sec. 24. Minnesota Statutes 2022, section 273.1315, subdivision 2, is amended to read:

112.2 Subd. 2. **Class 1b homestead declaration 2009 and thereafter.** (a) Any property owner
112.3 seeking classification and assessment of the owner's homestead as class 1b property pursuant
112.4 to section 273.13, subdivision 22, paragraph (b), after October 1, 2008, shall file with the
112.5 county assessor a class 1b homestead declaration, on a form prescribed by the commissioner
112.6 of revenue. The declaration must contain the following information:

112.7 (1) the information necessary to verify that, on or before June 30 of the filing year, the
112.8 property owner or the owner's spouse satisfies the requirements of section 273.13, subdivision
112.9 22, paragraph (b), for class 1b classification; and

112.10 (2) any additional information prescribed by the commissioner.

112.11 (b) The declaration must be filed on or before October 1 to be effective for property
112.12 taxes payable during the succeeding calendar year. The Social Security numbers, individual
112.13 taxpayer identification numbers, and income and medical information received from the
112.14 property owner pursuant to this subdivision are private data on individuals as defined in
112.15 section 13.02. If approved by the assessor, the declaration remains in effect until the property
112.16 no longer qualifies under section 273.13, subdivision 22, paragraph (b). Failure to notify
112.17 the assessor within 30 days that the property no longer qualifies under that paragraph because
112.18 of a sale, change in occupancy, or change in the status or condition of an occupant shall
112.19 result in the penalty provided in section 273.124, subdivision 13b, computed on the basis
112.20 of the class 1b benefits for the property, and the property shall lose its current class 1b
112.21 classification.

112.22 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications
112.23 filed in 2023 and thereafter.

112.24 Sec. 25. Minnesota Statutes 2022, section 273.41, is amended to read:

112.25 **273.41 AMOUNT OF TAX; DISTRIBUTION.**

112.26 There is hereby imposed upon each such cooperative association on December 31 of
112.27 each year a tax of \$10 for each 100 members, or fraction thereof, of such association. The
112.28 tax, when paid, shall be in lieu of all personal property taxes, state, county, or local, upon
112.29 distribution lines and the attachments and appurtenances thereto of such associations located
112.30 in rural areas. For purposes of this section, "attachments and appurtenances" includes but
112.31 is not limited to all cooperative association-owned metering and streetlighting equipment
112.32 that is physically or electrically connected to the cooperative association's distribution
112.33 system. The tax shall be payable on or before March 1 of the next succeeding year, to the

113.1 commissioner of revenue. If the tax, or any portion thereof, is not paid within the time herein
113.2 specified for the payment thereof, there shall be added thereto a specific penalty equal to
113.3 ten percent of the amount so remaining unpaid. Such penalty shall be collected as part of
113.4 said tax, and the amount of said tax not timely paid, together with said penalty, shall bear
113.5 interest at the rate specified in section 270C.40 from the time such tax should have been
113.6 paid until paid. The commissioner shall deposit the amount so received in the general fund
113.7 of the state treasury.

113.8 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

113.9 Sec. 26. Minnesota Statutes 2022, section 279.03, subdivision 1a, is amended to read:

113.10 Subd. 1a. **Rate.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), interest on
113.11 delinquent property taxes, penalties, and costs unpaid on or after January 1 is payable at the
113.12 per annum rate determined in section 270C.40, subdivision 5. ~~If the rate so determined is~~
113.13 ~~less than ten percent, the rate of interest is ten percent.~~ The maximum per annum rate is 14
113.14 percent if the rate specified under section 270C.40, subdivision 5, exceeds 14 percent. The
113.15 rate is subject to change on January 1 of each year.

113.16 (b) If a person is the owner of one or more parcels of property on which taxes are
113.17 delinquent, and the delinquent taxes are more than 25 percent of the prior year's school
113.18 district levy, interest on the delinquent property taxes, penalties, and costs unpaid is payable
113.19 at twice the rate determined under paragraph (a) for the year.

113.20 (c) A county board, by resolution, may establish an interest rate lower than the interest
113.21 rate determined under paragraph (a).

113.22 **EFFECTIVE DATE.** This section is effective for property taxes, penalties, and costs
113.23 determined to be delinquent on or after January 1, 2024.

113.24 Sec. 27. Minnesota Statutes 2022, section 282.261, subdivision 2, is amended to read:

113.25 Subd. 2. **Interest rate.** (a) Except as provided under paragraph (b), the unpaid balance
113.26 on any repurchase contract approved by the county board is subject to interest at the rate
113.27 determined in section 279.03, subdivision 1a. The interest rate is subject to change each
113.28 year on the unpaid balance in the manner provided for rate changes in section 279.03,
113.29 subdivision 1a.

113.30 (b) A county board, by resolution, or a county auditor, if delegated the responsibility to
113.31 administer tax-forfeited land assigned to the county board as provided under section 282.135,
113.32 may establish an interest rate lower than the interest rate determined under paragraph (a).

114.1 **EFFECTIVE DATE.** This section is effective January 1, 2024.

114.2 Sec. 28. Minnesota Statutes 2022, section 290A.03, subdivision 6, is amended to read:

114.3 Subd. 6. **Homestead.** "Homestead" means the dwelling occupied as the claimant's
114.4 principal residence and so much of the land surrounding it, not exceeding ten acres, as is
114.5 reasonably necessary for use of the dwelling as a home and any other property used for
114.6 purposes of a homestead as defined in section 273.13, subdivision 22, ~~except~~ or section
114.7 273.13, subdivision 25, paragraph (e), clause (2). For agricultural land assessed as part of
114.8 a homestead pursuant to section 273.13, subdivision 23, "homestead" is limited to the house
114.9 and garage and immediately surrounding one acre of land. The homestead may be owned
114.10 or rented and may be a part of a multidwelling or multipurpose building and the land on
114.11 which it is built. A manufactured home, as defined in section 273.125, subdivision 8, or a
114.12 park trailer taxed as a manufactured home under section 168.012, subdivision 9, assessed
114.13 as personal property may be a dwelling for purposes of this subdivision.

114.14 **EFFECTIVE DATE.** This section is effective for refund claims based on taxes payable
114.15 in 2025 and thereafter.

114.16 Sec. 29. Minnesota Statutes 2022, section 290A.04, subdivision 2h, is amended to read:

114.17 Subd. 2h. **Additional refund.** (a) If the gross property taxes payable on a homestead
114.18 increase more than ~~12~~ ten percent over the property taxes payable in the prior year on the
114.19 same property that is owned and occupied by the same owner on January 2 of both years,
114.20 and the amount of that increase is \$100 or more, a claimant who is a homeowner shall be
114.21 allowed an additional refund equal to 60 percent of the amount of the increase over the
114.22 greater of ~~12~~ ten percent of the prior year's property taxes payable or \$100. This subdivision
114.23 shall not apply to any increase in the gross property taxes payable attributable to
114.24 improvements made to the homestead after the assessment date for the prior year's taxes.
114.25 This subdivision shall not apply to any increase in the gross property taxes payable
114.26 attributable to the termination of valuation exclusions under section 273.11, subdivision
114.27 16.

114.28 The maximum refund allowed under this subdivision is ~~\$1,000~~ \$2,000.

114.29 (b) For purposes of this subdivision "gross property taxes payable" means property taxes
114.30 payable determined without regard to the refund allowed under this subdivision.

115.1 (c) In addition to the other proofs required by this chapter, each claimant under this
115.2 subdivision shall file with the property tax refund return a copy of the property tax statement
115.3 for taxes payable in the preceding year or other documents required by the commissioner.

115.4 (d) Upon request, the appropriate county official shall make available the names and
115.5 addresses of the property taxpayers who may be eligible for the additional property tax
115.6 refund under this section. The information shall be provided on a magnetic computer disk.
115.7 The county may recover its costs by charging the person requesting the information the
115.8 reasonable cost for preparing the data. The information may not be used for any purpose
115.9 other than for notifying the homeowner of potential eligibility and assisting the homeowner,
115.10 without charge, in preparing a refund claim.

115.11 **EFFECTIVE DATE.** This section is effective for refund claims based on taxes payable
115.12 in 2024 and thereafter.

115.13 Sec. 30. Minnesota Statutes 2022, section 290B.03, subdivision 1, is amended to read:

115.14 Subdivision 1. **Program qualifications.** The qualifications for the senior citizens'
115.15 property tax deferral program are as follows:

115.16 (1) the property must be owned and occupied as a homestead by a person 65 years of
115.17 age or older. In the case of a married couple, at least one of the spouses must be at least 65
115.18 years old at the time the first property tax deferral is granted, regardless of whether the
115.19 property is titled in the name of one spouse or both spouses, or titled in another way that
115.20 permits the property to have homestead status, and the other spouse must be at least 62 years
115.21 of age;

115.22 (2) the total household income of the qualifying homeowners, as defined in section
115.23 290A.03, subdivision 5, for the calendar year preceding the year of the initial application
115.24 may not exceed ~~\$60,000~~ \$96,000;

115.25 (3) the homestead must have been owned and occupied as the homestead of at least one
115.26 of the qualifying homeowners for at least ~~15~~ five years prior to the year the initial application
115.27 is filed;

115.28 (4) there are no state or federal tax liens or judgment liens on the homesteaded property;

115.29 (5) there are no mortgages or other liens on the property that secure future advances,
115.30 except for those subject to credit limits that result in compliance with clause (6); and

115.31 (6) the total unpaid balances of debts secured by mortgages and other liens on the
115.32 property, including unpaid and delinquent special assessments and interest and any delinquent

116.1 property taxes, penalties, and interest, but not including property taxes payable during the
116.2 year or debts secured by a residential PACE lien, as defined in section 216C.435, subdivision
116.3 10d, does not exceed 75 percent of the assessor's estimated market value for the year.

116.4 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes
116.5 payable in 2024 and thereafter.

116.6 Sec. 31. Minnesota Statutes 2022, section 290B.04, subdivision 3, is amended to read:

116.7 Subd. 3. **Excess-income certification by taxpayer.** A taxpayer whose initial application
116.8 has been approved under subdivision 2 shall notify the commissioner of revenue in writing
116.9 by July 1 if the taxpayer's household income for the preceding calendar year exceeded
116.10 ~~\$60,000~~ \$96,000. The certification must state the homeowner's total household income for
116.11 the previous calendar year. No property taxes may be deferred under this chapter in any
116.12 year following the year in which a program participant filed or should have filed an
116.13 excess-income certification under this subdivision, unless the participant has filed a
116.14 resumption of eligibility certification as described in subdivision 4.

116.15 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes
116.16 payable in 2024 and thereafter.

116.17 Sec. 32. Minnesota Statutes 2022, section 290B.04, subdivision 4, is amended to read:

116.18 Subd. 4. **Resumption of eligibility certification by taxpayer.** A taxpayer who has
116.19 previously filed an excess-income certification under subdivision 3 may resume program
116.20 participation if the taxpayer's household income for a subsequent year is ~~\$60,000~~ \$96,000
116.21 or less. If the taxpayer chooses to resume program participation, the taxpayer must notify
116.22 the commissioner of revenue in writing by July 1 of the year following a calendar year in
116.23 which the taxpayer's household income is ~~\$60,000~~ \$96,000 or less. The certification must
116.24 state the taxpayer's total household income for the previous calendar year. Once a taxpayer
116.25 resumes participation in the program under this subdivision, participation will continue until
116.26 the taxpayer files a subsequent excess-income certification under subdivision 3 or until
116.27 participation is terminated under section 290B.08, subdivision 1.

116.28 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes
116.29 payable in 2024 and thereafter.

116.30 Sec. 33. Minnesota Statutes 2022, section 290B.05, subdivision 1, is amended to read:

116.31 Subdivision 1. **Determination by commissioner.** The commissioner shall determine
116.32 each qualifying homeowner's "annual maximum property tax amount" following approval

117.1 of the homeowner's initial application and following the receipt of a resumption of eligibility
 117.2 certification. The "annual maximum property tax amount" equals three percent of the
 117.3 homeowner's total household income for the year preceding either the initial application or
 117.4 the resumption of eligibility certification, whichever is applicable. Following approval of
 117.5 the initial application, the commissioner shall determine the qualifying homeowner's
 117.6 "maximum allowable deferral." No tax may be deferred relative to the appropriate assessment
 117.7 year for any homeowner whose total household income for the previous year exceeds
 117.8 ~~\$60,000~~ \$96,000. No tax shall be deferred in any year in which the homeowner does not
 117.9 meet the program qualifications in section 290B.03. The maximum allowable total deferral
 117.10 is equal to 75 percent of the assessor's estimated market value for the year, less the balance
 117.11 of any mortgage loans and other amounts secured by liens against the property at the time
 117.12 of application, including any unpaid and delinquent special assessments and interest and
 117.13 any delinquent property taxes, penalties, and interest, but not including property taxes
 117.14 payable during the year.

117.15 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes
 117.16 payable in 2024 and thereafter.

117.17 Sec. 34. Minnesota Statutes 2022, section 383E.21, is amended to read:

117.18 **383E.21 COUNTYWIDE PUBLIC SAFETY IMPROVEMENTS AND**
 117.19 **EQUIPMENT; BONDING AND TAX LEVIES.**

117.20 Subdivision 1. **Authority to levy property taxes and incur debt.** (a) To finance the
 117.21 cost of designing, constructing, and acquiring countywide public safety improvements and
 117.22 equipment, including personal property, benefiting both Anoka County and the municipalities
 117.23 located within Anoka County, the governing body of Anoka County may levy property
 117.24 taxes for public safety improvements and equipment, and issue:

117.25 (1) capital improvement bonds under the provisions of section 373.40 as if the
 117.26 infrastructure and equipment qualified as a "capital improvement" within the meaning of
 117.27 section 373.40, subdivision 1, paragraph (b); and

117.28 (2) capital notes under the provisions of section 373.01, subdivision 3, as if the equipment
 117.29 qualified as "capital equipment" within the meaning of section 373.01, subdivision 3.
 117.30 Personal property acquired with the proceeds of the bonds or capital notes issued under this
 117.31 section must have an expected useful life at least as long as the term of debt.

117.32 (b) The outstanding principal amount of the bonds and the capital notes issued under
 117.33 this section may not exceed \$8,000,000 at any time. Any bonds or notes issued pursuant to

118.1 this section must only be issued after approval by a majority vote of the Anoka County Joint
118.2 Law Enforcement Council, a joint powers board.

118.3 Subd. 2. **Treatment of levy.** (a) Anoka County shall not include any taxes levied under
118.4 this section in its levy certified under section 275.07, subdivision 1, paragraph (a). Anoka
118.5 County shall separately certify taxes levied under this section to the county auditor.

118.6 (b) Notwithstanding sections 275.065, subdivision 3, and 276.04, the county may report
118.7 the tax attributable to any levy to fund public safety capital improvements or equipment
118.8 projects approved by the Anoka County Joint Law Enforcement Council or pay principal
118.9 and interest on bonds or notes issued under this section as a separate line item on the proposed
118.10 property tax notice and the property tax statement.

118.11 Subd. 3. **Expiration.** This section expires on December 31, ~~2023~~ 2033. The county may
118.12 not issue a bond or note under this section with a maturity or payment date after the expiration
118.13 date of this section. No property tax may be levied under this section for taxes payable in
118.14 a calendar year after the calendar year in which this section expires. Expiration of this section
118.15 does not affect the obligation to pay or the authority to collect taxes levied under this section
118.16 before its expiration.

118.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of
118.18 Anoka County and its chief clerical officer comply with the requirements of Minnesota
118.19 Statutes, section 645.021, subdivisions 2 and 3.

118.20 Sec. 35. Minnesota Statutes 2022, section 473F.02, subdivision 2, is amended to read:

118.21 Subd. 2. **Area.** "Area" means the territory included within the ~~boundaries of Anoka,~~
118.22 ~~Carver, Dakota excluding the city of Northfield, Hennepin, Ramsey, Scott excluding the~~
118.23 ~~city of New Prague, and Washington Counties metropolitan area as defined in section~~
118.24 473.121, subdivision 2, excluding lands constituting a major or an intermediate airport as
118.25 defined under section 473.625.

118.26 **EFFECTIVE DATE; APPLICATION.** This section is effective for taxes payable in
118.27 2024 and thereafter and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
118.28 Scott, and Washington.

118.29 Sec. 36. Minnesota Statutes 2022, section 473F.02, subdivision 8, is amended to read:

118.30 Subd. 8. **Municipality.** "Municipality" means a city, town, or township located in whole
118.31 or part within the area, ~~but not the cities of New Prague or Northfield as defined in~~
118.32 subdivision 2. If a municipality is located partly within and partly without the area, the

119.1 references in sections 473F.01 to 473F.13 to property or any portion thereof subject to
119.2 taxation or taxing jurisdiction within the municipality are to such property or portion thereof
119.3 as is located in that portion of the municipality within the area, except that the fiscal capacity
119.4 of such a municipality shall be computed upon the basis of the valuation and population of
119.5 the entire municipality.

119.6 A municipality shall be excluded from the area if its municipal comprehensive zoning
119.7 and planning policies conscientiously exclude most commercial-industrial development,
119.8 for reasons other than preserving an agricultural use. The Metropolitan Council and the
119.9 commissioner of revenue shall jointly make this determination annually and shall notify
119.10 those municipalities that are ineligible to participate in the tax base sharing program provided
119.11 in this chapter for the following year.

119.12 **EFFECTIVE DATE; APPLICATION.** This section is effective for taxes payable in
119.13 2024 and thereafter and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
119.14 Scott, and Washington.

119.15 Sec. 37. **NORTHWEST MINNESOTA MULTI-COUNTY HOUSING AND**
119.16 **REDEVELOPMENT AUTHORITY; LEVY AUTHORITY.**

119.17 Notwithstanding any law to the contrary, Laws 2008, chapter 366, article 5, section 33,
119.18 the effective date, as amended by Laws 2013, chapter 143, article 4, section 35, and Laws
119.19 2019, First Special Session chapter 6, article 4, section 31, is effective for taxes levied in
119.20 2008, payable in 2009, and is repealed effective for taxes levied in 2033, payable in 2034,
119.21 and thereafter.

119.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
119.23 Northwest Minnesota Multi-County Housing and Redevelopment Authority and its chief
119.24 clerical officer comply with the requirements of Minnesota Statutes, section 645.021,
119.25 subdivisions 2 and 3.

119.26 Sec. 38. **CLASS 4D(1); CLASS-RATE REDUCTION PROPERTY TAX SAVINGS**
119.27 **REPORT.**

119.28 (a) By November 1, 2025, each county must identify not more than ten properties located
119.29 within the county with the greatest number of units classified as class 4d(1) under Minnesota
119.30 Statutes, section 273.13, subdivision 25. After identifying each property, the county must
119.31 contact and survey each property owner as to how each owner used property tax savings
119.32 resulting from the class rate change made to property classified as class 4d(1) under

120.1 Minnesota Statutes, section 273.13, subdivision 25, beginning with property taxes payable
120.2 in 2025.

120.3 (b) By March 15, 2026, each county shall issue a report to the commissioner of revenue
120.4 and to the legislative committees with jurisdiction over taxes and property taxes indicating
120.5 how each surveyed property owner used property tax savings resulting from the class 4d(1)
120.6 class rate change. The report shall include uses identified by type, including but not limited
120.7 to property maintenance, property security, property improvements, property operations,
120.8 rent stabilization, and increases in the property's capital expenditure fund balance.

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

ARTICLE 4

PROPERTY TAX AIDS

120.12 Section 1. Minnesota Statutes 2022, section 273.1392, is amended to read:

120.13 **273.1392 PAYMENT; SCHOOL DISTRICTS.**

120.14 The amounts of bovine tuberculosis credit reimbursements under section 273.113;
120.15 conservation tax credits under section 273.119; disaster or emergency reimbursement under
120.16 sections 273.1231 to 273.1235; agricultural credits under sections 273.1384 and 273.1387;
120.17 aids and credits under section 273.1398; enterprise zone property credit payments under
120.18 section 469.171; ~~and~~ metropolitan agricultural preserve reduction under section 473H.10;
120.19 and electric generation transition aid under section 477A.24 for school districts, shall be
120.20 certified to the Department of Education by the Department of Revenue. The amounts so
120.21 certified shall be paid according to section 127A.45, subdivisions 9, 10, and 13.

120.22 **EFFECTIVE DATE.** This section is effective July 1, 2024.

120.23 Sec. 2. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision
120.24 to read:

120.25 Subd. 3b. **Population age 65 and over.** "Population age 65 and over" means the
120.26 population age 65 and over established as of July 15 in an aid calculation year by the most
120.27 recent federal census, by a special census conducted under contract with the United States
120.28 Bureau of the Census, by a population estimate made by the Metropolitan Council, or by a
120.29 population estimate of the state demographer made pursuant to section 4A.02, whichever
120.30 is the most recent as to the stated date of the count or estimate for the preceding calendar
120.31 year and which has been certified to the commissioner of revenue on or before July 15 of
120.32 the aid calculation year. A revision to an estimate or count is effective for these purposes

121.1 only if certified to the commissioner on or before July 15 of the aid calculation year. Clerical
121.2 errors in the certification or use of estimates and counts established as of July 15 in the aid
121.3 calculation year are subject to correction within the time periods allowed under section
121.4 477A.014.

121.5 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
121.6 and thereafter.

121.7 Sec. 3. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision
121.8 to read:

121.9 Subd. 3c. **Transformed population.** "Transformed population" means the logarithm to
121.10 the base 10 of the population.

121.11 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
121.12 and thereafter.

121.13 Sec. 4. Minnesota Statutes 2022, section 477A.011, subdivision 34, is amended to read:

121.14 Subd. 34. **City revenue need.** (a) For a city with a population equal to or greater than
121.15 10,000, "city revenue need" is 1.15 times the sum of (1) ~~4.59~~ 8.572 times the pre-1940
121.16 housing percentage; plus (2) ~~0.622 times the percent of housing built between 1940 and~~
121.17 ~~1970~~ 11.494 times the city age index; plus (3) ~~169.415 times the jobs per capita~~ 5.719 times
121.18 the commercial industrial utility percentage; plus (4) ~~the sparsity adjustment~~ 9.484 times
121.19 peak population decline; plus (5) ~~307.664~~ 293.056.

121.20 (b) For a city with a population equal to or greater than 2,500 and less than 10,000, "city
121.21 revenue need" is 1.15 times the sum of (1) ~~572.62~~ 497.308; plus (2) ~~5.026~~ 6.667 times the
121.22 pre-1940 housing percentage; ~~minus~~ plus (3) ~~53.768 times household size~~ 9.215 times the
121.23 commercial industrial utility percentage; plus (4) ~~14.022~~ 16.081 times peak population
121.24 decline; ~~plus (5) the sparsity adjustment.~~

121.25 (c) For a city with a population less than 2,500, "city revenue need" is the sum of (1)
121.26 ~~410~~ 196.487; plus (2) ~~0.367~~ 220.877 times the city's transformed population over 100; ~~plus~~
121.27 ~~(3) the sparsity adjustment. The city revenue need for a city under this paragraph shall not~~
121.28 ~~exceed 630 plus the city's sparsity adjustment.~~

121.29 (d) For a city with a population of at least 2,500 but less than 3,000, the "city revenue
121.30 need" equals (1) the transition factor times the city's revenue need calculated in paragraph
121.31 (b); plus (2) ~~630~~ the city's revenue need calculated under the formula in paragraph (c) times
121.32 the difference between one and the transition factor. For a city with a population of at least

122.1 10,000 but less than 11,000, the "city revenue need" equals (1) the transition factor times
122.2 the city's revenue need calculated in paragraph (a); plus (2) the city's revenue need calculated
122.3 under the formula in paragraph (b) times the difference between one and the transition
122.4 factor. For purposes of the first sentence of this paragraph "transition factor" is 0.2 percent
122.5 times the amount that the city's population exceeds the minimum threshold. For purposes
122.6 of the second sentence of this paragraph, "transition factor" is 0.1 percent times the amount
122.7 that the city's population exceeds the minimum threshold.

122.8 (e) The city revenue need cannot be less than zero.

122.9 (f) For calendar year ~~2015~~ 2024 and subsequent years, the city revenue need for a city,
122.10 as determined in paragraphs (a) to (e), is multiplied by the ratio of the annual implicit price
122.11 deflator for government consumption expenditures and gross investment for state and local
122.12 governments as prepared by the United States Department of Commerce, for the most
122.13 recently available year to the ~~2013~~ 2022 implicit price deflator for state and local government
122.14 purchases.

122.15 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
122.16 and thereafter.

122.17 Sec. 5. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision
122.18 to read:

122.19 **Subd. 46. City age index.** "City age index" means 100 times the ratio of (1) the population
122.20 age 65 and over within the city, to (2) the population of the city.

122.21 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
122.22 and thereafter.

122.23 Sec. 6. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision
122.24 to read:

122.25 **Subd. 47. Commercial industrial utility percentage.** The "commercial industrial utility
122.26 percentage" for a city is 100 times the ratio of (1) the sum of the estimated market values
122.27 of all real and personal property in the city classified as class 3 under section 273.13,
122.28 subdivision 24, to (2) the total market value of all taxable real and personal property in the
122.29 city. The market values are the amounts computed before any adjustments for fiscal
122.30 disparities under section 276A.06 or 473F.08. The market values used for this subdivision
122.31 are not equalized.

123.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
123.2 and thereafter.

123.3 Sec. 7. Minnesota Statutes 2022, section 477A.0124, subdivision 2, is amended to read:

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

123.6 (b) "County program aid" means the sum of "county need aid," "county tax base
123.7 equalization aid," and "county transition aid."

123.8 (c) "Age-adjusted population" means a county's population multiplied by the county age
123.9 index.

123.10 (d) "County age index" means the percentage of the population age 65 and over within
123.11 the county divided by the percentage of the population age 65 and over within the state,
123.12 except that the age index for any county may not be greater than 1.8 nor less than 0.8.

123.13 (e) ~~"Population age 65 and over" means the population age 65 and over established as~~
123.14 ~~of July 15 in an aid calculation year by the most recent federal census, by a special census~~
123.15 ~~conducted under contract with the United States Bureau of the Census, by a population~~
123.16 ~~estimate made by the Metropolitan Council, or by a population estimate of the state~~
123.17 ~~demographer made pursuant to section 4A.02, whichever is the most recent as to the stated~~
123.18 ~~date of the count or estimate for the preceding calendar year and which has been certified~~
123.19 ~~to the commissioner of revenue on or before July 15 of the aid calculation year. A revision~~
123.20 ~~to an estimate or count is effective for these purposes only if certified to the commissioner~~
123.21 ~~on or before July 15 of the aid calculation year. Clerical errors in the certification or use of~~
123.22 ~~estimates and counts established as of July 15 in the aid calculation year are subject to~~
123.23 ~~correction within the time periods allowed under section 477A.014~~ has the meaning given
123.24 in section 477A.011, subdivision 3b.

123.25 (f) "Part I crimes" means the ~~three-year average~~ annual number of Part I crimes reported
123.26 for each county by the Department of Public Safety ~~for the most recent years available.~~ By
123.27 July 1 of each year, the commissioner of public safety shall certify to the commissioner of
123.28 revenue the number of Part I crimes reported for each county for the three most recent
123.29 calendar years available.

123.30 (g) "Households receiving Supplemental Nutrition Assistance Program (SNAP) benefits"
123.31 means the average monthly number of households receiving SNAP benefits for the three
123.32 most recent years for which data is available. By July 1 of each year, the commissioner of
123.33 human services must certify to the commissioner of revenue the average monthly number

124.1 of households in the state and in each county that receive SNAP benefits, for the three most
124.2 recent calendar years available.

124.3 (h) "County net tax capacity" means the county's adjusted net tax capacity under section
124.4 273.1325.

124.5 (i) "Group A offenses" means the annual number of Group A offenses under the National
124.6 Incident-Based Reporting System reported for each county by the Department of Public
124.7 Safety. By July 1 of each year, the commissioner of public safety shall certify to the
124.8 commissioner of revenue the number of Group A offenses reported for each county for the
124.9 three most recent full calendar years available.

124.10 (j) "Adjusted offenses" means the county's average annual number of Group A offenses
124.11 for the three-year period ending with the second prior calendar year to the year in which
124.12 the aid is certified. For aids payable in 2024 and 2025 only, for the purpose of the three-year
124.13 average calculated under this paragraph, the commissioner must substitute the annual number
124.14 of Part I crimes for any year in which the annual number of Group A offenses is not available.

124.15 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
124.16 and thereafter.

124.17 Sec. 8. Minnesota Statutes 2022, section 477A.0124, subdivision 3, is amended to read:

124.18 Subd. 3. **County need aid.** ~~For 2005 and subsequent years,~~ The money appropriated to
124.19 county need aid each calendar year shall be allocated as follows: 40 percent based on each
124.20 county's share of age-adjusted population, 40 percent based on each county's share of the
124.21 state total of households receiving SNAP benefits, and 20 percent based on each county's
124.22 share of the state total of ~~Part I crimes~~ adjusted offenses.

124.23 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
124.24 and thereafter.

124.25 Sec. 9. Minnesota Statutes 2022, section 477A.013, subdivision 8, is amended to read:

124.26 Subd. 8. **City formula aid.** (a) For aids payable in ~~2018~~ 2024 and thereafter, the formula
124.27 aid for a city is equal to the product of (1) the difference between its unmet need and its
124.28 certified aid in the previous year ~~and before any aid adjustment under subdivision 13,~~ and
124.29 (2) the aid gap percentage.

124.30 (b) The applicable aid gap percentage must be calculated by the Department of Revenue
124.31 so that the total of the aid under subdivision 9 equals the total amount available for aid under
124.32 section 477A.03. The aid gap percentage must be the same for all cities subject to paragraph

125.1 (a). Data used in calculating aids to cities under sections 477A.011 to 477A.013 shall be
125.2 the most recently available data as of January 1 in the year in which the aid is calculated.

125.3 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
125.4 and thereafter.

125.5 Sec. 10. Minnesota Statutes 2022, section 477A.013, subdivision 9, is amended to read:

125.6 Subd. 9. **City aid distribution.** (a) In calendar year ~~2018~~ 2024 and thereafter, if a city's
125.7 certified aid ~~before any aid adjustment under subdivision 13~~ for the previous year is less
125.8 than its current unmet need, the city shall receive an aid distribution equal to the sum of (1)
125.9 its certified aid in the previous year ~~before any aid adjustment under subdivision 13, and~~
125.10 (2) the city formula aid under subdivision 8, ~~and (3) its aid adjustment under subdivision~~
125.11 ~~13.~~

125.12 (b) ~~For aids payable in 2020 only, no city's aid amount before any adjustment under~~
125.13 ~~subdivision 13 may be less than its pay 2019 certified aid amount, less any aid adjustment~~
125.14 ~~under subdivision 13 for that year.~~ For aids payable in ~~2020~~ 2024 and thereafter, if a city's
125.15 certified aid ~~before any aid adjustment under subdivision 13~~ for the previous year is equal
125.16 to or greater than its current unmet need, the total aid for a city is equal to the greater of (1)
125.17 its unmet need ~~plus any aid adjustment under subdivision 13~~, or (2) the amount it was
125.18 certified to receive in the previous year minus the ~~sum of (i) any adjustment under subdivision~~
125.19 ~~13 that was paid in the previous year but has expired, and (ii) the lesser of (i) \$10 multiplied~~
125.20 ~~by its population, or (ii) five percent of its net levy in the year prior to the aid distribution.~~
125.21 No city may have a total aid amount less than \$0.

125.22 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
125.23 and thereafter.

125.24 Sec. 11. Minnesota Statutes 2022, section 477A.014, subdivision 1, is amended to read:

125.25 Subdivision 1. **Calculations and payments.** (a) The commissioner of revenue shall
125.26 make all necessary calculations and make payments ~~pursuant to sections 477A.013 and~~
125.27 ~~477A.03~~ under this chapter directly to the affected ~~taxing authorities~~ political subdivisions
125.28 annually. ~~In addition,~~ The commissioner shall notify the ~~authorities~~ political subdivisions
125.29 of their aid amounts, ~~as well as~~ the computational factors used in making the calculations
125.30 ~~for their authority~~, and those statewide total figures that are pertinent, before August 1 of
125.31 the year preceding the aid distribution year, unless a different date is specified.

126.1 (b) For the purposes of this subdivision, aid is determined for a city or town based on
 126.2 its city or town status as of June 30 of the year preceding the aid distribution year. If the
 126.3 effective date for a municipal incorporation, consolidation, annexation, detachment,
 126.4 dissolution, or township organization is on or before June 30 of the year preceding the aid
 126.5 distribution year, such change in boundaries or form of government shall be recognized for
 126.6 aid determinations for the aid distribution year. If the effective date for a municipal
 126.7 incorporation, consolidation, annexation, detachment, dissolution, or township organization
 126.8 is after June 30 of the year preceding the aid distribution year, such change in boundaries
 126.9 or form of government shall not be recognized for aid determinations until the following
 126.10 year.

126.11 Subd. 1a. Adjustments to computational factors. ~~(e)~~ (a) Changes in boundaries or
 126.12 form of government ~~will~~ may only be recognized for the purposes of this subdivision, to
 126.13 the extent that, on or before July 15 of the aid calculation year: (1) changes in ~~market values~~
 126.14 ~~are included in market values reported by assessors to the commissioner, and changes in~~
 126.15 ~~population and household size are included in their respective certifications to the~~
 126.16 ~~commissioner as referenced in section 477A.011~~ computational factors have been recertified
 126.17 or otherwise reported in reliable form to the commissioner, or (2) an annexation information
 126.18 report as provided in paragraph ~~(d)~~ (b) is received by the commissioner ~~on or before July~~
 126.19 ~~15 of the aid calculation year.~~ Revisions to estimates or data for use in recognizing changes
 126.20 in boundaries or form of government are not effective for purposes of this subdivision unless
 126.21 received by the commissioner on or before July 15 of the aid calculation year. Clerical errors
 126.22 in the certification or use of estimates and data established as of July 15 in the aid calculation
 126.23 year are subject to correction within the time periods allowed under subdivision 3.

126.24 ~~(d)~~ (b) In the case of an annexation, an annexation information report may be completed
 126.25 by the annexing jurisdiction and submitted to the commissioner for purposes of this
 126.26 subdivision if the net tax capacity of annexed area for the assessment year preceding the
 126.27 effective date of the annexation exceeds five percent of the city's net tax capacity for the
 126.28 same year. The form and contents of the annexation information report shall be prescribed
 126.29 by the commissioner. The commissioner shall ~~change the net tax capacity, the population,~~
 126.30 ~~the population decline, the commercial industrial percentage, and the transformed population~~
 126.31 adjust the computational factors used to calculate aid under section 477A.013, subdivision
 126.32 9, for the annexing jurisdiction only if the annexation information report provides data the
 126.33 commissioner determines to be reliable for ~~all of these factors used to compute city revenue~~
 126.34 ~~need for the annexing jurisdiction. The commissioner shall adjust the pre-1940 housing~~
 126.35 ~~percentage and household size only if the entire area of an existing city or town is annexed~~

127.1 ~~or consolidated and only if reliable data is available for all of these factors used to compute~~
127.2 ~~city revenue need for the annexing jurisdiction~~ the entire annexed area.

127.3 **EFFECTIVE DATE.** This section is effective July 1, 2023.

127.4 Sec. 12. Minnesota Statutes 2022, section 477A.015, is amended to read:

127.5 **477A.015 PAYMENT DATES.**

127.6 (a) The commissioner of revenue shall make the payments of local government aid to
127.7 affected taxing authorities in two installments on July 20 and December 26 annually.

127.8 (b) Notwithstanding paragraph (a), for aids payable in ~~2019~~ 2025 only, the commissioner
127.9 of revenue shall make payments of the aid payable under section 477A.013, subdivision 9,
127.10 in three installments as follows: (1) ~~14.6~~ 12.39 percent of the aid shall be paid on ~~June 15,~~
127.11 ~~2019~~ March 20, 2025; (2) ~~35.4~~ 37.61 percent of the aid shall be paid on July 20, ~~2019~~ 2025;
127.12 and (3) 50 percent of the aid shall be paid on December 26, ~~2019~~ 2025.

127.13 (c) When the commissioner of public safety determines that a local government has
127.14 suffered financial hardship due to a natural disaster, the commissioner of public safety shall
127.15 notify the commissioner of revenue, who shall make payments of aids under sections
127.16 477A.011 to 477A.014, which are otherwise due on December 26, as soon as is practical
127.17 after the determination is made but not before July 20.

127.18 (d) The commissioner may pay all or part of the payments of aids under sections
127.19 477A.011 to 477A.014, which are due on December 26 at any time after August 15 if a
127.20 local government requests such payment as being necessary for meeting its cash flow needs.

127.21 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
127.22 and thereafter.

127.23 Sec. 13. Minnesota Statutes 2022, section 477A.03, subdivision 2a, is amended to read:

127.24 Subd. 2a. **Cities.** ~~For aids payable in 2016 and 2017, the total aid paid under section~~
127.25 ~~477A.013, subdivision 9, is \$519,398,012. For aids payable in 2018 and 2019, the total aid~~
127.26 ~~paid under section 477A.013, subdivision 9, is \$534,398,012. For aids payable in 2020, the~~
127.27 ~~total aid paid under section 477A.013, subdivision 9, is \$560,398,012. For aids payable in~~
127.28 ~~2021 and thereafter through 2023, the total aid payable under section 477A.013, subdivision~~
127.29 ~~9, is \$564,398,012. For aids payable in 2024 and thereafter, the total aid payable under~~
127.30 section 477A.013, subdivision 9, is \$604,398,012.

128.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
128.2 and thereafter.

128.3 Sec. 14. Minnesota Statutes 2022, section 477A.03, subdivision 2b, is amended to read:

128.4 Subd. 2b. **Counties.** (a) ~~For aids payable in 2018 and 2019, the total aid payable under~~
128.5 ~~section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be allocated~~
128.6 ~~as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2020,~~
128.7 ~~the total aid payable under section 477A.0124, subdivision 3, is \$116,795,000, of which~~
128.8 ~~\$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section~~
128.9 ~~6. For aids payable in 2021 through 2024~~ 2023, the total aid payable under section
128.10 477A.0124, subdivision 3, is \$118,795,000, of which \$3,000,000 shall be allocated as
128.11 required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2024, the
128.12 total aid payable under section 477A.0124, subdivision 3, is \$136,496,026, of which
128.13 \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section
128.14 6. For aids payable in 2025 and thereafter, the total aid payable under section 477A.0124,
128.15 subdivision 3, is ~~\$115,795,000~~ \$133,496,026. On or before the first installment date provided
128.16 in section 477A.015, paragraph (a), \$500,000 of this appropriation shall be transferred each
128.17 year by the commissioner of revenue to the Board of Public Defense for the payment of
128.18 services under section 611.27. Any transferred amounts not expended or encumbered in a
128.19 fiscal year shall be certified by the Board of Public Defense to the commissioner of revenue
128.20 on or before October 1 and shall be included in the next certification of county need aid.

128.21 (b) ~~For aids payable in 2018 and 2019, the total aid under section 477A.0124, subdivision~~
128.22 ~~4, is \$130,873,444. For aids payable in 2020, the total aid under section 477A.0124,~~
128.23 ~~subdivision 4, is \$143,873,444. For aids payable in 2021 and thereafter~~ through 2023, the
128.24 total aid under section 477A.0124, subdivision 4, is \$145,873,444. For aids payable in 2024
128.25 and thereafter, the total aid under section 477A.0124, subdivision 4, is \$168,172,418. The
128.26 commissioner of revenue shall transfer to the Legislative Budget Office \$207,000 annually
128.27 for the cost of preparation of local impact notes as required by section 3.987, and other local
128.28 government activities. The commissioner of revenue shall transfer to the commissioner of
128.29 education \$7,000 annually for the cost of preparation of local impact notes for school districts
128.30 as required by section 3.987. The commissioner of revenue shall deduct the amounts
128.31 transferred under this paragraph from the appropriation under this paragraph. The amounts
128.32 transferred are appropriated to the Legislative Coordinating Commission and the
128.33 commissioner of education respectively.

129.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
129.2 and thereafter.

129.3 Sec. 15. Minnesota Statutes 2022, section 477A.12, subdivision 1, is amended to read:

129.4 Subdivision 1. **Types of land; payments.** The following amounts are annually
129.5 appropriated to the commissioner of natural resources from the general fund for transfer to
129.6 the commissioner of revenue. The commissioner of revenue shall pay the transferred funds
129.7 to counties as required by sections 477A.11 to 477A.14. The amounts, based on the acreage
129.8 as of July 1 of each year prior to the payment year, are:

129.9 (1) \$5.133 multiplied by the total number of acres of acquired natural resources land or,
129.10 at the county's option three-fourths of one percent of the appraised value of all acquired
129.11 natural resources land in the county, whichever is greater;

129.12 (2) \$5.133, multiplied by the total number of acres of transportation wetland or, at the
129.13 county's option, three-fourths of one percent of the appraised value of all transportation
129.14 wetland in the county, whichever is greater;

129.15 (3) \$5.133, multiplied by the total number of acres of wildlife management land, or, at
129.16 the county's option, three-fourths of one percent of the appraised value of all wildlife
129.17 management land in the county, whichever is greater;

129.18 (4) 50 percent of the dollar amount as determined under clause (1), multiplied by the
129.19 number of acres of military refuge land in the county;

129.20 (5) ~~\$2~~ \$2.25, multiplied by the number of acres of county-administered other natural
129.21 resources land in the county;

129.22 (6) \$5.133, multiplied by the total number of acres of land utilization project land in the
129.23 county;

129.24 (7) ~~\$2~~ \$2.25, multiplied by the number of acres of commissioner-administered other
129.25 natural resources land in the county; and

129.26 (8) without regard to acreage, and notwithstanding the rules adopted under section
129.27 84A.55, \$300,000 for local assessments under section 84A.55, subdivision 9, that shall be
129.28 divided and distributed to the counties containing state-owned lands within a conservation
129.29 area in proportion to each county's percentage of the total annual ditch assessments.

129.30 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

130.1 Sec. 16. Minnesota Statutes 2022, section 477A.16, subdivision 2, is amended to read:

130.2 Subd. 2. **Aid eligibility; payment.** (a) If the net tax capacity differential of the local
130.3 unit exceeds four percent of its modified net tax capacity, the local unit is eligible for
130.4 transition aid computed under paragraph (b).

130.5 (b) For aids payable in 2010 and thereafter, transition aid under this section for an eligible
130.6 local unit equals (1) the current year net tax capacity differential for taxes payable in the
130.7 year preceding the aid distribution year, times (2) the jurisdiction's tax rate for taxes payable
130.8 in 2008.

130.9 (c) The commissioner of revenue shall compute the amount of transition aid payable to
130.10 each local unit under this section. On or before August 1 of each year, the commissioner
130.11 shall certify the amount of transition aid computed for aids payable in the following year
130.12 for each recipient local unit. The commissioner shall pay transition aid to local units annually
130.13 at the times provided in section 477A.015.

130.14 (d) Notwithstanding paragraph (a), beginning with aids payable in 2024, a local unit is
130.15 not eligible for transition aid if the local unit was not eligible for transition aid in the previous
130.16 year.

130.17 (e) Notwithstanding paragraph (b), transition aid under this section for an eligible local
130.18 unit must be reduced by:

130.19 (1) 25 percent of the amount calculated under paragraph (b) for aid payable in 2024;

130.20 (2) 50 percent of the amount calculated under paragraph (b) for aid payable in 2025;

130.21 and

130.22 (3) 75 percent of the amount calculated under paragraph (b) for aid payable in 2026.

130.23 (f) Aid distributions under this section expire after aids payable in 2026 have been
130.24 distributed.

130.25 **EFFECTIVE DATE.** This section is effective for aids payable in 2024 and thereafter.

130.26 Sec. 17. **[477A.23] SOIL AND WATER CONSERVATION DISTRICT AID.**

130.27 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the
130.28 meanings given:

130.29 (1) "nonpublic land" means land, excluding public land and Tribal land;

130.30 (2) "public land" means land that:

130.31 (i) is owned by the federal government, the state, or a county; and

131.1 (ii) is administered by the state or a county, but not including land administered by the
131.2 Minnesota State Colleges and Universities;

131.3 (3) "Tribal land" means land contained within the boundary of an American Indian Tribal
131.4 subdivision of a federally recognized Indian Tribe located in Minnesota, according to the
131.5 most recent data available from the United States Bureau of the Census;

131.6 (4) "population" means the population estimated as of June 1 in an aid calculation year
131.7 by the most recent federal census;

131.8 (5) "transformed population" means the cube root of population; and

131.9 (6) "soil and water conservation district" means a district under chapter 103C that is
131.10 implementing the duties under that chapter as determined by the Board of Water and Soil
131.11 Resources as of the date the board provides the certification to the commissioner of revenue
131.12 required by subdivision 3. For purposes of this section, soil and water conservation district
131.13 includes a county exercising the duties and authorities of a soil and water conservation
131.14 district under section 383A.606 or 383B.761.

131.15 Subd. 2. **Distribution.** The Board of Water and Soil Resources must calculate the amount
131.16 of aid to be distributed to the certified soil and water conservation districts from the
131.17 appropriation in subdivision 6 as follows:

131.18 (1) 70 percent of the appropriation must be distributed equally among the districts;

131.19 (2) 20 percent of the appropriation must be distributed proportionally among the districts
131.20 according to the amount of nonpublic land located in a district as compared to the amount
131.21 of nonpublic land in all districts; and

131.22 (3) ten percent of the appropriation must be distributed proportionally among the districts
131.23 according to the transformed population of the district as compared to the total transformed
131.24 population of all districts.

131.25 Subd. 3. **Certification to commissioner.** On or before June 1 each year, the Board of
131.26 Water and Soil Resources must certify to the commissioner of revenue the soil and water
131.27 conservation districts that will receive a payment under this section and the amount of each
131.28 payment.

131.29 Subd. 4. **Use of proceeds.** (a) Notwithstanding section 103C.401, subdivision 2, a soil
131.30 and water conservation district that receives a distribution under this section must use the
131.31 proceeds to implement chapter 103C and other duties and services prescribed by statute.

132.1 (b) The board of each soil and water conservation district must establish, by resolution,
132.2 annual guidelines for using payments received under this section. Current year guidelines
132.3 and guidelines from the year immediately prior must be posted on the district website.

132.4 (c) A soil and water conservation district that receives a payment under this section may
132.5 appropriate any portion of the payment to a governmental unit with which the district has
132.6 a cooperative agreement under section 103C.231. Any payment received under this section
132.7 and appropriated by the district must be used as required by this section.

132.8 Subd. 5. **Payments.** The commissioner of revenue must distribute soil and water
132.9 conservation district aid in the same manner and at the same times as aid payments provided
132.10 under section 477A.015.

132.11 Subd. 6. **Appropriation.** \$12,723,000 is annually appropriated from the general fund
132.12 to the commissioner of revenue to make the payments required under this section.

132.13 Subd. 7. **Aid amount corrections.** If, due to a clerical error, the amount certified by the
132.14 Board of Water and Soil Resources to the commissioner of revenue is less than the amount
132.15 to which the district is entitled under this section, the Board of Water and Soil Resources
132.16 shall recertify the correct amount to the commissioner of revenue and communicate the
132.17 error and the corrected amount to the affected soil and water conservation district as soon
132.18 as practical after the error is discovered.

132.19 **EFFECTIVE DATE.** This section is effective beginning with aids payable in calendar
132.20 year 2023 and thereafter.

132.21 Sec. 18. **[477A.24] ELECTRIC GENERATION TRANSITION AID.**

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

132.24 (b) "Electric generating unit" means a single generating unit at an electric generating
132.25 plant powered by coal, nuclear, or natural gas.

132.26 (c) "Electric generation property" means taxable property of an electric generating plant
132.27 owned by a public utility, as defined in section 216B.02, subdivision 4, that is powered by
132.28 coal, nuclear, or natural gas and located in an eligible taxing jurisdiction.

132.29 (d) "Eligible taxing jurisdiction" means a county, home rule charter or statutory city,
132.30 town, or school district.

132.31 (e) "Unit base year" means the assessment year in which the assessed value of electric
132.32 generation property is reduced due to the retirement of the electric generating unit.

133.1 (f) "Unit differential" means (1) the tax capacity of electric generation property in the
133.2 assessment year preceding the unit base year, minus (2) the tax capacity of electric generation
133.3 property in the unit base year. The unit differential may not be less than zero. The unit
133.4 differential equals zero if the tax capacity of electric generation property in the eligible
133.5 taxing jurisdiction in the assessment year preceding the unit base year is less than four
133.6 percent of the total net tax capacity of the eligible taxing jurisdiction in that year, as adjusted
133.7 under section 473F.08, subdivision 2, or 276A.06, subdivision 2, as applicable, except that,
133.8 in an eligible taxing jurisdiction with multiple electric generating units, only the unit
133.9 differential calculated upon the first retirement of an electric generating unit in that
133.10 jurisdiction following the effective date of this section is subject to the reduction under this
133.11 sentence.

133.12 Subd. 2. **Required notification.** Notwithstanding the requirements of Minnesota Rules,
133.13 chapter 8100, a public utility must notify the commissioner when the public utility expects
133.14 to retire an electric generating unit and remove that unit from the property tax base. The
133.15 notification must be in the form and manner determined by the commissioner, include
133.16 information required by the commissioner to calculate transition aid under this section, and
133.17 be filed together with the reports required under section 273.371.

133.18 Subd. 3. **Unit transition amount.** (a) The initial unit transition amount equals the product
133.19 of (1) the unit differential, times (2) the jurisdiction's tax rate for taxes payable in the unit
133.20 base year.

133.21 (b) The unit transition amount for the year following the unit base year, or in the year
133.22 as provided under subdivision 7, equals the initial unit transition amount. Unit transition
133.23 amounts in subsequent years must be reduced each year by an amount equal to five percent
133.24 of the initial unit transition amount. If the unit transition amount attributable to any unit is
133.25 less than \$5,000 in any year, the unit transition amount for that unit equals zero.

133.26 Subd. 4. **Electric generation transition aid.** Electric generation transition aid for an
133.27 eligible taxing jurisdiction equals the sum of the unit transition amounts for that jurisdiction.

133.28 Subd. 5. **Aid elimination.** (a) Notwithstanding subdivision 4, beginning for aid in the
133.29 year after the year in which the jurisdiction first qualified for aid, aid for an eligible taxing
133.30 jurisdiction equals zero if the commissioner determines that the eligible taxing jurisdiction's
133.31 total net tax capacity in the assessment year preceding the aid calculation year is greater
133.32 than the product of:

134.1 (1) 90 percent of the jurisdiction's total net tax capacity in the assessment year preceding
 134.2 the aid calculation year in which the jurisdiction first qualified for aid under this section;
 134.3 times

134.4 (2) the greater of one or the ratio of (i) the statewide total net tax capacity of real and
 134.5 personal property in the assessment year preceding the aid calculation year to (ii) the
 134.6 statewide total net tax capacity of real and personal property in the assessment year preceding
 134.7 the aid calculation year in which the jurisdiction first qualified for aid under this section.

134.8 (b) For the purposes of this subdivision, "net tax capacity" means net tax capacity as
 134.9 adjusted under section 473F.08, subdivision 2, or 276A.06, subdivision 2, as applicable.

134.10 (c) If aid to a jurisdiction attributable to a previous unit retirement has been eliminated
 134.11 under this subdivision, the jurisdiction may qualify for aid under this section for subsequent
 134.12 unit retirements.

134.13 Subd. 6. **Commissioner's duties; payment schedule.** (a) The commissioner of revenue
 134.14 shall compute the amount of electric generation transition aid payable to each jurisdiction
 134.15 under this section. The portion of aid to an eligible taxing jurisdiction that consists of the
 134.16 initial unit transition amount under subdivision 3, paragraph (a), must be certified on or
 134.17 before May 1 in the year the aid is payable. The portion of aid to an eligible taxing
 134.18 jurisdiction that consists of the unit transition amount under subdivision 3, paragraph (b),
 134.19 must be certified by August 1 of each year for aids payable in the following calendar year.
 134.20 The commissioner shall pay aid to each jurisdiction other than school districts annually at
 134.21 the times provided in section 477A.015. Aids to school districts must be certified to the
 134.22 commissioner of education and paid under section 273.1392.

134.23 (b) The commissioner of revenue may require counties to provide any data that the
 134.24 commissioner deems necessary to administer this section.

134.25 Subd. 7. **Aid for prior unit retirements.** An electric generating unit with a unit base
 134.26 year after 2016 but before 2023 must be counted for the purpose of calculating aid under
 134.27 this section. For a unit eligible to be counted under this subdivision and for the purpose of
 134.28 the schedule of amounts under subdivision 3, paragraph (b), the unit base year is 2023.

134.29 Subd. 8. **Appropriation.** An amount sufficient to make the aid payments required by
 134.30 this section to eligible taxing jurisdictions other than school districts is annually appropriated
 134.31 from the general fund to the commissioner of revenue. An amount sufficient to make the
 134.32 aid payments required by this section for school districts is annually appropriated from the
 134.33 general fund to the commissioner of education.

135.1 **EFFECTIVE DATE.** This section is effective for aids payable in 2024 and thereafter.

135.2 Sec. 19. **[477A.31] MAHNOMEN PROPERTY TAX REIMBURSEMENT AID.**

135.3 Subdivision 1. **Aid amounts.** (a) The commissioner of revenue shall make reimbursement
135.4 aid payments to compensate for the loss of property tax revenue related to the trust conversion
135.5 application of the Shooting Star Casino. The commissioner shall pay the county of
135.6 Mahnomen, \$1,010,000; the city of Mahnomen, \$210,000; and Independent School District
135.7 No. 432, Mahnomen, \$140,000.

135.8 (b) The payments shall be made annually on July 20.

135.9 Subd. 2. **Appropriation.** An amount sufficient to pay reimbursement aid under this
135.10 section is annually appropriated from the general fund to the commissioner of revenue.

135.11 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
135.12 and thereafter.

135.13 Sec. 20. Laws 2006, chapter 259, article 11, section 3, as amended by Laws 2008, chapter
135.14 154, article 1, section 4, and Laws 2013, chapter 143, article 2, section 33, is amended to
135.15 read:

135.16 Sec. 3. **MAHNOMEN COUNTY; COUNTY, CITY, SCHOOL DISTRICT,**
135.17 **PROPERTY TAX REIMBURSEMENT.**

135.18 Subdivision 1. **Aid appropriation.** (a) \$1,200,000 is appropriated annually from the
135.19 general fund to the commissioner of revenue to be used to make payments to compensate
135.20 for the loss of property tax revenue related to the trust conversion application of the Shooting
135.21 Star Casino. The commissioner shall pay the county of Mahnomen, \$900,000; the city of
135.22 Mahnomen, \$160,000; and Independent School District No. 432, Mahnomen, \$140,000.
135.23 The payments shall be made on July 20, of 2013 and each subsequent year.

135.24 (b) This section expires after aids payable year 2023.

135.25 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
135.26 and thereafter.

135.27 Sec. 21. **2021 AID PENALTY FORGIVENESS.**

135.28 Subdivision 1. **City of Echo.** Notwithstanding Minnesota Statutes, section 477A.017,
135.29 subdivision 3, the city of Echo is eligible to receive its aid payment for calendar year 2021
135.30 under Minnesota Statutes, section 477A.013, that was withheld under Minnesota Statutes,

136.1 section 477A.017, subdivision 3, and its small city assistance payment for calendar year
136.2 2021 under Minnesota Statutes, section 162.145, that was withheld under Minnesota Statutes,
136.3 section 162.145, subdivision 3, paragraph (c). If the state auditor certifies to the commissioner
136.4 of revenue that it received the annual financial reporting form for 2020 from the city by
136.5 June 1, 2023, the commissioner of revenue must make a payment of \$46,060 to the city by
136.6 June 30, 2023.

136.7 Subd. 2. **City of Morton.** Notwithstanding Minnesota Statutes, section 477A.017,
136.8 subdivision 3, the city of Morton is eligible to receive its aid payment for calendar year
136.9 2021 under Minnesota Statutes, section 477A.013, that was withheld under Minnesota
136.10 Statutes, section 477A.017, subdivision 3, and its small city assistance payment for calendar
136.11 year 2021 under Minnesota Statutes, section 162.145, that was withheld under Minnesota
136.12 Statutes, section 162.145, subdivision 3, paragraph (c). If the state auditor certifies to the
136.13 commissioner of revenue that it received the annual financial reporting form for 2020 from
136.14 the city by June 1, 2023, the commissioner of revenue must make a payment of \$79,476 to
136.15 the city by June 30, 2023.

136.16 Subd. 3. **Appropriation.** The amounts necessary to make the payments required under
136.17 this section are appropriated in fiscal year 2023 from the general fund to the commissioner
136.18 of revenue. This is a onetime appropriation.

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

136.20 Sec. 22. **2023 PUBLIC SAFETY AID.**

136.21 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the
136.22 meanings given:

136.23 (1) "commissioner" means the commissioner of revenue;

136.24 (2) "local unit" means (i) a statutory or home rule charter city, or (ii) a town with a
136.25 population of at least 10,000;

136.26 (3) "population" means population estimates made or conducted by the United States
136.27 Bureau of the Census; the Metropolitan Council pursuant to Minnesota Statutes, section
136.28 473.24; or by the state demographer pursuant to Minnesota Statutes, section 4A.02, paragraph
136.29 (d), whichever is the most recent estimate and available as of January 1, 2023;

136.30 (4) "Tribal governments" has the meaning given to "Minnesota Tribal governments" in
136.31 Minnesota Statutes, section 10.65, subdivision 2, paragraph (a), clause (4); and

137.1 (5) "Tribal population" means population estimates made or conducted by the United
137.2 States Bureau of the Census of the federally recognized American Indian reservations and
137.3 off-reservation trust lands in Minnesota, whichever is the most recent estimate and available
137.4 as of January 1, 2023.

137.5 Subd. 2. **County aid.** A county's public safety aid equals the sum of:

137.6 (1) the product of (i) the county's population, and (ii) the county basic allowance; plus

137.7 (2) the product of (i) the county's population minus the total population of every local
137.8 unit located in that county, and (ii) the county additional allowance.

137.9 Subd. 3. **Tribal government aid.** A Tribal government's public safety aid equals the
137.10 sum of:

137.11 (1) the product of (i) the Tribe's population, and (ii) the county basic allowance; plus

137.12 (2) the product of (i) the Tribe's population, and (ii) the county additional allowance.

137.13 Subd. 4. **Local unit aid.** A local unit's public safety aid equals the greater of (1) \$1,500,
137.14 or (2) the product of (i) the local unit's population, and (ii) the local unit allowance.

137.15 Subd. 5. **Commissioner to calculate allowances.** (a) The commissioner must calculate
137.16 the county basic allowance so that the total amount of aid distributed under subdivisions 2,
137.17 clause (1), and 3, clause (1), equals 70 percent of the amount appropriated for aid to counties
137.18 and Tribal governments.

137.19 (b) The commissioner must calculate the county additional allowance so that the total
137.20 amount of aid distributed under subdivisions 2, clause (2), and 3, clause (2), equals 30
137.21 percent of the amount appropriated for aid to counties and Tribal governments.

137.22 (c) The commissioner must calculate the local unit allowance so that the total amount
137.23 of aid distributed under subdivision 4 equals the amount appropriated for aid to local units.

137.24 Subd. 6. **Eligible uses.** (a) A county, Tribal government, or local unit must use the aid
137.25 under this section to provide public safety, including but not limited to training programs
137.26 for peace officers and other public safety staff on mental health crisis response, de-escalation
137.27 strategies, or community engagement or to pay other personnel and equipment costs.

137.28 (b) A county must consult with its county sheriff in determining how to use the aid.

137.29 (c) A county, Tribal government, or local unit may not apply the aid under this section
137.30 toward:

138.1 (1) its employer contribution to the public employees police and fire fund if the county,
138.2 Tribal government, or local unit received police state aid under Minnesota Statutes, chapter
138.3 477C, in calendar year 2022; or

138.4 (2) any costs associated with alleged wrongdoing or misconduct.

138.5 Subd. 7. **Certification; payment date.** The commissioner must certify the aid amount
138.6 to be paid in 2023 to each county, Tribal government, and local unit by September 1, 2023.
138.7 The commissioner must make the full 2023 payment to each county, Tribal government,
138.8 and local unit by December 26, 2023.

138.9 Subd. 8. **Appropriation.** (a) \$300,000,000 is appropriated in fiscal year 2024 from the
138.10 general fund to the commissioner of revenue for public safety aid under this section.

138.11 (b) Of the amount in paragraph (a), 30 percent is for aid to counties and Tribal
138.12 governments and 70 percent is for aid to local units.

138.13 (c) This is a onetime appropriation.

138.14 **EFFECTIVE DATE.** This section is effective for aids payable in 2023.

138.15 Sec. 23. **CITY OF HIBBING; 2024 CITY FORMULA AID ADJUSTMENT.**

138.16 For aid payable in 2024 only, the city formula aid calculated under Minnesota Statutes,
138.17 section 477A.013, subdivision 8, for the City of Hibbing is increased by \$1,606,400.

138.18 **EFFECTIVE DATE.** This section is effective for aids payable in 2024 only.

138.19 Sec. 24. **CRISIS RESPONSE AND CRIMINAL INVESTIGATION GRANTS;**
138.20 **SPECIAL REVENUE ACCOUNT; APPROPRIATION.**

138.21 The crisis response and criminal investigation account is created in the special revenue
138.22 fund consisting of money deposited, donated, allotted, transferred, or otherwise provided
138.23 to the account. Of the amount in the account, up to \$5,000,000 in each of fiscal years 2024,
138.24 2025, 2026, 2027, and 2028 are appropriated to the commissioner of public safety for grants
138.25 administered by the Office of Justice Programs to be awarded to local law enforcement
138.26 agencies or local governments to improve responses to situations involving individuals
138.27 experiencing a mental health crisis and to improve criminal investigations. The Office of
138.28 Justice Programs may use up to 2.5 percent of the annual appropriation to administer the
138.29 grants. This appropriation is in addition to any appropriation enacted for the same purpose
138.30 during the 2023 regular legislative session.

139.1 **Sec. 25. CRISIS RESPONSE AND CRIMINAL INVESTIGATION ACCOUNT;**
139.2 **TRANSFER.**

139.3 \$25,000,000 in fiscal year 2024 is transferred from the general fund to the crisis response
139.4 and criminal investigation account in the special revenue fund. The base for this appropriation
139.5 is \$0 in fiscal year 2025 and thereafter. Any balance in the account on June 30, 2028, cancels
139.6 to the general fund. This transfer is in addition to any transfer enacted for the same purpose
139.7 during the 2023 regular legislative session.

139.8 **Sec. 26. TRIBAL NATION HOUSING AND HOMELESSNESS AID.**

139.9 (a) \$44,000,000 in fiscal year 2024 is appropriated from the general fund to the
139.10 commissioner of revenue for direct aid to Tribal Nations for homelessness prevention,
139.11 emergency shelter, and other needs related to housing instability and homelessness.

139.12 (b) The commissioner of revenue may pay aid under this section to the governing body
139.13 of the:

139.14 (1) Fond du Lac Band;

139.15 (2) Grand Portage Band;

139.16 (3) Mille Lacs Band;

139.17 (4) White Earth Band;

139.18 (5) Bois Forte Band;

139.19 (6) Leech Lake Band;

139.20 (7) Red Lake Nation;

139.21 (8) Upper Sioux Community;

139.22 (9) Lower Sioux Community;

139.23 (10) Shakopee Mdewakanton Sioux Community; and

139.24 (11) Prairie Island Mdewakanton Dakota Community.

139.25 (c) To receive aid under this section, a Tribal Nation must apply in writing to the
139.26 commissioner of revenue on or before July 1, 2023. As part of the application, the Tribal
139.27 Nation must agree to spend the aid money for homelessness prevention, emergency shelter,
139.28 and other needs related to housing instability and homelessness.

139.29 (d) Each Tribal Nation must be paid an amount equal to the amount appropriated in
139.30 paragraph (a) divided by the number of Tribal Nations that timely applied for aid. The

140.1 commissioner of revenue shall certify the amount of aid payable to each Tribal Nation on
140.2 or before September 1, 2023.

140.3 (e) The commissioner of revenue must distribute all aid payable under this section on
140.4 or before December 26, 2023.

140.5 (f) On or before February 1, 2024, a recipient of aid under this section must provide a
140.6 report to the commissioner of revenue in the form prescribed by the commissioner of revenue.
140.7 The commissioner of revenue must compile and provide the reports to the chairs and ranking
140.8 minority members of the legislative committees with jurisdiction over taxes.

140.9 (g) The appropriation under this section is onetime.

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

140.11 Sec. 27. **APPROPRIATION; CITY OF SPRING GROVE FIRE REMEDIATION**
140.12 **GRANT.**

140.13 \$250,000 in fiscal year 2024 is appropriated from the general fund to the commissioner
140.14 of revenue for a grant to the city of Spring Grove to remediate the effects of the fire in the
140.15 city on December 22, 2022. The grant recipient must use the money appropriated under this
140.16 section for remediation costs incurred by public or private entities as a result of the fire,
140.17 including disaster recovery, infrastructure, reimbursement for emergency personnel costs,
140.18 reimbursement for equipment costs, and reimbursement for property tax abatements. This
140.19 appropriation is onetime and is available until June 30, 2025.

140.20 **EFFECTIVE DATE.** This section is effective July 1, 2023.

140.21 Sec. 28. **APPROPRIATION; CLASS 4D(1) LOW-INCOME RENTAL PROPERTY**
140.22 **2025 AND 2026 TRANSITION AID.**

140.23 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this
140.24 subdivision have the meanings given.

140.25 (b) "4d(1) property" means class 4d(1) low-income rental property under Minnesota
140.26 Statutes, section 273.13, subdivision 25.

140.27 (c) "Base assessment year" means assessment year 2023.

140.28 (d) "City" means a home rule charter or statutory city.

140.29 (e) "Modified transition tax capacity" means the product of (1) one minus the transition
140.30 ratio for the city, times (2) the transition tax capacity for the city.

141.1 (f) "Transition ratio" means the ratio of (1) the net tax capacity of 4d(1) property for the
141.2 city in the base assessment year calculated using the classification rates and first-tier limit
141.3 in effect for 4d(1) property for taxes payable in 2025, to (2) the net tax capacity of 4d(1)
141.4 property for the city in the base assessment year calculated using the classification rates
141.5 and first-tier limit in effect for 4d(1) property for taxes payable in 2024.

141.6 (g) "Transition tax capacity" means the greater of zero or the difference between (1) the
141.7 net tax capacity of 4d(1) property for the city in the base assessment year, minus (2) two
141.8 percent of the total net tax capacity for the city in the base assessment year.

141.9 Subd. 2. **Aid amount.** In 2025 and 2026 only, transition aid for a city equals the product
141.10 of (1) the city's tax rate for taxes payable in 2024, times (2) the modified transition tax
141.11 capacity for the city.

141.12 Subd. 3. **Administration; payment schedule.** (a) For purposes of this section, net tax
141.13 capacity must be determined by the commissioner of revenue based on information available
141.14 to the commissioner as of July 15, 2024.

141.15 (b) The commissioner of revenue must certify the aid amount to be paid to each city
141.16 before August 1 of the year preceding the aid distribution year and must pay the aid in two
141.17 installments on the dates specified in Minnesota Statutes, section 477A.015.

141.18 Subd. 4. **Appropriation.** An amount sufficient to pay transition aid under this section
141.19 is annually appropriated from the general fund to the commissioner of revenue.

141.20 **EFFECTIVE DATE.** This section is effective for aid payable in calendar year 2025
141.21 and 2026 only.

141.22 Sec. 29. **REPEALER.**

141.23 Minnesota Statutes 2022, sections 477A.011, subdivisions 30a, 38, 42, and 45; and
141.24 477A.013, subdivision 13, are repealed.

141.25 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
141.26 and thereafter.

141.27 **ARTICLE 5**
141.28 **SALES AND USE TAXES**

141.29 Section 1. Minnesota Statutes 2022, section 38.27, subdivision 4, is amended to read:

141.30 **Subd. 4. Use of a portion of county fair revenues.** A county agricultural society must
141.31 annually determine the amount of sales tax savings attributable to section 297A.70,

142.1 subdivision 21. ~~If the county agricultural society owns its own fairgrounds, it, and~~ must use
142.2 the amount equal to the sales tax savings to maintain, improve, or expand society-owned
142.3 buildings and facilities on the fairgrounds; ~~otherwise it must transfer this amount to the~~
142.4 ~~owner of the fairgrounds. An owner that receives a transfer of money under this subdivision~~
142.5 ~~must use the transferred amount to maintain, improve, and expand entity-owned buildings~~
142.6 ~~and facilities on the county fairgrounds.~~

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

142.8 Sec. 2. Minnesota Statutes 2022, section 297A.67, subdivision 9, is amended to read:

142.9 Subd. 9. **Baby products.** Breast pumps, baby bottles and nipples, pacifiers, teething
142.10 rings, ~~and~~ infant syringes, baby wipes, cribs and bassinets, crib and bassinet mattresses,
142.11 crib and bassinet sheets, changing tables, changing pads, strollers, car seats and car seat
142.12 bases, baby swings, bottle sterilizers, and infant eating utensils are exempt.

142.13 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
142.14 30, 2023.

142.15 Sec. 3. Minnesota Statutes 2022, section 297A.67, is amended by adding a subdivision to
142.16 read:

142.17 Subd. 39. **Firearm storage units.** (a) Secure firearm storage units are exempt. For the
142.18 purposes of this subdivision:

142.19 (1) "secure firearm storage unit" means a container that is fully enclosed and locked by
142.20 a padlock, keylock, combination lock, or similar locking device, and is either specifically
142.21 designed for the safe storage of firearms or sold for that purpose by a federally licensed
142.22 firearms dealer; and

142.23 (2) "firearm" has the meaning provided in section 97A.015, subdivision 19.

142.24 (b) The seller of a secure firearm storage unit must neither collect, nor transmit to any
142.25 private or public entity, any personal data of or information about a purchaser resulting
142.26 from a sale eligible for the exemption under this subdivision.

142.27 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
142.28 30, 2023.

143.1 Sec. 4. Minnesota Statutes 2022, section 297A.68, is amended by adding a subdivision to
143.2 read:

143.3 Subd. 35b. **Fiber and conduit; broadband and Internet access.** Fiber and conduit
143.4 purchased or leased for use directly by a broadband or Internet service provider, primarily
143.5 in the provision of broadband or Internet access services that are ultimately to be sold at
143.6 retail, are exempt.

143.7 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
143.8 30, 2023.

143.9 Sec. 5. Minnesota Statutes 2022, section 297A.68, is amended by adding a subdivision to
143.10 read:

143.11 Subd. 46. **Amenities included with the privilege of admission.** (a) The sale of amenities,
143.12 including but not limited to food and beverages, parking services, and promotional items,
143.13 that are included in the sales price of the privilege of admission to athletic events and places
143.14 of amusement under section 297A.61, subdivision 3, paragraph (m), are exempt when sold
143.15 by a seller of the privilege of admission.

143.16 (b) Under this subdivision, the exempt portion of the sale of the privilege of admission
143.17 is equal to the purchase price of the amenity if sales or use tax was paid on the amenity
143.18 when purchased by the seller.

143.19 (c) The seller must retain records documenting the price and tax paid by the seller when
143.20 purchasing the amenities and the price and tax collected when the seller sells the privilege
143.21 of admission.

143.22 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
143.23 made after June 30, 2022.

143.24 Sec. 6. Minnesota Statutes 2022, section 297A.70, subdivision 7, is amended to read:

143.25 Subd. 7. **Hospitals, outpatient surgical centers, and critical access dental providers,**
143.26 **and blood centers.** (a) Sales, except for those listed in paragraph ~~(d)~~ (e), to a hospital are
143.27 exempt, if the items purchased are used in providing hospital services. For purposes of this
143.28 subdivision, "hospital" means a hospital organized and operated for charitable purposes
143.29 within the meaning of section 501(c)(3) of the Internal Revenue Code, and licensed under
143.30 chapter 144 or by any other jurisdiction, and "hospital services" are services authorized or
143.31 required to be performed by a "hospital" under chapter 144.

144.1 (b) Sales, except for those listed in paragraph ~~(d)~~ (e), to an outpatient surgical center are
 144.2 exempt, if the items purchased are used in providing outpatient surgical services. For purposes
 144.3 of this subdivision, "outpatient surgical center" means an outpatient surgical center organized
 144.4 and operated for charitable purposes within the meaning of section 501(c)(3) of the Internal
 144.5 Revenue Code, and licensed under chapter 144 or by any other jurisdiction. For the purposes
 144.6 of this subdivision, "outpatient surgical services" means: (1) services authorized or required
 144.7 to be performed by an outpatient surgical center under chapter 144; and (2) urgent care. For
 144.8 purposes of this subdivision, "urgent care" means health services furnished to a person
 144.9 whose medical condition is sufficiently acute to require treatment unavailable through, or
 144.10 inappropriate to be provided by, a clinic or physician's office, but not so acute as to require
 144.11 treatment in a hospital emergency room.

144.12 (c) Sales, except for those listed in paragraph ~~(d)~~ (e), to a critical access dental provider
 144.13 are exempt, if the items purchased are used in providing critical access dental care services.
 144.14 For the purposes of this subdivision, "critical access dental provider" means a dentist or
 144.15 dental clinic that qualifies under section 256B.76, subdivision 4, paragraph (b), and, in the
 144.16 previous calendar year, had no more than 15 percent of its patients covered by private dental
 144.17 insurance.

144.18 (d) Sales, except for those listed in paragraph (e), to a blood center are exempt, if the
 144.19 items purchased are used in providing blood collection and distribution services.
 144.20 Notwithstanding paragraph (e), leases by a blood center of a truck, as defined in section
 144.21 168.002; a bus, as defined in section 168.002; or a passenger automobile, as defined in
 144.22 section 168.002, if the truck, bus, or automobile is used for carrying out the purposes of the
 144.23 blood center, including the collection of blood from donors, setting up of blood drives, and
 144.24 delivering blood to hospitals are exempt. For purposes of this subdivision, "blood center"
 144.25 means an entity organized and operated for charitable purposes under section 501(c)(3) of
 144.26 the Internal Revenue Code that is:

144.27 (1) registered as a blood establishment pursuant to Code of Federal Regulations, title
 144.28 21, part 607;

144.29 (2) a human cells, tissues, and cellular and tissue-based products establishment under
 144.30 Code of Federal Regulations, title 21, part 1271, subpart B; or

144.31 (3) a clinical lab that performs infectious disease testing, blood typing, and other
 144.32 laboratory testing services in connection with blood processing for transfusion into humans
 144.33 under Code of Federal Regulations, title 42, part 493.

144.34 (e) This exemption does not apply to the following products and services:

145.1 (1) purchases made by a clinic, physician's office, or any other medical facility not
145.2 operating as a hospital, outpatient surgical center, ~~or~~ critical access dental provider, or blood
145.3 center, even though the clinic, office, or facility may be owned and operated by a hospital,
145.4 outpatient surgical center, ~~or~~ critical access dental provider, or blood center;

145.5 (2) sales under section 297A.61, subdivision 3, paragraph (g), clause (2), and prepared
145.6 food, candy, and soft drinks;

145.7 (3) building and construction materials used in constructing buildings or facilities that
145.8 will not be used principally by the hospital, outpatient surgical center, ~~or~~ critical access
145.9 dental provider, or blood center;

145.10 (4) building, construction, or reconstruction materials purchased by a contractor or a
145.11 subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed
145.12 maximum price covering both labor and materials for use in the construction, alteration, or
145.13 repair of a hospital, outpatient surgical center, ~~or~~ critical access dental provider, or blood
145.14 center; or

145.15 (5) the leasing of a motor vehicle as defined in section 297B.01, subdivision 11.

145.16 ~~(e)~~ (f) A limited liability company also qualifies for exemption under this subdivision
145.17 if (1) it consists of a sole member that would qualify for the exemption, and (2) the items
145.18 purchased qualify for the exemption.

145.19 ~~(f)~~ (g) An entity that contains both a hospital and a nonprofit unit may claim this
145.20 exemption on purchases made for both the hospital and nonprofit unit provided that:

145.21 (1) the nonprofit unit would have qualified for exemption under subdivision 4; and

145.22 (2) the items purchased would have qualified for the exemption.

145.23 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
145.24 made after December 31, 2019.

145.25 Sec. 7. Minnesota Statutes 2022, section 297A.70, subdivision 19, is amended to read:

145.26 Subd. 19. **Nonprofit snowmobile clubs; machinery and equipment.** (a) The following
145.27 sales to an eligible nonprofit snowmobile club are exempt:

145.28 ~~sales of~~ (1) tangible personal property, including grooming machines, attachments, other
145.29 associated accessories, and repair parts, to a nonprofit snowmobile club that is used primarily
145.30 and directly for the grooming of state or grant-in-aid snowmobile trails are exempt. The
145.31 exemption applies to grooming machines, attachments, other associated accessories, and
145.32 repair parts; and

146.1 (2) materials and supplies used or consumed in, and equipment incorporated into, the
146.2 construction, reconstruction, maintenance, or improvement of state or grant-in-aid
146.3 snowmobile trails, completed by the nonprofit snowmobile club.

146.4 (b) A nonprofit snowmobile club is eligible for the exemption under this subdivision if
146.5 it received, in the current year or in the previous three-year period, a state grant-in-aid
146.6 maintenance and grooming grant administered by the Department of Natural Resources by
146.7 applying for the grant with a local unit of government sponsor.

146.8 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
146.9 30, 2023.

146.10 Sec. 8. Minnesota Statutes 2022, section 297A.70, subdivision 21, is amended to read:

146.11 Subd. 21. **County agricultural society sales at county fairs.** (a) The following sales
146.12 by a county agricultural society during a regularly scheduled county fair are exempt. For
146.13 purposes of this subdivision, sales include are exempt:

146.14 (1) admissions to and parking at the county fairgrounds;

146.15 (2) admissions to separately ticketed events run by the county agricultural society; and

146.16 (3) concessions and other sales made by employees or volunteers of the county
146.17 agricultural society on the county fairgrounds.

146.18 ~~This~~ (b) The exemption under paragraph (a) does not apply to sales or for events by a
146.19 ~~county agricultural society~~ held at a time other than at the time of the regularly scheduled
146.20 county fair, or events not held on the county fairgrounds.

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

146.22 Sec. 9. Minnesota Statutes 2022, section 297A.71, subdivision 51, is amended to read:

146.23 Subd. 51. **Properties destroyed by fire.** (a) Building materials and supplies used or
146.24 consumed in, and equipment incorporated into, the construction or replacement of real
146.25 property affected by, and capital equipment to replace equipment destroyed in, the fire on
146.26 March 11, 2018, in the city of Mazeppa are exempt. The tax must be imposed and collected
146.27 as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner
146.28 provided in section 297A.75. For purposes of this subdivision, "capital equipment" includes
146.29 durable equipment used in a restaurant for food storage, preparation, and serving.

147.1 (b) The exemption under this subdivision applies to sales and purchases made after
147.2 March 11, 2018, and before January 1, ~~2022~~ 2025. Notwithstanding section 289A.40, a
147.3 claim for refund may be filed until June 1, 2028.

147.4 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
147.5 made after March 11, 2018, and before January 1, 2025.

147.6 Sec. 10. Minnesota Statutes 2022, section 297A.71, subdivision 52, is amended to read:

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

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

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

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

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

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

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

147.28 (7) the North Metro Regional Public Safety Training Facility in Maple Grove, if materials,
147.29 supplies, and equipment are purchased after August 31, 2021, and before December 31,
147.30 2023.

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

148.1 (c) The total refund for the project listed in paragraph (a), clause (3), must not exceed
148.2 \$850,000.

148.3 **EFFECTIVE DATE; APPLICATION.** This section is effective retroactively for sales
148.4 and purchases made after August 31, 2021, and before December 31, 2023.

148.5 Sec. 11. **SALES AND USE TAX EXEMPTION; CERTAIN NATURAL GAS FEES.**

148.6 Subdivision 1. **Exemption.** Fees related to natural gas sold for residential use to customers
148.7 who were metered and billed as residential users and who used natural gas for their primary
148.8 source of residential heat are exempt from sales and use tax imposed under Minnesota
148.9 Statutes, chapter 297A, for purposes of the billing periods May to October, provided that:

148.10 (1) the fee for the natural gas is subject to a cost recovery plan for the price increase in
148.11 natural gas during the period from February 13, 2021, to February 17, 2021, identified in
148.12 docket G-999/CI-21-135 before the Minnesota Public Utilities Commission; and

148.13 (2) the fee is separately stated and labeled as a fee pursuant to a cost recovery plan under
148.14 clause (1).

148.15 Subd. 2. **Application; refund.** (a) By October 1, 2023, each utility must apply to the
148.16 commissioner of revenue for a refund of sales taxes collected and remitted pursuant to
148.17 Minnesota Statutes, section 297A.77, on fees for sales and purchases of natural gas subject
148.18 to a cost recovery plan under subdivision 1, clause (1), that were added to residential
148.19 customers' bills for the period beginning September 1, 2021, and ending June 30, 2023.

148.20 (b) The provisions of Minnesota Statutes, section 289A.50, subdivision 2, paragraphs
148.21 (a), (b), and (d), apply to refunds issued under this subdivision. For purposes of this
148.22 subdivision, "utility" means a utility subject to the cost recovery plan under subdivision 1,
148.23 clause (1). Within 90 days after the date the commissioner issues the refund under Minnesota
148.24 Statutes, section 289A.50, subdivision 2, paragraph (a), to the utility, the utility must provide
148.25 a plan to the Minnesota Public Utilities Commission for crediting taxes exempt under
148.26 subdivision 1 to residential customers.

148.27 (c) The plan must be approved by the Minnesota Public Utilities Commission. Any
148.28 amount not refunded or credited to a residential customer by a utility within 60 days of
148.29 approval of the plan must be returned to the commissioner by the utility.

148.30 **EFFECTIVE DATE.** This section is effective retroactively for fees applied to sales
148.31 and purchases of natural gas that are billed from September 1, 2021, to December 31, 2026.

149.1 Sec. 12. **BELTRAMI COUNTY; SALES TAX EXEMPTION FOR CONSTRUCTION**
149.2 **MATERIALS.**

149.3 **Subdivision 1. Exemption; refund.** (a) Materials and supplies used or consumed in and
149.4 equipment incorporated into the construction of a new county jail in Beltrami County are
149.5 exempt from sales and use tax under Minnesota Statutes, chapter 297A, provided that the
149.6 materials, supplies, and equipment are purchased after March 31, 2024, and before January
149.7 1, 2028.

149.8 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
149.9 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
149.10 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

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

149.13 **EFFECTIVE DATE.** This section is effective for sales and purchases made after March
149.14 31, 2024, and before January 1, 2028.

149.15 Sec. 13. **CITY OF CHANHASSEN; SALES TAX EXEMPTION FOR**
149.16 **CONSTRUCTION MATERIALS.**

149.17 **Subdivision 1. Exemption; refund.** (a) Materials and supplies used or consumed in and
149.18 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,
149.19 or remodeling of a new city hall and senior center, council chambers, and park amenities
149.20 in the city of Chanhassen are exempt from sales and use tax under Minnesota Statutes,
149.21 chapter 297A, provided that the materials, supplies, and equipment are purchased after
149.22 January 31, 2024, and before February 1, 2027.

149.23 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
149.24 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects
149.25 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

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

149.28 **EFFECTIVE DATE.** This section is effective for sales and purchases made after January
149.29 31, 2024, and before February 1, 2027.

150.1 Sec. 14. **CHISHOLM PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**
150.2 **CONSTRUCTION MATERIALS.**

150.3 **Subdivision 1. Exemption; refund.** (a) Materials and supplies used in and equipment
150.4 incorporated into the construction and renovation projects for Chisholm Elementary School,
150.5 Chisholm High School, and Vaughan Steffensrud School in Independent School District
150.6 No. 695, Chisholm Public Schools, are exempt from sales and use tax imposed under
150.7 Minnesota Statutes, chapter 297A. The exemption under this subdivision only applies if
150.8 materials, supplies, and equipment are purchased after December 31, 2021, and before
150.9 January 1, 2025.

150.10 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
150.11 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
150.12 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
150.13 purchases must not be issued until after June 30, 2023.

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

150.16 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
150.17 made after December 31, 2021, and before January 1, 2025.

150.18 Sec. 15. **DULUTH PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**
150.19 **CONSTRUCTION MATERIALS.**

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

150.25 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
150.26 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
150.27 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
150.28 purchases must not be issued until after June 30, 2023.

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

150.31 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
150.32 made after June 30, 2021, and before January 1, 2025.

151.1 **Sec. 16. ELY PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**
151.2 **CONSTRUCTION MATERIALS.**

151.3 **Subdivision 1. Exemption; refund.** (a) Materials and supplies used in and equipment
151.4 incorporated into the following projects in Independent School District No. 696, Ely Public
151.5 Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter
151.6 297A, if materials, supplies, and equipment are purchased after May 1, 2019, and before
151.7 January 1, 2024:

151.8 (1) renovations to the elementary school building and high school building; and
151.9 (2) construction of a building that connects the elementary school and high school
151.10 buildings containing classrooms, a common area, a gymnasium, and administrative offices.

151.11 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
151.12 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects
151.13 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
151.14 purchases must not be issued until after June 30, 2023. Notwithstanding Minnesota Statutes,
151.15 section 289A.40, a claim for refund may be filed until June 1, 2027.

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

151.18 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
151.19 made after May 1, 2019, and before January 1, 2024.

151.20 **Sec. 17. HIBBING PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**
151.21 **CONSTRUCTION MATERIALS.**

151.22 **Subdivision 1. Exemption; refund.** (a) Materials and supplies used in and equipment
151.23 incorporated into the following projects in the city of Hibbing are exempt from sales and
151.24 use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and
151.25 equipment are purchased after May 1, 2019, and before January 1, 2025:

151.26 (1) the addition of an Early Childhood Family Education Center to an existing elementary
151.27 school;

151.28 (2) improvements to an existing athletic facility in Independent School District No. 701,
151.29 Hibbing Public Schools;

151.30 (3) a reroofing project at Hibbing Washington Elementary School; and

151.31 (4) a Hibbing High School restroom remodel project.

152.1 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
152.2 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
152.3 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
152.4 purchases must not be issued until after June 30, 2023. Notwithstanding Minnesota Statutes,
152.5 section 289A.40, a claim for refund may be filed until June 1, 2028.

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

152.8 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
152.9 made after May 1, 2019, and before January 1, 2025.

152.10 Sec. 18. **SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS; ITASCA**
152.11 **COUNTY.**

152.12 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and
152.13 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,
152.14 or remodeling of the Itasca County courthouse and new correctional facility are exempt
152.15 from sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials,
152.16 supplies, and equipment are purchased after April 30, 2021, and before January 1, 2025.

152.17 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
152.18 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects
152.19 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
152.20 purchases must not be issued until after June 30, 2023.

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

152.23 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
152.24 made after April 30, 2021, and before January 1, 2025.

152.25 Sec. 19. **MINNEAPOLIS-ST. PAUL INTERNATIONAL AIRPORT; SALES TAX**
152.26 **EXEMPTION FOR CONSTRUCTION MATERIALS.**

152.27 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment
152.28 incorporated into the construction, reconstruction, repair, maintenance, or improvement of
152.29 public infrastructure at the Minneapolis-St. Paul International Airport purchased by a
152.30 contractor or subcontractor are exempt from sales and use tax imposed under Minnesota
152.31 Statutes, chapter 297A, if materials, supplies, and equipment are purchased after June 30,
152.32 2023, and before July 1, 2024.

153.1 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
153.2 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects
153.3 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

153.4 (c) The total amount of refunds issued for the exemption under paragraph (a) must not
153.5 exceed \$8,000,000.

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

153.8 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
153.9 30, 2023, and before July 1, 2024.

153.10 Sec. 20. **CITY OF MOORHEAD; SALES TAX EXEMPTION FOR**
153.11 **CONSTRUCTION MATERIALS.**

153.12 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and
153.13 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,
153.14 or remodeling of a regional library and community center in the city of Moorhead are exempt
153.15 from sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials,
153.16 supplies, and equipment are purchased after February 29, 2024, and before April 1, 2027.

153.17 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
153.18 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects
153.19 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

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

153.22 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
153.23 February 29, 2024, and before April 1, 2027.

153.24 Sec. 21. **NASHWAUK-KEEWATIN PUBLIC SCHOOLS; SALES TAX EXEMPTION**
153.25 **FOR CONSTRUCTION MATERIALS.**

153.26 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment
153.27 incorporated into the construction of a new school building and attached community wellness
153.28 center to replace Keewatin Elementary School and the Nashwauk High School in Independent
153.29 School District No. 319, Nashwauk-Keewatin Public Schools, are exempt from sales and
153.30 use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and
153.31 equipment are purchased after December 31, 2021, and before January 1, 2025.

154.1 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
154.2 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
154.3 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
154.4 purchases must not be issued until after June 30, 2023.

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

154.7 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
154.8 made after December 31, 2021, and before January 1, 2025.

154.9 Sec. 22. **NORTHERN LIGHTS ACADEMY; SALES TAX EXEMPTION FOR**
154.10 **CONSTRUCTION MATERIALS.**

154.11 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment
154.12 incorporated into the following projects at Northern Lights Academy Cooperative No. 6096
154.13 are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if
154.14 materials, supplies, and equipment are purchased after December 31, 2021, and before
154.15 January 1, 2025:

154.16 (1) the construction of a new addition to the existing facility; and

154.17 (2) renovations and improvements to the existing facility.

154.18 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
154.19 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
154.20 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
154.21 purchases must not be issued until after June 30, 2023.

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

154.24 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
154.25 made after December 31, 2021, and before January 1, 2025.

154.26 Sec. 23. **NORTHLAND LEARNING CENTER; SALES TAX EXEMPTION FOR**
154.27 **CONSTRUCTION MATERIALS.**

154.28 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment
154.29 incorporated into the following projects at Independent School District No. 6076 are exempt
154.30 from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials,

155.1 supplies, and equipment are purchased after December 31, 2021, and before January 1,
155.2 2025:

155.3 (1) the construction of a new addition to the James Madison Building for Northland
155.4 Learning Center; and

155.5 (2) renovations and improvements to the existing facility.

155.6 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
155.7 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
155.8 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
155.9 purchases must not be issued until after June 30, 2023.

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

155.12 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
155.13 made after December 31, 2021, and before January 1, 2025.

155.14 Sec. 24. **CITY OF OAKDALE; SALES TAX EXEMPTION FOR CONSTRUCTION**
155.15 **MATERIALS.**

155.16 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and
155.17 equipment incorporated into the construction of a new public works facility in the city of
155.18 Oakdale are exempt from sales and use tax under Minnesota Statutes, chapter 297A, provided
155.19 that the materials, supplies, and equipment are purchased after August 31, 2023, and before
155.20 January 1, 2027.

155.21 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
155.22 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects
155.23 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
155.24 purchases must not be issued until after June 30, 2023.

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

155.27 **EFFECTIVE DATE.** This section is effective for sales and purchases made after August
155.28 31, 2023, and before January 1, 2027.

156.1 Sec. 25. CITY OF RAMSEY; SALES TAX EXEMPTION FOR CONSTRUCTION
156.2 MATERIALS.

156.3 Subdivision 1. Exemption; refund. (a) Materials and supplies used or consumed in and
156.4 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,
156.5 or remodeling of a new water treatment plant in the city of Ramsey are exempt from sales
156.6 and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies,
156.7 and equipment are purchased after December 31, 2022, and before July 1, 2027.

156.8 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
156.9 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects
156.10 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
156.11 purchases must not be issued until after June 30, 2023, and before July 1, 2027.

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

156.14 EFFECTIVE DATE. This section is effective retroactively for sales and purchases
156.15 made after December 31, 2022.

156.16 Sec. 26. RED LAKE COUNTY SCHOOL DISTRICT; SALES TAX EXEMPTION
156.17 FOR CONSTRUCTION MATERIALS.

156.18 Subdivision 1. Exemption; refund. (a) Materials and supplies used in and equipment
156.19 incorporated into the construction of a new school in Independent School District No. 2906,
156.20 Red Lake County School District, are exempt from sales and use tax imposed under
156.21 Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after
156.22 December 31, 2020, and before January 1, 2026.

156.23 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
156.24 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects
156.25 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
156.26 purchases must not be issued until after June 30, 2023.

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

156.29 EFFECTIVE DATE. This section is effective retroactively for sales and purchases
156.30 made after December 31, 2020, and before January 1, 2026.

157.1 Sec. 27. **RED ROCK CENTRAL SCHOOL DISTRICT; SALES TAX EXEMPTION**
157.2 **FOR CONSTRUCTION MATERIALS.**

157.3 **Subdivision 1. Exemption; refund.** (a) Materials and supplies used in and equipment
157.4 incorporated into the construction of a new prekindergarten through grade 12 learning
157.5 facility in Independent School District No. 2884, Red Rock Central School District, are
157.6 exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials,
157.7 supplies, and equipment are purchased after December 31, 2021, and before July 1, 2025.

157.8 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
157.9 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects
157.10 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
157.11 purchases must not be issued until after June 30, 2023.

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

157.14 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
157.15 made after December 31, 2021, and before July 1, 2025.

157.16 Sec. 28. **ROCK RIDGE PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**
157.17 **CONSTRUCTION MATERIALS.**

157.18 **Subdivision 1. Exemption; refund.** (a) Materials and supplies used in and equipment
157.19 incorporated into the construction of two new elementary school buildings and a new high
157.20 school building in Independent School District No. 2909, Rock Ridge Public Schools, are
157.21 exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials,
157.22 supplies, and equipment are purchased after May 1, 2019, and before January 1, 2024.

157.23 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
157.24 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects
157.25 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
157.26 purchases must not be issued until after June 30, 2023. Notwithstanding Minnesota Statutes,
157.27 section 289A.40, a claim for refund may be filed until June 1, 2027.

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

157.30 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
157.31 made after May 1, 2019, and before January 1, 2024.

158.1 Sec. 29. CITY OF SPRING GROVE; SALES TAX EXEMPTION FOR
158.2 CONSTRUCTION MATERIALS AND CAPITAL EQUIPMENT.

158.3 Subdivision 1. Exemption; refund. (a) The sale and purchase of the following items
158.4 are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the
158.5 items are used to repair, replace, or otherwise recover from real and personal property
158.6 damage that occurred during the fire on December 22, 2022, in the city of Spring Grove:

158.7 (1) building materials and supplies used or consumed in, and equipment incorporated
158.8 into, the construction, replacement, or repair of real property; and

158.9 (2) capital equipment to replace equipment destroyed in the fire.

158.10 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
158.11 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects
158.12 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). The exemption under
158.13 paragraph (a) applies to sales and purchases made after December 22, 2022, and before
158.14 January 1, 2028. Refunds for eligible purchases must not be issued until after June 30, 2023.

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

158.17 EFFECTIVE DATE. This section is effective retroactively for sales and purchases
158.18 made after December 22, 2022, and before January 1, 2028.

158.19 Sec. 30. SPRINGFIELD SCHOOL DISTRICT; SALES TAX EXEMPTION FOR
158.20 CONSTRUCTION MATERIALS.

158.21 Subdivision 1. Exemption; refund. (a) Materials and supplies used in and equipment
158.22 incorporated into the following projects for Independent School District No. 85, Springfield
158.23 School District, are exempt from sales and use tax imposed under Minnesota Statutes,
158.24 chapter 297A, if materials, supplies, and equipment are purchased after December 31, 2021,
158.25 and before July 1, 2025:

158.26 (1) construction of a main secure entrance;

158.27 (2) construction of a required tornado storm shelter and related safety, security, and
158.28 accessibility improvements;

158.29 (3) installation of HVAC improvements;

158.30 (4) renovation and interior modifications necessary to convert the existing elementary
158.31 school gymnasium for use for career and technical education trades and an auto shop; and

159.1 (5) addition of a new school gymnasium, including the construction and improvement
159.2 of new locker rooms, and the renovation and repurposing of existing locker rooms for use
159.3 for cafeteria improvements and school programming needs.

159.4 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
159.5 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects
159.6 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
159.7 purchases must not be issued until after June 30, 2023.

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

159.10 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
159.11 made after December 31, 2021, and before July 1, 2025.

159.12 Sec. 31. **CITY OF WAYZATA; SALES TAX EXEMPTION FOR CONSTRUCTION**
159.13 **MATERIALS.**

159.14 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and
159.15 equipment incorporated into the following projects in the city of Wayzata are exempt from
159.16 sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials,
159.17 supplies, and equipment are purchased after March 31, 2020, and before July 1, 2025:

159.18 (1) expansion and remodeling of Depot Park;

159.19 (2) construction of community docks for purposes of access from Lake Minnetonka;

159.20 (3) construction of a lakeside boardwalk of approximately 1,500 lineal feet;

159.21 (4) shoreline restoration, including installation of native plants, trees, and natural habitat;

159.22 (5) restoration of Section Foreman House, including installation of a learning center to
159.23 provide indoor and outdoor classroom and community space;

159.24 (6) construction of Eco Park, including shoreline restoration and marsh and water quality
159.25 improvement, a pier extension of the lakeside boardwalk, and creation of eco-living
159.26 classrooms;

159.27 (7) construction of a public plaza with a restroom, 9/11 memorial, interactive water
159.28 display, and gathering space;

159.29 (8) construction of a regional multiuse trail; and

159.30 (9) construction of railroad crossings.

160.1 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
160.2 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects
160.3 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible
160.4 purchases must not be issued until after June 30, 2023.

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

160.7 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases
160.8 made after March 31, 2020, and before January 1, 2025.

160.9 Sec. 32. **CITY OF WOODBURY; SALES TAX EXEMPTION FOR**
160.10 **CONSTRUCTION MATERIALS.**

160.11 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and
160.12 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,
160.13 or remodeling of the Central Park project in the city of Woodbury are exempt from sales
160.14 and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies,
160.15 and equipment are purchased after June 30, 2023, and before January 1, 2026.

160.16 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section
160.17 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects
160.18 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

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

160.21 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
160.22 30, 2023, and before January 1, 2026.

160.23 **ARTICLE 6**
160.24 **MINERALS**

160.25 Section 1. Minnesota Statutes 2022, section 272.02, subdivision 73, is amended to read:

160.26 **Subd. 73. Property subject to taconite production tax or ~~net~~ gross proceeds tax.** (a)
160.27 Real and personal property described in section 298.25 is exempt to the extent the tax on
160.28 taconite and iron sulphides under section 298.24 is described in section 298.25 as being in
160.29 lieu of other taxes on such property. This exemption applies for taxes payable in each year
160.30 that the tax under section 298.24 is payable with respect to such property.

161.1 (b) Deposits of mineral, metal, or energy resources the mining of which is subject to
161.2 taxation or the minimum payment under section 298.015 are exempt.

161.3 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

161.4 Sec. 2. Minnesota Statutes 2022, section 273.1341, is amended to read:

161.5 **273.1341 TACONITE ASSISTANCE AREA.**

161.6 A "taconite assistance area" means the geographic area that falls within the boundaries
161.7 of a school district that contains:

161.8 (1) a municipality in which the assessed valuation of unmined iron ore on May 1, 1941,
161.9 was not less than 40 percent of the assessed valuation of all real property; ~~or~~

161.10 (2) a municipality in which on January 1, 1977, or the applicable assessment date, there
161.11 is a taconite concentrating plant or where taconite is mined or quarried or where there is
161.12 located an electric generating plant which qualifies as a taconite facility; or

161.13 (3) a municipality:

161.14 (i) that is located in a county that contains a school district described in clause (1) or
161.15 (2); and

161.16 (ii) where active mining of materials subject to the tax under section 298.015, subdivision
161.17 1, is occurring, or where a mine subject to the minimum payment under section 298.015,
161.18 subdivision 3, is located.

161.19 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
161.20 31, 2022.

161.21 Sec. 3. Minnesota Statutes 2022, section 297A.68, subdivision 4, is amended to read:

161.22 Subd. 4. **Taconite, other ores, metals, or minerals; production materials.** Mill liners,
161.23 grinding rods, and grinding balls that are substantially consumed in the production of taconite
161.24 or other ores, metals, or minerals are exempt when sold to or stored, used, or consumed by
161.25 persons taxed under the in-lieu or ~~net~~ gross proceeds provisions of chapter 298.

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

162.1 Sec. 4. Minnesota Statutes 2022, section 298.015, is amended to read:

162.2 **298.015 NET GROSS PROCEEDS TAX ON MINING.**

162.3 Subdivision 1. **Tax imposed.** A person engaged in the business of mining shall pay to
162.4 the state of Minnesota for distribution as provided in section 298.018 a net gross proceeds
162.5 tax equal to ~~two~~ 0.4 percent of the net gross proceeds from mining in Minnesota. The tax
162.6 applies to all ores, metals, and minerals mined, extracted, produced, or refined within the
162.7 state of Minnesota except for sand, silica sand, gravel, building stone, crushed rock,
162.8 limestone, granite, dimension granite, dimension stone, horticultural peat, clay, soil, iron
162.9 ore, and taconite concentrates. The tax is in addition to all other taxes provided for by law.

162.10 Subd. 2. **Net Gross proceeds.** For purposes of this section, the term "net gross proceeds"
162.11 means the gross proceeds from mining, as defined in section 298.016, ~~less the deductions~~
162.12 ~~for purposes of determining taxable income under section 298.01, subdivision 3b, applied~~
162.13 ~~to the mining, production, processing, beneficiation, smelting, or refining of metal or mineral~~
162.14 ~~products. No other credits or deductions shall apply to this tax.~~

162.15 Subd. 3. **Minimum payment.** (a) A person who has obtained all required permits to
162.16 mine all ores and metals, except for sand, silica sand, gravel, building stone, crushed rock,
162.17 limestone, granite, dimension granite, dimension stone, horticultural peat, clay, soil, iron
162.18 ore, and iron concentrates, is annually subject to the minimum payment under this
162.19 subdivision, unless:

162.20 (1) the tax imposed on the individual under subdivision 1 in a given year is greater than
162.21 zero; or

162.22 (2) the person demonstrates to the commissioner of revenue that it is legally prohibited
162.23 from engaging in the business of mining under a permit it has obtained.

162.24 (b) The annual payment under this subdivision is (1) \$2,000,000, multiplied by (2) the
162.25 number of months in a calendar year the individual is subject to the minimum payment
162.26 under this subdivision, as determined under paragraph (a), divided by 12.

162.27 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
162.28 31, 2022.

162.29 Sec. 5. Minnesota Statutes 2022, section 298.018, subdivision 1, is amended to read:

162.30 Subdivision 1. **Within taconite assistance area.** (a) The proceeds of the tax paid under
162.31 sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the
162.32 taconite assistance area defined in section 273.1341, shall be allocated as follows:

163.1 (1) except as provided under paragraph (b), five percent to the city or town within which
 163.2 the minerals or energy resources are mined or extracted, or within which the concentrate
 163.3 was produced. If the mining and concentration, or different steps in either process, are
 163.4 carried on in more than one taxing district, the commissioner shall apportion equitably the
 163.5 proceeds among the cities and towns by attributing 50 percent of the proceeds of the tax to
 163.6 the operation of mining or extraction, and the remainder to the concentrating plant and to
 163.7 the processes of concentration, and with respect to each thereof giving due consideration
 163.8 to the relative extent of the respective operations performed in each taxing district;

163.9 (2) ten percent to the taconite municipal aid account to be distributed as provided in
 163.10 section 298.282, subdivisions 1 and 2, on the dates provided under this section;

163.11 (3) ten percent to the school district within which the minerals or energy resources are
 163.12 mined or extracted, or within which the concentrate was produced. If the mining and
 163.13 concentration, or different steps in either process, are carried on in more than one school
 163.14 district, distribution among the school districts must be based on the apportionment formula
 163.15 prescribed in clause (1);

163.16 (4) 20 percent to a group of school districts comprised of those school districts wherein
 163.17 the mineral or energy resource was mined or extracted or in which there is a qualifying
 163.18 municipality as defined by section 273.134, paragraph (b), in direct proportion to school
 163.19 district indexes as follows: for each school district, its pupil units determined under section
 163.20 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted
 163.21 net tax capacity per pupil unit for school districts receiving aid under this clause as calculated
 163.22 pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution
 163.23 to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that
 163.24 portion of the distribution which its index bears to the sum of the indices for all school
 163.25 districts that receive the distributions;

163.26 (5) ~~20~~ ten percent to the county within which the minerals or energy resources are mined
 163.27 or extracted, or within which the concentrate was produced. If the mining and concentration,
 163.28 or different steps in either process, are carried on in more than one county, distribution
 163.29 among the counties must be based on the apportionment formula prescribed in clause (1),
 163.30 provided that any county receiving distributions under this clause shall pay one percent of
 163.31 its proceeds to the Range Association of Municipalities and Schools;

163.32 (6) ~~20~~ five percent to St. Louis County acting as the counties' fiscal agent to be distributed
 163.33 as provided in sections 273.134 to 273.136;

164.1 (7) ~~five~~ 20 percent to the commissioner of Iron Range resources and rehabilitation for
164.2 the purposes of section 298.22;

164.3 (8) three percent to the Douglas J. Johnson economic protection trust fund; ~~and~~

164.4 (9) seven percent to the taconite environmental protection fund; and

164.5 (10) ten percent to the commissioner of Iron Range resources and rehabilitation for
164.6 capital improvements to Giants Ridge Recreation Area.

164.7 (b) If the materials or energy resources are mined, extracted, or concentrated in School
164.8 District No. 2711, Mesabi East, then the amount under paragraph (a), clause (1), must instead
164.9 be distributed pursuant to this paragraph. The cities of Aurora, Babbitt, Ely, and Hoyt Lakes
164.10 must each receive 20 percent of the amount. The city of Biwabik and Embarrass Township
164.11 must each receive ten percent of the amount.

164.12 (c) For the first five years that tax paid under section 298.015, subdivisions 1 and 2, is
164.13 distributed under this subdivision, ten percent of the total proceeds distributed in each year
164.14 must first be distributed pursuant to this paragraph. The remaining 90 percent of the total
164.15 proceeds distributed in each of those years must be distributed as outlined in paragraph (a).
164.16 Of the amount available under this paragraph, the cities of Aurora, Babbitt, Ely, and Hoyt
164.17 Lakes must each receive 20 percent. Of the amount available under this paragraph, the city
164.18 of Biwabik and Embarrass Township must each receive ten percent.

164.19 **EFFECTIVE DATE.** This section is effective for distributions beginning after December
164.20 31, 2022.

164.21 Sec. 6. Minnesota Statutes 2022, section 298.018, subdivision 1a, is amended to read:

164.22 Subd. 1a. **Distribution date.** The proceeds of the tax allocated under subdivision 1 shall
164.23 be distributed on December 15 each year. Any payment of proceeds received after December
164.24 15 shall be distributed on the next ~~net~~ gross proceeds tax distribution date.

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

164.26 Sec. 7. Minnesota Statutes 2022, section 298.28, subdivision 5, is amended to read:

164.27 Subd. 5. **Counties.** (a) 21.05 cents per taxable ton ~~for distributions in 2015 through 2023,~~
164.28 ~~and 26.05 cents per taxable ton for distributions beginning in 2024,~~ is allocated to counties
164.29 to be distributed, based upon certification by the commissioner of revenue, under paragraphs
164.30 (b) to (d).

165.1 (b) 10.525 cents per taxable ton shall be distributed to the county in which the taconite
165.2 is mined or quarried or in which the concentrate is produced, less any amount which is to
165.3 be distributed pursuant to paragraph (c). The apportionment formula prescribed in subdivision
165.4 2 is the basis for the distribution.

165.5 (c) 1.0 cent per taxable ton of the tax distributed to the counties under paragraph (b)
165.6 shall be paid to a county that received a distribution under this section in 2000 because there
165.7 was located in the county an electric power plant owned by and providing the primary source
165.8 of power for a taxpayer mining and concentrating taconite in a different county.

165.9 (d) 10.525 cents per taxable ton for distributions in 2015 through 2023, and 15.525 cents
165.10 per taxable ton for distributions beginning in 2024, shall be paid to the county from which
165.11 the taconite was mined, quarried or concentrated to be deposited in the county road and
165.12 bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those
165.13 processes are carried on in more than one county, the commissioner shall follow the
165.14 apportionment formula prescribed in subdivision 2.

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

165.16 Sec. 8. Minnesota Statutes 2022, section 298.28, subdivision 7a, is amended to read:

165.17 Subd. 7a. **Iron Range school consolidation and cooperatively operated school**
165.18 **account.** (a) The following amounts must be allocated to the commissioner of Iron Range
165.19 resources and rehabilitation to be deposited in the Iron Range school consolidation and
165.20 cooperatively operated school account that is hereby created:

165.21 (1)(i) for distributions beginning in 2015 through 2023, ten cents per taxable ton of the
165.22 tax imposed under section 298.24; and

165.23 (ii) for distributions beginning in 2024, five cents per taxable ton of the tax imposed
165.24 under section 298.24;

165.25 (2) the amount as determined under section 298.17, paragraph (b), clause (3); and

165.26 (3) any other amount as provided by law.

165.27 (b) Expenditures from this account may be approved as ongoing annual expenditures
165.28 and shall be made only to provide disbursements to assist school districts with the payment
165.29 of bonds that were issued for qualified school projects, or for any other school disbursement
165.30 as approved by the commissioner of Iron Range resources and rehabilitation after consultation
165.31 with the Iron Range Resources and Rehabilitation Board. For purposes of this section,
165.32 "qualified school projects" means school projects within the taconite assistance area as

166.1 defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006;
166.2 and (2) approved by the commissioner of education pursuant to section 123B.71.

166.3 (c) Beginning in fiscal year 2019, the disbursement to school districts for payments for
166.4 bonds issued under section 123A.482, subdivision 9, must be increased each year to offset
166.5 any reduction in debt service equalization aid that the school district qualifies for in that
166.6 year, under section 123B.53, subdivision 6, compared with the amount the school district
166.7 qualified for in fiscal year 2018.

166.8 (d) No expenditure under this section shall be made unless approved by the commissioner
166.9 of Iron Range resources and rehabilitation after consultation with the Iron Range Resources
166.10 and Rehabilitation Board.

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

166.12 Sec. 9. Minnesota Statutes 2022, section 298.28, is amended by adding a subdivision to
166.13 read:

166.14 **Subd. 16. Transfer.** Of the amount annually distributed to the Douglas J. Johnson
166.15 Economic Protection Trust Fund under this section, \$3,500,000 shall be transferred to the
166.16 Iron Range school consolidation and cooperatively operated school account under subdivision
166.17 7a. Any remaining amount of the amount annually distributed to the Douglas J. Johnson
166.18 Economic Protection Trust Fund shall be transferred to the Iron Range resources and
166.19 rehabilitation account under subdivision 7. The transfers under this subdivision must be
166.20 made within ten days of the August payment.

166.21 **EFFECTIVE DATE.** This section is effective beginning with production year 2023.

166.22 Sec. 10. Minnesota Statutes 2022, section 298.296, subdivision 4, is amended to read:

166.23 **Subd. 4. Temporary loan authority.** (a) After consultation with the advisory board,
166.24 the commissioner may use up to \$7,500,000 from the corpus of the trust for loans, loan
166.25 guarantees, grants, or equity investments as provided in this subdivision. The money would
166.26 be available for loans for construction and equipping of facilities constituting (1) a value
166.27 added iron products plant, which may be either a new plant or a facility incorporated into
166.28 an existing plant that produces iron upgraded to a minimum of 75 percent iron content or
166.29 any iron alloy with a total minimum metallic content of 90 percent; or (2) a new mine or
166.30 minerals processing plant for any mineral subject to the ~~net~~ gross proceeds tax imposed
166.31 under section 298.015. A loan or loan guarantee under this paragraph may not exceed
166.32 \$5,000,000 for any facility.

167.1 (b) Additionally, the commissioner, after consultation with the advisory board, may use
167.2 up to \$5,500,000 from the corpus of the trust for additional grants, loans, loan guarantees,
167.3 or equity investments for the purposes set forth in paragraph (a).

167.4 (c) The commissioner, after consultation with the advisory board, may require that the
167.5 fund receive an equity percentage in any project to which it contributes under this section.

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

167.7 Sec. 11. **TRANSFER 2023 DISTRIBUTION ONLY; PROPERTY TAX RELIEF**
167.8 **ACCOUNT.**

167.9 (a) The fund established under Minnesota Statutes, section 298.28, subdivision 7, shall
167.10 receive the excess balance remaining in the fund established under Minnesota Statutes,
167.11 section 298.28, subdivision 6, after the distribution of amounts required under Minnesota
167.12 Statutes, section 298.28, subdivision 6, for the 2023 distribution. The transfer amount under
167.13 this section must not exceed \$6,000,000 and must be made within ten days of the August
167.14 2023 payment. The commissioner of Iron Range resources and rehabilitation must distribute
167.15 these transferred funds as outlined in this section. The uses listed are not subject to review
167.16 or recommendation by the Iron Range Resources and Rehabilitation Board. The commissioner
167.17 must distribute the funds for the following uses:

167.18 (1) \$250,000 to St. Louis County for a grant to the St. Louis County Agricultural Society
167.19 for construction and furnishing of a facility to house a food booth and equipment for the
167.20 St. Louis County 4-H Club;

167.21 (2) \$100,000 to Alborn Snow Devils Inc. for trail grooming costs and equipment;

167.22 (3) \$300,000 to School District No. 2142, St. Louis County Schools, for the purchase
167.23 and installation of lights at the Cherry School baseball and softball fields;

167.24 (4) \$150,000 to the Seitaniemi Housebarn and Sisu Heritage Site for facility upgrades;

167.25 (5) \$600,000 to the city of Aurora for downtown beautification projects, as outlined in
167.26 paragraph (c);

167.27 (6) \$500,000 to School District No. 2142, St. Louis County Schools, for wastewater
167.28 upgrades at the South Ridge School;

167.29 (7) \$500,000 to the city of Mountain Iron for the Outdoor Recreation Center;

167.30 (8) \$100,000 to the city of Buhl for capital improvements to the city hall;

168.1 (9) \$150,000 to School District No. 712, Mountain Iron-Buhl Public School, for fitness
168.2 equipment and capital upgrades to the fitness center;

168.3 (10) \$100,000 to the Mesabi Sno Voyageurs Snowmobile Club for trail grooming costs
168.4 and equipment;

168.5 (11) \$100,000 to the PathBlazers Snowmobile Club for trail grooming costs and
168.6 equipment;

168.7 (12) \$100,000 to the Ely Igloo Snowmobile Club for trail grooming costs and equipment;

168.8 (13) \$100,000 to the Voyageur Trail Society, Inc. for trail grooming costs and equipment;

168.9 (14) \$200,000 to Veterans On The Lake Resort for cabin accessibility upgrades, a
168.10 handicap dock, tennis court repaving, and replacement of an underground power cable;

168.11 (15) \$650,000 to School District No. 2142, St. Louis County Schools, for wastewater
168.12 upgrades at the North Woods School;

168.13 (16) \$200,000 to the City of Babbitt for capital improvements to city-owned buildings;

168.14 (17) \$750,000 to the Boundary Waters Care Center for capital equipment purchases;

168.15 (18) \$800,000 to the Cook County Historical Society to predesign, design, construct,
168.16 furnish, and equip the renovation of the following Historic Cook County sites: (i) the Cook
168.17 County History Museum; (ii) the Johnson Heritage Post Art Gallery; (iii) the Bally
168.18 Blacksmith Shop; (iv) the St. Francis Xavier Church, also known as the Chippewa City
168.19 Church; and (v) 1930s Nee-Gee Fishing Tug and Fish House; and to complete design for
168.20 and to construct, furnish, and equip a new collections storage facility in Cook County;

168.21 (19) \$100,000 to the Virginia Community Foundation for the Mesabi Fit Coalition to
168.22 rehabilitate the former Mesabi Family YMCA building;

168.23 (20) \$50,000 to the United States Hockey Hall of Fame Museum Inc. for capital
168.24 improvements;

168.25 (21) \$100,000 to the Ranger Snowmobile and ATV Club for trail grooming costs and
168.26 equipment; and

168.27 (22) \$100,000 to the Crane Lake Voyageurs Snowmobile Club for trail grooming costs
168.28 and equipment.

168.29 (b) If the amount of the transfer under paragraph (a) is less than \$6,000,000, each of the
168.30 uses in paragraph (a), clauses (1) to (22), must be proportionally reduced so that the total
168.31 amount distributed under those clauses does not exceed the amount of the transfer.

169.1 (c) The city of Aurora must use the funds received under this section for improvements
169.2 to city-owned property in the downtown area and to establish a grant program to businesses
169.3 for front entrance enhancements and exterior storefront improvements. The grants may
169.4 award no more than \$25,000 to a business. All improvements under this paragraph must be
169.5 made along St. Louis County State-Aid Highway 100 (3rd Avenue North and Main Street),
169.6 from marked Trunk Highway 135 to St. Louis County State-Aid Highway 110.

169.7 (d) The funds under paragraph (a), clause (19), must only be distributed if the Virginia
169.8 Community Foundation purchases the former Mesabi Family YMCA building.

169.9 **EFFECTIVE DATE.** This section is effective the day following final enactment and
169.10 applies only to the 2023 distribution.

169.11 Sec. 12. **TRANSFER 2023 DISTRIBUTION ONLY; DOUGLAS J. JOHNSON**
169.12 **ECONOMIC PROTECTION TRUST FUND.**

169.13 Of the funds distributed to the Douglas J. Johnson Economic Protection Trust Fund
169.14 under Minnesota Statutes, section 298.28, for the 2023 distribution only, an amount equal
169.15 to \$3,500,000 shall be transferred from the Douglas J. Johnson Economic Protection Trust
169.16 Fund to the Iron Range school consolidation and cooperatively operated school account
169.17 under Minnesota Statutes, section 298.28, subdivision 7a. The transfer must be made within
169.18 ten days of the August 2023 payment.

169.19 **EFFECTIVE DATE.** This section is effective the day following final enactment and
169.20 applies only to the 2023 distribution.

169.21 **ARTICLE 7**

169.22 **TAX INCREMENT FINANCING**

169.23 Section 1. Minnesota Statutes 2022, section 469.174, subdivision 27, is amended to read:

169.24 Subd. 27. **Small city.** "Small city" means any home rule charter or statutory city that
169.25 has a population of 5,000 or less and that is located ~~ten~~ five miles or more from a home rule
169.26 charter or statutory city, located in this state, with a population of 10,000 or more. For
169.27 purposes of this definition, the distance between cities is measured by drawing a straight
169.28 line from the nearest boundaries of the two cities.

169.29 **EFFECTIVE DATE.** This section is effective for districts for which the request for
169.30 certification was made after July 1, 2023.

170.1 Sec. 2. Laws 2003, chapter 127, article 10, section 31, subdivision 1, as amended by Laws
170.2 2008, chapter 366, article 5, section 21, and Laws 2019, First Special Session chapter 6,
170.3 article 7, section 1, is amended to read:

170.4 Subdivision 1. **District extension.** (a) The governing body of the city of Hopkins may
170.5 elect to extend the duration of its redevelopment tax increment financing district 2-11 by
170.6 up to four additional years.

170.7 (b) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, effective upon
170.8 approval of this subdivision, no increments may be spent on activities located outside of
170.9 the area of the district, other than:

170.10 (1) to pay administrative expenses, not to exceed ten percent of the total tax increments
170.11 from the district; or

170.12 (2) to pay the costs of housing or redevelopment activities that are consistent with
170.13 Minnesota Statutes, section 469.176, subdivision 4j, provided that expenditures under this
170.14 clause may not exceed ~~20~~ 25 percent of the total tax increments from the district.

170.15 The total amount of increment that may be spent on activities located outside the area of
170.16 the district under this section shall be limited to ~~25~~ 28 percent.

170.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
170.18 city of Hopkins and its chief clerical officer comply with Minnesota Statutes, section 645.021,
170.19 subdivisions 2 and 3.

170.20 Sec. 3. Laws 2008, chapter 366, article 5, section 26, as amended by Laws 2013, chapter
170.21 143, article 9, section 11, and Laws 2019, First Special Session chapter 6, article 7, section
170.22 2, is amended to read:

170.23 Sec. 26. **BLOOMINGTON TAX INCREMENT FINANCING; FIVE-YEAR RULE.**

170.24 (a) The requirements of Minnesota Statutes, section 469.1763, subdivision 3, that
170.25 activities must be undertaken within a five-year period from the date of certification of a
170.26 tax increment financing district, are increased to a ~~21-year~~ 26-year period for the Port
170.27 Authority of the City of Bloomington's Tax Increment Financing District No. 1-I,
170.28 Bloomington Central Station. The requirements of Minnesota Statutes, section 469.1763,
170.29 subdivision 4, relating to the use of increment after the expiration of the five-year rule, is
170.30 extended to the 27th year.

171.1 (b) Notwithstanding the provisions of Minnesota Statutes, section 469.176, or any other
171.2 law to the contrary, the city of Bloomington and its port authority may extend the duration
171.3 limits of the district for a period through December 31, ~~2039~~ 2044.

171.4 (c) Effective for taxes payable in 2014, tax increment for the district must be computed
171.5 using the current local tax rate, notwithstanding the provisions of Minnesota Statutes, section
171.6 469.177, subdivision 1a.

171.7 **EFFECTIVE DATE.** This section is effective upon compliance by the city of
171.8 Bloomington, Hennepin County, and Independent School District No. 271 with the
171.9 requirements of Minnesota Statutes, section 469.1782, subdivision 2.

171.10 Sec. 4. Laws 2008, chapter 366, article 5, section 36, subdivision 1, is amended to read:

171.11 Subdivision 1. **Authorization.** Notwithstanding the provisions of any other law, upon
171.12 approval of the governing body of the city of St. Paul, the Housing and Redevelopment
171.13 Authority of the city of St. Paul may establish a redevelopment tax increment financing
171.14 district comprised of the properties included in the existing downtown and Seventh Place
171.15 tax increment district (County #82). Notwithstanding Minnesota Statutes, section 469.177,
171.16 subdivision 6, if certification of the district is requested by July 31, 2008, the certification
171.17 will be recognized by the county auditor in determining local tax rates for taxes payable in
171.18 2009 and subsequent years. The district created under this section terminates December 31,
171.19 ~~2023~~ 2033. The city may create the district under this section only if it enters into an
171.20 agreement with Ramsey County to pay the county annually out of the increment from this
171.21 district an amount equal to the tax that would have been payable to the county on the captured
171.22 tax capacity of the district had the district not been created.

171.23 **EFFECTIVE DATE.** This section is effective upon compliance by the city of St. Paul,
171.24 Ramsey County, and Independent School District No. 625 with the requirements of Minnesota
171.25 Statutes, section 469.1782, subdivision 2.

171.26 Sec. 5. Laws 2008, chapter 366, article 5, section 36, subdivision 3, as amended by Laws
171.27 2014, chapter 150, article 5, section 5, is amended to read:

171.28 Subd. 3. **Authorized expenditures.** Tax increment from the district may be expended
171.29 only to pay principal and interest on bond obligations issued by the city of St. Paul in 2009
171.30 for the RiverCentre Arena, including payment of principal and interest on any bonds issued
171.31 to repay the bonds or loans, as amended in 2014, but only through taxes payable year 2023.
171.32 Commencing with taxes payable year 2024, tax increments from the district may be expended
171.33 to facilitate capital improvements within the city's RiverCentre complex, including but not

172.1 limited to the St. Paul RiverCentre, Xcel Energy Center, Roy Wilkins Auditorium, and St.
172.2 Paul RiverCentre Parking Ramp and adjacent areas controlled by the city. All such
172.3 expenditures are deemed to be activities within the district under Minnesota Statutes, section
172.4 469.1763, subdivisions 2, 3, and 4.

172.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
172.6 city of St. Paul and its chief clerical officer comply with Minnesota Statutes, section 645.021,
172.7 subdivisions 2 and 3.

172.8 Sec. 6. Laws 2014, chapter 308, article 6, section 12, subdivision 2, is amended to read:

172.9 Subd. 2. **Special rules.** (a) If the city elects, upon the adoption of the tax increment
172.10 financing plan for a district, the rules under this section apply to a redevelopment district,
172.11 renewal and renovation district, soil condition district, or soil deficiency district established
172.12 by the city or a development authority of the city in the project area.

172.13 (b) Prior to or upon the adoption of the first tax increment plan subject to the special
172.14 rules under this subdivision, the city must find by resolution that parcels consisting of at
172.15 least 80 percent of the acreage of the project area, excluding street and railroad rights-of-way,
172.16 are characterized by one or more of the following conditions:

172.17 (1) peat or other soils with geotechnical deficiencies that impair development of
172.18 commercial buildings or infrastructure;

172.19 (2) soils or terrain that require substantial filling in order to permit the development of
172.20 commercial buildings or infrastructure;

172.21 (3) landfills, dumps, or similar deposits of municipal or private waste;

172.22 (4) quarries or similar resource extraction sites;

172.23 (5) floodway; and

172.24 (6) substandard buildings, within the meaning of Minnesota Statutes, section 469.174,
172.25 subdivision 10.

172.26 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the
172.27 relevant condition if at least 70 percent of the area of the parcel contains the relevant
172.28 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by
172.29 substandard buildings if substandard buildings occupy at least 30 percent of the area of the
172.30 parcel.

172.31 (d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is
172.32 extended to ~~eight~~ 12 years for any district; the five-year rule under Minnesota Statutes,

173.1 section 469.175, subdivision 4, paragraph (f), is extended to nine years for any district; and
173.2 Minnesota Statutes, section 469.1763, subdivision 4, does not apply to any district.

173.3 (e) Notwithstanding any provision to the contrary in Minnesota Statutes, section 469.1763,
173.4 subdivision 2, paragraph (a), not more than 40 percent of the total revenue derived from tax
173.5 increments paid by properties in any district, measured over the life of the district, may be
173.6 expended on activities outside the district but within the project area.

173.7 (f) For a soil deficiency district:

173.8 (1) increments may be collected through 20 years after the receipt by the authority of
173.9 the first increment from the district;

173.10 (2) increments may be used only to:

173.11 (i) acquire parcels on which the improvements described in item (ii) will occur;

173.12 (ii) pay for the cost of correcting the unusual terrain or soil deficiencies and the additional
173.13 cost of installing public improvements directly caused by the deficiencies; and

173.14 (iii) pay for the administrative expenses of the authority allocable to the district; and

173.15 (3) any parcel acquired with increments from the district must be sold at no less than
173.16 their fair market value.

173.17 (g) Increments spent for any infrastructure costs, whether inside a district or outside a
173.18 district but within the project area, are deemed to satisfy the requirements of Minnesota
173.19 Statutes, section 469.176, subdivision 4j.

173.20 (h) The authority to approve tax increment financing plans to establish tax increment
173.21 financing districts under this section expires June 30, 2020.

173.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
173.23 city of Savage and its chief clerical officer comply with Minnesota Statutes, section 645.021,
173.24 subdivisions 2 and 3.

173.25 Sec. 7. Laws 2019, First Special Session chapter 6, article 7, section 7, is amended to read:

173.26 **Sec. 7. CITY OF DULUTH; TAX INCREMENT FINANCING DISTRICT; SPECIAL**
173.27 **RULES AUTHORIZATION.**

173.28 Subdivision 1. **Establishment.** The city of Duluth or the Duluth Economic Development
173.29 Authority may establish, by resolution, ~~one~~ not more than two redevelopment tax increment
173.30 financing district districts located in the city of Duluth, St. Louis County, Minnesota, within

174.1 the area bordered on the northeast by Slip 3 and the Pier B Resort property line extended
 174.2 northwest to Interstate 35, on the southeast by the Duluth Harbor, on the southwest by the
 174.3 Compass Minerals property line extended northwest to Interstate 35, and on the northwest
 174.4 by Interstate 35, together with adjacent roads and rights-of-way; and such property is deemed
 174.5 to meet the requirements of Minnesota Statutes, section 469.174, subdivision 10.

174.6 Subd. 2. **Eligible expenditures.** Expenditures incurred in connection with the
 174.7 development of the property described in subdivision 1 are deemed to meet the requirements
 174.8 of Minnesota Statutes, section 469.176, subdivision 4j. Eligible expenditures for any tax
 174.9 increment financing district established in the area described in subdivision 1 include,
 174.10 without limitation, seawalls and pier facings adjacent to the boundaries of such district.

174.11 Subd. 3. **Duration.** Notwithstanding Minnesota Statutes, section 469.176, subdivision
 174.12 1b, or any other law to the contrary, the city of Duluth or its economic development authority
 174.13 may extend the duration limit of a district established under subdivision 1 by five years.

174.14 **EFFECTIVE DATE.** (a) The amendment to subdivision 1 is effective the day after the
 174.15 governing body of the city of Duluth and its chief clerical officer comply with Minnesota
 174.16 Statutes, section 645.021, subdivisions 2 and 3.

174.17 (b) Subdivision 3 is effective upon compliance by the city of Duluth, St. Louis County,
 174.18 and Independent School District No. 709 with the requirements of Minnesota Statutes,
 174.19 section 469.1782, subdivision 2.

174.20 Sec. 8. Laws 2021, First Special Session chapter 14, article 9, section 10, is amended to
 174.21 read:

174.22 Sec. 10. **CITY OF RAMSEY; TAX INCREMENT FINANCING DISTRICT NO.**
 174.23 **14; FIVE-YEAR RULE EXTENSION.**

174.24 (a) The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that activities
 174.25 must be undertaken within a five-year period from the date of certification of a tax increment
 174.26 financing district, is extended by a ~~two-year~~ five-year period to November 28, ~~2023~~ 2026,
 174.27 for Tax Increment Financing District No. 14 administered by the city of Ramsey.

174.28 (b) The requirements of Minnesota Statutes, section 469.1763, subdivision 4, relating
 174.29 to the use of increment after the expiration of the five-year period under Minnesota Statutes,
 174.30 section 469.1763, subdivision 3, is extended to the ~~13th~~ 16th year for Tax Increment
 174.31 Financing District No. 14.

175.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
175.2 city of Ramsey and its chief clerical officer comply with the requirements of Minnesota
175.3 Statutes, section 645.021, subdivisions 2 and 3.

175.4 Sec. 9. **CITY OF CHATFIELD; TIF AUTHORITY; ECONOMIC DEVELOPMENT**
175.5 **AUTHORIZATION.**

175.6 Notwithstanding Minnesota Statutes, section 469.176, subdivision 4c, paragraph (b), or
175.7 any other law to the contrary, the city of Chatfield or its economic development authority
175.8 may establish an economic development district to construct a multilevel hotel on Mill
175.9 Creek Road and Division Street NW, south of Trunk Highway 30, in the city of Chatfield,
175.10 Olmsted County, provided that the first floor of the hotel does not exceed 15,000 square
175.11 feet. For purposes of this section, "first floor" means the floor at street level where the public
175.12 is permitted to enter and exit.

175.13 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
175.14 city of Chatfield and its chief clerical officer comply with the requirements of Minnesota
175.15 Statutes, section 645.021, subdivisions 2 and 3.

175.16 Sec. 10. **CITY OF DULUTH; TAX INCREMENT FINANCING DISTRICT;**
175.17 **SPECIAL RULES.**

175.18 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the
175.19 economic development authority of the city of Duluth or the city of Duluth may establish
175.20 one or more redevelopment districts located wholly within the area of the city of Duluth,
175.21 St. Louis County, Minnesota, limited to the area classified as the Medical Regional Exchange
175.22 District and East 1st Street Corridor as bounded by: East 6th Street from North 3rd Avenue
175.23 East to North 7th Avenue East; North 7th Avenue East from East 6th Street to East 3rd
175.24 Street; East 3rd Street from North 7th Avenue East to North 12th Avenue East; North 12th
175.25 Avenue East from East 3rd Street straight through the Duluth Rose Garden to the Lake
175.26 Superior Waterfront; the Lake Superior waterfront from the Duluth Rose Garden at North
175.27 12th Avenue East to Lake Place Park at North 3rd Avenue East; North 3rd Avenue East
175.28 from Lake Place Park at the Lake Superior waterfront to East Superior Street; East Superior
175.29 Street from North 3rd Avenue East to North Lake Avenue; North Lake Avenue from East
175.30 Superior Street to East 2nd Street; East 2nd Street from North Lake Avenue to North 3rd
175.31 Avenue East; North 3rd Ave East from East 2nd Street to East 6th Street.

175.32 Subd. 2. **Special rules.** If the city or authority establishes a redevelopment tax increment
175.33 financing district under this section, the following special rules apply:

176.1 (1) the district is deemed to meet all the requirements of Minnesota Statutes, section
176.2 469.174, subdivision 10; and

176.3 (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.

176.4 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
176.5 city of Duluth and its chief clerical officer comply with the requirements of Minnesota
176.6 Statutes, section 645.021, subdivisions 2 and 3.

176.7 Sec. 11. **CITY OF FRIDLEY; TAX INCREMENT FINANCING DISTRICT;**
176.8 **SPECIAL RULES.**

176.9 Subdivision 1. **Transfer of increment.** Notwithstanding Minnesota Statutes, section
176.10 469.176, subdivision 4j, the city of Fridley or its economic development authority may
176.11 transfer tax increment accumulated from Fridley Tax Increment Financing District No. 20
176.12 to the Fridley Housing and Redevelopment Authority for the purposes authorized in
176.13 subdivision 2. Only increment allowed to be expended outside of the district pursuant to
176.14 Minnesota Statutes, section 469.1763, subdivision 2, may be transferred under this section.

176.15 Subd. 2. **Allowable use.** Tax increment transferred under subdivision 1 must be used
176.16 only to:

176.17 (1) make grants, loans, and loan guarantees for the development, rehabilitation, or
176.18 financing of housing; or

176.19 (2) match other funds from federal, state, or private resources for housing projects.

176.20 Subd. 3. **Annual financial reporting.** Tax increment transferred under this section is
176.21 subject to the annual reporting requirements under Minnesota Statutes, section 469.175,
176.22 subdivision 6.

176.23 Subd. 4. **Legislative reports.** By February 1, 2025, and February 1, 2027, the city of
176.24 Fridley must issue a report to the chairs and ranking minority members of the legislative
176.25 committees with jurisdiction over taxes and property taxes. Each report must include detailed
176.26 information relating to each program financed with increment transferred under this section.

176.27 Subd. 5. **Expiration.** The authority to make transfers under subdivision 1 expires
176.28 December 31, 2027.

176.29 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
176.30 city of Fridley and its chief clerical officer comply with the requirements of Minnesota
176.31 Statutes, section 645.021, subdivisions 2 and 3.

177.1 **Sec. 12. CITY OF PLYMOUTH; TIF AUTHORITY.**

177.2 **Subdivision 1. Establishment.** Under the special rules established in subdivision 2, the
177.3 city of Plymouth may establish not more than two redevelopment districts located wholly
177.4 within the city of Plymouth, Hennepin County, Minnesota, limited to the following parcels
177.5 identified by tax identification numbers: 34-119-22-44-0002, 03-118-22-12-0002,
177.6 03-118-22-11-0007, 02-118-22-22-0005, and 03-118-22-14-0032, together with adjacent
177.7 roads and rights-of-way.

177.8 **Subd. 2. Special rules.** If the city establishes a tax increment financing district under
177.9 this section, the following special rules apply:

177.10 (1) the district is deemed to meet the requirements of Minnesota Statutes, section 469.174,
177.11 subdivision 10;

177.12 (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district;
177.13 and

177.14 (3) not more than 75 percent of increments generated from the district may be expended
177.15 on improvements to Chankahda Trail, formerly known as Hennepin County Road 47, outside
177.16 the project area, and all such expenditures are deemed expended on activities within the
177.17 district for the purposes of Minnesota Statutes, section 469.1763.

177.18 **Subd. 3. Expiration.** The authority to approve a tax increment financing plan to establish
177.19 a tax increment financing district under this section expires December 31, 2030.

177.20 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
177.21 city of Plymouth and its chief clerical officer comply with Minnesota Statutes, section
177.22 645.021, subdivisions 2 and 3.

177.23 **Sec. 13. CITY OF SHAKOPEE; TAX INCREMENT FINANCING DISTRICT.**

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

177.26 (b) "City" means the city of Shakopee.

177.27 (c) "Project area" means the following parcels, identified by parcel identification numbers:
177.28 279160102, 279160110, 279170020, and 279160120.

177.29 (d) "Soil deficiency district" means a type of tax increment financing district consisting
177.30 of a portion of the project area in which the city finds by resolution that the following
177.31 conditions exist:

178.1 (1) unusual terrain or soil deficiencies that occurred over 70 percent of the acreage in
178.2 the district require substantial filling, grading, or other physical preparation for use; and

178.3 (2) the estimated cost of the physical preparation under clause (1), excluding costs
178.4 directly related to roads as defined in Minnesota Statutes, section 160.01, and local
178.5 improvements as described in Minnesota Statutes, sections 429.021, subdivision 1, clauses
178.6 (1) to (7) and (11) to (22), and 430.01, exceeds the fair market value of the land before
178.7 completion of the preparation.

178.8 Subd. 2. **Special rules.** (a) If the city elects, upon the adoption of the tax increment
178.9 financing plan for a district, the rules under this section apply to a redevelopment district,
178.10 renewal and renovation district, soil condition district, or soil deficiency district established
178.11 by the city or a development authority of the city in the project area. The city, or a
178.12 development authority acting on its behalf, may establish one or more soil deficiency districts
178.13 within the project area.

178.14 (b) Prior to or upon the adoption of the first tax increment plan subject to the special
178.15 rules under this subdivision, the city must find by resolution that parcels consisting of at
178.16 least 70 percent of the acreage of the project area, excluding street and railroad rights-of-way,
178.17 are characterized by one or more of the following conditions:

178.18 (1) peat or other soils with geotechnical deficiencies that impair development of
178.19 residential or commercial buildings or infrastructure;

178.20 (2) soils or terrain that requires substantial filling in order to permit the development of
178.21 residential or commercial buildings or infrastructure;

178.22 (3) landfills, dumps, or similar deposits of municipal or private waste;

178.23 (4) quarries or similar resource extraction sites;

178.24 (5) floodways; and

178.25 (6) substandard buildings, within the meaning of Minnesota Statutes, section 469.174,
178.26 subdivision 10.

178.27 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the
178.28 relevant condition if at least 60 percent of the area of the parcel contains the relevant
178.29 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by
178.30 substandard buildings if substandard buildings occupy at least 30 percent of the area of the
178.31 parcel.

179.1 (d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is
179.2 extended to ten years for any district, and the period under Minnesota Statutes, section
179.3 469.1763, subdivision 4, is extended to 11 years.

179.4 (e) Notwithstanding any provision to the contrary in Minnesota Statutes, section 469.1763,
179.5 subdivision 2, paragraph (a), not more than 80 percent of the total revenue derived from tax
179.6 increments paid by properties in any district, measured over the life of the district, may be
179.7 expended on activities outside the district but within the project area.

179.8 (f) For a soil deficiency district:

179.9 (1) increments may be collected through 20 years after the receipt by the authority of
179.10 the first increment from the district; and

179.11 (2) except as otherwise provided in this subdivision, increments may be used only to:

179.12 (i) acquire parcels on which the improvements described in item (ii) will occur;

179.13 (ii) pay for the cost of correcting the unusual terrain or soil deficiencies and the additional
179.14 cost of installing public improvements directly caused by the deficiencies; and

179.15 (iii) pay for the administrative expenses of the authority allocable to the district.

179.16 (g) The authority to approve tax increment financing plans to establish tax increment
179.17 financing districts under this section expires December 31, 2026.

179.18 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
179.19 city of Shakopee and its chief clerical officer comply with the requirements of Minnesota
179.20 Statutes, section 645.021, subdivisions 2 and 3.

179.21 **Sec. 14. CITY OF WEST ST. PAUL; TIF AUTHORITY.**

179.22 **Subdivision 1. Establishment.** Under the special rules established in subdivision 2, the
179.23 economic development authority of the city of West St. Paul or the city of West St. Paul
179.24 may establish one or more redevelopment tax increment financing districts consisting of
179.25 the parcels in the city of West St. Paul, Dakota County, Minnesota, currently identified with
179.26 the following parcel identification numbers: 42-83680-01-011, 42-11561-00-010,
179.27 42-11561-01-010, 42-11560-01-021, 42-11561-00-020, and 42-11560-01-022, as the same
179.28 may be replatted or reconfigured, together with adjacent roads and rights-of-way.

179.29 **Subd. 2. Special rules.** If the city or authority establishes one or more tax increment
179.30 financing districts under this section, the following special rules apply:

180.1 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section
180.2 469.174, subdivision 10; and

180.3 (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.

180.4 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
180.5 city of West St. Paul and its chief clerical officer comply with Minnesota Statutes, section
180.6 645.021, subdivisions 2 and 3.

180.7 **Sec. 15. CITY OF WOODBURY; TAX INCREMENT FINANCING DISTRICT**
180.8 **NO. 13; EXPENDITURES ALLOWED; DURATION EXTENSION.**

180.9 (a) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, or any other
180.10 law to the contrary, the city of Woodbury may expend increments generated from Tax
180.11 Increment Financing District No. 13 for the maintenance, and facility and infrastructure
180.12 upgrades to Central Park. All such expenditures are deemed expended on activities within
180.13 the district.

180.14 (b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, the city of
180.15 Woodbury may elect to extend the duration of Tax Increment Financing District No. 13 by
180.16 five years.

180.17 **EFFECTIVE DATE.** Paragraph (a) is effective the day after the governing body of the
180.18 city of Woodbury and its chief clerical officer comply with the requirements of Minnesota
180.19 Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance
180.20 by the city of Woodbury, Washington County, and Independent School District No. 833
180.21 with the requirements of Minnesota Statutes, section 469.1782, subdivision 2.

180.22 **ARTICLE 8**

180.23 **OFFICE OF THE STATE AUDITOR: TAX INCREMENT FINANCING GENERAL**
180.24 **LAW MODIFICATIONS**

180.25 Section 1. Minnesota Statutes 2022, section 469.174, subdivision 14, is amended to read:

180.26 Subd. 14. **Administrative expenses.** (a) "Administrative expenses" or "administrative
180.27 costs" means all documented expenditures of an authority other than or municipality,
180.28 including but not limited to:

180.29 (1) amounts paid for services provided by bond counsel, fiscal consultants, and economic
180.30 development consultants;

180.31 (2) allocated expenses and staff time of the authority or municipality for administering
180.32 a project, including but not limited to preparing the tax increment financing plan, negotiating

181.1 and preparing agreements, accounting for segregated funds of the district, preparing and
181.2 submitting required reporting for the district, and reviewing and monitoring compliance
181.3 with sections 469.174 to 469.1794;

181.4 (3) amounts paid to publish annual disclosures and provide notices under section 469.175;

181.5 (4) amounts to provide for the usual and customary maintenance and operation of
181.6 properties purchased with tax increments, including necessary reserves for repairs and the
181.7 cost of any insurance;

181.8 (5) amounts allocated or paid to prepare a development action response plan for a soils
181.9 condition district or hazardous substance subdistrict; and

181.10 (6) amounts used to pay bonds, interfund loans, or other financial obligations to the
181.11 extent those obligations were used to finance costs described in clauses (1) to (5).

181.12 (b) Administrative expenses and administrative costs do not include:

181.13 (1) amounts paid for the purchase of land or buildings;

181.14 (2) amounts paid to contractors or others providing materials and services, including
181.15 architectural and engineering services, directly connected with the physical development
181.16 of the real property in the project, including architectural and engineering services and
181.17 materials and services for demolition, soil correction, and the construction or installation
181.18 of public improvements;

181.19 (3) relocation benefits paid to or services provided for persons residing or businesses
181.20 located in the project;

181.21 ~~(4) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount~~
181.22 ~~bonds issued pursuant to section 469.178; or~~

181.23 ~~(5) (4) amounts paid for property taxes or payments in lieu of taxes; and~~

181.24 (5) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount
181.25 bonds issued pursuant to section 469.178 or other financial obligations to the extent those
181.26 obligations were used to finance costs described in clauses (1) to (3) (4).

181.27 ~~For districts for which the requests for certifications were made before August 1, 1979,~~
181.28 ~~or after June 30, 1982, "administrative expenses" includes amounts paid for services provided~~
181.29 ~~by bond counsel, fiscal consultants, and planning or economic development consultants.~~

181.30 This definition does not apply to administrative expenses or administrative costs referenced
181.31 under section 469.176, subdivision 4h.

182.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and
182.2 applies to all districts, regardless of when the request for certification was made.

182.3 Sec. 2. Minnesota Statutes 2022, section 469.174, is amended by adding a subdivision to
182.4 read:

182.5 Subd. 30. **Pay-as-you-go contract and note.** "Pay-as-you-go contract and note" means
182.6 a written note or contractual obligation under which all of the following apply:

182.7 (1) the note or contractual obligation evidences an authority's commitment to reimburse
182.8 a developer, property owner, or note holder for the payment of costs of activities, including
182.9 any interest on unreimbursed costs;

182.10 (2) the reimbursement is made from tax increment revenues identified in the note or
182.11 contractual obligation as received by a municipality or authority as taxes are paid; and

182.12 (3) the risk that available tax increments may be insufficient to fully reimburse the costs
182.13 is borne by the developer, property owner, or note holder.

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

182.15 Sec. 3. Minnesota Statutes 2022, section 469.175, subdivision 6, is amended to read:

182.16 **Subd. 6. Annual financial reporting.** (a) The state auditor shall develop a uniform
182.17 system of accounting and financial reporting for tax increment financing districts. The
182.18 system of accounting and financial reporting shall, as nearly as possible:

182.19 (1) provide for full disclosure of the sources and uses of tax increments of the district;

182.20 (2) permit comparison and reconciliation with the affected local government's accounts
182.21 and financial reports;

182.22 (3) permit auditing of the funds expended on behalf of a district, including a single
182.23 district that is part of a multidistrict project or that is funded in part or whole through the
182.24 use of a development account funded with tax increments from other districts or with other
182.25 public money;

182.26 (4) be consistent with generally accepted accounting principles.

182.27 (b) The authority must annually submit to the state auditor a financial report in compliance
182.28 with paragraph (a). Copies of the report must also be provided to the county auditor and to
182.29 the governing body of the municipality, if the authority is not the municipality. To the extent
182.30 necessary to permit compliance with the requirement of financial reporting, the county and
182.31 any other appropriate local government unit or private entity must provide the necessary

183.1 records or information to the authority or the state auditor as provided by the system of
183.2 accounting and financial reporting developed pursuant to paragraph (a). The authority must
183.3 submit the annual report for a year on or before August 1 of the next year.

183.4 (c) The annual financial report must also include the following items:

183.5 (1) the original net tax capacity of the district and any subdistrict under section 469.177,
183.6 subdivision 1;

183.7 (2) the net tax capacity for the reporting period of the district and any subdistrict;

183.8 (3) the captured net tax capacity of the district;

183.9 (4) any fiscal disparity deduction from the captured net tax capacity under section
183.10 469.177, subdivision 3;

183.11 (5) the captured net tax capacity retained for tax increment financing under section
183.12 469.177, subdivision 2, paragraph (b), clause (1);

183.13 (6) any captured net tax capacity distributed among affected taxing districts under section
183.14 469.177, subdivision 2, paragraph (b), clause (2);

183.15 (7) the type of district;

183.16 (8) the date the municipality approved the tax increment financing plan and the date of
183.17 approval of any modification of the tax increment financing plan, the approval of which
183.18 requires notice, discussion, a public hearing, and findings under subdivision 4, paragraph
183.19 (a);

183.20 (9) the date the authority first requested certification of the original net tax capacity of
183.21 the district and the date of the request for certification regarding any parcel added to the
183.22 district;

183.23 (10) the date the county auditor first certified the original net tax capacity of the district
183.24 and the date of certification of the original net tax capacity of any parcel added to the district;

183.25 (11) the ~~month and~~ year in which the authority has received or anticipates it will receive
183.26 the first increment from the district;

183.27 (12) the date the district must be decertified;

183.28 (13) for the reporting period and prior years of the district, the actual amount received
183.29 from, at least, the following categories:

- 184.1 (i) tax increments paid by the captured net tax capacity retained for tax increment
184.2 financing under section 469.177, subdivision 2, paragraph (b), clause (1), but excluding any
184.3 excess taxes;
- 184.4 (ii) tax increments that are interest or other investment earnings on or from tax increments;
- 184.5 (iii) tax increments that are proceeds from the sale or lease of property, tangible or
184.6 intangible, purchased by the authority with tax increments;
- 184.7 (iv) tax increments that are repayments of loans or other advances made by the authority
184.8 with tax increments;
- 184.9 (v) bond proceeds; and
- 184.10 (vi) the agricultural homestead market value credit paid to the authority under section
184.11 273.1384;
- 184.12 (14) for the reporting period and for the prior years of the district, the actual amount
184.13 expended for, at least, the following categories:
- 184.14 (i) acquisition of land and buildings through condemnation or purchase;
- 184.15 (ii) site improvements or preparation costs;
- 184.16 (iii) installation of public utilities, parking facilities, streets, roads, sidewalks, or other
184.17 similar public improvements;
- 184.18 (iv) administrative costs, including the allocated cost of the authority; and
- 184.19 (v) for housing districts, construction of affordable housing;
- 184.20 (15) the amount of any payments for activities and improvements located outside of the
184.21 district that are paid for or financed with tax increments;
- 184.22 (16) the amount of payments of principal and interest that are made during the reporting
184.23 period on any nondefeased:
- 184.24 (i) general obligation tax increment financing bonds; and
- 184.25 (ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;
- 184.26 (17) the principal amount, at the end of the reporting period, of any nondefeased:
- 184.27 (i) general obligation tax increment financing bonds; and
- 184.28 (ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;
- 184.29 (18) the amount of principal and interest payments that are due for the current calendar
184.30 year on any nondefeased:

- 185.1 (i) general obligation tax increment financing bonds; and
- 185.2 (ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;
- 185.3 (19) if the fiscal disparities contribution under chapter 276A or 473F for the district is
- 185.4 computed under section 469.177, subdivision 3, paragraph (a), the amount of total increased
- 185.5 property taxes to be paid from outside the tax increment financing district; and
- 185.6 (20) any additional information the state auditor may require.
- 185.7 (d) The reporting requirements imposed by this subdivision apply to districts certified
- 185.8 before, on, and after August 1, 1979.

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

185.10 Sec. 4. Minnesota Statutes 2022, section 469.176, subdivision 3, is amended to read:

185.11 Subd. 3. **Limitation on administrative expenses.** (a) For districts for which certification

185.12 was requested before August 1, 2001, no tax increment shall be used to pay any

185.13 administrative expenses for a project which exceed ten percent of the total estimated tax

185.14 increment expenditures authorized by the tax increment financing plan or ten percent of the

185.15 total tax increment expenditures for the project net of any amounts returned to the county

185.16 auditor as excess increment; as returned increment under section 469.1763, subdivision 4,

185.17 paragraph (g); or as remedies under section 469.1771, subdivision 2, whichever is less.

185.18 (b) For districts for which certification was requested after July 31, 2001, no tax increment

185.19 may be used to pay any administrative expenses for a project which exceed ten percent of

185.20 total estimated tax increment expenditures authorized by the tax increment financing plan

185.21 or ten percent of the total tax increments, as defined in section 469.174, subdivision 25,

185.22 clause (1), ~~from~~ received for the district net of any amounts returned to the county auditor

185.23 as excess increment; as returned increment under section 469.1763, subdivision 4, paragraph

185.24 (g); or as remedies under section 469.1771, subdivision 2, whichever is less.

185.25 (c) Increments used to pay the county's administrative expenses under subdivision 4h

185.26 are not subject to the percentage limits in this subdivision.

185.27 (d) Increments defined under section 469.174, subdivision 25, clause (2), used for

185.28 administrative expenses described under section 469.174, subdivision 14, paragraph (a),

185.29 clause (4), are not subject to the percentage limits in this subdivision.

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

185.31 applies to all districts, regardless of when the request for certification was made.

186.1 Sec. 5. Minnesota Statutes 2022, section 469.176, subdivision 4, is amended to read:

186.2 Subd. 4. **Limitation on use of tax increment; general rule.** All revenues derived from
 186.3 tax increment shall be used in accordance with the tax increment financing plan. The revenues
 186.4 shall be used solely for the following purposes: (1) to pay the principal of and interest on
 186.5 bonds issued to finance a project; (2) by a rural development financing authority for the
 186.6 purposes stated in section 469.142₂; by a port authority or municipality exercising the powers
 186.7 of a port authority to finance or otherwise pay the cost of redevelopment pursuant to sections
 186.8 469.048 to 469.068₂; by an economic development authority to finance or otherwise pay
 186.9 the cost of redevelopment pursuant to sections 469.090 to 469.108₂; by a housing and
 186.10 redevelopment authority or economic development authority to finance or otherwise pay
 186.11 public redevelopment costs pursuant to sections 469.001 to 469.047₂; by a municipality or
 186.12 economic development authority to finance or otherwise pay the capital and administration
 186.13 costs of a development district pursuant to sections 469.124 to 469.133₂; by a municipality
 186.14 or authority to finance or otherwise pay the costs of developing and implementing a
 186.15 development action response plan₂; by a municipality or redevelopment agency to finance
 186.16 or otherwise pay premiums for insurance or other security guaranteeing the payment when
 186.17 due of principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to
 186.18 469.165, or both, or to accumulate and maintain a reserve securing the payment when due
 186.19 of the principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to
 186.20 469.165, or both, which revenues in the reserve shall not exceed, subsequent to the fifth
 186.21 anniversary of the date of issue of the first bond issue secured by the reserve, an amount
 186.22 equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased
 186.23 bonds secured by the reserve; and (3) to pay administrative expenses.

186.24 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 186.25 applies to all districts, regardless of when the request for certification was made.

186.26 Sec. 6. Minnesota Statutes 2022, section 469.1763, subdivision 2, is amended to read:

186.27 Subd. 2. **Expenditures outside district.** (a) For each tax increment financing district,
 186.28 an amount equal to at least 75 percent of the total revenue derived from tax increments paid
 186.29 by properties in the district must be expended on activities in the district or to pay bonds,
 186.30 to the extent that the proceeds of the bonds were used to finance activities in the district or
 186.31 to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other
 186.32 than redevelopment districts for which the request for certification was made after June 30,
 186.33 1995, the in-district percentage for purposes of the preceding sentence is 80 percent. Not
 186.34 more than 25 percent of the total revenue derived from tax increments paid by properties

187.1 in the district may be expended, through a development fund or otherwise, on activities
 187.2 outside of the district but within the defined geographic area of the project except to pay,
 187.3 or secure payment of, debt service on credit enhanced bonds. For districts, other than
 187.4 redevelopment districts for which the request for certification was made after June 30, 1995,
 187.5 the pooling percentage for purposes of the preceding sentence is 20 percent. The revenues
 187.6 derived from tax increments paid by properties in the district that are expended on costs
 187.7 under section 469.176, subdivision 4h, ~~paragraph (b)~~, may be deducted first before calculating
 187.8 the percentages that must be expended within and without the district.

187.9 (b) In the case of a housing district, a housing project, as defined in section 469.174,
 187.10 subdivision 11, is an activity in the district.

187.11 (c) All administrative expenses are considered to be expenditures for activities outside
 187.12 of the district, except that if the only expenses for activities outside of the district under this
 187.13 subdivision are for the purposes described in paragraph (d), administrative expenses will
 187.14 be considered as expenditures for activities in the district.

187.15 (d) The authority may elect, in the tax increment financing plan for the district, to increase
 187.16 by up to ten percentage points the permitted amount of expenditures for activities located
 187.17 outside the geographic area of the district under paragraph (a). As permitted by section
 187.18 469.176, subdivision 4k, the expenditures, including the permitted expenditures under
 187.19 paragraph (a), need not be made within the geographic area of the project. Expenditures
 187.20 that meet the requirements of this paragraph are legally permitted expenditures of the district,
 187.21 notwithstanding section 469.176, subdivisions 4b, 4c, and 4j. To qualify for the increase
 187.22 under this paragraph, the expenditures must:

187.23 (1) be used exclusively to assist housing that meets the requirement for a qualified
 187.24 low-income building, as that term is used in section 42 of the Internal Revenue Code; and

187.25 (2) not exceed the qualified basis of the housing, as defined under section 42(c) of the
 187.26 Internal Revenue Code, less the amount of any credit allowed under section 42 of the Internal
 187.27 Revenue Code; and

187.28 (3) be used to:

187.29 (i) acquire and prepare the site of the housing;

187.30 (ii) acquire, construct, or rehabilitate the housing; or

187.31 (iii) make public improvements directly related to the housing; or

187.32 (4) be used to develop housing:

188.1 (i) if the market value of the housing does not exceed the lesser of:

188.2 (A) 150 percent of the average market value of single-family homes in that municipality;

188.3 or

188.4 (B) \$200,000 for municipalities located in the metropolitan area, as defined in section

188.5 473.121, or \$125,000 for all other municipalities; and

188.6 (ii) if the expenditures are used to pay the cost of site acquisition, relocation, demolition

188.7 of existing structures, site preparation, and pollution abatement on one or more parcels, if

188.8 the parcel contains a residence containing one to four family dwelling units that has been

188.9 vacant for six or more months and is in foreclosure as defined in section 325N.10, subdivision

188.10 7, but without regard to whether the residence is the owner's principal residence, and only

188.11 after the redemption period has expired; or

188.12 (5) to assist owner-occupied housing that meets the requirements of section 469.1761,

188.13 subdivision 2.

188.14 (e) The authority under paragraph (d), clause (4), expires on December 31, 2016.

188.15 Increments may continue to be expended under this authority after that date, if they are used

188.16 to pay bonds or binding contracts that would qualify under subdivision 3, paragraph (a), if

188.17 December 31, 2016, is considered to be the last date of the five-year period after certification

188.18 under that provision.

188.19 (f) For purposes of determining whether the minimum percentage of expenditures for

188.20 activities in the district and maximum percentages of expenditures allowed on activities

188.21 outside the district have been met under this subdivision, any amounts returned to the county

188.22 auditor as excess increment, as returned increment under subdivision 4, paragraph (g), or

188.23 as remedies under section 469.1771, subdivision 2, shall first be subtracted from the total

188.24 revenues derived from tax increments paid by properties in the district. Any other amounts

188.25 returned to the county auditor for purposes other than a remedy under section 469.1771,

188.26 subdivision 3, are considered to be expenditures for activities in the district.

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

188.28 applies to all districts with a request for certification date after April 30, 1990, except that

188.29 paragraph (f) shall apply to districts decertifying after December 31, 2023.

188.30 Sec. 7. Minnesota Statutes 2022, section 469.1763, subdivision 3, is amended to read:

188.31 Subd. 3. **Five-year rule.** (a) Revenues derived from tax increments paid by properties

188.32 in the district that are considered to have been expended on an activity within the district

189.1 ~~under~~ will instead be considered to have been expended on an activity outside the district
189.2 for purposes of subdivision 2 only if one of the following occurs unless:

189.3 (1) before or within five years after certification of the district, the revenues are actually
189.4 paid to a third party with respect to the activity;

189.5 (2) bonds, the proceeds of which must be used to finance the activity, are issued and
189.6 sold to a third party before or within five years after certification of the district, the revenues
189.7 are spent to repay the bonds, and the proceeds of the bonds either are, on the date of issuance,
189.8 reasonably expected to be spent before the end of the later of (i) the five-year period, or (ii)
189.9 a reasonable temporary period within the meaning of the use of that term under section
189.10 148(c)(1) of the Internal Revenue Code, or are deposited in a reasonably required reserve
189.11 or replacement fund;

189.12 (3) binding contracts with a third party are entered into for performance of the activity
189.13 before or within five years after certification of the district and the revenues are spent under
189.14 the contractual obligation;

189.15 (4) costs with respect to the activity are paid before or within five years after certification
189.16 of the district and the revenues are spent to reimburse a party for payment of the costs,
189.17 including interest on unreimbursed costs; or

189.18 (5) ~~expenditures are made~~ revenues are spent for housing purposes as ~~permitted~~ described
189.19 by subdivision 2, paragraphs paragraph (b) and (d), or for public infrastructure purposes
189.20 ~~within a zone as permitted by subdivision 2, paragraph (e).~~

189.21 (b) For purposes of this subdivision, bonds include subsequent refunding bonds if the
189.22 original refunded bonds meet the requirements of paragraph (a), clause (2).

189.23 (c) For a redevelopment district or a renewal and renovation district certified after June
189.24 30, 2003, and before April 20, 2009, the five-year periods described in paragraph (a) are
189.25 extended to ten years after certification of the district. For a redevelopment district certified
189.26 after April 20, 2009, and before June 30, 2012, the five-year periods described in paragraph
189.27 (a) are extended to eight years after certification of the district. This extension is provided
189.28 primarily to accommodate delays in development activities due to unanticipated economic
189.29 circumstances.

189.30 (d) For a redevelopment district that was certified after December 31, 2017, and before
189.31 June 30, 2020, the five-year periods described in paragraph (a) are extended to eight years
189.32 after certification of the district.

190.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and
190.2 applies to all districts with a request for certification date after April 30, 1990.

190.3 Sec. 8. Minnesota Statutes 2022, section 469.1763, subdivision 4, is amended to read:

190.4 Subd. 4. **Use of revenues for decertification.** ~~(a) In each year beginning with the sixth~~
190.5 ~~year following certification of the district, or beginning with the ninth year following~~
190.6 ~~certification of the district for districts whose five-year rule is extended to eight years under~~
190.7 ~~subdivision 3, paragraph (d), if the applicable in-district percent of the revenues derived~~
190.8 ~~from tax increments paid by properties in the district exceeds the amount of expenditures~~
190.9 ~~that have been made for costs permitted under subdivision 3, an amount equal to the~~
190.10 ~~difference between the in-district percent of the revenues derived from tax increments paid~~
190.11 ~~by properties in the district and the amount of expenditures that have been made for costs~~
190.12 ~~permitted under subdivision 3 must be used and only used to pay or defease the following~~
190.13 ~~or be set aside to pay the following:~~

190.14 ~~(1) outstanding bonds, as defined in subdivision 3, paragraphs (a), clause (2), and (b);~~

190.15 ~~(2) contracts, as defined in subdivision 3, paragraph (a), clauses (3) and (4);~~

190.16 ~~(3) credit enhanced bonds to which the revenues derived from tax increments are pledged,~~
190.17 ~~but only to the extent that revenues of the district for which the credit enhanced bonds were~~
190.18 ~~issued are insufficient to pay the bonds and to the extent that the increments from the~~
190.19 ~~applicable pooling percent share for the district are insufficient; or~~

190.20 ~~(4) the amount provided by the tax increment financing plan to be paid under subdivision~~
190.21 ~~2, paragraphs (b), (d), and (e).~~

190.22 ~~(b) The~~ (a) Beginning with the sixth year following certification of the district, or
190.23 beginning with the year following the extended period for districts whose five-year period
190.24 is extended under subdivision 3, paragraphs (c) and (d), a district must be decertified and
190.25 the pledge of tax increment discharged when the outstanding bonds have been defeased and
190.26 when sufficient money has been set aside to pay, based on the product of the applicable
190.27 in-district percentage multiplied by the increment to be cumulative revenues derived from
190.28 tax increments paid by properties in the district that have been collected through the end of
190.29 the calendar year, equals or exceeds an amount sufficient to pay the following amounts:

190.30 (1) contractual any costs and obligations as defined described in subdivision 3, paragraph
190.31 paragraphs (a), clauses (3) and (4); and (b), excluding those under a qualifying pay-as-you-go
190.32 contract and note;

191.1 ~~(2) the amount specified in the tax increment financing plan for activities qualifying~~
191.2 ~~under subdivision 2, paragraph (b), that have not been funded with the proceeds of bonds~~
191.3 ~~qualifying under paragraph (a), clause (1); and~~

191.4 ~~(3) the additional expenditures permitted by the tax increment financing plan for housing~~
191.5 ~~activities under an election under subdivision 2, paragraph (d), that have not been funded~~
191.6 ~~with the proceeds of bonds qualifying under paragraph (a), clause (1).~~

191.7 (2) any accrued interest on the costs and obligations in clause (1), payable in accordance
191.8 with the terms thereof; and

191.9 (3) any administrative expenses falling within the exception in subdivision 2, paragraph
191.10 (c).

191.11 (b) For districts with an outstanding qualifying pay-as-you-go contract and note, the
191.12 required decertification under paragraph (a) is deferred until the end of the remaining term
191.13 of the last outstanding qualifying pay-as-you-go contract and note, and the applicable
191.14 in-district percentage of cumulative revenues derived from tax increments paid by properties
191.15 in the district are sufficient to pay the obligations identified in subdivision 3, paragraphs
191.16 (a) and (b), provided that the deferral shall not exceed the district's duration limit under
191.17 section 469.176. During the deferral, beginning at the time paragraph (a) would otherwise
191.18 require decertification, the authority must annually either:

191.19 (1) remove from the district, by the end of the year, all parcels that will no longer have
191.20 their tax increment revenue pledged or subject to a qualifying pay-as-you-go contract and
191.21 note or other costs and obligations described in subdivision 3, paragraphs (a) and (b), after
191.22 the end of the year; or

191.23 (2) use the applicable in-district percentage of revenues derived from tax increments
191.24 paid by those parcels to prepay an outstanding qualifying pay-as-you-go contract and note
191.25 of the district or other costs and obligations described in subdivision 3, paragraphs (a) and
191.26 (b), or to accumulate and use revenues derived from tax increments paid by those parcels
191.27 as permitted under paragraph (i).

191.28 The authority must remove any parcels as required by this paragraph by modification
191.29 of the tax increment financing plan and notify the county auditor of the removed parcels by
191.30 the end of the same calendar year. Notwithstanding section 469.175, subdivision 4,
191.31 paragraphs (b), clause (1), and (e), the notice, discussion, public hearing, and findings
191.32 required for approval of the original plan are not required for such a modification.

192.1 (c) Notwithstanding paragraph (a) or (b), if tax increment was pledged prior to August
192.2 1, 2023, to a bond other than a pay-as-you-go contract and note or interfund loan, and the
192.3 proceeds of the bond were used solely or in part to pay authorized costs for activities outside
192.4 the district, the requirement to decertify under paragraph (a) or remove parcels under
192.5 paragraph (b) shall not apply prior to the bond being fully paid or defeased.

192.6 (d) For purposes of this subdivision, "applicable in-district percentage" means the
192.7 percentage of tax increment revenue that is restricted for expenditures within the district,
192.8 as determined under subdivision 2, paragraphs (a) and (d), for the district.

192.9 (e) For purposes of this subdivision, "qualifying pay-as-you-go contract and note" means
192.10 a pay-as-you-go contract and note that is considered to be for activities within the district
192.11 under subdivision 3, paragraph (a).

192.12 (f) For purposes of this subdivision, the reference in paragraph (a) to cumulative revenues
192.13 derived from tax increments paid by properties in the district through the end of the calendar
192.14 year shall include any final settlement distributions made in the following January. For
192.15 purposes of the calculation in paragraph (a), any amounts returned to the county auditor as
192.16 excess increment or as remedies under section 469.1771, subdivision 2, shall first be
192.17 subtracted from the cumulative revenues derived from tax increments paid by properties in
192.18 the district.

192.19 (g) The timing and implementation of a decertification pursuant to paragraphs (a) and
192.20 (b) shall be subject to the following:

192.21 (1) when a decertification is required under paragraph (a) and not deferred under
192.22 paragraph (b), the authority must, as soon as practical and no later than the final settlement
192.23 distribution date of January 25 as identified in section 276.111 for the property taxes payable
192.24 in the calendar year identified in paragraph (a), make the decertification by resolution
192.25 effective for the end of the calendar year identified in paragraph (a), and communicate the
192.26 decertification to the county auditor;

192.27 (2) when a decertification is deferred under paragraph (b), the authority must, by
192.28 December 31 of the year in which the last qualifying pay-as-you-go contract and note reaches
192.29 termination, make the decertification by resolution effective for the end of that calendar
192.30 year and communicate the decertification to the county auditor;

192.31 (3) if the county auditor is unable to prevent tax increments from being calculated for
192.32 taxes payable in the year following the year for which the decertification is made effective,
192.33 the county auditor may redistribute the tax increments in the same manner as excess

193.1 increments under section 469.176, subdivision 2, paragraph (c), clause (4), without first
193.2 distributing them to the authority; and

193.3 (4) if tax increments are distributed to an authority for a taxes payable year after the year
193.4 for which the decertification was required to be effective, the authority must return the
193.5 amount of the distributions to the county auditor for redistribution in the same manner as
193.6 excess increments under section 469.176, subdivision 2, paragraph (c), clause (4).

193.7 (h) The provisions of this subdivision do not apply to a housing district.

193.8 (i) Notwithstanding anything to the contrary in paragraph (a) or (b), if an authority has
193.9 made the election in the tax increment financing plan for the district under subdivision 2,
193.10 paragraph (d), then the requirement to decertify under paragraph (a) or remove parcels under
193.11 paragraph (b) shall not apply prior to such time that the accumulated revenues derived from
193.12 tax increments paid by properties in the district that are eligible to be expended for housing
193.13 purposes described under subdivision 2, paragraph (d), equals the lesser of the amount the
193.14 authority is permitted to expend for housing purposes described under subdivision 2,
193.15 paragraph (d), or the amount authorized for such purposes in the tax increment financing
193.16 plan. Increment revenues collected after the district would have decertified under paragraph
193.17 (a) or from parcels which otherwise would be subject to removal under paragraph (b), absent
193.18 the exception of this paragraph, shall be used solely for housing purposes as described in
193.19 subdivision 2, paragraph (d).

193.20 **EFFECTIVE DATE.** This section is effective the day following final enactment and
193.21 applies to all districts with a request for certification after April 30, 1990, except that the
193.22 requirements under paragraph (b) to remove parcels or use revenues from such parcels as
193.23 prescribed in paragraph (b) apply only to districts for which the request for certification
193.24 was made after the day following final enactment.

193.25 Sec. 9. Minnesota Statutes 2022, section 469.1763, subdivision 6, is amended to read:

193.26 Subd. 6. **Pooling permitted for deficits.** (a) This subdivision applies only to districts
193.27 for which the request for certification was made before August 1, 2001, and without regard
193.28 to whether the request for certification was made prior to August 1, 1979.

193.29 (b) The municipality for the district may transfer available increments from another tax
193.30 increment financing district located in the municipality, if the transfer is necessary to
193.31 eliminate a deficit in the district to which the increments are transferred. The municipality
193.32 may transfer increments as provided by this subdivision without regard to whether the
193.33 transfer or expenditure is authorized by the tax increment financing plan for the district

194.1 from which the transfer is made. A deficit in the district for purposes of this subdivision
194.2 means the lesser of the following two amounts:

194.3 (1)~~(i)~~ the amount due during the calendar year to pay preexisting obligations of the
194.4 district; minus the sum of

194.5 ~~(ii)~~ (i) the total increments collected or to be collected from properties located within
194.6 the district that are available for the calendar year including amounts collected in prior years
194.7 that are currently available; plus

194.8 ~~(iii)~~ (ii) total increments from properties located in other districts in the municipality
194.9 including amounts collected in prior years that are available to be used to meet the district's
194.10 obligations under this section, excluding this subdivision, or other provisions of law; or

194.11 (2) the reduction in increments collected from properties located in the district for the
194.12 calendar year as a result of the changes in classification rates in Laws 1997, chapter 231,
194.13 article 1; Laws 1998, chapter 389, article 2; and Laws 1999, chapter 243, and Laws 2001,
194.14 First Special Session chapter 5, or the elimination of the general education tax levy under
194.15 Laws 2001, First Special Session chapter 5.

194.16 The authority may compute the deficit amount under clause (1) only (without regard to
194.17 the limit under clause (2)) if the authority makes an irrevocable commitment, by resolution,
194.18 to use increments from the district to which increments are to be transferred and any
194.19 transferred increments are only used to pay preexisting obligations and administrative
194.20 expenses for the district that are required to be paid under section 469.176, subdivision 4h,
194.21 paragraph (a).

194.22 (c) A preexisting obligation means:

194.23 (1) bonds issued and sold before August 1, 2001, or bonds issued pursuant to a binding
194.24 contract requiring the issuance of bonds entered into before July 1, 2001, and bonds issued
194.25 to refund such bonds or to reimburse expenditures made in conjunction with a signed
194.26 contractual agreement entered into before August 1, 2001, to the extent that the bonds are
194.27 secured by a pledge of increments from the tax increment financing district; and

194.28 (2) binding contracts entered into before August 1, 2001, to the extent that the contracts
194.29 require payments secured by a pledge of increments from the tax increment financing district.

194.30 (d) The municipality may require a development authority, other than a seaway port
194.31 authority, to transfer available increments including amounts collected in prior years that
194.32 are currently available for any of its tax increment financing districts in the municipality to
194.33 make up an insufficiency in another district in the municipality, regardless of whether the

195.1 district was established by the development authority or another development authority.

195.2 This authority applies notwithstanding any law to the contrary, but applies only to a
195.3 development authority that:

195.4 (1) was established by the municipality; or

195.5 (2) the governing body of which is appointed, in whole or part, by the municipality or
195.6 an officer of the municipality or which consists, in whole or part, of members of the
195.7 governing body of the municipality. The municipality may use this authority only after it
195.8 has first used all available increments of the receiving development authority to eliminate
195.9 the insufficiency and exercised any permitted action under section 469.1792, subdivision
195.10 3, for preexisting districts of the receiving development authority to eliminate the
195.11 insufficiency.

195.12 (e) The authority under this subdivision to spend tax increments outside of the area of
195.13 the district from which the tax increments were collected:

195.14 (1) is an exception to the restrictions under section 469.176, subdivisions 4b, 4c, 4d, 4e,
195.15 4i, and 4j; the expenditure limits under section 469.176, subdivision 1c; and the other
195.16 provisions of this section; and the percentage restrictions under subdivision 2 must be
195.17 calculated after deducting increments spent under this subdivision from the total increments
195.18 for the district; and

195.19 (2) applies notwithstanding the provisions of the Tax Increment Financing Act in effect
195.20 for districts for which the request for certification was made before June 30, 1982, or any
195.21 other law to the contrary.

195.22 (f) If a preexisting obligation requires the development authority to pay an amount that
195.23 is limited to the increment from the district or a specific development within the district and
195.24 if the obligation requires paying a higher amount to the extent that increments are available,
195.25 the municipality may determine that the amount due under the preexisting obligation equals
195.26 the higher amount and may authorize the transfer of increments under this subdivision to
195.27 pay up to the higher amount. The existence of a guarantee of obligations by the individual
195.28 or entity that would receive the payment under this paragraph is disregarded in the
195.29 determination of eligibility to pool under this subdivision. The authority to transfer increments
195.30 under this paragraph may only be used to the extent that the payment of all other preexisting
195.31 obligations in the municipality due during the calendar year have been satisfied.

195.32 (g) For transfers of increments made in calendar year 2005 and later, the reduction in
195.33 increments as a result of the elimination of the general education tax levy for purposes of
195.34 paragraph (b), clause (2), for a taxes payable year equals the general education tax rate for

196.1 the school district under Minnesota Statutes 2000, section 273.1382, subdivision 1, for taxes
196.2 payable in 2001, multiplied by the captured tax capacity of the district for the current taxes
196.3 payable year.

196.4 **EFFECTIVE DATE.** This section is effective the day following final enactment and
196.5 applies only to districts for which the request for certification was made before August 1,
196.6 2001, and without regard to whether the request for certification was made prior to August
196.7 1, 1979.

196.8 Sec. 10. Minnesota Statutes 2022, section 469.1771, subdivision 2, is amended to read:

196.9 Subd. 2. **Collection of increment.** If an authority includes or retains a parcel of property
196.10 in a tax increment financing district that does not qualify for inclusion or retention within
196.11 the district, the authority must pay to the county auditor an amount of money equal to the
196.12 increment collected from the property for the year or years. The property must be eliminated
196.13 from the original and captured tax capacity of the district effective for the current property
196.14 tax assessment year. ~~This subdivision does not apply to a failure to decertify a district at~~
196.15 ~~the end of the duration limit specified in the tax increment financing plan.~~

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

196.17 Sec. 11. Minnesota Statutes 2022, section 469.1771, subdivision 2a, is amended to read:

196.18 Subd. 2a. **Suspension of distribution of tax increment.** (a) If an authority fails to make
196.19 a disclosure or to submit a report containing the information required by section 469.175,
196.20 subdivisions 5 and 6, regarding a tax increment financing district within the time provided
196.21 in section 469.175, subdivisions 5 and 6, the state auditor shall mail to the authority a written
196.22 notice that it or the municipality has failed to make the required disclosure or to submit a
196.23 required report with respect to a particular district. The state auditor shall mail the notice
196.24 on or before the third Tuesday of August of the year in which the disclosure or report was
196.25 required to be made or submitted. The notice must describe the consequences of failing to
196.26 disclose or submit a report as provided in paragraph (b). If the state auditor has not received
196.27 a copy of a disclosure or a report described in this paragraph on or before the first day of
196.28 October of the year in which the disclosure or report was required to be made or submitted,
196.29 the state auditor shall mail a written notice to the county auditor to hold the distribution of
196.30 tax increment from a particular district.

196.31 (b) Upon receiving written notice from the state auditor to hold the distribution of tax
196.32 increment, the county auditor shall hold all tax increment that otherwise would be distributed
196.33 after receipt of the notice, until further notified under paragraph (c).

197.1 ~~(1) 100 percent of the amount of tax increment that otherwise would be distributed, if~~
197.2 ~~the distribution is made after the first day of October but during the year in which the~~
197.3 ~~disclosure or report was required to be made or submitted; or~~

197.4 ~~(2) 100 percent of the amount of tax increment that otherwise would be distributed, if~~
197.5 ~~the distribution is made after December 31 of the year in which the disclosure or report was~~
197.6 ~~required to be made or submitted.~~

197.7 (c) Upon receiving the copy of the disclosure and all of the reports described in paragraph
197.8 (a) with respect to a district regarding which the state auditor has mailed to the county
197.9 auditor a written notice to hold distribution of tax increment, the state auditor shall mail to
197.10 the county auditor a written notice lifting the hold and authorizing the county auditor to
197.11 distribute to the authority or municipality any tax increment that the county auditor had held
197.12 pursuant to paragraph (b). The state auditor shall mail the written notice required by this
197.13 paragraph within five working days after receiving the last outstanding item. The county
197.14 auditor shall distribute the tax increment to the authority or municipality within 15 working
197.15 days after receiving the written notice required by this paragraph.

197.16 (d) Notwithstanding any law to the contrary, any interest that accrues on tax increment
197.17 while it is being held by the county auditor pursuant to paragraph (b) is not tax increment
197.18 and may be retained by the county.

197.19 (e) For purposes of sections 469.176, subdivisions 1a to 1g, and 469.177, subdivision
197.20 11, tax increment being held by the county auditor pursuant to paragraph (b) is considered
197.21 distributed to or received by the authority or municipality as of the time that it would have
197.22 been distributed or received but for paragraph (b).

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

197.24 Sec. 12. Minnesota Statutes 2022, section 469.1771, subdivision 3, is amended to read:

197.25 Subd. 3. **Expenditure of increment.** If an authority expends revenues derived from tax
197.26 increments, including the proceeds of tax increment bonds, (1) for a purpose that is not a
197.27 permitted project under ~~section 469.176~~ sections 469.174 to 469.1794, (2) for a purpose
197.28 that is not permitted under ~~section 469.176~~ sections 469.174 to 469.1794 for the district
197.29 from which the increment was received, or (3) on activities outside of the geographic area
197.30 in which the revenues may be expended under this chapter, the authority must pay to the
197.31 county auditor an amount equal to the expenditures made in violation of the law.

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

198.1 **ARTICLE 9**

198.2 **LOCAL SALES TAXES**

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

198.4 Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose
198.5 a general sales tax (1) under section 297A.992, (2) under section 297A.993, (3) if permitted
198.6 by special law, or (4) if the political subdivision enacted and imposed the tax before January
198.7 1, 1982, and its predecessor provision.

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

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

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

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

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

198.19 (e) Notwithstanding paragraph (d), a political subdivision may only spend funds related
198.20 to imposing a local sales tax to:

198.21 (1) conduct the referendum;

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

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

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

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

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

199.2 Sec. 2. Minnesota Statutes 2022, section 297A.99, subdivision 2, is amended to read:

199.3 Subd. 2. **Local resolution before application for authority.** (a) ~~Before the governing~~
199.4 ~~body of a political subdivision requests legislative approval to impose a local sales tax~~
199.5 ~~authorized by a special law, it shall adopt a resolution indicating its approval of the tax. The~~
199.6 ~~resolution must include the following information:~~ The governing body of a political
199.7 subdivision seeking legislative approval to either impose a new local sales tax authorized
199.8 by special law or modify an existing local sales tax authorized by special law must adopt a
199.9 resolution indicating its approval of the tax each year it requests legislative approval. The
199.10 resolution must be adopted not more than 90 days before the date the political subdivision
199.11 submits the information required under paragraph (b), and must include the following
199.12 information:

199.13 (1) the proposed tax rate;

199.14 (2) a detailed description of no more than five ~~capital~~ projects that will be funded with
199.15 revenue from the tax;

199.16 (3) documentation of the regional significance of each project, including the share of
199.17 the economic benefit to or use of each project by persons residing, or businesses located,
199.18 outside of the ~~jurisdiction~~ political subdivision;

199.19 (4) the amount of local sales tax revenue that would be used for each project and the
199.20 estimated time needed to raise that amount of revenue; and

199.21 (5) the total revenue that will be raised for all projects before the tax expires, and the
199.22 estimated length of time that the tax will be in effect if all proposed projects are funded.

199.23 (b) ~~The jurisdiction seeking authority to impose a local sales tax by special law~~ political
199.24 subdivision must submit the resolution in paragraph (a) along with underlying documentation
199.25 indicating how the benefits under paragraph (a), clause (3), were determined, to the chairs
199.26 and ranking minority members of the legislative committees of the house of representatives
199.27 and senate with jurisdiction over taxes no later than January 31 of the each year in which
199.28 the jurisdiction political subdivision is seeking a special law authorizing or modifying the
199.29 tax. The political subdivision must submit an amended resolution if, after meeting the
199.30 requirements of this paragraph, the political subdivision seeks to:

199.31 (1) add a project that will be funded with the revenue from the tax;

199.32 (2) increase the amount that will be used for any project;

200.1 (3) increase the total revenue raised for all projects before the tax expires; or

200.2 (4) increase the estimated length of time that the tax will be in effect if all proposed
200.3 projects are funded.

200.4 (c) The special legislation granting or modifying local sales tax authority is not required
200.5 to allow funding for all projects listed in the resolution with the revenue from the local sales
200.6 tax, but must not include any projects not contained in the resolution.

200.7 ~~(d) For purposes of this section, a "capital project" or "project" means:~~

200.8 ~~(1) a single building or structure including associated infrastructure needed to safely~~
200.9 ~~access or use the building or structure;~~

200.10 ~~(2) improvements within a single park or named recreation area; or~~

200.11 ~~(3) a contiguous trail.~~

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

200.13 Sec. 3. Minnesota Statutes 2022, section 297A.99, subdivision 3, is amended to read:

200.14 Subd. 3. **Legislative authority required before voter approval; requirements for**
200.15 **adoption, use, termination.** (a) A political subdivision must receive legislative authority
200.16 to impose or modify a local sales tax before submitting the tax for approval by voters of the
200.17 political subdivision. Imposition or modification of a local sales tax is subject to approval
200.18 by voters of the political subdivision at a general election. The election must be conducted
200.19 ~~at a general election~~ on the first Tuesday after the first Monday in November within the
200.20 two-year period after the governing body of the political subdivision has received authority
200.21 to impose or modify the tax. If the authorizing legislation ~~allows~~ authorizes or modifies the
200.22 ~~tax to be imposed~~ for more than one project, ~~there must be~~ the political subdivision is not
200.23 required to present each project separately on the ballot. The political subdivision may
200.24 present a separate question approving the use of the tax revenue for each project. Regardless
200.25 of whether the ballot presents a separate question for each project, the question must state
200.26 the project or projects proposed to be funded with the tax, the amount for each project
200.27 proposed to be funded with the tax, and the estimated length of time the tax will be in effect.
200.28 Notwithstanding the authorizing legislation or special law modifying the tax, a project that
200.29 is not approved by the voters may not be funded with the local sales tax revenue and the
200.30 termination date of the tax set in the authorizing legislation or special law modifying the
200.31 tax must be reduced proportionately based on the share of that project's cost to the total
200.32 costs of all projects included in the authorizing legislation or special law modifying the tax.

201.1 (b) The proceeds of the tax must be dedicated exclusively to payment of the construction
201.2 and rehabilitation costs and associated bonding costs related to the specific capital
201.3 improvement projects that were approved by the voters under paragraph (a).

201.4 (c) The tax must terminate after the revenues raised are sufficient to fund the projects
201.5 approved by the voters under paragraph (a).

201.6 (d) After a sales tax imposed by a political subdivision has expired or been terminated,
201.7 the political subdivision is prohibited from imposing a local sales tax for a period of one
201.8 year.

201.9 (e) Notwithstanding paragraph (a), if a political subdivision received voter approval to
201.10 seek authority for a local sales tax at the November 6, 2018, general election and is granted
201.11 authority to impose a local sales tax before January 1, 2021, the tax may be imposed without
201.12 an additional referendum provided that it meets the requirements of subdivision 2 and the
201.13 list of specific projects contained in the resolution does not conflict with the projects listed
201.14 in the approving referendum.

201.15 (f) If a tax is terminated because sufficient revenues have been raised, any amount of
201.16 tax collected under subdivision 9, after sufficient revenues have been raised and before the
201.17 quarterly termination required under subdivision 12, paragraph (a), that is greater than the
201.18 average quarterly revenues collected over the immediately preceding 12 calendar months
201.19 must be retained by the commissioner for deposit in the general fund.

201.20 **EFFECTIVE DATE.** This section is effective for new local sales taxes authorized in
201.21 May, 2023, and thereafter.

201.22 Sec. 4. Laws 1993, chapter 375, article 9, section 46, as amended by Laws 1997, chapter
201.23 231, article 7, section 40, Laws 1998, chapter 389, article 8, sections 30, 31, and 32, Laws
201.24 2003, First Special Session chapter 21, article 8, section 13, Laws 2005, First Special Session
201.25 chapter 3, article 5, sections 26 and 27, Laws 2009, chapter 88, article 4, sections 15 and
201.26 16, and Laws 2013, chapter 143, article 8, sections 44 and 45, is amended by adding a
201.27 subdivision to read:

201.28 **Subd. 1a. Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section
201.29 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an
201.30 election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of
201.31 St. Paul may impose by ordinance a sales and use tax of one percent for the purposes specified
201.32 in subdivision 2b. Except as otherwise provided in this section, the provisions of Minnesota
201.33 Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement

202.1 of the tax authorized under this subdivision. The tax imposed under this subdivision is in
202.2 addition to any other local sales and use tax imposed by the city of St. Paul under any other
202.3 special law.

202.4 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
202.5 city of St. Paul and its chief clerical officer comply with Minnesota Statutes, section 645.021,
202.6 subdivisions 2 and 3.

202.7 Sec. 5. Laws 1993, chapter 375, article 9, section 46, as amended by Laws 1997, chapter
202.8 231, article 7, section 40, Laws 1998, chapter 389, article 8, sections 30, 31, and 32, Laws
202.9 2003, First Special Session chapter 21, article 8, section 13, Laws 2005, First Special Session
202.10 chapter 3, article 5, sections 26 and 27, Laws 2009, chapter 88, article 4, sections 15 and
202.11 16, and Laws 2013, chapter 143, article 8, sections 44 and 45, is amended by adding a
202.12 subdivision to read:

202.13 Subd. 2b. **Use of revenues.** The revenues derived from the tax authorized under
202.14 subdivision 1a must be used by the city of St. Paul to pay the costs of collecting and
202.15 administering the tax and to finance all or part of the following projects in the city, including
202.16 securing and paying debt service on bonds issued under subdivision 3a:

202.17 (1) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),
202.18 \$738,000,000, plus associated bonding costs for street improvements; and

202.19 (2) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),
202.20 \$246,000,000, plus associated bonding costs for capital improvements to St. Paul parks and
202.21 recreation facilities.

202.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
202.23 city of St. Paul and its chief clerical officer comply with Minnesota Statutes, section 645.021,
202.24 subdivisions 2 and 3.

202.25 Sec. 6. Laws 1993, chapter 375, article 9, section 46, as amended by Laws 1997, chapter
202.26 231, article 7, section 40, Laws 1998, chapter 389, article 8, sections 30, 31, and 32, Laws
202.27 2003, First Special Session chapter 21, article 8, section 13, Laws 2005, First Special Session
202.28 chapter 3, article 5, sections 26 and 27, Laws 2009, chapter 88, article 4, sections 15 and
202.29 16, and Laws 2013, chapter 143, article 8, sections 44 and 45, is amended by adding a
202.30 subdivision to read:

202.31 Subd. 3a. **Bonding authority.** (a) The city of St. Paul may issue bonds under Minnesota
202.32 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in

203.1 subdivision 2b and approved by the voters as required under Minnesota Statutes, section
203.2 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
203.3 under this subdivision may not exceed \$984,000,000 for the projects listed in subdivision
203.4 2b, plus an amount to be applied to the payment of the costs of issuing the bonds.

203.5 (b) The bonds may be paid from or secured by any funds available to the city of St. Paul,
203.6 including the tax authorized under subdivision 1a. The issuance of bonds under this
203.7 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

203.8 (c) The bonds are not included in computing any debt limitation applicable to the city
203.9 of St. Paul, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
203.10 and interest on the bonds is not subject to any levy limitation. A separate election to approve
203.11 the bonds under Minnesota Statutes, section 475.58, is not required.

203.12 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
203.13 city of St. Paul and its chief clerical officer comply with Minnesota Statutes, section 645.021,
203.14 subdivisions 2 and 3.

203.15 Sec. 7. Laws 1993, chapter 375, article 9, section 46, subdivision 5, as amended by Laws
203.16 1998, chapter 389, article 8, section 32, and Laws 2013, chapter 143, article 8, section 45,
203.17 is amended to read:

203.18 **Subd. 5. Expiration of taxing authority.** (a) The authority granted by subdivision 1 to
203.19 the city to impose a sales tax shall expire on December 31, 2042, or at an earlier time as the
203.20 city shall, by ordinance, determine. Any funds remaining after completion of projects
203.21 approved under subdivision 2, paragraph (a) and retirement or redemption of any bonds or
203.22 other obligations may be placed in the general fund of the city.

203.23 (b) The tax imposed under subdivision 1a expires at the earlier of (1) 20 years after the
203.24 tax is first imposed, or (2) when the city council determines that the amount of revenues
203.25 received from the tax is sufficient to pay for the project costs authorized under subdivision
203.26 2b for projects approved by the voters as required under Minnesota Statutes, section 297A.99,
203.27 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
203.28 of the bonds under subdivision 3a, including interest on the bonds. Except as otherwise
203.29 provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds
203.30 remaining after payment of the allowed costs due to the timing of the termination of the tax
203.31 under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general
203.32 fund of the city. The tax imposed under subdivision 1a may expire at an earlier time if the
203.33 city so determines by ordinance.

204.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
204.2 city of St. Paul and its chief clerical officer comply with Minnesota Statutes, section 645.021,
204.3 subdivisions 2 and 3.

204.4 Sec. 8. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First
204.5 Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session
204.6 chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections
204.7 11, 12, and 13, is amended by adding a subdivision to read:

204.8 Subd. 1a. **Authorization; extension.** Notwithstanding Minnesota Statutes, section
204.9 477A.016, or any other law, ordinance, or city charter, and notwithstanding Minnesota
204.10 Statutes, section 297A.99, subdivision 3, paragraph (d), if approved by the voters at an
204.11 election held in 2023, the city of Rochester may extend the sales and use tax of one-half of
204.12 one percent authorized under subdivision 1, paragraph (a), for the purposes specified in
204.13 subdivision 3a. Notwithstanding Minnesota Statutes, section 297A.99, subdivision 3,
204.14 paragraph (a), the city may, but is not required to, present one question on the ballot for all
204.15 projects authorized under subdivision 3a. If all projects are presented in one question, the
204.16 question must state each project proposed to be funded with the tax, the amount for each
204.17 project proposed to be funded with the tax, and the estimated length of time the tax will be
204.18 in effect for each project. Except as otherwise provided in this section, the provisions of
204.19 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and
204.20 enforcement of the tax authorized under this subdivision. The tax imposed under this
204.21 subdivision is in addition to any local sales and use tax imposed under any other special
204.22 law.

204.23 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
204.24 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
204.25 645.021, subdivisions 2 and 3.

204.26 Sec. 9. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First
204.27 Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session
204.28 chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections
204.29 11, 12, and 13, is amended by adding a subdivision to read:

204.30 Subd. 3a. **Use of sales and use tax revenues; additional projects.** (a) The revenues
204.31 derived from the extension of the tax authorized under subdivision 1a must be used by the
204.32 city of Rochester to pay the costs of collecting and administering the tax and paying for the

205.1 following projects in the city, including securing and paying debt service on bonds issued
205.2 to finance all or part of the following projects, plus associated bonding costs:

205.3 (1) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraphs (a)
205.4 and (b):

205.5 (i) \$60,000,000 for an economic vitality fund and expenses eligible to be paid from the
205.6 fund, subject to adoption of a resolution under paragraph (c), clause (1); or

205.7 (ii) \$50,000,000 for an economic vitality fund and expenses eligible to be paid from the
205.8 fund, subject to the requirements of paragraph (c), clause (2);

205.9 (2) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),
205.10 \$50,000,000 for street reconstruction;

205.11 (3) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),
205.12 \$40,000,000 for flood control and water quality, excluding removal of the MN00515 dam;
205.13 and

205.14 (4) \$65,000,000 for a sports and recreation complex.

205.15 (b) The city must use \$10,000,000 of the money allocated to the purpose in paragraph
205.16 (a), clause (1), for a grant to Rochester Area Economic Development Incorporated to establish
205.17 the EverRAEDI development fund. Of that amount, \$5,000,000 must be used for grants and
205.18 loans for economic development projects in communities located in the city of Rochester,
205.19 and \$5,000,000 must be used for grants and loans for economic development projects in
205.20 communities located in the Rochester metropolitan statistical area and the cities of Pine
205.21 Island, St. Charles, and Zumbrota, excluding the city of Rochester. Rochester Area Economic
205.22 Development Incorporated may charge grant and loan recipients a service fee of up to five
205.23 percent of the grant or loan amount to pay for administrative costs associated with the
205.24 EverRAEDI development fund. Rochester Area Economic Development Incorporated shall
205.25 report on, at minimum, an annual basis on all EverRAEDI fund activities to the governing
205.26 board of the city of Rochester.

205.27 (c) Notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraphs
205.28 (a), (b), and (d), the city must either:

205.29 (1) pass a resolution that authorizes \$10,000,000 of the revenues from the tax authorized
205.30 under subdivision 1a for the use described in paragraph (a), clause (1), item (i), to be used
205.31 for an economic development fund for the purposes specified in paragraph (b); or

206.1 (2) if the city does not pass a resolution under clause (1), the city must allocate
206.2 \$10,000,000 from the amount authorized in paragraph (a), clause (1), item (ii), for the
206.3 purposes specified in paragraph (b).

206.4 **EFFECTIVE DATE.** This section is effective the day after compliance by the governing
206.5 body of the city of Rochester with Minnesota Statutes, section 645.021.

206.6 Sec. 10. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First
206.7 Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session
206.8 chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections
206.9 11, 12, and 13, is amended by adding a subdivision to read:

206.10 Subd. 4a. **Bonding authority; additional projects and extension of tax.** (a) The city
206.11 of Rochester may issue bonds under Minnesota Statutes, chapter 475, to finance all or a
206.12 portion of the costs of the projects authorized in subdivision 3a and approved by the voters
206.13 as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The
206.14 aggregate principal amount of bonds issued under this subdivision may not exceed:

206.15 (1) if the city passes a resolution under subdivision 3a, paragraph (c), clause (1),
206.16 \$215,000,000 for the projects described in subdivision 3a, paragraph (a), clauses (1), item
206.17 (i), and (2) to (4), plus an amount to be applied to the payment of the costs of issuing the
206.18 bonds; or

206.19 (2) if the city does not pass a resolution under subdivision 3a, paragraph (c), clause (1),
206.20 \$205,000,000 for the projects described in subdivision 3a, paragraph (a), clauses (1), item
206.21 (ii), and (2) to (4), plus an amount to be applied to the payment of the costs of issuing the
206.22 bonds.

206.23 (b) The bonds may be paid from or secured by any funds available to the city of
206.24 Rochester, including the tax authorized under subdivision 1a and the full faith and credit
206.25 of the city. The issuance of bonds under this subdivision is not subject to Minnesota Statutes,
206.26 sections 275.60 and 275.61.

206.27 (c) The bonds are not included in computing any debt limitation applicable to the city
206.28 of Rochester, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
206.29 and interest on the bonds is not subject to any levy limitation. A separate election to approve
206.30 the bonds under Minnesota Statutes, section 475.58, is not required.

206.31 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
206.32 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
206.33 645.021, subdivisions 2 and 3.

207.1 Sec. 11. Laws 1998, chapter 389, article 8, section 43, subdivision 5, as amended by Laws
207.2 2005, First Special Session chapter 3, article 5, section 30, Laws 2011, First Special Session
207.3 chapter 7, article 4, section 7, and Laws 2013, chapter 143, article 10, section 13, is amended
207.4 to read:

207.5 Subd. 5. **Termination of taxes.** (a) The taxes imposed under subdivisions 1 and 2 expire
207.6 at the later of (1) December 31, 2009, or (2) when the city council determines that sufficient
207.7 funds have been received from the taxes to finance the first \$71,500,000 of capital
207.8 expenditures and bonds for the projects authorized in subdivision 3, including the amount
207.9 to prepay or retire at maturity the principal, interest, and premium due on any bonds issued
207.10 for the projects under subdivision 4, unless the taxes are extended as allowed in paragraph
207.11 (b). Any funds remaining after completion of the project and retirement or redemption of
207.12 the bonds shall also be used to fund the projects under subdivision 3. The taxes imposed
207.13 under subdivisions 1 and 2 may expire at an earlier time if the city so determines by
207.14 ordinance.

207.15 (b) Notwithstanding Minnesota Statutes, sections 297A.99 and 477A.016, or any other
207.16 contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance,
207.17 extend the taxes authorized in subdivisions 1 and 2 beyond December 31, 2009, if approved
207.18 by the voters of the city at a special election in 2005 or the general election in 2006. The
207.19 question put to the voters must indicate that an affirmative vote would allow up to an
207.20 additional \$40,000,000 of sales tax revenues be raised and up to \$40,000,000 of bonds to
207.21 be issued above the amount authorized in the June 23, 1998, referendum for the projects
207.22 specified in subdivision 3. If the taxes authorized in subdivisions 1 and 2 are extended under
207.23 this paragraph, the taxes expire when the city council determines that sufficient funds have
207.24 been received from the taxes to finance the projects and to prepay or retire at maturity the
207.25 principal, interest, and premium due on any bonds issued for the projects under subdivision
207.26 4. Any funds remaining after completion of the project and retirement or redemption of the
207.27 bonds may be placed in the general fund of the city.

207.28 (c) Notwithstanding Minnesota Statutes, sections 297A.99 and 477A.016, or any other
207.29 contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance,
207.30 extend the taxes authorized in subdivisions 1, paragraph (a), and 2, up to December 31,
207.31 2049, provided that all additional revenues above those necessary to fund the projects and
207.32 associated financing costs listed in subdivision 3, paragraphs (a) to (e), are committed to
207.33 fund public infrastructure projects contained in the development plan adopted under
207.34 Minnesota Statutes, section 469.43, including all financing costs; otherwise the taxes
207.35 terminate when the city council determines that sufficient funds have been received from

208.1 the taxes to finance expenditures and bonds for the projects authorized in subdivision 3,
208.2 paragraphs (a) to (e), plus an amount equal to the costs of issuance of the bonds and including
208.3 the amount to prepay or retire at maturity the principal, interest, and premiums due on any
208.4 bonds issued for the projects under subdivision 4.

208.5 (d) The tax imposed under subdivision 1, paragraph (b), expires at the earlier of December
208.6 31, 2049, or when the city council determines that sufficient funds have been raised from
208.7 the tax plus all other city funding sources authorized in this article to meet the city obligation
208.8 for financing the public infrastructure projects contained in the development plan adopted
208.9 under Minnesota Statutes, section 469.43, including all financing costs.

208.10 (e) The tax imposed under subdivision 1a expires at the earlier of (1) 24 years after first
208.11 imposed, or (2) when the city council determines that the amount of revenues received from
208.12 the tax is sufficient to pay for the project costs authorized under subdivision 3a for projects
208.13 approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision
208.14 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of the bonds
208.15 under subdivision 4a, including interest on the bonds. Except as otherwise provided in
208.16 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining
208.17 after payment of the allowed costs due to the timing of the termination of the tax under
208.18 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of
208.19 the city. The tax imposed under subdivision 1a may expire at an earlier time if the city so
208.20 determines by ordinance.

208.21 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
208.22 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section
208.23 645.021, subdivisions 2 and 3.

208.24 Sec. 12. Laws 2008, chapter 366, article 7, section 20, as amended by Laws 2017, First
208.25 Special Session chapter 1, article 5, section 17, is amended to read:

208.26 **Sec. 20. CITY OF NORTH MANKATO; TAXES AUTHORIZED.**

208.27 Subdivision 1. **Sales and use tax authorized.** Notwithstanding Minnesota Statutes,
208.28 section 477A.016, or any other provision of law, ordinance, or city charter, pursuant to the
208.29 approval of the voters on November 7, 2006, the city of North Mankato may impose by
208.30 ordinance a sales and use tax of one-half of one percent for the purposes specified in
208.31 subdivision 2. The provisions of Minnesota Statutes, section 297A.99, govern the imposition,
208.32 administration, collection, and enforcement of the taxes authorized under this subdivision.

209.1 Subd. 2. **Use of revenues.** Revenues received from the tax authorized by subdivision 1
209.2 must be used to pay all or part of the capital costs of the following projects:

209.3 (1) the local share of the Trunk Highway 14/County State-Aid Highway 41 interchange
209.4 project;

209.5 (2) development of regional parks and hiking and biking trails, including construction
209.6 of indoor regional athletic facilities;

209.7 (3) expansion of the North Mankato Taylor Library;

209.8 (4) riverfront redevelopment; and

209.9 (5) lake improvement projects.

209.10 The total amount of revenues from the tax in subdivision 1 that may be used to fund
209.11 these projects is \$15,000,000 plus any associated bond costs.

209.12 Subd. 2a. **Authorization to extend the tax.** Notwithstanding Minnesota Statutes, section
209.13 297A.99, subdivision 3, the North Mankato city council may, by resolution, extend the tax
209.14 authorized under subdivision 1 to cover an additional ~~\$9,000,000~~ \$15,000,000 in bonds,
209.15 plus associated bond costs, to fund the projects in subdivision 2 pursuant to voter approval
209.16 to extend the tax at the November 8, 2016, general election.

209.17 Subd. 3. **Bonds.** (a) The city of North Mankato, pursuant to the approval of the voters
209.18 at the November 7, 2006 referendum authorizing the imposition of the taxes in this section,
209.19 may issue bonds under Minnesota Statutes, chapter 475, to pay capital and administrative
209.20 expenses for the projects described in subdivision 2, in an amount that does not exceed
209.21 \$6,000,000. A separate election to approve the bonds under Minnesota Statutes, section
209.22 475.58, is not required.

209.23 (b) The city of North Mankato, pursuant to approval of the voters at the November 8,
209.24 2016, referendum extending the tax to provide additional revenue to be spent for the projects
209.25 in subdivision 2, may issue additional bonds under Minnesota Statutes, chapter 475, to pay
209.26 capital and administrative expenses for those projects in an amount that does not exceed
209.27 ~~\$9,000,000~~ \$15,000,000. A separate election to approve the bonds under Minnesota Statutes,
209.28 section 475.58, is not required.

209.29 (c) The debt represented by the bonds is not included in computing any debt limitation
209.30 applicable to the city, and any levy of taxes under Minnesota Statutes, section 475.61, to
209.31 pay principal and interest on the bonds is not subject to any levy limitation.

210.1 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
210.2 earlier of December 31, ~~2038~~ 2044, or when revenues from the taxes first equal or exceed
210.3 ~~\$15,000,000~~ \$21,000,000 plus the additional amount needed to pay costs related to issuance
210.4 of bonds under subdivision 3, including interest. Any funds remaining after completion of
210.5 the projects and retirement or redemption of the bonds shall be placed in a capital facilities
210.6 and equipment replacement fund of the city. The tax imposed under subdivision 1 may
210.7 expire at an earlier time if the city so determines by ordinance.

210.8 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
210.9 city of North Mankato and its chief clerical officer comply with Minnesota Statutes, section
210.10 645.021, subdivisions 2 and 3.

210.11 Sec. 13. Laws 2011, First Special Session chapter 7, article 4, section 14, is amended to
210.12 read:

210.13 Sec. 14. **CITY OF MARSHALL; SALES AND USE TAX.**

210.14 Subdivision 1. **Authorization.** Notwithstanding Minnesota Statutes, section 297A.99,
210.15 subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city charter, the city of
210.16 Marshall, if approved by the voters at a general election held within two years of the date
210.17 of final enactment of this section, may impose the tax authorized under subdivision 2. Two
210.18 separate ballot questions must be presented to the voters, one for each of the two facility
210.19 projects named in subdivision 3.

210.20 Subd. 2. **Sales and use tax authorized.** The city of Marshall may impose by ordinance
210.21 a sales and use tax of up to one-half of one percent for the purposes specified in subdivision
210.22 3. The provisions of Minnesota Statutes, section 297A.99, except subdivisions 1 and 2,
210.23 govern the imposition, administration, collection, and enforcement of the tax authorized
210.24 under this subdivision.

210.25 Subd. 2a. **Authorization; extension.** (a) Notwithstanding Minnesota Statutes, section
210.26 297A.99, subdivision 3, paragraph (d), or 477A.016, or any other law, ordinance, or city
210.27 charter, after payment of the bonds authorized under subdivision 4, and if approved by the
210.28 voters at an election held on November 7, 2023, the city of Marshall may extend the sales
210.29 and use tax of one-half of one percent authorized under subdivision 2 for the purposes
210.30 specified in subdivision 3a.

210.31 (b) Except as otherwise provided in this section, the provisions of Minnesota Statutes,
210.32 section 297A.99, govern the imposition, administration, collection, and enforcement of the

211.1 tax authorized under this subdivision. The tax imposed under this subdivision is in addition
211.2 to any local sales and use tax imposed under any other special law.

211.3 Subd. 3. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
211.4 under subdivision 2 must be used by the city of Marshall to pay the costs of collecting and
211.5 administering the sales and use tax and to pay all or part of the costs of the new and existing
211.6 facilities of the Minnesota Emergency Response and Industry Training Center and all or
211.7 part of the costs of the new facilities of the Southwest Minnesota Regional Amateur Sports
211.8 Center. Authorized expenses include, but are not limited to, acquiring property, predesign,
211.9 design, and paying construction, furnishing, and equipment costs related to these facilities
211.10 and paying debt service on bonds or other obligations issued by the city of Marshall under
211.11 subdivision 4 to finance the capital costs of these facilities.

211.12 Subd. 3a. **Use of sales and use tax revenues; aquatic center.** The revenues derived
211.13 from the extension of the tax authorized under subdivision 2a must be used by the city of
211.14 Marshall to pay the costs of collecting and administering the tax and paying for \$18,370,000
211.15 plus associated bonding costs for the construction of a new municipal aquatic center in the
211.16 city, including securing and paying debt service on bonds issued to finance the project.

211.17 Subd. 4. **Bonds.** (a) If the imposition of a sales and use tax is approved by the voters,
211.18 the city of Marshall may issue bonds under Minnesota Statutes, chapter 475, to finance all
211.19 or a portion of the costs of the facilities authorized in subdivision 3, and may issue bonds
211.20 to refund bonds previously issued. The aggregate principal amount of bonds issued under
211.21 this subdivision may not exceed \$17,290,000, plus an amount to be applied to the payment
211.22 of the costs of issuing the bonds. The bonds may be paid from or secured by any funds
211.23 available to the city of Marshall, including the tax authorized under subdivision 2.

211.24 (b) The bonds are not included in computing any debt limitation applicable to the city
211.25 of Marshall, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
211.26 and interest on the bonds, is not subject to any levy limitation. A separate election to approve
211.27 the bonds under Minnesota Statutes, section 475.58, is not required.

211.28 Subd. 4a. **Bonds; additional use and extension of tax.** (a) After payment of the bonds
211.29 authorized under subdivision 4, the city of Marshall may issue bonds under Minnesota
211.30 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
211.31 subdivision 2a. The aggregate principal amount of bonds issued under this subdivision may
211.32 not exceed \$18,370,000, plus an amount to be applied to the payment of the costs of issuing
211.33 the bonds. The bonds may be paid from or secured by any funds available to the city of

212.1 Marshall, including the tax authorized under subdivision 2a. The issuance of bonds under
212.2 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

212.3 (b) The bonds are not included in computing any debt limitation applicable to the city
212.4 of Marshall, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
212.5 and interest on the bonds is not subject to any levy limitation. A separate election to approve
212.6 the bonds under Minnesota Statutes, section 475.58, is not required.

212.7 **Subd. 5. Termination of taxes.** (a) The tax imposed under subdivision 2 expires at the
212.8 earlier of (1) 15 years after the tax is first imposed, or (2) when the city council determines
212.9 that the amount of revenues received from the tax to pay for the capital and administrative
212.10 costs of the facilities under subdivision 3 first equals or exceeds the amount authorized to
212.11 be spent for the facilities plus the additional amount needed to pay the costs related to
212.12 issuance of the bonds under subdivision 4, including interest on the bonds. Any funds
212.13 remaining after payment of all such costs and retirement or redemption of the bonds shall
212.14 be placed in the general fund of the city. The tax imposed under subdivision 2 may expire
212.15 at an earlier time if the city so determines by ordinance.

212.16 (b) The tax imposed under subdivision 2a expires at the earlier of (1) 35 years after the
212.17 tax under subdivision 2 is first imposed, or (2) when the city council determines that the
212.18 amount of revenues received from the tax is sufficient to pay for the project costs authorized
212.19 under subdivision 3a, plus an amount sufficient to pay the costs related to issuance of the
212.20 bonds under subdivision 4a, including interest on the bonds. Except as otherwise provided
212.21 in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining
212.22 after payment of the allowed costs due to the timing of the termination of the tax under
212.23 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of
212.24 the city. The tax imposed under subdivision 2a may expire at an earlier time if the city so
212.25 determines by ordinance.

212.26 **EFFECTIVE DATE.** This section is effective the day after compliance by the governing
212.27 body of the city of Marshall and its chief clerical officer with Minnesota Statutes, section
212.28 645.021, subdivisions 2 and 3.

212.29 **Sec. 14.** Laws 2019, First Special Session chapter 6, article 6, section 13, is amended by
212.30 adding a subdivision to read:

212.31 **Subd. 1a. Sales and use tax authorization; modification.** Notwithstanding Minnesota
212.32 Statutes, section 477A.016, or any other law, ordinance, or city charter, the modifications
212.33 to bonding authority in subdivision 3 and the amount of tax that may be collected before

213.1 the termination of taxes in subdivision 5 are effective if approved by the voters at an election
213.2 as required under Minnesota Statutes, section 297A.99, subdivision 3.

213.3 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
213.4 city of Avon and its chief clerical officer comply with Minnesota Statutes, section 645.021,
213.5 subdivisions 2 and 3.

213.6 Sec. 15. Laws 2019, First Special Session chapter 6, article 6, section 13, subdivision 3,
213.7 is amended to read:

213.8 Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes,
213.9 chapter 475, to pay the costs of the projects authorized in subdivision 2. The aggregate
213.10 principal amount of bonds issued under this subdivision may not exceed ~~\$1,500,000~~
213.11 \$8,135,000 plus an amount to be applied to the payment of the costs of issuing the bonds.
213.12 The bonds may be paid from or secured by any funds available to the city, including the
213.13 tax authorized under subdivision 1. The issuance of bonds under this subdivision is not
213.14 subject to Minnesota Statutes, sections 275.60 and 275.61.

213.15 (b) The bonds are not included in computing any debt limitation applicable to the city,
213.16 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest
213.17 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
213.18 under Minnesota Statutes, section 475.58, is not required.

213.19 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
213.20 city of Avon and its chief clerical officer comply with Minnesota Statutes, section 645.021,
213.21 subdivisions 2 and 3.

213.22 Sec. 16. Laws 2019, First Special Session chapter 6, article 6, section 13, subdivision 4,
213.23 is amended to read:

213.24 Subd. 4. **Termination of taxes.** (a) The tax imposed under subdivision 1 expires at the
213.25 earlier of: (1) December 31, 2045; or (2) when the city council determines that ~~\$1,500,000~~
213.26 \$8,135,000 has been received from the tax to pay for the cost of the projects authorized
213.27 under subdivision 2, plus an amount sufficient to pay the costs related to issuance of the
213.28 bonds authorized under subdivision 3, including interest on the bonds.

213.29 (b) Any funds remaining after payment of all such costs and retirement or redemption
213.30 of the bonds shall be placed in the general fund of the city. The tax imposed under subdivision
213.31 1 may expire at an earlier time if the city so determines by ordinance.

214.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
214.2 city of Avon and its chief clerical officer comply with Minnesota Statutes, section 645.021,
214.3 subdivisions 2 and 3.

214.4 Sec. 17. Laws 2019, First Special Session chapter 6, article 6, section 18, is amended to
214.5 read:

214.6 Sec. 18. **CITY OF EXCELSIOR; LOCAL SALES AND USE TAX AUTHORIZED.**

214.7 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
214.8 section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city
214.9 charter, the city of Excelsior may impose, by ordinance, a sales and use tax of up to one-half
214.10 of one percent for the purposes specified in subdivision 2, as approved by the voters at the
214.11 November 4, 2014, general election. Except as otherwise provided in this section, the
214.12 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
214.13 collection, and enforcement of the tax authorized under this subdivision.

214.14 **Subd. 1a. Authorization; additional revenues allowed.** Notwithstanding Minnesota
214.15 Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by
214.16 the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision
214.17 3, the city of Excelsior may collect additional revenue from the sales and use tax authorized
214.18 under subdivision 1, for the purpose specified in subdivision 2a. Except as otherwise provided
214.19 in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
214.20 administration, collection, and enforcement of the tax authorized under this subdivision.
214.21 The tax imposed under this subdivision is in addition to any local sales and use tax imposed
214.22 under any other special law.

214.23 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
214.24 under subdivision 1 must be used by the city of Excelsior to pay the costs of collecting and
214.25 administering the tax and to finance the capital and administrative costs of improvements
214.26 to the commons as indicated in the Commons Master Plan as adopted by the city council
214.27 on November 20, 2017. Authorized expenses include, but are not limited to, improvements
214.28 for walkability and accessibility, enhancement of beach area and facilities, prevention and
214.29 management of shoreline erosion, redesign of the port and band shell, improvement of
214.30 playground equipment, and securing and paying debt service on bonds issued under
214.31 subdivision 3 or other obligations issued to the improvements listed in this subdivision in
214.32 the city of Excelsior.

215.1 Subd. 2a. **Use of sales and use tax revenues; expanded.** The revenues derived from
215.2 the additional authorization granted under subdivision 1a must be used by the city of
215.3 Excelsior to pay the costs of collecting and administering the tax and paying for \$23,000,000,
215.4 plus associated bonding costs, for the costs of improvements to the commons as indicated
215.5 in the Commons Master Plan as adopted by the city council on January 9, 2023, including
215.6 securing and paying debt service on bonds issued to finance the project.

215.7 **Subd. 3. Bonding authority.** (a) If the imposition of the tax is approved by the voters
215.8 under subdivision 1, the city of Excelsior may issue bonds under Minnesota Statutes, chapter
215.9 475, to finance all or a portion of the costs of the projects authorized in subdivision 2,
215.10 without a second vote. The aggregate principal amount of bonds issued under this subdivision
215.11 may not exceed \$7,000,000, plus an amount to be applied to the payment of the costs of
215.12 issuing the bonds. The bonds may be paid from or secured by any funds available to the
215.13 city of Excelsior, including the tax authorized under subdivision 1. The issuance of bonds
215.14 under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

215.15 (b) The bonds are not included in computing any debt limitation applicable to the city
215.16 of Excelsior, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
215.17 and interest on the bonds is not subject to any levy limitation. A separate election to approve
215.18 the bonds under Minnesota Statutes, section 475.58, is not required.

215.19 Subd. 3a. **Bonding authority; additional use of tax.** (a) After payment of the bonds
215.20 authorized under subdivision 3, the city of Excelsior may issue bonds under Minnesota
215.21 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
215.22 subdivision 2a. The aggregate principal amount of bonds issued under this subdivision may
215.23 not exceed \$23,000,000, plus an amount to be applied to the payment of the costs of issuing
215.24 the bonds.

215.25 (b) The bonds may be paid from or secured by any funds available to the city of Excelsior,
215.26 including the tax authorized under subdivision 1a. The issuance of bonds under this
215.27 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

215.28 (c) The bonds are not included in computing any debt limitation applicable to the city
215.29 of Excelsior, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
215.30 and interest on the bonds is not subject to any levy limitation. A separate election to approve
215.31 the bonds under Minnesota Statutes, section 475.58, is not required.

215.32 **Subd. 4. Termination of taxes.** The tax imposed under subdivision 1 and subdivision
215.33 1a expires at the earlier of: (1) 25 years after the tax is first imposed; or (2) when the city
215.34 council determines that ~~\$7,000,000~~ \$30,000,000 has been received from the tax to pay for

216.1 the cost of the projects authorized under subdivision 2 and subdivision 2a, plus an amount
216.2 sufficient to pay the costs related to issuance of the bonds authorized under subdivision 3
216.3 and subdivision 3a, including interest on the bonds. Any funds remaining after payment of
216.4 all such costs and retirement or redemption of the bonds shall be placed in the general fund
216.5 of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so
216.6 determines by ordinance.

216.7 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
216.8 city of Excelsior and its chief clerical officer comply with Minnesota Statutes, section
216.9 645.021, subdivisions 2 and 3.

216.10 Sec. 18. Laws 2019, First Special Session chapter 6, article 6, section 26, is amended to
216.11 read:

216.12 Sec. 26. **CITY OF ROGERS; LOCAL TAXES AUTHORIZED.**

216.13 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
216.14 sections 297A.99 and 477A.016, or any other law or ordinance, and as approved by the
216.15 voters at the general election of November 6, 2018, the city of Rogers may impose, by
216.16 ordinance, a sales and use tax of one-quarter of one percent for the purposes specified in
216.17 subdivision 3. Except as otherwise provided in this section, the provisions of Minnesota
216.18 Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement
216.19 of the taxes authorized under this subdivision.

216.20 Subd. 2. **Excise tax authorized.** Notwithstanding Minnesota Statutes, section 477A.016,
216.21 or any other contrary provision of law, or ordinance, the city of Rogers may impose by
216.22 ordinance, for the purposes specified in subdivision 3, an excise tax of up to \$20 per motor
216.23 vehicle, as defined by ordinance, purchased or acquired from any person engaged within
216.24 the city of Rogers in the business of selling motor vehicles at retail.

216.25 Subd. 3. **Use of sales and use tax and excise tax revenues.** (a) The revenues derived
216.26 from the taxes authorized under subdivisions 1 and 2 must be used by the city of Rogers to
216.27 pay the costs of collecting and administering the taxes and the capital and administrative
216.28 costs of any or all of the following projects:

216.29 (1) trail and pedestrian facilities including an I-94 pedestrian crossing, a County Road
216.30 144 pedestrian tunnel, and other new trails and trail connections;

216.31 (2) aquatics facilities consisting of either or both of a splash pad and any contribution
216.32 toward the community portion of a school pool; and

217.1 (3) community athletic facilities including construction of South Community park, site
217.2 improvements for future recreation facilities, and a multipurpose indoor turf facility.

217.3 (b) The total that may be raised from the taxes to pay for these projects is limited to
217.4 ~~\$16,500,000~~ \$25,000,000, plus the costs related to the issuance and paying debt service on
217.5 bonds for these projects.

217.6 Subd. 4. **Bonding authority.** (a) The city of Rogers may issue bonds under Minnesota
217.7 Statutes, chapter 475, pursuant to approval by the voters at the general election of November
217.8 6, 2018, to finance all or a portion of the costs of the projects authorized in subdivision 3.
217.9 The aggregate principal amount of bonds issued under this subdivision may not exceed
217.10 ~~\$16,500,000~~ \$25,000,000, minus an amount equal to any state grant authorized before
217.11 October 1, 2019, to fund any of the projects listed in subdivision 3, and plus an amount
217.12 equal to interest on and the costs of issuing the bonds. The bonds may be paid from or
217.13 secured by any funds available to the city of Rogers, including the taxes authorized under
217.14 subdivisions 1 and 2.

217.15 (b) The bonds are not included in computing any debt limitation applicable to the city
217.16 of Rogers, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
217.17 and interest on the bonds is not subject to any levy limitation. A separate election to approve
217.18 the bonds under Minnesota Statutes, section 475.58, is not required.

217.19 Subd. 5. **Termination of taxes.** The taxes imposed under subdivisions 1 and 2 expire
217.20 at the earlier of: (1) 20 years after the taxes are first imposed; or (2) when the city council
217.21 determines that ~~\$16,500,000~~ \$25,000,000, minus an amount equal to any state grant
217.22 authorized before October 1, 2019, to fund any of the projects listed in subdivision 3, and
217.23 plus an amount sufficient to pay interest on and the costs of issuing the bonds authorized
217.24 under subdivision 4, has been received from the taxes to pay for the cost of the projects
217.25 authorized under subdivision 3. Any funds remaining after payment of all such costs and
217.26 payment of the bonds in full shall be placed in the general fund of the city. The taxes imposed
217.27 under subdivisions 1 and 2 may expire at an earlier time if the city so determines by
217.28 ordinance.

217.29 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
217.30 city of Rogers and its chief clerical officer comply with Minnesota Statutes, section 645.021,
217.31 subdivisions 2 and 3.

218.1 Sec. 19. Laws 2021, First Special Session chapter 14, article 8, section 5, is amended to
218.2 read:

218.3 **Sec. 5. CITY OF EDINA; TAXES AUTHORIZED.**

218.4 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
218.5 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
218.6 and if approved by the voters at a general election as required under Minnesota Statutes,
218.7 section 297A.99, subdivision 3, the city of Edina may impose by ordinance a sales and use
218.8 tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise
218.9 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the
218.10 imposition, administration, collection, and enforcement of the tax authorized under this
218.11 subdivision. The tax imposed under this subdivision is in addition to any local sales and
218.12 use tax imposed under any other special law.

218.13 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
218.14 under subdivision 1 must be used by the city of Edina to pay the costs of collecting and
218.15 administering the tax and paying for the following projects in the city, including securing
218.16 and paying debt service on bonds issued to finance all or part of the following projects:

218.17 (1) \$17,700,000 plus associated bonding costs for development of Fred Richards Park
218.18 as identified in the Fred Richards Park Master Plan; and

218.19 (2) ~~\$21,600,000~~ \$53,300,000 plus associated bonding costs for improvements to Braemar
218.20 Park as identified in the Braemar Park Master Plan.

218.21 Subd. 3. **Bonding authority.** (a) The city of Edina may issue bonds under Minnesota
218.22 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
218.23 subdivision 2 and approved by the voters as required under Minnesota Statutes, section
218.24 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
218.25 under this subdivision may not exceed: (1) \$17,700,000 for the project listed in subdivision
218.26 2, clause (1), plus an amount to be applied to the payment of the costs of issuing the bonds;
218.27 and (2) ~~\$21,600,000~~ \$53,300,000 for the project listed in subdivision 2, clause (2), plus an
218.28 amount to be applied to the payment of the costs of issuing the bonds. The bonds may be
218.29 paid from or secured by any funds available to the city of Edina, including the tax authorized
218.30 under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota
218.31 Statutes, sections 275.60 and 275.61.

218.32 (b) The bonds are not included in computing any debt limitation applicable to the city
218.33 of Edina, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal

219.1 and interest on the bonds is not subject to any levy limitation. A separate election to approve
219.2 the bonds under Minnesota Statutes, section 475.58, is not required.

219.3 **Subd. 4. Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
219.4 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 19 years
219.5 after the tax is first imposed, or (2) when the city council determines that the amount received
219.6 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
219.7 projects approved by voters as required under Minnesota Statutes, section 297A.99,
219.8 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
219.9 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
219.10 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
219.11 any funds remaining after payment of the allowed costs due to the timing of the termination
219.12 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the
219.13 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
219.14 if the city so determines by ordinance.

219.15 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
219.16 city of Edina and its chief clerical officer comply with Minnesota Statutes, section 645.021,
219.17 subdivisions 2 and 3.

219.18 Sec. 20. Laws 2021, First Special Session chapter 14, article 8, section 6, subdivision 2,
219.19 is amended to read:

219.20 **Subd. 2. Use of sales and use tax revenues.** (a) The revenues derived from the tax
219.21 authorized under subdivision 1 must be used by the city of Fergus Falls to pay the costs of
219.22 collecting and administering the tax and for the following projects in the city, including
219.23 securing and paying debt service, on bonds issued to finance all or part of the following
219.24 projects:

219.25 (1) \$7,800,000 for an aquatics center; and

219.26 (2) \$5,200,000 for the DeLagoon Improvement Project.

219.27 **(b) Notwithstanding Minnesota Statutes, section 297A.99, subdivision 3, and as approved**
219.28 **by the voters at the November 8, 2022, general election, the city of Fergus Falls may by**
219.29 **ordinance increase the cost for the project in paragraph (a), clause (1), by up to \$3,000,000,**
219.30 **without holding another local election.**

219.31 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
219.32 city of Fergus Falls and its chief clerical officer comply with Minnesota Statutes, section
219.33 645.021, subdivisions 2 and 3.

220.1 Sec. 21. Laws 2021, First Special Session chapter 14, article 8, section 6, subdivision 3,
220.2 is amended to read:

220.3 Subd. 3. **Bonding authority.** (a) The city of Fergus Falls may issue bonds under
220.4 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
220.5 authorized in subdivision 2, and approved by the voters as required under Minnesota Statutes,
220.6 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
220.7 issued under this subdivision may not exceed:

220.8 (1) \$7,800,000 for the project listed in subdivision 2, clause (1), plus an amount needed
220.9 to pay capitalized interest and an amount to be applied to the payment of the costs of issuing
220.10 the bonds; and

220.11 (2) \$5,200,000 for the project listed in subdivision 2, clause (2), plus an amount needed
220.12 to pay capitalized interest and an amount to be applied to the payment of the costs of issuing
220.13 the bonds.

220.14 (b) The bonds may be paid from or secured by any funds available to the city of Fergus
220.15 Falls, including the tax authorized under subdivision 1. The issuance of bonds under this
220.16 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

220.17 (c) The bonds are not included in computing any debt limitation applicable to the city
220.18 of Fergus Falls, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
220.19 principal and interest on the bonds is not subject to any levy limitation. A separate election
220.20 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

220.21 (d) Notwithstanding Minnesota Statutes, section 297A.99, subdivision 3, and as approved
220.22 by the voters at the November 8, 2022, general election, the city of Fergus Falls may by
220.23 ordinance increase the amount of bonding for the project in paragraph (a), clause (1), by up
220.24 to \$3,000,000, without holding another local election.

220.25 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
220.26 city of Fergus Falls and its chief clerical officer comply with Minnesota Statutes, section
220.27 645.021, subdivisions 2 and 3.

220.28 Sec. 22. Laws 2021, First Special Session chapter 14, article 8, section 15, subdivision 2,
220.29 is amended to read:

220.30 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
220.31 under subdivision 1 must be used by the city of Oakdale to pay the costs of collecting and
220.32 administering the tax and paying for the following projects in the city, including securing
220.33 and paying debt service on bonds issued to finance all or part of the following projects:

221.1 (1) ~~\$22,000,000~~ \$28,000,000 plus associated bonding costs for construction of a new
221.2 public works facility; and

221.3 (2) ~~\$15,000,000~~ \$18,000,000 plus associated bonding costs for construction and
221.4 rehabilitation, and associated building costs of the police department facility.

221.5 Sec. 23. Laws 2021, First Special Session chapter 14, article 8, section 15, subdivision 3,
221.6 is amended to read:

221.7 Subd. 3. **Bonding authority.** (a) The city of Oakdale may issue bonds under Minnesota
221.8 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
221.9 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
221.10 not exceed: (1) ~~\$22,000,000~~ \$28,000,000 for the project listed in subdivision 2, clause (1),
221.11 plus an amount applied to the payment of costs of issuing the bonds; and (2) ~~\$15,000,000~~
221.12 \$18,000,000 for the projects listed in subdivision 2, clause (2), plus an amount applied to
221.13 the payment of costs of issuing the bonds. The bonds may be paid from or secured by any
221.14 funds available to the city of Oakdale, including the tax authorized under subdivision 1.
221.15 The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections
221.16 275.60 and 275.61.

221.17 (b) The bonds are not included in computing any debt limitation applicable to the city.
221.18 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
221.19 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
221.20 under Minnesota Statutes, section 475.58, is not required.

221.21 Sec. 24. Laws 2021, First Special Session chapter 14, article 8, section 15, subdivision 4,
221.22 is amended to read:

221.23 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
221.24 earlier of: (1) ~~25~~ 30 years after the tax is first imposed; or (2) when the city council
221.25 determines that the city has received from this tax ~~\$37,000,000~~ \$46,000,000 to fund the
221.26 projects listed in subdivision 2, plus an amount sufficient to pay costs related to issuance
221.27 of any bonds authorized in subdivision 3, including interest on the bonds. Except as otherwise
221.28 provided under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds
221.29 remaining after payment of the allowed costs due to timing of the termination under
221.30 Minnesota Statutes, section 297A.99, shall be placed in the city's general fund. The tax
221.31 imposed under subdivision 1 may expire at an earlier time if the city so determines by
221.32 ordinance.

222.1 Sec. 25. Laws 2021, First Special Session chapter 14, article 8, section 15, is amended by
222.2 adding a subdivision to read:

222.3 Subd. 5. **Requirements.** (a) The city of Oakdale must adopt a resolution that includes
222.4 the requirements of Minnesota Statutes, section 297A.99, subdivision 2, paragraph (a), and
222.5 reflects the increases in project costs and bond issuance in subdivisions 2 and 3 and the
222.6 increase in the duration of the tax in subdivision 4, and submit the resolution to the state
222.7 auditor no later than September 1, 2023.

222.8 (b) The modifications in subdivisions 2 to 4 are subject to approval by the voters of the
222.9 city of Oakdale at an election conducted on the first Tuesday after the first Monday in
222.10 November within the two-year period after the governing body of the city has received
222.11 authority to modify the tax. Notwithstanding the authorizing legislation, a modification that
222.12 is not approved by the voters may not be funded with the local sales tax revenue and the
222.13 termination date of the tax set in subdivision 4 must be reduced proportionately based on
222.14 the share of that project's cost to the total costs of all projects included in the authorizing
222.15 legislation.

222.16 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
222.17 city of Oakdale and its chief clerical officer comply with Minnesota Statutes, section 645.021,
222.18 subdivisions 2 and 3.

222.19 Sec. 26. Laws 2021, First Special Session chapter 14, article 8, section 20, subdivision 4,
222.20 is amended to read:

222.21 **Subd. 4. Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
222.22 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) ~~19~~ 20 years
222.23 after the tax is first imposed, or (2) when the city council determines that the amount received
222.24 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
222.25 projects approved by voters as required under Minnesota Statutes, section 297A.99,
222.26 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
222.27 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
222.28 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
222.29 any funds remaining after payment of the allowed costs due to the timing of the termination
222.30 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
222.31 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
222.32 if the city so determines by ordinance.

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

223.1 **Sec. 27. BELTRAMI COUNTY; TAXES AUTHORIZED.**

223.2 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
223.3 section 297A.99, subdivision 1, or 477A.016, or any other law or ordinance, and if approved
223.4 by the voters at an election as required under Minnesota Statutes, section 297A.99,
223.5 subdivision 3, Beltrami County may impose by ordinance a sales and use tax of five-eighths
223.6 of one percent for the purpose specified in subdivision 2. Except as otherwise provided in
223.7 this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
223.8 administration, collection, and enforcement of the tax authorized under this subdivision.
223.9 The tax imposed under this subdivision is in addition to any local sales and use tax imposed
223.10 under any other special law.

223.11 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
223.12 under subdivision 1 must be used by Beltrami County to pay the costs of collecting and
223.13 administering the tax, and to finance up to \$80,000,000 for the construction of a new county
223.14 jail. Authorized costs include the associated bond costs for any bonds issued under
223.15 subdivision 3.

223.16 **Subd. 3. Bonding authority.** (a) Beltrami County may issue bonds under Minnesota
223.17 Statutes, chapter 475, to finance the costs of the facility authorized in subdivision 2. The
223.18 aggregate principal amount of bonds issued under this subdivision may not exceed
223.19 \$80,000,000 for the project listed in subdivision 2, plus an amount to be applied to the
223.20 payment of the costs of issuing the bonds. The bonds may be paid from or secured by any
223.21 funds available to the county, including the tax authorized under subdivision 1. The issuance
223.22 of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and
223.23 275.61.

223.24 (b) The bonds are not included in computing any debt limitation applicable to the county,
223.25 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest
223.26 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
223.27 under Minnesota Statutes, section 475.58, is not required.

223.28 **Subd. 4. Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
223.29 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 30 years
223.30 after the tax is first imposed; or (2) when the county board determines that the amount
223.31 received from the tax is sufficient to pay \$80,000,000 in project costs authorized under
223.32 subdivision 2, plus an amount sufficient to pay the costs related to issuance of any bonds
223.33 authorized under subdivision 3, including interest on the bonds. Except as otherwise provided
223.34 in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining

224.1 after payment of the allowed costs due to the timing of the termination of the tax under
224.2 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of
224.3 the county. The tax imposed under subdivision 1 may expire at an earlier time if the county
224.4 so determines by ordinance.

224.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of
224.6 Beltrami County and its chief clerical officer comply with Minnesota Statutes, section
224.7 645.021, subdivisions 2 and 3.

224.8 **Sec. 28. CITY OF BLACKDUCK; TAXES AUTHORIZED.**

224.9 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
224.10 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
224.11 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the
224.12 city of Blackduck may impose, by ordinance, a sales and use tax of up to one-half of one
224.13 percent for the purposes specified in subdivision 2. Except as otherwise provided in this
224.14 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
224.15 administration, collection, and enforcement of the tax authorized under this subdivision.
224.16 The tax imposed under this subdivision is in addition to any local sales and use tax imposed
224.17 under any other special law.

224.18 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
224.19 under subdivision 1 must be used by the city of Blackduck to pay the costs of collecting
224.20 and administering the tax, including associated bond costs on bonds issued under subdivision
224.21 3, and securing and paying debt service on the bonds, and to finance all or part of the
224.22 following projects:

224.23 (1) \$200,000 for electricity and utility improvements at the city campground;

224.24 (2) \$250,000 for construction of a playground and ADA-compliant restroom at the city
224.25 wayside rest;

224.26 (3) \$300,000 for trail extensions and improvements adjacent to Wayside Rest Park;

224.27 (4) \$150,000 for irrigation improvements at the city golf course; and

224.28 (5) \$100,000 for rehabilitation of the Blackduck Community Library.

224.29 Subd. 3. **Bonding authority.** (a) The city of Blackduck may issue bonds under Minnesota
224.30 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
224.31 subdivision 2 and approved by the voters as required under Minnesota Statutes, section

225.1 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
225.2 under this subdivision may not exceed:

225.3 (1) \$200,000 for the project listed in subdivision 2, clause (1), plus an amount to be
225.4 applied to the payment of the costs of issuing the bonds;

225.5 (2) \$250,000 for the project listed in subdivision 2, clause (2), plus an amount to be
225.6 applied to the payment of the costs of issuing the bonds;

225.7 (3) \$300,000 for the project listed in subdivision 2, clause (3), plus an amount to be
225.8 applied to the payment of the costs of issuing the bonds;

225.9 (4) \$150,000 for the project listed in subdivision 2, clause (4), plus an amount to be
225.10 applied to the payment of the costs of issuing the bonds; and

225.11 (5) \$100,000 for the project listed in subdivision 2, clause (5), plus an amount to be
225.12 applied to the payment of the costs of issuing the bonds.

225.13 (b) The bonds may be paid from or secured by any funds available to the county, including
225.14 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not
225.15 subject to Minnesota Statutes, sections 275.60 and 275.61.

225.16 (c) The bonds are not included in computing any debt limitation applicable to the county.
225.17 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
225.18 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
225.19 under Minnesota Statutes, section 475.58, is not required.

225.20 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
225.21 earlier of: (1) 20 years after the tax is first imposed; or (2) when the county determines that
225.22 the amount it has received from this tax is sufficient to pay for the project costs authorized
225.23 under subdivision 2 for projects approved by voters as required under Minnesota Statutes,
225.24 section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs
225.25 related to issuance of any bonds authorized under subdivision 3, including interest on the
225.26 bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision
225.27 3, paragraph (f), any funds remaining after payment of the allowed costs due to timing of
225.28 the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall
225.29 be placed in the county's general fund. The tax imposed under subdivision 1 may expire at
225.30 an earlier time if the county determines by ordinance.

225.31 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
225.32 city of Blackduck and its chief clerical officer comply with Minnesota Statutes, section
225.33 645.021, subdivisions 2 and 3.

226.1 **Sec. 29. CITY OF BLOOMINGTON; TAXES AUTHORIZED.**

226.2 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
226.3 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
226.4 and if approved by the voters at an election as required under Minnesota Statutes, section
226.5 297A.99, subdivision 3, the city of Bloomington may impose by ordinance a sales and use
226.6 tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise
226.7 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the
226.8 imposition, administration, collection, and enforcement of the tax authorized under this
226.9 subdivision. The tax imposed under this subdivision is in addition to any local sales and
226.10 use tax imposed under any other special law.

226.11 **Subd. 2. Use of sales and use tax revenues.** (a) The revenues derived from the tax
226.12 authorized under subdivision 1 must be used by the city of Bloomington to pay the costs of
226.13 collecting and administering the tax and paying for the following projects in the city,
226.14 including securing and paying debt service on bonds issued to finance all or part of the
226.15 following projects:

226.16 (1) \$35,000,000 for new construction and rehabilitation of the Bloomington Ice Garden
226.17 and associated infrastructure;

226.18 (2) \$100,000,000 for construction of a new Community Health and Wellness Center
226.19 and associated infrastructure; and

226.20 (3) \$20,000,000 for new construction and restoration of the Nine Mile Creek Corridor
226.21 Renewal and associated infrastructure.

226.22 (b) For purposes of this subdivision, "associated infrastructure" includes but is not limited
226.23 to any or all of the following items required for the safe access or use of the capital projects:
226.24 facilities, roads, lighting, sidewalks, parking, landscaping, and utilities.

226.25 **Subd. 3. Bonding authority.** (a) The city of Bloomington may issue bonds under
226.26 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects
226.27 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,
226.28 section 297A.99, subdivision 3, paragraph (a).The aggregate principal amount of bonds
226.29 issued under this subdivision may not exceed:

226.30 (1) \$35,000,000 for the project listed in subdivision 2, paragraph (a), clause (1), plus an
226.31 amount to be applied to the payment of the costs of issuing the bonds;

226.32 (2) \$100,000,000 for the project listed in subdivision 2, paragraph (a), clause (2), plus
226.33 an amount to be applied to the payment of the costs of issuing the bonds; and

227.1 (3) \$20,000,000 for the project listed in subdivision 2, paragraph (a), clause (3), plus an
227.2 amount to be applied to the payment of the costs of issuing the bonds.

227.3 (b) The bonds may be paid from or secured by any funds available to the city of
227.4 Bloomington, including the tax authorized under subdivision 1. The issuance of bonds under
227.5 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

227.6 (c) The bonds are not included in computing any debt limitation applicable to the city
227.7 of Bloomington, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
227.8 principal and interest on the bonds is not subject to any levy limitation. A separate election
227.9 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

227.10 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
227.11 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
227.12 after the tax is first imposed, or (2) when the city council determines that the amount received
227.13 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
227.14 projects approved by voters as required under Minnesota Statutes, section 297A.99,
227.15 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
227.16 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
227.17 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
227.18 any funds remaining after payment of the allowed costs due to the timing of the termination
227.19 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the
227.20 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
227.21 if the city so determines by ordinance.

227.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
227.23 city of Bloomington and its chief clerical officer comply with Minnesota Statutes, section
227.24 645.021, subdivisions 2 and 3.

227.25 Sec. 30. **BROOKLYN CENTER; TAXES AUTHORIZED.**

227.26 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
227.27 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
227.28 and if approved by the voters at a general election as required under Minnesota Statutes,
227.29 section 297A.99, subdivision 3, the city of Brooklyn Center may impose by ordinance a
227.30 sales and use tax of one-half of one percent for the purposes specified in subdivision 2.
227.31 Except as otherwise provided in this section, the provisions of Minnesota Statutes, section
227.32 297A.99, govern the imposition, administration, collection, and enforcement of the tax
227.33 authorized under this subdivision. The tax imposed under this subdivision is in addition to
227.34 any local sales and use tax imposed under any other special law.

228.1 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
228.2 under subdivision 1 must be used by the city of Brooklyn Center to pay the costs of collecting
228.3 and administering the tax, and to finance \$44,000,000, plus associated bonding costs, for
228.4 the renovation and expansion of the Brooklyn Center Community Center.

228.5 Subd. 3. Bonding authority. (a) The city of Brooklyn Center may issue bonds under
228.6 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
228.7 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,
228.8 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
228.9 issued under this subdivision may not exceed \$44,000,000 for the projects listed in
228.10 subdivision 2 plus an amount to be applied to the payment of the costs of issuing the bonds.

228.11 (b) The bonds may be paid from or secured by any funds available to the city of Brooklyn
228.12 Center, including the tax authorized under subdivision 1 and the full faith and credit of the
228.13 city. The issuance of bonds under this subdivision is not subject to Minnesota Statutes,
228.14 sections 275.60 and 275.61.

228.15 (c) The bonds are not included in computing any debt limitation applicable to the city
228.16 of Brooklyn Center and any levy of taxes under Minnesota Statutes, section 475.61, to pay
228.17 principal and interest on the bonds is not subject to any levy limitation. A separate election
228.18 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

228.19 Subd. 4. Termination of taxes. Subject to Minnesota Statutes, section 297A.99,
228.20 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
228.21 after being first imposed, or (2) when the city council determines that the amount received
228.22 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
228.23 projects approved by voters as required under Minnesota Statutes, section 297A.99,
228.24 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
228.25 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
228.26 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
228.27 any funds remaining after payment of the allowed costs due to the timing of the termination
228.28 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
228.29 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
228.30 if the city so determines by ordinance.

228.31 EFFECTIVE DATE. This section is effective the day after the governing body of the
228.32 city of Brooklyn Center and its chief clerical officer comply with Minnesota Statutes, section
228.33 645.021, subdivisions 2 and 3.

229.1 **Sec. 31. CITY OF CHANHASSEN; TAXES AUTHORIZED.**

229.2 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 229.3 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 229.4 and if approved by the voters at an election as required under Minnesota Statutes, section
 229.5 297A.99, subdivision 3, the city of Chanhassen may impose by ordinance a sales and use
 229.6 tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as
 229.7 otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,
 229.8 govern the imposition, administration, collection, and enforcement of the tax authorized
 229.9 under this subdivision. The tax imposed under this subdivision is in addition to any local
 229.10 sales and use tax imposed under any other special law.

229.11 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
 229.12 under subdivision 1 must be used by the city of Chanhassen to pay the costs of collecting
 229.13 and administering the tax and paying for up to \$40,000,000 for construction costs of the
 229.14 Avienda Recreational Facility, including securing and paying debt service on bonds issued
 229.15 to finance all or part of the project.

229.16 **Subd. 3. Bonding authority.** (a) The city of Chanhassen may issue bonds under
 229.17 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects
 229.18 authorized in subdivision 2. The aggregate principal amount of bonds issued under this
 229.19 subdivision may not exceed \$40,000,000, plus an amount to be applied to the payment of
 229.20 the costs of issuing the bonds.

229.21 (b) The bonds may be paid from or secured by any funds available to the city of
 229.22 Chanhassen, including the tax authorized under subdivision 1. The issuance of bonds under
 229.23 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

229.24 (c) The bonds are not included in computing any debt limitation applicable to the city
 229.25 of Chanhassen, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
 229.26 principal and interest on the bonds is not subject to any levy limitation. A separate election
 229.27 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

229.28 **Subd. 4. Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
 229.29 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
 229.30 after the tax is first imposed, or (2) when the city council determines that the amount received
 229.31 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus
 229.32 an amount sufficient to pay the costs related to issuance of any bonds authorized under
 229.33 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota
 229.34 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment

230.1 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,
230.2 section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax
230.3 imposed under subdivision 1 may expire at an earlier time if the city so determines by
230.4 ordinance.

230.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
230.6 city of Chanhassen and its chief clerical officer comply with Minnesota Statutes, section
230.7 645.021, subdivisions 2 and 3.

230.8 **Sec. 32. COTTAGE GROVE; TAXES AUTHORIZED.**

230.9 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
230.10 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
230.11 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the
230.12 city of Cottage Grove may impose by ordinance a sales and use tax of one-half of one
230.13 percent for the purposes specified in subdivision 2. Except as otherwise provided in this
230.14 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
230.15 administration, collection, and enforcement of the tax authorized under this subdivision.
230.16 The tax imposed under this subdivision is in addition to any local sales and use tax imposed
230.17 under any other special law.

230.18 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
230.19 under subdivision 1 must be used by the city of Cottage Grove to pay the costs of collecting
230.20 and administering the tax and paying for the following projects in the city, including securing
230.21 and paying debt service on bonds issued to finance all or part of the following projects:

230.22 (1) \$17,000,000 for construction of improvements to Hamlet Park;

230.23 (2) \$6,000,000 for construction of improvements to River Oaks Golf Course; and

230.24 (3) \$13,000,000 for construction of improvements to the Mississippi Dunes Park project.

230.25 Subd. 3. **Bonding authority.** (a) The city of Cottage Grove may issue bonds under
230.26 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects
230.27 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,
230.28 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
230.29 issued under this subdivision may not exceed:

230.30 (1) \$17,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be
230.31 applied to the payment of the costs of issuing the bonds;

231.1 (2) \$6,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be
231.2 applied to the payment of the costs of issuing the bonds; and

231.3 (3) \$13,000,000 for the project listed in subdivision 2, clause (3), plus an amount to be
231.4 applied to the payment of the costs of issuing the bonds.

231.5 (b) The bonds may be paid from or secured by any funds available to the city of Cottage
231.6 Grove, including the tax authorized under subdivision 1. The issuance of bonds under this
231.7 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

231.8 (c) The bonds are not included in computing any debt limitation applicable to the city
231.9 of Cottage Grove, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
231.10 principal and interest on the bonds is not subject to any levy limitation. A separate election
231.11 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

231.12 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
231.13 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 25 years
231.14 after the tax is first imposed, or (2) when the city council determines that the amount received
231.15 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
231.16 projects approved by voters as required under Minnesota Statutes, section 297A.99,
231.17 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
231.18 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
231.19 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
231.20 any funds remaining after payment of the allowed costs due to the timing of the termination
231.21 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the
231.22 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
231.23 if the city so determines by ordinance.

231.24 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
231.25 city of Cottage Grove and its chief clerical officer comply with Minnesota Statutes, section
231.26 645.021, subdivisions 2 and 3.

231.27 Sec. 33. **CITY OF DETROIT LAKES; TAXES AUTHORIZED.**

231.28 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
231.29 section 297A.99, subdivision 3, paragraphs (a) and (d), and section 477A.016, or any other
231.30 law, ordinance, or city charter, and if approved by the voters at an election held on either
231.31 November 7, 2023, or as otherwise required under Minnesota Statutes, section 297A.99,
231.32 subdivision 3, the city of Detroit Lakes may impose by ordinance a sales and use tax of
231.33 one-half of one percent for the purpose specified in subdivision 2. Except as otherwise

232.1 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the
232.2 imposition, administration, collection, and enforcement of the tax authorized under this
232.3 subdivision. The tax imposed under this subdivision is in addition to any local sales and
232.4 use tax imposed under any other special law.

232.5 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
232.6 under subdivision 1 must be used by the city of Detroit Lakes to pay the costs of collecting
232.7 and administering the tax, and to finance up to \$17,300,000, plus associated bond costs, for
232.8 the construction and renovation of the Detroit Lakes Pavilion, including park improvements,
232.9 beachfront improvements, and parking improvements.

232.10 Subd. 3. **Bonding authority.** (a) The city of Detroit Lakes may issue bonds under
232.11 Minnesota Statutes, chapter 475, to finance all or a portion of the project costs authorized
232.12 in subdivision 2. The aggregate principal amount of bonds issued under this subdivision
232.13 may not exceed \$17,300,000, plus an amount to be applied to the payment of the costs of
232.14 issuing the bonds.

232.15 (b) The bonds may be paid from or secured by any funds available to the city of Detroit
232.16 Lakes, including the tax authorized under subdivision 1. The issuance of bonds under this
232.17 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

232.18 (c) The bonds are not included in computing any debt limitation applicable to the city
232.19 of Detroit Lakes, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
232.20 principal and interest on the bonds is not subject to any levy limitation. A separate election
232.21 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

232.22 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
232.23 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 12 years
232.24 after the tax is first imposed, or (2) when the city council determines that the amount received
232.25 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus
232.26 an amount sufficient to pay the costs related to issuance of any bonds authorized under
232.27 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota
232.28 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment
232.29 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,
232.30 section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax
232.31 imposed under subdivision 1 may expire at an earlier time if the city so determines by
232.32 ordinance.

233.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
233.2 city of Detroit Lakes and its chief clerical officer comply with Minnesota Statutes, section
233.3 645.021, subdivisions 2 and 3.

233.4 Sec. 34. **CITY OF DILWORTH; TAXES AUTHORIZED.**

233.5 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
233.6 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
233.7 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the
233.8 city of Dilworth may impose by ordinance a sales and use tax of one-half of one percent
233.9 for the purpose specified in subdivision 2. Except as otherwise provided in this section, the
233.10 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
233.11 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
233.12 under this subdivision is in addition to any local sales and use tax imposed under any other
233.13 special law.

233.14 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
233.15 under subdivision 1 must be used by the city of Dilworth to pay the costs of collecting and
233.16 administering the tax, and to finance up to \$5,400,000 for the construction of a community
233.17 and recreational center. Authorized costs include the associated bond costs for any bonds
233.18 issued under subdivision 3.

233.19 Subd. 3. **Bonding authority.** (a) The city of Dilworth may issue bonds under Minnesota
233.20 Statutes, chapter 475, to finance the costs of the facility authorized in subdivision 2. The
233.21 aggregate principal amount of bonds issued under this subdivision may not exceed \$5,400,000
233.22 for the project listed in subdivision 2, plus an amount to be applied to the payment of the
233.23 costs of issuing the bonds.

233.24 (b) The bonds may be paid from or secured by any funds available to the city, including
233.25 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not
233.26 subject to Minnesota Statutes, sections 275.60 and 275.61.

233.27 (c) The bonds are not included in computing any debt limitation applicable to the city,
233.28 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest
233.29 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
233.30 under Minnesota Statutes, section 475.58, is not required.

233.31 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
233.32 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 25 years
233.33 after the tax is first imposed; or (2) when the city council determines that the amount received

234.1 from the tax is sufficient to pay \$5,400,000 in project costs authorized under subdivision
 234.2 2, plus an amount sufficient to pay the costs related to issuance of any bonds authorized
 234.3 under subdivision 3, including interest on the bonds. Except as otherwise provided in
 234.4 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining
 234.5 after payment of the allowed costs due to the timing of the termination of the tax under
 234.6 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of
 234.7 the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so
 234.8 determines by ordinance.

234.9 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 234.10 city of Dilworth and its chief clerical officer comply with Minnesota Statutes, section
 234.11 645.021, subdivisions 2 and 3.

234.12 Sec. 35. **CITY OF EAST GRAND FORKS; TAXES AUTHORIZED.**

234.13 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 234.14 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
 234.15 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the
 234.16 city of East Grand Forks may impose by ordinance a sales and use tax of up to one percent
 234.17 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
 234.18 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 234.19 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
 234.20 under this subdivision is in addition to any local sales and use tax imposed under any other
 234.21 special law.

234.22 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 234.23 under subdivision 1 must be used by the city of East Grand Forks to pay the costs of
 234.24 collecting and administering the tax and paying for the following projects in the city,
 234.25 including securing and paying debt service on bonds issued to finance all or part of the
 234.26 following projects:

234.27 (1) \$6,745,000 plus associated bonding costs for reconstruction and remodeling of, and
 234.28 upgrades and additions to, the Civic Center Sports Complex; and

234.29 (2) \$8,000,000 plus associated bonding costs for reconstruction and remodeling of, and
 234.30 upgrades and additions to, the VFW Memorial Arena and Blue Line Arena.

234.31 Subd. 3. **Bonding authority.** (a) The city of East Grand Forks may issue bonds under
 234.32 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
 234.33 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,

235.1 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
235.2 issued under this subdivision may not exceed:

235.3 (1) \$6,745,000 for the project listed in subdivision 2, clause (1), plus an amount to be
235.4 applied to the payment of the costs of issuing the bonds; and

235.5 (2) \$8,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be
235.6 applied to the payment of the costs of issuing the bonds.

235.7 (b) The bonds may be paid from or secured by any funds available to the city, including
235.8 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not
235.9 subject to Minnesota Statutes, sections 275.60 and 275.61.

235.10 (c) The bonds are not included in computing any debt limitation applicable to the city
235.11 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest
235.12 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
235.13 under Minnesota Statutes, section 475.58, is not required.

235.14 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
235.15 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
235.16 after being first imposed, or (2) when the city council determines that the amount received
235.17 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
235.18 projects approved by voters as required under Minnesota Statutes, section 297A.99,
235.19 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
235.20 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
235.21 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
235.22 any funds remaining after payment of the allowed costs due to the timing of the termination
235.23 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
235.24 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
235.25 if the city so determines by ordinance.

235.26 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
235.27 city of East Grand Forks and its chief clerical officer comply with Minnesota Statutes,
235.28 section 645.021, subdivisions 2 and 3.

235.29 Sec. 36. **CITY OF FAIRMONT; TAXES AUTHORIZED.**

235.30 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
235.31 section 297A.99, subdivisions 1 and 3, paragraph (d), or 477A.016, or any other law,
235.32 ordinance, or city charter, and if approved by the voters at an election as required under
235.33 Minnesota Statutes, section 297A.99, subdivision 3, the city of Fairmont may impose by

236.1 ordinance a sales and use tax of one-half of one percent for the purpose specified in
236.2 subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota
236.3 Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement
236.4 of the tax authorized under this subdivision. The tax imposed under this subdivision is in
236.5 addition to any local sales and use tax imposed under any other special law.

236.6 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
236.7 under subdivision 1 must be used by the city of Fairmont to pay the costs of collecting and
236.8 administering the tax and to finance up to \$20,000,000, plus associated bonding costs, for
236.9 construction of a community center and ice arena.

236.10 Subd. 3. **Bonding authority.** (a) The city of Fairmont may issue bonds under Minnesota
236.11 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
236.12 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
236.13 not exceed \$20,000,000, plus an amount to be applied to the payment of the costs of issuing
236.14 the bonds.

236.15 (b) The bonds may be paid from or secured by any funds available to the city of Fairmont,
236.16 including the tax authorized under subdivision 1. The issuance of bonds under this
236.17 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

236.18 (c) The bonds are not included in computing any debt limitation applicable to the city
236.19 of Fairmont, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
236.20 and interest on the bonds is not subject to any levy limitation. A separate election to approve
236.21 the bonds under Minnesota Statutes, section 475.58, is not required.

236.22 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
236.23 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 25 years
236.24 after the tax is first imposed, or (2) when the city council determines that the amount received
236.25 from the tax is sufficient to pay, plus an amount sufficient to pay the costs related to issuance
236.26 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
236.27 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
236.28 any funds remaining after payment of the allowed costs due to the timing of the termination
236.29 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the
236.30 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
236.31 if the city so determines by ordinance.

236.32 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
236.33 city of Fairmont and its chief clerical officer comply with Minnesota Statutes, section
236.34 645.021, subdivisions 2 and 3.

237.1 **Sec. 37. CITY OF HENDERSON; TAXES AUTHORIZED.**

237.2 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
237.3 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
237.4 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the
237.5 city of Henderson may impose by ordinance a sales and use tax of one-half of one percent
237.6 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
237.7 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
237.8 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
237.9 under this subdivision is in addition to any local sales and use tax imposed under any other
237.10 special law.

237.11 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
237.12 under subdivision 1 must be used by the city of Henderson to pay the costs of collecting
237.13 and administering the tax, and to finance up to \$250,000 for the Allanson's Park Campground
237.14 and Trail project. Authorized project costs include improvements to trails, improvements
237.15 to the park campground and related facilities, utility improvements, handicap access
237.16 improvements, and other improvements related to linkage to other local trails, as well as
237.17 the associated bond costs for any bonds issued under subdivision 3.

237.18 **Subd. 3. Bonding authority.** (a) The city of Henderson may issue bonds under Minnesota
237.19 Statutes, chapter 475, to finance up to \$250,000 of the portion of the costs of the project
237.20 authorized in subdivision 2, and approved by the voters as required under Minnesota Statutes,
237.21 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
237.22 issued under this subdivision may not exceed \$250,000 plus an amount to be applied to the
237.23 payment of the costs of issuing the bonds.

237.24 (b) The bonds may be paid from or secured by any funds available to the city of
237.25 Henderson, including the tax authorized under subdivision 1. The issuance of bonds under
237.26 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

237.27 (c) The bonds are not included in computing any debt limitation applicable to the city
237.28 of Henderson, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
237.29 principal and interest on the bonds is not subject to any levy limitation. A separate election
237.30 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

237.31 **Subd. 4. Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
237.32 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 15 years
237.33 after the tax is first imposed; or (2) when the city council determines that the amount received
237.34 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for

238.1 projects approved by voters as required under Minnesota Statutes, section 297A.99,
238.2 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
238.3 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
238.4 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
238.5 any funds remaining after payment of the allowed costs due to the timing of the termination
238.6 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
238.7 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
238.8 if the city so determines by ordinance.

238.9 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
238.10 city of Henderson and its chief clerical officer comply with Minnesota Statutes, section
238.11 645.021, subdivisions 2 and 3.

238.12 **Sec. 38. CITY OF HIBBING; TAXES AUTHORIZED.**

238.13 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
238.14 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
238.15 and if approved by the voters at an election as required under Minnesota Statutes, section
238.16 297A.99, subdivision 3, the city of Hibbing may impose by ordinance a sales and use tax
238.17 of one-half of one percent for the purpose specified in subdivision 2. Except as otherwise
238.18 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the
238.19 imposition, administration, collection, and enforcement of the tax authorized under this
238.20 subdivision. The tax imposed under this subdivision is in addition to any local sales and
238.21 use tax imposed under any other special law.

238.22 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
238.23 under subdivision 1 must be used by the city of Hibbing to pay the costs of collecting and
238.24 administering the tax, and to finance up to \$19,600,000 for the construction of a regional
238.25 public safety center. Authorized costs include the associated bond costs for any bonds issued
238.26 under subdivision 3.

238.27 Subd. 3. **Bonding authority.** (a) The city of Hibbing may issue bonds under Minnesota
238.28 Statutes, chapter 475, to finance the costs of the facility authorized in subdivision 2. The
238.29 aggregate principal amount of bonds issued under this subdivision may not exceed
238.30 \$19,600,000 for the project listed in subdivision 2, plus an amount to be applied to the
238.31 payment of the costs of issuing the bonds.

238.32 (b) The bonds may be paid from or secured by any funds available to the city, including
238.33 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not
238.34 subject to Minnesota Statutes, sections 275.60 and 275.61.

239.1 (c) The bonds are not included in computing any debt limitation applicable to the city,
 239.2 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest
 239.3 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 239.4 under Minnesota Statutes, section 475.58, is not required.

239.5 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
 239.6 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 20 years
 239.7 after the tax is first imposed; or (2) when the city council determines that the amount received
 239.8 from the tax is sufficient to pay \$19,600,000 in project costs authorized under subdivision
 239.9 2, plus an amount sufficient to pay the costs related to issuance of any bonds authorized
 239.10 under subdivision 3, including interest on the bonds. Except as otherwise provided in
 239.11 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining
 239.12 after payment of the allowed costs due to the timing of the termination of the tax under
 239.13 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of
 239.14 the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so
 239.15 determines by ordinance.

239.16 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 239.17 city of Hibbing and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 239.18 subdivisions 2 and 3.

239.19 Sec. 39. **GOLDEN VALLEY; TAXES AUTHORIZED.**

239.20 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 239.21 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 239.22 and if approved by the voters at an election as required under Minnesota Statutes, section
 239.23 297A.99, subdivision 3, the city of Golden Valley may impose by ordinance a sales and
 239.24 use tax of 1.25 percent for the purposes specified in subdivision 2. Except as otherwise
 239.25 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the
 239.26 imposition, administration, collection, and enforcement of the tax authorized under this
 239.27 subdivision. The tax imposed under this subdivision is in addition to any local sales and
 239.28 use tax imposed under any other special law.

239.29 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 239.30 under subdivision 1 must be used by the city of Golden Valley to pay the costs of collecting
 239.31 and administering the tax and paying for the following projects in the city, including securing
 239.32 and paying debt service on bonds issued to finance all or part of the following projects:

239.33 (1) \$45,000,000 plus associated bonding costs for construction of a new public works
 239.34 facility;

240.1 (2) \$15,000,000 plus associated bonding costs for the purchase of land for a new public
240.2 works facility; and

240.3 (3) \$45,000,000 plus associated bonding costs for construction of a new public safety
240.4 facility.

240.5 Subd. 3. **Bonding authority.** (a) The city of Golden Valley may issue bonds under
240.6 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects
240.7 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,
240.8 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
240.9 issued under this subdivision may not exceed:

240.10 (1) \$45,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be
240.11 applied to the payment of the costs of issuing the bonds;

240.12 (2) \$15,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be
240.13 applied to the payment of the costs of issuing the bonds; and

240.14 (3) \$45,000,000 for the project listed in subdivision 2, clause (3), plus an amount to be
240.15 applied to the payment of the costs of issuing the bonds.

240.16 (b) The bonds may be paid from or secured by any funds available to the city of Golden
240.17 Valley, including the tax authorized under subdivision 1. The issuance of bonds under this
240.18 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

240.19 (c) The bonds are not included in computing any debt limitation applicable to the city
240.20 of Golden Valley, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
240.21 principal and interest on the bonds is not subject to any levy limitation. A separate election
240.22 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

240.23 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
240.24 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years
240.25 after the tax is first imposed, or (2) when the city council determines that the amount received
240.26 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
240.27 projects approved by voters as required under Minnesota Statutes, section 297A.99,
240.28 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
240.29 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
240.30 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
240.31 any funds remaining after payment of the allowed costs due to the timing of the termination
240.32 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the

241.1 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
241.2 if the city so determines by ordinance.

241.3 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
241.4 city of Golden Valley and its chief clerical officer comply with Minnesota Statutes, section
241.5 645.021, subdivisions 2 and 3.

241.6 Sec. 40. **CITY OF JACKSON; TAXES AUTHORIZED.**

241.7 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
241.8 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
241.9 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the
241.10 city of Jackson may impose by ordinance a sales and use tax of one percent for the purpose
241.11 specified in subdivision 2. Except as otherwise provided in this section, the provisions of
241.12 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and
241.13 enforcement of the tax authorized under this subdivision. The tax imposed under this
241.14 subdivision is in addition to any local sales and use tax imposed under any other special
241.15 law.

241.16 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
241.17 under subdivision 1 must be used by the city of Jackson to pay the costs of collecting and
241.18 administering the tax, and to finance up to \$5,750,000 for construction, renovation, and
241.19 improvements to a new outdoor athletic complex, including securing and paying debt service
241.20 on bonds issued under subdivision 3.

241.21 Subd. 3. **Bonding authority.** (a) The city of Jackson may issue bonds under Minnesota
241.22 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
241.23 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
241.24 not exceed \$5,750,000, plus an amount to be applied to the payment of the costs of issuing
241.25 the bonds.

241.26 (b) The bonds may be paid from or secured by any funds available to the city of Jackson,
241.27 including the tax authorized under subdivision 1. The issuance of bonds under this
241.28 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

241.29 (c) The bonds are not included in computing any debt limitation applicable to the city
241.30 of Jackson, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
241.31 and interest on the bonds is not subject to any levy limitation. A separate election to approve
241.32 the bonds under Minnesota Statutes, section 475.58, is not required.

242.1 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
 242.2 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years
 242.3 after the tax is first imposed, or (2) when the city council determines that the amount received
 242.4 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus
 242.5 an amount sufficient to pay the costs related to issuance of any bonds authorized under
 242.6 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota
 242.7 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment
 242.8 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,
 242.9 section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax
 242.10 imposed under subdivision 1 may expire at an earlier time if the city so determines by
 242.11 ordinance.

242.12 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 242.13 city of Jackson and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 242.14 subdivisions 2 and 3.

242.15 Sec. 41. **JACKSON COUNTY; TAXES AUTHORIZED.**

242.16 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 242.17 section 477A.016, or any other law or ordinance, and if approved by the voters at an election
 242.18 as required under Minnesota Statutes, section 297A.99, subdivision 3, Jackson County may
 242.19 impose by ordinance a sales and use tax of one percent for the purposes specified in
 242.20 subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota
 242.21 Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement
 242.22 of the tax authorized under this subdivision. The tax imposed under this subdivision is in
 242.23 addition to any local sales and use tax imposed under any other special law.

242.24 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 242.25 under subdivision 1 must be used by Jackson County to pay the costs of collecting and
 242.26 administering the tax and paying for up to \$39,000,000 for construction of a law enforcement
 242.27 center and government center in the county, including associated bond costs for any bonds
 242.28 issued under subdivision 3.

242.29 Subd. 3. **Bonding authority.** (a) Jackson County may issue bonds under Minnesota
 242.30 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
 242.31 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
 242.32 not exceed \$39,000,000, plus an amount to be applied to the payment of the costs of issuing
 242.33 the bonds.

243.1 (b) The bonds may be paid from or secured by any funds available to Jackson County,
 243.2 including the tax authorized under subdivision 1. The issuance of bonds under this
 243.3 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

243.4 (c) The bonds are not included in computing any debt limitation applicable to Jackson
 243.5 County, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
 243.6 and interest on the bonds is not subject to any levy limitation. A separate election to approve
 243.7 the bonds under Minnesota Statutes, section 475.58, is not required.

243.8 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
 243.9 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years
 243.10 after the tax is first imposed, or (2) when the county board of commissioners determines
 243.11 that the amount received from the tax is sufficient to pay for the project costs authorized
 243.12 under subdivision 2, plus an amount sufficient to pay the costs related to issuance of any
 243.13 bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise
 243.14 provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds
 243.15 remaining after payment of the allowed costs due to the timing of the termination of the tax
 243.16 under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general
 243.17 fund of the county. The tax imposed under subdivision 1 may expire at an earlier time if
 243.18 the county so determines by ordinance.

243.19 **EFFECTIVE DATE.** This section is effective the day after the governing body of
 243.20 Jackson County and its chief clerical officer comply with Minnesota Statutes, section
 243.21 645.021, subdivisions 2 and 3.

243.22 Sec. 42. **MONTICELLO; TAXES AUTHORIZED.**

243.23 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 243.24 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 243.25 and if approved by the voters at an election as required under Minnesota Statutes, section
 243.26 297A.99, subdivision 3, the city of Monticello may impose by ordinance a sales and use
 243.27 tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise
 243.28 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the
 243.29 imposition, administration, collection, and enforcement of the tax authorized under this
 243.30 subdivision. The tax imposed under this subdivision is in addition to any local sales and
 243.31 use tax imposed under any other special law.

243.32 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 243.33 under subdivision 1 must be used by the city of Monticello to pay the costs of collecting

244.1 and administering the tax and paying for the following projects in the city, including securing
244.2 and paying debt service on bonds issued to finance all or part of the following projects:

244.3 (1) \$15,000,000 for new construction and rehabilitation of the Bertram Chain of Lakes
244.4 Regional Athletic Park; and

244.5 (2) \$15,000,000 for new construction and improvements to the Pointes at Cedar
244.6 Recreation Area.

244.7 Subd. 3. **Bonding authority.** (a) The city of Monticello may issue bonds under Minnesota
244.8 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
244.9 subdivision 2 and approved by the voters as required under Minnesota Statutes, section
244.10 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
244.11 under this subdivision may not exceed:

244.12 (1) \$15,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be
244.13 applied to the payment of the costs of issuing the bonds; and

244.14 (2) \$15,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be
244.15 applied to the payment of the costs of issuing the bonds.

244.16 (b) The bonds may be paid from or secured by any funds available to the city of
244.17 Monticello, including the tax authorized under subdivision 1. The issuance of bonds under
244.18 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

244.19 (c) The bonds are not included in computing any debt limitation applicable to the city
244.20 of Monticello, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
244.21 principal and interest on the bonds is not subject to any levy limitation. A separate election
244.22 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

244.23 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
244.24 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
244.25 after the tax is first imposed, or (2) when the city council determines that the amount received
244.26 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
244.27 projects approved by voters as required under Minnesota Statutes, section 297A.99,
244.28 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
244.29 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
244.30 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
244.31 any funds remaining after payment of the allowed costs due to the timing of the termination
244.32 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the

245.1 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
245.2 if the city so determines by ordinance.

245.3 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
245.4 city of Monticello and its chief clerical officer comply with Minnesota Statutes, section
245.5 645.021, subdivisions 2 and 3.

245.6 Sec. 43. **CITY OF MOUNDS VIEW; TAXES AUTHORIZED.**

245.7 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
245.8 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
245.9 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the
245.10 city of Mounds View may impose, by ordinance, a sales and use tax of up to one and one-half
245.11 percent for the purposes specified in subdivision 2. Except as otherwise provided in this
245.12 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
245.13 administration, collection, and enforcement of the tax authorized under this subdivision.
245.14 The tax imposed under this subdivision is in addition to any local sales and use tax imposed
245.15 under any other special law.

245.16 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
245.17 under subdivision 1 must be used by the city of Mounds View to pay the costs of collecting
245.18 and administering the tax, including associated bond costs on bonds issued under subdivision
245.19 3, and securing and paying debt service on the bonds, and to finance up to \$16,500,000, for
245.20 construction of an expanded community center into a regional amateur sports and recreational
245.21 facility.

245.22 Subd. 3. **Bonding authority.** (a) The city of Mounds View may issue bonds under
245.23 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project
245.24 authorized in subdivision 2. The aggregate principal amount of bonds issued under this
245.25 subdivision may not exceed \$16,500,000, plus an amount applied to the payment of costs
245.26 of issuing the bonds.

245.27 (b) The bonds may be paid from or secured by any funds available to the county, including
245.28 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not
245.29 subject to Minnesota Statutes, sections 275.60 and 275.61.

245.30 (c) The bonds are not included in computing any debt limitation applicable to the county.
245.31 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
245.32 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
245.33 under Minnesota Statutes, section 475.58, is not required.

246.1 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
246.2 earlier of: (1) 20 years after the tax is first imposed; or (2) when the county determines that
246.3 it has received from this tax \$16,500,000 to fund the project listed in subdivision 2, plus an
246.4 amount sufficient to pay costs related to issuance of any bonds authorized under subdivision
246.5 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes,
246.6 section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the
246.7 allowed costs due to the timing of the termination of the tax under Minnesota Statutes,
246.8 section 297A.99, subdivision 12, shall be placed in the county's general fund. The tax
246.9 imposed under subdivision 1 may expire at an earlier time if the county determines by
246.10 ordinance.

246.11 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
246.12 city of Mounds View and its chief clerical officer comply with Minnesota Statutes, section
246.13 645.021, subdivisions 2 and 3.

246.14 Sec. 44. **CITY OF PROCTOR; TAXES AUTHORIZED.**

246.15 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
246.16 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
246.17 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the
246.18 city of Proctor may impose by ordinance a sales and use tax of one-half of one percent for
246.19 the purposes specified in subdivision 2. Except as otherwise provided in this section, the
246.20 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
246.21 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
246.22 under this subdivision is in addition to any local sales and use tax imposed under any other
246.23 special law.

246.24 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
246.25 under subdivision 1 must be used by the city of Proctor to pay the costs of collecting and
246.26 administering the tax and to finance up to \$6,900,000 plus associated bonding costs for
246.27 construction of a new regional and statewide trail spur in the city, including securing and
246.28 paying debt service on bonds issued to finance all or part of the project.

246.29 Subd. 3. **Bonding authority.** (a) The city of Proctor may issue bonds under Minnesota
246.30 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
246.31 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
246.32 not exceed \$6,900,000, plus an amount to be applied to the payment of the costs of issuing
246.33 the bonds.

247.1 (b) The bonds may be paid from or secured by any funds available to the city of Proctor,
247.2 including the tax authorized under subdivision 1. The issuance of bonds under this
247.3 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

247.4 (c) The bonds are not included in computing any debt limitation applicable to the city
247.5 of Proctor, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
247.6 and interest on the bonds is not subject to any levy limitation. A separate election to approve
247.7 the bonds under Minnesota Statutes, section 475.58, is not required.

247.8 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
247.9 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
247.10 after the tax is first imposed, or (2) when the city council determines that the amount received
247.11 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus
247.12 an amount sufficient to pay the costs related to issuance of any bonds authorized under
247.13 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota
247.14 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment
247.15 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,
247.16 section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax
247.17 imposed under subdivision 1 may expire at an earlier time if the city so determines by
247.18 ordinance.

247.19 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
247.20 city of Proctor and its chief clerical officer comply with Minnesota Statutes, section 645.021,
247.21 subdivisions 2 and 3.

247.22 Sec. 45. **RICE COUNTY; TAXES AUTHORIZED.**

247.23 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
247.24 section 477A.016, or any other law or ordinance, and if approved by the voters at an election
247.25 as required under Minnesota Statutes, section 297A.99, subdivision 3, Rice County may
247.26 impose by ordinance a sales and use tax of three-eighths of one percent for the purpose
247.27 specified in subdivision 2. Except as otherwise provided in this section, the provisions of
247.28 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and
247.29 enforcement of the tax authorized under this subdivision. The tax imposed under this
247.30 subdivision is in addition to any local sales and use tax imposed under any other special
247.31 law.

247.32 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
247.33 under subdivision 1 must be used by Rice County to pay the costs of collecting and
247.34 administering the tax and paying for up to \$48,000,000 for the construction of a public

248.1 safety facility in the county, including associated bond costs for any bonds issued under
248.2 subdivision 3.

248.3 Subd. 3. **Bonding authority.** (a) Rice County may issue bonds under Minnesota Statutes,
248.4 chapter 475, to finance all or a portion of the costs of the project authorized in subdivision
248.5 2. The aggregate principal amount of bonds issued under this subdivision may not exceed
248.6 \$48,000,000, plus an amount to be applied to the payment of the costs of issuing the bonds.

248.7 (b) The bonds may be paid from or secured by any funds available to Rice County,
248.8 including the tax authorized under subdivision 1. The issuance of bonds under this
248.9 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

248.10 (c) The bonds are not included in computing any debt limitation applicable to Rice
248.11 County, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
248.12 and interest on the bonds is not subject to any levy limitation. A separate election to approve
248.13 the bonds under Minnesota Statutes, section 475.58, is not required.

248.14 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
248.15 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years
248.16 after the tax is first imposed, or (2) when the county board of commissioners determines
248.17 that the amount received from the tax is sufficient to pay for the project costs authorized
248.18 under subdivision 2, plus an amount sufficient to pay the costs related to issuance of any
248.19 bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise
248.20 provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds
248.21 remaining after payment of the allowed costs due to the timing of the termination of the tax
248.22 under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general
248.23 fund of the county. The tax imposed under subdivision 1 may expire at an earlier time if
248.24 the county so determines by ordinance.

248.25 **EFFECTIVE DATE.** This section is effective the day after the governing body of Rice
248.26 County and its chief clerical officer comply with Minnesota Statutes, section 645.021,
248.27 subdivisions 2 and 3.

248.28 Sec. 46. **RICHFIELD; TAXES AUTHORIZED.**

248.29 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
248.30 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
248.31 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the
248.32 city of Richfield may impose, by ordinance, a sales and use tax of one-half of one percent
248.33 for the purposes specified in subdivision 2. Except as otherwise provided in this section,

249.1 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
249.2 collection, and enforcement of the tax authorized under this subdivision.

249.3 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
249.4 under subdivision 1 must be used by the city of Richfield to pay the costs of collecting and
249.5 administering the tax and paying for the following projects in the city, including securing
249.6 and paying debt service on bonds issued to finance all or part of the following regional
249.7 projects:

249.8 (1) \$11,000,000 plus associated bonding costs for construction of the Wood Lake Nature
249.9 Center building;

249.10 (2) \$9,000,000 plus associated bonding costs for construction of the Veterans Park
249.11 Complex; and

249.12 (3) \$45,000,000 plus associated bonding costs for construction of the Richfield
249.13 Community Center Project.

249.14 Subd. 3. **Bonding authority.** (a) The city of Richfield may issue bonds under Minnesota
249.15 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
249.16 subdivision 2 and approved by voters as required under Minnesota Statutes, section 297A.99,
249.17 subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this
249.18 subdivision may not exceed \$65,000,000, plus an amount applied to the payment of costs
249.19 of issuing the bonds. The bonds may be paid from or secured by any funds available to the
249.20 city of Richfield, including the tax authorized under subdivision 1. The issuance of bonds
249.21 under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

249.22 (b) The bonds are not included in computing any debt limitation applicable to the city.
249.23 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
249.24 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
249.25 under Minnesota Statutes, section 475.58, is not required.

249.26 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
249.27 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
249.28 after being first imposed, or (2) when the city council determines that the amount received
249.29 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
249.30 projects approved by voters as required under Minnesota Statutes, section 297A.99,
249.31 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
249.32 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
249.33 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
249.34 any funds remaining after payment of the allowed costs due to the timing of the termination

250.1 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
250.2 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
250.3 if the city so determines by ordinance.

250.4 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
250.5 city of Richfield and its chief clerical officer comply with Minnesota Statutes, section
250.6 645.021, subdivisions 2 and 3.

250.7 **Sec. 47. CITY OF ROSEVILLE; TAXES AUTHORIZED.**

250.8 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
250.9 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
250.10 and if approved by the voters at an election as required under Minnesota Statutes, section
250.11 297A.99, subdivision 3, the city of Roseville may impose by ordinance a sales and use tax
250.12 of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise
250.13 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the
250.14 imposition, administration, collection, and enforcement of the tax authorized under this
250.15 subdivision. The tax imposed under this subdivision is in addition to any local sales and
250.16 use tax imposed under any other special law.

250.17 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
250.18 under subdivision 1 must be used by the city of Roseville to pay the costs of collecting and
250.19 administering the tax and paying for the following projects in the city, including securing
250.20 and paying debt service on bonds issued to finance all or part of the following projects:

250.21 (1) \$64,200,000 for construction of a new maintenance facility; and

250.22 (2) \$12,700,000 for construction of a new license and passport center.

250.23 Subd. 3. **Bonding authority.** (a) The city of Roseville may issue bonds under Minnesota
250.24 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in
250.25 subdivision 2 and approved by the voters as required under Minnesota Statutes, section
250.26 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
250.27 under this subdivision may not exceed:

250.28 (1) \$64,200,000 for the project listed in subdivision 2, clause (1), plus an amount to be
250.29 applied to the payment of the costs of issuing the bonds; and

250.30 (2) \$12,700,000 for the project listed in subdivision 2, clause (2), plus an amount to be
250.31 applied to the payment of the costs of issuing the bonds.

251.1 (b) The bonds may be paid from or secured by any funds available to the city of Roseville,
251.2 including the tax authorized under subdivision 1. The issuance of bonds under this
251.3 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

251.4 (c) The bonds are not included in computing any debt limitation applicable to the city
251.5 of Roseville, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
251.6 and interest on the bonds is not subject to any levy limitation. A separate election to approve
251.7 the bonds under Minnesota Statutes, section 475.58, is not required.

251.8 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
251.9 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
251.10 after the tax is first imposed, or (2) when the city council determines that the amount received
251.11 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
251.12 projects approved by voters as required under Minnesota Statutes, section 297A.99,
251.13 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
251.14 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
251.15 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
251.16 any funds remaining after payment of the allowed costs due to the timing of the termination
251.17 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
251.18 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
251.19 if the city so determines by ordinance.

251.20 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
251.21 city of Roseville and its chief clerical officer comply with Minnesota Statutes, section
251.22 645.021, subdivisions 2 and 3.

251.23 Sec. 48. **CITY OF ST. JOSEPH; TAXES AUTHORIZED.**

251.24 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
251.25 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
251.26 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the
251.27 city of St. Joseph may impose by ordinance a sales and use tax of one-half of one percent
251.28 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
251.29 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
251.30 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
251.31 under this subdivision is in addition to any local sales and use tax imposed under any other
251.32 special law.

251.33 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
251.34 under subdivision 1 must be used by the city of St. Joseph to pay the costs of collecting and

252.1 administering the tax and paying for the following projects in the city, including securing
252.2 and paying debt service on bonds issued to finance all or part of the following projects:

252.3 (1) \$11,000,000 for construction of Phase II of the St. Joseph community center
252.4 expansion; and

252.5 (2) \$6,000,000 for Phases II and III of the improvements to East Park along the Sauk
252.6 River in the city of St. Joseph.

252.7 Subd. 3. **Bonding authority.** (a) The city of St. Joseph may issue bonds under Minnesota
252.8 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
252.9 subdivision 2 and approved by the voters as required under Minnesota Statutes, section
252.10 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
252.11 under this subdivision may not exceed:

252.12 (1) \$11,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be
252.13 applied to the payment of the costs of issuing the bonds; and

252.14 (2) \$6,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be
252.15 applied to the payment of the costs of issuing the bonds.

252.16 (b) The bonds may be paid from or secured by any funds available to the city of St.
252.17 Joseph, including the tax authorized under subdivision 1. The issuance of bonds under this
252.18 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

252.19 (c) The bonds are not included in computing any debt limitation applicable to the city
252.20 of St. Joseph, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
252.21 and interest on the bonds is not subject to any levy limitation. A separate election to approve
252.22 the bonds under Minnesota Statutes, section 475.58, is not required.

252.23 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
252.24 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 17 years
252.25 after the tax is first imposed, or (2) when the city council determines that the amount received
252.26 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
252.27 projects approved by voters as required under Minnesota Statutes, section 297A.99,
252.28 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
252.29 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
252.30 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
252.31 any funds remaining after payment of the allowed costs due to the timing of the termination
252.32 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the

253.1 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
253.2 if the city so determines by ordinance.

253.3 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
253.4 city of St. Joseph and its chief clerical officer comply with Minnesota Statutes, section
253.5 645.021, subdivisions 2 and 3.

253.6 Sec. 49. **STEARNS COUNTY; TAXES AUTHORIZED.**

253.7 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
253.8 section 297A.99, subdivision 1, or 477A.016, or any other law or ordinance, and if approved
253.9 by the voters at an election as required under Minnesota Statutes, section 297A.99,
253.10 subdivision 3, Stearns County may impose by ordinance a sales and use tax of three-eighths
253.11 of one percent for the purpose specified in subdivision 2. Except as otherwise provided in
253.12 this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
253.13 administration, collection, and enforcement of the tax authorized under this subdivision.
253.14 The tax imposed under this subdivision is in addition to any local sales and use tax imposed
253.15 under any other special law.

253.16 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
253.17 under subdivision 1 must be used by Stearns County to pay the costs of collecting and
253.18 administering the tax, and to finance up to \$325,000,000 for the construction of a new
253.19 Stearns County Justice Center consisting of a law enforcement center, judicial center, and
253.20 jail. Authorized costs include the associated bond costs for any bonds issued under
253.21 subdivision 3.

253.22 Subd. 3. **Bonding authority.** (a) Stearns County may issue bonds under Minnesota
253.23 Statutes, chapter 475, to finance the costs of the facility authorized in subdivision 2. The
253.24 aggregate principal amount of bonds issued under this subdivision may not exceed
253.25 \$325,000,000 for the project listed in subdivision 2, plus an amount to be applied to the
253.26 payment of the costs of issuing the bonds.

253.27 (b) The bonds may be paid from or secured by any funds available to the county, including
253.28 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not
253.29 subject to Minnesota Statutes, sections 275.60 and 275.61.

253.30 (c) The bonds are not included in computing any debt limitation applicable to the county,
253.31 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest
253.32 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
253.33 under Minnesota Statutes, section 475.58, is not required.

254.1 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
254.2 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 30 years
254.3 after the tax is first imposed; or (2) when the county board determines that the amount
254.4 received from the tax is sufficient to pay \$325,000,000 in project costs authorized under
254.5 subdivision 2, plus an amount sufficient to pay the costs related to issuance of any bonds
254.6 authorized under subdivision 3, including interest on the bonds. Except as otherwise provided
254.7 in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining
254.8 after payment of the allowed costs due to the timing of the termination of the tax under
254.9 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of
254.10 the county. The tax imposed under subdivision 1 may expire at an earlier time if the county
254.11 so determines by ordinance.

254.12 **EFFECTIVE DATE.** This section is effective the day after the governing body of
254.13 Stearns County and its chief clerical officer comply with Minnesota Statutes, section 645.021,
254.14 subdivisions 2 and 3.

254.15 Sec. 50. **CITY OF STILLWATER; TAXES AUTHORIZED.**

254.16 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
254.17 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
254.18 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the
254.19 city of Stillwater may impose by ordinance a sales and use tax of one-half of one percent
254.20 for the purpose specified in subdivision 2. Except as otherwise provided in this section, the
254.21 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
254.22 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
254.23 under this subdivision is in addition to any local sales and use tax imposed under any other
254.24 special law.

254.25 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
254.26 under subdivision 1 must be used by the city of Stillwater to pay the costs of collecting and
254.27 administering the tax, and to finance up to \$12,500,000 for the construction, renovation,
254.28 and improvements to the Riverfront Improvement Project.

254.29 Subd. 3. **Bonding authority.** (a) The city of Stillwater may issue bonds under Minnesota
254.30 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
254.31 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
254.32 not exceed \$12,500,000.

255.1 (b) The bonds may be paid from or secured by any funds available to the city of Stillwater,
255.2 including the tax authorized under subdivision 1. The issuance of bonds under this
255.3 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

255.4 (c) The bonds are not included in computing any debt limitation applicable to the city
255.5 of Stillwater, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
255.6 and interest on the bonds is not subject to any levy limitation. A separate election to approve
255.7 the bonds under Minnesota Statutes, section 475.58, is not required.

255.8 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
255.9 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
255.10 after the tax is first imposed, or (2) when the city council determines that the amount received
255.11 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus
255.12 an amount sufficient to pay the costs related to issuance of any bonds authorized under
255.13 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota
255.14 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment
255.15 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,
255.16 section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax
255.17 imposed under subdivision 1 may expire at an earlier time if the city so determines by
255.18 ordinance.

255.19 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
255.20 city of Stillwater and its chief clerical officer comply with Minnesota Statutes, section
255.21 645.021, subdivisions 2 and 3.

255.22 Sec. 51. **WINONA COUNTY; TAXES AUTHORIZED.**

255.23 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
255.24 sections 297A.99, subdivision 1, and 477A.016, or any other law, ordinance, or city charter,
255.25 and if approved by the voters at an election as required under Minnesota Statutes, section
255.26 297A.99, subdivision 3, Winona County may impose, by ordinance, a sales and use tax of
255.27 one-quarter of one percent for the purposes specified in subdivision 2. Except as otherwise
255.28 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the
255.29 imposition, administration, collection, and enforcement of the tax authorized under this
255.30 subdivision. The tax imposed under this subdivision is in addition to any local sales and
255.31 use tax imposed under any other special law.

255.32 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
255.33 under subdivision 1 must be used by Winona County to pay the costs of collecting and
255.34 administering the tax, and to finance up to \$28,000,000 for construction of a new correctional

256.1 facility or upgrades to an existing correctional facility, as well as the associated bond costs
256.2 for any bonds issued under subdivision 3.

256.3 Subd. 3. **Bonding authority.** (a) Winona County may issue bonds under Minnesota
256.4 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
256.5 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
256.6 not exceed \$28,000,000, plus an amount applied to the payment of costs of issuing the
256.7 bonds.

256.8 (b) The bonds may be paid from or secured by any funds available to the county, including
256.9 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not
256.10 subject to Minnesota Statutes, sections 275.60 and 275.61.

256.11 (c) The bonds are not included in computing any debt limitation applicable to the county.
256.12 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
256.13 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
256.14 under Minnesota Statutes, section 475.58, is not required.

256.15 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
256.16 earlier of: (1) 25 years after the tax is first imposed; or (2) when the county determines that
256.17 it has received from this tax \$28,000,000 to fund the project listed in subdivision 2, plus an
256.18 amount sufficient to pay costs related to issuance of any bonds authorized under subdivision
256.19 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes,
256.20 section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the
256.21 allowed costs due to timing of the termination of the tax under Minnesota Statutes, section
256.22 297A.99, subdivision 12, shall be placed in the county's general fund. The tax imposed
256.23 under subdivision 1 may expire at an earlier time if the county determines by ordinance.

256.24 **EFFECTIVE DATE.** This section is effective the day after the governing body of
256.25 Winona County and its chief clerical officer comply with Minnesota Statutes, section
256.26 645.021, subdivisions 2 and 3.

256.27 Sec. 52. **CITY OF WOODBURY; TAXES AUTHORIZED.**

256.28 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
256.29 section 297A.99, subdivision 3, paragraph (d), or 477A.016, or any other law, ordinance,
256.30 or city charter, and if approved by the voters at an election as required under Minnesota
256.31 Statutes, section 297A.99, subdivision 3, the city of Woodbury may impose by ordinance
256.32 a sales and use tax of one-half of one percent for the purpose specified in subdivision 2.
256.33 Except as otherwise provided in this section, the provisions of Minnesota Statutes, section

257.1 297A.99, govern the imposition, administration, collection, and enforcement of the tax
257.2 authorized under this subdivision. The tax imposed under this subdivision is in addition to
257.3 any local sales and use tax imposed under any other special law.

257.4 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
257.5 under subdivision 1 must be used by the city of Woodbury to pay the costs of collecting
257.6 and administering the tax and to finance up to \$50,000,000, plus associated bonding costs,
257.7 for the construction of a new public safety campus.

257.8 Subd. 3. **Bonding authority.** (a) The city of Woodbury may issue bonds under Minnesota
257.9 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
257.10 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
257.11 not exceed \$50,000,000, plus an amount to be applied to the payment of the costs of issuing
257.12 the bonds.

257.13 (b) The bonds may be paid from or secured by any funds available to the city of
257.14 Woodbury, including the tax authorized under subdivision 1. The issuance of bonds under
257.15 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

257.16 (c) The bonds are not included in computing any debt limitation applicable to the city
257.17 of Woodbury, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
257.18 principal and interest on the bonds is not subject to any levy limitation. A separate election
257.19 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

257.20 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
257.21 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years
257.22 after the tax is first imposed, or (2) when the city council determines that the amount received
257.23 from the tax is sufficient to pay \$50,000,000 in project costs authorized under subdivision
257.24 2, plus an amount sufficient to pay the costs related to issuance of any bonds authorized
257.25 under subdivision 3, including interest on the bonds. Except as otherwise provided in
257.26 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining
257.27 after payment of the allowed costs due to the timing of the termination of the tax under
257.28 Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of
257.29 the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so
257.30 determines by ordinance.

257.31 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
257.32 city of Woodbury and its chief clerical officer comply with Minnesota Statutes, section
257.33 645.021, subdivisions 2 and 3.

258.1 **ARTICLE 10**

258.2 **LOCAL SPECIAL TAXES**

258.3 Section 1. Laws 2008, chapter 366, article 7, section 17, is amended to read:

258.4 **Sec. 17. COOK COUNTY; LODGING AND ADMISSIONS TAXES TAX.**

258.5 Subdivision 1. **Lodging tax.** Notwithstanding Minnesota Statutes, section 477A.016,
258.6 or any other provision of law, ordinance, or city charter, the Board of Commissioners of
258.7 Cook County may impose, by ordinance, a tax of up to one percent on the gross receipts
258.8 subject to the lodging tax under Minnesota Statutes, section 469.190. This tax is in addition
258.9 to any tax imposed under Minnesota Statutes, section 469.190, and the total tax imposed
258.10 under that section and this provision must not exceed four percent.

258.11 ~~Subd. 2. **Admissions and recreation tax.** Notwithstanding Minnesota Statutes, section~~
258.12 ~~477A.016, or any other provision of law, ordinance, or city charter, the Board of~~
258.13 ~~Commissioners of Cook County may impose, by ordinance, a tax of up to three percent on~~
258.14 ~~admissions to entertainment and recreational facilities and rental of recreation equipment.~~

258.15 Subd. 3. **Use of taxes.** The taxes tax imposed in ~~subdivisions~~ subdivision 1 and 2 must
258.16 be used to fund a new Cook County Event and Visitors Bureau as established by the Board
258.17 of Commissioners of Cook County. The Board of Commissioners of Cook County must
258.18 annually review the budget of the Cook County Event and Visitors Bureau. The event and
258.19 visitors bureau may not receive revenues raised from the taxes tax imposed in ~~subdivisions~~
258.20 subdivision 1 and 2 until the board of commissioners approves the annual budget.

258.21 Subd. 4. **Termination.** The taxes tax imposed in ~~subdivisions~~ subdivision 1 and 2
258.22 ~~terminate 15~~ terminates 30 years after ~~they are~~ it is first imposed.

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

258.24 **Sec. 2. LAKE OF THE WOODS COUNTY LODGING TAX AUTHORIZED.**

258.25 (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of
258.26 law, ordinance, or city charter, and subject to the limitation in paragraph (b), the Board of
258.27 Commissioners of Lake of the Woods County may impose, by ordinance, a tax of up to
258.28 three percent on gross receipts in Lake of the Woods County subject to the lodging tax
258.29 provisions under Minnesota Statutes, section 469.190.

258.30 (b) The provisions of paragraph (a) do not apply to any statutory or home rule city or
258.31 town located in Lake of the Woods County that imposes a lodging tax under Minnesota

259.1 Statutes, section 469.190, or the city of Baudette. The total tax imposed under Minnesota
259.2 Statutes, section 469.190, and this section must not exceed three percent.

259.3 (c) To the extent not inconsistent with Minnesota Statutes, section 469.190, this section
259.4 is governed by Minnesota Statutes, section 469.190.

259.5 (d) Revenues derived from taxes imposed under this section must be used to fund a new
259.6 Lake of the Woods County Event and Visitors Bureau, as established by the Board of
259.7 Commissioners of Lake of the Woods County, for purposes of marketing Lake of the Woods
259.8 County. The Board of Commissioners must annually review the budget of the Event and
259.9 Visitors Bureau. The Event and Visitors Bureau may receive revenues raised from the taxes
259.10 imposed under this section only upon annual approval by the Board of Commissioners of
259.11 the Event and Visitors Bureau budget.

259.12 **EFFECTIVE DATE.** This section is effective the day after the governing body of Lake
259.13 of the Woods County and its chief clerical officer comply with Minnesota Statutes, section
259.14 645.021, subdivisions 2 and 3.

259.15 Sec. 3. **CITY OF WAYZATA FOOD AND BEVERAGE TAX.**

259.16 Subdivision 1. **Food and beverage tax authorized.** Notwithstanding Minnesota Statutes,
259.17 section 477A.016, or any ordinance, city charter, or other provision of law, the city of
259.18 Wayzata may, by ordinance, impose a sales tax of up to one percent on the gross receipts
259.19 on all sales of food and beverages by a restaurant or place of refreshment, as defined by
259.20 resolution of the city, that are located within the city, which has become a regional
259.21 destination. For purposes of this section, "food and beverages" includes retail on-sale of
259.22 intoxicating liquor and fermented malt beverages.

259.23 Subd. 2. **Use of proceeds from tax.** (a) The proceeds of any tax imposed under
259.24 subdivision 1 shall be used by the city to pay all or a portion of the expenses of:

259.25 (1) operation, maintenance, and capital expenses for city parks;

259.26 (2) operation costs related to providing public safety for a regional destination; and

259.27 (3) costs related to downtown business attraction and retention.

259.28 (b) Authorized capital expenses include securing or paying debt service on bonds or
259.29 other obligations issued to finance the construction of park capital improvements.

259.30 Subd. 3. **Collection, administration, and enforcement.** If the city desires, it may enter
259.31 into an agreement with the commissioner of revenue to administer, collect, and enforce the
259.32 taxes authorized under subdivisions 1 and 2. If the commissioner agrees to collect the tax,

260.1 the provisions of Minnesota Statutes, section 297A.99, related to collection, administration,
260.2 and enforcement apply.

260.3 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
260.4 city of Wayzata and its chief clerical officer comply with Minnesota Statutes, section
260.5 645.021, subdivisions 2 and 3.

260.6 **ARTICLE 11**
260.7 **PUBLIC FINANCE**

260.8 Section 1. Minnesota Statutes 2022, section 123B.61, is amended to read:

260.9 **123B.61 PURCHASE OF CERTAIN EQUIPMENT.**

260.10 The board of a district may issue general obligation certificates of indebtedness or capital
260.11 notes subject to the district debt limits to: (a) purchase vehicles, computers, telephone
260.12 systems, cable equipment, photocopy and office equipment, technological equipment for
260.13 instruction, and other capital equipment having an expected useful life at least as long as
260.14 the terms of the certificates or notes; (b) purchase computer hardware and software, without
260.15 regard to its expected useful life, whether bundled with machinery or equipment or
260.16 unbundled, together with application development services and training related to the use
260.17 of the computer; and (c) prepay special assessments. The certificates or notes must be
260.18 payable in not more than ~~ten~~ 20 years and must be issued on the terms and in the manner
260.19 determined by the board, ~~except that certificates or notes issued to prepay special assessments~~
260.20 ~~must be payable in not more than 20 years.~~ The certificates or notes may be issued by
260.21 resolution and without the requirement for an election. The certificates or notes are general
260.22 obligation bonds for purposes of section 126C.55. A tax levy must be made for the payment
260.23 of the principal and interest on the certificates or notes, in accordance with section 475.61,
260.24 as in the case of bonds. The sum of the tax levies under this section and section 123B.62
260.25 for each year must not exceed the lesser of the amount of the district's total operating capital
260.26 revenue or the sum of the district's levy in the general and community service funds excluding
260.27 the adjustments under this section for the year preceding the year the initial debt service
260.28 levies are certified. The district's general fund levy for each year must be reduced by the
260.29 sum of (1) the amount of the tax levies for debt service certified for each year for payment
260.30 of the principal and interest on the certificates or notes issued under this section as required
260.31 by section 475.61, (2) the amount of the tax levies for debt service certified for each year
260.32 for payment of the principal and interest on bonds issued under section 123B.62, and (3)
260.33 any excess amount in the debt redemption fund used to retire bonds, certificates, or notes
260.34 issued under this section or section 123B.62 after April 1, 1997, other than amounts used

261.1 to pay capitalized interest. If the district's general fund levy is less than the amount of the
261.2 reduction, the balance shall be deducted first from the district's community service fund
261.3 levy, and next from the district's general fund or community service fund levies for the
261.4 following year. A district using an excess amount in the debt redemption fund to retire the
261.5 certificates or notes shall report the amount used for this purpose to the commissioner by
261.6 July 15 of the following fiscal year. A district having an outstanding capital loan under
261.7 section 126C.69 must not use an excess amount in the debt redemption fund to retire the
261.8 certificates or notes.

261.9 Sec. 2. Minnesota Statutes 2022, section 366.095, subdivision 1, is amended to read:

261.10 Subdivision 1. **Certificates of indebtedness.** The town board may issue certificates of
261.11 indebtedness within the debt limits for a town purpose otherwise authorized by law, including
261.12 projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause (2). The
261.13 certificates shall be payable in not more than ~~ten~~ 20 years and be issued on the terms and
261.14 in the manner as determined by the board ~~may determine, provided that notes issued for~~
261.15 ~~projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause (2), must~~
261.16 ~~be payable in not more than 20 years.~~ If the amount of the certificates to be issued exceeds
261.17 0.25 percent of the estimated market value of the town, they shall not be issued for at least
261.18 ten days after publication in a newspaper of general circulation in the town of the board's
261.19 resolution determining to issue them. If within that time, a petition asking for an election
261.20 on the proposition signed by voters equal to ten percent of the number of voters at the last
261.21 regular town election is filed with the clerk, the certificates shall not be issued until their
261.22 issuance has been approved by a majority of the votes cast on the question at a regular or
261.23 special election. A tax levy shall be made to pay the principal and interest on the certificates
261.24 as in the case of bonds.

261.25 Sec. 3. Minnesota Statutes 2022, section 373.01, subdivision 3, is amended to read:

261.26 Subd. 3. **Capital notes.** (a) A county board may, by resolution and without referendum,
261.27 issue capital notes subject to the county debt limit to purchase capital equipment useful for
261.28 county purposes that has an expected useful life at least equal to the term of the notes. The
261.29 notes shall be payable in not more than ~~ten~~ 20 years and shall be issued on the terms and in
261.30 a the manner determined by the board ~~determines~~. A tax levy shall be made for payment of
261.31 the principal and interest on the notes, in accordance with section 475.61, as in the case of
261.32 bonds.

261.33 (b) For purposes of this subdivision, "capital equipment" means:

262.1 (1) public safety, ambulance, road construction or maintenance, and medical equipment;

262.2 ~~and~~

262.3 (2) computer hardware and software, whether bundled with machinery or equipment or
262.4 unbundled, together with application development services and training related to the use
262.5 of the computer hardware or software; and

262.6 (3) projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause
262.7 (2).

262.8 Sec. 4. Minnesota Statutes 2022, section 383B.117, subdivision 2, is amended to read:

262.9 Subd. 2. **Equipment acquisition; capital notes.** The board may, by resolution and
262.10 without public referendum, issue capital notes within existing debt limits for the purpose
262.11 of purchasing ambulance and other medical equipment, road construction or maintenance
262.12 equipment, public safety equipment, including projects that eliminate R-22, as defined in
262.13 section 240A.09, paragraph (b), clause (2), and other capital equipment having an expected
262.14 useful life at least equal to the term of the notes issued. The notes shall be payable in not
262.15 more than ~~ten~~ 20 years and shall be issued on the terms and in a the manner as determined
262.16 by the board ~~determines, provided that notes issued for projects that eliminate R-22, as~~
262.17 ~~defined in section 240A.09, paragraph (b), clause (2), must be payable in not more than 20~~
262.18 ~~years.~~ The total principal amount of the notes issued for any fiscal year shall not exceed
262.19 one percent of the total annual budget for that year and shall be issued solely for the purchases
262.20 authorized in this subdivision. A tax levy shall be made for the payment of the principal
262.21 and interest on such notes as in the case of bonds. For purposes of this subdivision,
262.22 "equipment" includes computer hardware and software, whether bundled with machinery
262.23 or equipment or unbundled. For purposes of this subdivision, the term "medical equipment"
262.24 includes computer hardware and software and other intellectual property for use in medical
262.25 diagnosis, medical procedures, research, record keeping, billing, and other hospital
262.26 applications, together with application development services and training related to the use
262.27 of the computer hardware and software and other intellectual property, all without regard
262.28 to their useful life. For purposes of determining the amount of capital notes which the county
262.29 may issue in any year, the budget of the county and Hennepin Healthcare System, Inc. shall
262.30 be combined and the notes issuable under this subdivision shall be in addition to obligations
262.31 issuable under section 373.01, subdivision 3.

263.1 Sec. 5. Minnesota Statutes 2022, section 410.32, is amended to read:

263.2 **410.32 CITIES MAY ISSUE CAPITAL NOTES FOR CAPITAL EQUIPMENT.**

263.3 (a) Notwithstanding any contrary provision of other law or charter, a home rule charter
263.4 city may, by resolution and without public referendum, issue capital notes subject to the
263.5 city debt limit to purchase capital equipment.

263.6 (b) For purposes of this section, "capital equipment" means:

263.7 (1) public safety equipment, ambulance and other medical equipment, road construction
263.8 and maintenance equipment, and other capital equipment; ~~and~~

263.9 (2) computer hardware and software, whether bundled with machinery or equipment or
263.10 unbundled, together with application development services and training related to the use
263.11 of the computer hardware and software; and

263.12 (3) projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause
263.13 (2).

263.14 (c) The equipment or software must have an expected useful life at least as long as the
263.15 term of the notes.

263.16 (d) The notes shall be payable in not more than ~~ten~~ 20 years and be issued on the terms
263.17 and in the manner determined by the city ~~determines, provided that notes issued for projects~~
263.18 ~~that eliminate R-22, as defined in section 240A.09, paragraph (b), clause (2), must be payable~~
263.19 ~~in not more than 20 years~~. The total principal amount of the capital notes issued in a fiscal
263.20 year shall not exceed 0.03 percent of the estimated market value of taxable property in the
263.21 city for that year.

263.22 (e) A tax levy shall be made for the payment of the principal and interest on the notes,
263.23 in accordance with section 475.61, as in the case of bonds.

263.24 (f) Notes issued under this section shall require an affirmative vote of two-thirds of the
263.25 governing body of the city.

263.26 (g) Notwithstanding a contrary provision of other law or charter, a home rule charter
263.27 city may also issue capital notes subject to its debt limit in the manner and subject to the
263.28 limitations applicable to statutory cities pursuant to section 412.301.

264.1 Sec. 6. Minnesota Statutes 2022, section 412.301, is amended to read:

264.2 **412.301 FINANCING PURCHASE OF CERTAIN EQUIPMENT.**

264.3 (a) The council may issue certificates of indebtedness or capital notes subject to the city
264.4 debt limits to purchase capital equipment.

264.5 (b) For purposes of this section, "capital equipment" means:

264.6 (1) public safety equipment, ambulance and other medical equipment, road construction
264.7 and maintenance equipment, and other capital equipment; ~~and~~

264.8 (2) computer hardware and software, whether bundled with machinery or equipment or
264.9 unbundled, together with application development services and training related to the use
264.10 of the computer hardware or software; and

264.11 (3) projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause
264.12 (2).

264.13 (c) The equipment or software must have an expected useful life at least as long as the
264.14 terms of the certificates or notes.

264.15 (d) Such certificates or notes shall be payable in not more than ~~ten~~ 20 years and shall
264.16 be issued on ~~such~~ the terms and in ~~such~~ the manner as determined by the council ~~may~~
264.17 ~~determine, provided, however, that notes issued for projects that eliminate R-22, as defined~~
264.18 ~~in section 240A.09, paragraph (b), clause (2), must be payable in not more than 20 years.~~

264.19 (e) If the amount of the certificates or notes to be issued to finance any such purchase
264.20 exceeds 0.25 percent of the estimated market value of taxable property in the city, they shall
264.21 not be issued for at least ten days after publication in the official newspaper of a council
264.22 resolution determining to issue them; and if before the end of that time, a petition asking
264.23 for an election on the proposition signed by voters equal to ten percent of the number of
264.24 voters at the last regular municipal election is filed with the clerk, such certificates or notes
264.25 shall not be issued until the proposition of their issuance has been approved by a majority
264.26 of the votes cast on the question at a regular or special election.

264.27 (f) A tax levy shall be made for the payment of the principal and interest on such
264.28 certificates or notes, in accordance with section 475.61, as in the case of bonds.

264.29 Sec. 7. Minnesota Statutes 2022, section 469.033, subdivision 6, is amended to read:

264.30 Subd. 6. **Operation area as taxing district, special tax.** All of the territory included
264.31 within the area of operation of any authority shall constitute a taxing district for the purpose
264.32 of levying and collecting special benefit taxes as provided in this subdivision. All of the

265.1 taxable property, both real and personal, within that taxing district shall be deemed to be
265.2 benefited by projects to the extent of the special taxes levied under this subdivision. Subject
265.3 to the consent by resolution of the governing body of the city in and for which it was created,
265.4 an authority may levy a tax upon all taxable property within that taxing district. The tax
265.5 shall be extended, spread, and included with and as a part of the general taxes for state,
265.6 county, and municipal purposes by the county auditor, to be collected and enforced therewith,
265.7 together with the penalty, interest, and costs. As the tax, including any penalties, interest,
265.8 and costs, is collected by the county treasurer it shall be accumulated and kept in a separate
265.9 fund to be known as the "housing and redevelopment project fund." The money in the fund
265.10 shall be turned over to the authority at the same time and in the same manner that the tax
265.11 collections for the city are turned over to the city, and shall be expended only for the purposes
265.12 of sections 469.001 to 469.047. It shall be paid out upon vouchers signed by the chair of
265.13 the authority or an authorized representative. The amount of the levy shall be an amount
265.14 approved by the governing body of the city, but shall not exceed 0.0185 percent of estimated
265.15 market value. The authority shall each year formulate and file a budget in accordance with
265.16 the budget procedure of the city in the same manner as required of executive departments
265.17 of the city or, if no budgets are required to be filed, by August 1. The amount of the tax
265.18 levy for the following year shall be based on that budget. The requirements of section
265.19 275.067 apply to a housing and redevelopment authority that has not previously certified a
265.20 levy.

265.21 Sec. 8. Minnesota Statutes 2022, section 469.053, subdivision 4, is amended to read:

265.22 Subd. 4. **Mandatory city levy.** A city shall, at the request of the port authority, levy a
265.23 tax in any year for the benefit of the port authority. The tax must not exceed 0.01813 percent
265.24 of estimated market value. The amount levied must be paid by the city treasurer to the
265.25 treasurer of the port authority, to be spent by the authority. The requirements of section
265.26 275.067 apply to a port authority that has not previously certified a levy.

265.27 Sec. 9. Minnesota Statutes 2022, section 469.053, subdivision 6, is amended to read:

265.28 Subd. 6. **Discretionary city levy.** Upon request of a port authority, the port authority's
265.29 city may levy a tax to be spent by and for its port authority. The tax must enable the port
265.30 authority to carry out efficiently and in the public interest sections 469.048 to 469.068 to
265.31 create and develop industrial development districts. The levy must not be more than 0.00282
265.32 percent of estimated market value. The county treasurer shall pay the proceeds of the tax
265.33 to the port authority treasurer. The money may be spent by the authority in performance of
265.34 its duties to create and develop industrial development districts. In spending the money the

266.1 authority must judge what best serves the public interest. The levy in this subdivision is in
266.2 addition to the levy in subdivision 4. The requirements of section 275.067 apply to a port
266.3 authority that has not previously certified a levy.

266.4 Sec. 10. Minnesota Statutes 2022, section 469.107, subdivision 1, is amended to read:

266.5 Subdivision 1. **City tax levy.** A city may, at the request of the authority, levy a tax in
266.6 any year for the benefit of the authority. The tax must be not more than 0.01813 percent of
266.7 estimated market value. The amount levied must be paid by the city treasurer to the treasurer
266.8 of the authority, to be spent by the authority. The requirements of section 275.067 apply to
266.9 an economic development authority that has not previously certified a levy.

266.10 Sec. 11. Minnesota Statutes 2022, section 473.39, is amended by adding a subdivision to
266.11 read:

266.12 Subd. 1x. **Obligations.** In addition to other authority in this section, the council may
266.13 issue certificates of indebtedness, bonds, or other obligations under this section in an amount
266.14 not exceeding \$104,545,000 for capital expenditures as prescribed in the council's transit
266.15 capital improvement program and for related costs, including the costs of issuance and sale
266.16 of the obligations. Of this authorization, after July 1, 2023, the council may issue certificates
266.17 of indebtedness, bonds, or other obligations in an amount not exceeding \$51,500,000, and
266.18 after July 1, 2024, the council may issue certificates of indebtedness, bonds, or other
266.19 obligations in an additional amount not exceeding \$53,045,000.

266.20 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
266.21 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
266.22 Scott, and Washington.

266.23 Sec. 12. Minnesota Statutes 2022, section 473.39, subdivision 6, is amended to read:

266.24 Subd. 6. **Limitation; light rail transit.** The council is prohibited from expending any
266.25 proceeds from certificates of indebtedness, bonds, or other obligations under subdivisions
266.26 1u ~~and~~, 1w, and 1x for project development, land acquisition, or construction to (1) establish
266.27 a light rail transit line; or (2) expand a light rail transit line, including by extending a line
266.28 or adding additional stops.

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

267.1 Sec. 13. Minnesota Statutes 2022, section 474A.02, subdivision 22b, is amended to read:

267.2 Subd. 22b. **Public facilities project.** "Public facilities project" means ~~any publicly owned~~
267.3 ~~facility, or a facility that is used for district heating or cooling,~~ whether publicly or privately
267.4 owned, that is eligible to be financed with the proceeds of public facilities bonds as defined
267.5 under section 474A.02, subdivision 23a.

267.6 Sec. 14. Minnesota Statutes 2022, section 474A.02, subdivision 23a, is amended to read:

267.7 Subd. 23a. **Qualified bonds.** "Qualified bonds" means the specific type or types of
267.8 obligations that are subject to the annual volume cap. Qualified bonds include the following
267.9 types of obligations as defined in federal tax law:

267.10 (a) "public facility bonds" means "exempt facility bonds" as defined in federal tax law,
267.11 except for residential rental project bonds, ~~which are those obligations issued to finance~~
267.12 ~~airports, docks and wharves, mass commuting facilities, facilities for the furnishing of water,~~
267.13 ~~sewage facilities, solid waste disposal facilities, facilities for the local furnishing of electric~~
267.14 ~~energy or gas, local district heating or cooling facilities, and qualified hazardous waste~~
267.15 ~~facilities.~~ New bonds and other obligations are ineligible to receive state allocations or
267.16 entitlement authority for public facility projects under this section if they have been issued:

267.17 (1) for the purpose of refinancing, refunding, or otherwise defeasing existing debt; and

267.18 (2) more than one calendar year prior to the date of application;

267.19 (b) "residential rental project bonds" which are those obligations issued to finance
267.20 qualified residential rental projects;

267.21 (c) "mortgage bonds";

267.22 (d) "small issue bonds" issued to finance manufacturing projects and the acquisition or
267.23 improvement of agricultural real or personal property under sections 41C.01 to 41C.13;

267.24 (e) "student loan bonds" issued by or on behalf of the Minnesota Office of Higher
267.25 Education;

267.26 (f) "redevelopment bonds";

267.27 (g) "governmental bonds" with a nonqualified amount in excess of \$15,000,000 as set
267.28 forth in section 141(b)5 of federal tax law; and

267.29 (h) "enterprise zone facility bonds" issued to finance facilities located within
267.30 empowerment zones or enterprise communities, as authorized under Public Law 103-66,
267.31 section 13301.

268.1 Sec. 15. Minnesota Statutes 2022, section 475.54, subdivision 1, is amended to read:

268.2 Subdivision 1. **In installments; exception; annual limit.** Except as provided in
268.3 subdivision 3, 5a, 15, or 17, or as expressly authorized in another law, all obligations of
268.4 each issue shall mature or be subject to mandatory sinking fund redemption in installments,
268.5 the first not later than three years and the last not later than 30 years from the date of the
268.6 issue; or 40 years or the useful life of the asset, whichever is less, for ~~municipal water and~~
268.7 ~~wastewater treatment systems and~~ essential community facilities financed or guaranteed by
268.8 the United States Department of Agriculture and municipal water and wastewater treatment
268.9 systems. No amount of principal of the issue payable in any calendar year shall exceed an
268.10 amount equal to the smallest amount payable in any preceding calendar year ending three
268.11 years or more after the issue date multiplied:

268.12 (1) by five, in the case of obligations maturing not later than 25 years from the date of
268.13 issue; and

268.14 (2) by six, in the case of obligations maturing 25 years or later from the date of issue.

268.15 Sec. 16. Laws 1971, chapter 773, section 1, subdivision 2, as amended by Laws 1974,
268.16 chapter 351, section 5, Laws 1976, chapter 234, sections 1 and 7, Laws 1978, chapter 788,
268.17 section 1, Laws 1981, chapter 369, section 1, Laws 1983, chapter 302, section 1, Laws 1988,
268.18 chapter 513, section 1, Laws 1992, chapter 511, article 9, section 23, Laws 1998, chapter
268.19 389, article 3, section 27, Laws 2002, chapter 390, section 23, and Laws 2013, chapter 143,
268.20 article 12, section 18, is amended to read:

268.21 Subd. 2. For each of the years ~~2013 to 2024~~ 2023 to 2035, the city of St. Paul is authorized
268.22 to issue bonds in the aggregate principal amount of ~~\$20,000,000~~ \$30,000,000 for each year.

268.23 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
268.24 city of St. Paul and its chief clerical officer comply with Minnesota Statutes, section 645.021,
268.25 subdivisions 2 and 3.

268.26 Sec. 17. **CITY OF VIRGINIA; NET DEBT LIMIT EXEMPTION.**

268.27 The city of Virginia may finance the construction of a public safety building in the city
268.28 of Virginia by obtaining a loan from the United States Department of Agriculture secured
268.29 by its general obligation pledge. Any bonds issued relating to this construction project or
268.30 repayment of the loan must not be included in the computation of the city's limit on net debt
268.31 under Minnesota Statutes, section 475.53, subdivision 1.

269.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
269.2 city of Virginia and its chief clerical officer comply with Minnesota Statutes, section 645.021,
269.3 subdivisions 2 and 3.

269.4 **ARTICLE 12**
269.5 **STADIUM RESERVE**

269.6 Section 1. Minnesota Statutes 2022, section 16A.726, is amended to read:

269.7 **16A.726 SPORTS FACILITIES TRANSFERS; APPROPRIATIONS.**

269.8 ~~(a) If state appropriation bonds have not been issued under section 16A.965, amounts~~
269.9 ~~not to exceed the increased revenues estimated by the commissioner of management and~~
269.10 ~~budget under section 297E.021, subdivision 2, are appropriated from the general fund to~~
269.11 ~~the commissioner of management and budget to make transfers to the Minnesota Sports~~
269.12 ~~Facilities Authority for stadium costs as defined under section 473J.03, subdivision 9.~~

269.13 ~~(b)~~ (a) The commissioner shall make transfers to the Minnesota Sports Facilities Authority
269.14 required to make the state payments under section 473J.13, subdivisions 2 and 4, and for
269.15 the amount of Minneapolis taxes withheld under section 297A.994, subdivision 4, paragraph
269.16 (a), clause ~~(5)~~ (4). Amounts sufficient to make the transfers are appropriated to the
269.17 commissioner from the general fund.

269.18 ~~(e)~~ (b) \$2,700,000 is annually appropriated from the general fund from fiscal year 2014
269.19 through fiscal year 2033 to the commissioner of management and budget for a grant to the
269.20 city of St. Paul for the operating or capital costs of new or existing sports facilities.

269.21 **EFFECTIVE DATE.** This section is effective July 1, 2023.

269.22 Sec. 2. Minnesota Statutes 2022, section 297A.994, subdivision 4, is amended to read:

269.23 Subd. 4. **General fund allocations.** (a) The commissioner must retain and deposit to
269.24 the general fund the following amounts, as required by subdivision 3, clause (3):

269.25 (1) for state bond debt service support beginning in calendar year 2021, and for each
269.26 calendar year thereafter through calendar year 2046, periodic amounts so that not later than
269.27 December 31, 2046, an aggregate amount equal to a present value of \$150,000,000 has been
269.28 deposited in the general fund. To determine aggregate present value, the commissioner must
269.29 consult with the commissioner of management and budget regarding the present value dates,
269.30 discount rate or rates, and schedules of annual amounts. The present value date or dates
269.31 must be based on the date or dates bonds are sold under section 16A.965, or the date or
269.32 dates other state funds, if any, are deposited into the construction fund. The discount rate

270.1 or rates must be based on the true interest cost of the bonds issued under section 16A.965,
270.2 or an equivalent 30-year bond index, as determined by the commissioner of management
270.3 and budget. The schedule of annual amounts must be certified to the commissioner by the
270.4 commissioner of management and budget and the finance officer of the city;

270.5 (2) for the capital improvement reserve appropriation to the Minnesota Sports Facilities
270.6 Authority beginning in calendar year 2021, and for each calendar year thereafter through
270.7 calendar year 2046, an aggregate annual amount equal to the amount paid by the state for
270.8 this purpose in that calendar year under section 473J.13, subdivision 4;

270.9 (3) for the operating expense appropriation to the Minnesota Sports Facilities Authority
270.10 beginning in calendar year 2021, and for each calendar year thereafter through calendar
270.11 year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose
270.12 in that calendar year under section 473J.13, subdivision 2; and

270.13 ~~(4) for recapture of state advances for capital improvements and operating expenses for~~
270.14 ~~calendar years 2016 through 2020 beginning in calendar year 2021, and for each calendar~~
270.15 ~~year thereafter until all amounts under this clause have been paid, proportionate amounts~~
270.16 ~~periodically until an aggregate amount equal to the present value of all amounts paid by the~~
270.17 ~~state have been deposited in the general fund. To determine the present value of the amounts~~
270.18 ~~paid by the state to the authority and the present value of amounts deposited to the general~~
270.19 ~~fund under this clause, the commissioner shall consult with the commissioner of management~~
270.20 ~~and budget regarding the present value dates, discount rate or rates, and schedule of annual~~
270.21 ~~amounts. The present value dates must be based on the dates state funds are paid to the~~
270.22 ~~authority, or the dates the commissioner of revenue deposits taxes for purposes of this clause~~
270.23 ~~to the general fund. The discount rates must be based on the reasonably equivalent cost of~~
270.24 ~~state funds as determined by the commissioner of management and budget. The schedule~~
270.25 ~~of annual amounts must be revised to reflect amounts paid under section 473J.13, subdivision~~
270.26 ~~2, paragraph (b), for 2016 to 2020, and subdivision 4, paragraph (c), for 2016 to 2020, and~~
270.27 ~~taxes deposited to the general fund from time to time under this clause, and the schedule~~
270.28 ~~and revised schedules must be certified to the commissioner by the commissioner of~~
270.29 ~~management and budget and the finance officer of the city, and are transferred as accrued~~
270.30 ~~from the general fund for repayment of advances made by the state to the authority; and~~

270.31 ~~(5)~~ (4) to capture increases in taxes imposed under the special law, for the benefit of the
270.32 Minnesota Sports Facilities Authority, beginning in calendar year 2013 and for each calendar
270.33 year thereafter through 2046, there shall be deposited to the general fund in proportionate
270.34 periodic payments in the following year, an amount equal to the following:

271.1 (i) 50 percent of the difference, if any, by which the amount of the net annual taxes for
271.2 the previous year exceeds the sum of the net actual taxes in calendar year 2011 plus
271.3 \$1,000,000, inflated at two percent per year since 2011, minus

271.4 (ii) 25 percent of the difference, if any, by which the amount of the net annual taxes for
271.5 the preceding year exceeds the sum of the net actual taxes in calendar year 2011 plus
271.6 \$3,000,000, inflated at two percent per year since 2011.

271.7 (b) The commissioner must remit the amounts under paragraph (a), clause (4), to the
271.8 Minnesota Sports Facility Authority. The Minnesota Sports Facility Authority must use the
271.9 amounts remitted under this paragraph for capital repairs, replacements, and improvements
271.10 for the stadium and stadium infrastructure.

271.11 **EFFECTIVE DATE.** This section is effective July 1, 2023.

271.12 Sec. 3. Minnesota Statutes 2022, section 473J.13, subdivision 2, is amended to read:

271.13 Subd. 2. **Operating expenses.** (a) The authority must pay or cause to be paid all operating
271.14 expenses of the stadium. The authority must require in the lease or use agreement with the
271.15 NFL team that the NFL team pay the authority, beginning January 1, 2016, or other date as
271.16 mutually agreed upon by the parties, toward operating costs of the stadium, \$8,500,000
271.17 each year, increased by a three percent annual inflation rate.

271.18 (b) Beginning January 1, 2016, or other date as mutually agreed upon by the parties,
271.19 and continuing through 2020, the state shall pay the authority operating expenses, \$6,000,000
271.20 each year, increased by an annual adjustment factor. ~~The payment of \$6,000,000 per year~~
271.21 ~~beginning in 2016 is a payment by the state, which shall be repaid to the state, using funds~~
271.22 ~~as provided under section 297A.994, subdivision 4, clause (4).~~ After 2020, the state shall
271.23 assume this payment, using funds generated in accordance with the city of Minneapolis as
271.24 specified under section 297A.994, subdivision 4, clause (3).

271.25 (c) The authority may establish an operating reserve to cover operating expense shortfalls
271.26 and may accept funds from any source for deposit in the operating reserve. The establishment
271.27 or funding of an authority operating reserve must not decrease the amounts required to be
271.28 paid to the authority toward operating costs under this subdivision unless agreed to by the
271.29 authority.

271.30 (d) The authority will be responsible for operating cost overruns.

271.31 (e) After the joint selection of the third-party manager or program manager, the authority
271.32 may agree with a program manager or other third-party manager of the stadium on a fixed
271.33 cost operating, management, or employment agreement with operating cost protections

272.1 under which the program manager or third-party manager assumes responsibility for stadium
272.2 operating costs and shortfalls. The agreement with the manager must require the manager
272.3 to prepare an initial and ongoing operating plan and operating budgets for approval by the
272.4 authority in consultation with the NFL team. The manager must agree to operate the stadium
272.5 in accordance with the approved operating plan and operating budget.

272.6 **EFFECTIVE DATE.** This section is effective July 1, 2023.

272.7 Sec. 4. Minnesota Statutes 2022, section 473J.13, subdivision 4, is amended to read:

272.8 Subd. 4. **Capital improvements.** (a) The authority shall establish a capital reserve fund.
272.9 The authority shall be responsible for making, or for causing others to make, all capital
272.10 repairs, replacements, and improvements for the stadium and stadium infrastructure. The
272.11 authority shall maintain, or cause others to maintain, the stadium and stadium infrastructure
272.12 in a safe, clean, attractive, and first-class manner so as to cause them to remain in a condition
272.13 comparable to that of other comparable NFL facilities of similar design and age. The authority
272.14 shall make, or cause others to make, all necessary or appropriate repairs, renewals, and
272.15 replacements, whether structural or nonstructural, interior or exterior, ordinary or
272.16 extraordinary, foreseen or unforeseen, in a prompt and timely manner. In addition, the
272.17 authority, with approval of the NFL team, may enter into an agreement with a program
272.18 manager to perform some or all of the responsibilities of the authority in this subdivision
272.19 and to assume and accept financial liability for the cost of performing the responsibilities.

272.20 (b) The NFL team must contribute \$1,500,000 each year, beginning in 2016 or as
272.21 otherwise determined for the term of the lease or use agreement to the capital reserve fund,
272.22 increased by a three percent annual inflation rate.

272.23 (c) The state shall contribute \$1,500,000 each year, beginning in 2016 or as otherwise
272.24 determined for the term of the lease to the capital reserve fund. The contributions of the
272.25 state are subject to increase by an annual adjustment factor. ~~The contribution under this~~
272.26 ~~paragraph by the state from 2016 through 2020 shall be repaid to the state using funds in~~
272.27 ~~accordance with section 297A.994, subdivision 4, clause (4).~~

272.28 (d) The authority with input from the NFL team shall develop short-term and long-term
272.29 capital funding plans and shall use those plans to guide the future capital needs of the stadium
272.30 and stadium infrastructure. The authority shall make the final determination with respect
272.31 to funding capital needs. Any capital improvement proposed by the NFL team intended
272.32 primarily to provide revenue enhancements to the NFL team shall be paid for by the NFL
272.33 team, unless otherwise agreed to with the authority.

273.1 (e) The NFL team has authority to determine the design of a retractable roof feature for
273.2 the stadium. The NFL team must cooperate with the authority in designing the feature to
273.3 minimize any additional operating cost. The design must not result in a material marginal
273.4 increase in the operating or capital costs of the stadium, considering current collections and
273.5 reserves.

273.6 **EFFECTIVE DATE.** This section is effective July 1, 2023.

273.7 Sec. 5. **APPROPRIATION; SECURE PERIMETER.**

273.8 \$15,700,000 is appropriated in fiscal year 2023 from the general fund to the commissioner
273.9 of management and budget to provide for a secure perimeter around the professional football
273.10 stadium in Minneapolis. The commissioner must allocate these funds to the Minnesota
273.11 Sports Facilities Authority after notifying the chairs and ranking minority members of the
273.12 house of representatives Ways and Means Committee and the senate Finance Committee.
273.13 This is a onetime appropriation.

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

273.15 Sec. 6. **OPTIONAL DEBT PAYOFF; APPROPRIATION.**

273.16 (a) If the commissioner of management and budget elects to apply an amount from the
273.17 general reserve account established in Minnesota Statutes, section 297E.021, subdivision
273.18 4, to prepay the debt issued under Minnesota Statutes, section 16A.965, during fiscal year
273.19 2023, then the commissioner may also use the appropriation in paragraph (b) for the same
273.20 purpose.

273.21 (b) The amount necessary, when added to the amount in the general reserve account
273.22 established in Minnesota Statutes, section 297E.021, to prepay in fiscal year 2023 the entire
273.23 debt issued under Minnesota Statutes, section 16A.965, including any accrued interest and
273.24 associated financing costs, is appropriated from the general fund to the commissioner of
273.25 management and budget in fiscal year 2023.

273.26 (c) This appropriation is only effective to the extent available and to the extent the amount
273.27 in the general reserve account established in Minnesota Statutes, section 297E.021, is not
273.28 sufficient to prepay the debt in full in fiscal year 2023, including any accrued interest and
273.29 associated financing costs.

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

274.1 Sec. 7. **REPEALER.**

274.2 Minnesota Statutes 2022, sections 16A.965; and 297E.021, are repealed.

274.3 **EFFECTIVE DATE.** This section is effective upon certification from the commissioner
274.4 of management and budget to the revisor of statutes that the bonds authorized under
274.5 Minnesota Statutes, section 16A.965, are no longer outstanding.

274.6 **ARTICLE 13**
274.7 **MISCELLANEOUS**

274.8 Section 1. **[204B.50] LOCAL ELECTION EXPENSE REIMBURSEMENT.**

274.9 **Subdivision 1. Local election expense reimbursement account.** A local election expense
274.10 reimbursement account is established in the special revenue fund. Funds in the account are
274.11 appropriated to the secretary of state to make reimbursements to counties and municipalities
274.12 as provided in this section. Funds in the account are available until spent.

274.13 **Subd. 2. Authorized purposes.** The secretary of state must reimburse counties and
274.14 municipalities for expenses incurred in the administration of elections using available funds
274.15 in the local election expense reimbursement account. The following expenses are eligible
274.16 for reimbursement:

274.17 (1) preparation and printing of ballots;

274.18 (2) postage for absentee ballots;

274.19 (3) publication of the sample ballot;

274.20 (4) preparation of polling places in an amount not to exceed \$150 per polling place;

274.21 (5) preparation of electronic voting systems in an amount not to exceed \$100 per precinct;

274.22 (6) compensation for temporary staff or overtime payments;

274.23 (7) salaries of election judges;

274.24 (8) compensation of county canvassing board members; and

274.25 (9) other expenses as approved by the secretary of state.

274.26 **Subd. 3. Request for payment.** (a) By January 31 of each odd-numbered year, the
274.27 county auditor or municipal clerk must submit a request for payment of the costs incurred
274.28 by the county or municipality for conducting elections for the previous two years. The
274.29 request for payment must be submitted to the secretary of state and must be accompanied
274.30 by an itemized description of actual county or municipal expenditures, including copies of

275.1 invoices. In addition, the county auditor or municipal clerk must certify that the request for
275.2 reimbursement is based on actual costs incurred by the county or municipality in the election.

275.3 (b) The secretary of state must provide each county and municipality with the appropriate
275.4 forms for requesting payment and certifying expenses under this subdivision. The secretary
275.5 of state must not reimburse expenses unless the request for payment and certification of
275.6 costs has been submitted as provided in this subdivision.

275.7 Subd. 4. **Amount of payment.** The secretary of state must reimburse 80 percent of the
275.8 costs submitted by each county and municipality. If there are not sufficient funds to reimburse
275.9 applicants for 80 percent of the costs submitted, the secretary of state must reduce all
275.10 reimbursement proportionally. The secretary of state must complete the issuance of
275.11 reimbursements to the counties and municipalities no later than April 1 of each odd-numbered
275.12 year.

275.13 Subd. 5. **Report to legislature.** By May 1 of each odd-numbered year, the secretary of
275.14 state must submit a report to the chairs and ranking minority members of the legislative
275.15 committees with jurisdiction over elections policy on reimbursements made pursuant to this
275.16 section. The report must include the amount each jurisdiction received.

275.17 Subd. 6. **Transfer to account.** Beginning in fiscal year 2024 and annually thereafter,
275.18 \$6,000,000 is transferred from the general fund to the local election expense reimbursement
275.19 account in the special revenue fund. The secretary of state may retain up to two percent of
275.20 the amount transferred under this subdivision in each year for administrative costs.

275.21 **EFFECTIVE DATE.** This section is effective July 1, 2023.

275.22 Sec. 2. Minnesota Statutes 2022, section 206.95, is amended to read:

275.23 **206.95 VOTING EQUIPMENT AND INFRASTRUCTURE GRANT ACCOUNT.**

275.24 Subdivision 1. **Voting equipment and infrastructure grant account.** A voting
275.25 equipment and infrastructure grant account is established in the special revenue fund. Funds
275.26 in the account are appropriated to the secretary of state to provide grants to political
275.27 subdivisions as authorized by this section. Funds in the account are available until expended
275.28 spent.

275.29 Subd. 2. **Authorized equipment purposes.** A political subdivision may apply to receive
275.30 a grant under this section for the purchase or lease of the following:

275.31 (1) an electronic voting system, or any individual components of an electronic voting
275.32 system as provided in section 206.56, subdivision 8;

- 276.1 (2) assistive voting technology;
- 276.2 (3) an electronic roster system meeting the technology requirements of section 201.225,
- 276.3 subdivision 2; ~~and~~
- 276.4 (4) hardware or software for election-related purposes;
- 276.5 (5) cybersecurity for election-related purposes;
- 276.6 (6) security-related infrastructure for election-related purposes; and
- 276.7 (7) any other equipment or technology approved by the secretary of state for use in
- 276.8 conducting a state or local election in Minnesota consistent with the requirements of law.

276.9 Subd. 3. **Application.** (a) The secretary of state may make a grant from the account to

276.10 a political subdivision only after receiving an application from the political subdivision.

276.11 The application must contain the following information:

- 276.12 (1) the date the application is submitted;
- 276.13 (2) the name of the political subdivision;
- 276.14 (3) the name and title of the individual who prepared the application;
- 276.15 (4) if the application is for equipment described in subdivision 2, clauses 1 to 3:
- 276.16 (i) the type of voting system currently used in each precinct in the political subdivision;
- 276.17 and
- 276.18 ~~(5)~~ (ii) the date the system currently used was acquired and at what cost;
- 276.19 ~~(6)~~ (5) the total number of registered voters, as of the date of the application, in each
- 276.20 precinct in the political subdivision;
- 276.21 ~~(7)~~ (6) the total amount of the grant requested;
- 276.22 ~~(8)~~ (7) the total amount and source of the political subdivision's money to be used to
- 276.23 match a grant from the account;
- 276.24 ~~(9)~~ (8) the type of voting system equipment or infrastructure to be acquired with the
- 276.25 grant money and, if the application is for a voting system, whether the voting system will
- 276.26 permit individuals with disabilities to cast a secret ballot;
- 276.27 ~~(10)~~ (9) the proposed schedule for purchasing and implementing using the new voting
- 276.28 system and equipment or infrastructure;
- 276.29 (10) where the equipment or infrastructure would be used, including, where applicable,
- 276.30 the precincts in which the new voting system equipment or infrastructure would be used;

277.1 (11) whether the political subdivision has previously applied for a grant from the account
277.2 and the disposition of that application;

277.3 (12) a certified statement by the political subdivision that the grant will be used only to
277.4 purchase authorized equipment or infrastructure under subdivision 2 ~~and that the political~~
277.5 ~~subdivision has insufficient resources to purchase the voting system without obtaining a~~
277.6 ~~grant from the account;~~

277.7 (13) a statement of why the political subdivision needs the equipment or infrastructure;
277.8 and

277.9 ~~(13)~~ (14) any other information required by the secretary of state.

277.10 (b) The secretary of state must establish a deadline for receipt of grant applications, a
277.11 procedure for awarding and distributing grants, and a process for verifying the proper use
277.12 of the grants after distribution.

277.13 Subd. 4. **Amount of grant.** A political subdivision is eligible to receive a grant of no
277.14 more than ~~75~~ 80 percent of the total cost of ~~electronic roster equipment and 50 percent of~~
277.15 ~~the total cost of all other equipment or technology~~ equipment or infrastructure authorized
277.16 for a grant under subdivision 2. In evaluating the application, the secretary of state shall
277.17 consider only the information set forth in the application and is not subject to chapter 14.
277.18 If the secretary of state determines that the application has been fully and properly completed,
277.19 and that there is a sufficient balance in the account to fund the grant, either in whole or in
277.20 part, the secretary of state may approve the application.

277.21 Subd. 5. **Report to legislature.** ~~No later than~~ By January 15, 2018, ~~and annually thereafter~~
277.22 ~~until the appropriations provided for grants under this section have been exhausted,~~ of each
277.23 year, the secretary of state must submit a report to the legislative committees with jurisdiction
277.24 over elections policy on grants awarded by this section. The report must detail each grant
277.25 awarded, including the jurisdiction, the amount of the grant, and the type of equipment
277.26 purchased.

277.27 Subd. 6. **Transfer to account.** Beginning in fiscal year 2024 and annually thereafter,
277.28 \$4,000,000 is transferred from the general fund to the voting equipment and infrastructure
277.29 grant account in the special revenue fund.

277.30 **EFFECTIVE DATE.** This section is effective July 1, 2023.

278.1 Sec. 3. [240A.15] AMATEUR SPORTS ACCOUNT.

278.2 An amateur sports account is established in the special revenue fund. Money in the
278.3 account, including interest, is appropriated to the commission for the promotion and
278.4 development of amateur sports as provided in section 240A.04. Money in the account does
278.5 not cancel and is available until spent.

278.6 **EFFECTIVE DATE.** This section is effective July 1, 2023.

278.7 Sec. 4. Minnesota Statutes 2022, section 270C.19, subdivision 1, is amended to read:

278.8 Subdivision 1. **Taxes paid by Indians.** (a) Notwithstanding any other law which limits
278.9 the refund of tax, the commissioner is authorized to enter into a tax refund agreement with
278.10 the governing body of any federally recognized Indian ~~reservation~~ Tribe in Minnesota.

278.11 (b) The agreement may provide for:

278.12 (1) a mutually agreed-upon amount as a refund to the governing body of an estimate of
278.13 any sales or excise tax paid by ~~the total resident Indian population on or adjacent to a~~
278.14 ~~reservation into the state treasury,~~ Tribal members on transactions occurring on the
278.15 reservation or on transactions that would occur on the reservation if there was no agreement;
278.16 or

278.17 (2) ~~for~~ an amount which measures the economic value of an agreement by the Tribal
278.18 government to pay the equivalent of the state sales tax on items included in the sales tax
278.19 base but exempt on the reservation, ~~notwithstanding any other law which limits the~~
278.20 ~~refundment of taxes. The total resident Indian population on or adjacent to a reservation~~
278.21 ~~shall be defined according to the United States Department of the Interior, Bureau of Indian~~
278.22 ~~Affairs, as determined and stated in its Report on Service Population and Labor Force.~~

278.23 (c) For purposes of this section, "Tribal members" means the number of enrolled members
278.24 of the Tribe who live on or adjacent to the reservation as defined in the agreement.

278.25 (d) In arriving at the refund amount, the commissioner must consider the number of
278.26 Tribal members as most recently submitted by the Tribe to the commissioner, estimates
278.27 contained in the tax incidence report under section 270C.13, and any other information
278.28 available to the commissioner.

278.29 **EFFECTIVE DATE.** This section is effective retroactively for agreements entered into
278.30 or amended after December 31, 2022.

279.1 Sec. 5. Minnesota Statutes 2022, section 270C.52, subdivision 2, is amended to read:

279.2 Subd. 2. **Payment agreements.** (a) When any portion of any tax payable to the
279.3 commissioner together with interest and penalty thereon, if any, has not been paid, the
279.4 commissioner may extend the time for payment for a further period. When the authority of
279.5 this section is invoked, the extension shall be evidenced by written agreement signed by
279.6 the taxpayer and the commissioner, stating the amount of the tax with penalty and interest,
279.7 if any, and providing for the payment of the amount in installments.

279.8 (b) The agreement may contain a confession of judgment for the amount and for any
279.9 unpaid portion thereof. If the agreement contains a confession of judgment, the confession
279.10 of judgment must provide that the commissioner may enter judgment against the taxpayer
279.11 in the district court of the county of residence as shown upon the taxpayer's tax return for
279.12 the unpaid portion of the amount specified in the extension agreement.

279.13 (c) The agreement shall provide that it can be terminated, after notice by the
279.14 commissioner, if information provided by the taxpayer prior to the agreement was inaccurate
279.15 or incomplete, collection of the tax covered by the agreement is in jeopardy, there is a
279.16 subsequent change in the taxpayer's financial condition, the taxpayer has failed to make a
279.17 payment due under the agreement, or the taxpayer has failed to pay any other tax or file a
279.18 tax return coming due after the agreement.

279.19 (d) The notice must be given at least 14 calendar days prior to termination, and shall
279.20 advise the taxpayer of the right to request a reconsideration from the commissioner of
279.21 whether termination is reasonable and appropriate under the circumstances. A request for
279.22 reconsideration does not stay collection action beyond the 14-day notice period. If the
279.23 commissioner has reason to believe that collection of the tax covered by the agreement is
279.24 in jeopardy, the commissioner may proceed under section 270C.36 and terminate the
279.25 agreement without regard to the 14-day period.

279.26 (e) The commissioner may accept other collateral the commissioner considers appropriate
279.27 to secure satisfaction of the tax liability. The principal sum specified in the agreement shall
279.28 bear interest at the rate specified in section 270C.40 on all unpaid portions thereof until the
279.29 same has been fully paid or the unpaid portion thereof has been entered as a judgment. The
279.30 judgment shall bear interest at the rate specified in section 270C.40.

279.31 (f) If it appears to the commissioner that the tax reported by the taxpayer is in excess of
279.32 the amount actually owing by the taxpayer, the extension agreement or the judgment entered
279.33 pursuant thereto shall be corrected. If after making the extension agreement or entering
279.34 judgment with respect thereto, the commissioner determines that the tax as reported by the

280.1 taxpayer is less than the amount actually due, the commissioner shall assess a further tax
280.2 in accordance with the provisions of law applicable to the tax.

280.3 (g) The authority granted to the commissioner by this section is in addition to any other
280.4 authority granted to the commissioner by law to extend the time of payment or the time for
280.5 filing a return and shall not be construed in limitation thereof.

280.6 ~~(h) The commissioner shall charge a fee for entering into payment agreements. The fee~~
280.7 ~~is set at \$50 and is charged for entering into a payment agreement, for entering into a new~~
280.8 ~~payment agreement after the taxpayer has defaulted on a prior agreement, and for entering~~
280.9 ~~into a new payment agreement as a result of renegotiation of the terms of an existing~~
280.10 ~~agreement. The fee is paid to the commissioner before the payment agreement becomes~~
280.11 ~~effective and does not reduce the amount of the liability.~~

280.12 **EFFECTIVE DATE.** This section is effective for payment plans entered into beginning
280.13 30 days after the day following final enactment.

280.14 Sec. 6. Minnesota Statutes 2022, section 278.01, subdivision 1, is amended to read:

280.15 Subdivision 1. **Determination of validity.** (a) Any person having personal property, or
280.16 any estate, right, title, or interest in or lien upon any parcel of land, who claims that such
280.17 property has been partially, unfairly, or unequally assessed in comparison with other property
280.18 in the (1) city, or (2) county, or (3) in the case of a county containing a city of the first class,
280.19 the portion of the county excluding the first class city, or that the parcel has been assessed
280.20 at a valuation greater than its real or actual value, or that the tax levied against the same is
280.21 illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so
280.22 levied, may have the validity of the claim, defense, or objection determined by the district
280.23 court of the county in which the tax is levied or by the Tax Court by personally serving one
280.24 copy of a petition for such determination upon the county auditor, ~~one copy on the county~~
280.25 ~~attorney, one copy on the county treasurer, and three copies on the county assessor. The~~
280.26 ~~county assessor shall immediately forward one copy of the petition to the appropriate~~
280.27 ~~governmental authority in a home rule charter or statutory city or town in which the property~~
280.28 ~~is located if that city or town employs its own certified assessor. A copy of the petition shall~~
280.29 ~~also be forwarded by the assessor to the school board of the school district in which the~~
280.30 ~~property is located. The county auditor may waive personal service of a petition by: (i)~~
280.31 agreeing to accept service through an alternative service method; (ii) designating an
280.32 alternative service method on the county website; or (iii) acknowledging receipt of a petition
280.33 served through an alternative service method. An alternative service method includes but

281.1 is not limited to service by email or by an electronic upload to a website designated by the
281.2 county. Service may be made by any person, including a party to the action.

281.3 ~~(b) In counties where the office of county treasurer has been combined with the office~~
281.4 ~~of county auditor, the county may elect to require the petitioner to serve the number of~~
281.5 ~~copies as determined by the county. Within 30 days after a petition is served and filed, the~~
281.6 ~~county auditor must provide a copy of the petition, if a copy has not already been provided,~~
281.7 ~~to the county assessor, county treasurer, and the county attorney. The county assessor shall~~
281.8 immediately forward one copy of the petition to the appropriate governmental authority in
281.9 a home rule charter or statutory city or town in which the property is located if that city or
281.10 town employs its own certified assessor. On or before the first day of July, the county auditor
281.11 must send a list of petitioned properties, including to the school board of the school district
281.12 in which the property is located. The list must include the name of the petitioner, the
281.13 identification number of the property, and the estimated market value, shall be sent on or
281.14 before the first day of July by the county auditor/treasurer to the school board of the school
281.15 district in which the property is located of the property.

281.16 (c) For all counties, the petitioner must file ~~the copies with~~ a copy of the petition and
281.17 proof of service, of the petition in the office of the court administrator of the district court
281.18 on or before April 30 of the year in which the tax becomes payable. A petition for
281.19 determination under this section may be transferred by the district court to the Tax Court.
281.20 An appeal may also be taken to the Tax Court under chapter 271 at any time following
281.21 receipt of the valuation notice that county assessors or city assessors having the powers of
281.22 a county assessor are required by section 273.121 to send to persons whose property is to
281.23 be included on the assessment roll that year, but prior to May 1 of the year in which the
281.24 taxes are payable.

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

281.26 Sec. 7. Minnesota Statutes 2022, section 297H.13, subdivision 2, is amended to read:

281.27 Subd. 2. **Allocation of revenues.** (a) ~~\$33,760,000, or 70 percent, whichever is greater,~~
281.28 Of the amounts remitted under this chapter, 70 percent must be credited to the environmental
281.29 fund established in section 16A.531, subdivision 1.

281.30 (b) In addition to the amounts credited to the environmental fund in paragraph (a), 15
281.31 percent of the amounts remitted under this chapter shall be deposited into the resource
281.32 management account in the environmental fund in fiscal year 2027 and later.

281.33 (c) The remainder must be deposited into the general fund.

282.1 (d) Beginning in fiscal year 2027 and annually thereafter, the money deposited in the
282.2 resource management account in the environmental fund under paragraph (b) is appropriated
282.3 to the commissioner of the Pollution Control Agency for distribution to counties under
282.4 section 115A.557, subdivision 2, paragraph (a), clauses (1) to (7) and (9) to (11).

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

282.6 Sec. 8. **[428B.01] DEFINITIONS.**

282.7 Subdivision 1. **Applicability.** As used in sections 428B.01 to 428B.09, the terms in this
282.8 section have the meanings given them.

282.9 Subd. 2. **Activity.** "Activity" means but is not limited to all of the following:

282.10 (1) promotion of tourism within the district;

282.11 (2) promotion of business activity, including but not limited to tourism, of businesses
282.12 subject to the service charge within the tourism improvement district;

282.13 (3) marketing, sales, and economic development; and

282.14 (4) other services provided for the purpose of conferring benefits upon businesses located
282.15 in the tourism improvement district that are subject to the tourism improvement district
282.16 service charge.

282.17 Subd. 3. **Business.** "Business" means the type or class of lodging business that is
282.18 described in the municipality's ordinance, which benefits from district activities, adopted
282.19 under section 428B.02.

282.20 Subd. 4. **Business owner.** "Business owner" means a person recognized by a municipality
282.21 as the owner of a business.

282.22 Subd. 5. **City.** "City" means a home rule charter or statutory city.

282.23 Subd. 6. **Clerk.** "Clerk" means the chief clerical officer of the municipality.

282.24 Subd. 7. **Governing body.** "Governing body" means, with respect to a city, a city council
282.25 or other governing body of a city. With respect to a town, governing body means a town
282.26 board or other governing body of a town. With respect to a county, governing body means
282.27 a board of commissioners or other governing body of a county.

282.28 Subd. 8. **Impacted business owners.** "Impacted business owners" means a majority of
282.29 business owners located within a proposed or established tourism improvement district.

282.30 Subd. 9. **Municipality.** "Municipality" means a county, city, or town.

283.1 Subd. 10. **Tourism improvement association.** "Tourism improvement association"
283.2 means a new or existing and tax-exempt nonprofit corporation, entity, or agency charged
283.3 with promoting tourism within the tourism improvement district and that is under contract
283.4 with the municipality to administer the tourism improvement district and implement the
283.5 activities and improvements listed in the municipality's ordinance.

283.6 Subd. 11. **Tourism improvement district.** "Tourism improvement district" means a
283.7 tourism improvement district established under this chapter.

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

283.9 Sec. 9. **[428B.02] ESTABLISHMENT OF TOURISM IMPROVEMENT DISTRICT.**

283.10 Subdivision 1. **Ordinance.** (a) Upon a petition by impacted business owners, a governing
283.11 body of a municipality may adopt an ordinance establishing a tourism improvement district
283.12 after holding a public hearing on the district. The ordinance must include:

283.13 (1) a map that identifies the tourism improvement district boundaries in sufficient detail
283.14 to allow a business owner to determine whether a business is located within the tourism
283.15 improvement district boundaries;

283.16 (2) the name of the tourism improvement association designated to administer the tourism
283.17 improvement district and implement the approved activities and improvements;

283.18 (3) a list of the proposed activities and improvements in the tourism improvement district;

283.19 (4) the time and manner of collecting the service charge and any interest and penalties
283.20 for nonpayment;

283.21 (5) a definition describing the type or class of businesses to be included in the tourism
283.22 improvement district and subject to the service charge;

283.23 (6) the rate, method, and basis of the service charge with intent, and penalties on
283.24 delinquent payments for the district, including the portion dedicated to covering expenses
283.25 listed in subdivision 4, paragraph (b); and

283.26 (7) the number of years the service charge will be in effect.

283.27 (b) If the boundaries of a proposed tourism improvement district overlap with the
283.28 boundaries of an existing special service district, the tourism improvement district ordinance
283.29 may list measures to avoid any impediments on the ability of the special service district to
283.30 continue to provide its services to benefit its property owners.

284.1 Subd. 2. **Notice.** A municipality must provide notice of the hearing by publication in at
284.2 least two issues of the official newspaper of the municipality. The two publications must
284.3 be two weeks apart and the municipality must hold the hearing at least three days after the
284.4 last publication. Not less than ten days before the hearing, the municipality must mail, or
284.5 deliver by electronic means, notice to the business owner of each business subject to the
284.6 proposed service charge by the tourism improvement district. The notice must include:

284.7 (1) a map showing the boundaries of the proposed district;

284.8 (2) the time and place of the hearing;

284.9 (3) a statement that all interested persons will be given an opportunity to be heard at the
284.10 hearing regarding the proposed service charge; and

284.11 (4) a brief description of the proposed activities, improvements, and service charge.

284.12 Subd. 3. **Business owner determination.** A business must provide ownership information
284.13 to the municipality. A municipality has no obligation to obtain other information regarding
284.14 the ownership of businesses, and its determination of ownership shall be final for the purposes
284.15 of this chapter. If this chapter requires the signature of a business owner, the signature of
284.16 the authorized representative of a business owner is sufficient.

284.17 Subd. 4. **Service charges; relationship to services.** (a) A municipality may impose a
284.18 service charge on a business pursuant to this chapter for the purpose of providing activities
284.19 and improvements that will provide benefits to a business that is located within the tourism
284.20 improvement district and subject to the tourism improvement district service charge. Each
284.21 business paying a service charge within a district must benefit directly or indirectly from
284.22 improvements provided by a tourism improvement association, provided, however, the
284.23 business need not benefit equally. Service charges must be based on a percent of gross
284.24 business revenue, a fixed dollar amount per transaction, or any other reasonable method
284.25 based upon benefit and approved by the municipality.

284.26 (b) Service charges may be used to cover the costs of collections, as well as other
284.27 administrative costs associated with operating, forming, or maintaining the district.

284.28 Subd. 5. **Public hearing.** At the hearing regarding the adoption of the ordinance
284.29 establishing a tourism improvement district, business owners and persons affected by the
284.30 proposed district may testify on issues relevant to the proposed district. The hearing may
284.31 be adjourned from time to time. The ordinance establishing the district may be adopted at
284.32 any time within six months after the date of the conclusion of the hearing by a vote of the
284.33 majority of the governing body of the municipality.

285.1 Subd. 6. **Appeal to district court.** Within 45 days after the adoption of the ordinance
285.2 establishing a tourism improvement district, a person aggrieved, who is not precluded by
285.3 failure to object before or at the hearing, may appeal to the district court by serving a notice
285.4 on the clerk of the municipality or governing body. The validity of the tourism improvement
285.5 district and the service charge imposed under this chapter shall not be contested in an action
285.6 or proceeding unless the action or proceeding is commenced within 45 days after the adoption
285.7 of the ordinance establishing a tourism improvement district. The petitioner must file notice
285.8 with the court administrator of the district court within ten days after its service. The clerk
285.9 of the municipality must provide the petitioner with a certified copy of the findings and
285.10 determination of the governing body. The court may affirm the action objected to or, if the
285.11 petitioner's objections have merit, modify or cancel it. If the petitioner does not prevail on
285.12 the appeal, the costs incurred shall be charged to the petitioner by the court and judgment
285.13 entered for them. All objections shall be deemed waived unless presented on appeal.

285.14 Subd. 7. **Notice to the commissioner of revenue.** Within 30 days of adoption of the
285.15 ordinance, the governing body must send a copy of the ordinance to the commissioner of
285.16 revenue.

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

285.18 Sec. 10. **[428B.03] SERVICE CHARGE AUTHORITY; NOTICE; HEARING**
285.19 **REQUIREMENT.**

285.20 Subdivision 1. **Authority.** A municipality may impose service charges authorized under
285.21 section 428B.02, subdivision 4, to finance an activity or improvement in the tourism
285.22 improvement district that is provided by the municipality if the activity or improvement is
285.23 provided in the tourism improvement district at an increased level of service. The service
285.24 charges may be imposed in the amount needed to pay for the increased level of service
285.25 provided by the activity or improvement.

285.26 Subd. 2. **Annual hearing requirement; notice.** Beginning one year after the
285.27 establishment of the tourism improvement district, the municipality must hold an annual
285.28 public hearing regarding continuation of the service charges in the tourism improvement
285.29 district. The municipality must provide notice of the hearing by publication in the official
285.30 newspaper at least seven days before the hearing. The municipality must mail, or deliver
285.31 by electronic means, notice of the hearing to business owners subject to the service charge
285.32 at least seven days before the hearing. At the hearing, a person affected by the proposed
285.33 district may testify on issues relevant to the proposed district. Within six months of the
285.34 hearing, the municipality may adopt a resolution to continue imposing service charges within

286.1 the district not exceeding the amount or rate expressed in the notice. For purposes of this
286.2 section, the notice must include:

286.3 (1) a map showing the boundaries of the district;

286.4 (2) the time and place of the hearing;

286.5 (3) a statement that all interested persons will be given an opportunity to be heard at the
286.6 hearing regarding the proposed service charge;

286.7 (4) a brief description of the proposed activities and improvements;

286.8 (5) the estimated annual amount of proposed expenditures for activities and
286.9 improvements;

286.10 (6) the rate of the service charge for the district during the year and the nature and
286.11 character of the proposed activities and improvements for the district during the year in
286.12 which service charges are collected;

286.13 (7) the number of years the service charge will be in effect; and

286.14 (8) a statement that the petition requirement of section 428B.07 has either been met or
286.15 does not apply to the proposed service charge.

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

286.17 Sec. 11. **[428B.04] MODIFICATION OF ORDINANCE.**

286.18 **Subdivision 1. Adoption of ordinance; request for modification.** Upon written request
286.19 of the tourism improvement association, the governing body of a municipality may adopt
286.20 an ordinance to modify the district after conducting a public hearing on the proposed
286.21 modifications. If the modification includes a change to the rate, method, and basis of
286.22 imposing the service charge or the expansion of the tourism improvement district's geographic
286.23 boundaries, a petition as described in section 428B.07 must be submitted by impacted
286.24 business owners to initiate proceedings for modification.

286.25 **Subd. 2. Notice of modification.** A municipality must provide notice of the hearing by
286.26 publication in at least two issues of the municipality's official newspaper. The two
286.27 publications must be two weeks apart and the municipality must hold a hearing at least three
286.28 days after the last publication. Not less than ten days before the hearing, the municipality
286.29 must mail, or deliver by electronic means, notice to the business owner of each business
286.30 subject to the service charge by the tourism improvement district. The notice must include:

287.1 (1) a map showing the boundaries of the district and any proposed changes to the
287.2 boundaries of the district;

287.3 (2) the time and place of the hearing;

287.4 (3) a statement that all interested persons will be given an opportunity to be heard at the
287.5 hearing regarding the proposed service charge; and

287.6 (4) a brief description of the proposed modification to the ordinance.

287.7 Subd. 3. **Hearing on modification.** At the hearing regarding modification to the
287.8 ordinance, business owners and persons affected by the proposed modification may testify
287.9 on issues relevant to the proposed modification. Within six months after the conclusion of
287.10 the hearing, the municipality may adopt the ordinance modifying the district by a vote of
287.11 the majority of the governing body in accordance with the request for modification by the
287.12 tourism improvement association and as described in the notice.

287.13 Subd. 4. **Objection.** If the modification of the ordinance includes the expansion of the
287.14 tourism improvement district's geographic boundaries, the ordinance modifying the district
287.15 may be adopted after following the notice and veto requirements in section 428B.08;
287.16 however, a successful objection will be determined based on a majority of business owners
287.17 who will pay the service charge in the expanded area of the district. For all other
287.18 modifications, the ordinance modifying the district may be adopted following the notice
287.19 and veto requirements in section 428B.08.

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

287.21 Sec. 12. **[428B.05] COLLECTION OF SERVICE CHARGES; PENALTIES.**

287.22 The service charges imposed under this chapter may be collected by the municipality,
287.23 tourism improvement association, or other designated agency or entity. Collection of the
287.24 service charges must be made at the time and in the manner set forth in the ordinance. The
287.25 entity collecting the service charges may charge interest and penalties on delinquent payments
287.26 for service charges imposed under this chapter as set forth in the municipality's ordinance.

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

287.28 Sec. 13. **[428B.06] TOURISM IMPROVEMENT ASSOCIATION.**

287.29 Subdivision 1. **Composition and duties.** The tourism improvement association must
287.30 be designated in the municipality's ordinance. The tourism improvement association shall
287.31 appoint a governing board or committee composed of a majority of business owners who

288.1 pay the tourism improvement district service charge, or the representatives of those business
288.2 owners. The governing board or committee must manage the funds raised by the tourism
288.3 improvement district and fulfill the obligations of the tourism improvement district. A
288.4 tourism improvement association has full discretion to select the specific activities and
288.5 improvements that are funded with tourism improvement district service charges within the
288.6 authorized activities and improvements described in the ordinance.

288.7 Subd. 2. **Annual report.** The tourism improvement association must submit to the
288.8 municipality an annual report for each year in which a service charge is imposed. The report
288.9 must include a financial statement of revenue raised by the district. The municipality may
288.10 also, as part of the enabling ordinance, require the submission of other relevant information
288.11 related to the association.

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

288.13 Sec. 14. **[428B.07] PETITION REQUIRED.**

288.14 A municipality may not establish a tourism improvement district under section 428B.02
288.15 unless impacted business owners file a petition requesting a public hearing on the proposed
288.16 action with the clerk of the municipality.

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

288.18 Sec. 15. **[428B.08] VETO POWER OF OWNERS.**

288.19 Subdivision 1. **Notice of right to file objections.** The effective date of an ordinance or
288.20 resolution adopted under this chapter must be at least 45 days after it is adopted by the
288.21 municipality. Within five days after the municipality adopts the ordinance or resolution,
288.22 the municipality must mail a summary of the ordinance or resolution to each business owner
288.23 subject to the service charge within the tourism improvement district in the same manner
288.24 that notice is mailed, or delivered by electronic means, under section 428B.02. The mailing
288.25 must include a notice that business owners subject to the service charge have the right to
288.26 veto, by a simple majority, the ordinance or resolution by filing the required number of
288.27 objections with the clerk of the municipality before the effective date of the ordinance or
288.28 resolution and include notice that a copy of the ordinance or resolution is available for public
288.29 inspection with the clerk of the municipality.

288.30 Subd. 2. **Requirements for veto.** If impacted business owners file an objection to the
288.31 ordinance or resolution before the effective date of the ordinance or resolution, the ordinance
288.32 or resolution does not become effective.

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

289.2 Sec. 16. **[428B.09] DISESTABLISHMENT.**

289.3 Subdivision 1. **Procedure for disestablishment.** An ordinance adopted under this chapter
289.4 must provide a 30-day period each year in which business owners subject to the service
289.5 charge may request disestablishment of the district. Beginning one year after establishment
289.6 of the tourism improvement district, an annual 30-day period of disestablishment begins
289.7 with the anniversary of the date of establishment. Upon submission of a petition from
289.8 impacted business owners, the municipality may disestablish a tourism improvement district
289.9 by adopting an ordinance after holding a public hearing on the disestablishment. Prior to
289.10 the hearing, the municipality must publish notice of the hearing on disestablishment in at
289.11 least two issues of the municipality's official newspaper. The two publications must be two
289.12 weeks apart and the municipality must hold the hearing at least three days after the last
289.13 publication. Not less than ten days before the hearing, the municipality must mail, or deliver
289.14 by electronic means, notice to the business owner of each business subject to the service
289.15 charge. The notice must include:

289.16 (1) the time and place of the hearing;

289.17 (2) a statement that all interested persons will be given an opportunity to be heard at the
289.18 hearing regarding disestablishment;

289.19 (3) the reason for disestablishment; and

289.20 (4) a proposal to dispose of any assets acquired with the revenues of the service charge
289.21 imposed under the tourism improvement district.

289.22 Subd. 2. **Objection.** An ordinance disestablishing the tourism improvement district
289.23 becomes effective following the notice and veto requirements in section 428B.08.

289.24 Subd. 3. **Refund to business owners.** (a) Upon the disestablishment of a tourism
289.25 improvement district, any remaining revenues derived from the service charge, or any
289.26 revenues derived from the sale of assets acquired with the service charge revenues, shall
289.27 be refunded to business owners located and operating within the tourism improvement
289.28 district in which service charges were imposed by applying the same method and basis that
289.29 was used to calculate the service charges levied in the fiscal year in which the district is
289.30 disestablished.

289.31 (b) If the disestablishment occurs before the service charge is imposed for the fiscal
289.32 year, the method and basis that was used to calculate the service charge imposed in the
289.33 immediate prior fiscal year shall be used to calculate the amount of a refund, if any.

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

290.2 Sec. 17. **[428B.10] COORDINATION OF DISTRICTS.**

290.3 If a county establishes a tourism improvement district in a city or town under this chapter,
290.4 a city or town may not establish a tourism improvement district in the part of the city or
290.5 town located in the county-established district. If a city or town establishes a tourism
290.6 improvement district under this chapter, a county may not establish a tourism improvement
290.7 district in the part of the city or town located in the city- or town-established district.

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

290.9 **ARTICLE 14**

290.10 **DEPARTMENT OF REVENUE: INDIVIDUAL INCOME AND CORPORATE**
290.11 **FRANCHISE TAXES**

290.12 Section 1. Minnesota Statutes 2022, section 289A.08, subdivision 7, as amended by Laws
290.13 2023, chapter 1, section 2, is amended to read:

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

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

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

290.28 (d) The electing partner must not have any Minnesota source income other than the
290.29 income from the partnership, other electing partnerships, and other qualifying entities
290.30 electing to file and pay the pass-through entity tax under subdivision 7a. If it is determined
290.31 that the electing partner has other Minnesota source income, the inclusion of the income
290.32 and tax liability for that partner under this provision will not constitute a return to satisfy

291.1 the requirements of subdivision 1. The tax paid for the individual as part of the composite
291.2 return is allowed as a payment of the tax by the individual on the date on which the composite
291.3 return payment was made. If the electing nonresident partner has no other Minnesota source
291.4 income, filing of the composite return is a return for purposes of subdivision 1.

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

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

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

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

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

291.24 (j) For the purposes of this subdivision, "income" ~~means the partner's share of federal~~
291.25 ~~adjusted gross income from the partnership modified by the additions provided in section~~
291.26 ~~290.0131, subdivisions 8 to 10, 16, and 17, and the subtractions provided in: (1) section~~
291.27 ~~290.0132, subdivisions 9, 27, 28, and 31, to the extent the amount is assignable or allocable~~
291.28 ~~to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The subtraction~~
291.29 ~~allowed under section 290.0132, subdivision 9, is only allowed on the composite tax~~
291.30 ~~computation to the extent the electing partner would have been allowed the subtraction. has~~
291.31 the meaning given in section 290.01, subdivision 19, paragraph (h).

291.32 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
291.33 31, 2022.

292.1 Sec. 2. Minnesota Statutes 2022, section 289A.08, subdivision 7a, as amended by Laws
292.2 2023, chapter 1, section 3, is amended to read:

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

292.5 (1) "income" has the meaning given in ~~subdivision 7, paragraph (j), modified by the~~
292.6 ~~addition provided in section 290.0131, subdivision 5, and the subtraction provided in section~~
292.7 ~~290.0132, subdivision 3, except that the provisions that apply to a partnership apply to a~~
292.8 ~~qualifying entity and the provisions that apply to a partner apply to a qualifying owner. The~~
292.9 ~~income of both a resident and nonresident qualifying owner is allocated and assigned to~~
292.10 ~~this state as provided for nonresident partners and shareholders under sections 290.17,~~
292.11 ~~290.191, and 290.20; section 290.01, subdivision 19, paragraph (i);~~

292.12 (2) "qualifying entity" means a partnership, limited liability company taxed as a
292.13 partnership or S corporation, or S corporation including a qualified subchapter S subsidiary
292.14 organized under section 1361(b)(3)(B) of the Internal Revenue Code. Qualifying entity does
292.15 not include a partnership, limited liability company, or corporation that has a partnership,
292.16 limited liability company other than a disregarded entity, or corporation as a partner, member,
292.17 or shareholder; and

292.18 (3) "qualifying owner" means:

292.19 (i) a resident or nonresident individual or estate that is a partner, member, or shareholder
292.20 of a qualifying entity; or

292.21 (ii) a resident or nonresident trust that is a shareholder of a qualifying entity that is an
292.22 S corporation.

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

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

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

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

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

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

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

293.7 (1) nonbusiness deductions, standard deductions, or personal exemptions are not allowed;
293.8 and

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

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

293.13 (f) This subdivision does not negate the requirement that a qualifying owner pay estimated
293.14 tax if the qualifying owner's tax liability would exceed the requirements set forth in section
293.15 289A.25. The qualifying owner's liability to pay estimated tax on the qualifying owner's
293.16 tax liability as determined under paragraph (d) is, however, satisfied when the qualifying
293.17 entity pays estimated tax in the manner prescribed in section 289A.25 for composite estimated
293.18 tax.

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

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

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

293.28 (j) If a nonresident qualifying owner of a qualifying entity making the election to file
293.29 and pay the tax under this subdivision has no other Minnesota source income, filing of the
293.30 pass-through entity tax return is a return for purposes of subdivision 1, provided that the
293.31 nonresident qualifying owner must not have any Minnesota source income other than the
293.32 income from the qualifying entity, other electing qualifying entities, and other partnerships
293.33 electing to file a composite return under subdivision 7. If it is determined that the nonresident

294.1 qualifying owner has other Minnesota source income, the inclusion of the income and tax
 294.2 liability for that owner under this provision will not constitute a return to satisfy the
 294.3 requirements of subdivision 1. The tax paid for the qualifying owner as part of the
 294.4 pass-through entity tax return is allowed as a payment of the tax by the qualifying owner
 294.5 on the date on which the pass-through entity tax return payment was made.

294.6 (k) Once a credit is claimed by a qualifying owner under section 290.06, subdivision
 294.7 40, a qualifying entity cannot receive a refund for tax paid under this subdivision for any
 294.8 amounts claimed under that section by the qualifying owners. Once a credit is claimed under
 294.9 section 290.06, subdivision 40, any refund must be claimed in conjunction with a return
 294.10 filed by the qualifying owner.

294.11 EFFECTIVE DATE. (a) The amendment to paragraph (a), clause (1), is effective for
 294.12 taxable years beginning after December 31, 2022.

294.13 (b) The amendment to paragraph (a), clause (2), is effective retroactively for taxable
 294.14 years beginning after December 31, 2020.

294.15 Sec. 3. Minnesota Statutes 2022, section 289A.382, subdivision 2, is amended to read:

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

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

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

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

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

295.1 (4) file amended withholding reports for all direct partners who were or should have
295.2 been subject to nonresident withholding under section 290.92, subdivision 4b, in the reviewed
295.3 year, and pay the additional amount that would have been due had the federal adjustments
295.4 been reported properly as required; and

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

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

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

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

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

295.20 Sec. 4. Minnesota Statutes 2022, section 289A.50, is amended by adding a subdivision to
295.21 read:

295.22 Subd. 3a. **Nonresident withholding tax refunds.** When there is an overpayment of
295.23 nonresident withholding tax by a partnership or S corporation, a refund allowable under
295.24 this section to the payor is limited to the amount of the overpayment that was not deducted
295.25 and withheld from the shares of the payor's partners or shareholders.

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

295.27 Sec. 5. Minnesota Statutes 2022, section 290.01, subdivision 19, is amended to read:

295.28 Subd. 19. **Net income.** (a) For a trust or estate taxable under section 290.03, and a
295.29 corporation taxable under section 290.02, the term "net income" means the federal taxable
295.30 income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through
295.31 the date named in this subdivision, incorporating the federal effective dates of changes to
295.32 the Internal Revenue Code and any elections made by the taxpayer in accordance with the

296.1 Internal Revenue Code in determining federal taxable income for federal income tax
296.2 purposes, and with the modifications provided in sections 290.0131 to 290.0136.

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

296.5 (c) In the case of a regulated investment company or a fund thereof, as defined in section
296.6 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment
296.7 company taxable income as defined in section 852(b)(2) of the Internal Revenue Code,
296.8 except that:

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

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

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

296.18 (d) The net income of a real estate investment trust as defined and limited by section
296.19 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust
296.20 taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

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

296.24 (f) The Internal Revenue Code of 1986, as amended through December 31, 2018, applies
296.25 for taxable years beginning after December 31, 1996, except the sections of federal law in
296.26 section 290.0111 shall also apply.

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

296.30 (h) In the case of a partnership electing to file a composite return under section 289A.08,
296.31 subdivision 7, "net income" means the partner's share of federal adjusted gross income from
296.32 the partnership modified by the additions provided in section 290.0131, subdivisions 8 to
296.33 10, 16, and 17, and the subtractions provided in: (1) section 290.0132, subdivisions 9, 27,

297.1 and 28, to the extent the amount is assignable or allocable to Minnesota under section 290.17;
297.2 and (2) section 290.0132, subdivision 14. The subtraction allowed under section 290.0132,
297.3 subdivision 9, is only allowed on the composite tax computation to the extent the electing
297.4 partner would have been allowed the subtraction.

297.5 (i) In the case of a qualifying entity electing to pay the pass-through entity tax under
297.6 section 289A.08, subdivision 7a, "net income" means the qualifying owner's share of federal
297.7 adjusted gross income from the qualifying entity modified by the additions provided in
297.8 section 290.0131, subdivisions 5, 8 to 10, 16, and 17, and the subtractions provided in: (1)
297.9 section 290.0132, subdivisions 3, 9, 27, and 28, to the extent the amount is assignable or
297.10 allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The
297.11 subtraction allowed under section 290.0132, subdivision 9, is only allowed on the
297.12 pass-through entity tax computation to the extent the qualifying owners would have been
297.13 allowed the subtraction. The income of both a resident and nonresident qualifying owner
297.14 is allocated and assigned to this state as provided for nonresident partners and shareholders
297.15 under sections 290.17, 290.191, and 290.20.

297.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
297.17 31, 2022.

297.18 Sec. 6. Minnesota Statutes 2022, section 290.06, subdivision 22, is amended to read:

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

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

297.33 (c) If the taxpayer is an athletic team that apportions all of its income under section
297.34 290.17, subdivision 5, the credit is determined by multiplying the tax payable under this

298.1 chapter by the ratio derived from dividing the total net income subject to tax in the other
298.2 state by the taxpayer's Minnesota taxable income.

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

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

298.9 (e) In the case of the tax assessed on a lump-sum distribution under section 290.032, the
298.10 credit allowed under paragraph (a) is the tax assessed by the other state on the lump-sum
298.11 distribution that is also subject to tax under section 290.032, and shall not exceed the tax
298.12 assessed under section 290.032. To the extent the total lump-sum distribution defined in
298.13 section 290.032, subdivision 1, includes lump-sum distributions received in prior years or
298.14 is all or in part an annuity contract, the reduction to the tax on the lump-sum distribution
298.15 allowed under section 290.032, subdivision 2, includes tax paid to another state that is
298.16 properly apportioned to that distribution.

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

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

298.29 (h) For the purposes of this subdivision, a resident partner of an entity taxed as a
298.30 partnership under the Internal Revenue Code must be considered to have paid a tax imposed
298.31 on the partner in an amount equal to the partner's pro rata share of any net income tax paid
298.32 by the partnership to another state. For purposes of the preceding sentence, the term "net
298.33 income" tax means any tax imposed on or measured by a partnership's net income. For

299.1 purposes of this paragraph, "partnership" includes a limited liability company and "partner"
299.2 includes a member of a limited liability company.

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

299.4 (1) includes:

299.5 (i) the District of Columbia; and

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

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

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

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

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

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

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

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

299.29 (3) For purposes of this paragraph, "preliminary credit" means the credit that a qualifying
299.30 individual is eligible to receive under paragraphs (b) and (d) for tax paid to a qualifying
299.31 state without regard to the limitation in paragraph (d), clause (2); "qualifying individual"
299.32 means a Minnesota resident under section 290.01, subdivision 7, paragraph (a), who received

300.1 compensation during the taxable year for the performance of personal or professional services
300.2 within a qualifying state; and "qualifying state" means a state with which an agreement
300.3 under section 290.081 is not in effect for the taxable year but was in effect for a taxable
300.4 year beginning before January 1, 2010.

300.5 (m) For purposes of this subdivision, a resident sole member of a disregarded limited
300.6 liability company must be considered to have paid a tax imposed on the sole member in an
300.7 amount equal to the net income tax paid by the disregarded limited liability company to
300.8 another state. For the purposes of this paragraph, the term "disregarded limited liability
300.9 company" means a limited liability company that is disregarded as an entity separate from
300.10 its owner as defined in Code of Federal Regulations, title 26, section 301.7701, and "net
300.11 income tax" means any tax imposed on or measured by a disregarded limited liability
300.12 company's net income.

300.13 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
300.14 31, 2022.

300.15 Sec. 7. Minnesota Statutes 2022, section 290.0671, subdivision 1, is amended to read:

300.16 Subdivision 1. **Credit allowed.** (a) An individual who is a resident of Minnesota is
300.17 allowed a credit against the tax imposed by this chapter equal to a percentage of earned
300.18 income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the
300.19 Internal Revenue Code, except that:

300.20 (1) a taxpayer with no qualifying children who has attained the age of 19, but not attained
300.21 age 65 before the close of the taxable year and is otherwise eligible for a credit under section
300.22 32 of the Internal Revenue Code may also receive a credit; and

300.23 (2) a taxpayer who is otherwise eligible for a credit under section 32 of the Internal
300.24 Revenue Code remains eligible for the credit even if the taxpayer's earned income or adjusted
300.25 gross income exceeds the income limitation under section 32 of the Internal Revenue Code.

300.26 (b) For individuals with no qualifying children, the credit equals 3.9 percent of the first
300.27 \$7,150 of earned income. The maximum credit allowed is reduced by 2.0 percent of earned
300.28 income or adjusted gross income, whichever is greater, in excess of the phaseout threshold;
300.29 ~~but~~. In no case is the credit less than zero.

300.30 (c) For individuals with one qualifying child, the credit equals 9.35 percent of the first
300.31 \$11,950 of earned income. The maximum credit allowed is reduced by 6.0 percent of earned
300.32 income or adjusted gross income, whichever is greater, in excess of the phaseout threshold;
300.33 ~~but~~. In no case is the credit less than zero.

301.1 (d) For individuals with two qualifying children, the credit equals 11 percent of the first
301.2 \$19,600 of earned income. The maximum credit allowed is reduced by 10.5 percent of
301.3 earned income or adjusted gross income, whichever is greater, in excess of the phaseout
301.4 threshold, ~~but~~. In no case is the credit less than zero.

301.5 (e) For individuals with three or more qualifying children, the credit equals 12.5 percent
301.6 of the first \$20,000 of earned income. The maximum credit allowed is reduced by 10.5
301.7 percent of earned income or adjusted gross income, whichever is greater, in excess of the
301.8 phaseout threshold, ~~but~~. In no case is the credit less than zero.

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

301.11 (g) For a person who was a resident for the entire tax year and has earned income not
301.12 subject to tax under this chapter, ~~including income excluded under section 290.0132,~~
301.13 ~~subdivision 10~~, the credit must be allocated based on the ratio of federal adjusted gross
301.14 income reduced by the earned income not subject to tax under this chapter over federal
301.15 adjusted gross income. For purposes of this paragraph, the following clauses are not
301.16 considered "earned income not subject to tax under this chapter":

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

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

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

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

301.22 (1) \$14,570 for married taxpayers filing joint returns with no qualifying children;

301.23 (2) \$8,730 for all other taxpayers with no qualifying children;

301.24 (3) \$28,610 for married taxpayers filing joint returns with one qualifying child;

301.25 (4) \$22,770 for all other taxpayers with one qualifying child;

301.26 (5) \$32,840 for married taxpayers filing joint returns with two qualifying children;

301.27 (6) \$27,000 for all other taxpayers with two qualifying children;

301.28 (7) \$33,140 for married taxpayers filing joint returns with three or more qualifying
301.29 children; and

301.30 (8) \$27,300 for all other taxpayers with three or more qualifying children.

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

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

302.6 Sec. 8. Minnesota Statutes 2022, section 290.0671, subdivision 7, is amended to read:

302.7 Subd. 7. **Inflation adjustment.** The commissioner shall annually adjust the earned
302.8 income amounts used to calculate the maximum credit and the phase-out thresholds in
302.9 subdivision 1 as provided in section 270C.22. The statutory year is taxable year 2019.

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

302.11 Sec. 9. Minnesota Statutes 2022, section 290.92, subdivision 20, is amended to read:

302.12 Subd. 20. **Miscellaneous withholding arrangements.** (a) For purposes of this
302.13 subdivision:

302.14 (1) "periodic payment" means a payment as defined under section 3405(e)(2) of the
302.15 Internal Revenue Code;

302.16 (2) "nonperiodic distribution" means a distribution as defined under section 3405(e)(3)
302.17 of the Internal Revenue Code; and

302.18 (3) "sick pay" means any amount which:

302.19 (i) is paid to an employee pursuant to a plan to which the employer is a party; and

302.20 (ii) constitutes remuneration or a payment in lieu of remuneration for any period during
302.21 which the employee is temporarily absent from work on account of sickness or personal
302.22 injuries.

302.23 ~~(a)~~ (b) For purposes of this section, any periodic payment or nonperiodic distribution to
302.24 an individual as defined under section 3405(e)(2) or (3) of the Internal Revenue Code shall
302.25 be treated as if it were a payment of wages by an employer to an employee for a payroll
302.26 period, and it is subject to withholding at a rate of 6.25 percent or any rate specified by the
302.27 recipient. Any payment to an individual of sick pay which does not constitute wages,
302.28 determined without regard to this subdivision, shall be treated as if it were a payment of
302.29 wages by an employer to an employee for a payroll period, if, at the time the payment is
302.30 made a request that such sick pay be subject to withholding under this section is in effect.
302.31 ~~Sick pay means any amount which:~~

303.1 ~~(1) is paid to an employee pursuant to a plan to which the employer is a party, and~~

303.2 ~~(2) constitutes remuneration or a payment in lieu of remuneration for any period during~~
303.3 ~~which the employee is temporarily absent from work on account of sickness or personal~~
303.4 ~~injuries.~~

303.5 ~~(b)~~ (c) A request for withholding, the amount withheld, and sick pay paid pursuant to
303.6 certain collective bargaining agreements shall conform with the provisions of section
303.7 3402(o)(3), (4), and (5) of the Internal Revenue Code.

303.8 ~~(e)~~ (d) The commissioner is authorized by rules to provide for withholding:

303.9 (1) from remuneration for services performed by an employee for the employer which,
303.10 without regard to this subdivision, does not constitute wages, and

303.11 (2) from any other type of payment with respect to which the commissioner finds that
303.12 withholding would be appropriate under the provisions of this section, if the employer and
303.13 the employee, or in the case of any other type of payment the person making and the person
303.14 receiving the payment, agree to such withholding. Such agreement shall be made in such
303.15 form and manner as the commissioner may by rules provide. For purposes of this section
303.16 remuneration or other payments with respect to which such agreement is made shall be
303.17 treated as if they were wages paid by an employer to an employee to the extent that such
303.18 remuneration is paid or other payments are made during the period for which the agreement
303.19 is in effect.

303.20 ~~(d)~~ (e) An individual receiving a periodic payment or nonperiodic distribution under
303.21 paragraph ~~(a)~~ (b) may elect to have paragraph ~~(a)~~ (b) not apply to the payment or distribution
303.22 as follows, and an election remains in effect until revoked by such individual.

303.23 ~~(1) For payments defined under section 3405(e)(2) of the Internal Revenue Code, an~~
303.24 ~~election remains in effect until revoked by such individual.~~

303.25 ~~(2) For distributions defined under section 3405(e)(3) of the Internal Revenue Code, the~~
303.26 ~~election is on a distribution-by-distribution basis.~~

303.27 **EFFECTIVE DATE; APPLICATION.** (a) This section is effective for periodic
303.28 payments and nonperiodic distributions made on or after the day following final enactment.

303.29 (b) For periodic payments and nonperiodic distributions made on or after the day
303.30 following final enactment but before January 1, 2024, the commissioner of revenue must
303.31 not assess penalties relating to this amendment against a payor who complies with Minnesota
303.32 Statutes 2021 Supplement, section 290.92, subdivision 20.

304.1 Sec. 10. Minnesota Statutes 2022, section 290.9705, subdivision 1, is amended to read:

304.2 Subdivision 1. **Withholding of payments to out-of-state contractors.** (a) In this section,
304.3 "person" means a person, corporation, or cooperative, the state of Minnesota and its political
304.4 subdivisions, and a city, county, and school district in Minnesota.

304.5 (b) A person who in the regular course of business is hiring, contracting, or having a
304.6 contract with a nonresident person or ~~foreign corporation~~ a corporation or cooperative
304.7 created or organized outside Minnesota, to perform construction work in Minnesota, shall
304.8 deduct and withhold eight percent of payments made to the contractor if the value of the
304.9 contract exceeds \$50,000.

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

304.11 Sec. 11. Minnesota Statutes 2022, section 290A.03, subdivision 13, is amended to read:

304.12 Subd. 13. **Property taxes payable.** "Property taxes payable" means the property tax
304.13 exclusive of special assessments, penalties, and interest payable on a claimant's homestead
304.14 after deductions made under sections 273.135, 273.1384, 273.1391, 273.42, subdivision 2,
304.15 and any other state paid property tax credits in any calendar year, and after any refund
304.16 claimed and allowable under section 290A.04, subdivision 2h, that is first payable in the
304.17 year that the property tax is payable. In the case of a claimant who makes ground lease
304.18 payments, "property taxes payable" includes the amount of the payments directly attributable
304.19 to the property taxes assessed against the parcel on which the house is located. Regardless
304.20 of the limitations in section 280A(c)(5) of the Internal Revenue Code, "property taxes
304.21 payable" must be apportioned or reduced for the use of a portion of the claimant's homestead
304.22 for a business purpose if the claimant deducts any business depreciation expenses for the
304.23 use of a portion of the homestead or deducts expenses under section 280A of the Internal
304.24 Revenue Code for a business operated in the claimant's homestead. For homesteads which
304.25 are manufactured homes as defined in section 273.125, subdivision 8, including manufactured
304.26 homes located in a manufactured home community owned by a cooperative organized under
304.27 chapter 308A or 308B, and park trailers taxed as manufactured homes under section 168.012,
304.28 subdivision 9, "property taxes payable" shall also include 17 percent of the gross rent paid
304.29 in the preceding year for the site on which the homestead is located. When a homestead is
304.30 owned by two or more persons as joint tenants or tenants in common, such tenants shall
304.31 determine between them which tenant may claim the property taxes payable on the
304.32 homestead. If they are unable to agree, the matter shall be referred to the commissioner of
304.33 revenue whose decision shall be final. Property taxes are considered payable in the year
304.34 prescribed by law for payment of the taxes.

305.1 In the case of a claim relating to "property taxes payable," the claimant must have owned
305.2 and occupied the homestead on January 2 of the year in which the tax is payable and (i) the
305.3 property must have been classified as homestead property pursuant to section 273.124, on
305.4 or before December ~~15~~ 31 of the assessment year to which the "property taxes payable"
305.5 relate; or (ii) the claimant must provide documentation from the local assessor that application
305.6 for homestead classification has been made on or before December ~~15~~ 31 of the year in
305.7 which the "property taxes payable" were payable and that the assessor has approved the
305.8 application.

305.9 **EFFECTIVE DATE.** This section is effective retroactively for refund claims based on
305.10 property taxes payable in 2022 and thereafter.

305.11 **ARTICLE 15**

305.12 **DEPARTMENT OF REVENUE: FIRE AND POLICE STATE AIDS**

305.13 Section 1. Minnesota Statutes 2022, section 6.495, subdivision 3, is amended to read:

305.14 Subd. 3. ~~Report~~ **Reports to commissioner of revenue.** (a) On or before September 15,
305.15 November 1, March 1, and June 1, the state auditor ~~shall~~ must file with the commissioner
305.16 of revenue a financial compliance report certifying for each relief association:

305.17 (1) the completion of the annual financial report required under section 424A.014 and
305.18 the auditing or certification of those financial reports under subdivision 1; and

305.19 (2) the receipt of any actuarial valuations required under section 424A.093 or Laws
305.20 2013, chapter 111, article 5, sections 31 to 42.

305.21 (b) The commissioner of revenue shall prescribe the content, format, and manner of the
305.22 financial compliance reports required by paragraph (a), pursuant to section 270C.30.

305.23 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
305.24 and thereafter.

305.25 Sec. 2. Minnesota Statutes 2022, section 477B.01, is amended by adding a subdivision to
305.26 read:

305.27 Subd. 1a. **Apportionment agreement.** "Apportionment agreement" means an agreement
305.28 between two or more fire departments that provide contracted fire protection service to the
305.29 same municipality and establishes the percentage of the population and the percentage of
305.30 the estimated market value within the municipality serviced by each fire department.

306.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
306.2 and thereafter.

306.3 Sec. 3. Minnesota Statutes 2022, section 477B.01, subdivision 5, is amended to read:

306.4 Subd. 5. **Fire department.** (a) "Fire department" ~~includes~~ means:

306.5 (1) a municipal fire department and;

306.6 (2) an independent nonprofit firefighting corporation;

306.7 (3) a fire department established as or operated by a joint powers entity; or

306.8 (4) a fire protection special taxing district established under chapter 144F or special law.

306.9 (b) This subdivision only applies to this chapter.

306.10 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
306.11 and thereafter.

306.12 Sec. 4. Minnesota Statutes 2022, section 477B.01, is amended by adding a subdivision to
306.13 read:

306.14 Subd. 7a. **Joint powers entity.** "Joint powers entity" means a joint powers entity created
306.15 under section 471.59.

306.16 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
306.17 and thereafter.

306.18 Sec. 5. Minnesota Statutes 2022, section 477B.01, subdivision 10, is amended to read:

306.19 Subd. 10. **Municipality.** (a) "Municipality" means:

306.20 (1) a home rule charter or statutory city;

306.21 (2) an organized town;

306.22 (3) ~~a park district subject to chapter 398~~ a joint powers entity;

306.23 (4) ~~the University of Minnesota~~ a fire protection special taxing district; and or

306.24 (5) an American Indian tribal government entity located within a federally recognized
306.25 American Indian reservation.

306.26 (b) This subdivision only applies to this chapter ~~477B~~.

306.27 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
306.28 and thereafter.

307.1 Sec. 6. Minnesota Statutes 2022, section 477B.01, subdivision 11, is amended to read:

307.2 Subd. 11. **Secretary.** (a) "Secretary" means:

307.3 (1) the secretary of an independent nonprofit firefighting corporation that has a subsidiary
307.4 incorporated firefighters' relief association or whose firefighters participate in the statewide
307.5 volunteer firefighter plan; or

307.6 (2) the secretary of a joint powers entity or fire protection special taxing district or, if
307.7 there is no such person, the person primarily responsible for managing the finances of a
307.8 joint powers entity or fire protection special taxing district.

307.9 (b) This subdivision only applies to this chapter.

307.10 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
307.11 and thereafter.

307.12 Sec. 7. Minnesota Statutes 2022, section 477B.02, subdivision 2, is amended to read:

307.13 Subd. 2. **Establishment of fire department.** (a) An independent nonprofit firefighting
307.14 corporation must be created under the nonprofit corporation act of this state operating for
307.15 the exclusive purpose of firefighting, or the governing body of a municipality must officially
307.16 establish a fire department.

307.17 (b) The fire department must have provided firefighting services for at least one calendar
307.18 year, and must have a current fire department identification number issued by the state fire
307.19 marshal.

307.20 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
307.21 and thereafter.

307.22 Sec. 8. Minnesota Statutes 2022, section 477B.02, subdivision 3, is amended to read:

307.23 Subd. 3. ~~**Personnel and Benefits requirements.** (a) A fire department must have a~~
307.24 ~~minimum of ten paid or volunteer firefighters, including a fire chief and assistant fire chief.~~

307.25 ~~(b) The fire department must have regular scheduled meetings and frequent drills that~~
307.26 ~~include instructions in firefighting tactics and in the use, care, and operation of all fire~~
307.27 ~~apparatus and equipment.~~

307.28 ~~(c)~~ (a) The fire department must have a separate subsidiary incorporated firefighters'
307.29 relief association that provides retirement benefits or must participate in the statewide
307.30 volunteer firefighter plan; or if the municipality solely employs full-time firefighters as
307.31 defined in section 299N.03, subdivision 5, retirement coverage must be provided by the

308.1 public employees police and fire retirement plan. For purposes of retirement benefits, a fire
308.2 department may be associated with only one volunteer firefighters' relief association or one
308.3 account in the voluntary statewide volunteer firefighter retirement plan at one time.

308.4 ~~(d)~~ (b) Notwithstanding paragraph ~~(e)~~ (a), a municipality without a relief association as
308.5 described under section 424A.08, paragraph (a), may still qualify to receive fire state aid if
308.6 all other requirements of this section are met.

308.7 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
308.8 and thereafter.

308.9 Sec. 9. Minnesota Statutes 2022, section 477B.02, is amended by adding a subdivision to
308.10 read:

308.11 **Subd. 4a. Public safety answering point requirement.** The fire department must be
308.12 dispatched by a public safety answering point as defined in section 403.02, subdivision 19.

308.13 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
308.14 and thereafter.

308.15 Sec. 10. Minnesota Statutes 2022, section 477B.02, subdivision 5, is amended to read:

308.16 **Subd. 5. Fire service contract or agreement; apportionment agreement filing**
308.17 **requirement requirements.** (a) Every municipality or independent nonprofit firefighting
308.18 corporation must file ~~a copy of any duly executed and valid fire service contract or agreement~~
308.19 with the commissioner (1) a copy of any duly executed and valid fire service contracts, (2)
308.20 written notification of any fire service contract terminations, and (3) written notification of
308.21 any dissolution of a fire department, within 60 days of contract execution or termination,
308.22 or department dissolution.

308.23 (b) If more than one fire department provides service to a municipality, the fire
308.24 departments furnishing service must ~~enter into an agreement apportioning among themselves~~
308.25 ~~the percentage of the population and the percentage of the estimated market value of each~~
308.26 ~~shared service fire department service area. The agreement must be in writing and must be~~
308.27 ~~filed~~ file an apportionment agreement with the commissioner.

308.28 (c) When a municipality is a joint powers entity, it must file its joint powers agreement
308.29 with the commissioner. If the joint powers agreement does not include sufficient information
308.30 defining the fire department service area of the joint powers entity for the purposes of
308.31 calculating fire state aid, the secretary must file a written statement with the commissioner
308.32 defining the fire department service area.

309.1 (d) When a municipality is a fire protection special taxing district, it must file its
309.2 resolution establishing the fire protection special taxing district, and any agreements required
309.3 for the establishment of the fire protection special taxing district, with the commissioner.
309.4 If the resolution or agreement does not include sufficient information defining the fire
309.5 department service area of the fire protection special taxing district, the secretary must file
309.6 a written statement with the commissioner defining the fire department service area.

309.7 (e) The commissioner shall prescribe the content, format, and manner of the notifications,
309.8 apportionment agreements, and written statements under paragraphs (a) to (d), pursuant to
309.9 section 270C.30, except that copies of fire service contracts, joint powers agreements, and
309.10 resolutions establishing fire protection special taxing districts shall be filed in their existing
309.11 form.

309.12 (f) A document filed with the commissioner under this subdivision must be refiled any
309.13 time it is updated within 60 days of the update. An apportionment agreement must be refiled
309.14 only when a change in the averaged sum of the percentage of population and percentage of
309.15 estimated market value serviced by a fire department subject to the apportionment agreement
309.16 is at least one percent. The percentage amount must be rounded to the nearest whole
309.17 percentage.

309.18 (g) Upon the request of the commissioner, the county auditor must provide information
309.19 that the commissioner requires to accurately apportion the estimated market value of a fire
309.20 department service area for a fire department providing service to an unorganized territory
309.21 located in the county.

309.22 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
309.23 and thereafter.

309.24 Sec. 11. Minnesota Statutes 2022, section 477B.02, subdivision 8, is amended to read:

309.25 Subd. 8. **PERA certification to commissioner.** On or before February 1 each year, if
309.26 ~~retirement coverage for a fire department is provided by the statewide volunteer firefighter~~
309.27 ~~plan,~~ the executive director of the Public Employees Retirement Association must certify
309.28 ~~the existence of retirement coverage.~~ to the commissioner the fire departments that transferred
309.29 retirement coverage to, or terminated participation in, the voluntary statewide volunteer
309.30 firefighter retirement plan since the previous certification under this paragraph. This
309.31 certification must include the number of active volunteer firefighters under section 477B.03,
309.32 subdivision 5, paragraph (e).

310.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
310.2 and thereafter.

310.3 Sec. 12. Minnesota Statutes 2022, section 477B.02, subdivision 9, is amended to read:

310.4 Subd. 9. **Fire department certification to commissioner.** On or before March 15 of
310.5 each year, the municipal clerk or the secretary, ~~and the fire chief,~~ must jointly certify to the
310.6 commissioner ~~that the fire department exists and meets the qualification requirements of~~
310.7 ~~this section~~ the fire department service area as of December 31 of the previous year, and
310.8 that the fire department meets the qualification requirements of this section. The municipal
310.9 clerk or the secretary must provide the commissioner with documentation that the
310.10 commissioner deems necessary for determining eligibility for fire state aid or for calculating
310.11 and apportioning fire state aid under section 477B.03. The certification must be on a form
310.12 prescribed by the commissioner and must include all other information that the commissioner
310.13 requires. The municipal clerk or the secretary must send a copy of the certification filed
310.14 under this subdivision to the fire chief within five business days of the date the certification
310.15 was filed with the commissioner.

310.16 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
310.17 and thereafter.

310.18 Sec. 13. Minnesota Statutes 2022, section 477B.02, subdivision 10, is amended to read:

310.19 Subd. 10. **Penalty for failure to file or correct certification.** (a) If the certification
310.20 under subdivision 9 is not filed with the commissioner on or before March ~~15~~ 1, the
310.21 commissioner must notify the municipal clerk or the secretary that a penalty ~~equal to a~~
310.22 ~~portion or all of the current year aid will apply if the certification is not received within ten~~
310.23 ~~days of the postmark date of the notification~~ will be deducted from fire state aid certified
310.24 for the current year if the certification is not filed on or before March 15.

310.25 (b) If the commissioner rejects the certification by the municipal clerk or secretary under
310.26 subdivision 9 for inaccurate or incomplete information, the municipal clerk or the secretary
310.27 must file a corrective certification after taking corrective action as identified by the
310.28 commissioner in the notice of rejection. The corrective certification must be filed within
310.29 30 days of the date on the notice of rejection or by March 15, whichever date is later.

310.30 ~~(b)~~ (c) A penalty applies to (1) a certification under subdivision 9 filed after March 15,
310.31 and (2) a corrective certification under paragraph (b) filed after March 15 that is also filed
310.32 more than 30 days after the date on the notice of rejection. The penalty ~~for failure to file~~
310.33 the certification under subdivision 9 is equal to the amount of fire state aid determined for

311.1 the municipality or the independent nonprofit firefighting corporation for the current year,
 311.2 multiplied by five ten percent for each week or fraction of a week that the certification or
 311.3 corrective certification is late filed after March 15 or more than 30 days after the date on
 311.4 the notice of rejection. The penalty must be computed beginning ten days after the postmark
 311.5 date of the commissioner's notification. Aid amounts forfeited as a result of the penalty
 311.6 revert to the state general fund. Failure to receive the certification form is not a defense for
 311.7 a failure to file.

311.8 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
 311.9 and thereafter.

311.10 Sec. 14. Minnesota Statutes 2022, section 477B.03, subdivision 2, is amended to read:

311.11 **Subd. 2. Apportionment of fire state aid.** (a) The amount of fire state aid available for
 311.12 apportionment, before the addition of the minimum fire state aid allocation amount under
 311.13 subdivision 5, is equal to 107 percent of the amount of premium taxes paid to the state upon
 311.14 the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the
 311.15 commissioner by companies or insurance companies on the Minnesota Fire Premium Report,
 311.16 except that credits claimed under section 297I.20, subdivisions 3, 4, and 5, do not affect the
 311.17 calculation of the amount of fire state aid available for apportionment. This amount must
 311.18 be reduced by the amount required to pay the state auditor's costs and expenses of the audits
 311.19 or exams of the firefighters' relief associations.

311.20 (b) The total amount available for apportionment must not be less than two percent of
 311.21 the premiums less return premiums reported to the commissioner by companies or insurance
 311.22 companies on the Minnesota Fire Premium Report after subtracting the following amounts:

311.23 (1) the amount required to pay the state auditor's costs and expenses of the audits or
 311.24 exams of the firefighters' relief associations; and

311.25 (2) one percent of the premiums reported by township mutual insurance companies and
 311.26 mutual property and casualty companies with total assets of \$5,000,000 or less.

311.27 (c) The commissioner must apportion the fire state aid to each municipality or independent
 311.28 nonprofit firefighting corporation qualified under section 477B.02 relative to the premiums
 311.29 reported on the Minnesota Fire Premium Reports filed under this chapter.

311.30 (d) The commissioner must calculate the percentage of increase or decrease reflected in
 311.31 the apportionment over or under the previous year's available state aid using the same
 311.32 premiums as a basis for comparison.

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

312.1 Sec. 15. Minnesota Statutes 2022, section 477B.03, subdivision 3, is amended to read:

312.2 Subd. 3. **Population and estimated market value.** (a) ~~Official statewide federal census~~
312.3 ~~figures~~ The most recent population estimates made by the state demographer pursuant to
312.4 section 4A.02, paragraph (d), must be used in calculations requiring the use of population
312.5 figures under this chapter. ~~Increases or decreases in population disclosed by reason of any~~
312.6 ~~special census must not be taken into consideration.~~

312.7 (b) The ~~latest available~~ estimated market value property figures for the assessment year
312.8 immediately preceding the year the aid is distributed must be used in calculations requiring
312.9 the use of estimated market value property figures under this chapter.

312.10 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
312.11 and thereafter.

312.12 Sec. 16. Minnesota Statutes 2022, section 477B.03, subdivision 4, is amended to read:

312.13 Subd. 4. **Initial fire state aid allocation amount.** (a) The initial fire state aid allocation
312.14 amount is the amount available for apportionment as fire state aid under subdivision 2,
312.15 without the inclusion of any additional funding amount to support a minimum fire state aid
312.16 amount under section 423A.02, subdivision 3. The initial fire state aid allocation amount
312.17 is allocated one-half in proportion to the population for each fire department service area
312.18 and one-half in proportion to the estimated market value of each fire department service
312.19 area, including (1) the estimated market value of tax-exempt property, and (2) the estimated
312.20 market value of natural resources lands receiving in lieu payments under sections 477A.11
312.21 to 477A.14 and 477A.17. The estimated market value of minerals is excluded.

312.22 (b) In the case of a municipality or independent nonprofit firefighting corporation
312.23 furnishing fire protection to other municipalities as evidenced by valid fire service contracts,
312.24 joint powers agreements, resolutions, and other supporting documents filed with the
312.25 commissioner under section 477B.02, subdivision 5, the distribution must be adjusted
312.26 proportionately to take into consideration the crossover fire protection service. Necessary
312.27 adjustments must be made to subsequent apportionments.

312.28 (c) In the case of municipalities or independent nonprofit firefighting corporations
312.29 qualifying for aid, the commissioner must calculate the state aid for the municipality or
312.30 independent nonprofit firefighting corporation on the basis of the population and the estimated
312.31 market value of the area furnished fire protection service by the fire department as evidenced
312.32 by valid fire service agreements contracts, joint powers agreements, resolutions, and other
312.33 supporting documents filed with the commissioner under section 477B.02, subdivision 5.

313.1 (d) In the case of more than one fire department furnishing contracted fire service to a
313.2 municipality, the population and estimated market value in the apportionment agreement
313.3 filed with the commissioner under section 477B.02, subdivision 5, must be used in calculating
313.4 the state aid.

313.5 EFFECTIVE DATE. This section is effective for aids payable in calendar year 2024
313.6 and thereafter.

313.7 Sec. 17. Minnesota Statutes 2022, section 477B.03, subdivision 5, is amended to read:

313.8 Subd. 5. **Minimum fire state aid allocation amount.** (a) The minimum fire state aid
313.9 allocation amount is the amount derived from any additional funding amount to support a
313.10 minimum fire state aid amount under section 423A.02, subdivision 3. The minimum fire
313.11 state aid allocation amount is allocated to municipalities or independent nonprofit firefighting
313.12 corporations with volunteer firefighters' relief associations or covered by the statewide
313.13 volunteer firefighter plan. The amount is based on the number of active volunteer firefighters
313.14 who are (1) members of the relief association as reported to the Office of the State Auditor
313.15 in a specific annual financial reporting year as specified in paragraphs (b) to (d), or (2)
313.16 covered by the statewide volunteer firefighter plan as specified in paragraph (e).

313.17 (b) For relief associations established in calendar year 1993 or a prior year, the number
313.18 of active volunteer firefighters equals the number of active volunteer firefighters who were
313.19 members of the relief association as reported in the annual financial reporting for calendar
313.20 year 1993, but not to exceed 30 active volunteer firefighters.

313.21 (c) For relief associations established in calendar year 1994 through calendar year 1999,
313.22 the number of active volunteer firefighters equals the number of active volunteer firefighters
313.23 who were members of the relief association as reported in the annual financial reporting for
313.24 calendar year 1998 to the Office of the State Auditor, but not to exceed 30 active volunteer
313.25 firefighters.

313.26 (d) For relief associations established after calendar year 1999, the number of active
313.27 volunteer firefighters equals the number of active volunteer firefighters who are members
313.28 of the relief association as reported in the first annual financial reporting submitted to the
313.29 Office of the State Auditor, but not to exceed 20 active volunteer firefighters.

313.30 (e) ~~If a relief association is terminated as a result of~~ For a municipality or independent
313.31 nonprofit firefighting corporation that is providing retirement coverage for volunteer
313.32 firefighters by the statewide volunteer firefighter plan under chapter 353G, the number of
313.33 active volunteer firefighters equals the number of active volunteer firefighters of the

314.1 municipality or independent nonprofit firefighting corporation covered by the statewide
314.2 plan as certified by the executive director of the Public Employees Retirement Association
314.3 to the commissioner and the state auditor within 30 days of the date the municipality or
314.4 independent nonprofit firefighting corporation begins coverage in the plan, but not to exceed
314.5 30 active firefighters.

314.6 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
314.7 and thereafter.

314.8 Sec. 18. Minnesota Statutes 2022, section 477B.03, subdivision 7, is amended to read:

314.9 Subd. 7. **Appeal.** A municipality, an independent nonprofit firefighting corporation, a
314.10 fire relief association, or the statewide volunteer firefighter plan may object to the amount
314.11 of fire state aid apportioned to it by filing a written request with the commissioner to review
314.12 and adjust the apportionment of funds within the state. The objection of a municipality, an
314.13 independent nonprofit firefighting corporation, a fire relief association, or the voluntary
314.14 statewide volunteer firefighter retirement plan must be filed with the commissioner within
314.15 60 days of the date the amount of apportioned fire state aid is paid. The decision of the
314.16 commissioner is subject to appeal, review, and adjustment by the district court in the county
314.17 in which the applicable municipality or independent nonprofit firefighting corporation is
314.18 located or by the Ramsey County District Court with respect to the statewide volunteer
314.19 firefighter plan.

314.20 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
314.21 and thereafter.

314.22 Sec. 19. Minnesota Statutes 2022, section 477B.04, subdivision 1, is amended to read:

314.23 Subdivision 1. **Payments.** (a) The commissioner must make payments to the Public
314.24 Employees Retirement Association for deposit in the statewide volunteer firefighter fund
314.25 on behalf of a municipality or independent nonprofit firefighting corporation that is a member
314.26 of the statewide volunteer firefighter plan under chapter 353G, ~~or directly to a municipality~~
314.27 ~~or county designated by an independent nonprofit firefighting corporation.~~ The commissioner
314.28 must directly pay all other municipalities qualifying for fire state aid, except as provided in
314.29 paragraph (d). The payment is equal to the amount of fire state aid apportioned to the
314.30 applicable fire state aid recipient under section 477B.03.

314.31 (b) Fire state aid is payable on October 1 annually. The amount of state aid due and not
314.32 paid by October 1 accrues interest payable to the recipient at the rate of one percent for each
314.33 month or part of a month that the amount remains unpaid after October 1.

315.1 (c) If the commissioner of revenue does not receive a financial compliance report
315.2 described in section 6.495, subdivision 3, for a relief association, the amount of fire state
315.3 aid apportioned to a municipality or independent nonprofit firefighting corporation under
315.4 section 477B.03 for that relief association must be withheld from payment to the Public
315.5 Employees Retirement Association or the municipality. The commissioner of revenue must
315.6 issue a withheld payment within ten business days of receipt of a financial compliance report
315.7 under section 6.495, subdivision 3. The interest under paragraph (b) does not apply when
315.8 to a payment has not been made by October 1 due to noncompliance with sections 424A.014
315.9 and 477B.02, subdivision 7 withheld under this paragraph.

315.10 (d) The commissioner must make payments directly to the largest municipality in
315.11 population located within any area included in a joint powers entity that does not have a
315.12 designated agency under section 471.59, subdivision 3, or within the fire department service
315.13 area of an eligible independent nonprofit firefighting corporation. If there is no city or town
315.14 within the fire department service area of an eligible independent nonprofit firefighting
315.15 corporation, fire state aid must be paid to the county where the independent nonprofit
315.16 firefighting corporation is located.

315.17 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
315.18 and thereafter.

315.19 Sec. 20. Minnesota Statutes 2022, section 477B.04, is amended by adding a subdivision
315.20 to read:

315.21 Subd. 4. **Aid amount corrections.** (a) An adjustment needed to correct a fire state aid
315.22 overpayment or underpayment due to a clerical error must be made to subsequent fire state
315.23 aid payments as provided in paragraphs (b) and (c). The authority to correct an aid payment
315.24 under this subdivision is limited to three years after the payment was issued.

315.25 (b) If an overpayment equals more than ten percent of the most recently paid aid amount,
315.26 the commissioner must reduce the aid a municipality or independent nonprofit firefighting
315.27 corporation is to receive by the amount overpaid over a period of no more than three years.
315.28 If an overpayment equals or is less than ten percent of the most recently paid aid amount,
315.29 the commissioner must reduce the next aid payment occurring in 30 days or more by the
315.30 amount overpaid.

315.31 (c) In the event of an underpayment, the commissioner must distribute the amount of
315.32 underpaid funds to the municipality or independent nonprofit firefighting corporation over
315.33 a period of no more than three years. An additional distribution to a municipality or
315.34 independent nonprofit firefighting corporation must be paid from the general fund and must

316.1 not diminish the payments made to other municipalities or independent nonprofit firefighting
316.2 corporations under this chapter.

316.3 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
316.4 and thereafter.

316.5 Sec. 21. Minnesota Statutes 2022, section 477C.02, subdivision 4, is amended to read:

316.6 Subd. 4. **Penalty for failure to file or correct certification.** (a) If a certification under
316.7 subdivision 1 or 2 is not filed with the commissioner on or before March ~~15~~ 1, the
316.8 commissioner must notify the municipal clerk, municipal clerk-treasurer, or county auditor
316.9 that a penalty ~~equal to a portion or all of its current year aid will apply if the certification~~
316.10 ~~is not received within ten days~~ will be deducted from police state aid certified for the current
316.11 year if the certification is not filed on or before March 15.

316.12 (b) If the commissioner rejects the certification under subdivision 1 or 2 for inaccurate
316.13 or incomplete information, the municipal clerk, municipal clerk-treasurer, or county auditor
316.14 must file a corrective certification after taking corrective action as identified by the
316.15 commissioner in the notice of rejection. The corrective certification must be filed within
316.16 30 days of the date on the notice of rejection, or by March 15, whichever date is later.

316.17 ~~(b)~~ (c) A penalty applies to (1) a certification under subdivisions 1 and 2 filed after
316.18 March 15, and (2) a corrective certification under paragraph (b) filed after March 15 that
316.19 is also filed more than 30 days after the date on the notice of rejection. The penalty for
316.20 ~~failure to file the certification under subdivision 1 or 2~~ is equal to the amount of police state
316.21 aid determined for the municipality for the current year, multiplied by ~~five~~ ten percent for
316.22 each week or fraction of a week that the certification or corrective certification is ~~late~~ filed
316.23 after March 15 or more than 30 days after the date on the notice of rejection. The penalty
316.24 ~~must be computed beginning ten days after the postmark date of the commissioner's~~
316.25 ~~notification as required under this subdivision.~~ All aid amounts forfeited as a result of the
316.26 penalty revert to the state general fund. Failure to receive the certification form may not be
316.27 used as a defense for a failure to file.

316.28 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
316.29 and thereafter.

316.30 Sec. 22. Minnesota Statutes 2022, section 477C.03, subdivision 2, is amended to read:

316.31 Subd. 2. **Apportionment of police state aid.** (a) The total amount available for
316.32 apportionment as police state aid is equal to 104 percent of the amount of premium taxes

317.1 paid to the state on the premiums reported to the commissioner by companies or insurance
317.2 companies on the Minnesota Aid to Police Premium Report, except that credits claimed
317.3 under section 297L.20, subdivisions 3, 4, and 5, do not affect the calculation of the total
317.4 amount of police state aid available for apportionment. The total amount for apportionment
317.5 for the police state aid program must not be less than two percent of the amount of premiums
317.6 reported to the commissioner by companies or insurance companies on the Minnesota Aid
317.7 to Police Premium Report.

317.8 (b) The commissioner must calculate the percentage of increase or decrease reflected in
317.9 the apportionment over or under the previous year's available state aid using the same
317.10 premiums as a basis for comparison.

317.11 (c) In addition to the amount for apportionment of police state aid under paragraph (a),
317.12 each year \$100,000 must be apportioned for police state aid. An amount sufficient to pay
317.13 this increase is annually appropriated from the general fund.

317.14 (d) The commissioner must apportion police state aid to all municipalities in proportion
317.15 to the relationship that the total number of peace officers employed by that municipality for
317.16 the prior calendar year and the proportional or fractional number who were employed less
317.17 than a calendar year as credited under section 477C.02, subdivision 1, paragraph (c), bears
317.18 to the total number of peace officers employed by all municipalities subject to any reduction
317.19 under subdivision 3.

317.20 ~~(e) Any necessary additional adjustments must be made to subsequent police state aid~~
317.21 ~~apportionments.~~

317.22 **EFFECTIVE DATE.** (a) The amendment to paragraph (a) is effective the day following
317.23 final enactment.

317.24 (b) The amendment striking paragraph (e) is effective for aids payable in calendar year
317.25 2024 and thereafter.

317.26 Sec. 23. Minnesota Statutes 2022, section 477C.03, subdivision 5, is amended to read:

317.27 Subd. 5. **Appeal.** A municipality may object to the amount of police state aid apportioned
317.28 to it by filing a written request with the commissioner to review and adjust the apportionment
317.29 of funds to the municipality. The objection of a municipality must be filed with the
317.30 commissioner within 60 days of the date the amount of apportioned police state aid is paid.
317.31 The decision of the commissioner is subject to appeal, review, and adjustment by the district
317.32 court in the county in which the applicable municipality is located or by the Ramsey County
317.33 District Court with respect to the Departments of Natural Resources or Public Safety.

318.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
318.2 and thereafter.

318.3 Sec. 24. Minnesota Statutes 2022, section 477C.04, is amended by adding a subdivision
318.4 to read:

318.5 Subd. 4. **Aid amount corrections.** (a) An adjustment needed to correct a police state
318.6 aid overpayment or underpayment due to a clerical error must be made to subsequent police
318.7 state aid payments as provided in paragraphs (b) and (c). The authority to correct an aid
318.8 payment under this subdivision is limited to three years after the payment was issued.

318.9 (b) If an overpayment equals more than ten percent of the most recently paid aid amount,
318.10 the commissioner must reduce the aid a municipality is to receive by the amount overpaid
318.11 over a period of no more than three years. If an overpayment equals or is less than ten
318.12 percent of the most recently paid aid amount, the commissioner must reduce the next aid
318.13 payment occurring in 30 days or more by the amount overpaid.

318.14 (c) In the event of an underpayment, the commissioner must distribute the amount of
318.15 underpaid funds to the municipality over a period of no more than three years. An additional
318.16 distribution to a municipality must be paid from the general fund and must not diminish the
318.17 payments made to other municipalities under this chapter.

318.18 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
318.19 and thereafter.

318.20 Sec. 25. **REPEALER.**

318.21 Minnesota Statutes 2022, sections 477B.02, subdivision 4; and 477B.03, subdivision 6,
318.22 are repealed.

318.23 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024
318.24 and thereafter.

318.25 **ARTICLE 16**

318.26 **DEPARTMENT OF REVENUE: DATA PRACTICES**

318.27 Section 1. Minnesota Statutes 2022, section 13.46, subdivision 2, is amended to read:

318.28 Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated
318.29 by the welfare system are private data on individuals, and shall not be disclosed except:

318.30 (1) according to section 13.05;

319.1 (2) according to court order;

319.2 (3) according to a statute specifically authorizing access to the private data;

319.3 (4) to an agent of the welfare system and an investigator acting on behalf of a county,
319.4 the state, or the federal government, including a law enforcement person or attorney in the
319.5 investigation or prosecution of a criminal, civil, or administrative proceeding relating to the
319.6 administration of a program;

319.7 (5) to personnel of the welfare system who require the data to verify an individual's
319.8 identity; determine eligibility, amount of assistance, and the need to provide services to an
319.9 individual or family across programs; coordinate services for an individual or family;
319.10 evaluate the effectiveness of programs; assess parental contribution amounts; and investigate
319.11 suspected fraud;

319.12 (6) to administer federal funds or programs;

319.13 (7) between personnel of the welfare system working in the same program;

319.14 (8) to the Department of Revenue to assess parental contribution amounts for purposes
319.15 of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit programs
319.16 and to identify individuals who may benefit from these programs, and prepare the databases
319.17 for reports required under section 270C.13 and Laws 2008, chapter 366, article 17, section
319.18 6. The following information may be disclosed under this paragraph: an individual's and
319.19 their dependent's names, dates of birth, Social Security numbers, income, addresses, and
319.20 other data as required, upon request by the Department of Revenue. Disclosures by the
319.21 commissioner of revenue to the commissioner of human services for the purposes described
319.22 in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit
319.23 programs include, but are not limited to, the dependent care credit under section 290.067,
319.24 the Minnesota working family credit under section 290.0671, the property tax refund and
319.25 rental credit under section 290A.04, and the Minnesota education credit under section
319.26 290.0674;

319.27 (9) between the Department of Human Services, the Department of Employment and
319.28 Economic Development, and when applicable, the Department of Education, for the following
319.29 purposes:

319.30 (i) to monitor the eligibility of the data subject for unemployment benefits, for any
319.31 employment or training program administered, supervised, or certified by that agency;

319.32 (ii) to administer any rehabilitation program or child care assistance program, whether
319.33 alone or in conjunction with the welfare system;

320.1 (iii) to monitor and evaluate the Minnesota family investment program or the child care
320.2 assistance program by exchanging data on recipients and former recipients of Supplemental
320.3 Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D,
320.4 256J, or 256K, child care assistance under chapter 119B, medical programs under chapter
320.5 256B or 256L, or a medical program formerly codified under chapter 256D; and

320.6 (iv) to analyze public assistance employment services and program utilization, cost,
320.7 effectiveness, and outcomes as implemented under the authority established in Title II,
320.8 Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999.
320.9 Health records governed by sections 144.291 to 144.298 and "protected health information"
320.10 as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code
320.11 of Federal Regulations, title 45, parts 160-164, including health care claims utilization
320.12 information, must not be exchanged under this clause;

320.13 (10) to appropriate parties in connection with an emergency if knowledge of the
320.14 information is necessary to protect the health or safety of the individual or other individuals
320.15 or persons;

320.16 (11) data maintained by residential programs as defined in section 245A.02 may be
320.17 disclosed to the protection and advocacy system established in this state according to Part
320.18 C of Public Law 98-527 to protect the legal and human rights of persons with developmental
320.19 disabilities or other related conditions who live in residential facilities for these persons if
320.20 the protection and advocacy system receives a complaint by or on behalf of that person and
320.21 the person does not have a legal guardian or the state or a designee of the state is the legal
320.22 guardian of the person;

320.23 (12) to the county medical examiner or the county coroner for identifying or locating
320.24 relatives or friends of a deceased person;

320.25 (13) data on a child support obligor who makes payments to the public agency may be
320.26 disclosed to the Minnesota Office of Higher Education to the extent necessary to determine
320.27 eligibility under section 136A.121, subdivision 2, clause (5);

320.28 (14) participant Social Security numbers and names collected by the telephone assistance
320.29 program may be disclosed to the Department of Revenue to conduct an electronic data
320.30 match with the property tax refund database to determine eligibility under section 237.70,
320.31 subdivision 4a;

320.32 (15) the current address of a Minnesota family investment program participant may be
320.33 disclosed to law enforcement officers who provide the name of the participant and notify
320.34 the agency that:

- 321.1 (i) the participant:
- 321.2 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after
321.3 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the
321.4 jurisdiction from which the individual is fleeing; or
- 321.5 (B) is violating a condition of probation or parole imposed under state or federal law;
- 321.6 (ii) the location or apprehension of the felon is within the law enforcement officer's
321.7 official duties; and
- 321.8 (iii) the request is made in writing and in the proper exercise of those duties;
- 321.9 (16) the current address of a recipient of general assistance may be disclosed to probation
321.10 officers and corrections agents who are supervising the recipient and to law enforcement
321.11 officers who are investigating the recipient in connection with a felony level offense;
- 321.12 (17) information obtained from a SNAP applicant or recipient households may be
321.13 disclosed to local, state, or federal law enforcement officials, upon their written request, for
321.14 the purpose of investigating an alleged violation of the Food and Nutrition Act, according
321.15 to Code of Federal Regulations, title 7, section 272.1(c);
- 321.16 (18) the address, Social Security number, and, if available, photograph of any member
321.17 of a household receiving SNAP benefits shall be made available, on request, to a local, state,
321.18 or federal law enforcement officer if the officer furnishes the agency with the name of the
321.19 member and notifies the agency that:
- 321.20 (i) the member:
- 321.21 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a
321.22 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;
- 321.23 (B) is violating a condition of probation or parole imposed under state or federal law;
321.24 or
- 321.25 (C) has information that is necessary for the officer to conduct an official duty related
321.26 to conduct described in subitem (A) or (B);
- 321.27 (ii) locating or apprehending the member is within the officer's official duties; and
- 321.28 (iii) the request is made in writing and in the proper exercise of the officer's official duty;
- 321.29 (19) the current address of a recipient of Minnesota family investment program, general
321.30 assistance, or SNAP benefits may be disclosed to law enforcement officers who, in writing,
321.31 provide the name of the recipient and notify the agency that the recipient is a person required

322.1 to register under section 243.166, but is not residing at the address at which the recipient is
322.2 registered under section 243.166;

322.3 (20) certain information regarding child support obligors who are in arrears may be
322.4 made public according to section 518A.74;

322.5 (21) data on child support payments made by a child support obligor and data on the
322.6 distribution of those payments excluding identifying information on obligees may be
322.7 disclosed to all obligees to whom the obligor owes support, and data on the enforcement
322.8 actions undertaken by the public authority, the status of those actions, and data on the income
322.9 of the obligor or obligee may be disclosed to the other party;

322.10 (22) data in the work reporting system may be disclosed under section 256.998,
322.11 subdivision 7;

322.12 (23) to the Department of Education for the purpose of matching Department of Education
322.13 student data with public assistance data to determine students eligible for free and
322.14 reduced-price meals, meal supplements, and free milk according to United States Code,
322.15 title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state
322.16 funds that are distributed based on income of the student's family; and to verify receipt of
322.17 energy assistance for the telephone assistance plan;

322.18 (24) the current address and telephone number of program recipients and emergency
322.19 contacts may be released to the commissioner of health or a community health board as
322.20 defined in section 145A.02, subdivision 5, when the commissioner or community health
322.21 board has reason to believe that a program recipient is a disease case, carrier, suspect case,
322.22 or at risk of illness, and the data are necessary to locate the person;

322.23 (25) to other state agencies, statewide systems, and political subdivisions of this state,
322.24 including the attorney general, and agencies of other states, interstate information networks,
322.25 federal agencies, and other entities as required by federal regulation or law for the
322.26 administration of the child support enforcement program;

322.27 (26) to personnel of public assistance programs as defined in section 256.741, for access
322.28 to the child support system database for the purpose of administration, including monitoring
322.29 and evaluation of those public assistance programs;

322.30 (27) to monitor and evaluate the Minnesota family investment program by exchanging
322.31 data between the Departments of Human Services and Education, on recipients and former
322.32 recipients of SNAP benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child

323.1 care assistance under chapter 119B, medical programs under chapter 256B or 256L, or a
323.2 medical program formerly codified under chapter 256D;

323.3 (28) to evaluate child support program performance and to identify and prevent fraud
323.4 in the child support program by exchanging data between the Department of Human Services,
323.5 Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b),
323.6 without regard to the limitation of use in paragraph (c), Department of Health, Department
323.7 of Employment and Economic Development, and other state agencies as is reasonably
323.8 necessary to perform these functions;

323.9 (29) counties and the Department of Human Services operating child care assistance
323.10 programs under chapter 119B may disseminate data on program participants, applicants,
323.11 and providers to the commissioner of education;

323.12 (30) child support data on the child, the parents, and relatives of the child may be
323.13 disclosed to agencies administering programs under titles IV-B and IV-E of the Social
323.14 Security Act, as authorized by federal law;

323.15 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent
323.16 necessary to coordinate services;

323.17 (32) to the chief administrative officer of a school to coordinate services for a student
323.18 and family; data that may be disclosed under this clause are limited to name, date of birth,
323.19 gender, and address;

323.20 (33) to county correctional agencies to the extent necessary to coordinate services and
323.21 diversion programs; data that may be disclosed under this clause are limited to name, client
323.22 demographics, program, case status, and county worker information; or

323.23 (34) between the Department of Human Services and the Metropolitan Council for the
323.24 following purposes:

323.25 (i) to coordinate special transportation service provided under section 473.386 with
323.26 services for people with disabilities and elderly individuals funded by or through the
323.27 Department of Human Services; and

323.28 (ii) to provide for reimbursement of special transportation service provided under section
323.29 473.386.

323.30 The data that may be shared under this clause are limited to the individual's first, last, and
323.31 middle names; date of birth; residential address; and program eligibility status with expiration
323.32 date for the purposes of informing the other party of program eligibility.

324.1 (b) Information on persons who have been treated for drug or alcohol abuse may only
324.2 be disclosed according to the requirements of Code of Federal Regulations, title 42, sections
324.3 2.1 to 2.67.

324.4 (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),
324.5 (17), or (18), or paragraph (b), are investigative data and are confidential or protected
324.6 nonpublic while the investigation is active. The data are private after the investigation
324.7 becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

324.8 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are
324.9 not subject to the access provisions of subdivision 10, paragraph (b).

324.10 For the purposes of this subdivision, a request will be deemed to be made in writing if
324.11 made through a computer interface system.

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

324.13 Sec. 2. Minnesota Statutes 2022, section 270C.13, subdivision 1, is amended to read:

324.14 Subdivision 1. **Biennial report.** (a) The commissioner shall report to the legislature on
324.15 the overall incidence of the income tax, sales and excise taxes, and property tax.

324.16 (b) The commissioner must submit the report:

324.17 (1) by March 1, 2021; and

324.18 (2) by March 1, 2024, and each even-numbered year thereafter.

324.19 (c) The report shall present information on the distribution of the tax burden as follows:

324.20 (1) for the overall income distribution, using a systemwide incidence measure such as the
324.21 Suits index or other appropriate measures of equality and inequality; (2) by income classes,
324.22 including at a minimum deciles of the income distribution; and (3) by other appropriate
324.23 taxpayer characteristics.

324.24 (d) The commissioner may request information from any state officer or agency to assist
324.25 in carrying out this section. The state officer or agency shall provide the data requested to
324.26 the extent permitted by law.

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

325.1 Sec. 3. Minnesota Statutes 2022, section 270C.446, subdivision 2, is amended to read:

325.2 Subd. 2. **Required and excluded tax preparers.** (a) Subject to the limitations of
325.3 paragraph (b), the commissioner must publish lists of tax preparers as defined in section
325.4 270C.445, subdivision 2, paragraph (h), who have been:

325.5 (1) convicted under section 289A.63;

325.6 (2) assessed penalties in excess of \$1,000 under section 289A.60, subdivision 13,
325.7 paragraph (a);

325.8 (3) convicted for identity theft under section 609.527, or a similar statute, for a return
325.9 filed with the commissioner, the Internal Revenue Service, or another state;

325.10 (4) assessed a penalty under section 270C.445, subdivision 6, paragraph (a), in excess
325.11 of \$1,000;

325.12 (5) issued a cease and desist order under section 270C.445, subdivision 6, paragraph
325.13 (b), that has become a final order; ~~or~~

325.14 (6) assessed a penalty under section 270C.445, subdivision 6, paragraph (l), for violating
325.15 a cease and desist order; or

325.16 (7) assessed a penalty under section 289A.60, subdivision 28, paragraph (c), or (d), in
325.17 excess of \$1,000.

325.18 (b) For the purposes of this section, tax preparers are not subject to publication if:

325.19 (1) an administrative or court action contesting or appealing a penalty described in
325.20 paragraph (a), clause (2), (4), or (6), has been filed or served and is unresolved at the time
325.21 when notice would be given under subdivision 3;

325.22 (2) an appeal period to contest a penalty described in paragraph (a), clause (2), (4), or
325.23 (6), has not expired;

325.24 (3) the commissioner has been notified that the tax preparer is deceased;

325.25 (4) an appeal period to contest a cease and desist order issued under section 270C.445,
325.26 subdivision 6, paragraph (b), has not expired;

325.27 (5) an administrative or court action contesting or appealing a cease and desist order
325.28 issued under section 270C.445, subdivision 6, paragraph (b), has been filed or served and
325.29 is unresolved at the time when notice would be given under subdivision 3;

326.1 (6) a direct appeal of a conviction described in paragraph (a), clause (1) or (3), has been
326.2 filed or served and is unresolved at the time when the notice would be given under
326.3 subdivision 3; or

326.4 (7) an appeal period to contest a conviction described in paragraph (a), clause (1) or (3),
326.5 has not expired.

326.6 **EFFECTIVE DATE.** This section is effective for returns filed after December 31, 2023.

326.7 Sec. 4. Minnesota Statutes 2022, section 290A.19, is amended to read:

326.8 **290A.19 OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE.**

326.9 (a) The owner or managing agent of any property for which rent is paid for occupancy
326.10 as a homestead must furnish a certificate of rent paid to a person who is a renter on December
326.11 31, in the form prescribed by the commissioner. If the renter moves before December 31,
326.12 the owner or managing agent may give the certificate to the renter at the time of moving,
326.13 or mail the certificate to the forwarding address if an address has been provided by the
326.14 renter. The certificate must be made available to the renter before February 1 of the year
326.15 following the year in which the rent was paid. The owner or managing agent must retain a
326.16 duplicate of each certificate or an equivalent record showing the same information for a
326.17 period of three years. The duplicate or other record must be made available to the
326.18 commissioner upon request.

326.19 (b) The commissioner may require the owner or managing agent, through a simple
326.20 process, to furnish to the commissioner on or before March 1 a copy of each certificate of
326.21 rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe
326.22 the content, format, and manner of the form pursuant to section 270C.30. The commissioner
326.23 may require the Social Security number, individual taxpayer identification number, federal
326.24 employer identification number, or Minnesota taxpayer identification number of the owner
326.25 or managing agent who is required to furnish a certificate of rent paid under this paragraph.
326.26 Prior to implementation, the commissioner, after consulting with representatives of owners
326.27 or managing agents, shall develop an implementation and administration plan for the
326.28 requirements of this paragraph that attempts to minimize financial burdens, administration
326.29 and compliance costs, and takes into consideration existing systems of owners and managing
326.30 agents.

326.31 (c) For the purposes of this section, "owner" includes a park owner as defined under
326.32 section 327C.015, subdivision 9, and "property" includes a lot as defined under section
326.33 327C.015, subdivision 6.

327.1 **EFFECTIVE DATE.** This section is effective for refund claims based on rent paid in
327.2 2023 and thereafter.

327.3 Sec. 5. Minnesota Statutes 2022, section 299C.76, subdivision 1, is amended to read:

327.4 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following definitions
327.5 apply.

327.6 (b) "Federal tax information" means federal tax returns and return information or
327.7 information derived or created from federal tax returns, in possession of or control by the
327.8 requesting agency, that is covered by the safeguarding provisions of section 6103(p)(4) of
327.9 the Internal Revenue Code.

327.10 (c) "IRS Publication 1075" means Internal Revenue Service Publication 1075 that
327.11 provides guidance and requirements for the protection and confidentiality of federal tax
327.12 information as required in section 6103(p)(4) of the Internal Revenue Code.

327.13 (d) "National criminal history record information" means the Federal Bureau of
327.14 Investigation identification records as defined in Code of Federal Regulations, title 28,
327.15 section 20.3(d).

327.16 (e) "Requesting agency" means the Department of Revenue, Department of Employment
327.17 and Economic Development, Department of Human Services, board of directors of MNsure,
327.18 Department of Information Technology Services, attorney general, and counties.

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

327.20 Sec. 6. Minnesota Statutes 2022, section 299C.76, subdivision 2, is amended to read:

327.21 Subd. 2. **National criminal history record information check.** As required by IRS
327.22 Publication 1075, a requesting agency shall require fingerprints for a national criminal
327.23 history record information check from the following individuals who have or will have
327.24 access to federal tax information:

327.25 (1) a current or prospective permanent or temporary employee of the requesting agency;

327.26 (2) an independent contractor or vendor of the requesting agency; or

327.27 (3) an employee ~~or agent~~ of an independent contractor or vendor of the requesting agency;
327.28 ~~or.~~

327.29 ~~(4) any other individual authorized to access federal tax information by the requesting~~
327.30 ~~agency.~~

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

328.2 Sec. 7. Laws 2008, chapter 366, article 17, section 6, is amended to read:

328.3 Sec. 6. **DATA UPDATE.**

328.4 The commissioner of revenue must continue to maintain, update, and make available
328.5 the information required under Laws 1987, chapter 268, article 7, section 1, subdivision 6,
328.6 paragraph (b). The commissioner may request information from any state officer or agency
328.7 to assist in carrying out paragraph (b). The state officer or agency shall provide the data
328.8 requested to the extent permitted by law. The commissioner must provide the most complete
328.9 and current data available, when requested, to the chairs of the senate and house of
328.10 representatives committees on taxes.

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

328.12 **ARTICLE 17**

328.13 **DEPARTMENT OF REVENUE: MISCELLANEOUS**

328.14 Section 1. Minnesota Statutes 2022, section 270C.19, subdivision 2, is amended to read:

328.15 Subd. 2. **Sales, use, and excise taxes.** (a) The commissioner is authorized to enter into
328.16 a tax agreement with the governing body of any federally recognized Indian ~~reservation~~
328.17 Tribe in Minnesota, that provides for the state and the Tribal government to share sales,
328.18 use, and excise tax revenues generated from on-reservation activities of ~~non-Indians~~
328.19 non-Tribal members and off-reservation activities of Tribal members ~~of the reservation~~.
328.20 Every agreement entered into pursuant to this subdivision must require the commissioner
328.21 to collect all state and Tribal taxes covered by the agreement.

328.22 (b) The commissioner is authorized to collect any Tribal taxes imposed pursuant to any
328.23 agreement entered into pursuant to this subdivision and to make payments authorized by
328.24 the agreement to the Tribal government from the funds collected.

328.25 (c) The commissioner shall pay to the Tribal government its share of the taxes collected
328.26 pursuant to the agreement, as indicated in the agreement, and grant the taxpayer a credit for
328.27 the taxpayer's share of the amount paid to the Tribal government against the taxpayer's
328.28 Minnesota tax.

328.29 **EFFECTIVE DATE.** This section is effective retroactively for agreements entered into
328.30 or amended after December 31, 2022.

329.1 Sec. 2. Minnesota Statutes 2022, section 295.50, subdivision 4, is amended to read:

329.2 Subd. 4. **Health care provider.** (a) "Health care provider" means:

329.3 (1) a person whose health care occupation is regulated or required to be regulated by
329.4 the state of Minnesota furnishing any or all of the following goods or services directly to a
329.5 patient or consumer: medical, surgical, optical, visual, dental, hearing, nursing services,
329.6 drugs, laboratory, diagnostic or therapeutic services;

329.7 (2) a person who provides goods and services not listed in clause (1) that qualify for
329.8 reimbursement under the medical assistance program provided under chapter 256B;

329.9 (3) a staff model health plan company;

329.10 (4) an ambulance service required to be licensed;

329.11 (5) a person who sells or repairs hearing aids and related equipment or prescription
329.12 eyewear; or

329.13 (6) a person providing patient services, who does not otherwise meet the definition of
329.14 health care provider and is not specifically excluded in clause (b), who employs or contracts
329.15 with a health care provider as defined in clauses (1) to (5) to perform, supervise, otherwise
329.16 oversee, or consult with regarding patient services.

329.17 (b) Health care provider does not include:

329.18 (1) hospitals; medical supplies distributors, except as specified under paragraph (a),
329.19 clause (5); nursing homes licensed under chapter 144A or licensed in any other jurisdiction;
329.20 wholesale drug distributors; pharmacies; surgical centers; bus and taxicab transportation,
329.21 or any other providers of transportation services other than ambulance services required to
329.22 be licensed; supervised living facilities for persons with developmental disabilities, licensed
329.23 under Minnesota Rules, parts 4665.0100 to 4665.9900; housing with services establishments
329.24 required to be registered under chapter 144D; board and lodging establishments providing
329.25 only custodial services that are licensed under chapter 157 and registered under section
329.26 157.17 to provide supportive services or health supervision services; adult foster homes as
329.27 defined in Minnesota Rules, part 9555.5105; day training and habilitation services for adults
329.28 with developmental disabilities as defined in section 252.41, subdivision 3; boarding care
329.29 homes, as defined in Minnesota Rules, part 4655.0100; and adult day care centers as defined
329.30 in Minnesota Rules, part 9555.9600;

329.31 (2) home health agencies as defined in Minnesota Rules, part 9505.0175, subpart 15; a
329.32 person providing personal care services and supervision of personal care services as defined
329.33 in Minnesota Rules, part 9505.0335; a person providing home care nursing services as

330.1 defined in Minnesota Rules, part 9505.0360; and home care providers required to be licensed
330.2 under chapter 144A for home care services provided under chapter 144A;

330.3 (3) a person who employs health care providers solely for the purpose of providing
330.4 patient services to its employees;

330.5 (4) an educational institution that employs health care providers solely for the purpose
330.6 of providing patient services to its students if the institution does not receive fee for service
330.7 payments or payments for extended coverage; and

330.8 (5) a person who receives all payments for patient services from health care providers,
330.9 surgical centers, or hospitals for goods and services that are taxable to the paying health
330.10 care providers, surgical centers, or hospitals, as provided under section 295.53, subdivision
330.11 1, paragraph (b), clause (3) or (4), or from a source of funds that is excluded or exempt from
330.12 tax under ~~this chapter~~ sections 295.50 to 295.59.

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

330.14 Sec. 3. Minnesota Statutes 2022, section 296A.083, subdivision 3, is amended to read:

330.15 Subd. 3. **Surcharge rate.** (a) By ~~July 16, 2008, and each April 1 thereafter~~ May 1 each
330.16 year, the commissioner of revenue shall calculate and publish a surcharge as provided in
330.17 ~~paragraphs~~ paragraph (b) and (e). The surcharge is imposed ~~from August 1, 2008, through~~
330.18 ~~June 30, 2009, and each new surcharge thereafter is imposed the following~~ beginning July
330.19 1 of the year it is published through June 30 of the following year.

330.20 ~~(b) For fiscal years 2009 through 2012, the commissioner shall set the surcharge as~~
330.21 ~~specified in the following surcharge rate schedule.~~

330.22 **Surcharge Rate Schedule**

330.23	Fiscal Year	Rate (in cents per gallon)
330.24	2009	0.5
330.25	2010	2.1
330.26	2011	2.5
330.27	2012	3.0

330.28 ~~(e) For fiscal year 2013 and thereafter,~~ (b) The commissioner shall set the surcharge at
330.29 the lesser of (1) 3.5 cents, or (2) an amount calculated so that the total proceeds from the
330.30 surcharge deposited in the trunk highway fund from fiscal year 2009 to the upcoming fiscal
330.31 year equals the total amount of debt service from fiscal years 2009 to 2039, and the surcharge
330.32 is rounded to the nearest 0.1 cent.

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

331.2 Sec. 4. Minnesota Statutes 2022, section 297A.61, subdivision 29, is amended to read:

331.3 Subd. 29. **State.** Unless specifically provided otherwise, "state" means any state of the
331.4 United States, ~~the Commonwealth of Puerto Rico, and the District of Columbia, and any~~
331.5 territory of the United States, including American Samoa, Guam, Northern Mariana Islands,
331.6 Puerto Rico, and the U.S. Virgin Islands.

331.7 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
331.8 30, 2023.

331.9 **ARTICLE 18**

331.10 **GRANTS MANAGEMENT**

331.11 Section 1. **FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY**
331.12 **RECIPIENTS.**

331.13 Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the
331.14 meanings given.

331.15 (b) "Grant" means a grant or business subsidy funded by an appropriation in this act.

331.16 (c) "Grantee" means a business entity as defined in Minnesota Statutes, section 5.001.

331.17 Subd. 2. **Financial information required; determination of ability to perform.** Before
331.18 an agency awards a competitive, legislatively named, single-source, or sole-source grant,
331.19 the agency must assess the risk that a grantee cannot or would not perform the required
331.20 duties. In making this assessment, the agency must review the following information:

331.21 (1) the grantee's history of performing duties similar to those required by the grant,
331.22 whether the size of the grant requires the grantee to perform services at a significantly
331.23 increased scale, and whether the size of the grant will require significant changes to the
331.24 operation of the grantee's organization;

331.25 (2) for a grantee that is a nonprofit organization, the grantee's Form 990 or Form 990-EZ
331.26 filed with the Internal Revenue Service in each of the prior three years. If the grantee has
331.27 not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the
331.28 grantee must demonstrate to the grantor's satisfaction that the grantee is exempt and must
331.29 instead submit the grantee's most recent board-reviewed financial statements and
331.30 documentation of internal controls;

332.1 (3) for a for-profit business, three years of federal and state tax returns, current financial
332.2 statements, certification that the business is not under bankruptcy proceedings, and disclosure
332.3 of any liens on its assets. If a business has not been in business long enough to have three
332.4 years of tax returns, the grantee must demonstrate to the grantor's satisfaction that the grantee
332.5 has appropriate internal financial controls;

332.6 (4) evidence of registration and good standing with the secretary of state under Minnesota
332.7 Statutes, chapter 317A, or other applicable law;

332.8 (5) if the grantee's total annual revenue exceeds \$750,000, the grantee's most recent
332.9 financial audit performed by an independent third party in accordance with generally accepted
332.10 accounting principles; and

332.11 (6) certification, provided by the grantee, that none of its principals have been convicted
332.12 of a financial crime.

332.13 Subd. 3. **Additional measures for some grantees.** The agency may require additional
332.14 information and must provide enhanced oversight for grants that have not previously received
332.15 state or federal grants for similar amounts or similar duties and so have not yet demonstrated
332.16 the ability to perform the duties required under the grant on the scale required.

332.17 Subd. 4. **Assistance from administration.** An agency without adequate resources or
332.18 experience to perform obligations under this section may contract with the commissioner
332.19 of administration to perform the agency's duties under this section.

332.20 Subd. 5. **Agency authority to not award grant.** If an agency determines that there is
332.21 an appreciable risk that a grantee receiving a competitive, single-source, or sole-source
332.22 grant cannot or would not perform the required duties under the grant agreement, the agency
332.23 must notify the grantee and the commissioner of administration and give the grantee an
332.24 opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's
332.25 concerns within 45 days, the agency must not award the grant.

332.26 Subd. 6. **Legislatively named grantees.** If an agency determines that there is an
332.27 appreciable risk that a grantee receiving a legislatively named grant cannot or would not
332.28 perform the required duties under the grant agreement, the agency must notify the grantee,
332.29 the commissioner of administration, and the chair and ranking minority members of the
332.30 Ways and Means Committee in the house of representatives, the chair and ranking minority
332.31 members of the Finance Committee in the senate, and the chairs and ranking minority
332.32 members of the committees in the house of representatives and the senate with primary
332.33 jurisdiction over the bill in which the money for the grant was appropriated. The agency
332.34 must give the grantee an opportunity to respond to the agency's concerns. If the grantee

333.1 does not satisfy the agency's concerns within 45 days, the agency must delay award of the
333.2 grant until adjournment of the next regular or special legislative session.

333.3 Subd. 7. **Subgrants.** If a grantee will disburse the money received from the grant to
333.4 other organizations to perform duties required under the grant agreement, the agency must
333.5 be a party to agreements between the grantee and a subgrantee. Before entering agreements
333.6 for subgrants, the agency must perform the financial review required under this section with
333.7 respect to the subgrantees.

333.8 Subd. 8. **Effect.** The requirements of this section are in addition to other requirements
333.9 imposed by law; the commissioner of administration under Minnesota Statutes, sections
333.10 16B.97 and 16B.98; or agency grant policy.

16A.965 STADIUM APPROPRIATION BONDS.

Subdivision 1. **Definitions.** (a) The definitions in this subdivision and in chapter 473J apply to this section.

(b) "Appropriation bond" means a bond, note, or other similar instrument of the state payable during a biennium from one or more of the following sources:

(1) money appropriated by law from the general fund in any biennium for debt service due with respect to obligations described in subdivision 2, paragraph (b);

(2) proceeds of the sale of obligations described in subdivision 2, paragraph (b);

(3) payments received for that purpose under agreements and ancillary arrangements described in subdivision 2, paragraph (d); and

(4) investment earnings on amounts in clauses (1) to (3).

(c) "Debt service" means the amount payable in any biennium of principal, premium, if any, and interest on appropriation bonds.

Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the limitations of this subdivision, the commissioner may sell and issue appropriation bonds of the state under this section for public purposes as provided by law, including, in particular, the financing of all or a portion of the acquisition, construction, improving, and equipping of the stadium project of the Minnesota Sports Facilities Authority as provided by chapter 473J. Proceeds of the appropriation bonds must be credited to a special appropriation stadium bond proceeds fund in the state treasury. Net income from investment of the proceeds, as estimated by the commissioner, must be credited to the special appropriation stadium bond proceeds fund.

(b) Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient funds, not to exceed \$498,000,000 net of costs of issuance, revenue generated under section 297E.021, and allocated by the commissioner of management and budget for this purpose and costs of credit enhancement for achieving the purposes authorized as provided under paragraph (a), and pay debt service including capitalized interest, pay costs of issuance, make deposits to reserve funds, pay the costs of credit enhancement, or make payments under other agreements entered into under paragraph (d); provided, however, that appropriation bonds issued and unpaid shall not exceed \$600,000,000 in principal amount, excluding refunding bonds sold and issued under subdivision 4.

(c) Appropriation bonds may be issued from time to time in one or more series on the terms and conditions the commissioner determines to be in the best interests of the state, but the term on any series of appropriation bonds may not exceed 30 years. The appropriation bonds of each issue and series thereof shall be dated and bear interest, and may be includable in or excludable from the gross income of the owners for federal income tax purposes.

(d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter into agreements and ancillary arrangements relating to the appropriation bonds, including but not limited to trust indentures, grant agreements, lease or use agreements, operating agreements, management agreements, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received according to the agreement or ancillary arrangement shall be made from or deposited as provided in the agreement or ancillary arrangement. The determination of the commissioner included in an interest exchange agreement that the agreement relates to an appropriation bond shall be conclusive.

(e) The commissioner may enter into written agreements or contracts relating to the continuing disclosure of information necessary to comply with, or facilitate the issuance of appropriation bonds in accordance with federal securities laws, rules, and regulations, including Securities and Exchange Commission rules and regulations in Code of Federal Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants with purchasers and holders of appropriation bonds set forth in the order or resolution authorizing the issuance of the appropriation bonds, or a separate document authorized by the order or resolution.

(f) The appropriation bonds are not subject to chapter 16C.

APPENDIX
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Subd. 3. **Form; procedure.** (a) Appropriation bonds may be issued in the form of bonds, notes, or other similar instruments, and in the manner provided in section 16A.672. In the event that any provision of section 16A.672 conflicts with this section, this section shall control.

(b) Every appropriation bond shall include a conspicuous statement of the limitation established in subdivision 6.

(c) Appropriation bonds may be sold at either public or private sale upon such terms as the commissioner shall determine are not inconsistent with this section and may be sold at any price or percentage of par value. Any bid received may be rejected.

(d) Appropriation bonds must bear interest at a fixed or variable rate.

(e) Notwithstanding any other law, appropriation bonds issued under this section shall be fully negotiable.

Subd. 4. **Refunding bonds.** The commissioner from time to time may issue appropriation bonds for the purpose of refunding any appropriation bonds then outstanding, including the payment of any redemption premiums on the bonds, any interest accrued or to accrue to the redemption date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the appropriation bonds to be refunded, to the redemption of the outstanding appropriation bonds on any redemption date, or to pay interest on the refunding bonds and may, pending application, be placed in escrow to be applied to the purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on the investment may also be applied to the payment of the appropriation bonds to be refunded or interest or premiums on the refunded appropriation bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been fully satisfied, any balance of the proceeds and any investment income may be returned to the general fund or, if applicable, the special appropriation stadium bond proceeds fund for use in any lawful manner. All refunding bonds issued under this subdivision must be prepared, executed, delivered, and secured by appropriations in the same manner as the appropriation bonds to be refunded.

Subd. 5. **Appropriation bonds as legal investments.** Any of the following entities may legally invest any sinking funds, money, or other funds belonging to them or under their control in any appropriation bonds issued under this section:

(1) the state, the investment board, public officers, municipal corporations, political subdivisions, and public bodies;

(2) banks and bankers, savings and loan associations, credit unions, trust companies, savings banks and institutions, investment companies, insurance companies, insurance associations, and other persons carrying on a banking or insurance business; and

(3) personal representatives, guardians, trustees, and other fiduciaries.

Subd. 6. **No full faith and credit; state not required to make appropriations.** The appropriation bonds are not public debt of the state, and the full faith, credit, and taxing powers of the state are not pledged to the payment of the appropriation bonds or to any payment that the state agrees to make under this section. Appropriation bonds shall not be obligations paid directly, in whole or in part, from a tax of statewide application on any class of property, income, transaction, or privilege. Appropriation bonds shall be payable in each fiscal year only from amounts that the legislature may appropriate for debt service for any fiscal year, provided that nothing in this section shall be construed to require the state to appropriate funds sufficient to make debt service payments with respect to the appropriation bonds in any fiscal year. Appropriation bonds shall be canceled and shall no longer be outstanding on the earlier of (1) the first day of a fiscal year for which the legislature shall not have appropriated amounts sufficient for debt service, or (2) the date of final payment of the principal of and interest on the appropriation bonds.

Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds and interest credited to the special appropriation stadium bond proceeds fund are appropriated to the commissioner for payment of capital expenses including capitalized interest, debt service on outstanding indebtedness of the state, and for the operating and capital reserves of the authority, each as permitted by state and federal law, and nonsalary expenses incurred in conjunction with the sale of the appropriation bonds, and such proceeds may be granted, loaned, or otherwise provided to the authority for the public purpose provided by subdivision 2, paragraph (a).

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Subd. 8. **Appropriation for debt service and other purposes.** The amount needed to pay principal and interest on appropriation bonds issued under this section is appropriated each fiscal year from the general fund to the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation, otherwise pursuant to subdivision 6, for deposit into the bond payments account established for such purpose in the special appropriation stadium bond proceeds fund.

Subd. 9. **Waiver of immunity.** The waiver of immunity by the state provided for by section 3.751, subdivision 1, shall be applicable to the appropriation bonds and any ancillary contracts to which the commissioner is a party.

Subd. 10. **Validation.** (a) Appropriation bonds issued under this section may be validated in the manner provided by this subdivision. If comparable appropriation bonds are judicially determined to be valid, nothing in this subdivision shall be construed to prevent the sale or delivery of any appropriation bonds or notes without entry of a judgment of validation by the Minnesota Supreme Court pursuant to this subdivision with respect to the appropriation bonds authorized under this section.

(b) Any appropriation bonds issued under this section that are validated shall be validated in the manner provided by this subdivision.

(c) The Minnesota Supreme Court shall have original jurisdiction to determine the validation of appropriation bonds and all matters connected therewith.

(d) The commissioner may determine the commissioner's authority to issue appropriation bonds and the legality of all proceedings in connection with issuing bonds. For this purpose, a complaint shall be filed by the commissioner in the Minnesota Supreme Court against the state and the taxpayers and citizens.

(e) As a condition precedent to filing of a complaint for the validation of appropriation bonds, the commissioner shall take action providing for the issuance of appropriation bonds in accordance with law.

(f) The complaint shall set out the state's authority to issue appropriation bonds, the action or proceeding authorizing the issue and its adoption, all other essential proceedings had or taken in connection with issuing bonds, the amount of the appropriation bonds to be issued and the maximum interest they are to bear, and all other pertinent matters.

(g) The Minnesota Supreme Court shall issue an order directed against the state and taxpayers, citizens, and others having or claiming any right, title, or interest affected by the issuance of appropriation bonds, or to be affected by the bonds, allowing all persons, in general terms and without naming them, and the state through its attorney general, to appear before the Minnesota Supreme Court at a designated time and place and show why the complaint should not be granted and the proceedings and appropriation bonds validated. A copy of the complaint and order shall be served on the attorney general at least 20 days before the time fixed for hearing. The attorney general shall examine the complaint, and, if it appears or there is reason to believe that it is defective, insufficient, or untrue, or if in the opinion of the attorney general the issuance of the appropriation bonds in question has not been duly authorized, defense shall be made by the attorney general as the attorney general deems appropriate.

(h) Before the date set for hearing, as directed by the Minnesota Supreme Court, either the clerk of the Minnesota appellate courts or the commissioner shall publish a copy of the order in a legal newspaper of general circulation in Ramsey County and the state, at least once each week for two consecutive weeks, commencing with the first publication, which shall not be less than 20 days before the date set for hearing. By this publication, all taxpayers, citizens, and others having or claiming any right, title, or interest in the state, are made parties defendant to the action and the Minnesota Supreme Court has jurisdiction of them to the same extent as if named as defendants in the complaint and personally served with process.

(i) Any taxpayer, citizen, or person interested may become a party to the action by moving against or pleading to the complaint at or before the time set for hearing. The Minnesota Supreme Court shall determine all questions of law and fact and make orders that will enable it to properly try and determine the action and render a final judgment within 30 days of the hearing with the least possible delay.

(j) If the judgment validates appropriation bonds, the judgment is forever conclusive as to all matters adjudicated and as against all parties affected and all others having or claiming any right, title, or interest affected by the issuance of appropriation bonds, or to be affected in any way by issuing the bonds, and the validity of appropriation bonds or of any revenues pledged for the payment

of the bonds, or of the proceedings authorizing the issuance of the bonds, including any remedies provided for their collection, shall never be called in question in any court by any person or party.

(k)(1) Appropriation bonds, when validated under this section, shall have stamped or written on the bonds, by the proper officers of the state issuing them, a statement in substantially the following form: "This appropriation bond is one of a series of appropriation bonds which were validated by judgment of the Supreme Court of the State of Minnesota, rendered on , (year)".

(2) A certified copy of the judgment or decree shall be received as evidence in any court in this state.

(l) The costs shall be paid by the state, except when a taxpayer, citizen, or other person contests the action or intervenes, the court may tax the whole or any part of the costs against the person that is equitable.

(m) A justice of the Minnesota Supreme Court is not disqualified in any validation action because the justice is a landowner or taxpayer of the state.

41B.0391 BEGINNING FARMER PROGRAM; TAX CREDITS.

Subd. 7. **Sunset.** This section expires for taxable years beginning after December 31, 2023.

290.0132 INDIVIDUALS, ESTATES, AND TRUSTS; SUBTRACTIONS FROM FEDERAL TAXABLE INCOME OR FEDERAL ADJUSTED GROSS INCOME.

No active language found for: 290.0132.33

290.0681 CREDIT FOR HISTORIC STRUCTURE REHABILITATION.

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

297E.021 SPECIAL ALLOCATION OF REVENUES.

Subdivision 1. **Application; revenues not pledged.** The provisions of this subdivision apply only after the issuance of appropriation bonds under section 16A.965, subdivision 2, but do not constitute a pledge of available revenues as security for payment of principal and interest on appropriation bonds issued under section 16A.965.

Subd. 2. **Determination of revenue increase.** By March 15 of each fiscal year, the commissioner of management and budget, in consultation with the commissioner, shall determine the estimated increase in revenues received from taxes imposed under this chapter over the estimated revenues under the February 2012 state budget forecast for that fiscal year. For fiscal years after fiscal year 2015, the commissioner of management and budget shall use the February 2012 state budget forecast for fiscal year 2015 as the baseline. All calculations under this subdivision must be made net of estimated refunds of the taxes required to be paid.

Subd. 3. **Available revenues.** For purposes of this section, "available revenues" equals the amount determined under subdivision 2, plus up to \$20,000,000 each fiscal year from the taxes imposed under section 290.06, subdivision 1:

(1) reduced by the following amounts paid for the fiscal year under:

(i) the appropriation to principal and interest on appropriation bonds under section 16A.965, subdivision 8;

(ii) the appropriation from the general fund to make operating expense payments under section 473J.13, subdivision 2, paragraph (b);

(iii) the appropriation for contributions to the capital reserve fund under section 473J.13, subdivision 4, paragraph (c);

(iv) the appropriations under Laws 2012, chapter 299, article 4, for administration and any successor appropriation;

(v) the reduction in revenues resulting from the sales tax exemptions under section 297A.71, subdivision 43;

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(vi) reimbursements authorized by section 473J.15, subdivision 2, paragraph (d);

(vii) the compulsive gambling appropriations under section 297E.02, subdivision 3, paragraph (c), and any successor appropriation; and

(viii) the appropriation for the city of St. Paul under section 16A.726, paragraph (c); and

(2) increased by the revenue deposited in the general fund under section 297A.994, subdivision 4, clauses (1) to (3), for the fiscal year.

Subd. 4. Appropriation; general reserve account. To the extent the commissioner determines that revenues are available under subdivision 3 for the fiscal year, those amounts are appropriated from the general fund for deposit in a general reserve account established by order of the commissioner of management and budget. Amounts in this reserve are appropriated as necessary for application against any shortfall in the amounts deposited to the general fund under section 297A.994 or, after consultation with the Legislative Commission on Planning and Fiscal Policy, amounts in this reserve are appropriated to the commissioner of management and budget for other uses related to the stadium authorized under section 473J.03, subdivision 8, that the commissioner deems financially prudent including but not limited to reimbursements for capital and operating costs relating to the stadium, refundings, and prepayment of debt. In no event, shall available revenues be pledged, nor shall the appropriations of available revenues made by this section constitute a pledge of available revenues as security for the prepayment of principal and interest on the appropriation bonds under section 16A.965.

477A.011 DEFINITIONS.

Subd. 30a. Percent of housing built between 1940 and 1970. "Percent of housing built between 1940 and 1970" is equal to 100 times the most recent count by the United States Bureau of the Census of all housing units in the city built after 1939 but before 1970, divided by the total number of all housing units in the city. Housing units includes both occupied and vacant housing units as defined by the federal census.

Subd. 38. Household size. "Household size" means the average number of persons per household in the jurisdiction as most recently estimated and reported by the state demographer and Metropolitan Council as of July 15 of the aid calculation year. A revision to an estimate or enumeration is effective for these purposes only if it is certified to the commissioner on or before July 15 of the aid calculation year. Clerical errors in the certification or use of estimates and counts established as of July 15 in the aid calculation year are subject to correction within the time periods allowed under section 477A.014.

Subd. 42. Jobs per capita in the city. "Jobs per capita in the city" means (1) the average annual number of employees in the city based on the data from the Quarterly Census of Employment and Wages, as reported by the Department of Employment and Economic Development, for the most recent calendar year available November 1 of every odd-numbered year, divided by (2) the city's population for the same calendar year as the employment data. The commissioner of the Department of Employment and Economic Development shall certify to the city the average annual number of employees for each city by January 1 of every even-numbered year beginning with January 1, 2014. A city may challenge an estimate under this paragraph by filing its specific objection, including the names of employers that it feels may have misreported data, in writing with the commissioner by December 1 of every odd-numbered year. The commissioner shall make every reasonable effort to address the specific objection and adjust the data as necessary. The commissioner shall certify the estimates of the annual employment to the commissioner of revenue by January 1 of all even-numbered years, including any estimates still under objection.

Subd. 45. Sparsity adjustment. For a city with a population of 10,000 or more, the sparsity adjustment is 100 for any city with an average population density less than 150 per square mile, according to the most recent federal census. For a city with a population less than 10,000, the sparsity adjustment is 200 for any city with an average population density less than 30 per square mile, according to the most recent federal census. The sparsity adjustment is zero for all other cities.

477A.013 MUNICIPAL GOVERNMENT DISTRIBUTIONS.

Subd. 13. Certified aid adjustments. (a) A city that received an aid base increase under Minnesota Statutes 2012, section 477A.011, subdivision 36, paragraph (e), shall have its total aid under subdivision 9 increased by an amount equal to \$150,000 for aids payable in 2014 through 2018.

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(b) A city that received an aid base increase under Minnesota Statutes 2012, section 477A.011, subdivision 36, paragraph (r), shall have its total aid under subdivision 9 increased by an amount equal to \$160,000 for aids payable in 2014 and thereafter.

(c) A city that received a temporary aid increase under Minnesota Statutes 2012, section 477A.011, subdivision 36, paragraph (o), shall have its total aid under subdivision 9 increased by an amount equal to \$1,000,000 for aids payable in 2014 only.

477B.02 QUALIFYING FOR FIRE STATE AID.

Subd. 4. **Equipment requirements.** The fire department must have all of the following equipment, or the equivalent as determined by the state fire marshal, by December 31 of the year preceding the certification required in subdivision 8:

- (1) a motorized fire truck equipped with:
 - (i) a motorized pump;
 - (ii) a 250-gallon or larger water tank;
 - (iii) 300 feet of one inch or larger fire hose in two lines with combination spray and straight stream nozzles;
 - (iv) five-gallon hand pumps - tank extinguisher or equivalent;
 - (v) a dry chemical extinguisher or equivalent;
 - (vi) ladders;
 - (vii) extension ladders;
 - (viii) pike poles;
 - (ix) crowbars;
 - (x) axes;
 - (xi) lanterns; and
 - (xii) fire coats, helmets, and boots;
- (2) the items in clause (1) suitably housed in a building of good construction with facilities for care of hoses and equipment;
- (3) a reliable and adequate method of receiving fire alarms by telephone or with electric siren and suitable means of sounding an alarm; and
- (4) if response is to be provided outside the corporate limits of the municipality where the fire department is located, another piece of motorized apparatus to make the response.

477B.03 CALCULATION OF FIRE STATE AID; APPEAL.

Subd. 6. **Corrective aid adjustments.** Any adjustments needed to correct prior misallocations must be made to subsequent fire state aid apportionments.