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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4361

03/16/2026 Authored by Agbaje and Gomez The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; modifying local sales tax use of revenue in the city of
1.3 Minneapolis; modifying Minneapolis downtown taxing area; amending Minnesota
1.4 Statutes 2024, section 297A.994, subdivision 4; Laws 1986, chapter 400, section
1.5 44, as amended.

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

1.7 Section 1. Minnesota Statutes 2024, section 297A.994, subdivision 4, is amended to read:

1.8 Subd. 4. General fund allocations. (a) The commissioner must retain and deposit to
1.9 the general fund the following amounts, as required by subdivision 3, clause (3):

1.10 (1) for state bond debt service support beginning in calendar year 2021, and for each
1.11 calendar year thereafter through calendar year 2046, periodic amounts so that not later than
1.12 December 31, 2046, an aggregate amount equal to a present value of \$150,000,000 has been
1.13 deposited in the general fund. To determine aggregate present value, the commissioner must
1.14 consult with the commissioner of management and budget regarding the present value dates,
1.15 discount rate or rates, and schedules of annual amounts. The present value date or dates
1.16 must be based on the date or dates bonds are sold under Minnesota Statutes 2022, section
1.17 16A.965, or the date or dates other state funds, if any, are deposited into the construction
1.18 fund. The discount rate or rates must be based on the true interest cost of the bonds issued
1.19 under Minnesota Statutes 2022, section 16A.965, or an equivalent 30-year bond index, as
1.20 determined by the commissioner of management and budget. The schedule of annual amounts
1.21 must be certified to the commissioner by the commissioner of management and budget and
1.22 the finance officer of the city;

2.1 (2) for the capital improvement reserve appropriation to the Minnesota Sports Facilities  
2.2 Authority beginning in calendar year 2021, and for each calendar year thereafter through  
2.3 calendar year 2046, an aggregate annual amount equal to the amount paid by the state for  
2.4 this purpose in that calendar year under section 473J.13, subdivision 4;

2.5 (3) for the operating expense appropriation to the Minnesota Sports Facilities Authority  
2.6 beginning in calendar year 2021, and for each calendar year thereafter through calendar  
2.7 year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose  
2.8 in that calendar year under section 473J.13, subdivision 2;

2.9 (4) to capture increases in taxes imposed under the special law, for the benefit of the  
2.10 Minnesota Sports Facilities Authority, beginning in calendar year 2013 and for each calendar  
2.11 year thereafter through 2046, there shall be deposited to the general fund in proportionate  
2.12 periodic payments in the following year, an amount equal to the lesser of the amounts as  
2.13 calculated under item (i) or (ii), not to exceed \$2,300,000:

2.14 (i)(A) 50 percent of the difference, if any, by which the amount of the net annual taxes  
2.15 for the previous year exceeds the sum of the net actual taxes in calendar year 2011 plus  
2.16 \$1,000,000, inflated at two percent per year since 2011, minus

2.17 (B) 25 percent of the difference, if any, by which the amount of the net annual taxes for  
2.18 the preceding year exceeds the sum of the net actual taxes in calendar year 2011 plus  
2.19 \$3,000,000, inflated at two percent per year since 2011; or

2.20 (ii) the amount of the net annual taxes for the preceding year multiplied by three percent;  
2.21 and

2.22 (5) if the bonds under section 16A.965 are defeased, redeemed, or paid in full, the  
2.23 commissioner of management and budget and finance officer of the city must agree to a  
2.24 revised schedule of annual amounts under clause (1). The revised schedule of annual amounts  
2.25 must factor in a discount rate equal to zero percent and otherwise consistent with the  
2.26 methodology previously agreed upon by the parties.

2.27 (b) The Minnesota Sports Facility Authority must use the amounts available from the  
2.28 deposits under paragraph (a), clause (4), for capital repairs, replacements, and improvements  
2.29 for the stadium and stadium infrastructure.

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

3.1 Sec. 2. Laws 1986, chapter 400, section 44, as amended by Laws 1995, chapter 264, article  
3.2 2, section 39, and Laws 2009, chapter 88, article 4, section 13, is amended to read:

3.3 Sec. 44. **DOWNTOWN TAXING AREA.**

3.4 If a bill is enacted into law in the 1986 legislative session which authorizes the city of  
3.5 Minneapolis to issue bonds and expend certain funds including taxes to finance the  
3.6 acquisition and betterment of a convention center and related facilities, which authorizes  
3.7 certain taxes to be levied in a downtown taxing area, then, notwithstanding the provisions  
3.8 of that law "downtown taxing area" shall mean the geographic area bounded by the portion  
3.9 of the Mississippi River between I-35W and Washington Avenue, the portion of Washington  
3.10 Avenue between the river and I-35W, the portion of I-35W between Washington Avenue  
3.11 and ~~8th Street~~ Portland Avenue South, the portion of 8th Street South between I-35W and  
3.12 Portland Avenue South, the portion of Portland Avenue South between 8th Street South  
3.13 and I-94, the portion of I-94 from the intersection of Portland Avenue South to the  
3.14 intersection of I-94 and ~~the Burlington Northern Railroad tracks~~ Plymouth Avenue North,  
3.15 the portion of ~~the Burlington Northern Railroad tracks from I-94~~ Plymouth Avenue North  
3.16 to the Mississippi River from Plymouth Avenue North and the Mississippi River south to  
3.17 Main Street and including Nicollet Island, and the portion of Main Street to Hennepin  
3.18 Avenue and the portion of Hennepin Avenue between Main Street and 2nd Street S.E., and  
3.19 the portion of 2nd Street S.E. between Main Street and Bank Street, and the portion of Bank  
3.20 Street between 2nd Street S.E. and University Avenue S.E., and the portion of University  
3.21 Avenue S.E. between Bank Street and I-35W, and by I-35W from University Avenue S.E.,  
3.22 to the river. The downtown taxing area excludes the area bounded on the south and west  
3.23 by Oak Grove Street, on the east by Spruce Place, and on the north by West 15th Street.  
3.24 The downtown taxing area also excludes any property located in a zone that is contained  
3.25 in chapter 546 of the Minneapolis Zoning Code of Ordinances on which a restaurant with  
3.26 a wine license is operated.

3.27 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
3.28 September 30, 2026.