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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. **4234**

03/12/2026 Authored by Rehrauer and Igo
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 public finance; reducing the aggregate bond limitation applicable to the
1.3 allocation of private activity bonds for qualifying residential rental projects;
1.4 amending Minnesota Statutes 2024, section 474A.02, subdivision 1a.

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

1.6 Section 1. Minnesota Statutes 2024, section 474A.02, subdivision 1a, is amended to read:

1.7 Subd. 1a. **Aggregate bond limitation.** "Aggregate bond limitation" means ~~up to 55~~ the
1.8 greater of: (1) 30 percent of the reasonably expected aggregate basis of a residential rental
1.9 project and the land on which the project is or will be located; or (2) the maximum
1.10 supportable permanent amortizing debt, subject to a maximum of 40 percent of the reasonably
1.11 expected aggregate basis of a residential rental project and the land on which the project is
1.12 or will be located.

1.13 **EFFECTIVE DATE.** This section is effective January 1, 2027.