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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4841

04/07/2026 Authored by Agbaje and Nadeau 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 authority related to the Hennepin County local sales
1.3 tax; providing for grants to county health care facilities and to the ballpark authority
1.4 for certain improvements; amending Minnesota Statutes 2024, sections 473.756,
1.5 by adding a subdivision; 473.757, subdivisions 1, 3, 4, 7, 8, 9, 10, 11, by adding
1.6 subdivisions; 473.759, subdivision 3.

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

1.8 Section 1. Minnesota Statutes 2024, section 473.756, is amended by adding a subdivision
1.9 to read:

1.10 Subd. 15. Qualifying government. The authority is a qualifying government for purposes
1.11 of section 118A.09, subdivision 1. Whenever the authority's investments are managed by
1.12 the county, the authority's additional long-term equity investment limitations as provided
1.13 in section 118A.09, subdivision 3, are calculated based on the county's most recent audited
1.14 statement of net position instead of the authority's most recent audited statement of net
1.15 position.

1.16 Sec. 2. Minnesota Statutes 2024, section 473.757, subdivision 1, is amended to read:

1.17 Subdivision 1. Ballpark grants. The county may authorize, by resolution, and make
1.18 one or more grants to the authority for ballpark development and construction, public
1.19 infrastructure, capital improvement of the ballpark or public infrastructure within the
1.20 development area, reserves for capital improvements, and other purposes related to the
1.21 ballpark on the terms and conditions agreed to by the county and the authority, subject to
1.22 any applicable limits in subdivision 3a.

2.1 Sec. 3. Minnesota Statutes 2024, section 473.757, is amended by adding a subdivision to
2.2 read:

2.3 Subd. 2a. Hennepin County health care facilities. To the extent money is available
2.4 from collections of the tax authorized by subdivision 10 after payment each year of debt
2.5 service on the bonds authorized and issued under subdivision 9 and payments for the purposes
2.6 described in subdivisions 1 and 2:

2.7 (1) the county may, subject to a grant agreement, distribute money according to the
2.8 formula in items (i) to (viii), up to \$24,000,000 annually, subject to annual increases in
2.9 percentages acceptable to the county, to a private, nonprofit hospital located in Hennepin
2.10 County that is designated by the commissioner of health as a level I trauma hospital according
2.11 to section 144.605, subdivision 3, and provides statewide ground and air emergency medical
2.12 transportation services. The money must be used to fund uncompensated care provided in
2.13 facilities owned or operated by the eligible private, nonprofit hospital:

2.14 (i) uncompensated care charges of the eligible private, nonprofit hospital means the total
2.15 of all bad debt and charity care as determined by generally accepted accounting principles.
2.16 Uncompensated care charges do not include (A) payment for an episode of care for which
2.17 the eligible private, nonprofit hospital has been paid the lesser of a negotiated rate with the
2.18 patient's third-party payer or the medical assistance reimbursement rate as defined in item
2.19 (iii), or (B) the benchmark amount as defined in item (ii). For the purposes of this item, bad
2.20 debts derived from individuals who the eligible private, nonprofit hospital has reasonable
2.21 evidence that the individuals' income level exceeds 300 percent of federal poverty levels
2.22 are excluded;

2.23 (ii) the county must not provide payment to the eligible private, nonprofit hospital until
2.24 the aggregate amount of uncompensated care provided by the eligible private, nonprofit
2.25 hospital during a fiscal year exceeds the benchmark. The benchmark is the amount equal
2.26 to the average percent of gross revenues of uncompensated care for hospitals located in
2.27 Hennepin County as computed from the most recent data available from the Minnesota
2.28 Hospital Association;

2.29 (iii) the average medical assistance reimbursement rate must include the base payment
2.30 rate and any payments due by the eligible private, nonprofit hospital for services provided
2.31 in 2017 from upper payment limits and medical education payments;

2.32 (iv) the eligible private, nonprofit hospital must follow customary, lawful standard
2.33 hospital debt collection practices with respect to any amount owed as uncompensated care;

3.1 (v) the county must provide its uncompensated care subsidy only for the estimated cost
3.2 of care provided to Hennepin County residents. The residency status of patients must be
3.3 determined as of the date of service;

3.4 (vi) the eligible private, nonprofit hospital must not include Medicare bad debt claimed
3.5 on the hospital's Medicare cost report for that year in the calculation of this formula;

3.6 (vii) the eligible private, nonprofit hospital must also include its estimate of the cumulative
3.7 Medicare disproportionate share hospital reduction the hospital has incurred as a result of
3.8 the Affordable Care Act beginning in 2014. This amount must be added to the amount
3.9 calculated for uncompensated care; and

3.10 (viii) the eligible private, nonprofit hospital must determine if it has been paid any grant
3.11 money from the annual allotment from the state for the provision of care to emergency
3.12 medical assistance patients. Any receipts for this care that was previously counted as
3.13 uncompensated care must be used to reduce the total payment from the county;

3.14 (2) the county need not distribute money to the private, nonprofit hospital identified in
3.15 clause (1) if the ownership, corporate governance structure, or majority control of a hospital
3.16 operated by the private, nonprofit hospital is sold or transferred to an entity that is organized
3.17 for profit. The private, nonprofit hospital must provide notice to the county of a sale or
3.18 transfer described in this clause at least 90 days in advance of the sale or transfer; and

3.19 (3) the county may authorize from the remainder of the money available, by resolution,
3.20 appropriations to fund:

3.21 (i) the development, construction, improvement, and equipping of county-owned or
3.22 county-operated health care facilities;

3.23 (ii) public infrastructure determined by the county to facilitate the development and use
3.24 of facilities described in item (i);

3.25 (iii) reserves for county-owned or county-operated health care facilities capital
3.26 improvements;

3.27 (iv) uncompensated care provided in county-owned or county-operated health care
3.28 facilities;

3.29 (v) other purposes related to county-owned or county-operated health care facilities,
3.30 including operating expenses for county-owned or county-operated health care facilities;

3.31 (vi) other purposes related to county public health services or priorities; and

4.1 (vii) other county-identified services or programs, including low-barrier housing, that
 4.2 address health-related social needs.

4.3 Sec. 4. Minnesota Statutes 2024, section 473.757, subdivision 3, is amended to read:

4.4 Subd. 3. **Expenditure limitations.** The amount that the county may grant or expend for
 4.5 ballpark costs shall not exceed \$260,000,000. ~~The amount of any grant for capital~~
 4.6 ~~improvement reserves shall not exceed \$1,000,000 annually, subject to the agreement under~~
 4.7 ~~section 473.759, subdivision 3, and to annual increases according to an inflation index~~
 4.8 ~~acceptable to the county.~~ The amount of grants or expenditures for land, site improvements,
 4.9 and public infrastructure shall not exceed \$90,000,000, excluding capital improvement
 4.10 reserves, bond reserves, capitalized interest, and financing costs. The authority to spend
 4.11 money for land, site improvements, and public infrastructure is limited to payment of
 4.12 amounts incurred or for construction contracts entered into during the period ending five
 4.13 years after the date of the issuance of the initial series of bonds under Laws 2006, chapter
 4.14 257. Such grant agreements are valid and enforceable notwithstanding that they involve
 4.15 payments in future years and they do not constitute a debt of the county within the meaning
 4.16 of any constitutional or statutory limitation or for which a referendum is required.

4.17 Sec. 5. Minnesota Statutes 2024, section 473.757, is amended by adding a subdivision to
 4.18 read:

4.19 Subd. 3a. **Capital improvement grants.** Notwithstanding the limitations in subdivision
 4.20 3, the county may make grants to the authority for capital improvement expenditures for
 4.21 purposes permitted under subdivision 1. The amount of any grant to the authority for capital
 4.22 improvement expenditures must not exceed \$7,000,000 annually. The grants are subject to
 4.23 agreement under section 473.759, subdivision 3, and to annual increases according to an
 4.24 inflation index acceptable to the county. Grant agreements are valid and enforceable
 4.25 notwithstanding the fact that grant agreements involve payments in future years. The grants
 4.26 do not constitute a debt of the county within the meaning of any constitutional or statutory
 4.27 limitation or for which a referendum is required.

4.28 Sec. 6. Minnesota Statutes 2024, section 473.757, subdivision 4, is amended to read:

4.29 Subd. 4. **Property acquisition and disposition.** (a) The county may acquire by purchase,
 4.30 eminent domain, or gift, land, air rights, and other property interests within the development
 4.31 area for the ballpark site and public infrastructure and convey it to the authority with or
 4.32 without consideration, prepare a site for development as a ballpark, and acquire and construct
 4.33 any related public infrastructure. The purchase of property and development of public

5.1 infrastructure financed with revenues under this section is limited to infrastructure within
 5.2 the development area or within 1,000 feet of the border of the development area. The public
 5.3 infrastructure may include the construction and operation of parking facilities within the
 5.4 development area notwithstanding any law imposing limits on county parking facilities in
 5.5 the city of Minneapolis. The county may acquire and construct property, facilities, and
 5.6 improvements within the stated geographical limits for the purpose of drainage and
 5.7 environmental remediation for property within the development area, walkways and a
 5.8 pedestrian bridge to link the ballpark to Third Avenue distributor ramps, street and road
 5.9 improvements and access easements for the purpose of providing access to the ballpark,
 5.10 streetscapes, connections to transit facilities and bicycle trails, and any utility modifications
 5.11 which are incidental to any utility modifications within the development area.

5.12 (b) The county or any of its subsidiaries may acquire by purchase, eminent domain, or
 5.13 gift the land rights, air rights, and other property interests within the county for health care
 5.14 facilities and related infrastructure.

5.15 (c) To the extent property parcels or interests acquired are more extensive than the public
 5.16 infrastructure requirements, the county may sell or otherwise dispose of the excess. The
 5.17 proceeds from sales of excess property must be deposited in the debt service reserve fund.

5.18 Sec. 7. Minnesota Statutes 2024, section 473.757, subdivision 7, is amended to read:

5.19 Subd. 7. **Local government expenditures.** The county may make expenditures or grants
 5.20 for other costs incidental and necessary to further the purposes of Laws 2006, chapter 257,
 5.21 and this act and may by agreement, reimburse in whole or in part, any entity that has granted,
 5.22 loaned, or advanced funds to the county to further the purposes of Laws 2006, chapter 257,
 5.23 and this act. The county shall reimburse a local governmental entity within its jurisdiction
 5.24 or make a grant to such a governmental unit for site acquisition, preparation of the site for
 5.25 ballpark development, and public infrastructure. Amounts expended by a local governmental
 5.26 unit with the proceeds of a grant or under an agreement that provides for reimbursement by
 5.27 the county shall not be deemed an expenditure or other use of local governmental resources
 5.28 by the governmental unit within the meaning of any law or charter limitation. Exercise by
 5.29 the county of its powers under this section shall not affect the amounts that the county is
 5.30 otherwise eligible to spend, borrow, tax, or receive under any law.

5.31 Sec. 8. Minnesota Statutes 2024, section 473.757, subdivision 8, is amended to read:

5.32 Subd. 8. **County authority.** It is the intent of the legislature that, except as expressly
 5.33 limited herein, the county has the authority to acquire and develop a site for the ballpark

6.1 and public infrastructure, to enter into contracts with the authority and other governmental
6.2 or nongovernmental entities, to appropriate funds, to fund capital reserves and make capital
6.3 improvements, and to make employees, consultants, and other revenues available for those
6.4 purposes.

6.5 Sec. 9. Minnesota Statutes 2024, section 473.757, subdivision 9, is amended to read:

6.6 Subd. 9. **County revenue bonds.** (a) The county may, by resolution, authorize, sell, and
6.7 issue revenue bonds to provide funds to make a grant or grants to the authority and to finance
6.8 all or a portion of the costs of site acquisition, site improvements, and other activities
6.9 necessary to prepare a site for development of a ballpark, to construct, improve, and maintain
6.10 the ballpark and to establish and fund any capital improvement reserves, and to acquire and
6.11 construct any related parking facilities and other public infrastructure and for other costs
6.12 incidental and necessary to further the purposes of Laws 2006, chapter 257. The county
6.13 may also, by resolution, issue bonds to refund the bonds issued pursuant to this section. The
6.14 bonds must be limited obligations, payable solely from or secured by taxes levied under
6.15 subdivision 10, and any other revenues to become available under Laws 2006, chapter 257.
6.16 The bonds may be issued in one or more series and sold without an election. The bonds
6.17 shall be sold in the manner provided by section 475.60. The bonds shall be secured, bear
6.18 the interest rate or rates or a variable rate, have the rank or priority, be executed in the
6.19 manner, be payable in the manner, mature, and be subject to the defaults, redemptions,
6.20 repurchases, tender options, or other terms, as the county may determine. The county may
6.21 enter into and perform all contracts deemed necessary or desirable by it to issue and secure
6.22 the bonds, including an indenture of trust with a trustee within or without the state. The debt
6.23 represented by the bonds shall not be included in computing any debt limitation applicable
6.24 to the county. Subject to this subdivision, the bonds must be issued and sold in the manner
6.25 provided in chapter 475. The bonds shall recite that they are issued under Laws 2006, chapter
6.26 257, and the recital shall be conclusive as to the validity of the bonds and the imposition
6.27 and pledge of the taxes levied for their payment. In anticipation of the issuance of the bonds
6.28 authorized under this subdivision and the collection of taxes levied under subdivision 10,
6.29 the county may provide funds for the purposes authorized by Laws 2006, chapter 257,
6.30 through temporary interfund loans from other available funds of the county which shall be
6.31 repaid with interest.

6.32 (b) The county may, by resolution, authorize, sell, and issue revenue bonds to provide
6.33 money to finance all or a portion of the costs of county-owned or county-operated health
6.34 care facilities, including but not limited to site acquisition, site improvements, and other
6.35 activities necessary to prepare a site for development of health care facilities and to construct,

7.1 maintain, and improve health care facilities; establishing and funding any capital
 7.2 improvement reserves; acquiring and constructing any related parking facilities and related
 7.3 infrastructure; and for other costs incidental and necessary to further the purposes of this
 7.4 act. The county may also, by resolution, issue bonds to refund the bonds issued pursuant to
 7.5 this section. The bonds may be limited obligations, payable solely from or secured by taxes
 7.6 levied under subdivision 10, and any other revenues made available under this act, and the
 7.7 county may also pledge its full faith, credit, and taxing power as additional security for the
 7.8 bonds. The bonds may be issued in one or more series and sold without an election. The
 7.9 bonds must be secured, bear the interest rate or rates or a variable rate, have the rank or
 7.10 priority, be executed in the manner, be payable in the manner, mature, and be subject to the
 7.11 defaults, redemptions, repurchases, tender options, or other terms, as the county may
 7.12 determine. The county may enter into and perform all contracts deemed necessary or desirable
 7.13 to issue and secure the bonds, including an indenture of trust with a trustee within or outside
 7.14 of the state. The debt represented by the bonds must not be included in computing any debt
 7.15 limitation applicable to the county. Subject to this subdivision, the bonds must be issued
 7.16 and sold in the manner provided in chapter 475. The bonds must recite that they are issued
 7.17 under this act, and the recital is conclusive as to the validity of the bonds and the imposition
 7.18 and pledge of the taxes levied for their payment. In anticipation of the issuance of the bonds
 7.19 authorized under this subdivision and the collection of taxes levied under subdivision 10,
 7.20 the county may provide money for the purposes authorized by this act, through temporary
 7.21 interfund loans from other available county money which must be repaid with interest.

7.22 Sec. 10. Minnesota Statutes 2024, section 473.757, subdivision 10, is amended to read:

7.23 Subd. 10. **Sales and use tax.** (a) Notwithstanding section 477A.016, or other law, the
 7.24 governing body of the county may by ordinance, impose a sales and use tax at the rate of
 7.25 ~~0.15~~ 1.0 percent for the purposes listed in this section. The taxes authorized under this
 7.26 section and the manner in which they are imposed are exempt from the rules of section
 7.27 297A.99, subdivisions 2 and 3. The provisions of section 297A.99, except for subdivisions
 7.28 2 and 3, apply to the imposition, administration, collection, and enforcement of this tax.

7.29 (b) The tax imposed under this section is not included in determining if the total tax on
 7.30 lodging in the city of Minneapolis exceeds the maximum allowed tax under Laws 1986,
 7.31 chapter 396, section 5, as amended by Laws 2001, First Special Session chapter 5, article
 7.32 12, section 87, or in determining a tax that may be imposed under any other limitations.

8.1 Sec. 11. Minnesota Statutes 2024, section 473.757, subdivision 11, is amended to read:

8.2 Subd. 11. **Uses of tax.** (a) Revenues received from the tax imposed under subdivision
8.3 10 may be used for the following and for no other purpose:

8.4 (1) to pay costs of collection;

8.5 (2) to pay or reimburse or secure the payment of any principal of, premium, or interest
8.6 on bonds issued in accordance with Laws 2006, chapter 257, section 12, and this act;

8.7 ~~(3) to pay costs and make expenditures and grants described in this section, including~~
8.8 ~~financing costs related to them;~~

8.9 ~~(4)~~ (3) to maintain reserves for the foregoing purposes deemed reasonable and appropriate
8.10 by the county;

8.11 ~~(5)~~ (4) to pay for operating costs of the ballpark authority other than the cost of operating
8.12 or maintaining the ballpark; ~~and~~

8.13 ~~(6)~~ (5) to make expenditures and grants for youth activities and amateur sports and
8.14 extension of library hours as described in subdivision 2;

8.15 ~~and for no other purpose.~~

8.16 (6) to make expenditures and grants for Hennepin County health care facilities as
8.17 described in subdivision 2a, including financing costs related to them;

8.18 (7) to make grants to the authority for capital improvement expenditures as authorized
8.19 by subdivision 3a and for purposes permitted under subdivision 1; and

8.20 (8) to pay costs and make expenditures and grants for any other purpose described in
8.21 this section, including financing costs related to them.

8.22 (b) Revenues from the tax designated for use under paragraph (a), clause (5), must be
8.23 deposited in the operating fund of the ballpark authority.

8.24 (c) After completion of the ballpark and public infrastructure, the tax revenues not
8.25 required for current payments of the expenditures described in paragraph (a), clauses (1) to
8.26 ~~(6)~~ (8), shall be used to ~~(i)~~ (1) redeem or defease the bonds, and ~~(ii)~~ (2) prepay or establish
8.27 a fund for ~~payment of future obligations under grants or other commitments for future~~
8.28 ~~expenditures which are permitted by this section. Upon the redemption or defeasance of~~
8.29 ~~the bonds and the establishment of reserves adequate to meet such future obligations, the~~
8.30 ~~taxes shall terminate and shall not be reimposed~~ reserves adequate to meet such future
8.31 obligations. For purposes of this subdivision, "reserves adequate to meet such future
8.32 obligations" means a reserve that does not exceed the net present value of the county's

9.1 obligation to make grants under paragraph (a), clauses ~~(5)~~ (4) and ~~(6)~~ (5), and to fund the
 9.2 reserve for capital improvements required under section 473.759, subdivision 3, for the later
 9.3 of (i) the 30-year period beginning on the date of the original issuance of the latest-issued
 9.4 series of bonds issued pursuant to subdivision 9, less those obligations that the county has
 9.5 already paid, or (ii) the period extending through the final term of the agreement in section
 9.6 473.759, subdivision 4, as the agreement may be modified or extended from time to time.

9.7 Sec. 12. Minnesota Statutes 2024, section 473.759, subdivision 3, is amended to read:

9.8 Subd. 3. **Reserve for capital improvements.** The authority shall require that a reserve
 9.9 fund for capital improvements to the ballpark and public infrastructure within the
 9.10 development area be established and funded with annual payments of ~~\$2,000,000~~
 9.11 \$14,000,000, with the team's share of those payments to be approximately ~~\$1,000,000~~
 9.12 \$7,000,000, as determined by agreement of the team and county. The annual payments shall
 9.13 increase according to an inflation index determined by the authority, ~~provided that any~~
 9.14 ~~portion of the team's contribution that has already been reduced to present value shall not~~
 9.15 ~~increase according to an inflation index~~ county. The authority may accept contributions
 9.16 from the county or other source for the portion of the funding not required to be provided
 9.17 by the team.

9.18 Sec. 13. **EFFECTIVE DATE.**

9.19 Sections 1 to 12 are effective the day following final enactment.