

**Subject** Property Tax Division Report

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## Table of Contents

Article 1: Property Taxes.....	1
Article 2: Minerals Taxes.....	4
Article 3: Property Tax Aids, Credits, Refunds .....	7
Article 4: Renter’s Credit.....	12
Article 5: Tax Increment Financing .....	18
Article 6: Local Taxes.....	27
Article 7: Miscellaneous.....	27

### Article 1: Property Taxes

This article makes several changes related to property taxes, including:

- reducing the net tax capacity for certain airport property;
- extending an exemption for property owned by the Minnesota Chippewa Tribe;
- establishing an exemption for an elderly living facility in Duluth;
- allowing certain community land trust property to receive the 4d classification;
- allowing certain surviving spouses to apply for the market value exclusion for veterans with a disability;
- increasing the value thresholds and the maximum exclusion amount for the homestead market value exclusion; and
- modifying the senior deferral program.

**Section Description – Article 1: Property Taxes**

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**1 Exempt property used by private entity for profit.**

Extends the current exemption for certain hangars to those used for the manufacture of aircraft, provided that the hangar is at an airport that is not owned by either the Metropolitan Airports Commission or a city with a population of over 50,000. The section also provides for 12 years, a 50 percent reduction in net tax capacity for hangars used for the manufacture of aircraft and the check-in area of an airport, provided that the property is located at an airport owned by a city with a population greater than 50,000 but less than 150,000.

**Effective date:** This section is effective beginning with property taxes payable in 2024.

**2 Solar energy generating systems.**

Requires real property to be classified as class 3a (commercial) if the property contains more than one solar energy generating system that cannot be combined with another system for the purposes of the solar energy production tax, and the systems in aggregate exceed one megawatt.

**Effective date:** This section is effective beginning with property taxes payable in 2024 and thereafter.

**3 Certain property owned by an Indian Tribe.**

Extends for an additional ten years a property tax exemption for a property in Minneapolis owned by the Minnesota Chippewa Tribe. The bill would also exempt the property from the requirement to file an exemption application every three years.

**Effective date:** This section is effective for property taxes payable in 2023 and thereafter.

**4 Elderly living facility.**

Establishes a property tax exemption for an elderly living facility in Duluth. Residents of the facility must be (i) at least 55 years of age, or (ii) disabled, and at least 30 percent of the units in the facility must be occupied by individuals whose income does not exceed 50 percent of the area median income.

**Effective date:** This section is effective beginning with taxes payable in 2023.

**5 Community land trusts.**

States that community land trust units that are owned and used as a homestead by the occupant can qualify for the 4d(2) property tax classification.

**Section Description – Article 1: Property Taxes**

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- Effective date:** This section is effective beginning with assessment year 2024 and thereafter.
- 6      **Class 4.**  
Sets the classification rate at 0.75 percent for any community land trust unit that is owned and used as a homestead by the occupant, provided that (i) the community land trust owns the real property on which the unit is located, and (ii) the unit owner is a member in good standing of the community land trust.  
**Effective date:** This section is effective beginning with assessment year 2024 and thereafter.
- 7      **Homestead of veteran with a disability or family caregiver.**  
Allows surviving spouses of veterans who died before receiving the 100 percent permanent disability exclusion to apply for the exclusion any time after the death of the veteran, regardless of when the veteran died.  
**Effective date:** This section is effective beginning with assessment year 2023.
- 8      **Homestead market value exclusion.**  
Increases value thresholds and the maximum exclusion amount for the homestead market value exclusion. This section also allows certain community land trust property to receive the exclusion.  
**Effective date:** This section is effective for assessment year 2024 and thereafter.
- 9      **Homestead.**  
Allows community land trust properties receiving the class 4d(2) classification to qualify for property tax refunds.  
**Effective date:** This section is effective for refund claims based on taxes payable in 2025 and thereafter.
- 10     **Program qualifications.**  
Increases from \$60,000 to \$96,000 the household income limit for the senior citizens' property tax deferral. The section also reduces from 15 to five the minimum number of years the homeowner must own and occupy the property to qualify.  
**Effective date:** This section is effective for applications for deferral of taxes payable in 2024 and thereafter.

**Section Description – Article 1: Property Taxes**

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**11 Excess-income certification by taxpayer.**

Conforming change related to senior citizens' property tax deferral modifications.

**Effective date:** This section is effective for applications for deferral of taxes payable in 2024 and thereafter.

**12 Resumption of eligibility certification by taxpayer.**

Conforming change related to senior citizens' property tax deferral modifications.

**Effective date:** This section is effective for applications for deferral of taxes payable in 2024 and thereafter.

**13 Determination by commissioner.**

Conforming change related to senior citizens' property tax deferral modifications.

**Effective date:** This section is effective for applications for deferral of taxes payable in 2024 and thereafter.

## **Article 2: Minerals Taxes**

This article makes several changes related to minerals taxation, including:

- expanding the definition of the taconite assistance area;
- converting the net proceeds tax into a gross proceeds tax;
- modifying the distribution of the gross proceeds tax;
- changing the production tax distribution amounts to certain accounts; and
- providing a onetime transfer from the property tax relief account.

**Section Description – Article 2: Minerals Taxes**

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**1 Property subject to taconite production tax or gross proceeds tax.**

Conforming change related to section 4.

**Effective date:** This section is effective beginning with assessment year 2023.

**2 Taconite assistance area.**

Expands the taconite assistance area to include a school district that contains a municipality which is (1) located in a county which is already partially included in the taconite assistance area, and (2) where the active mining of nonferrous materials is occurring. Areas included in this expansion of the taconite assistance area would be eligible for production tax distributions, and any gross proceeds tax generated in the

**Section Description – Article 2: Minerals Taxes**

area would be distributed within the taconite assistance area, rather than going to the general fund.

**Effective date:** This section is effective for taxable years beginning after December 31, 2022.

**3 Taconite, other ores, metals, or minerals; production materials.**

Conforming change related to section 4.

**Effective date:** This section is effective the day following final enactment.

**4 Gross proceeds on mining.**

Converts the net proceeds tax on nonferrous mining to a gross proceeds tax. This conversion eliminates the deductions under present law for the expenses of converting raw materials to marketable ores. The tax rate is reduced from two percent to 0.4 percent. This section also establishes a \$2,000,000 minimum payment for mining operations which have received all required permits to mine nonferrous materials but have not begun mining.

**Effective date:** This section is effective for taxable years beginning after December 31, 2022.

**5 Within taconite assistance area.**

Changes the distribution of the gross proceeds tax. This section also directs ten percent of the gross proceeds tax to Aurora, Babbitt, Ely, Hoyt Lakes, Biwabik, and Embarrass Township, for the first five years that distributions of the tax are made. The remaining 90 percent would be distributed as outlined in the table below. This section would change the distributions within the taconite assistance area as follows:

	Current Law	Proposed Changes
City/town where mining or processing occur	5%	5%* *If the mining or concentrating occur in the Mesabi East School District, then this 5% is distributed to Aurora, Babbitt, Ely, Hoyt Lakes, Biwabik, and Embarrass Township.
Taconite municipal aid account	10%	10%
School district where mining or processing occur	10%	10%
Group of Iron Range school districts	20%	20%

**Section Description – Article 2: Minerals Taxes**

County where mining or processing occur	20%	10%
St. Louis County (property tax relief account)	20%	5%
Iron Range Resources and Rehabilitation	5%	20%
Douglas J. Johnson Economic Protection Trust Fund	3%	3%
Taconite Environmental Protection Fund	7%	7%
Commissioner of IRR for capital improvements to Giants Ridge Recreation Area	NA	10%

**Effective date:** This section is effective for distributions beginning after December 31, 2022.

**6 Distribution date.**

Conforming change related to section 4.

**Effective date:** This section is effective the day following final enactment.

**7 Counties.**

Keeps the production tax distribution to counties at 21.05 cents per taxable ton. Under current law, this distribution would increase to 26.06 cents per taxable ton beginning in 2024.

**Effective date:** This section is effective the day following final enactment.

**8 Iron Range school consolidation and cooperatively operated school account.**

Keeps the production tax distribution to the school consolidation account at ten cents per taxable ton. Under current law, this distribution would decrease to five cents per taxable ton beginning in 2024.

**Effective date:** This section is effective the day following final enactment.

**9 Temporary loan authority.**

Conforming change related to section 4.

**Effective date:** This section is effective the day following final enactment.

**Section Description – Article 2: Minerals Taxes**

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**10 Transfer 2023 distribution only.**

Provides a onetime transfer of any excess from the property tax relief account to the Iron Range resources and rehabilitation account, up to \$6,000,000.

**Effective date:** This section is effective the day following final enactment and applies only to the 2023 distribution.

## **Article 3: Property Tax Aids, Credits, Refunds**

This article makes several changes related to state aids, credits, and refunds, including:

- modifying the local government aid (LGA) distribution formula;
- increasing both the LGA and CPA appropriations by \$100,000,000 and annually indexing these appropriations;
- establishing soil and water conservation district aid;
- establishing electric generation transition aid;
- increasing certain PILT payments; and
- providing aid penalty forgiveness to the cities of Echo and Morton.

**Section Description – Article 3: Property Tax Aids, Credits, Refunds**

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**1 Payment; school districts.**

Requires the electric generation transition aid in this article to be paid to school districts at the same time as other property tax related reimbursements.

**Effective date:** This section is effective July 1, 2024.

**2 Homeowners; homestead credit refund.**

Reduces homestead credit refund co-pay percentages for all income ranges by five percentage points.

**Effective date:** This section is effective for refunds based on property taxes payable in 2024.

**3 Inflation adjustment.**

Specifies that the statutory year for the inflation adjustment for the homestead credit refund is 2023.

**Effective date:** This section is effective for refunds based on property taxes payable in 2024.

**Section Description – Article 3: Property Tax Aids, Credits, Refunds**

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**4 Population age 65 and over.**

Defines population age 65 and over for the purposes of the LGA formula.

**Effective date:** This section is effective for aids payable in calendar year 2024 and thereafter.

**5 Transformed population.**

Defines transformed population for the purposes of the LGA formula. Transformed population is equal to the logarithm to the base 10 of the population and is used in the need factor formula for small cities.

**Effective date:** This section is effective for aids payable in calendar year 2024 and thereafter.

**6 City revenue need.**

Changes the city revenue need calculations for all cities. The new need formulas are:

Small cities (under 2,500)

$$Need = (220.877 \times transformed\ population) + 196.487$$

Medium cities (2,500-9,999)

$$Need = 1.15 \times ((6.667 \times pre - 1940\ housing\ percentage) + (9.215 \times commercial\ industrial\ utility\ percentage) + (16.081 \times peak\ population\ decline) + 497.308)$$

Large cities (10,000 or more)

$$Need = 1.15 \times ((8.572 \times pre - 1940\ housing\ percentage) + (11.494 \times city\ age\ index) + (5.719 \times commercial\ industrial\ utility\ percentage) + (9.484 \times peak\ population\ decline) + 293.056)$$

**Effective date:** This section is effective for aids payable in calendar year 2024 and thereafter.

**7 City age index.**

Defines city age index for the purposes of the LGA formula. City age index is the share of a city's population age 65 and over and is used in the need factor formula for large cities.

**Effective date:** This section is effective for aids payable in calendar year 2024 and thereafter.



**Section Description – Article 3: Property Tax Aids, Credits, Refunds**

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- 8 Commercial industrial utility percentage.**  
Defines commercial industrial utility percentage for the purposes of the LGA formula. Commercial industrial utility percentage is the share of a city’s tax base classified as class 3 property and is used in the need factor formula for medium and large cities.  
**Effective date:** This section is effective for aids payable in calendar year 2024 and thereafter.
- 9 Definitions.**  
References the definition for population age 65 and over in section 1 for the purposes of the county program aid (CPA) formula. The definitions are the same and the county program aid calculation is unchanged.  
**Effective date:** This section is effective for aids payable in calendar year 2024 and thereafter.
- 10 City formula aid.**  
Removes a reference to certified aid adjustments, which are repealed in this article.  
**Effective date:** This section is effective for aids payable in calendar year 2024 and thereafter.
- 11 City aid distribution.**  
Removes a reference to certified aid adjustments, which are repealed in this article. This section also eliminates outdated language.  
**Effective date:** This section is effective for aids payable in calendar year 2024 and thereafter.
- 12 Cities.**  
Increases the LGA appropriation by \$100,000,000 to \$664,398,012, annually increases the appropriation, and eliminates outdated language.  
**Effective date:** This section is effective for aids payable in calendar year 2024 and thereafter.
- 13 Counties.**  
Increases the CPA appropriation by \$100,000,000 to \$364,668,444, annually increases the appropriation, and eliminates outdated language. The appropriation increase is split proportionally between the need aid and tax base equalization aid appropriations.

**Section Description – Article 3: Property Tax Aids, Credits, Refunds**

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**Effective date:** This section is effective for aids payable in calendar year 2024 and thereafter.

**14 Inflation adjustment.**

Determines the annual percentage increase for the LGA and CPA appropriations. The increase is equal to the sum of the percentage increase of an annual inflation measure plus the percentage increase of the total statewide city population. The annual change must be at least 2.5 percent but not greater than five percent.

**Effective date:** This section is effective for aids payable in calendar year 2024 and thereafter.

**15 Types of land; payments.**

Increases from \$2 per acre to \$3 per acre PILT payments for county-administered and Department of Natural Resources-administered other natural resources land. This section also creates two additional PILT payment amounts for counties with a high proportion of acreage that qualifies for PILT. For counties where PILT eligible acreage is equal to or greater than 25 percent of the county's total acreage, payments are increased by \$0.18 per acre of PILT eligible land. For counties where PILT eligible acreage is between ten and 25 percent of the county's total acreage, payments are increased by \$0.08 per acre of PILT eligible land.

**Effective date:** This section is effective beginning with aids payable in 2024.

**16 Determination of appraised value.**

Prevents the appraised value of acquired natural resources land from decreasing from one appraisal to the next.

**Effective date:** This section is effective beginning with aids payable in 2024.

**17 Adjustment.**

Indexes to inflation PILT payment amounts for all natural resources lands.

**Effective date:** This section is effective beginning with aids payable in 2024.

**18 Soil and water conservation district aid.**

Establishes a new state aid program for soil and water conservation districts. The aid would distribute \$12,000,000 annually to soil and water conservation districts. Of this amount, 70 percent would be distributed equally among all districts, 20 percent would be distributed according to each district's proportional share of nonpublic land, and ten percent would be distributed based on the cube root of each district's population.

**Section Description – Article 3: Property Tax Aids, Credits, Refunds**

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**Effective date:** This section is effective beginning with aids payable in 2023.

**19 Electric generation transition aid.**

Establishes an electric generation transition aid for counties, cities, townships, and school districts that lose tax base when an electric generation plant is retired. The initial aid amount is equal to the tax base lost due to the retirement times the jurisdiction's tax rate in the year prior to the tax base loss. The aid is phased out over 20 years. The aid would be eliminated earlier than that if the jurisdiction recovers a sufficient amount of tax base.

**Effective date:** This section is effective for aids payable in 2024 and thereafter.

**20 Mahnomen property tax reimbursement aid.**

Codifies the Mahnomen County property tax reimbursement currently in session law. The section creates a state aid that pays the same amounts to the same jurisdictions as the session law currently distributes, except that the distribution to the city of Mahnomen is increased by \$160,000, an amount equal to the annual certified aid adjustment paid to the city, which is repealed in this article.

**Effective date:** This section is effective for aids payable in calendar year 2024 and thereafter.

**21 Mahnomen County; county, city, school district, property tax reimbursement.**

Sets an expiration date for the Mahnomen County property tax reimbursement currently in session law. These reimbursements are codified and converted to a state aid in this article.

**Effective date:** This section is effective for aids payable in calendar year 2024 and thereafter.

**22 Study of state-owned lakeshore.**

Requires the commissioner of revenue, in consultation with the Department of Natural Resources and counties, to produce a report on valuation methods used to value acreage and shoreline areas within other natural resources land. A copy of the report must be provided to the taxes committees by January 31, 2024.

**Effective date:** This section is effective the day following final enactment.

**23 2021 aid penalty forgiveness; Morton.**

Provides that the city of Morton will receive the portions of its 2021 local government aid and 2021 small cities assistance payment that were withheld, provided that the state auditor certifies that it received the city's annual financial

**Section Description – Article 3: Property Tax Aids, Credits, Refunds**

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report for 2020. The total amount of withheld aid that would be paid to the city is \$79,476.

**Effective date:** This section is effective the day following final enactment.

**24 2021 aid penalty forgiveness; Echo.**

Provides that the city of Echo will receive the portions of its 2021 local government aid and 2021 small cities assistance payment that were withheld, provided that the state auditor certifies that it received the city’s annual financial report for 2020. The total amount of withheld aid that would be paid to the city is \$46,060.

**Effective date:** This section is effective the day following final enactment.

**25 Repealer.**

Repeals definitions of need factors no longer used in the LGA formula: percent of housing built between 1940 and 1970; household size; and jobs per capita in the city. This section repeals the definitions of sparsity adjustments, which are eliminated from the LGA formula. This section also repeals certified aid adjustments. Currently, the city of Mahanomen is the only city receiving a certified aid adjustment. This annual increase in LGA is replaced with an increase in property tax reimbursement aid established in this article.

**Effective date:** This section is effective for aids payable in calendar year 2024 and thereafter.

## **Article 4: Renter’s Credit**

This article converts the Minnesota renter’s credit into a refundable income tax credit, and changes the income measure used to calculate the credit from “household income” to adjusted gross income.

Rather than filing for a renter’s credit on a separate form and receiving a credit payment in August or September, a claimant would file for and receive the credit during the normal income tax filing period.

**Section Description – Article 4: Renter’s Credit**

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**1 - 2 Designation of renter’s credit payments for the state elections campaign account.**

Allows taxpayers filing a simplified renter’s credit return to designate a portion of their refund for the state elections fund.

**Section Description – Article 4: Renter’s Credit**

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- Effective date:** Taxable years beginning after December 31, 2023.
- 3 **General.**  
Removes a reference to the renter’s credit which is unnecessary because the credit is a part of the income tax.  
**Effective date:** Taxable years beginning after December 31, 2023.
- 4 **County assessors; homestead classification and renter’s credit.**  
Updates a cross-reference to reflect the renter’s credit’s new location in statute.  
**Effective date:** This section is effective for refunds based on rent paid in 2024.
- 5 **Disclosure to commissioner of human services.**  
Updates a cross-reference to reflect the renter’s credit’s new location in statute.  
**Effective date:** Taxable years beginning after December 31, 2023.
- 6 **Definitions.**  
Adds the simplified renter’s credit form to the definition of “returns” for the purposes of statutes governing tax preparation.  
**Effective date:** Taxable years beginning after December 31, 2023.
- 7 **Standards of conduct.**  
Applies rules requiring tax preparers to accurately report income information to the renter’s credit.  
**Effective date:** Taxable years beginning after December 31, 2023.
- 8 **Property tax refund claims.**  
Removes a reference to the renter’s credit which is unnecessary because the credit is a part of the income tax.  
**Effective date:** This section is effective for refunds based on rent paid in 2024.
- 9 **Property tax refund.**  
Removes a reference to the renter’s credit which is unnecessary because the credit is a part of the income tax.  
**Effective date:** This section is effective for refunds based on rent paid in 2024.

**Section Description – Article 4: Renter’s Credit**

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**10 Property tax refunds under chapter 290A.**

Removes a reference to the renter’s credit which is unnecessary because the credit is a part of the income tax.

**Effective date:** This section is effective for refunds based on rent paid in 2024.

**11 Penalties relating to property tax refunds.**

Updates a cross-reference to reflect the renter’s credit’s new location in statute.

**Effective date:** This section is effective for refunds based on rent paid in 2024.

**12 Penalties for tax preparers.**

Updates a cross-reference to reflect the renter’s credit’s new location in statute.

**Effective date:** This section is effective for taxable years beginning after December 31, 2023.

**13 Preparer identification number.**

Updates a cross-reference to reflect the renter’s credit’s new location in statute.

**Effective date:** This section is effective for taxable years beginning after December 31, 2023.

**14 Renter’s credit.**

Establishes the renter’s credit as a refundable income tax credit.

**Subd. 1. Definitions.** Defines the following terms, for the purposes of the credit. These definitions are the same as those currently coded in chapter 290A—the list below shows the source of the new language in current law.

- Dependent (currently coded in § 290A.03, subd. 8)
- Disability (§ 290A.03, subd. 10)
- Exemption amount (§ 290A.03, subd. 3, paragraph (d), clause (1))
- Gross rent (§ 290A.03, subd. 12)
- Homestead (defined by cross-reference to § 290A.03, subd. 6)
- Household (defined by cross-reference to § 290A.03, subd. 4)
- Household income (§ 290A.03, subd. 5)
- Income: new language converting the income measure used for the credit to adjusted gross income
- Rent constituting property taxes (§ 290A.03, subd. 11)

**Section Description – Article 4: Renter’s Credit**

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**Subd. 2. Credit allowed.** Establishes the income tax credit used to calculate the credit. Specifies that the credit is refundable and appropriates the amount needed to pay refunds.

**Subd. 3. Renters.** Specifies the amount of the credit allowed, as a function of the taxpayer’s income and property taxes paid. The credit calculation table is based on the February 2023 forecast for refunds payable in 2025 (based on rent paid in 2024).

Requires that the credit be adjusted for inflation. Requires the commissioner to publish a table showing the refund amount at various levels of rent constituting property taxes and incomes. Paragraphs (b) and (c) are identical to section 290A.04, subd. 3 and 4.

**Subd. 4. Owner or managing agent to furnish rent certificate.** Requires property owners to provide certificates of rent paid to renters. This is substantively identical to existing law in section 290A.19.

**Subd. 5. Eligibility; residency.** Provides rules specifying which taxpayers are eligible for a credit. This is substantively identical to existing law in section 290A.03, subd. 8, paragraphs (a), (b), and (e), but the language has been rewritten to follow income tax drafting practices.

**Subd. 6. Residents of nursing homes, intermediate care facilities, long-term care facilities, or facilities accepting housing support services.** Provides rules for calculating credits for residents in certain health facilities. This is substantively identical to existing law in section 290A.03, subd. 8, paragraphs (c) and (d), but the language has been rewritten to follow income tax drafting practices.

**Subd. 7. Credit for unmarried taxpayers residing in the same household.** Provides rules for unmarried taxpayers residing in the same household. This is substantively identical to existing law in section 290A.03, subd. 8, paragraph (f), but the language has been rewritten to follow income tax drafting practices.

**Subd. 8. One claimant per household.** Stipulates that only one taxpayer per household may claim a credit. This is substantively identical to existing law in section 290A.08, but the language has been rewritten to follow income tax drafting practices.

**Subd. 9. Proof of claim.** Provides rules by which taxpayers may prove a credit claim. This is substantively identical to existing law in section 290A.09, but the language has been rewritten to follow income tax drafting practices.

**Subd. 10. No relief in certain cases.** Disallows credits if a claimant received tenancy primarily for the purposes of claiming a renter’s credit. This is

**Section Description – Article 4: Renter’s Credit**

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substantively identical to existing law in section 290A.13, but the language has been rewritten to follow income tax drafting practices.

**Subd. 11. Appropriation.** Appropriates the funds necessary to pay refunds.

**Subd. 12. Simplified filing for individuals without an income tax liability.** Requires DOR to establish a simplified process for taxpayers without tax liability to file and claim a renter’s credit.

**Effective date:** This section is effective for refunds based on rent paid in 2024.

**15 - 17 Striking obsolete language in chapter 290A.**

Removes references to the renter’s credit which are unnecessary because the credit is a part of the income tax.

**Effective date:** This section is effective for refunds based on rent paid in 2024.

**18 Claimant.**

Strikes language in chapter 290A that is moved to the income tax chapter.

**Effective date:** This section is effective for refunds based on rent paid in 2024.

**19 Gross rent.**

Strikes language in the chapter 290A definition of “gross rent.” This language is moved to chapter 290 in the bill.

**Effective date:** This section is effective for refunds based on rent paid in 2024.

**20 Property taxes payable.**

Strikes a definition of “manufactured home” from the definition of “property taxes payable.” The bill adds this as a standalone definition in the following section.

**Effective date:** This section is effective for refunds based on rent paid in 2024.

**21 Manufactured home.**

Moves a definition of “manufactured home” out of the definition of property taxes payable.

**Effective date:** This section is effective for refunds based on rent paid in 2024.

**22 Refund.**

Removes references to the renter’s credit which are unnecessary because the credit is a part of the income tax.



**Section Description – Article 4: Renter’s Credit**

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- Effective date:** This section is effective for refunds based on rent paid in 2024.
- 23 **Additional refund.**  
Strikes a reference to data being delivered on a “magnetic computer disk.” Requires the same data be delivered electronically.  
**Effective date:** This section is effective for refunds based on rent paid in 2024.
- 24 **Homeowner’s refund and renter’s credit.**  
Allows taxpayers eligible for the homeowner and renter’s credit to continue to claim both credits.  
**Effective date:** This section is effective for refunds based on rent paid in 2024.
- 25 - 27 **Striking obsolete language in chapter 290A.**  
Removes references to the renter’s credit which are unnecessary because the credit is a part of the income tax.  
**Effective date:** This section is effective for refunds based on rent paid in 2024.
- 28 **Proof of claim.**  
Strikes obsolete references to the renter’s credit. Clarifies that rules requiring proof of claim for rent paid by manufacture home residents continues to apply.  
**Effective date:** This section is effective for refunds based on rent paid in 2024.
- 29 - 30 **Striking obsolete language in chapter 290A.**  
Removes references to the renter’s credit which are unnecessary because the credit is a part of the income tax.  
**Effective date:** This section is effective for refunds based on rent paid in 2024.
- 31 **Owner or managing agent to furnish rent certificate.**  
Removes references to the renter’s credit which are unnecessary because the credit is a part of the income tax.  
  
Allows the commissioner of revenue to require manufactured park owners who generate certificates of rent paid to submit identifying information, including Social Security numbers, taxpayer identification numbers, federal employer identification numbers, or Minnesota employer identification numbers.  
**Effective date:** This section is effective for refunds based on rent paid in 2024.

**Section Description – Article 4: Renter’s Credit**

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**32 - 34 Updating cross-references in chapter 290A.**

Updates cross-references to reflect the renter’s credit’s new location in statute.

**Effective date:** This section is effective for refunds based on rent paid in 2024.

**35 Repealer.**

Repeals language in chapter 290A that is moved to chapter 290 under the bill.

**Effective date:** This section is effective for refunds based on rent paid in 2024.

## **Article 5: Tax Increment Financing**

This article makes several changes related to tax increment financing (TIF), including:

- redefining administrative expenses and modifying treatment of administrative expenses;
- modifying pooling restrictions;
- limiting applicability of income limits in housing districts;
- modifying treatment of violations of TIF law;
- granting special TIF authorization to the cities of Duluth, Lafayette, Nicollet, Spicer, Shakopee, Chatfield, West St. Paul, Woodbury, Fridley, and Plymouth; and
- modifying preexisting special legislation for the cities of Bloomington and Savage.

**Section Description – Article 5: Tax Increment Financing**

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**1 Administrative expenses.**

Provides a nonexhaustive list of documented expenses which may constitute administrative costs, including professional services, staff time, costs to publish annual disclosures and to provide notices, and payments on bonds issued to fund administrative costs. Amends list of expenditures which do not qualify as administrative to add purchase of buildings and payment of property taxes or payments in lieu of taxes. Removes an obsolete reference. Clarifies that the definition does not apply to county administrative costs of administering a TIF district.

**Effective date:** This section is effective the day following final enactment and applies to all districts, regardless of when the request for certification was made.

**2 Pay-as-you-go contract and note.**

Defines a “pay-as-you-go contract and note” as a written note or contractual obligation: (1) that evidences an authority’s commitment to reimburse the note

**Section Description – Article 5: Tax Increment Financing**

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holder for payment of the costs of activities, plus interest; (2) that pledges increment to reimburse the note holder; and (3) that has the note holder bear the risk that increment may be insufficient for reimbursement.

**Effective date:** This section is effective the day following final enactment.

**3 Annual financial reporting.**

Removes from the list of information that authorities must report to the Office of the State Auditor the month in which an authority first receives, or expects to receive, increment.

**Effective date:** This section is effective the day following final enactment.

**4 Limitation on administrative expenses.**

For the purposes of calculating the allowable amount of administrative expenses, excludes from the calculation of total tax increment those amounts paid to the county auditor either as excess increment or as remedies for unlawfully including or keeping a property in a TIF district. Exempts from caps on administrative expenses money which is: (1) from selling or leasing property purchased by the authority using increment; and (2) spent on maintaining these properties, including reserves for repairs and insurance costs.

**Effective date:** This section is effective the day following final enactment and applies to all districts, regardless of when the request for certification was made.

**5 Limitation of use of tax increment; general rule.**

Makes a grammatical correction. Adds payment of administrative expenses to the list of purposes for which TIF revenue can be used.

**Effective date:** This section is effective the day following final enactment and applies to all districts, regardless of when the request for certification was made.

**6 Requirement imposed.**

Limits applicability of income limitations on housing district projects to districts either in one of the metropolitan counties or in cities with populations over 50,000.

**Effective date:** This section is effective August 1, 2023.

**7 Expenditures outside district.**

Expands from county road costs to all county costs the amount to be deducted from the increment before calculating the in-district and out-of-district percentages of increment. Exempts amounts paid to the county auditor as excess increment or as remedies for unlawfully including or keeping a property in a TIF district from counting

**Section Description – Article 5: Tax Increment Financing**

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toward the total revenue derived from the district for the purposes of percentage pooling limits. Considers all other amounts paid to the county auditor (except for payments for using increment on impermissible projects or areas) to be expenditures within the district for the purposes of pooling limits.

**Effective date:** This section is effective the day following final enactment and applies to all districts with a request for certification date after April 30, 1990, except that paragraph (f) shall apply to districts decertifying after December 31, 2023.

**8 Five-year rule.**

Clarifies that expenditures on in-district activities not complying with the five-year rule are considered to have been expended on an activity outside the district. Removes an obsolete reference to public infrastructure projects. Removes expenditures on affordable housing from those listed as complying with the five-year rule.

**Effective date:** This section is effective the day following final enactment and applies to all districts with a request for certification date after April 30, 1990.

**9 Use of revenues for decertification.**

Requires decertification once the in-district amount of increment is sufficient to pay off in-district obligations, excluding a pay-as-you-go contract and note. Allows deferral of decertification for individual parcels whose increment is pledged to pay off a pay-as-you-go contract and note for in-district expenditures but requires decertification of unpledged parcels. For those districts for which the out-of-district percentage of increment has been increased by up to ten percent to fund affordable housing projects, defers decertification until the amount of increment eligible to be expended for housing purposes equals either the amount of the increase elected for in the tax increment financing plan or the ten percent maximum.

**Effective date:** This section is effective the day following final enactment and applies to all districts with a request for certification after April 30, 1990, except that the provisions allowing deferral of decertification for pay-as-you-go contracts and notes apply only to districts for which the request for certification was made after the day following final enactment.

**10 Pooling permitted for deficits.**

Makes a clarifying change in the formula for how to calculate the deficit of a district to determine how much an authority can transfer from another district to eliminate the deficit.

**Section Description – Article 5: Tax Increment Financing**

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**Effective date:** This section is effective the day following final enactment and applies only to districts for which the request for certification was made before August 1, 2001.

**11 Collection of increment.**

Removes an exception for failure to decertify a district from a requirement that an authority pay to the county auditor the amount generated from a property which was unlawfully included or kept in a TIF district.

**Effective date:** This section is effective the day following final enactment.

**12 Suspension of distribution of tax increment.**

Makes a clarifying change regarding a county auditor's withholding increments from authorities that fail to comply with their annual requirements for disclosure and financial reporting.

**Effective date:** This section is effective the day following final enactment.

**13 Expenditure of increment.**

Expands the sources of permitted purposes of TIF expenditures from Minnesota Statutes, section 469.176 to Minnesota Statutes, sections 469.174 through 469.1794 (the portion of Minnesota Statutes, chapter 469 governing TIF). An amount equal to the amount of TIF revenues expended for anything other than a permitted purpose must be paid to the county auditor.

**Effective date:** This section is effective the day following final enactment.

**14 Bloomington tax increment financing; five-year rule.**

Extends five-year rule period from 21 to 26 years and extends six-year rule period to 27 years. Extends duration of parcels with no buildings on them as of the effective date of this section to December 31, 2049.

**Effective date:** This section is effective the day after the chief clerical officer of Bloomington certifies that the governing bodies of Bloomington, Hennepin County, and Independent School District No. 271 have passed resolutions approving this section.

**15 Special rules.**

Further expands the five-year rule period from eight to 12 years for districts created pursuant to 2014 special legislation for the city of Savage; expands the period during which districts can be enlarged from five to nine years after certification of the original net tax capacity.

**Section Description – Article 5: Tax Increment Financing**

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**Effective date:** This section is effective the day after the chief clerical officer of Savage certifies that the governing body of Savage has passed a resolution approving this section.

**16 City of Chatfield; tax increment financing authority; economic development authorization.**

Allows the city of Chatfield or its economic development authority to establish an economic development district to construct a multilevel hotel in a specified area, provided that the first floor of the hotel does not exceed 15,000 square feet.

**Effective date:** This section is effective the day after the chief clerical officer of Chatfield certifies that the governing body of Chatfield has passed a resolution approving this section.

**17 City of Duluth; tax increment financing authority.**

**Subd. 1. Establishment.** Allows Duluth or its economic development authority to establish redevelopment districts in a specified area and allows the districts to follow the special rules in subdivision 2.

**Subd. 2. Special rules.** Establishes special rules for a district established under subdivision 1 that would:

- deem the district to be supported by a finding that the district is blighted, as defined by law;
- deem expenditures on development of the specified parcels as expenditures on blight correction counting toward the requirement that 90 percent of increment from a redevelopment district be spent on blight correction; and
- allow use of increment on developing seawalls and pier facings adjacent to the district.

**Effective date:** This section is effective the day after the chief clerical officer of Duluth certifies that the governing body of Duluth has passed a resolution approving this section.

**18 City of Duluth; tax increment financing duration extension.**

For a district established pursuant to section 17, allows Duluth to extend the maximum years of increment collection from 26 to 36.

**Effective date:** This section is effective the day after the chief clerical officer of Duluth certifies that the governing bodies of Duluth, St. Louis County, and Independent School District No. 709 have passed resolutions approving this section.

**Section Description – Article 5: Tax Increment Financing**

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**19 City of Duluth; tax increment financing district; special rules.**

**Subd. 1. Establishment.** Allows Duluth or its economic development authority to establish redevelopment districts in a specified area and allows the districts to follow the special rules in subdivision 2.

**Subd. 2. Special rules.** Establishes special rules for a district established under subdivision 1 that would:

- exempt the district from the general law requirement that redevelopment districts only be established in areas found to be blighted, as defined by law;
- exempt the district from the general law requirement that 90 percent of TIF revenue from redevelopment districts be used to correct blight;
- exempt the district from the prohibition on using increment either for public parks or for facilities used for social, recreational, or conference purposes;
- exempt the district from the prohibition on an authority's acquiring more than 25 percent of the acreage in a project using TIF bonds proceeds when the property's increment is pledged to pay off the bonds, unless the authority has contracted for development for the parcels and has a recourse if the parcels are not developed;
- exempt the district from limitations on spending increment outside of the district;
- exempt the district from requirements that in-district development be completed within five years of certification of the original net tax capacity; and
- exempt the district from requirements that the in-district percentage of increment be spent on paying development debt beginning in the sixth year after certification of the district.

**Subd. 3. Expiration.** Expires the special rules under subdivision 2 on December 31, 2051, and requires that unspent or unobligated increment thereafter be spent to pay off in-district development debt.

**Effective date:** This section is effective the day after the chief clerical officer of Duluth certifies that the governing body of Duluth has passed a resolution approving this section.

**20 City of Fridley; tax increment financing district; special rules.**

**Subd. 1. Transfer of increment.** Allows 25 to 35 percent of increment from Fridley Tax Increment Financing District No. 20 to be transferred to the city's

**Section Description – Article 5: Tax Increment Financing**

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housing and redevelopment authority (HRA) for the purposes authorized in subdivision 2.

**Subd. 2. Allowable use.** Allows use of increment transferred under subdivision 1 on: grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing; and matching funds for housing projects.

**Subd. 3. Annual financial reporting.** Subjects transferred increment to annual reporting requirements on use of tax increment.

**Subd. 4. Legislative reports.** Requires legislative reports on use of the transferred increment in 2024 and 2026.

**Subd. 5. Expiration.** Expires the authority to make transfers under this section on December 31, 2026.

**Effective date:** This section is effective the day after the chief clerical officer of Fridley certifies that the governing body of Fridley has passed a resolution approving this section.

**21 City of Lafayette; small city designation.**

Deems Lafayette a small city for the purpose of tax increment financing, allowing it to develop a wider array of commercial facilities with economic development districts.

**Effective date:** This section is effective the day after the chief clerical officer of Lafayette certifies that the governing body of Lafayette has passed a resolution approving this section.

**22 City of Nicollet; small city designation.**

Deems Nicollet a small city for the purpose of tax increment financing, allowing it to develop a wider array of commercial facilities with economic development districts.

**Effective date:** This section is effective the day after the chief clerical officer of Nicollet certifies that the governing body of Nicollet has passed a resolution approving this section.

**23 City of Plymouth; tax increment financing authority.**

**Subd. 1. Establishment.** Allows Plymouth to establish a redevelopment district in specified parcels and allows the district to follow the special rules in subdivision 2.

**Subd. 2. Special rules.** Establishes special rules for the district established under subdivision 1 that would:



**Section Description – Article 5: Tax Increment Financing**

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- deem the district to be supported by a finding that the district is blighted, as defined by law;
- exempt the district from the general law requirement that 90 percent of TIF revenue from redevelopment districts be used to correct blight; and
- allow up to 75 percent of TIF revenue from the districts to be spent on improving Chankahda Trail, former County Road 47, as though the road were located within the districts.

**Subd. 3. Expiration.** Sets December 31, 2030, as the expiration date for authority to approve a tax increment financing plan under this section.

**Effective date:** This section is effective the day after the chief clerical officer of Plymouth certifies that the governing body of Plymouth has passed a resolution approving this section.

24 **City of Shakopee; tax increment financing district.**

**Subd. 1. Definitions.** Defines terms for the purposes of this section, including defining the project area by reference to parcel identification numbers and defining a soil deficiency district as an area where the city by resolution finds that: (1) at least 70 percent of the acreage has unusual terrain or soil deficiencies requiring physical preparation for use; and (2) the cost of preparing the land would exceed the fair market value of the property.

**Subd. 2. Special rules.** Allows any redevelopment, soil deficiency, soil conditions, or renewal or renovation district established in the project area to operate under special rules, provided that before the establishment of a district under these special rules the city finds that 70 percent of the acreage of the project area is characterized by specified conditions requiring site preparation before being developed for commercial or residential purposes. Extends the deadline for districts operating under the special rules to undertake development debt within the district from five years to ten years. Allows districts operating under the special rules to spend up to 80 percent of increment outside the district but within the project area. Limits increment collection of a soil deficiency district to 21 years and limits use of increment from a soil deficiency district. Expires authority to establish a district under this section on December 31, 2026.

**Effective date:** This section is effective the day after the chief clerical officer of Shakopee certifies that the governing body of Shakopee has passed a resolution approving this section.

**Section Description – Article 5: Tax Increment Financing**

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**25 City of Spicer; small city designation.**

Deems Spicer a small city for the purpose of tax increment financing, allowing it to develop a wider array of commercial facilities with economic development districts.

**Effective date:** This section is effective the day after the chief clerical officer of Spicer certifies that the governing body of Spicer has passed a resolution approving this section.

**26 City of West Saint Paul; tax increment financing authority.**

**Subd. 1. Establishment.** Allows the city of West Saint Paul or its economic development authority to establish one or more redevelopment districts in parcels specified by tax identification numbers. Allows the districts to follow the special rules in subdivision 2.

**Subd. 2. Special rules.** Establishes special rules for a district established under subdivision 1 that would:

- deem the district to be supported by a finding that the district is blighted, as defined by law; and
- exempt the district from the general law requirement that 90 percent of TIF revenue from redevelopment districts be used to correct blight.

**Effective date:** This section is effective the day after the chief clerical officer of West Saint Paul certifies that the governing body of West Saint Paul has passed a resolution approving this section.

**27 City of Woodbury; Tax Increment Financing District No. 13; expenditures allowed; duration extension.**

Allows Woodbury to spend increment from Tax Increment Financing District No. 13 on maintenance of, and improvements to, Central Park. Allows Woodbury to extend the duration of the district by five years.

**Effective date:** Authorization to expend increment on Central Park is effective the day after the chief clerical officer of Woodbury certifies that the governing body of Woodbury has passed a resolution approving this section. Authorization to extend the duration of the district is effective once the chief clerical officer of Woodbury certifies that the governing bodies of Woodbury, Washington County, and Independent School District No. 833 have passed resolutions approving the extension.

## Article 6: Local Taxes

This article provides the following modifications to existing special local taxes:

- extends a portion of tourism tax imposed by the city of Duluth;
- eliminates the authorization for Cook County to impose an admissions tax; and
- extends the duration of the lodging tax imposed by Cook County from 15 years to 30 years.

Section	Description – Article 6: Local Taxes
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1	<b>Duluth tourism tax; food and beverage.</b>
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	Provides an extension of the food and beverage tax portion of Duluth’s tourism tax to allow the city to collect up to \$54,000,000 for additional capital improvements to parks-based public athletic facilities.
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	<b>Effective date:</b> Effective the day after the governing body of the city of Duluth and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.
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2	<b>Duluth tourism tax; lodging tax.</b>
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	Provides an extension of the lodging tax portion of Duluth’s tourism tax to allow the city to collect up to \$54,000,000 for additional capital improvements to parks-based public athletic facilities.
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	<b>Effective date:</b> Effective the day after the governing body of the city of Duluth and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.
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3	<b>Cook County lodging and admissions taxes.</b>
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	Eliminates a 2008 authorization allowing Cook County to impose an up to three percent tax on admissions to entertainment and recreational facilities, as well as the rental of recreational equipment.
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	Extends the duration of the authorized lodging tax from 15 years to 30 years.
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	<b>Effective date:</b> Effective the day following final enactment.
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## Article 7: Miscellaneous

This article makes several miscellaneous changes related to property taxes and municipal government, including:

- modifying service requirements for petitions to challenge property taxes;

- allowing for lower interest rates to be charged on delinquent taxes and repayment plans on tax-forfeited properties;
- establishing tourism improvement districts, a new form of service district;
- providing an exception to the statutory net debt limit for the city of Virginia; and
- for Ramsey County, extending the period during which certain property owners can redeem property before tax forfeiture.

**Section Description – Article 7: Miscellaneous**

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**1 Determination of validity.**

Requires that a petition challenging the validity of an assessment be served personally on the county auditor and allows the auditor to waive personal service in multiple ways. Removes requirements for additional copies to be served on other county officials. Requires the county auditor to provide copies of the petition to the county assessor, treasurer, and attorney and to send a list of petitioned properties to the school board of the district containing the properties. Reduces the number of copies of the petition and proofs of service that must be filed with the district court.

**Effective date:** This section is effective August 1, 2023.

**2 Rate.**

Removes a ten percent minimum interest rate on delinquent property taxes; allows a county board by resolution to set a lower interest rate on property taxes than the prime rate charged by banks during the six-month period ending on September 30 of that year.

**Effective date:** This section is effective for property taxes, penalties, and costs determined to be delinquent on or after January 1, 2024.

**3 Interest rate.**

Allows a county board, or a county auditor if the county board has delegated its authority over tax-forfeited lands, to charge a lower interest rate on the unpaid balances of repurchase plans than the rate charged on delinquent taxes.

**Effective date:** This section is effective January 1, 2024.

**4 Definitions.**

**Subd. 1. Applicability.** Applies the following defined terms to the new proposed chapter allowing establishment of tourism improvement districts.

**Subd. 2. Activity.** Defines “activity” as: promotion either of tourism or of the business activity of businesses subject to the charges allowed under this chapter; marketing, sales, and economic development; and other services to benefit businesses subject to the charges allowed under this chapter.

**Section Description – Article 7: Miscellaneous**

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**Subd. 3. Business.** Defines “business” as the class or type of lodging business, as described in the ordinance, which benefits from district activities.

**Subd. 4. Business owner.** Defines “business owner” as a person recognized by a municipality as the owner of a business.

**Subd. 5. City.** Defines “city” as a statutory or home rule charter city.

**Subd. 6. Clerk.** Defines “clerk” as the chief clerical officer of the municipality.

**Subd. 7. Governing body.** Defines “governing body” as: for a city, its council or other governing body; for a town, its board or other governing body; and for a county, its board of commissioners or other governing body.

**Subd. 8. Impacted business owners.** Defines “impacted business owners” as a majority of business owners in a proposed or established tourism improvement district.

**Subd. 9. Municipality.** Defines “municipality” as a city, county, or town.

**Subd. 10. Tourism improvement association.** Defines “tourism improvement association” as the entity contracted to implement the activities and improvements listed in the municipality’s ordinance.

**Subd. 11. Tourism improvement district.** Defines a “tourism improvement district” as a tourism improvement district established under this proposed statutory chapter.

**Effective date:** This section is effective the day following final enactment.

**5 Establishment of tourism improvement district.**

**Subd. 1. Ordinance.** Allows a municipality to adopt an ordinance establishing a tourism improvement district upon receiving a petition from impacted business owners and after holding a public hearing. Establishes requirements for the ordinance.

**Subd. 2. Notice.** Requires publication of notice of the hearing and delivery of the notice to business owners who would be subject to the proposed service charges.

**Subd. 3. Business owner determination.** Obligates businesses to provide information on who owns them. Exonerates municipalities of any duty to seek information on business ownership beyond that provided by the business. Renders a municipality’s determination regarding who owns a building final.

**Section Description – Article 7: Miscellaneous**

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**Subd. 4. Service charges; relationship to services.** Allows a municipality to impose a service charge on a business pursuant to this chapter to fund activities and improvements to benefit businesses. Allows the charges to fund the costs of collections and administrative expenses.

**Subd. 5. Public hearing.** Allows business owners and others to testify regarding a proposed tourism improvement district and allows adoption of the ordinance establishing a district within six months of conclusion of the hearing.

**Subd. 6. Appeal to district court.** Allows a person who is not precluded by failure to object before or at the public hearing to appeal the decision to establish a tourism improvement district to the district court.

**Subd. 7. Notice to the commissioner of revenue.** Requires the municipality establishing a tourism improvement district to notify the commissioner of revenue within 30 days of adopting the ordinance establishing the district.

**Effective date:** This section is effective the day following final enactment.

**6 Service charge authority; notice; hearing requirement.**

**Subd. 1. Authority.** Allows a municipality to impose a service charge to finance an activity or improvement in the tourism improvement district provided at an increased level of service. Allows the service charge to be imposed in the amount necessary to pay for the increased level of service.

**Subd. 2. Annual hearing requirement; notice.** Requires an annual public hearing regarding continuation of an established tourism improvement district. Requires publication of notice of the hearing and delivery of the notice to business owners subject to the service charge. Allows testimony by impacted persons. Allows the municipality to adopt a resolution to continue imposing service charges within the district within six months after the hearing.

**Effective date:** This section is effective the day following final enactment.

**7 Modification of ordinance.**

**Subd. 1. Adoption of ordinance; request for modification.** Upon written request of a tourism improvement association, allows a municipality to modify a district by ordinance after a public hearing. Requires a petition from impacted business owners either to expand the district or to change the rate, method, or basis of imposing the service charge.

**Subd. 2. Notice of modification.** Requires publication of notice of the public hearing and delivery of the notice to the business owners subject to the charge.

**Section Description – Article 7: Miscellaneous**

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**Subd. 3. Hearing on modification.** Allows affected persons and business owners to testify at the public hearing. Allows the municipality to adopt the proposed modification by ordinance within six months of the public hearing.

**Subd. 4. Objection.** Allows business owners to use the veto powers described below to object to any modification. Bases an objection to an expansion of a district on the vote of the majority of business owners in the expanded district.

**Effective date:** This section is effective the day following final enactment.

**8 Collection of service charges; penalties.**

Allows any designated entity to collect service charges in the time and manner described in the ordinance, including collection of interest and penalties as set out in the ordinance.

**Effective date:** This section is effective the day following final enactment.

**9 Tourism improvement association.**

**Subd. 1. Composition and duties.** Requires the tourism improvement association to appoint a governing board composed of impacted business owners or their representatives. Allows the board to manage the funds raised through service charges and to select activities and improvements from those listed in the municipal ordinance establishing the district.

**Subd. 2. Annual report.** Requires an annual report from the tourism improvement association to the municipality on the revenue raised by the district and any other information required by the establishing ordinance.

**Effective date:** This section is effective the day following final enactment.

**10 Petition required.**

Requires a petition from impacted business owners to establish a tourism improvement district.

**Effective date:** This section is effective the day following final enactment.

**11 Veto powers of owners.**

**Subd. 1. Notice of right to file petitions.** Requires both that an establishing ordinance not take effect until at least 45 days after the necessary public hearing and that the municipality deliver to business owners subject to the charge a summary of the ordinance and notice of their right to veto the ordinance by a majority vote of owners subject to the charge.

**Section Description – Article 7: Miscellaneous**

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**Subd. 2. Requirements for veto.** Prevents an establishing ordinance from becoming effective if impacted business owners file an objection before the effective date.

**Effective date:** This section is effective the day following final enactment.

**12 Disestablishment.**

**Subd. 1. Procedure for disestablishment.** Requires an annual 30-day period during which impacted business owners may petition for disestablishment of the district. Allows disestablishment by ordinance after holding a public hearing. Requires notice of the hearing to be published and delivered to business owners subject to the charge.

**Subd. 2. Objection.** Requires a 45-day window before an ordinance disestablishing a district becomes effective so that owners may file objections and veto disestablishment through the procedures in the preceding section.

**Subd. 3. Refund to business owners.** Requires that any remaining funds from the service charges be refunded to business owners upon disestablishment. Provides rules for calculating how to distribute the refunds.

**Effective date:** This section is effective the day following final enactment.

**13 Coordination of districts.**

Prohibits a county from establishing a tourism improvement district that overlaps with a tourism improvement district established by a city or town, and vice versa.

**Effective date:** This section is effective the day following final enactment.

**14 City of Virginia; net debt limit exemption.**

Exempts general obligation bonds issued to finance construction of a public safety building from the city of Virginia's net debt limit.

**Effective date:** This section is effective the day following final enactment.

**15 Ramsey County; extending redemption periods of properties in targeted communities.**

Extends the period of redemption to three years for properties that are, or were, in targeted communities in Ramsey County, effective for taxes that became due in 2023 or later.



**Section** **Description – Article 7: Miscellaneous**

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**Effective date:** This section is effective the day after the chief clerical officer of Ramsey County certifies that the governing body of Ramsey County has passed a resolution approving this section.



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