

1.1 moves to amend H.F. No. 5198 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 PROPERTY TAXES AND LOCAL GOVERNMENT AIDS

1.5 Section 1. Minnesota Statutes 2022, section 272.02, is amended by adding a subdivision
1.6 to read:

1.7 Subd. 106. Certain property owned by an Indian Tribe. Property is exempt that:

1.8 (1) was classified as class 2b under section 273.13, subdivision 24, for taxes payable in
1.9 2024;

1.10 (2) is located within a county with a population greater than 5,580 but less than 5,620
1.11 according to the 2020 federal census;

1.12 (3) is located in an unorganized territory with a population less than 800 according to
1.13 the 2020 federal census; and

1.14 (4) was on January 2, 2023, and is for the current assessment, owned by a federally
1.15 recognized Indian Tribe, or its instrumentality, that is located within the state of Minnesota.

1.16 EFFECTIVE DATE. This section is effective beginning with assessment year 2025.

1.17 Sec. 2. Minnesota Statutes 2022, section 272.02, is amended by adding a subdivision to
1.18 read:

1.19 Subd. 107. Certain property owned by an Indian Tribe. (a) Property is exempt that:

1.20 (1) was classified as class 3a under section 273.13, subdivision 24, for taxes payable in
1.21 2024;

2.1 (2) is located in a city of the first class with a population greater than 400,000 as of the
 2.2 2020 federal census;

2.3 (3) was on January 1, 2023, and is for the current assessment, owned by a federally
 2.4 recognized Indian Tribe, or its instrumentality, that is located within the state of Minnesota;
 2.5 and

2.6 (4) is used exclusively for Tribal purposes or institutions of purely public charity as
 2.7 defined in subdivision 7.

2.8 (b) Property that qualifies for the exemption under this subdivision is limited to one
 2.9 parcel that does not exceed 40,000 square feet. Property used for single-family housing,
 2.10 market-rate apartments, agriculture, or forestry does not qualify for this exemption.

2.11 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2025.

2.12 Sec. 3. Minnesota Statutes 2022, section 273.13, subdivision 22, is amended to read:

2.13 Subd. 22. **Class 1.** (a) Except as provided in subdivision 23 and in paragraphs (b) and
 2.14 (c), real estate which is residential and used for homestead purposes is class 1a. In the case
 2.15 of a duplex or triplex in which one of the units is used for homestead purposes, the entire
 2.16 property is deemed to be used for homestead purposes. The market value of class 1a property
 2.17 must be determined based upon the value of the house, garage, and land.

2.18 The first \$500,000 of market value of class 1a property has a net classification rate of
 2.19 one percent of its market value; and the market value of class 1a property that exceeds
 2.20 \$500,000 has a classification rate of 1.25 percent of its market value.

2.21 (b) Class 1b property includes homestead real estate or homestead manufactured homes
 2.22 used for the purposes of a homestead by:

2.23 (1) any person who is blind as defined in section 256D.35, or the person who is blind
 2.24 and the spouse of the person who is blind;

2.25 (2) any person who is permanently and totally disabled or by the person with a disability
 2.26 and the spouse of the person with a disability; or

2.27 (3) the surviving spouse of a veteran who was permanently and totally disabled
 2.28 homesteading a property classified under this paragraph for taxes payable in 2008.

2.29 Property is classified and assessed under clause (2) only if the government agency or
 2.30 income-providing source certifies, upon the request of the homestead occupant, that the
 2.31 homestead occupant satisfies the disability requirements of this paragraph, and that the
 2.32 property is not eligible for the valuation exclusion under subdivision 34.

3.1 Property is classified and assessed under paragraph (b) only if the commissioner of
3.2 revenue or the county assessor certifies that the homestead occupant satisfies the requirements
3.3 of this paragraph.

3.4 Permanently and totally disabled for the purpose of this subdivision means a condition
3.5 which is permanent in nature and totally incapacitates the person from working at an
3.6 occupation which brings the person an income. The first \$50,000 market value of class 1b
3.7 property has a net classification rate of .45 percent of its market value. The remaining market
3.8 value of class 1b property is classified as class 1a or class 2a property, whichever is
3.9 appropriate.

3.10 (c) Class 1c property is commercial use real and personal property that abuts public
3.11 water as defined in section 103G.005, subdivision 15, or abuts a state trail administered by
3.12 the Department of Natural Resources, and is devoted to temporary and seasonal residential
3.13 occupancy for recreational purposes but not devoted to commercial purposes for more than
3.14 250 days in the year preceding the year of assessment, and that includes a portion used as
3.15 a homestead by the owner, which includes a dwelling occupied as a homestead by a
3.16 shareholder of a corporation that owns the resort, a partner in a partnership that owns the
3.17 resort, or a member of a limited liability company that owns the resort even if the title to
3.18 the homestead is held by the corporation, partnership, or limited liability company. For
3.19 purposes of this paragraph, property is devoted to a commercial purpose on a specific day
3.20 if any portion of the property, excluding the portion used exclusively as a homestead, is
3.21 used for residential occupancy and a fee is charged for residential occupancy. Class 1c
3.22 property must contain three or more rental units. A "rental unit" is defined as a cabin,
3.23 condominium, townhouse, sleeping room, or individual camping site equipped with water
3.24 and electrical hookups for recreational vehicles. Class 1c property must provide recreational
3.25 activities such as the rental of ice fishing houses, boats and motors, snowmobiles, downhill
3.26 or cross-country ski equipment; provide marina services, launch services, or guide services;
3.27 or sell bait and fishing tackle. Any unit in which the right to use the property is transferred
3.28 to an individual or entity by deeded interest, or the sale of shares or stock, no longer qualifies
3.29 for class 1c even though it may remain available for rent. A camping pad offered for rent
3.30 by a property that otherwise qualifies for class 1c is also class 1c, regardless of the term of
3.31 the rental agreement, as long as the use of the camping pad does not exceed 250 days. If
3.32 the same owner owns two separate parcels that are located in the same township, and one
3.33 of those properties is classified as a class 1c property and the other would be eligible to be
3.34 classified as a class 1c property if it was used as the homestead of the owner, both properties
3.35 will be assessed as a single class 1c property; for purposes of this sentence, properties are

4.1 deemed to be owned by the same owner if each of them is owned by a limited liability
4.2 company, and both limited liability companies have the same membership. The portion of
4.3 the property used as a homestead is class 1a property under paragraph (a). The remainder
4.4 of the property is classified as follows: the first ~~\$600,000~~ \$1,100,000 of market value is tier
4.5 I, the next ~~\$1,700,000~~ \$2,600,000 of market value is tier II, and any remaining market value
4.6 is tier III. The classification rates for class 1c are: tier I, 0.50 percent; tier II, 1.0 percent;
4.7 and tier III, 1.25 percent. Owners of real and personal property devoted to temporary and
4.8 seasonal residential occupancy for recreation purposes in which all or a portion of the
4.9 property was devoted to commercial purposes for not more than 250 days in the year
4.10 preceding the year of assessment desiring classification as class 1c, must submit a declaration
4.11 to the assessor designating the cabins or units occupied for 250 days or less in the year
4.12 preceding the year of assessment by January 15 of the assessment year. Those cabins or
4.13 units and a proportionate share of the land on which they are located must be designated as
4.14 class 1c as otherwise provided. The remainder of the cabins or units and a proportionate
4.15 share of the land on which they are located must be designated as class 3a commercial. The
4.16 owner of property desiring designation as class 1c property must provide guest registers or
4.17 other records demonstrating that the units for which class 1c designation is sought were not
4.18 occupied for more than 250 days in the year preceding the assessment if so requested. The
4.19 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center
4.20 or meeting room, and (5) other nonresidential facility operated on a commercial basis not
4.21 directly related to temporary and seasonal residential occupancy for recreation purposes
4.22 does not qualify for class 1c.

4.23 (d) Class 1d property includes structures that meet all of the following criteria:

4.24 (1) the structure is located on property that is classified as agricultural property under
4.25 section 273.13, subdivision 23;

4.26 (2) the structure is occupied exclusively by seasonal farm workers during the time when
4.27 they work on that farm, and the occupants are not charged rent for the privilege of occupying
4.28 the property, provided that use of the structure for storage of farm equipment and produce
4.29 does not disqualify the property from classification under this paragraph;

4.30 (3) the structure meets all applicable health and safety requirements for the appropriate
4.31 season; and

4.32 (4) the structure is not salable as residential property because it does not comply with
4.33 local ordinances relating to location in relation to streets or roads.

5.1 The market value of class 1d property has the same classification rates as class 1a property
5.2 under paragraph (a).

5.3 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2025.

5.4 Sec. 4. Minnesota Statutes 2022, section 469.1812, is amended by adding a subdivision
5.5 to read:

5.6 Subd. 2a. **Land bank organization.** "Land bank organization" means an organization
5.7 that, at least in part, acquires, holds, or manages vacant, blighted, foreclosed, or tax-forfeited
5.8 property for future development, redevelopment, or disposal, and that is either:

5.9 (1) a nonprofit organization exempt from federal income taxation under section 501(c)(3)
5.10 of the Internal Revenue Code whose governing board members are elected or appointed by
5.11 the state of Minnesota, any political subdivision of the state of Minnesota, or an agency of
5.12 the state of Minnesota or its political subdivisions, or are elected or appointed officials of
5.13 the state of Minnesota or any of its political subdivisions; or

5.14 (2) a limited liability company of which a nonprofit organization described in clause (1)
5.15 is the sole member.

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

5.17 Sec. 5. Minnesota Statutes 2022, section 469.1813, subdivision 1, is amended to read:

5.18 Subdivision 1. **Authority.** The governing body of a political subdivision may grant a
5.19 current or prospective abatement, by contract or otherwise, of the taxes imposed by the
5.20 political subdivision on a parcel of property, which may include personal property and
5.21 machinery, or defer the payments of the taxes and abate the interest and penalty that otherwise
5.22 would apply, if:

5.23 (1) it expects the benefits to the political subdivision of the proposed abatement agreement
5.24 to at least equal the costs to the political subdivision of the proposed agreement or intends
5.25 the abatement to phase in a property tax increase, as provided in clause (2)(vii); and

5.26 (2) it finds that doing so is in the public interest because it will:

5.27 (i) increase or preserve tax base;

5.28 (ii) provide employment opportunities in the political subdivision;

5.29 (iii) provide or help acquire or construct public facilities;

5.30 (iv) help redevelop or renew blighted areas;

- 6.1 (v) help provide access to services for residents of the political subdivision;
- 6.2 (vi) finance or provide public infrastructure;
- 6.3 (vii) phase in a property tax increase on the parcel resulting from an increase of 50
- 6.4 percent or more in one year on the estimated market value of the parcel, other than increase
- 6.5 attributable to improvement of the parcel; ~~or~~
- 6.6 (viii) stabilize the tax base through equalization of property tax revenues for a specified
- 6.7 period of time with respect to a taxpayer whose real and personal property is subject to
- 6.8 valuation under Minnesota Rules, chapter 8100;
- 6.9 (ix) provide for the development of affordable housing to households at or below 80
- 6.10 percent of area median income; or
- 6.11 (x) allow the property to be held by a land bank organization for future development.

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

6.13 Sec. 6. Minnesota Statutes 2022, section 469.1813, subdivision 6, is amended to read:

6.14 Subd. 6. **Duration limit.** (a) A political subdivision may grant an abatement for a period

6.15 no longer than 15 years, except as provided under ~~paragraph~~ paragraphs (b) and (c). The

6.16 abatement period commences in the first year in which the abatement granted is either paid

6.17 or retained in accordance with section 469.1815, subdivision 2. The subdivision may specify

6.18 in the abatement resolution a shorter duration. If the resolution does not specify a period of

6.19 time, the abatement is for eight years. If an abatement has been granted to a parcel of property

6.20 and the period of the abatement has expired, the political subdivision that granted the

6.21 abatement may not grant another abatement for eight years after the expiration of the first

6.22 abatement. This prohibition does not apply to improvements added after and not subject to

6.23 the first abatement. Economic abatement agreements for real and personal property subject

6.24 to valuation under Minnesota Rules, chapter 8100, are not subject to this prohibition and

6.25 may be granted successively.

6.26 (b) A political subdivision proposing to abate taxes for a parcel may request, in writing,

6.27 that the other political subdivisions in which the parcel is located grant an abatement for

6.28 the property. If one of the other political subdivisions declines, in writing, to grant an

6.29 abatement or if 90 days pass after receipt of the request to grant an abatement without a

6.30 written response from one of the political subdivisions, the duration limit for an abatement

6.31 for the parcel by the requesting political subdivision and any other participating political

6.32 subdivision is increased to 20 years. If the political subdivision which declined to grant an

6.33 abatement later grants an abatement for the parcel, the 20-year duration limit is reduced by

7.1 one year for each year that the declining political subdivision grants an abatement for the
 7.2 parcel during the period of the abatement granted by the requesting political subdivision.
 7.3 The duration limit may not be reduced below the limit under paragraph (a).

7.4 (c) An abatement under subdivision 1, clause (2), items (ix) and (x), may be granted for
 7.5 a period no longer than five years. This limit also applies if the resolution does not specify
 7.6 a period of time.

7.7 **EFFECTIVE DATE.** This section is effective for abatement resolutions approved after
 7.8 the day following final enactment.

7.9 Sec. 7. Minnesota Statutes 2022, section 469.1813, is amended by adding a subdivision
 7.10 to read:

7.11 Subd. 11. **Repayment.** A land bank organization receiving an abatement under
 7.12 subdivision 1, clause (2), items (ix) and (x), must repay the abatement with interest if the
 7.13 land for which the abatement was granted is used for a purpose other than the purpose given
 7.14 by the land bank organization prior to redevelopment. This subdivision applies immediately
 7.15 after the abatement under this section expires. Land is subject to repayment under this
 7.16 subdivision for the same number of years that the abatement was granted. Interest under
 7.17 this section is payable at the rate determined in section 270C.40, subdivision 5.

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

7.19 Sec. 8. Minnesota Statutes 2022, section 477A.013, subdivision 1, is amended to read:

7.20 Subdivision 1. **Towns.** (a) ~~In 2014 and thereafter, each town is eligible for a distribution~~
 7.21 ~~under this subdivision equal to the product of (i) its agricultural property factor, (ii) its town~~
 7.22 ~~area factor, (iii) its population factor, and (iv) 0.0045.~~ As used in this subdivision, the
 7.23 following terms have the meanings given them:

7.24 (1) "agricultural property factor" means the ratio of the adjusted net tax capacity of
 7.25 agricultural property located in a town, to the adjusted net tax capacity of all other property
 7.26 located in the town. The agricultural property factor cannot exceed eight;

7.27 (2) "agricultural property" means property classified under section 273.13, as homestead
 7.28 and nonhomestead agricultural property, rural vacant land, and noncommercial seasonal
 7.29 recreational property;

7.30 (3) "town area factor" means the most recent estimate of total acreage, not to exceed
 7.31 50,000 acres, located in the township available as of July 1 in the aid calculation year,
 7.32 estimated or established by:

- 8.1 (i) the United States Bureau of the Census;
- 8.2 (ii) the State Land Management Information Center; or
- 8.3 (iii) the secretary of state; ~~and~~
- 8.4 (4) "population factor" means the square root of the towns' population-; and
- 8.5 (5) "town aid factor" means the product of the town's (i) agricultural property factor, (ii)
- 8.6 town area factor, and (iii) population factor.

8.7 ~~(b) If the sum of the aids payable to all towns under this subdivision exceeds the limit~~

8.8 ~~under section 477A.03, subdivision 2c, the distribution to each town must be reduced~~

8.9 ~~proportionately so that the total amount of aids distributed under this subdivision does not~~

8.10 ~~exceed the limit in section 477A.03, subdivision 2c.~~

8.11 (b) Each town is eligible for a distribution under this subdivision equal to the product

8.12 of (1) the total amount available for town aid under section 477A.03, subdivision 2c, and

8.13 (2) the ratio of (i) the town's town aid factor to (ii) the sum of the town aid factors for all

8.14 towns.

8.15 (c) Data used in calculating aids to towns under this subdivision, other than acreage,

8.16 shall be the most recently available data as of January 1 in the year in which the aid is

8.17 calculated.

8.18 **EFFECTIVE DATE.** This section is effective for aid payable in calendar year 2025

8.19 and thereafter.

8.20 Sec. 9. Minnesota Statutes 2022, section 477A.03, subdivision 2c, is amended to read:

8.21 Subd. 2c. **Towns.** For aids payable in 2015 ~~and thereafter~~ through 2024, the total aids

8.22 paid under section 477A.013, subdivision 1, is limited to \$10,000,000. For aids payable in

8.23 2025 and thereafter, the total aid payable under section 477A.013, subdivision 1, is

8.24 \$11,500,000.

8.25 **EFFECTIVE DATE.** This section is effective for aid payable in calendar year 2025

8.26 and thereafter.

8.27 Sec. 10. **PROPERTY TAX EXEMPTION; RED LAKE NATION COLLEGE.**

8.28 (a) Notwithstanding Minnesota Statutes, section 272.02, subdivision 38, paragraph (b),

8.29 and any other law to the contrary, property located in the city of Minneapolis acquired by

8.30 Red Lake Nation in either August 2021 or September 2021 is exempt from property taxes

8.31 payable in 2022 and the portion of property taxes payable in 2021 due after the property

9.1 was acquired. The city assessor must provide the property owner with an application for
 9.2 exemption under this section and the property owner must file the application with the city
 9.3 assessor by August 1, 2024. An amount necessary to make a payment to the county for the
 9.4 property taxes attributable to the exemption is appropriated from the general fund to the
 9.5 commissioner of revenue in fiscal year 2024.

9.6 (b) By August 1, 2024, the auditor of the county in which the property is located must
 9.7 certify to the commissioner of revenue the amount to be paid by the commissioner of revenue
 9.8 to the county under paragraph (a). The commissioner of revenue must make this payment
 9.9 by August 15, 2024. The county auditor must distribute the payment to the property owner
 9.10 by August 31, 2024.

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

9.12 **Sec. 11. 2023 AID PENALTY FORGIVENESS; CITY OF STEWART.**

9.13 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Stewart
 9.14 must receive its aid payment for calendar year 2023 under Minnesota Statutes, section
 9.15 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3,
 9.16 provided that the state auditor certifies to the commissioner of revenue that it received the
 9.17 annual financial reporting form for 2022 from the city by June 1, 2024. The commissioner
 9.18 of revenue must make a payment of \$87,501.50 to the city by June 30, 2024.

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

9.20 **ARTICLE 2**
 9.21 **MINERALS TAXES**

9.22 Section 1. Minnesota Statutes 2022, section 273.135, subdivision 2, is amended to read:

9.23 Subd. 2. **Reduction amount.** The amount of the reduction authorized by subdivision 1
 9.24 shall be:

9.25 (a) In the case of property located within a municipality as defined under section 273.134,
 9.26 paragraph (a), 66 percent of the tax, provided that the reduction shall not exceed the
 9.27 maximum amounts specified in paragraph (c).

9.28 (b) In the case of property located within the boundaries of a school district which
 9.29 qualifies as a tax relief area under section 273.134, paragraph (b), but which is outside the
 9.30 boundaries of a municipality which meets the qualifications prescribed in section 273.134,
 9.31 paragraph (a), 57 percent of the tax, provided that the reduction shall not exceed the
 9.32 maximum amounts specified in paragraph (c).

10.1 (c) The maximum reduction of the tax is ~~\$315.10~~ \$515 on property described in paragraph
10.2 (a) and ~~\$289.80 on property described in~~ paragraph (b).

10.3 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
10.4 in 2025.

10.5 Sec. 2. Minnesota Statutes 2022, section 275.065, is amended by adding a subdivision to
10.6 read:

10.7 Subd. 3c. **Notice of proposed taxes; property subject to chapter 276A.** In the case of
10.8 property subject to the areawide tax under section 276A.06, subdivision 7, for both the
10.9 current year taxes and the proposed tax amounts, the net tax capacity portion of the taxes
10.10 shown for each taxing jurisdiction must be based on the property's total net tax capacity
10.11 multiplied by the jurisdiction's actual or proposed net tax capacity tax rate. In addition to
10.12 the tax amounts shown for each jurisdiction, the statement must include a line showing the
10.13 "fiscal disparities adjustment" equal to the total gross tax payable minus the sum of the tax
10.14 amounts shown for the individual taxing jurisdictions. The fiscal disparities adjustment may
10.15 be a negative number. If the fiscal disparities adjustment for either the current year taxes
10.16 or the proposed tax amount is a negative number, the percentage change must not be shown.
10.17 In all other respects the statement must fulfill the requirements of subdivision 3.

10.18 **EFFECTIVE DATE.** This section is effective beginning with proposed notices for
10.19 property taxes payable in 2025.

10.20 Sec. 3. Minnesota Statutes 2022, section 276.04, is amended by adding a subdivision to
10.21 read:

10.22 Subd. 2a. **Contents of tax statements; property subject to chapter 276A.** In the case
10.23 of property subject to the areawide tax under section 276A.06, subdivision 7, for both the
10.24 current year taxes and the previous year tax amounts, the net tax capacity portion of the tax
10.25 shown for each taxing jurisdiction must be based on the property's total net tax capacity
10.26 multiplied by the jurisdiction's net tax capacity tax rate. In addition to the tax amounts shown
10.27 for each jurisdiction, the statement must include a line showing the "fiscal disparities
10.28 adjustment" equal to the total gross tax payable minus the sum of the tax amounts shown
10.29 for the individual taxing jurisdictions for each year. The fiscal disparities adjustment may
10.30 be a negative number. In all other respects the statement must fulfill the requirements of
10.31 subdivision 2.

10.32 **EFFECTIVE DATE.** This section is effective beginning with proposed notices for
10.33 property taxes payable in 2025.

11.1 Sec. 4. Minnesota Statutes 2023 Supplement, section 298.018, subdivision 1, is amended
11.2 to read:

11.3 Subdivision 1. **Within taconite assistance area.** (a) The proceeds of the tax paid under
11.4 sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the
11.5 taconite assistance area defined in section 273.1341, shall be allocated as follows:

11.6 (1) except as provided under paragraph (b), five percent to the city or town within which
11.7 the minerals or energy resources are mined or extracted, or within which the concentrate
11.8 was produced. If the mining and concentration, or different steps in either process, are
11.9 carried on in more than one taxing district, the commissioner shall apportion equitably the
11.10 proceeds among the cities and towns by attributing 50 percent of the proceeds of the tax to
11.11 the operation of mining or extraction, and the remainder to the concentrating plant and to
11.12 the processes of concentration, and with respect to each thereof giving due consideration
11.13 to the relative extent of the respective operations performed in each taxing district;

11.14 (2) ten percent to the taconite municipal aid account to be distributed as provided in
11.15 section 298.282, subdivisions 1 and 2, on the dates provided under this section;

11.16 (3) ten percent to the school district within which the minerals or energy resources are
11.17 mined or extracted, or within which the concentrate was produced. If the mining and
11.18 concentration, or different steps in either process, are carried on in more than one school
11.19 district, distribution among the school districts must be based on the apportionment formula
11.20 prescribed in clause (1);

11.21 (4) 20 percent to a group of school districts comprised of those school districts wherein
11.22 the mineral or energy resource was mined or extracted or in which there is a qualifying
11.23 municipality as defined by section 273.134, paragraph (b), in direct proportion to school
11.24 district indexes as follows: for each school district, its pupil units determined under section
11.25 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted
11.26 net tax capacity per pupil unit for school districts receiving aid under this clause as calculated
11.27 pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution
11.28 to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that
11.29 portion of the distribution which its index bears to the sum of the indices for all school
11.30 districts that receive the distributions;

11.31 (5) ten percent to the county within which the minerals or energy resources are mined
11.32 or extracted, or within which the concentrate was produced. If the mining and concentration,
11.33 or different steps in either process, are carried on in more than one county, distribution
11.34 among the counties must be based on the apportionment formula prescribed in clause (1),

12.1 provided that any county receiving distributions under this clause shall pay one percent of
 12.2 its proceeds to the Range Association of Municipalities and Schools;

12.3 (6) five percent to St. Louis County acting as the counties' fiscal agent to be distributed
 12.4 as provided in sections 273.134 to 273.136;

12.5 (7) 20 percent to the commissioner of Iron Range resources and rehabilitation for the
 12.6 purposes of section 298.22;

12.7 (8) three percent to the Douglas J. Johnson economic protection trust fund;

12.8 (9) seven percent to the taconite environmental protection fund; and

12.9 (10) ten percent to the commissioner of Iron Range resources and rehabilitation for
 12.10 capital improvements to Giants Ridge Recreation Area.

12.11 (b) If the materials or energy resources are mined, extracted, or concentrated in School
 12.12 District No. 2711, Mesabi East, then the amount under paragraph (a), clause (1), must instead
 12.13 be distributed pursuant to this paragraph. The cities of Aurora, Babbitt, Ely, and Hoyt Lakes
 12.14 must each receive 20 percent of the amount. The city of Biwabik and Embarrass Township
 12.15 must each receive ten percent of the amount.

12.16 (c) For the first five years that tax paid under section 298.015, subdivisions 1 and 2, is
 12.17 distributed under this subdivision, ten percent of the total proceeds distributed in each year
 12.18 must first be distributed pursuant to this paragraph. The remaining 90 percent of the total
 12.19 proceeds distributed in each of those years must be distributed as outlined in paragraph (a).
 12.20 Of the amount available under this paragraph, the cities of Aurora, Babbitt, Ely, and Hoyt
 12.21 Lakes must each receive 20 percent. Of the amount available under this paragraph, the city
 12.22 of Biwabik and Embarrass Township must each receive ten percent. This paragraph applies
 12.23 only to tax paid by a person engaged in the business of mining within the area described in
 12.24 section 273.1341, clauses (1) and (2).

12.25 **EFFECTIVE DATE.** This section is effective beginning with the 2025 distribution.

12.26 Sec. 5. Minnesota Statutes 2022, section 298.28, subdivision 8, is amended to read:

12.27 Subd. 8. **Range Association of Municipalities and Schools.** ~~.30~~ 0.40 cent per taxable
 12.28 ton shall be paid to the Range Association of Municipalities and Schools, for the purpose
 12.29 of providing an areawide approach to problems which demand coordinated and cooperative
 12.30 actions and which are common to those areas of northeast Minnesota affected by operations
 12.31 involved in mining iron ore and taconite and producing concentrate therefrom, and for the

13.1 purpose of promoting the general welfare and economic development of the cities, towns,
13.2 and school districts within the Iron Range area of northeast Minnesota.

13.3 **EFFECTIVE DATE.** This section is effective beginning with the 2024 distribution.

13.4 Sec. 6. Minnesota Statutes 2023 Supplement, section 298.28, subdivision 16, is amended
13.5 to read:

13.6 Subd. 16. **Transfer.** Of the amount annually distributed to the Douglas J. Johnson
13.7 Economic Protection Trust Fund under this section, ~~\$3,500,000~~ the following amounts shall
13.8 be transferred to the Iron Range school consolidation and cooperatively operated school
13.9 account under subdivision 7a. For distributions in 2024, \$6,250,000 must be transferred.
13.10 For distributions in 2025 through 2029, \$6,500,000 must be transferred. For distributions
13.11 in 2030 through 2034, \$5,500,000 must be transferred. For distributions in 2035 and 2036,
13.12 \$5,000,000 must be transferred. For distributions in 2037 and thereafter, \$3,500,000 must
13.13 be transferred. Any remaining amount of the amount annually distributed to the Douglas J.
13.14 Johnson Economic Protection Trust Fund shall be transferred to the Iron Range resources
13.15 and rehabilitation account under subdivision 7. The transfers under this subdivision must
13.16 be made within ten days of the August payment.

13.17 **EFFECTIVE DATE.** This section is effective beginning with the 2024 distribution.

13.18 Sec. 7. Minnesota Statutes 2022, section 298.282, subdivision 1, is amended to read:

13.19 Subdivision 1. **Distribution of taconite municipal aid account.** (a) The amount
13.20 deposited with the county as provided in section 298.28, subdivision 3, must be distributed
13.21 as provided by this section among: (1) the municipalities located within a taconite assistance
13.22 area under section 273.1341 that meet the criteria of section 273.1341, clause (1) or (2); (2)
13.23 a township that contains a state park consisting primarily of an underground iron ore mine;
13.24 (3) a city located within five miles of that state park; and (4) Breitung Township in St. Louis
13.25 County, each being referred to in this section as a qualifying municipality. The distribution
13.26 to Breitung Township under this subdivision shall be ~~\$15,000~~ \$25,000 annually.

13.27 (b) The amount deposited in the state general fund as provided in section 298.018,
13.28 subdivision 1, must be distributed in the same manner as provided under paragraph (a),
13.29 except that subdivisions 3, 4, and 5 do not apply, and the distributions shall be made on the
13.30 dates provided under section 298.018, subdivision 1a.

13.31 **EFFECTIVE DATE.** This section is effective beginning with the 2024 distribution.

14.1 Sec. 8. Minnesota Statutes 2022, section 298.292, subdivision 2, is amended to read:

14.2 Subd. 2. **Use of money.** (a) Money in the Douglas J. Johnson economic protection trust
14.3 fund may be used for the following purposes:

14.4 (1) to provide loans, loan guarantees, interest buy-downs and other forms of participation
14.5 with private sources of financing, but a loan to a private enterprise shall be for a principal
14.6 amount not to exceed one-half of the cost of the project for which financing is sought, and
14.7 the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight
14.8 percent or an interest rate three percentage points less than a full faith and credit obligation
14.9 of the United States government of comparable maturity, at the time that the loan is approved;

14.10 (2) to fund reserve accounts established to secure the payment when due of the principal
14.11 of and interest on bonds issued pursuant to section 298.2211, including bonds authorized
14.12 by the legislature to be repaid from the distributions under section 298.28, subdivision 7a;

14.13 (3) to pay in periodic payments or in a lump-sum payment any or all of the interest on
14.14 bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or
14.15 retrofitting heating facilities in connection with district heating systems or systems utilizing
14.16 alternative energy sources;

14.17 (4) to invest in a venture capital fund or enterprise that will provide capital to other
14.18 entities that are engaging in, or that will engage in, projects or programs that have the
14.19 purposes set forth in subdivision 1. No investments may be made in a venture capital fund
14.20 or enterprise unless at least two other unrelated investors make investments of at least
14.21 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J.
14.22 Johnson economic protection trust fund may not exceed the amount of the largest investment
14.23 by an unrelated investor in the venture capital fund or enterprise. For purposes of this
14.24 subdivision, an "unrelated investor" is a person or entity that is not related to the entity in
14.25 which the investment is made or to any individual who owns more than 40 percent of the
14.26 value of the entity, in any of the following relationships: spouse, parent, child, sibling,
14.27 employee, or owner of an interest in the entity that exceeds ten percent of the value of all
14.28 interests in it. For purposes of determining the limitations under this clause, the amount of
14.29 investments made by an investor other than the Douglas J. Johnson economic protection
14.30 trust fund is the sum of all investments made in the venture capital fund or enterprise during
14.31 the period beginning one year before the date of the investment by the Douglas J. Johnson
14.32 economic protection trust fund; and

14.33 (5) to purchase forest land in the taconite assistance area defined in section 273.1341 to
14.34 be held and managed as a public trust for the benefit of the area for the purposes authorized

15.1 in section 298.22, subdivision 5a. Property purchased under this section may be sold by the
 15.2 commissioner, after consultation with the advisory board. The net proceeds must be deposited
 15.3 in the trust fund for the purposes and uses of this section.

15.4 (b) Money from the trust fund shall be expended only in ~~or for the benefit of~~ the taconite
 15.5 assistance area defined in section 273.1341.

15.6 (c) Money devoted to the trust fund under this section shall not be expended, appropriated,
 15.7 or transferred from the trust fund for any purpose except as provided in this section.

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

15.9 **Sec. 9. IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER;**
 15.10 **BONDS AUTHORIZED IN 2024.**

15.11 **Subdivision 1. Issuance; purpose.** (a) Notwithstanding any provision of Minnesota
 15.12 Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and
 15.13 rehabilitation shall, in 2024, issue revenue bonds in a principal amount of up to \$49,000,000
 15.14 plus an amount sufficient to pay costs of issuance in one or more series, and thereafter may
 15.15 issue bonds to refund those bonds. The proceeds of the bonds must be used to pay the costs
 15.16 of issuance and to make distributions pursuant this section. The commissioner of Iron Range
 15.17 resources and rehabilitation must distribute these transferred funds as outlined in this section.
 15.18 In order to receive a distribution, a recipient must submit to the commissioner a plan of how
 15.19 the distribution will be spent and the commissioner must ensure that the plan matches the
 15.20 intended use outlined in this section. The plan must be submitted in a form and manner
 15.21 determined by the commissioner. The uses listed are not subject to review or recommendation
 15.22 by the Iron Range Resources and Rehabilitation Board. By December 31, 2025, each recipient
 15.23 must report to the commissioner how the distribution received under this section was spent.
 15.24 If a recipient's plan is submitted and approved, the commissioner must distribute the funds
 15.25 for the uses outlined in subdivision 3. The bonds issued under this section do not constitute
 15.26 public debt as that term is defined in article XI, section 4, of the Minnesota Constitution,
 15.27 and as such are not subject to its provisions.

15.28 (b) Funds under this section are available for four years from the date the bonds are
 15.29 issued. Any unexpended funds after that date cancel to the taconite environmental fund
 15.30 under Minnesota Statutes, section 298.28, subdivision 9b.

15.31 **Subd. 2. Appropriation.** (a) There is annually appropriated from the distribution of the
 15.32 taconite production tax revenues under Minnesota Statutes, section 298.28, subdivision 7a,
 15.33 an amount sufficient to pay when due the principal and interest on the bonds issued pursuant

16.1 to subdivision 1. Payments must be made from the account annually after the distribution
16.2 of the production tax revenues has been made.

16.3 (b) If in any year the amount available under paragraph (a) is insufficient to pay principal
16.4 and interest due on the bonds in that year, an additional amount is appropriated from the
16.5 Douglas J. Johnson economic protection trust fund to make up the deficiency.

16.6 (c) The appropriation under this subdivision terminates upon payment or maturity of
16.7 the last of the bonds issued under this section.

16.8 Subd. 3. Grants. (a) The commissioner of Iron Range resources and rehabilitation must
16.9 distribute funds available for distribution under subdivision 1 for the following uses:

16.10 (1) \$160,000 to the Grand Portage Band of Lake Superior Chippewa to construct a
16.11 playground;

16.12 (2) \$3,600,000 to the Mesabi Fit Coalition for the renovation, reconstruction, and
16.13 expansion of the former Mesabi Family YMCA in the city of Mountain Iron;

16.14 (3) \$950,000 to the Buyck Volunteer Fire Department for design, engineering, and
16.15 construction of a new fire and training hall and related equipment;

16.16 (4) \$750,000 to the Voyageur Trail Society for a joint maintenance facility with Voyageur
16.17 Country ATV in the city of Orr;

16.18 (5) \$2,250,000 to Cook County, of which \$250,000 must be spent to preserve affordable
16.19 housing units for seniors in the city of Grand Marais and \$2,000,000 must be used to
16.20 construct, furnish, and equip a solid waste transfer station in the county;

16.21 (6) \$1,200,000 to the Northland Learning Center for construction costs;

16.22 (7) \$2,720,000 to the city of Chisholm, of which \$520,000 must be used for the renovation
16.23 of the Chisholm Ice Arena facility and parking and the remaining amount must be used for
16.24 the public works facility;

16.25 (8) \$1,000,000 to the city of Gilbert for the Gilbert Community Center;

16.26 (9) \$360,000 to the city of Biwabik for housing and infrastructure;

16.27 (10) \$3,000,000 to the city of Tower for water management infrastructure projects;

16.28 (11) \$3,000,000 to the city of Silver Bay to design, engineer, construct, and reconstruct
16.29 publicly owned infrastructure including sewers, water systems, utility extensions, street
16.30 construction, wastewater treatment, stormwater management systems, sidewalks, and
16.31 compliance with the Americans with Disabilities Act;

- 17.1 (12) \$2,275,000 to St. Louis County for the development of the Canyon Integrated Solid
17.2 Waste Management Campus;
- 17.3 (13) \$3,475,000 to the city of Eveleth to design, engineer, and construct public utilities
17.4 in its business park and construction of the Hat Trick Avenue slip ramp;
- 17.5 (14) \$700,000 to the city of Meadowlands for costs related to park improvements and
17.6 a community center;
- 17.7 (15) \$600,000 to School District No. 2142, St. Louis County, of which \$400,000 must
17.8 be used for septic system upgrades at South Ridge School and \$200,000 must be used for
17.9 cafeteria renovations at Northeast Range School in Babbitt and Tower Elementary School
17.10 in Tower;
- 17.11 (16) \$250,000 to the city of Two Harbors for band stand repairs and Odegard Park and
17.12 Trail restoration;
- 17.13 (17) \$720,000 to the Central Iron Range Sanitary Sewer District for infrastructure
17.14 projects;
- 17.15 (18) \$5,240,000 to the Minnesota Discovery Center to design, construct, renovate,
17.16 furnish, and repair facilities, including HVAC upgrades, demolition, and compliance with
17.17 the Americans with Disabilities Act, at the Minnesota Discovery Center in the city of
17.18 Chisholm, and for historical research funding;
- 17.19 (19) \$5,200,000 to the commissioner of Iron Range resources and rehabilitation for the
17.20 design, engineering, and upgrades or replacement of chair lifts and for the design,
17.21 engineering, demolition, and construction of a nordic and welcome center at the Giants
17.22 Ridge Recreation Area;
- 17.23 (20) \$250,000 to Independent School District No. 696, Ely, for baseball field renovation;
- 17.24 (21) \$500,000 to the city of Mountain Iron for the Outdoor Recreation Center;
- 17.25 (22) \$200,000 to Cook County Higher Education Board for costs to bring commercial
17.26 drivers' licenses and trades training to the region along with educational training and academic
17.27 support to remote populations;
- 17.28 (23) \$200,000 to Save Our Ship, Inc., for construction costs at Knife River;
- 17.29 (24) \$3,000,000 to Hibbing Public Utilities for water infrastructure projects;
- 17.30 (25) \$400,000 to Veterans On The Lake for demolition of existing structures and the
17.31 building of a triplex that is compliant with the Americans with Disabilities Act;

- 18.1 (26) \$350,000 to the city of Eveleth for the Hippodrome renovation;
- 18.2 (27) \$500,000 to the Great Expectations School Foundation in Cook County for school
18.3 facilities construction;
- 18.4 (28) \$225,000 to the Minnesota Forest Zone Trappers Association to plan, engineer,
18.5 purchase land, and develop the Sportsman Training and Development Center;
- 18.6 (29) \$200,000 to the Sturgeon Chain Lake Association to update the engineering and
18.7 hydrology study of the lakes, for regulatory and community outreach, and for preparing
18.8 recommendations to the commissioner of natural resources related to bank stabilization and
18.9 maintenance;
- 18.10 (30) \$300,000 to the Northern Lights Music Festival to support programs, of this amount
18.11 \$100,000 is available each year in calendar years 2025, 2026, and 2027;
- 18.12 (31) \$250,000 to Cherry Township for recreational facilities upgrades and lights;
- 18.13 (32) \$350,000 to the East Range Developmental Achievement Center for building
18.14 renovations;
- 18.15 (33) \$500,000 to the Northland Foundation for grants or loans to (i) businesses or resorts
18.16 that were economically damaged by floods that occurred in 2022 or 2023 and which are
18.17 eligible under article 5 of the Canadian border counties economic relief program, or (ii)
18.18 outfitters in the border region who experienced either more than a 50 percent reduction in
18.19 Boundary Waters Canoe Area Wilderness permits obtained by their customers between
18.20 2019 and 2021, or a 50 percent reduction between 2019 and 2021 in trips across the fee-based
18.21 mechanical portages into the Boundary Waters Canoe Area Wilderness or Quetico Provincial
18.22 Park. Businesses may be awarded a maximum grant under this clause of up to \$50,000,
18.23 must be located within the taconite assistance area, as defined under Minnesota Statutes,
18.24 section 273.1341, and must not have received a grant under the Canadian border counties
18.25 economic relief program. The Northland Foundation may retain up to four percent of the
18.26 amount under this clause for administration;
- 18.27 (34) \$3,300,000 to the city of Virginia for a grant to be used for: (i) modernization,
18.28 renovation, and expansion of the Virginia Hospital emergency room complex to 12
18.29 emergency rooms; (ii) construction of an emergency behavior health suite for adults and
18.30 children; and (iii) security and safety upgrades. The grant must be transferred by the city
18.31 within 30 days of receipt;
- 18.32 (35) \$100,000 to Crystal Bay Township for a septic project at the Clair Nelson
18.33 Community Center;

19.1 (36) \$25,000 to the Northwoods Friends of the Arts in the city of Cook for facility
19.2 upgrades and programs;

19.3 (37) \$50,000 to the Bois Forte Band of Chippewa for food shelf expenses;

19.4 (38) \$100,000 to the Lake Vermilion Cultural Center to improve and renovate the facility
19.5 and its displays in Tower;

19.6 (39) \$50,000 to the Lyric Center for the Arts in Virginia for repairs and renovation;

19.7 (40) \$50,000 to the Pioneer Mine historical site for maintenance and displays in Ely;

19.8 (41) \$150,000 to the Lake Superior School District to support an emergency preparedness
19.9 career introduction program; and

19.10 (42) \$500,000 for grants of \$25,000 distributed pursuant to paragraph (b).

19.11 (b) Of the amount under paragraph (a), clause (42), grants of \$25,000 to be used for trail
19.12 grooming costs or equipment must be made available to the following entities:

19.13 (1) Alborn Dirt Devils ATV Club;

19.14 (2) Wild Country ATV Club;

19.15 (3) Ely Igloo Snowmobile Club;

19.16 (4) CC Riders Snowmobile Club;

19.17 (5) PathBlazers Snowmobile Club;

19.18 (6) Cook Timberwolves Snowmobile Club;

19.19 (7) Crane Lake Voyageurs Club;

19.20 (8) Pequaywan Area Trail Blazers Snowmobile Club;

19.21 (9) Eveleth Trail Hawks Snowmobile Club;

19.22 (10) Ranger Snowmobile/ATV Club;

19.23 (11) Silver Trail Riders Snowmobile and ATV Club;

19.24 (12) Voyageur Snowmobile Club;

19.25 (13) Mesabi Sno Voyageurs;

19.26 (14) Quad Cities ATV Club;

19.27 (15) Prospector ATV Club;

19.28 (16) Northern Traxx ATV Club;

20.1 (17) Finland Snowmobile and ATV Club;

20.2 (18) Babbitt ATV and Snowmobile Club;

20.3 (19) Cook County ATV Club; and

20.4 (20) Vermilion Penguins Snowmobile Club.

20.5 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 20.6 applies beginning with the 2024 distribution under Minnesota Statutes, section 298.28.

20.7 Sec. 10. **IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER;**
 20.8 **BONDS AUTHORIZED IN 2025.**

20.9 Subdivision 1. **Issuance; purpose.** (a) Notwithstanding any provision of Minnesota
 20.10 Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and
 20.11 rehabilitation shall, in 2025, issue revenue bonds in a principal amount of up to \$30,500,000
 20.12 plus an amount sufficient to pay costs of issuance in one or more series, and thereafter may
 20.13 issue bonds to refund those bonds. The proceeds of the bonds must be used to pay the costs
 20.14 of issuance and to make distributions pursuant to this section. The commissioner of Iron
 20.15 Range resources and rehabilitation must distribute these transferred funds as outlined in
 20.16 this section. In order to receive a distribution, a recipient must submit to the commissioner
 20.17 a plan of how the distribution will be spent and the commissioner must ensure that the plan
 20.18 matches the intended use outlined in this section. The plan must be submitted in a form and
 20.19 manner determined by the commissioner. The uses listed are not subject to review or
 20.20 recommendation by the Iron Range Resources and Rehabilitation Board. By December 31,
 20.21 2026, each recipient must report to the commissioner how the distribution received under
 20.22 this section was spent. If a recipient's plan is submitted and approved, the commissioner
 20.23 must distribute the funds for the uses outlined in subdivision 3. The bonds issued under this
 20.24 section do not constitute public debt as that term is defined in article XI, section 4, of the
 20.25 Minnesota Constitution, and as such are not subject to its provisions.

20.26 (b) Funds under this section are available for four years from the date the bonds are
 20.27 issued. Any unexpended funds after that date cancel to the taconite environmental fund
 20.28 under Minnesota Statutes, section 298.28, subdivision 9b.

20.29 Subd. 2. **Appropriation.** (a) There is annually appropriated from the distribution of the
 20.30 taconite production tax revenues under Minnesota Statutes, section 298.28, subdivision 7a,
 20.31 an amount sufficient to pay when due the principal and interest on the bonds issued pursuant
 20.32 to subdivision 1. Payments must be made from the account annually after the distribution
 20.33 of the production tax revenues has been made.

21.1 (b) If in any year the amount available under paragraph (a) is insufficient to pay principal
21.2 and interest due on the bonds in that year, an additional amount is appropriated from the
21.3 Douglas J. Johnson economic protection trust fund to make up the deficiency.

21.4 (c) The appropriation under this subdivision terminates upon payment or maturity of
21.5 the last of the bonds issued under this section.

21.6 Subd. 3. **Grants.** The commissioner of Iron Range resources and rehabilitation must
21.7 distribute funds available for distribution under subdivision 1 for the following uses:

21.8 (1) \$5,000,000 to the Minnesota Discovery Center to design, construct, renovate, furnish,
21.9 and repair facilities, including HVAC upgrades, demolition, and compliance with the
21.10 Americans with Disabilities Act, at the Minnesota Discovery Center in the city of Chisholm,
21.11 and for historical research funding;

21.12 (2) \$7,800,000 to the commissioner of Iron Range resources and rehabilitation for the
21.13 design, engineering, and upgrades or replacement of chair lifts and for the design,
21.14 engineering, demolition, and construction of a nordic and welcome center at the Giants
21.15 Ridge Recreation Area;

21.16 (3) \$600,000 to the Central Iron Range Sanitary Sewer District for infrastructure projects;

21.17 (4) \$500,000 to the city of Eveleth to design, engineer, and construct public utilities in
21.18 the city of Eveleth's business park and construction of the Hat Trick Avenue slip ramp;

21.19 (5) \$1,200,000 to Independent School District No. 2909, Rock Ridge, for demolition of
21.20 the James Madison Elementary School in Virginia;

21.21 (6) \$500,000 to the city of Buhl for infrastructure projects;

21.22 (7) \$500,000 to St. Louis and Lake Counties Regional Railroad Authority to design,
21.23 engineer, acquire right-of-way, and construct the Mesabi Trail Spur from Aurora to Hoyt
21.24 Lakes;

21.25 (8) \$2,000,000 to the city of Mountain Iron for infrastructure projects including but not
21.26 limited to Enterprise Drive North East infrastructure development, water main and other
21.27 infrastructure in the city, waste water plant improvements to comply with new permits,
21.28 supervisory control and data acquisition on lift stations, and recreation projects;

21.29 (9) \$3,000,000 to the city of Silver Bay to design, engineer, construct, and reconstruct
21.30 publicly owned infrastructure including sewers, water systems, utility extensions, street
21.31 construction, wastewater treatment, stormwater management systems, sidewalks, and
21.32 compliance with the Americans with Disabilities Act;

22.1 (10) \$5,000,000 to Independent School District No. 696, Ely, for planning, design,
 22.2 engineering, demolition, and construction related to the district's athletic complex;

22.3 (11) \$1,080,000 to the Northland Learning Center to construct the Alternative Learning
 22.4 Center on the campus in the city of Mountain Iron;

22.5 (12) \$1,000,000 for the city of Biwabik for a public safety facility;

22.6 (13) \$1,820,000 to Hibbing Public Utilities for water infrastructure projects; and

22.7 (14) \$500,000 to St. Louis County for the demolition of the public school in Hoyt Lakes.

22.8 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 22.9 applies beginning with the 2025 distribution under Minnesota Statutes, section 298.28.

22.10 **Sec. 11. TRANSFER 2024 DISTRIBUTION ONLY; TACONITE ECONOMIC**
 22.11 **DEVELOPMENT FUND.**

22.12 Of the funds distributed to the taconite economic development fund under Minnesota
 22.13 Statutes, section 298.28, subdivision 9a, for the 2024 distribution only, an amount equal to
 22.14 \$300,000 shall be transferred from the taconite economic development fund to the city of
 22.15 Chisholm for the Senator David Tomassoni Bridge of Peace. The transfer must be made
 22.16 within ten days of the August 2024 payment. If less than \$300,000 is distributed to the
 22.17 taconite economic development fund in 2024, distributions to the fund in future years must
 22.18 be transferred to the city of Chisholm, pursuant to this paragraph, until the total amount
 22.19 transferred equals \$300,000.

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

22.21 **ARTICLE 3**

22.22 **TAX INCREMENT FINANCING**

22.23 **Section 1.** Laws 2010, chapter 389, article 7, section 22, as amended by Laws 2011, chapter
 22.24 112, article 11, section 16, is amended to read:

22.25 **Sec. 22. CITY OF RAMSEY; TAX INCREMENT FINANCING DISTRICT;**
 22.26 **SPECIAL RULES.**

22.27 (a) If the city of Ramsey or an authority of the city elects upon the adoption of a tax
 22.28 increment financing plan for a district, the rules under this section apply to a redevelopment
 22.29 tax increment financing district established by the city or an authority of the city. The
 22.30 redevelopment tax increment district includes parcels within the area bounded on the east

23.1 by Ramsey Boulevard, on the north by Bunker Lake Boulevard as extended west to Llama
23.2 Street, on the west by Llama Street, and on the south by a line running parallel to and 600
23.3 feet south of the southerly right-of-way for U.S. Highway 10, but including Parcels
23.4 28-32-25-43-0007 and 28-32-25-34-0002 in their entirety, and excluding the Anoka County
23.5 Regional Park property in its entirety. A parcel within this area that is included in a tax
23.6 increment financing district that was certified before the date of enactment of this act may
23.7 be included in the district created under this act if the initial district is decertified.

23.8 (b) The requirements for qualifying a redevelopment tax increment district under
23.9 Minnesota Statutes, section 469.174, subdivision 10, do not apply to the parcels located
23.10 within the district.

23.11 (c) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.
23.12 Eligible expenditures within the district include but are not limited to (1) the city's share of
23.13 the costs necessary to provide for the construction of the Northstar Transit Station and
23.14 related infrastructure, including structured parking, a pedestrian overpass, and roadway
23.15 improvements, (2) the cost of land acquired by the city or the housing and redevelopment
23.16 authority in and for the city of Ramsey within the district prior to the establishment of the
23.17 district, and (3) the cost of public improvements installed within the tax increment financing
23.18 district prior to the establishment of the district.

23.19 (d) The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that activities
23.20 must be undertaken within a five-year period from the date of certification of a tax increment
23.21 financing district, is considered to be met for the district if the activities were undertaken
23.22 within ten years from the date of certification of the district.

23.23 (e) Except for administrative expenses, the in-district percentage for purposes of the
23.24 restriction on pooling under Minnesota Statutes, section 469.1763, subdivision 2, for this
23.25 district is 100 percent.

23.26 (f) The requirement of Minnesota Statutes, section 469.177, subdivision 4, does not
23.27 apply to Parcels 28-32-25-42-0021 and 28-32-25-41-0014, where development occurred
23.28 after enactment of Laws 2010, chapter 389, article 7, section 22, and prior to adoption of
23.29 the tax increment financing plan for the district.

23.30 (g) The requirements of Minnesota Statutes, section 469.178, subdivision 7, for advancing
23.31 or loaning money to finance eligible expenditures under Minnesota Statutes, section 469.176,
23.32 subdivision 4, do not apply to: (1) the city's share of the costs necessary to provide for the
23.33 construction of the Northstar Transit Station and related infrastructure, including structured
23.34 parking, a pedestrian overpass, and roadway improvements; and (2) the cost of public

24.1 improvements installed within the tax increment financing district after the establishment
 24.2 of the district.

24.3 **EFFECTIVE DATE.** This section is effective the day after the city of Ramsey and its
 24.4 chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and
 24.5 3.

24.6 Sec. 2. Laws 2014, chapter 308, article 6, section 9, as amended by Laws 2017, First
 24.7 Special Session chapter 1, article 6, section 12, is amended to read:

24.8 **Sec. 9. CITY OF MAPLE GROVE; TAX INCREMENT FINANCING DISTRICT.**

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

24.11 (b) "City" means the city of Maple Grove.

24.12 (c) "Project area" means all or a portion of the area in the city commencing at a point
 24.13 130 feet East and 120 feet North of the southwest corner of the Southeast Quarter of Section
 24.14 23, Township 119, Range 22, Hennepin County, said point being on the easterly right-of-way
 24.15 line of Hemlock Lane; thence northerly along said easterly right-of-way line of Hemlock
 24.16 Lane to a point on the west line of the east one-half of the Southeast Quarter of section 23,
 24.17 thence south along said west line a distance of 1,200 feet; thence easterly to the east line of
 24.18 Section 23, 1,030 feet North from the southeast corner thereof; thence South 74 degrees
 24.19 East 1,285 feet; thence East a distance of 1,000 feet; thence North 59 degrees West a distance
 24.20 of 650 feet; thence northerly to a point on the northerly right-of-way line of 81st Avenue
 24.21 North, 650 feet westerly measured at right angles, from the east line of the Northwest Quarter
 24.22 of Section 24; thence North 13 degrees West a distance of 795 feet; thence West to the west
 24.23 line of the Southeast Quarter of the Northwest Quarter of Section 24; thence North 55
 24.24 degrees West to the south line of the Northwest Quarter of the Northwest Quarter of Section
 24.25 24; thence West along said south line to the east right-of-way line of Zachary Lane; thence
 24.26 North along the east right-of-way line of Zachary Lane to the southwest corner of Lot 1,
 24.27 Block 1, Metropolitan Industrial Park 5th Addition; thence East along the south line of said
 24.28 Lot 1 to the northeast corner of Outlot A, Metropolitan Industrial Park 5th Addition; thence
 24.29 South along the east line of said Outlot A and its southerly extension to the south right-of-way
 24.30 line of County State-Aid Highway (CSAH) 109; thence easterly along the south right-of-way
 24.31 line of CSAH 109 to the east line of the Northwest Quarter of the Northeast Quarter of
 24.32 Section 24; thence South along said east line to the north line of the South Half of the
 24.33 Northeast Quarter of Section 24; thence East along said north line to the westerly right-of-way

25.1 line of Jefferson Highway North; thence southerly along the westerly right-of-way line of
 25.2 Jefferson Highway to the centerline of CSAH 130; thence continuing South along the west
 25.3 right-of-way line of Pilgrim Lane North to the westerly extension of the north line of Outlot
 25.4 A, Park North Fourth Addition; thence easterly along the north line of Outlot A, Park North
 25.5 Fourth Addition to the northeast corner of said Outlot A; thence southerly along the east
 25.6 line of said Outlot A to the southeast corner of said Outlot A; thence easterly along the south
 25.7 line of Lot 1, Block 1, Park North Fourth Addition to the westerly right-of-way line of State
 25.8 Highway 169; thence southerly, southwesterly, westerly, and northwesterly along the
 25.9 westerly right-of-way line of State Highway 169 and the northerly right-of-way line of
 25.10 Interstate 694 to its intersection with the southerly extension of the easterly right-of-way
 25.11 line of Zachary Lane North; thence northerly along the easterly right-of-way line of Zachary
 25.12 Lane North and its northerly extension to the north right-of-way line of CSAH 130; thence
 25.13 westerly, southerly, northerly, southwesterly, and northwesterly to the point of beginning
 25.14 and there terminating, provided that the project area includes the rights-of-way for all present
 25.15 and future highway interchanges ~~abutting~~ servicing the area described in this paragraph, and
 25.16 may include any additional property necessary to cause the property included in the tax
 25.17 increment financing district to consist of complete parcels.

25.18 (d) "Soil deficiency district" means a type of tax increment financing district consisting
 25.19 of a portion of the project area in which the city finds by resolution that the following
 25.20 conditions exist:

25.21 (1) unusual terrain or soil deficiencies that occurred over 80 percent of the acreage in
 25.22 the district require substantial filling, grading, or other physical preparation for use; and

25.23 (2) the estimated cost of the physical preparation under clause (1), but excluding costs
 25.24 directly related to roads as defined in Minnesota Statutes, section 160.01, and local
 25.25 improvements as described in Minnesota Statutes, sections 429.021, subdivision 1, clauses
 25.26 (1) to (7), (11), and (12), and 430.01, exceeds the fair market value of the land before
 25.27 completion of the preparation.

25.28 Subd. 2. **Special rules.** (a) If the city elects, upon the adoption of the tax increment
 25.29 financing plan for a district, the rules under this section apply to a redevelopment district,
 25.30 renewal and renovation district, soil condition district, or soil deficiency district established
 25.31 by the city or a development authority of the city in the project area.

25.32 (b) Prior to or upon the adoption of the first tax increment plan subject to the special
 25.33 rules under this subdivision, the city must find by resolution that parcels consisting of at

26.1 least 80 percent of the acreage of the project area, excluding street and railroad rights-of-way,
 26.2 are characterized by one or more of the following conditions:

26.3 (1) peat or other soils with geotechnical deficiencies that impair development of
 26.4 commercial buildings or infrastructure;

26.5 (2) soils or terrain that require substantial filling in order to permit the development of
 26.6 commercial buildings or infrastructure;

26.7 (3) landfills, dumps, or similar deposits of municipal or private waste;

26.8 (4) quarries or similar resource extraction sites;

26.9 (5) floodway; and

26.10 (6) substandard buildings, within the meaning of Minnesota Statutes, section 469.174,
 26.11 subdivision 10.

26.12 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the
 26.13 relevant condition if at least 70 percent of the area of the parcel contains the relevant
 26.14 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by
 26.15 substandard buildings if substandard buildings occupy at least 30 percent of the area of the
 26.16 parcel.

26.17 (d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is
 26.18 extended to ~~eight~~ 13 years for any district, and Minnesota Statutes, section 469.1763,
 26.19 subdivision 4, does not apply to any district.

26.20 (e) Notwithstanding any provision to the contrary in Minnesota Statutes, section 469.1763,
 26.21 subdivision 2, paragraph (a), not more than 40 percent of the total revenue derived from tax
 26.22 increments paid by properties in any district, measured over the life of the district, may be
 26.23 expended on activities outside the district but within the ~~project area~~ city.

26.24 (f) For a soil deficiency district:

26.25 (1) increments may be collected through ~~20~~ 25 years after the receipt by the authority
 26.26 of the first increment from the district;

26.27 (2) increments may be used only to:

26.28 (i) acquire parcels on which the improvements described in item (ii) will occur;

26.29 (ii) pay for the cost of correcting the unusual terrain or soil deficiencies and the additional
 26.30 cost of installing public improvements directly caused by the deficiencies; and

26.31 (iii) pay for the administrative expenses of the authority allocable to the district; and

27.1 (3) any parcel acquired with increments from the district must be sold at no less than
27.2 their fair market value.

27.3 (g) Increments spent for any infrastructure costs, whether inside a district or outside a
27.4 district but within the ~~project area~~ city, are deemed to satisfy the requirements of Minnesota
27.5 Statutes, section 469.176, subdivision 4j.

27.6 (h) The authority to approve tax increment financing plans to establish tax increment
27.7 financing districts under this section expires June 30, 2020.

27.8 (i) Notwithstanding the restrictions in paragraph (f), clause (2), ~~the city may use~~
27.9 increments from a soil deficiency district ~~to acquire parcels~~ may be used to pay for land
27.10 acquisition costs and for other infrastructure costs either inside or outside of the district,
27.11 but within the ~~project area~~ city, if the acquisition or infrastructure is for a qualified
27.12 development. For purposes of this paragraph, a development is a qualified development
27.13 only if all of the following requirements are satisfied:

27.14 (1) the city finds, by resolution, that the land acquisition and infrastructure are undertaken
27.15 primarily to serve the development;

27.16 (2) the city has a binding, written commitment and adequate financial assurances from
27.17 the developer that the development will be constructed; and

27.18 (3) the development does not consist of retail trade or housing improvements.

27.19 (j) Notwithstanding the restrictions in paragraph (f), clause (2), or paragraph (i),
27.20 increments from a soil deficiency district may be used to pay for improvements to the
27.21 Highway 169 and County Road 130 interchange.

27.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
27.23 city of Maple Grove and its chief clerical officer comply with Minnesota Statutes, section
27.24 645.021, subdivisions 2 and 3.

27.25 Sec. 3. Laws 2017, First Special Session chapter 1, article 6, section 22, is amended to
27.26 read:

27.27 Sec. 22. **CITY OF ST. PAUL; FORD SITE REDEVELOPMENT TIF DISTRICT.**

27.28 (a) For purposes of computing the duration limits under Minnesota Statutes, section
27.29 469.176, subdivision 1b, the housing and redevelopment authority of the city of St. Paul
27.30 may waive receipt of increment for the Ford Site Redevelopment Tax Increment Financing

28.1 District. This authority is limited to the first four years of increment or increments derived
 28.2 from taxes payable in 2023, whichever occurs first.

28.3 (b) If the city elects to waive receipt of increment under paragraph (a), for purposes of
 28.4 applying any limits based on when the district was certified under Minnesota Statutes,
 28.5 section 469.176, subdivision 6, or 469.1763, the date of certification for the district is deemed
 28.6 to be January 2 of the property tax assessment year for which increment is first received
 28.7 under the waiver.

28.8 (c) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is
 28.9 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision
 28.10 4, relating to the use of increment after the expiration of the five-year period, is extended
 28.11 to 11 years for the Ford Site Redevelopment Tax Increment Financing District in the city
 28.12 of St. Paul.

28.13 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 28.14 city of St. Paul and its chief clerical officer comply with the requirements of Minnesota
 28.15 Statutes, section 645.021, subdivisions 2 and 3.

28.16 Sec. 4. **CITY OF BROOKLYN CENTER; TAX INCREMENT FINANCING**
 28.17 **AUTHORITY.**

28.18 **Subdivision 1. Establishment.** Under the special rules established in subdivision 2, the
 28.19 economic development authority of the city of Brooklyn Center or the city of Brooklyn
 28.20 Center may establish one or more redevelopment tax increment financing districts located
 28.21 wholly within the area in the city identified as the "Opportunity Site," which includes the
 28.22 area bounded by Shingle Creek Parkway from Hennepin County State-Aid Highway 10 to
 28.23 Summit Drive North; Summit Drive North from Shingle Creek Parkway to marked Trunk
 28.24 Highway 100; marked Trunk Highway 100 from Summit Drive North to Hennepin County
 28.25 State-Aid Highway 10; and Hennepin County State-Aid Highway 10 from marked Trunk
 28.26 Highway 100 to Shingle Creek Parkway, together with internal and adjacent roads and rights
 28.27 of way.

28.28 **Subd. 2. Special rules.** If the city or the authority establishes a tax increment financing
 28.29 district under this section, the following special rules apply:

28.30 (1) the district is deemed to meet all the requirements of Minnesota Statutes, section
 28.31 469.174, subdivision 10;

28.32 (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district;
 28.33 and

29.1 (3) increment generated from the district may be expended on activities within the area
29.2 described in subdivision 1 and all such expenditures are deemed expended on activities
29.3 within the district for purposes of Minnesota Statutes, section 469.1763.

29.4 Subd. 3. **Expiration.** The authority to approve a tax increment financing plan to establish
29.5 a tax increment financing district under this section expires on December 31, 2030.

29.6 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
29.7 city of Brooklyn Center and its chief clerical officer comply with the requirements of
29.8 Minnesota Statutes, section 645.021, subdivisions 2 and 3.

29.9 Sec. 5. **CITY OF EDEN PRAIRIE; TAX INCREMENT FINANCING AUTHORITY;**
29.10 **EDEN PRAIRIE CENTER.**

29.11 Subdivision 1. **Establishment.** Pursuant to the special rules established in subdivision
29.12 2, the economic development authority of the city of Eden Prairie or the city of Eden Prairie
29.13 may establish one or more redevelopment districts located within the area of the city of
29.14 Eden Prairie consisting of parcels, together with adjacent roads and rights-of-way, within
29.15 the area surrounded by Flying Cloud Drive, West 78th Street, and Prairie Center Drive.

29.16 Subd. 2. **Special rules.** If the city or authority establishes a tax increment financing
29.17 district under this section, the following special rules apply:

29.18 (1) the districts are deemed to meet the requirements of Minnesota Statutes, section
29.19 469.174, subdivision 10; and

29.20 (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.

29.21 Subd. 3. **Expiration.** The authority to approve a tax increment financing plan to establish
29.22 a tax increment financing district under this section expires December 31, 2025.

29.23 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
29.24 city of Eden Prairie and its chief clerical officer comply with Minnesota Statutes, section
29.25 645.021, subdivisions 2 and 3.

29.26 Sec. 6. **CITY OF EDINA; 72ND & FRANCE 2 TIF DISTRICT; FIVE-YEAR RULE**
29.27 **EXTENSION; DURATION EXTENSION.**

29.28 (a) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is
29.29 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision
29.30 4, relating to the use of increment after the expiration of the five-year period, is extended
29.31 to 11 years for Tax Increment Financing District 72nd & France 2 in the city of Edina.

30.1 (b) Notwithstanding Minnesota Statutes, section 469.176, subdivisions 1b and 1d, the
 30.2 city of Edina or its housing and redevelopment authority may elect to extend the duration
 30.3 of the district by five years for Tax Increment Financing District 72nd & France 2.

30.4 **EFFECTIVE DATE.** Paragraph (a) is effective the day after the governing body of the
 30.5 city of Edina and its chief clerical officer comply with the requirements of Minnesota
 30.6 Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance
 30.7 by the city of Edina, Hennepin County, and Independent School District No. 273 with the
 30.8 requirements of Minnesota Statutes, section 469.1782, subdivision 2.

30.9 Sec. 7. **CITY OF EDINA; 70TH & FRANCE TIF DISTRICT; FIVE-YEAR RULE**
 30.10 **EXTENSION; DURATION EXTENSION.**

30.11 (a) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is
 30.12 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision
 30.13 4, relating to the use of increment after the expiration of the five-year period, is extended
 30.14 to 11 years for Tax Increment Financing District 70th & France in the city of Edina.

30.15 (b) Notwithstanding Minnesota Statutes, section 469.176, subdivisions 1b and 1d, the
 30.16 city of Edina or its housing and redevelopment authority may elect to extend the duration
 30.17 of the district by ten years for Tax Increment Financing District 70th & France.

30.18 **EFFECTIVE DATE.** Paragraph (a) is effective the day after the governing body of the
 30.19 city of Edina and its chief clerical officer comply with the requirements of Minnesota
 30.20 Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance
 30.21 by the city of Edina, Hennepin County, and Independent School District No. 273 with the
 30.22 requirements of Minnesota Statutes, section 469.1782, subdivision 2.

30.23 Sec. 8. **CITY OF MINNETONKA; TAX INCREMENT FINANCING AUTHORITY.**

30.24 Subdivision 1. **Establishment.** The special rules provided in this section apply to the
 30.25 renewal and renovation tax increment financing district established in 2021 by the Economic
 30.26 Development Authority in and for the City of Minnetonka and the city of Minnetonka under
 30.27 Minnesota Statutes, sections 469.174 to 469.1794.

30.28 Subd. 2. **Requirements deemed met.** The tax increment financing district is deemed
 30.29 to meet the requirements of Minnesota Statutes, section 469.176, subdivision 4j.

30.30 Subd. 3. **Eligible expenditures within district.** (a) Eligible expenditures within the tax
 30.31 increment financing district include but are not limited to: (1) infrastructure and roadway
 30.32 improvements, including but not limited to sanitary sewer, water, storm sewer, and utility

31.1 improvements; (2) costs related to environmental remediation, soil correction, demolition,
 31.2 and relocation; (3) site improvement costs; (4) land acquisition; (5) right-of-way acquisition
 31.3 for road improvements; (6) surface and structured parking; (7) related administrative costs;
 31.4 and (8) any expenditures detailed in the city of Minnetonka Final Alternative Urban Area
 31.5 Review Opus Study Area, dated December 2020.

31.6 (b) The eligible expenditures described in paragraph (a) are deemed to meet the
 31.7 requirements of Minnesota Statutes, section 469.176, subdivision 4j.

31.8 Subd. 4. **Five-year rule.** The requirements of Minnesota Statutes, section 469.1763,
 31.9 subdivision 3, that activities must be undertaken within a five-year period from the date of
 31.10 certification of a tax increment financing district, is considered to be met for the tax increment
 31.11 financing district if the activities are undertaken within ten years from the date of certification
 31.12 of the district.

31.13 Subd. 5. **Six-year rule.** The requirements of Minnesota Statutes, section 469.1763,
 31.14 subdivision 4, do not apply to the tax increment district.

31.15 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 31.16 city of Minnetonka and its chief clerical officer comply with the requirements of Minnesota
 31.17 Statutes, section 645.021, subdivisions 2 and 3.

31.18 Sec. 9. **CITY OF MOORHEAD; TAX INCREMENT FINANCING DISTRICT NO.**
 31.19 **31; FIVE-YEAR RULE EXTENSION.**

31.20 The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is
 31.21 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision
 31.22 4, relating to the use of increment after the expiration of the five-year period, is extended
 31.23 to 11 years for Tax Increment Financing District No. 31 administered by the city of
 31.24 Moorhead.

31.25 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 31.26 city of Moorhead and its chief clerical officer comply with the requirements of Minnesota
 31.27 Statutes, section 645.021, subdivisions 2 and 3.

31.28 Sec. 10. **CITY OF PLYMOUTH; TAX INCREMENT FINANCING AUTHORITY.**

31.29 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the
 31.30 city of Plymouth may establish one or more redevelopment districts located wholly within
 31.31 the city of Plymouth, Hennepin County, Minnesota, limited to the area identified as the city

32.1 center district in the Plymouth, Minnesota Zoning Map in effect on January 1, 2024, and
 32.2 adopted pursuant to section 21000.12 of the Plymouth Zoning Code of Ordinances.

32.3 Subd. 2. **Special rules.** If the city establishes a tax increment financing district under
 32.4 this section, the following special rules apply:

32.5 (1) the district is deemed to meet the requirements of Minnesota Statutes, section 469.174,
 32.6 subdivision 10;

32.7 (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district;

32.8 (3) the five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is
 32.9 extended to ten years;

32.10 (4) increments from a district may be expended outside of the district and within the
 32.11 boundaries of the city and are deemed expended on activities within the district for purposes
 32.12 of Minnesota Statutes, section 469.1763; and

32.13 (5) Minnesota Statutes, section 469.1763, subdivision 4, does not apply to the district.

32.14 Subd. 3. **Expiration.** The authority to approve a tax increment financing plan to establish
 32.15 a tax increment financing district under this section expires December 31, 2030.

32.16 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 32.17 city of Plymouth and its chief clerical officer comply with Minnesota Statutes, section
 32.18 645.021, subdivisions 2 and 3.

32.19 Sec. 11. **CITY OF ST. CLOUD; TAX INCREMENT FINANCING AUTHORITY.**

32.20 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the
 32.21 economic development authority of the city of St. Cloud or the city of St. Cloud may establish
 32.22 one or more redevelopment districts adjacent to the Division Street corridor or within the
 32.23 Central Business District or Fringe Central District, limited to the following parcels identified
 32.24 by tax identification numbers, together with the adjacent roads and rights-of-way:

32.25 (1) in Stearns County: 82517020000 (Lady Slipper Catalyst Site); 82515440001 (North
 32.26 Riverfront Catalyst Site); 82515470000; 82515480000 (Empire Catalyst Site); 82518760015
 32.27 (Swan Lot Catalyst Site); 82528850020 (Riverboat Lot Catalyst Site); and 82528850001
 32.28 (Former Herberger's); and

32.29 (2) in Benton County: 170037810 (Transit Oriented Development Catalyst Site);
 32.30 170058101 (Ace Block Catalyst Site); 170042000; 170041600; 170041100; 170041601;
 32.31 170041200; 170041800; 170059600 (Star Bank Catalyst Site); 170059300 (Riverfront South
 32.32 Catalyst Site); 170058300; 170059200; 170058600; 170058800; 170059100; and 170058900.

33.1 Subd. 2. **Special rules.** If the city or authority establishes a tax increment financing
 33.2 district under this section, the following special rules apply:

33.3 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section
 33.4 469.174, subdivision 10;

33.5 (2) expenditures incurred in connection with the development of the property described
 33.6 in subdivision 1 are deemed to meet the requirements of Minnesota Statutes, section 469.176,
 33.7 subdivision 4j; and

33.8 (3) increments generated from the districts may be expended for the reconstruction,
 33.9 expansion, or new construction of adjacent public infrastructure, including but not limited
 33.10 to public parking, streets, and utilities necessary to serve the development, and all
 33.11 expenditures under this clause are deemed expended on activities within the district for
 33.12 purposes of Minnesota Statutes, section 469.1763.

33.13 **EFFECTIVE DATE.** This section is effective the day after the city of St. Cloud and
 33.14 its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2
 33.15 and 3.

33.16 **ARTICLE 4**

33.17 **SPECIAL LOCAL TAXES**

33.18 Section 1. Minnesota Statutes 2022, section 469.190, subdivision 1, is amended to read:

33.19 Subdivision 1. **Authorization.** (a) Notwithstanding section 477A.016 or any other law,
 33.20 a statutory or home rule charter city may by ordinance, and a town may by the affirmative
 33.21 vote of the electors at the annual town meeting, or at a special town meeting, impose a tax
 33.22 of up to three percent on the gross receipts from the furnishing for consideration of lodging
 33.23 at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing
 33.24 of it for a continuous period of 30 days or more. A statutory or home rule charter city may
 33.25 by ordinance impose the tax authorized under this subdivision on the camping site receipts
 33.26 of a municipal campground.

33.27 (b) A lodging tax imposed under this section, a city charter, or a special law applies to
 33.28 the entire consideration paid to obtain access to lodging, including ancillary or related
 33.29 services, such as services provided by an accommodations intermediary as defined in section
 33.30 297A.61, subdivision 47.

33.31 **EFFECTIVE DATE.** This section is effective July 1, 2024.

34.1 Sec. 2. Minnesota Statutes 2022, section 469.190, subdivision 7, is amended to read:

34.2 Subd. 7. **Collection.** (a) The statutory or home rule charter city may agree with the
 34.3 commissioner of revenue that a tax imposed pursuant to this section shall be collected by
 34.4 the commissioner together with the tax imposed by chapter 297A, and subject to the same
 34.5 interest, penalties, and other rules and that its proceeds, less the cost of collection, shall be
 34.6 remitted to the city.

34.7 (b) If a lodging tax imposed under this section, a city charter, or a special law is not
 34.8 collected by the commissioner of revenue, the local government imposing the tax may, by
 34.9 ordinance, limit the required filing and remittance of the tax by an accommodations
 34.10 intermediary to once per calendar year. The local government must inform the
 34.11 accommodations intermediary of the date when the return or remittance is due and the dates
 34.12 must coincide with one of the monthly dates for filing and remitting state sales tax under
 34.13 chapter 297A. The local government must electronically provide an accommodations
 34.14 intermediary with the geographic and zip code information necessary to properly collect
 34.15 the tax.

34.16 **EFFECTIVE DATE.** This section is effective July 1, 2024.

34.17 Sec. 3. Laws 1986, chapter 396, section 5, as amended by Laws 2001, First Special Session
 34.18 chapter 5, article 12, section 87, Laws 2012, chapter 299, article 3, section 3, and Laws
 34.19 2019, First Special Session chapter 6, article 6, section 5, is amended to read:

34.20 Sec. 5. **LIQUOR, LODGING, AND RESTAURANT TAXES.**

34.21 The city may, by resolution, levy in addition to taxes authorized by other law:

34.22 (1) a sales tax of not more than ~~three~~ 2.5 percent on the gross receipts on retail on-sales
 34.23 of intoxicating liquor and fermented malt beverages when sold at licensed on-sale liquor
 34.24 establishments located within the downtown taxing area, provided that this tax may not be
 34.25 imposed if sales of intoxicating liquor and fermented malt beverages are exempt from
 34.26 taxation under chapter 297A;

34.27 (2) a sales tax of not more than three percent on the gross receipts from the furnishing
 34.28 for consideration of lodging for a period of less than 30 days at a hotel, motel, rooming
 34.29 house, tourist court, or trailer camp located within the city by a hotel or motel which has
 34.30 more than 50 rooms available for lodging; the tax imposed under this clause shall be at a
 34.31 rate that, when added to the sum of the rate of all other city taxes on lodging in the city of
 34.32 Minneapolis, equals 6.5 percent; and

35.1 (3) a sales tax of not more than ~~three~~ 2.5 percent on the gross receipts on all sales of
 35.2 food primarily for consumption on or off the premises by restaurants and places of
 35.3 refreshment as defined by resolution of the city that occur within the downtown taxing area.
 35.4 The taxes authorized by this section must not be terminated before January 1, 2047. The
 35.5 taxes shall be imposed and may be adjusted periodically by the city council such that the
 35.6 rates imposed produce revenue sufficient, together with the tax imposed under section 4,
 35.7 to finance the purposes described in Minnesota Statutes, section 297A.994, and section 4,
 35.8 subdivisions 3 and 4. These taxes shall be applied, first, as provided in Minnesota Statutes,
 35.9 section 297A.994, subdivision 3, clauses (1) to (3), and then, solely to pay, secure, maintain,
 35.10 and fund the payment of any principal of, premium on, and interest on any bonds or any
 35.11 other purposes in section 4, subdivision 3 or 4. The commissioner of revenue may enter
 35.12 into appropriate agreements with the city to provide for the collection of these taxes by the
 35.13 state on behalf of the city. These taxes shall be subject to the same interest, penalties, and
 35.14 enforcement provisions as the taxes imposed under Minnesota Statutes, chapter 297A.

35.15 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
 35.16 September 30, 2024.

35.17 Sec. 4. Laws 1986, chapter 400, section 44, as amended by Laws 1995, chapter 264, article
 35.18 2, section 39, and Laws 2009, chapter 88, article 4, section 13, is amended to read:

35.19 Sec. 44. **DOWNTOWN TAXING AREA.**

35.20 If a bill is enacted into law in the 1986 legislative session which authorizes the city of
 35.21 Minneapolis to issue bonds and expend certain funds including taxes to finance the
 35.22 acquisition and betterment of a convention center and related facilities, which authorizes
 35.23 certain taxes to be levied in a downtown taxing area, then, notwithstanding the provisions
 35.24 of that law "downtown taxing area" shall mean the geographic area bounded by the portion
 35.25 of the Mississippi River between I-35W and Washington Avenue, the portion of Washington
 35.26 Avenue between the river and I-35W, the portion of I-35W between Washington Avenue
 35.27 and ~~8th Street~~ Portland Avenue South, the portion of 8th Street South between I-35W and
 35.28 Portland Avenue South, the portion of Portland Avenue South between 8th Street South
 35.29 and I-94, the portion of I-94 from the intersection of Portland Avenue South to the
 35.30 intersection of I-94 and ~~the Burlington Northern Railroad tracks~~ Plymouth Avenue North,
 35.31 the portion of ~~the Burlington Northern Railroad tracks from I-94~~ Plymouth Avenue North
 35.32 to the Mississippi River. From Plymouth Avenue North and the Mississippi River south to
 35.33 Main Street and including Nicollet Island, and the portion of Main Street to Hennepin

36.1 Avenue and the portion of Hennepin Avenue between Main Street and 2nd Street S.E., and
 36.2 the portion of 2nd Street S.E. between Main Street and Bank Street, and the portion of Bank
 36.3 Street between 2nd Street S.E. and University Avenue S.E., and the portion of University
 36.4 Avenue S.E. between Bank Street and I-35W, and by I-35W from University Avenue S.E.,
 36.5 to the river. The downtown taxing area excludes the area bounded on the south and west
 36.6 by Oak Grove Street, on the east by Spruce Place, and on the north by West 15th Street.
 36.7 The downtown taxing area also excludes any property located in a zone that is contained
 36.8 in chapter 546 of the Minneapolis Zoning Code of Ordinances on which a restaurant with
 36.9 a wine license is operated.

36.10 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
 36.11 September 30, 2024.

36.12 **ARTICLE 5**

36.13 **MISCELLANEOUS**

36.14 Section 1. **[428A.30] DEFINITIONS.**

36.15 Subdivision 1. **Scope.** For purposes of sections 428A.30 to 428A.34, the terms defined
 36.16 in this section have the meanings given them, unless the context indicates otherwise.

36.17 Subd. 2. **City.** "City" means a statutory or home rule charter city.

36.18 Subd. 3. **District.** "District" means a land-value taxation district established under section
 36.19 428A.31.

36.20 Subd. 4. **Ordinance.** "Ordinance" means the ordinance establishing a land-value taxation
 36.21 district under section 428A.31.

36.22 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2025.

36.23 Sec. 2. **[428A.31] ESTABLISHMENT OF LAND-VALUE TAXATION DISTRICT.**

36.24 Subdivision 1. **Ordinance.** (a) The governing body of a city may adopt an ordinance
 36.25 establishing a land-value taxation district. The ordinance must describe:

36.26 (1) the parcels of property constituting the district, either by specific identification of
 36.27 each parcel, or by defining a geographic area or areas within the city, and then within that
 36.28 area or those areas, identifying the specific types of property, as defined under section
 36.29 273.13, to be included in the district; and

36.30 (2) the procedure for reallocating the collective property tax of all parcels within the
 36.31 district.

37.1 (b) In addition, the ordinance must provide for an evaluation of the economic effects of
 37.2 the district, including the impact on redevelopment of and investment in the district, within
 37.3 a specified period of time, but not less than 15 years after the district becomes effective.

37.4 Subd. 2. **Hearing; notice.** Before adopting an ordinance, the city must hold a public
 37.5 hearing on the question. Notice of the hearing must include the time and place of the hearing,
 37.6 a description of the parcels to be included in the district, a description of the procedure for
 37.7 reallocating the tax burden among the parcels, and the duration of the district. Each person
 37.8 owning property in the proposed district must be given the opportunity to be heard at the
 37.9 hearing. Notice of the hearing must be published on the city's website and in at least two
 37.10 issues of the official newspaper of the city. The two publications must be two weeks apart
 37.11 and the hearing must be held at least three days after the last publication. Not less than ten
 37.12 days before the hearing, notice must be mailed to the owner of each parcel proposed to be
 37.13 included in the district. For the purpose of the mailed notice, owners are those shown on
 37.14 the records of the county auditor. Other records may be used to supply the necessary
 37.15 information. At the public hearing, a person affected by the proposed district may testify
 37.16 on any issues relevant to the proposed district. The hearing may be adjourned from time to
 37.17 time and the ordinance establishing the district may be adopted at any time within six months
 37.18 after the date of the conclusion of the hearing by a vote of the majority of the governing
 37.19 body of the city. Within 30 days after adoption of the ordinance, the governing body shall
 37.20 send a copy of the ordinance to the commissioner of revenue.

37.21 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2025.

37.22 Sec. 3. **[428A.32] RESTRICTIONS ON TAX REALLOCATION PROCEDURE.**

37.23 A tax reallocation procedure under section 428A.31, subdivision 1, paragraph (a), clause
 37.24 (2), must distribute taxes on taxable properties in the district by applying uniform rates to
 37.25 one or more of the following tax bases:

37.26 (1) net tax capacity, as defined under section 273.13, subdivision 21b;

37.27 (2) referendum market value, as defined under section 126C.01, subdivision 3;

37.28 (3) a tax base consisting of each property's estimated market value excluding the market
 37.29 value attributable to improvements; or

37.30 (4) a tax base consisting of each property's estimated market value excluding the market
 37.31 value attributable to improvements made after a date specified in the ordinance.

37.32 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2025.

38.1 **Sec. 4. [428A.33] TAXATION WITHIN DISTRICT.**

38.2 **Subdivision 1. Initial taxation within district.** For each property taxes payable year,
38.3 the city must compile the total property taxes imposed upon all properties within the district
38.4 for each taxing jurisdiction after final property tax statements are issued under section
38.5 276.04. For the purposes of this section, the areawide taxes under chapters 276A and 473F,
38.6 and the state general levy under section 275.025, are considered to be taxing jurisdictions.

38.7 **Subd. 2. Final taxation within district.** The city must allocate the tax, as determined
38.8 under subdivision 1, among all properties in the district according to the terms of the
38.9 ordinance, such that the entire amount of tax payable to each taxing jurisdiction under
38.10 subdivision 1 is allocated among the properties constituting the district. The city must report
38.11 the revised property tax amounts for each parcel of property to the county treasurer by April
38.12 30 of the year the tax is payable. The city must provide for revised property tax statements
38.13 to be mailed to all properties within the district by April 30 of the year the tax is payable.
38.14 Taxpayers must make payments according to the dates specified in section 279.01 as if the
38.15 property tax statements were mailed 21 days prior to May 15 of the year the taxes are
38.16 payable.

38.17 **Subd. 3. Report to commissioner of revenue.** By September 1 of each year, the county
38.18 treasurer must report the initial and final distribution of the net tax for each parcel of property
38.19 in the district to the commissioner of revenue on a form prescribed by the commissioner of
38.20 revenue.

38.21 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2025.

38.22 **Sec. 5. [428A.34] APPEAL OF LAND VALUE.**

38.23 The owner of any property included in a land-value taxation district under section
38.24 428A.31 may appeal the valuation attributable to land separately from the valuation
38.25 attributable to improvements upon the land under sections 274.01 and 274.13 or chapter
38.26 271.

38.27 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2025.

38.28 **Sec. 6. APPROPRIATION; CITY OF SOUTH ST. PAUL; GRANT.**

38.29 (a) \$100,000 in fiscal year 2024 is appropriated from the general fund to the commissioner
38.30 of revenue for a grant to the city of South St. Paul. This is a onetime appropriation. The
38.31 grant must be paid by June 30, 2024.

39.1 (b) The grant under this section must be used by the city of South St. Paul to pay for
39.2 planning and development costs within the city.

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

39.4 Delete the title and insert:

39.5 "A bill for an act

39.6 relating to taxation; modifying property taxes, local government aids, minerals
39.7 taxes, and other tax-related provisions; modifying property tax exemptions, credits,
39.8 classifications, and abatements; adjusting local government aid calculations and
39.9 payments; providing for transfers and distributions of proceeds of minerals taxes;
39.10 providing for issuance of revenue bonds; providing special tax increment financing
39.11 authority; modifying certain special local taxes; providing for the establishment
39.12 of land valuation districts; appropriating money; amending Minnesota Statutes
39.13 2022, sections 272.02, by adding subdivisions; 273.13, subdivision 22; 273.135,
39.14 subdivision 2; 275.065, by adding a subdivision; 276.04, by adding a subdivision;
39.15 298.28, subdivision 8; 298.282, subdivision 1; 298.292, subdivision 2; 469.1812,
39.16 by adding a subdivision; 469.1813, subdivisions 1, 6, by adding a subdivision;
39.17 469.190, subdivisions 1, 7; 477A.013, subdivision 1; 477A.03, subdivision 2c;
39.18 Minnesota Statutes 2023 Supplement, sections 298.018, subdivision 1; 298.28,
39.19 subdivision 16; Laws 1986, chapter 396, section 5, as amended; Laws 1986, chapter
39.20 400, section 44, as amended; Laws 2010, chapter 389, article 7, section 22, as
39.21 amended; Laws 2014, chapter 308, article 6, section 9, as amended; Laws 2017,
39.22 First Special Session chapter 1, article 6, section 22; proposing coding for new
39.23 law in Minnesota Statutes, chapter 428A."