

44.19

ARTICLE 3

44.20

TRANSPORTATION-RELATED TAXES

36.16

ARTICLE 3

36.17

TRANSPORTATION FINANCE

36.18 Section 1. Minnesota Statutes 2022, section 162.145, subdivision 2, is amended to read:

36.19 Subd. 2. **Small cities assistance account.** A small cities assistance account is created  
36.20 in the special revenue fund. The account consists of funds as provided by law, and any other  
36.21 money donated, allotted, transferred, or otherwise provided to the account. Money in the  
36.22 account is annually appropriated to the commissioner of transportation and may only be  
36.23 expended as provided under this section.

36.24 Sec. 2. Minnesota Statutes 2022, section 162.145, subdivision 3, is amended to read:

36.25 Subd. 3. **Administration.** (a) ~~Subject to funds made available by law,~~ The commissioner  
36.26 must allocate all funds in the small cities assistance account as provided in subdivision 4  
36.27 and must, by June 1, certify to the commissioner of revenue the amounts to be paid.

36.28 (b) Following certification from the commissioner, the commissioner of revenue must  
36.29 distribute the specified funds to cities in the same manner as local government aid under  
36.30 chapter 477A. An appropriation to the commissioner under this section is available to the  
36.31 commissioner of revenue for the purposes specified in this paragraph.

37.1 (c) Notwithstanding other law to the contrary, in order to receive distributions under  
37.2 this section, a city must conform to the standards in section 477A.017, subdivision 2. A city  
37.3 that receives funds under this section must make and preserve records necessary to show  
37.4 that the funds are spent in compliance with subdivision 5.

37.5 Sec. 3. Minnesota Statutes 2022, section 162.145, subdivision 4, is amended to read:

37.6 Subd. 4. **Distribution formula.** ~~(a) In each fiscal year in which funds are available under  
37.7 this section, the commissioner shall allocate funds to eligible cities.~~

37.8 ~~(a)~~ (a) The preliminary aid to each city is calculated as follows:

37.9 (1) five percent of funds allocated equally among all eligible cities;

37.10 (2) 35 percent of funds allocated proportionally based on each city's share of lane miles  
37.11 of municipal streets compared to total lane miles of municipal streets of all eligible cities;

37.12 (3) 35 percent of funds allocated proportionally based on each city's share of population  
37.13 compared to total population of all eligible cities; and

37.14 (4) 25 percent of funds allocated proportionally based on each city's share of state-aid  
37.15 adjustment factor compared to the sum of state-aid adjustment factors of all eligible cities.

37.16 ~~(a)~~ (b) The final aid to each city is calculated as the lesser of:

37.17 (1) the preliminary aid to the city multiplied by an aid factor; or

44.21 Section 1. Minnesota Statutes 2022, section 163.051, subdivision 1, is amended to read:

44.22 Subdivision 1. **Tax authorized.** (a) Except as provided in paragraph (c), the board of  
44.23 commissioners of each county is authorized to levy by resolution a wheelage tax at the rate  
44.24 specified in paragraph (b), on each motor vehicle that is kept in such county when not in  
44.25 operation and that is subject to annual registration and taxation under chapter 168. The  
44.26 board may provide by resolution for collection of the wheelage tax by county officials or  
44.27 it may request that the tax be collected by the state registrar of motor vehicles. The state  
44.28 registrar of motor vehicles shall collect such tax on behalf of the county if requested, as  
44.29 provided in subdivision 2.

44.30 (b) The wheelage tax under this section is at the rate of up to \$20 per year, in any  
44.31 increment of a whole dollar, as specified by each county that authorizes the tax.

44.32 (c) The following vehicles are exempt from the wheelage tax:

45.1 (1) motorcycles, as defined in section 169.011, subdivision 44;

45.2 (2) motorized bicycles, as defined in section 169.011, subdivision 45; ~~and~~

45.3 (3) motorized foot scooters, as defined in section 169.011, subdivision 46; and

45.4 (4) vehicles that meet the requirements under section 168.012, subdivision 13.

45.5 (d) For any county that authorized the tax prior to May 24, 2013, the wheelage tax  
45.6 continues at the rate provided under paragraph (b).

37.18 (2) the maximum aid.

37.19 ~~(c)~~ (c) The commissioner shall set the aid factor under paragraph ~~(e)~~ (b), which must be  
37.20 the same for all eligible cities, so that the total funds allocated under this subdivision equals  
37.21 the total amount available for the fiscal year.

37.22 Sec. 4. **162.146] LARGER CITIES ASSISTANCE ACCOUNT.**

37.23 Subdivision 1. **Larger cities assistance account.** A larger cities assistance account is  
37.24 created in the special revenue fund. The account consists of money allotted, appropriated,  
37.25 or transferred through gift or grant to the account. Money in the account is annually  
37.26 appropriated to the commissioner of transportation for apportionment among all the cities  
37.27 that are eligible to receive municipal state aid under sections 162.09 to 162.14.

37.28 Subd. 2. **Distribution formula.** The commissioner must apportion: (1) 50 percent of  
37.29 the money so that of that amount, each city receives the percentage that its population bears  
37.30 to the total population of all cities that are eligible to receive municipal state aid under  
38.1 sections 162.09 to 162.14; and (2) 50 percent of the money so that of that amount, each city  
38.2 receives the percentage that its money needs, as determined by the commissioner under  
38.3 section 162.13, subdivision 3, bears to the total money needs of all cities that are eligible  
38.4 to receive municipal state aid under sections 162.09 to 162.14.

45.7 EFFECTIVE DATE. This section is effective the day following final enactment and  
45.8 applies to taxes payable for a registration period starting on or after January 1, 2024.

45.9 Sec. 2. Minnesota Statutes 2022, section 168.012, is amended by adding a subdivision to  
45.10 read:

45.11 Subd. 13. **Vehicles registered by certain veterans.** (a) A passenger automobile, one-ton  
45.12 pickup truck, motorcycle, or recreational vehicle registered by a veteran with a total  
45.13 service-connected disability, as defined in section 171.01, subdivision 51, is not subject to:

45.14 (1) registration taxes under this chapter;

45.15 (2) administrative fees imposed under subdivision 1c;

45.16 (3) filing fees imposed under section 168.33, subdivision 7; or

45.17 (4) plate and validation sticker fees imposed under this chapter, including but not limited  
45.18 to:

45.19 (i) fees under section 168.12, subdivision 5;

45.20 (ii) fees identified in any section authorizing special plates; and

45.21 (iii) transfer fees.

45.22 (b) The exemptions under this subdivision apply to a motor vehicle that is jointly  
45.23 registered by a qualifying veteran and a spouse or domestic partner.

45.24 (c) The fees identified under paragraph (a), clause (4), do not include:

45.25 (1) a fee for personalized plates under section 168.12, subdivision 2a; or

45.26 (2) a required contribution or donation for a special plate, including but not limited to  
45.27 a contribution under sections 168.1255, subdivision 1, clause (6); 168.129, subdivision 1,  
45.28 clause (5); 168.1295, subdivision 1, paragraph (a), clause (5); 168.1296, subdivision 1,  
45.29 paragraph (a), clause (5); and 168.1299, subdivision 1, clause (3).

46.1 (d) A qualifying veteran may register no more than two motor vehicles at the same time  
46.2 with the exemptions under this subdivision. Nothing in this paragraph prevents registration  
46.3 of additional motor vehicles as otherwise provided in this chapter.

46.4 EFFECTIVE DATE. This section is effective the day following final enactment and  
46.5 applies to taxes and fees payable for a registration period starting on or after January 1,  
46.6 2024.

46.7 Sec. 3. Minnesota Statutes 2022, section 168.013, subdivision 1a, is amended to read:

46.8 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in  
46.9 section 168.002, subdivision 24, and hearses, except as otherwise provided, the registration  
46.10 tax is calculated as \$10 plus:

38.5 Sec. 5. Minnesota Statutes 2022, section 168.013, subdivision 1a, is amended to read:

38.6 Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in  
38.7 section 168.002, subdivision 24, and hearses, except as otherwise provided, the registration  
38.8 tax is calculated as \$10 plus:

46.11 (1) for a vehicle initially registered in Minnesota prior to November 16, 2020, ~~1.25~~ 1.915  
46.12 percent of the manufacturer's suggested retail price of the vehicle and the destination charge,  
46.13 subject to the adjustments in paragraphs (f) and (g); or

46.14 (2) for a vehicle initially registered in Minnesota on or after November 16, 2020, ~~1.285~~  
46.15 1.95 percent of the manufacturer's suggested retail price of the vehicle, subject to the  
46.16 adjustments in paragraphs (f) and (g).

46.17 (b) The registration tax calculation must not include the cost of each accessory or item  
46.18 of optional equipment separately added to the vehicle and the manufacturer's suggested  
46.19 retail price. The registration tax calculation must not include a destination charge, except  
46.20 for a vehicle previously registered in Minnesota prior to November 16, 2020.

46.21 (c) In the case of the first registration of a new vehicle sold or leased by a licensed dealer,  
46.22 the dealer may elect to individually determine the registration tax on the vehicle using  
46.23 manufacturer's suggested retail price information provided by the manufacturer. The registrar  
46.24 must use the manufacturer's suggested retail price determined by the dealer as provided in  
46.25 paragraph (d). A dealer that elects to make the determination must retain a copy of the  
46.26 manufacturer's suggested retail price label or other supporting documentation with the  
46.27 vehicle transaction records maintained under Minnesota Rules, part 7400.5200.

46.28 (d) The registrar must determine the manufacturer's suggested retail price:

46.29 (1) using list price information published by the manufacturer or any nationally  
46.30 recognized firm or association compiling such data for the automotive industry;

46.31 (2) if the list price information is unavailable, using the amount determined by a licensed  
46.32 dealer under paragraph (c);

47.1 (3) if a dealer does not determine the amount, using the retail price label as provided by  
47.2 the manufacturer under United States Code, title 15, section 1232; or

47.3 (4) if the retail price label is not available, using the actual sales price of the vehicle.

47.4 If the registrar is unable to ascertain the manufacturer's suggested retail price of any registered  
47.5 vehicle in the foregoing manner, the registrar may use any other available source or method.

47.6 (e) The registrar must calculate the registration tax using information available to dealers  
47.7 and deputy registrars at the time the initial application for registration is submitted.

47.8 (f) The amount under paragraph (a), clauses (1) and (2), must be calculated based on a  
47.9 percentage of the manufacturer's suggested retail price, as follows:

47.10 (1) during the first year of vehicle life, upon 100 percent of the price;

47.11 (2) for the second year, 90 percent of the price;

47.12 (3) for the third year, ~~80~~ 78 percent of the price;

47.13 (4) for the fourth year, ~~70~~ 60 percent of the price;

38.9 (1) for a vehicle initially registered in Minnesota prior to November 16, 2020, ~~1.25~~ 1.54  
38.10 percent of the manufacturer's suggested retail price of the vehicle and the destination charge,  
38.11 subject to the adjustments in paragraphs (f) and (g); or

38.12 (2) for a vehicle initially registered in Minnesota on or after November 16, 2020, ~~1.285~~  
38.13 1.575 percent of the manufacturer's suggested retail price of the vehicle, subject to the  
38.14 adjustments in paragraphs (f) and (g).

38.15 (b) The registration tax calculation must not include the cost of each accessory or item  
38.16 of optional equipment separately added to the vehicle and the manufacturer's suggested  
38.17 retail price. The registration tax calculation must not include a destination charge, except  
38.18 for a vehicle previously registered in Minnesota prior to November 16, 2020.

38.19 (c) In the case of the first registration of a new vehicle sold or leased by a licensed dealer,  
38.20 the dealer may elect to individually determine the registration tax on the vehicle using  
38.21 manufacturer's suggested retail price information provided by the manufacturer. The registrar  
38.22 must use the manufacturer's suggested retail price determined by the dealer as provided in  
38.23 paragraph (d). A dealer that elects to make the determination must retain a copy of the  
38.24 manufacturer's suggested retail price label or other supporting documentation with the  
38.25 vehicle transaction records maintained under Minnesota Rules, part 7400.5200.

38.26 (d) The registrar must determine the manufacturer's suggested retail price:

38.27 (1) using list price information published by the manufacturer or any nationally  
38.28 recognized firm or association compiling such data for the automotive industry;

38.29 (2) if the list price information is unavailable, using the amount determined by a licensed  
38.30 dealer under paragraph (c);

38.31 (3) if a dealer does not determine the amount, using the retail price label as provided by  
38.32 the manufacturer under United States Code, title 15, section 1232; or

39.1 (4) if the retail price label is not available, using the actual sales price of the vehicle.

39.2 If the registrar is unable to ascertain the manufacturer's suggested retail price of any registered  
39.3 vehicle in the foregoing manner, the registrar may use any other available source or method.

39.4 (e) The registrar must calculate the registration tax using information available to dealers  
39.5 and deputy registrars at the time the initial application for registration is submitted.

39.6 (f) The amount under paragraph (a), clauses (1) and (2), must be calculated based on a  
39.7 percentage of the manufacturer's suggested retail price, as follows:

39.8 (1) during the first year of vehicle life, upon 100 percent of the price;

39.9 (2) for the second year, ~~90~~ 95 percent of the price;

39.10 (3) for the third year, ~~80~~ 90 percent of the price;

39.11 (4) for the fourth year, ~~70~~ 80 percent of the price;

47.14 (5) for the fifth year, ~~60~~ 50 percent of the price;

47.15 (6) for the sixth year, ~~50~~ 34 percent of the price;

47.16 (7) for the seventh year, ~~40~~ 27 percent of the price;

47.17 (8) for the eighth year, ~~30~~ 18 percent of the price;

47.18 (9) for the ninth year, ~~20~~ 12 percent of the price; and

47.19 (10) for the tenth year, ~~ten~~ six percent of the price.

47.20 (g) For the 11th and each succeeding year, the amount under paragraph (a), clauses (1)

47.21 and (2), must be calculated as ~~\$25~~ \$20.

47.22 (h) Except as provided in subdivision 23, for any vehicle previously registered in

47.23 Minnesota and regardless of prior ownership, the total amount due under this subdivision

47.24 and subdivision 1m must not exceed the smallest total amount previously paid or due on

47.25 the vehicle.

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

47.27 **applies to taxes payable for a registration period starting on or after January 1, 2024.**

48.1 Sec. 4. Minnesota Statutes 2022, section 168.33, subdivision 7, is amended to read:

48.2 Subd. 7. **Filing fees; allocations.** (a) In addition to all other statutory fees and taxes, a

48.3 filing fee ~~is imposed~~ at:

48.4 (1) ~~\$7 is imposed~~ on every vehicle registration renewal, excluding pro rate transactions;

48.5 and

48.6 (2) ~~\$11 is imposed~~ on every other type of vehicle transaction, including motor carrier

48.7 fuel licenses under sections 168D.05 and 168D.06, and pro rate transactions.

48.8 (b) Notwithstanding paragraph (a):

48.9 (1) a filing fee may not be charged for a document returned for a refund or for a correction

48.10 of an error made by the Department of Public Safety, a dealer, or a deputy registrar; and

48.11 (2) no filing fee or other fee may be charged for the permanent surrender of a title for a

48.12 vehicle.

48.13 (c) The filing fee must be shown as a separate item on all registration renewal notices

48.14 sent out by the commissioner.

48.15 (d) The statutory fees and taxes, and the filing fees imposed under paragraph (a) may

48.16 be paid by credit card or debit card. The deputy registrar may collect a surcharge on the

48.17 statutory fees, taxes, and filing fee not greater than the cost of processing a credit card or

48.18 debit card transaction, in accordance with emergency rules established by the commissioner

48.19 of public safety. The surcharge must be used to pay the cost of processing credit and debit

48.20 card transactions.

39.12 (5) for the fifth year, ~~60~~ 70 percent of the price;

39.13 (6) for the sixth year, ~~50~~ 60 percent of the price;

39.14 (7) for the seventh year, ~~40~~ 50 percent of the price;

39.15 (8) for the eighth year, ~~30~~ 40 percent of the price;

39.16 (9) for the ninth year, ~~20~~ 25 percent of the price; and

39.17 (10) for the tenth year, ten percent of the price.

39.18 (g) For the 11th and each succeeding year, the amount under paragraph (a), clauses (1)

39.19 and (2), must be calculated as ~~\$25~~ \$20.

39.20 (h) Except as provided in subdivision 23, for any vehicle previously registered in

39.21 Minnesota and regardless of prior ownership, the total amount due under this subdivision

39.22 and subdivision 1m must not exceed the smallest total amount previously paid or due on

39.23 the vehicle.

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

39.25 **applies to taxes payable for a registration period starting on or after January 1, 2024.**

48.21 (e) The fees collected under ~~this subdivision~~ paragraph (a) by the department must be  
48.22 allocated as follows:

48.23 (1) ~~of~~ the fees collected under paragraph (a), clause (1), must be deposited as follows:

48.24 (i) \$5.50 ~~must be deposited~~ in the driver and vehicle services ~~operating~~ account; and

48.25 (ii) \$1.50 ~~must be deposited~~ in the driver and vehicle services technology account; and

48.26 (2) ~~of~~ the fees collected under paragraph (a), clause (2), must be deposited as follows:

48.27 (i) \$3.50 ~~must be deposited in the general fund~~ in the transportation advancement account  
48.28 under section 174.49;

48.29 (ii) \$6.00 ~~must be deposited~~ in the driver and vehicle services ~~operating~~ account; and

48.30 (iii) \$1.50 ~~must be deposited~~ in the driver and vehicle services technology account.

49.1 **EFFECTIVE DATE.** This section is effective July 1, 2023, for transactions occurring  
49.2 on or after that date.

49.3 Sec. 5. Minnesota Statutes 2022, section 168.54, subdivision 5, is amended to read:

49.4 Subd. 5. **Deposit of proceeds to general fund.** The commissioner ~~shall~~ must collect  
49.5 the proceeds of the fee imposed under this section and deposit them in the general fund  
49.6 pursuant to section 168A.31 in the transportation advancement account under section 174.49.

49.7 **EFFECTIVE DATE.** This section is effective July 1, 2023, for transactions occurring  
49.8 on or after that date.

49.9 Sec. 6. Minnesota Statutes 2022, section 168A.29, is amended by adding a subdivision to  
49.10 read:

49.11 Subd. 4. **Exemption; vehicles for certain veterans.** The department must not impose  
49.12 any fee under subdivision 1 if the certificate of title is being issued to a person and for a  
49.13 vehicle that meets the requirements under section 168.012, subdivision 13.

49.14 **EFFECTIVE DATE.** This section is effective January 1, 2024.

49.15 Sec. 7. **[168E.01] DEFINITIONS.**

49.16 Subdivision 1. **Scope.** As used in this chapter, the following terms have the meanings  
49.17 given.

49.18 Subd. 2. **Clothing.** "Clothing" has the meaning given in section 297A.67, subdivision  
49.19 8.

49.20 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of revenue.

- 49.21 Subd. 4. **Marketplace provider.** "Marketplace provider" has the meaning given in  
49.22 section 297A.66, subdivision 1, paragraph (d).
- 49.23 Subd. 5. **Person.** "Person" has the meaning given in section 297A.61, subdivision 2.
- 49.24 Subd. 6. **Retail delivery.** "Retail delivery" means a delivery to a person located in  
49.25 Minnesota of the following items as part of a retail sale:
- 49.26 (1) tangible personal property that is subject to taxation under chapter 297A; and
- 49.27 (2) clothing as defined under section 297A.67, subdivision 8.
- 49.28 Retail delivery does not include curbside delivery or pickup at the retailer's place of business.
- 50.1 Subd. 7. **Retail delivery fee.** "Retail delivery fee" means the fee imposed under section  
50.2 168E.03 on retail deliveries.
- 50.3 Subd. 8. **Retail sale.** "Retail sale" has the meaning given in section 297A.61, subdivision  
50.4 4.
- 50.5 Subd. 9. **Retailer.** "Retailer" means any person making sales, leases, or rental of personal  
50.6 property or services within or into the state of Minnesota that is required to remit the tax  
50.7 imposed under chapter 297A. Retailer includes a:
- 50.8 (1) retailer maintaining a place of business in this state;
- 50.9 (2) marketplace provider maintaining a place of business in this state, as defined in  
50.10 section 297A.66, subdivision 1, paragraph (a);
- 50.11 (3) retailer not maintaining a place of business in this state; and
- 50.12 (4) marketplace provider not maintaining a place of business in this state, as defined in  
50.13 section 297A.66, subdivision 1, paragraph (b).
- 50.14 Subd. 10. **Tangible personal property.** "Tangible personal property" has the meaning  
50.15 given in section 297A.61, subdivision 10.
- 50.16 **EFFECTIVE DATE.** This section is effective July 1, 2024.
- 50.17 Sec. 8. **[168E.03] FEE IMPOSED.**
- 50.18 Subdivision 1. **Retail delivery fee imposed.** (a) A fee is imposed on each retailer equal  
50.19 to 75 cents on each transaction involving retail delivery in Minnesota. The retailer may, but  
50.20 is not required to, collect the fee from the purchaser. If separately stated on the invoice, bill  
50.21 of sale, or similar document given to the purchaser, the fee is excluded from the sales price  
50.22 for purposes of the tax imposed under chapter 297A.
- 50.23 (b) If the retailer collects the fee from the purchaser:
- 50.24 (1) the retail delivery fee must be charged in addition to any other delivery fee; and

50.25 (2) the retailer must show the total of the retail delivery fee and other delivery fees as  
50.26 separate items and distinct from the sales price and any other taxes or fees imposed on the  
50.27 retail delivery on the purchaser's receipt, invoice, or other bill of sale. The receipt, invoice,  
50.28 or other bill of sale must state the retail delivery fee as "road improvement and food delivery  
50.29 fee."

50.30 Subd. 2. **Multiple items or shipments.** The fee imposed under subdivision 1 is imposed  
50.31 once per transaction regardless of the number of shipments necessary to deliver the items  
51.1 of tangible personal property purchased or of the number of items of tangible personal  
51.2 property purchased.

51.3 Subd. 3. **Returns and cancellations.** The fee imposed under subdivision 1 is  
51.4 nonrefundable if any or all items purchased are returned to a retailer or if the retailer provides  
51.5 a refund or credit in the amount equal to or less than the purchase price. The fee must be  
51.6 refunded to the purchaser if the retail delivery is canceled by the purchaser, retailer, or  
51.7 delivery provider.

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

51.9 Sec. 9. **[168E.05] EXEMPTIONS.**

51.10 Subdivision 1. **Transactions.** The following retail deliveries are exempt from the fee  
51.11 imposed by this chapter:

51.12 (1) a retail delivery to a purchaser who is exempt from tax under chapter 297A; and

51.13 (2) a retail delivery on a motor vehicle for which a permit issued by the commissioner  
51.14 of transportation or a road authority is required under chapter 169 or 221 and the retailer  
51.15 has maintained books and records through reasonable and verifiable standards that the retail  
51.16 delivery was on a qualifying vehicle.

51.17 Subd. 2. **Small businesses.** The fee imposed by this chapter and the requirements of this  
51.18 chapter do not apply to:

51.19 (1) a retailer that made retail sales totaling less than \$1,000,000 in the previous calendar  
51.20 year; and

51.21 (2) a marketplace provider when facilitating the sale of a retailer that made retail sales  
51.22 totaling less than \$100,000 in the previous calendar year through the marketplace provider.

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

51.24 Sec. 10. **[168E.07] COLLECTION AND ADMINISTRATION.**

51.25 Subdivision 1. **Returns; payment of fees.** (a) A retailer must report the fee on a return  
51.26 prescribed by the commissioner and must remit the fee with the return. The return and fee  
51.27 must be filed and paid using the filing cycle and due dates provided for taxes imposed under  
51.28 chapter 297A.

51.29 Subd. 2. **Collection and remittance.** A retailer that collects the fee from the purchaser  
51.30 must collect the fee in the same manner as the tax collected under chapter 297A. A retailer  
52.1 using a third-party entity to collect and remit the tax imposed under chapter 297A may elect  
52.2 to have that third-party entity collect and remit the fee imposed under this chapter.

52.3 Subd. 3. **Administration.** Unless specifically provided otherwise by this chapter, the  
52.4 audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and  
52.5 administrative provisions of chapters 270C and 289A, that are applicable to taxes imposed  
52.6 under chapter 297A, apply to the fee imposed under this chapter.

52.7 Subd. 4. **Interest on overpayments.** The commissioner must pay interest on an  
52.8 overpayment refunded or credited to the retailer from the date of payment of the fee until  
52.9 the date the refund is paid or credited. For purposes of this subdivision, the date of payment  
52.10 is the due date of the return or the date of actual payment of the fee, whichever is later.

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

52.12 Sec. 11. **[168E.09] DEPOSIT OF PROCEEDS.**

52.13 Subdivision 1. **Costs deducted.** The commissioner must retain an amount that does not  
52.14 exceed the total cost of collecting, administering, and enforcing the retail delivery fee and  
52.15 must deposit the amount in the revenue department service and recovery special revenue  
52.16 fund.

52.17 Subd. 2. **Deposits.** After deposits under subdivision 1, the commissioner must deposit  
52.18 the balance of proceeds from the retail delivery fee in the transportation advancement account  
52.19 under section 174.49.

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

52.21 Sec. 12. Minnesota Statutes 2022, section 171.01, is amended by adding a subdivision to  
52.22 read:

52.23 Subd. 51. **Veteran with a total service-connected disability.** "Veteran with a total  
52.24 service-connected disability" means a veteran, as defined in section 197.447, who provides  
52.25 to the commissioner satisfactory evidence that: (1) is issued by the Department of Veterans  
52.26 Affairs, the United States Veterans Administration, or the retirement board of one of the  
52.27 several branches of the armed forces; and (2) demonstrates that the veteran has received a  
52.28 100 percent total and permanent service-connected disability rating.

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

53.1 Sec. 13. Minnesota Statutes 2022, section 171.06, is amended by adding a subdivision to  
53.2 read:

53.3 Subd. 2c. **Exemption; certain veterans.** For an applicant who is a veteran with a total  
53.4 service-connected disability, the commissioner must not impose:

- 53.5 (1) a license or endorsement fee, including fees and surcharges specified under:
- 53.6 (i) subdivisions 2 and 2a; and
- 53.7 (ii) section 171.02, subdivision 3;
- 53.8 (2) a filing fee under subdivision 2 or section 171.061, subdivision 4; or
- 53.9 (3) a fee for an identification card under section 171.07, subdivision 3 or 3a.
- 53.10 **EFFECTIVE DATE.** This section is effective January 1, 2024.

40.23 Sec. 7. Minnesota Statutes 2022, section 174.38, subdivision 3, is amended to read:

40.24 Subd. 3. **Active transportation account.** An active transportation account is established

40.25 in the special revenue fund. The account consists of funds provided by law and any other

40.26 money donated, allotted, transferred, or otherwise provided to the account. Money in the

40.27 account is annually appropriated to the commissioner and must be expended only on a

40.28 ~~project~~ projects that ~~receives~~ receive financial assistance under this section.

53.11 Sec. 14. **[174.49] TRANSPORTATION ADVANCEMENT ACCOUNT.**

53.12 Subdivision 1. **Transportation advancement account.** A transportation advancement

53.13 account is established in the special revenue fund. The account consists of funds under

53.14 sections 168.33, subdivision 7; 168.54, subdivision 5; 168E.09, subdivision 2; and as

53.15 provided by law and any other money donated, allotted, transferred, or otherwise provided

53.16 to the account.

53.17 Subd. 2. **Account allocation.** The commissioner of transportation must transfer funds

53.18 in the transportation advancement account as follows:

- 53.19 (1) 33 percent to the highway user tax distribution fund;
- 53.20 (2) 18 percent to the county state-aid highway fund;
- 53.21 (3) 12 percent to the municipal state-aid street fund;
- 53.22 (4) 24 percent to the small cities assistance account under section 162.145, subdivision
- 53.23 2;
- 53.24 (5) 12 percent to the town road account under section 162.081; and
- 53.25 (6) one percent to the food delivery support account under section 256.9752, subdivision
- 53.26 1a.

54.1 Sec. 15. Minnesota Statutes 2022, section 256.9752, is amended by adding a subdivision  
54.2 to read:

54.3 Subd. 1a. **Food delivery support account; appropriation.** (a) A food delivery support  
54.4 account is established in the special revenue fund. The account consists of funds under  
54.5 section 174.49, subdivision 2, and as provided by law and any other money donated, allotted,  
54.6 transferred, or otherwise provided to the account.

54.7 (b) Money in the account is annually appropriated to the commissioner of human services  
54.8 for grants to nonprofit organizations to provide transportation of home-delivered meals,  
54.9 groceries, purchased food, or a combination, to Minnesotans who are experiencing food  
54.10 insecurity and have difficulty obtaining or preparing meals due to limited mobility, disability,  
54.11 age, or resources to prepare their own meals. A nonprofit organization must have a  
54.12 demonstrated history of providing and distributing food customized for the population that  
54.13 they serve.

54.14 (c) Grant funds under this subdivision must supplement, but not supplant, any state or  
54.15 federal funding used to provide prepared meals to Minnesotans experiencing food insecurity.

54.16 Sec. 16. Minnesota Statutes 2022, section 270C.15, is amended to read:

54.17 **270C.15 REVENUE DEPARTMENT SERVICE AND RECOVERY SPECIAL**  
54.18 **REVENUE FUND.**

54.19 A Revenue Department service and recovery special revenue fund is created for the  
54.20 purpose of recovering the costs of furnishing government data and related services or  
54.21 products, as well as recovering costs associated with collecting local taxes on sales and the  
54.22 retail delivery fee established under chapter 168E. All money collected under this section  
54.23 is deposited in the Revenue Department service and recovery special revenue fund. Money  
54.24 in the fund is appropriated to the commissioner to reimburse the department for the costs  
54.25 incurred in administering the tax law or providing the data, service, or product. Any money  
54.26 paid to the department as a criminal fine for a violation of state revenue law that is designated  
54.27 by the court to fund enforcement of state revenue law is appropriated to this fund.

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

55.1 Sec. 17. Minnesota Statutes 2022, section 297A.94, is amended to read:

55.2 **297A.94 DEPOSIT OF REVENUES.**

55.3 (a) Except as provided in this section, the commissioner shall deposit the revenues,  
55.4 including interest and penalties, derived from the taxes imposed by this chapter in the state  
55.5 treasury and credit them to the general fund.

55.6 (b) The commissioner shall deposit taxes in the Minnesota agricultural and economic  
55.7 account in the special revenue fund if:

41.1 Sec. 8. Minnesota Statutes 2022, section 297A.94, is amended to read:

41.2 **297A.94 DEPOSIT OF REVENUES.**

41.3 (a) Except as provided in this section, the commissioner shall deposit the revenues,  
41.4 including interest and penalties, derived from the taxes imposed by this chapter in the state  
41.5 treasury and credit them to the general fund.

41.6 (b) The commissioner shall deposit taxes in the Minnesota agricultural and economic  
41.7 account in the special revenue fund if:

55.8 (1) the taxes are derived from sales and use of property and services purchased for the  
55.9 construction and operation of an agricultural resource project; and

55.10 (2) the purchase was made on or after the date on which a conditional commitment was  
55.11 made for a loan guaranty for the project under section 41A.04, subdivision 3.

55.12 The commissioner of management and budget shall certify to the commissioner the date on  
55.13 which the project received the conditional commitment. The amount deposited in the loan  
55.14 guaranty account must be reduced by any refunds and by the costs incurred by the Department  
55.15 of Revenue to administer and enforce the assessment and collection of the taxes.

55.16 (c) The commissioner shall deposit the revenues, including interest and penalties, derived  
55.17 from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3,  
55.18 paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

55.19 (1) first to the general obligation special tax bond debt service account in each fiscal  
55.20 year the amount required by section 16A.661, subdivision 3, paragraph (b); and

55.21 (2) after the requirements of clause (1) have been met, the balance to the general fund.

55.22 (d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit  
55.23 in the state treasury the revenues collected under section 297A.64, subdivision 1, including  
55.24 interest and penalties and minus refunds, and credit them to the highway user tax distribution  
55.25 fund.

55.26 (e) The commissioner shall deposit the revenues, including interest and penalties,  
55.27 collected under section 297A.64, subdivision 5, in the state treasury and credit them to the  
55.28 general fund. By July 15 of each year the commissioner shall transfer to the highway user  
55.29 tax distribution fund an amount equal to the excess fees collected under section 297A.64,  
55.30 subdivision 5, for the previous calendar year.

55.31 (f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit  
55.32 of revenues under paragraph (d), the commissioner shall deposit into the state treasury and  
56.1 credit to the highway user tax distribution fund an amount equal to the estimated revenues  
56.2 derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or  
56.3 rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The  
56.4 commissioner shall estimate the amount of sales tax revenue deposited under this paragraph  
56.5 based on the amount of revenue deposited under paragraph (d).

56.6 (g) ~~The commissioner shall deposit an amount of the remittances monthly into the state  
56.7 treasury and credit them to the highway user tax distribution fund as a portion of the estimated  
56.8 amount of taxes collected from the sale and purchase of motor vehicle repair and replacement  
56.9 parts in that month. The monthly deposit amount is \$12,137,000. Between July 1, 2023,  
56.10 and June 30, 2027, the commissioner must deposit \$14,887,000 monthly in the highway  
56.11 user tax distribution fund, as a portion of the revenue derived from the taxes imposed under  
56.12 section 297A.62, subdivision 1, on the sale and purchase of motor vehicle repair and  
56.13 replacement parts. On and after July 1, 2027, the commissioner must deposit in the highway~~

41.8 (1) the taxes are derived from sales and use of property and services purchased for the  
41.9 construction and operation of an agricultural resource project; and

41.10 (2) the purchase was made on or after the date on which a conditional commitment was  
41.11 made for a loan guaranty for the project under section 41A.04, subdivision 3.

41.12 The commissioner of management and budget shall certify to the commissioner the date on  
41.13 which the project received the conditional commitment. The amount deposited in the loan  
41.14 guaranty account must be reduced by any refunds and by the costs incurred by the Department  
41.15 of Revenue to administer and enforce the assessment and collection of the taxes.

41.16 (c) The commissioner shall deposit the revenues, including interest and penalties, derived  
41.17 from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3,  
41.18 paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

41.19 (1) first to the general obligation special tax bond debt service account in each fiscal  
41.20 year the amount required by section 16A.661, subdivision 3, paragraph (b); and

41.21 (2) after the requirements of clause (1) have been met, the balance to the general fund.

41.22 (d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit  
41.23 in the state treasury the revenues collected under section 297A.64, subdivision 1, including  
41.24 interest and penalties and minus refunds, and credit them to the highway user tax distribution  
41.25 fund.

41.26 (e) The commissioner shall deposit the revenues, including interest and penalties,  
41.27 collected under section 297A.64, subdivision 5, in the state treasury and credit them to the  
41.28 general fund. By July 15 of each year the commissioner shall transfer to the highway user  
41.29 tax distribution fund an amount equal to the excess fees collected under section 297A.64,  
41.30 subdivision 5, for the previous calendar year.

41.31 (f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit  
41.32 of revenues under paragraph (d), the commissioner shall deposit into the state treasury and  
42.1 credit to the highway user tax distribution fund an amount equal to the estimated revenues  
42.2 derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or  
42.3 rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The  
42.4 commissioner shall estimate the amount of sales tax revenue deposited under this paragraph  
42.5 based on the amount of revenue deposited under paragraph (d).

42.6 (g) ~~The commissioner shall deposit an amount of the remittances monthly into the state  
42.7 treasury and credit them to the highway user tax distribution fund as a portion of the estimated  
42.8 amount of taxes collected from the sale and purchase of motor vehicle repair and replacement  
42.9 parts in that month. The monthly deposit amount is \$12,137,000. For purposes of this  
42.10 paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and  
42.11 "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and  
42.12 equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle  
42.13 maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor~~

56.14 user tax distribution fund the revenue derived from the taxes imposed under section 297A.62,  
56.15 subdivision 1, on the sale and purchase of motor vehicle repair and replacement parts.

56.16 For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01,  
56.17 subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires,  
56.18 accessories, and equipment incorporated into or affixed to the motor vehicle as part of the  
56.19 motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or  
56.20 in the motor vehicle as part of the motor vehicle maintenance or repair. For purposes of this  
56.21 paragraph, "tire" means any tire of the type used on highway vehicles, if wholly or partially  
56.22 made of rubber and if marked according to federal regulations for highway use.

56.23 (h) 72.43 percent of the revenues, including interest and penalties, transmitted to the  
56.24 commissioner under section 297A.65, must be deposited by the commissioner in the state  
56.25 treasury as follows:

56.26 (1) 50 percent of the receipts must be deposited in the heritage enhancement account in  
56.27 the game and fish fund, and may be spent only on activities that improve, enhance, or protect

42.14 ~~vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph,~~  
42.15 ~~"tire" means any tire of the type used on highway vehicles, if wholly or partially made of~~  
42.16 ~~rubber and if marked according to federal regulations for highway use. The commissioner~~  
42.17 ~~must deposit the revenues derived from the taxes imposed on the sale and purchase of motor~~  
42.18 ~~vehicle repair and replacement parts in the state treasury and credit:~~

42.19 (1) 47.5 percent in each year to the highway user tax distribution fund;

42.20 (2) to the general fund as follows:

42.21 (i) in fiscal year 2024, 50 percent;

42.22 (ii) in fiscal year 2025, 48 percent;

42.23 (iii) in fiscal year 2026, 46 percent;

42.24 (iv) in fiscal year 2027, 44 percent;

42.25 (v) in fiscal year 2028, 35 percent;

42.26 (vi) in fiscal year 2029, 28 percent;

42.27 (vii) in fiscal year 2030, 21 percent;

42.28 (viii) in fiscal year 2031, 14 percent;

42.29 (ix) in fiscal year 2032, seven percent; and

42.30 (x) in fiscal year 2033 and thereafter, zero percent; and

42.31 (3) the remainder in each year as follows:

43.1 (i) 60 percent to the county state-aid highway fund;

43.2 (ii) 22 percent to the municipal state-aid street fund;

43.3 (iii) nine percent to the small cities assistance account under section 162.145; and

43.4 (iv) nine percent to the larger cities assistance account under section 162.146.

43.5 (h) 72.43 percent of the revenues, including interest and penalties, transmitted to the  
43.6 commissioner under section 297A.65, must be deposited by the commissioner in the state  
43.7 treasury as follows:

43.8 (1) 50 percent of the receipts must be deposited in the heritage enhancement account in  
43.9 the game and fish fund, and may be spent only on activities that improve, enhance, or protect

56.28 fish and wildlife resources, including conservation, restoration, and enhancement of land,  
56.29 water, and other natural resources of the state;

56.30 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may  
56.31 be spent only for state parks and trails;

56.32 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may  
56.33 be spent only on metropolitan park and trail grants;

57.1 (4) three percent of the receipts must be deposited in the natural resources fund, and  
57.2 may be spent only on local trail grants; and

57.3 (5) two percent of the receipts must be deposited in the natural resources fund, and may  
57.4 be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory,  
57.5 and the Duluth Zoo.

57.6 (i) The revenue dedicated under paragraph (h) may not be used as a substitute for  
57.7 traditional sources of funding for the purposes specified, but the dedicated revenue shall  
57.8 supplement traditional sources of funding for those purposes. Land acquired with money  
57.9 deposited in the game and fish fund under paragraph (h) must be open to public hunting  
57.10 and fishing during the open season, except that in aquatic management areas or on lands  
57.11 where angling easements have been acquired, fishing may be prohibited during certain times  
57.12 of the year and hunting may be prohibited. At least 87 percent of the money deposited in  
57.13 the game and fish fund for improvement, enhancement, or protection of fish and wildlife  
57.14 resources under paragraph (h) must be allocated for field operations.

57.15 (j) The commissioner must deposit the revenues, including interest and penalties minus  
57.16 any refunds, derived from the sale of items regulated under section 624.20, subdivision 1,  
57.17 that may be sold to persons 18 years old or older and that are not prohibited from use by  
57.18 the general public under section 624.21, in the state treasury and credit:

57.19 (1) 25 percent to the volunteer fire assistance grant account established under section  
57.20 88.068;

57.21 (2) 25 percent to the fire safety account established under section 297I.06, subdivision  
57.22 3; and

57.23 (3) the remainder to the general fund.

57.24 For purposes of this paragraph, the percentage of total sales and use tax revenue derived  
57.25 from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be  
57.26 sold to persons 18 years old or older and are not prohibited from use by the general public  
57.27 under section 624.21, is a set percentage of the total sales and use tax revenues collected in  
57.28 the state, with the percentage determined under Laws 2017, First Special Session chapter  
57.29 1, article 3, section 39.

57.30 (k) The revenues deposited under paragraphs (a) to (j) do not include the revenues,  
57.31 including interest and penalties, generated by the sales tax imposed under section 297A.62,

43.10 fish and wildlife resources, including conservation, restoration, and enhancement of land,  
43.11 water, and other natural resources of the state;

43.12 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may  
43.13 be spent only for state parks and trails;

43.14 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may  
43.15 be spent only on metropolitan park and trail grants;

43.16 (4) three percent of the receipts must be deposited in the natural resources fund, and  
43.17 may be spent only on local trail grants; and

43.18 (5) two percent of the receipts must be deposited in the natural resources fund, and may  
43.19 be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory,  
43.20 and the Duluth Zoo.

43.21 (i) The revenue dedicated under paragraph (h) may not be used as a substitute for  
43.22 traditional sources of funding for the purposes specified, but the dedicated revenue shall  
43.23 supplement traditional sources of funding for those purposes. Land acquired with money  
43.24 deposited in the game and fish fund under paragraph (h) must be open to public hunting  
43.25 and fishing during the open season, except that in aquatic management areas or on lands  
43.26 where angling easements have been acquired, fishing may be prohibited during certain times  
43.27 of the year and hunting may be prohibited. At least 87 percent of the money deposited in  
43.28 the game and fish fund for improvement, enhancement, or protection of fish and wildlife  
43.29 resources under paragraph (h) must be allocated for field operations.

43.30 (j) The commissioner must deposit the revenues, including interest and penalties minus  
43.31 any refunds, derived from the sale of items regulated under section 624.20, subdivision 1,  
44.1 that may be sold to persons 18 years old or older and that are not prohibited from use by  
44.2 the general public under section 624.21, in the state treasury and credit:

44.3 (1) 25 percent to the volunteer fire assistance grant account established under section  
44.4 88.068;

44.5 (2) 25 percent to the fire safety account established under section 297I.06, subdivision  
44.6 3; and

44.7 (3) the remainder to the general fund.

44.8 For purposes of this paragraph, the percentage of total sales and use tax revenue derived  
44.9 from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be  
44.10 sold to persons 18 years old or older and are not prohibited from use by the general public  
44.11 under section 624.21, is a set percentage of the total sales and use tax revenues collected in  
44.12 the state, with the percentage determined under Laws 2017, First Special Session chapter  
44.13 1, article 3, section 39.

44.14 (k) The revenues deposited under paragraphs (a) to (j) do not include the revenues,  
44.15 including interest and penalties, generated by the sales tax imposed under section 297A.62,

57.32 subdivision 1a, which must be deposited as provided under the Minnesota Constitution,  
57.33 article XI, section 15.

58.1 Sec. 18. Minnesota Statutes 2022, section 297A.99, subdivision 1, is amended to read:

58.2 Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose  
58.3 a general sales tax (1) under section 297A.992, (2) under section 297A.9925, (3) under  
58.4 section 297A.993, ~~(4)~~ (4) if permitted by special law, or ~~(4)~~ (5) if the political subdivision  
58.5 enacted and imposed the tax before January 1, 1982, and its predecessor provision.

58.6 (b) This section governs the imposition of a general sales tax by the political subdivision.  
58.7 The provisions of this section preempt the provisions of any special law:

58.8 (1) enacted before June 2, 1997, or

58.9 (2) enacted on or after June 2, 1997, that does not explicitly exempt the special law  
58.10 provision from this section's rules by reference.

58.11 (c) This section does not apply to or preempt a sales tax on motor vehicles. Beginning  
58.12 July 1, 2019, no political subdivision may impose a special excise tax on motor vehicles  
58.13 unless it is imposed under section 297A.993.

58.14 (d) A political subdivision may not advertise or expend funds for the promotion of a  
58.15 referendum to support imposing a local sales tax and may only spend funds related to  
58.16 imposing a local sales tax to:

58.17 (1) conduct the referendum;

58.18 (2) disseminate information included in the resolution adopted under subdivision 2, but  
58.19 only if the disseminated information includes a list of specific projects and the cost of each  
58.20 individual project;

58.21 (3) provide notice of, and conduct public forums at which proponents and opponents on  
58.22 the merits of the referendum are given equal time to express their opinions on the merits of  
58.23 the referendum;

58.24 (4) provide facts and data on the impact of the proposed local sales tax on consumer  
58.25 purchases; and

58.26 (5) provide facts and data related to the individual programs and projects to be funded  
58.27 with the local sales tax.

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

58.29 Sec. 19. **[297A.9925] METROPOLITAN REGION SALES AND USE TAX.**

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

44.16 subdivision 1a, which must be deposited as provided under the Minnesota Constitution,  
44.17 article XI, section 15.

44.18 Sec. 9. Minnesota Statutes 2022, section 297A.99, subdivision 1, is amended to read:

44.19 Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose  
44.20 a general sales tax (1) under section 297A.992, (2) under section 297A.9925, (3) under  
44.21 section 297A.993, ~~(4)~~ (4) if permitted by special law, or ~~(4)~~ (5) if the political subdivision  
44.22 enacted and imposed the tax before January 1, 1982, and its predecessor provision.

44.23 (b) This section governs the imposition of a general sales tax by the political subdivision.  
44.24 The provisions of this section preempt the provisions of any special law:

44.25 (1) enacted before June 2, 1997, or

44.26 (2) enacted on or after June 2, 1997, that does not explicitly exempt the special law  
44.27 provision from this section's rules by reference.

44.28 (c) This section does not apply to or preempt a sales tax on motor vehicles. Beginning  
44.29 July 1, 2019, no political subdivision may impose a special excise tax on motor vehicles  
44.30 unless it is imposed under section 297A.993.

45.1 (d) A political subdivision may not advertise or expend funds for the promotion of a  
45.2 referendum to support imposing a local sales tax and may only spend funds related to  
45.3 imposing a local sales tax to:

45.4 (1) conduct the referendum;

45.5 (2) disseminate information included in the resolution adopted under subdivision 2, but  
45.6 only if the disseminated information includes a list of specific projects and the cost of each  
45.7 individual project;

45.8 (3) provide notice of, and conduct public forums at which proponents and opponents on  
45.9 the merits of the referendum are given equal time to express their opinions on the merits of  
45.10 the referendum;

45.11 (4) provide facts and data on the impact of the proposed local sales tax on consumer  
45.12 purchases; and

45.13 (5) provide facts and data related to the individual programs and projects to be funded  
45.14 with the local sales tax.

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

45.16 Sec. 10. **[297A.9925] METROPOLITAN REGION SALES AND USE TAX.**

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

59.1 (b) "Metropolitan area" means the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
59.2 Scott, and Washington.

59.3 (c) "Metropolitan Council" or "council" means the Metropolitan Council established by  
59.4 section 473.123.

59.5 (d) "Metropolitan sales tax" means the metropolitan region sales and use tax imposed  
59.6 under this section.

59.7 Subd. 2. **Sales tax imposition; rate.** Notwithstanding section 473.123, subdivision 1,  
59.8 the Metropolitan Council must impose a metropolitan region sales and use tax at a rate of  
59.9 three-quarters of one percent on retail sales and uses taxable under this chapter made in the  
59.10 metropolitan area or to a destination in the metropolitan area.

59.11 Subd. 3. **Administration; collection; enforcement.** Except as otherwise provided in  
59.12 this section, the provisions of section 297A.99, subdivisions 4, and 6 to 12a, govern the  
59.13 administration, collection, and enforcement of the metropolitan sales tax.

59.14 Subd. 4. **Deposit.** Proceeds of the metropolitan sales tax must be deposited in the  
59.15 metropolitan area transit account under section 16A.88.

59.16 Subd. 5. **Revenue bonds.** (a) In addition to other authority granted in this section, and  
59.17 notwithstanding section 473.39, subdivision 7, or any other law to the contrary, the council  
59.18 may, by resolution, authorize the sale and issuance of revenue bonds, notes, or obligations  
59.19 to provide funds to (1) implement the council's transit capital improvement program, and  
59.20 (2) refund bonds issued under this subdivision.

59.21 (b) The bonds are payable from and secured by a pledge of all or part of the revenue  
59.22 received under subdivision 4 and associated investment earnings on debt proceeds. The  
59.23 council may, by resolution, authorize the issuance of the bonds as general obligations of  
59.24 the council. The bonds must be sold, issued, and secured in the manner provided in chapter  
59.25 475, and the council has the same powers and duties as a municipality and its governing  
59.26 body in issuing bonds under chapter 475, except that no election is required and the net debt  
59.27 limitations in chapter 475 do not apply to such bonds. The proceeds of the bonds may also  
59.28 be used to fund necessary reserves and to pay credit enhancement fees, issuance costs, and  
59.29 other financing costs during the life of the debt.

59.30 (c) The bonds may be secured by a bond resolution, or a trust indenture entered into by  
59.31 the council with a corporate trustee within or outside the state, which must define the  
59.32 revenues and bond proceeds pledged for the payment and security of the bonds. The pledge  
59.33 must be a valid charge on the revenues received under section 297A.99, subdivision 11.  
60.1 Neither the state, nor any municipality or political subdivision except the council, nor any  
60.2 member or officer or employee of the council, is liable on the obligations. No mortgage or  
60.3 security interest in any tangible real or personal property is granted to the bondholders or

45.19 (b) "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

45.20 (c) "Metropolitan Council" or "council" means the Metropolitan Council established by  
45.21 section 473.123.

45.22 (d) "Metropolitan sales tax" means the metropolitan region sales and use tax imposed  
45.23 under this section.

45.24 Subd. 2. **Sales tax imposition; rate.** The Metropolitan Council must impose a  
45.25 metropolitan region sales and use tax at a rate of one-half of one percent on retail sales and  
45.26 uses taxable under this chapter made in the metropolitan area or to a destination in the  
45.27 metropolitan area.

45.28 Subd. 3. **Administration; collection; enforcement.** Except as otherwise provided in  
45.29 this section, the provisions of section 297A.99, subdivisions 4, and 6 to 12a, govern the  
45.30 administration, collection, and enforcement of the metropolitan sales tax.

45.31 Subd. 4. **Deposit.** Proceeds of the metropolitan sales tax must be deposited as follows:

46.1 (1) 83 percent in the metropolitan area transit account under section 16A.88; and  
46.2 (2) 17 percent in the county state-aid highway fund.

46.3 Subd. 5. **Revenue bonds.** (a) In addition to other authority granted in this section, and  
46.4 notwithstanding section 473.39, subdivision 7, or any other law to the contrary, the council  
46.5 may, by resolution, authorize the sale and issuance of revenue bonds, notes, or obligations  
46.6 to provide funds to (1) implement the council's transit capital improvement program, and  
46.7 (2) refund bonds issued under this subdivision.

46.8 (b) The bonds are payable from and secured by a pledge of all or part of the revenue  
46.9 received under subdivision 4, clause (1), and associated investment earnings on debt proceeds.  
46.10 The council may, by resolution, authorize the issuance of the bonds as general obligations  
46.11 of the council. The bonds must be sold, issued, and secured in the manner provided in  
46.12 chapter 475, and the council has the same powers and duties as a municipality and its  
46.13 governing body in issuing bonds under chapter 475, except that no election is required and  
46.14 the net debt limitations in chapter 475 do not apply to such bonds. The proceeds of the bonds  
46.15 may also be used to fund necessary reserves and to pay credit enhancement fees, issuance  
46.16 costs, and other financing costs during the life of the debt.

46.17 (c) The bonds may be secured by a bond resolution, or a trust indenture entered into by  
46.18 the council with a corporate trustee within or outside the state, which must define the  
46.19 revenues and bond proceeds pledged for the payment and security of the bonds. The pledge  
46.20 must be a valid charge on the revenues received under section 297A.99, subdivision 11.  
46.21 Neither the state, nor any municipality or political subdivision except the council, nor any  
46.22 member or officer or employee of the council, is liable on the obligations. No mortgage or  
46.23 security interest in any tangible real or personal property is granted to the bondholders or

60.4 the trustee, but they have a valid security interest in the revenues and bond proceeds received  
60.5 by the council and pledged to the payment of the bonds. In the bond resolution or trust  
60.6 indenture, the council may make such covenants as it determines to be reasonable for the  
60.7 protection of the bondholders.

60.8 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
60.9 final enactment for sales and purchases made on or after October 1, 2023, and applies in  
60.10 the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

60.11 Sec. 20. Minnesota Statutes 2022, section 297B.02, subdivision 1, is amended to read:

60.12 Subdivision 1. **Rate.** (a) There is imposed an excise tax of ~~6.5~~ 6.875 percent on the  
60.13 purchase price of any motor vehicle purchased or acquired, either in or outside of the state  
60.14 of Minnesota, which is required to be registered under the laws of this state.

60.15 (b) The excise tax is also imposed on the purchase price of motor vehicles purchased or  
60.16 acquired on Indian reservations when the tribal council has entered into a sales tax on motor  
60.17 vehicles refund agreement with the state of Minnesota.

60.18 **EFFECTIVE DATE.** This section is effective for sales and purchases on or after July  
60.19 1, 2023.

60.20 Sec. 21. Minnesota Statutes 2022, section 297B.03, is amended to read:

60.21 **297B.03 EXEMPTIONS.**

60.22 There is specifically exempted from the provisions of this chapter and from computation  
60.23 of the amount of tax imposed by it the following:

60.24 (1) purchase or use, including use under a lease purchase agreement or installment sales  
60.25 contract made pursuant to section 465.71, of any motor vehicle by the United States and its  
60.26 agencies and instrumentalities and by any person described in and subject to the conditions  
60.27 provided in section 297A.67, subdivision 11;

60.28 (2) purchase or use of any motor vehicle by any person who was a resident of another  
60.29 state or country at the time of the purchase and who subsequently becomes a resident of  
60.30 Minnesota, provided the purchase occurred more than 60 days prior to the date such person  
60.31 began residing in the state of Minnesota and the motor vehicle was registered in the person's  
60.32 name in the other state or country;

61.1 (3) purchase or use of any motor vehicle by any person making a valid election to be  
61.2 taxed under the provisions of section 297A.90;

61.3 (4) purchase or use of any motor vehicle previously registered in the state of Minnesota  
61.4 when such transfer constitutes a transfer within the meaning of section 118, 331, 332, 336,  
61.5 337, 338, 351, 355, 368, 721, 731, 1031, 1033, or 1563(a) of the Internal Revenue Code,  
61.6 as amended through December 16, 2016;

46.24 the trustee, but they have a valid security interest in the revenues and bond proceeds received  
46.25 by the council and pledged to the payment of the bonds. In the bond resolution or trust  
46.26 indenture, the council may make such covenants as it determines to be reasonable for the  
46.27 protection of the bondholders.

46.28 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following  
46.29 final enactment for sales and purchases made after October 1, 2023, and applies in the  
46.30 counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

47.1 Sec. 11. Minnesota Statutes 2022, section 297B.02, subdivision 1, is amended to read:

47.2 Subdivision 1. **Rate.** (a) There is imposed an excise tax of ~~6.5~~ 6.875 percent on the  
47.3 purchase price of any motor vehicle purchased or acquired, either in or outside of the state  
47.4 of Minnesota, which is required to be registered under the laws of this state.

47.5 (b) The excise tax is also imposed on the purchase price of motor vehicles purchased or  
47.6 acquired on Indian reservations when the tribal council has entered into a sales tax on motor  
47.7 vehicles refund agreement with the state of Minnesota.

47.8 **EFFECTIVE DATE.** This section is effective for sales and purchases on or after July  
47.9 1, 2023.

61.7 (5) purchase or use of any vehicle owned by a resident of another state and leased to a  
61.8 Minnesota-based private or for-hire carrier for regular use in the transportation of persons  
61.9 or property in interstate commerce provided the vehicle is titled in the state of the owner or  
61.10 secured party, and that state does not impose a sales tax or sales tax on motor vehicles used  
61.11 in interstate commerce;

61.12 (6) purchase or use of a motor vehicle by a private nonprofit or public educational  
61.13 institution for use as an instructional aid in automotive training programs operated by the  
61.14 institution. "Automotive training programs" includes motor vehicle body and mechanical  
61.15 repair courses but does not include driver education programs;

61.16 (7) purchase of a motor vehicle by an ambulance service licensed under section 144E.10  
61.17 when that vehicle is equipped and specifically intended for emergency response or for  
61.18 providing ambulance service;

61.19 (8) purchase of a motor vehicle by or for a public library, as defined in section 134.001,  
61.20 subdivision 2, as a bookmobile or library delivery vehicle;

61.21 (9) purchase of a ready-mixed concrete truck;

61.22 (10) purchase or use of a motor vehicle by a town for use exclusively for road  
61.23 maintenance, including snowplows and dump trucks, but not including automobiles, vans,  
61.24 or pickup trucks;

61.25 (11) purchase or use of a motor vehicle by a corporation, society, association, foundation,  
61.26 or institution organized and operated exclusively for charitable, religious, or educational  
61.27 purposes, except a public school, university, or library, but only if the vehicle is:

61.28 (i) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or a  
61.29 passenger automobile, as defined in section 168.002, if the automobile is designed and used  
61.30 for carrying more than nine persons including the driver; and

61.31 (ii) intended to be used primarily to transport tangible personal property or individuals,  
61.32 other than employees, to whom the organization provides service in performing its charitable,  
61.33 religious, or educational purpose;

62.1 (12) purchase of a motor vehicle for use by a transit provider exclusively to provide  
62.2 transit service is exempt if the transit provider is either (i) receiving financial assistance or  
62.3 reimbursement under section 174.24 or 473.384, or (ii) operating under section 174.29,  
62.4 473.388, or 473.405;

62.5 (13) purchase or use of a motor vehicle by a qualified business, as defined in section  
62.6 469.310, located in a job opportunity building zone, if the motor vehicle is principally  
62.7 garaged in the job opportunity building zone and is primarily used as part of or in direct  
62.8 support of the person's operations carried on in the job opportunity building zone. The  
62.9 exemption under this clause applies to sales, if the purchase was made and delivery received  
62.10 during the duration of the job opportunity building zone. The exemption under this clause  
62.11 also applies to any local sales and use tax;

62.12 (14) purchase of a leased vehicle by the lessee who was a participant in a lease-to-own  
62.13 program from a charitable organization that is:

62.14 (i) described in section 501(c)(3) of the Internal Revenue Code; and

62.15 (ii) licensed as a motor vehicle lessor under section 168.27, subdivision 4; ~~and~~

62.16 (15) purchase of a motor vehicle used exclusively as a mobile medical unit for the  
62.17 provision of medical or dental services by a federally qualified health center, as defined  
62.18 under title 19 of the Social Security Act, as amended by Section 4161 of the Omnibus Budget  
62.19 Reconciliation Act of 1990; and

62.20 (16) purchase of a motor vehicle by a veteran having a total service-connected disability,  
62.21 as defined in section 171.01, subdivision 51.

62.22 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
62.23 30, 2024.

62.24 Sec. 22. Minnesota Statutes 2022, section 297B.09, is amended to read:

62.25 **297B.09 ALLOCATION OF REVENUE.**

62.26 Subdivision 1. **Deposit of revenues.** (a) Money collected and received under this chapter  
62.27 must be deposited ~~as provided in this subdivision.~~ as follows:

62.28 ~~(b) (1) 60 percent of the money collected and received must be deposited in the highway~~  
62.29 ~~user tax distribution fund, 36 percent must be deposited;~~

62.30 (2) 34.3 percent in the metropolitan area transit account under section 16A.88; and four  
62.31 percent must be deposited

63.1 (3) 5.7 percent in the greater Minnesota transit account under section 16A.88.

63.2 ~~(b)~~ (b) It is the intent of the legislature that the allocations under paragraph (b) remain  
63.3 unchanged for fiscal year ~~2012~~ 2024 and all subsequent fiscal years.

63.4 **EFFECTIVE DATE.** This section is effective July 1, 2023.

63.5 Sec. 23. **[473.4465] METROPOLITAN REGION SALES AND USE TAX**  
63.6 **ALLOCATION.**

63.7 Subdivision 1. **Definition.** For purposes of this section, "sales tax revenue" means  
63.8 revenue from the metropolitan region sales and use tax under section 297A.9925 that is  
63.9 deposited in the metropolitan area transit account under section 16A.88.

63.10 Subd. 2. **Distribution.** Sales tax revenue is allocated:

63.11 (1) five-sixths to the council; and

63.12 (2) one-sixth to the Transportation Advisory Board.

47.10 Sec. 12. Minnesota Statutes 2022, section 297B.09, is amended to read:

47.11 **297B.09 ALLOCATION OF REVENUE.**

47.12 Subdivision 1. **Deposit of revenues.** (a) Money collected and received under this chapter  
47.13 must be deposited ~~as provided in this subdivision.~~ as follows:

47.14 ~~(b) (1) 60 percent of the money collected and received must be deposited in the highway~~  
47.15 ~~user tax distribution fund, 36 percent must be deposited;~~

47.16 (2) 34.5 percent in the metropolitan area transit account under section 16A.88; and four  
47.17 percent must be deposited

47.18 (3) 5.5 percent in the greater Minnesota transit account under section 16A.88.

47.19 ~~(b)~~ (b) It is the intent of the legislature that the allocations under paragraph (b) remain  
47.20 unchanged for fiscal year ~~2012~~ 2024 and all subsequent fiscal years.

47.21 **EFFECTIVE DATE.** This section is effective July 1, 2023.

47.22 Sec. 13. **[473.4465] METROPOLITAN REGION SALES AND USE TAX**  
47.23 **ALLOCATION.**

47.24 Subdivision 1. **Definition.** For purposes of this section, "sales tax revenue" means  
47.25 revenue from the metropolitan region sales and use tax under section 297A.9925 that is  
47.26 deposited in the metropolitan area transit account under section 16A.88.

63.13 Subd. 3. Use of funds; Metropolitan Council. (a) Sales tax revenue allocated to the  
63.14 council under subdivision 2, clause (1), is available for transit system purposes under sections  
63.15 473.371 to 473.452, including but not limited to operations, maintenance, and capital projects.

63.16 (b) The council must annually expend a portion of sales tax revenue in each of the  
63.17 following categories:

63.18 (1) improvements to regular route bus service levels;

63.19 (2) improvements related to transit safety;

63.20 (3) maintenance and improvements to bus accessibility at transit stops and transit centers;

63.21 (4) transit shelter replacement and improvements under section 473.41;

63.22 (5) planning and project development for expansion of arterial bus rapid transit lines;

63.23 (6) operations and capital maintenance of arterial bus rapid transit;

63.24 (7) planning and project development for expansion of highway bus rapid transit and  
63.25 bus guideway lines;

63.26 (8) operations and capital maintenance of highway bus rapid transit and bus guideways;

63.27 (9) zero-emission bus procurement and associated costs in conformance with the  
63.28 zero-emission and electric transit vehicle transition plan under section 473.3927;

63.29 (10) demand response microtransit service provided by the council; and

64.1 (11) financial assistance to replacement service providers under section 473.388, to  
64.2 provide for service, vehicle purchases, and capital investments related to demand response  
64.3 microtransit service.

47.27 Subd. 2. Use of funds; Metropolitan Council. (a) Sales tax revenue is available as  
47.28 follows:

47.29 (1) five percent for the metropolitan area active transportation program under section  
47.30 473.248; and

48.1 (2) 95 percent for transit system purposes under sections 473.371 to 473.452, including  
48.2 but not limited to operations, maintenance, and capital projects.

48.3 (b) The council must annually expend a portion of sales tax revenue in each of the  
48.4 following categories:

48.5 (1) improvements to regular route bus service levels;

48.6 (2) improvements related to transit safety, including additional transit officials, as defined  
48.7 under section 473.4075;

48.8 (3) maintenance and improvements to bus accessibility at transit stops and transit centers;

48.9 (4) transit shelter replacement and improvements under section 473.41;

48.10 (5) planning and project development for expansion of arterial bus rapid transit lines;

48.11 (6) operations and capital maintenance of arterial bus rapid transit;

48.12 (7) planning and project development for expansion of highway bus rapid transit and  
48.13 bus guideway lines;

48.14 (8) operations and capital maintenance of highway bus rapid transit and bus guideways;

48.15 (9) zero-emission bus procurement and associated costs in conformance with the  
48.16 zero-emission and electric transit vehicle transition plan under section 473.3927;

48.17 (10) demand response microtransit service provided by the council;

48.18 (11) financial assistance to replacement service providers under section 473.388, to  
48.19 provide for service, vehicle purchases, and capital investments related to demand response  
48.20 microtransit service;

48.21 (12) financial assistance to political subdivisions and tax-exempt organizations under  
48.22 section 501(c)(3) of the Internal Revenue Code for the metropolitan area active transportation  
48.23 program established in section 473.248; and

48.24 (13) cost of living wage adjustments for Metro Transit hourly operations employees.

48.25 (c) The chair of the Metropolitan Council must annually transfer a portion of sales tax  
48.26 revenue to the commissioner of transportation for the cost of construction of nonarterial  
48.27 bus rapid transit facilities under section 174.48 and the cost of construction of light rail  
48.28 transit facilities under sections 473.3993 to 473.3997. The amount for transfer must be

64.4 (c) Subject to subdivision 5, nothing in paragraph (b) prevents expenditure for additional  
64.5 purposes as determined by the council.

64.6 Subd. 4. Use of funds; Transportation Advisory Board. (a) Sales tax revenue allocated  
64.7 to the Transportation Advisory Board under subdivision 2, clause (2), is for grants for  
64.8 highway projects that provide for one or more of the following: safety improvements; crash  
64.9 reduction; support for active transportation; or maintenance.

64.10 (b) The Transportation Advisory Board must establish eligibility requirements and a  
64.11 project selection process to provide the grant awards. The process must include: solicitation;  
64.12 evaluation and prioritization, including technical review, scoring, and ranking; project  
64.13 selection; and award of funds. To the extent feasible, the process must align with procedures  
64.14 and requirements established for allocation of other sources of funds.

64.15 Subd. 5. Prohibition. (a) The council is prohibited from expending sales tax revenue  
64.16 on the Southwest light rail transit (Green Line Extension) project.

64.17 (b) Paragraph (a) expires on the date of expiration of the Metropolitan Governance Task  
64.18 Force as specified under article 4, section 65, subdivision 11.

64.19 Subd. 6. Tracking and information. (a) The council must maintain separate financial  
64.20 information on sales tax revenue that includes:

64.21 (1) a summary of annual revenue and expenditures, including but not limited to balances  
64.22 and anticipated revenue in the forecast period under section 16A.103; and

64.23 (2) for each of the categories specified under subdivision 2 in the most recent prior three  
64.24 fiscal years:

48.29 annually certified by the commissioner of transportation in consultation with the  
48.30 commissioner of management and budget.

49.1 Subd. 3. Use of funds; Department of Transportation. (a) Notwithstanding any other  
49.2 law to the contrary, the commissioner of transportation must allocate the funds deposited  
49.3 under section 297A.9925, subdivision 4, clause (2), to the metropolitan counties, as defined  
49.4 in section 473.121, subdivision 4, as follows:

49.5 (1) 30 percent apportioned among the counties so that each county receives of such  
49.6 amount the percentage that its population, as defined in section 477A.011, subdivision 3,  
49.7 bears to the total population of the counties receiving funds under this subdivision; and

49.8 (2) 70 percent apportioned among the counties so that each county receives of such  
49.9 amount the percentage that its money needs, as defined under section 162.07, subdivision  
49.10 2, bears to the sum of the money needs of all of the individual counties receiving funds  
49.11 under this subdivision.

49.12 Subd. 4. Tracking and information. (a) The council must maintain separate financial  
49.13 information on sales tax revenue that includes:

49.14 (1) a summary of annual revenue and expenditures, including but not limited to balances  
49.15 and anticipated revenue in the forecast period under section 16A.103; and

49.16 (2) for each of the categories specified under subdivision 2 in the most recent prior three  
49.17 fiscal years:

- 64.25 (i) specification of annual expenditures; and  
64.26 (ii) an overview of the projects or services.  
64.27 (b) The council must publish the information required under paragraph (a) on the council's  
64.28 website.  
64.29 **EFFECTIVE DATE; APPLICATION.** This section is effective October 1, 2023, and  
64.30 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

- 49.18 (i) specification of annual expenditures; and  
49.19 (ii) an overview of the projects or services.  
49.20 (b) The council must publish the information required under paragraph (a) on the council's  
49.21 website.  
49.22 **EFFECTIVE DATE; APPLICATION.** This section is effective October 1, 2023, and  
49.23 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.  
49.24 Sec. 14. **OPERATING AND CAPITAL ASSISTANCE; GREATER MINNESOTA**  
49.25 **TRANSIT.**  
49.26 (a) Notwithstanding Minnesota Statutes, section 174.24, subdivision 3b, the commissioner  
49.27 of transportation must fund the operating costs of any eligible public transit system under  
49.28 Minnesota Statutes, section 174.24, subdivision 2, such that the percentage of total contracted  
49.29 operating costs paid by any recipient from local sources will not exceed five percent.  
49.30 (b) Notwithstanding Minnesota Statutes, section 174.24, subdivision 3c, and Minnesota  
49.31 Rules, part 8835.0320, the commissioner of transportation must fund 90 percent of the  
49.32 capital costs approved by the commissioner under the public transit participation program  
50.1 under Minnesota Statutes, section 174.24. The recipient must provide the remaining ten  
50.2 percent of the approved capital costs from local sources.  
50.3 **EFFECTIVE DATE.** This section is effective July 21, 2023, and expires June 30, 2025.