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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. **2274**

03/13/2025 Authored by Gomez  
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act

1.2 relating to taxation; modifying individual income and corporate franchise taxes,

1.3 property taxes, local government aids, sales and use taxes, tax increment financing

1.4 provisions, special local taxes, and other various taxes and tax-related provisions;

1.5 modifying the political contribution refund; modifying the beginning farmer credit;

1.6 providing for disclosure of certain corporate franchise tax information; providing

1.7 for electronic direct free filing for individual income tax returns; providing a

1.8 subtraction of discharge of coerced debt and excluding that discharged debt from

1.9 certain definitions of income; modifying the child tax credit; modifying the housing

1.10 credit; providing nonconformity to certain worker classification rules; modifying

1.11 and providing for certain property tax exemptions; modifying property

1.12 classifications; providing an advance homestead credit for seniors; providing an

1.13 advance credit of homestead credit refunds; providing for land bank organizations;

1.14 modifying use of certain local government aids; providing for local government

1.15 aid penalty forgiveness; reducing the credit for research for the provider tax;

1.16 providing for an amusement device gross receipts tax; repealing the tax on illegal

1.17 cannabis and controlled substances; providing a sales and use tax exemption for

1.18 certain construction materials; modifying and providing for certain local tax

1.19 increment financing authority; clarifying the tax base for local lodging taxes;

1.20 decreasing certain local special tax rates; modifying use of funds by lawful purpose

1.21 gambling organizations; providing for land-value taxation districts; providing for

1.22 certain financial assistance to units of local government; requiring reports;

1.23 appropriating money; amending Minnesota Statutes 2024, sections 10A.02,

1.24 subdivision 11b; 10A.322, subdivision 4; 41B.0391, subdivision 4; 272.02,

1.25 subdivisions 7, 19, by adding subdivisions; 273.13, subdivision 25; 273.1392;

1.26 273.1393; 273.38; 273.41; 275.065, subdivision 3; 276.04, subdivision 2; 289A.08,

1.27 subdivision 1; 290.0132, by adding a subdivision; 290.06, subdivision 23; 290.0661,

1.28 subdivision 1; 290.0671, subdivision 1a; 290.0683, subdivision 3; 290.92, by

1.29 adding a subdivision; 290A.03, subdivisions 3, 13, by adding subdivisions; 295.53,

1.30 subdivision 4a; 297A.61, subdivision 3; 297A.68, subdivisions 3a, 45; 349.12,

1.31 subdivision 25; 469.1812, by adding a subdivision; 469.1813, subdivisions 1, 6,

1.32 by adding a subdivision; 469.190, subdivisions 1, 7; 477A.30, subdivisions 4, 7;

1.33 609.902, subdivision 4; Laws 1986, chapter 396, section 5, as amended; Laws

1.34 1986, chapter 400, section 44, as amended; Laws 2010, chapter 389, article 7,

1.35 section 22, as amended; Laws 2014, chapter 308, article 6, section 9, as amended;

1.36 Laws 2017, First Special Session chapter 1, article 6, section 22; proposing coding

1.37 for new law in Minnesota Statutes, chapters 270B; 273; 289A; 290A; 295; 428A;

1.38 repealing Minnesota Statutes 2024, sections 13.4967, subdivision 5; 297D.01;

2.1 297D.02; 297D.03; 297D.04; 297D.05; 297D.06; 297D.07; 297D.08; 297D.085;  
 2.2 297D.09, subdivisions 1, 1a, 2; 297D.10; 297D.11; 297D.12; 297D.13; 477A.30,  
 2.3 subdivision 8.

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

2.5 **ARTICLE 1**

2.6 **INDIVIDUAL INCOME AND CORPORATE FRANCHISE TAXES**

2.7 Section 1. Minnesota Statutes 2024, section 10A.02, subdivision 11b, is amended to read:

2.8 Subd. 11b. **Data privacy related to electronic reporting system.** (a) The board may  
 2.9 develop and maintain systems to enable treasurers to enter and store electronic records  
 2.10 online for the purpose of complying with this chapter. Data entered into such systems by  
 2.11 treasurers or their authorized agents is not government data under chapter 13 and may not  
 2.12 be accessed or used by the board for any purpose without the treasurer's written consent.  
 2.13 Data from such systems that has been submitted to the board as a filed report is government  
 2.14 data under chapter 13.

2.15 (b) For purposes of administering the refund under section 290.06, subdivision 23, the  
 2.16 board may access or use the following data entered and stored in an electronic reporting  
 2.17 system and share the data with the commissioner of revenue: (1) the amount of the  
 2.18 contribution; (2) the name and address of the person requesting the refund; (3) any unique  
 2.19 identifier for the contribution; (4) the name and campaign identification number of the party  
 2.20 or candidate that received the contribution; and (5) the date on which the contribution was  
 2.21 received. Data accessed, used, or maintained by the board under this paragraph is private  
 2.22 data on individuals, as defined in section 13.02, subdivision 12.

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

2.24 Sec. 2. Minnesota Statutes 2024, section 10A.322, subdivision 4, is amended to read:

2.25 Subd. 4. **Refund ~~receipt forms~~ receipts; penalty.** (a) The board must make available  
 2.26 to a political party on request and to any candidate for whom an agreement under this section  
 2.27 is effective, ~~a supply of official~~ electronic refund ~~receipt forms~~ receipts that state in boldface  
 2.28 type that:

2.29 (1) a contributor who is given a receipt ~~form~~ is eligible to claim a refund as provided in  
 2.30 section 290.06, subdivision 23; and

2.31 (2) if the contribution is to a candidate, that the candidate has signed an agreement to  
 2.32 limit campaign expenditures as provided in this section.

3.1 ~~The forms must provide duplicate copies of the receipt to be attached to the contributor's~~  
 3.2 ~~claim.~~ An electronic receipt must only be issued for a contribution of \$10 or more. Each  
 3.3 receipt must include a unique receipt validation number that allows the commissioner of  
 3.4 revenue to verify the information on the receipt with the Campaign Finance Board. A  
 3.5 political party or candidate may provide a printed copy of the electronic receipt to the  
 3.6 contributor.

3.7 (b) At least once a week, the board must provide the commissioner of revenue a receipt  
 3.8 validation report. For each contribution reported to the board during the week, the report  
 3.9 must include:

3.10 (1) the date and amount of the contribution;

3.11 (2) the name and address of the contributor;

3.12 (3) the name and campaign identification number of the party or candidate that received  
 3.13 the contribution; and

3.14 (4) the receipt validation number assigned to the contribution.

3.15 ~~(b)~~ (c) The willful issuance of an official refund receipt ~~form or a facsimile of one~~ to  
 3.16 any of the candidate's contributors by a candidate or treasurer of a candidate who did not  
 3.17 sign an agreement under this section is subject to a civil penalty of up to \$3,000 imposed  
 3.18 by the board.

3.19 ~~(e)~~ (d) The willful issuance of an official refund receipt ~~form or a facsimile~~ to an  
 3.20 individual not eligible to claim a refund under section 290.06, subdivision 23, is subject to  
 3.21 a civil penalty of up to \$3,000 imposed by the board.

3.22 ~~(d)~~ (e) A violation of paragraph ~~(b)~~ (c) or ~~(e)~~ (d) is a misdemeanor.

3.23 (f) A receipt validation report and a receipt validation number prepared pursuant to this  
 3.24 section are private data on individuals, as defined in section 13.02, subdivision 12.

3.25 **EFFECTIVE DATE.** This section is effective for contributions made after December  
 3.26 31, 2026.

3.27 Sec. 3. Minnesota Statutes 2024, section 41B.0391, subdivision 4, is amended to read:

3.28 Subd. 4. **Authority duties.** (a) The authority shall:

3.29 (1) approve and certify or recertify beginning farmers as eligible for the program under  
 3.30 this section;

4.1 (2) approve and certify or recertify owners of agricultural assets as eligible for the tax  
4.2 credit under subdivision 2 subject to the allocation limits in paragraph (c);

4.3 (3) provide necessary and reasonable assistance and support to beginning farmers for  
4.4 qualification and participation in financial management programs approved by the authority;

4.5 (4) refer beginning farmers to agencies and organizations that may provide additional  
4.6 pertinent information and assistance; and

4.7 (5) notwithstanding section 41B.211, the Rural Finance Authority must share information  
4.8 with the commissioner of revenue to the extent necessary to administer provisions under  
4.9 this subdivision and section 290.06, subdivisions 37 and 38. The Rural Finance Authority  
4.10 must annually notify the commissioner of revenue of approval and certification or  
4.11 recertification of beginning farmers and owners of agricultural assets under this section.  
4.12 For credits under subdivision 2, the notification must include the amount of credit approved  
4.13 by the authority and stated on the credit certificate.

4.14 (b) The certification of a beginning farmer or an owner of agricultural assets under this  
4.15 section is valid for the year of the certification and the two following years, after which  
4.16 time the beginning farmer or owner of agricultural assets must apply to the authority for  
4.17 recertification.

4.18 (c) For credits for owners of agricultural assets allowed under subdivision 2, the authority  
4.19 must not allocate more than ~~\$6,500,000 for taxable years beginning after December 31,~~  
4.20 ~~2022, and before January 1, 2024, and \$4,000,000 for each taxable years beginning after~~  
4.21 ~~December 31, 2023 year.~~ The authority must allocate credits on a first-come, first-served  
4.22 basis beginning on January 1 of each year, except that recertifications for the second and  
4.23 third years of credits under subdivision 2, paragraph (a), clauses (1) and (2), have first  
4.24 priority. ~~Any amount authorized but not allocated for taxable years ending before January~~  
4.25 ~~1, 2023, is canceled and is not allocated for future taxable years. For taxable years beginning~~  
4.26 ~~after December 31, 2022,~~ Any amount authorized but not allocated in any taxable year does  
4.27 not cancel and is added to the allocation for the next taxable year. For each taxable year,  
4.28 50 percent of newly allocated credits must be allocated to emerging farmers. Any portion  
4.29 of a taxable year's newly allocated credits that is reserved for emerging farmers that is not  
4.30 allocated by ~~September 30~~ May 31 of the taxable year is available for allocation to other  
4.31 credit allocations beginning on ~~October~~ June 1.

4.32 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
4.33 31, 2024.

5.1       Sec. 4. **[270B.163] DISCLOSURE OF CERTAIN CORPORATE FRANCHISE TAX**  
5.2 **INFORMATION.**

5.3       (a) Except as otherwise provided in this section, within one month from the first day of  
5.4 the third calendar year following the calendar year in which a taxpayer's taxable year ends,  
5.5 the commissioner must make the following information available on a website:

5.6       (1) a corporation's corporate franchise tax return required under section 289A.18,  
5.7 subdivision 1, and any amended or adjusted returns;

5.8       (2) all corporate franchise tax forms relating to the calculation of income, apportionment,  
5.9 and calculation of tax; and

5.10      (3) the corporation's identity for state corporate franchise tax purposes.

5.11      (b) This section does not authorize the commissioner to disclose a corporation's federal  
5.12 return or federal return information.

5.13      (c) This section applies to a corporation required to file a return under section 289A.08,  
5.14 subdivision 3, that has \$250,000,000 or more in aggregate gross sales or receipts in a taxable  
5.15 year as determined by the original or most recent amended or adjusted return, including a  
5.16 unitary business under section 290.17, subdivision 4.

5.17      (d) Compliance with this section by the commissioner is not a violation of this chapter.

5.18      **EFFECTIVE DATE.** This section is effective for information required to be made  
5.19 available in calendar years beginning after December 31, 2025.

5.20      Sec. 5. **[289A.081] DIRECT FREE FILING OF INDIVIDUAL RETURNS.**

5.21      (a) The commissioner must establish an electronic filing system through which taxpayers  
5.22 may directly file an electronic individual income tax return free of charge. The commissioner  
5.23 may contract with a software vendor to develop the filing system required under this section,  
5.24 but the vendor must not offer paid tax preparation services for Minnesota individual income  
5.25 taxpayers for tax years that the system is active, and the filing system must be made available  
5.26 on the Department of Revenue website.

5.27      (b) To the extent feasible, the commissioner must coordinate the state filing system  
5.28 under this section with any direct file systems established for filing federal tax returns.

5.29      (c) For taxable years beginning after December 31, 2025, the filing system established  
5.30 under this section must include the ability to file a sufficient number of tax forms that the  
5.31 commissioner estimates at least 70 percent of resident individual income tax returns could  
5.32 be filed using the system.

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

6.2 Sec. 6. Minnesota Statutes 2024, section 290.0132, is amended by adding a subdivision  
6.3 to read:

6.4 Subd. 36. **Discharges of indebtedness; coerced debt.** The amount of discharge of  
6.5 indebtedness awarded to a claimant under section 332.74, subdivision 3, is a subtraction.

6.6 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
6.7 31, 2024.

6.8 Sec. 7. Minnesota Statutes 2024, section 290.06, subdivision 23, is amended to read:

6.9 Subd. 23. **Refund of contributions to political parties and candidates.** (a) A taxpayer  
6.10 may claim a refund equal to the amount of the taxpayer's contributions made in the calendar  
6.11 year to candidates and to a political party. The maximum total refund per calendar year for  
6.12 an individual must not exceed \$75 and for a married couple, filing jointly, must not exceed  
6.13 \$150. The commissioner must not issue a refund, whether in one payment or in aggregate,  
6.14 to a taxpayer that exceeds the maximum refund amounts specified in this subdivision. A  
6.15 refund of a contribution is allowed only if the taxpayer files:

6.16 (1) a form required by the commissioner and attaches to the form a copy of an official  
6.17 refund receipt form issued by the candidate or party and signed by the candidate, the treasurer  
6.18 of the candidate's principal campaign committee, or the chair or treasurer of the party unit,  
6.19 after the contribution was received. ~~The receipt forms must be numbered, and the data on~~  
6.20 ~~the receipt that are not public must be made available to the campaign finance and public~~  
6.21 ~~disclosure board upon its request; or~~

6.22 (2) a claim using the electronic filing system authorized in paragraph (i).

6.23 The form or claim must include one or more unique receipt validation numbers from receipts  
6.24 issued pursuant to section 10A.322, subdivision 4.

6.25 (b) A claim must be filed with the commissioner no sooner than January 1 of the calendar  
6.26 year in which the contribution was made and no later than April 15 of the calendar year  
6.27 following the calendar year in which the contribution was made. ~~A taxpayer may file only~~  
6.28 ~~one claim per calendar year.~~ A claim must be for a minimum of \$10. Amounts paid by the  
6.29 commissioner after June 15 of the calendar year following the calendar year in which the  
6.30 contribution was made must include interest at the rate specified in section 270C.405.

6.31 ~~(b)~~ (c) No refund is allowed under this subdivision for a contribution to a candidate  
6.32 unless the candidate:

7.1 (1) has signed an agreement to limit campaign expenditures as provided in section  
7.2 10A.322;

7.3 (2) is seeking an office for which voluntary spending limits are specified in section  
7.4 10A.25; and

7.5 (3) has designated a principal campaign committee.

7.6 This subdivision does not limit the campaign expenditures of a candidate who does not  
7.7 sign an agreement but accepts a contribution for which the contributor improperly claims  
7.8 a refund.

7.9 ~~(e)~~ (d) For purposes of this subdivision, "political party" means a major political party  
7.10 as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion  
7.11 on the income tax or property tax refund form under section 10A.31, subdivision 3a.

7.12 A "major party" or "minor party" includes the aggregate of that party's organization  
7.13 within each house of the legislature, the state party organization, and the party organization  
7.14 within congressional districts, counties, legislative districts, municipalities, and precincts.

7.15 "Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a  
7.16 candidate for judicial office.

7.17 "Contribution" means a gift of money.

7.18 ~~(d)~~ (e) The commissioner shall make copies of the form available to the public and  
7.19 candidates upon request.

7.20 ~~(e)~~ (f) The following data collected or maintained by the commissioner under this  
7.21 subdivision are private: the identities of individuals claiming a refund, the identities of  
7.22 candidates to whom those individuals have made contributions, and the amount of each  
7.23 contribution.

7.24 ~~(f)~~ (g) The commissioner shall report to the campaign finance and public disclosure  
7.25 board by each August 1 a summary showing the total number and aggregate amount of  
7.26 political contribution refunds made on behalf of each candidate and each political party.  
7.27 These data are public.

7.28 ~~(g)~~ (h) The amount necessary to pay claims for the refund provided in this section is  
7.29 appropriated from the general fund to the commissioner of revenue.

7.30 ~~(h) For a taxpayer who files a claim for refund via the Internet or other electronic means,~~  
7.31 ~~the commissioner may accept the number on the official receipt as documentation that a~~

8.1 ~~contribution was made rather than the actual receipt as required by paragraph (a) (i) The~~  
8.2 commissioner must establish an electronic filing system by which refunds are claimed.

8.3 **EFFECTIVE DATE.** This section is effective for contributions made after December  
8.4 31, 2026.

8.5 Sec. 8. Minnesota Statutes 2024, section 290.0661, subdivision 1, is amended to read:

8.6 Subdivision 1. **Definitions.** For the purposes of this section, "qualifying child" has the  
8.7 meaning given in section 32(c) of the Internal Revenue Code, except:

8.8 (1) excluding individuals who attained the age of ~~18~~ 19 or greater in the taxable year;  
8.9 and

8.10 (2) section 32(m) of the Internal Revenue Code does not apply.

8.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
8.12 31, 2024.

8.13 Sec. 9. Minnesota Statutes 2024, section 290.0671, subdivision 1a, is amended to read:

8.14 Subd. 1a. **Definitions.** For purposes of this section, "qualifying older child" means a  
8.15 qualifying child, as defined in section 32(c) of the Internal Revenue Code, that attained at  
8.16 least the age of ~~18~~ 19 in the taxable year. For the purposes of determining a qualifying older  
8.17 child, section 32(m) of the Internal Revenue Code does not apply.

8.18 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
8.19 31, 2024.

8.20 Sec. 10. Minnesota Statutes 2024, section 290.0683, subdivision 3, is amended to read:

8.21 Subd. 3. **Allocation.** (a) To qualify for the credit, a taxpayer must contribute to the  
8.22 Minnesota housing tax credit contribution account. A taxpayer may indicate that a  
8.23 contribution is intended for a specific qualified project. A taxpayer is prohibited from  
8.24 contributing to certain projects as provided in section 462A.40, subdivision 3.

8.25 (b) The aggregate amount of tax credits allowed to all eligible contributors is limited to  
8.26 \$9,900,000 annually. The allocation for 2025 only is the annual allocation plus the sum of  
8.27 the unused allocation amounts in 2023 and 2024, if any.

8.28 (c) Within 30 days after a taxpayer contributes to the account, the agency must file with  
8.29 the contributing taxpayer a credit certificate statement or return any amounts to the taxpayer  
8.30 as provided in this paragraph. The agency must send a copy of the credit certificate to the

9.1 commissioner. If there are insufficient credits to match the contribution, the agency must  
 9.2 not issue a credit certificate for the amount of the contribution for which there are insufficient  
 9.3 credits, and must return that amount to the taxpayer before issuing any credit certificate.

9.4 (d) The credit certificate must state the dollar amount of the contribution made by the  
 9.5 taxpayer and the date the payment was received by the account, and indicate if the  
 9.6 contribution was intended for a specific qualified project.

9.7 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 9.8 31, 2024.

9.9 Sec. 11. Minnesota Statutes 2024, section 290.92, is amended by adding a subdivision to  
 9.10 read:

9.11 **Subd. 32. Nonconformity to certain worker classification rules.** For purposes of  
 9.12 employee classification under this section, "Internal Revenue Code" does not include section  
 9.13 530 of Public Law 95-600, as amended.

9.14 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 9.15 31, 2025.

9.16 Sec. 12. Minnesota Statutes 2024, section 290A.03, subdivision 3, is amended to read:

9.17 Subd. 3. **Income.** (a) "Income" means the sum of the following:

9.18 (1) federal adjusted gross income as defined in the Internal Revenue Code; and

9.19 (2) the sum of the following amounts to the extent not included in clause (1):

9.20 (i) all nontaxable income;

9.21 (ii) the amount of a passive activity loss that is not disallowed as a result of section 469,  
 9.22 paragraph (i) or (m) of the Internal Revenue Code and the amount of passive activity loss  
 9.23 carryover allowed under section 469(b) of the Internal Revenue Code;

9.24 (iii) an amount equal to the total of any discharge of qualified farm indebtedness of a  
 9.25 solvent individual excluded from gross income under section 108(g) of the Internal Revenue  
 9.26 Code;

9.27 (iv) cash public assistance and relief;

9.28 (v) any pension or annuity (including railroad retirement benefits, all payments received  
 9.29 under the federal Social Security Act, Supplemental Security Income, and veterans benefits),  
 9.30 which was not exclusively funded by the claimant or spouse, or which was funded exclusively

10.1 by the claimant or spouse and which funding payments were excluded from federal adjusted  
10.2 gross income in the years when the payments were made;

10.3 (vi) interest received from the federal or a state government or any instrumentality or  
10.4 political subdivision thereof;

10.5 (vii) workers' compensation;

10.6 (viii) nontaxable strike benefits;

10.7 (ix) the gross amounts of payments received in the nature of disability income or sick  
10.8 pay as a result of accident, sickness, or other disability, whether funded through insurance  
10.9 or otherwise;

10.10 (x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of  
10.11 1986, as amended through December 31, 1995;

10.12 (xi) contributions made by the claimant to an individual retirement account, including  
10.13 a qualified voluntary employee contribution; simplified employee pension plan;  
10.14 self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of  
10.15 the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal  
10.16 Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for  
10.17 the claimant and spouse;

10.18 (xii) to the extent not included in federal adjusted gross income, distributions received  
10.19 by the claimant or spouse from a traditional or Roth style retirement account or plan;

10.20 (xiii) nontaxable scholarship or fellowship grants;

10.21 (xiv) alimony received to the extent not included in the recipient's income;

10.22 (xv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue  
10.23 Code;

10.24 (xvi) the amount deducted for tuition expenses under section 222 of the Internal Revenue  
10.25 Code; and

10.26 (xvii) the amount deducted for certain expenses of elementary and secondary school  
10.27 teachers under section 62(a)(2)(D) of the Internal Revenue Code.

10.28 In the case of an individual who files an income tax return on a fiscal year basis, the  
10.29 term "federal adjusted gross income" shall mean federal adjusted gross income reflected in  
10.30 the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced  
10.31 by the amount of a net operating loss carryback or carryforward or a capital loss carryback  
10.32 or carryforward allowed for the year.

11.1 (b) "Income" does not include:

11.2 (1) amounts excluded pursuant to the Internal Revenue Code, sections 101(a) and 102;

11.3 (2) amounts of any pension or annuity which was exclusively funded by the claimant  
11.4 or spouse and which funding payments were not excluded from federal adjusted gross  
11.5 income in the years when the payments were made;

11.6 (3) to the extent included in federal adjusted gross income, amounts contributed by the  
11.7 claimant or spouse to a traditional or Roth style retirement account or plan, but not to exceed  
11.8 the retirement base amount reduced by the amount of contributions excluded from federal  
11.9 adjusted gross income, but not less than zero;

11.10 (4) surplus food or other relief in kind supplied by a governmental agency;

11.11 (5) relief granted under this chapter;

11.12 (6) child support payments received under a temporary or final decree of dissolution or  
11.13 legal separation;

11.14 (7) restitution payments received by eligible individuals and excludable interest as  
11.15 defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001,  
11.16 Public Law 107-16;

11.17 (8) alimony paid; ~~or~~

11.18 (9) veterans disability compensation paid under title 38 of the United States Code; or

11.19 (10) to the extent included in federal adjusted gross income, the amount of discharge of  
11.20 indebtedness awarded to the claimant under section 332.74, subdivision 3.

11.21 (c) The sum of the following amounts may be subtracted from income:

11.22 (1) for the claimant's first dependent, the exemption amount multiplied by 1.4;

11.23 (2) for the claimant's second dependent, the exemption amount multiplied by 1.3;

11.24 (3) for the claimant's third dependent, the exemption amount multiplied by 1.2;

11.25 (4) for the claimant's fourth dependent, the exemption amount multiplied by 1.1;

11.26 (5) for the claimant's fifth dependent, the exemption amount; and

11.27 (6) if the claimant or claimant's spouse had a disability or attained the age of 65 on or  
11.28 before December 31 of the year for which the taxes were levied, the exemption amount.

11.29 (d) For purposes of this subdivision, the following terms have the meanings given:

12.1 (1) "exemption amount" means the exemption amount under section 290.0121,  
 12.2 subdivision 1, paragraph (b), for the taxable year for which the income is reported;

12.3 (2) "retirement base amount" means the deductible amount for the taxable year for the  
 12.4 claimant and spouse under section 219(b)(5)(A) of the Internal Revenue Code, adjusted for  
 12.5 inflation as provided in section 219(b)(5)(C) of the Internal Revenue Code, without regard  
 12.6 to whether the claimant or spouse claimed a deduction; and

12.7 (3) "traditional or Roth style retirement account or plan" means retirement plans under  
 12.8 sections 401, 403, 408, 408A, and 457 of the Internal Revenue Code.

12.9 **EFFECTIVE DATE.** This section is effective for property taxes payable in 2026 and  
 12.10 thereafter.

12.11 **Sec. 13. APPROPRIATION; POLITICAL CONTRIBUTION REFUND**  
 12.12 **ELECTRONIC FILING SYSTEM.**

12.13 \$147,000 in fiscal year 2026 and \$59,000 in fiscal year 2027 are appropriated from the  
 12.14 general fund to the commissioner of revenue to establish and implement an electronic filing  
 12.15 system for political contribution refund claims.

12.16 **Sec. 14. APPROPRIATION; DIRECT FREE FILING SYSTEM.**

12.17 \$..... in fiscal year 2026 and \$..... in fiscal year 2027 are appropriated from the general  
 12.18 fund to the commissioner of revenue for the free filing system under Minnesota Statutes,  
 12.19 section 289A.081.

12.20 **Sec. 15. APPROPRIATION; CORPORATE FRANCHISE TAX INFORMATION**  
 12.21 **DISCLOSURE.**

12.22 \$480,000 in fiscal year 2026 and \$198,000 in fiscal year 2027 are appropriated from the  
 12.23 general fund to the commissioner of revenue to administer the publication of corporate  
 12.24 franchise tax information required under Minnesota Statutes, section 270B.163.

## 12.25 **ARTICLE 2**

### 12.26 **PROPERTY TAXES AND LOCAL GOVERNMENT AIDS**

12.27 Section 1. Minnesota Statutes 2024, section 272.02, subdivision 7, is amended to read:

12.28 Subd. 7. **Institutions of public charity.** (a) Institutions of purely public charity that are  
 12.29 exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code

13.1 are exempt if they meet the requirements of this subdivision. In determining whether real  
 13.2 property is exempt under this subdivision, the following factors must be considered:

13.3 (1) whether the stated purpose of the undertaking is to be helpful to others without  
 13.4 immediate expectation of material reward;

13.5 (2) whether the institution of public charity is supported by material donations, gifts, or  
 13.6 government grants for services to the public in whole or in part;

13.7 (3) whether a material number of the recipients of the charity receive benefits or services  
 13.8 at reduced or no cost, or whether the organization provides services to the public that alleviate  
 13.9 burdens or responsibilities that would otherwise be borne by the government;

13.10 (4) whether the income received, including material gifts and donations, produces a  
 13.11 profit to the charitable institution that is not distributed to private interests;

13.12 (5) whether the beneficiaries of the charity are restricted or unrestricted, and, if restricted,  
 13.13 whether the class of persons to whom the charity is made available is one having a reasonable  
 13.14 relationship to the charitable objectives; and

13.15 (6) whether dividends, in form or substance, or assets upon dissolution, are not available  
 13.16 to private interests.

13.17 A charitable organization must satisfy the factors in clauses (1) to (6) for its property to  
 13.18 be exempt under this subdivision, unless there is a reasonable justification for failing to  
 13.19 meet the factors in clause (2), (3), or (5), and the organization provides to the assessor the  
 13.20 factual basis for that justification. If there is reasonable justification for failing to meet the  
 13.21 factors in clause (2), (3), or (5), an organization is a purely public charity under this  
 13.22 subdivision without meeting those factors. After an exemption is properly granted under  
 13.23 this subdivision, it will remain in effect unless there is a material change in facts.

13.24 (b) For purposes of this subdivision, a grant is a written instrument or electronic document  
 13.25 defining a legal relationship between a granting agency and a grantee when the principal  
 13.26 purpose of the relationship is to transfer cash or something of value to the grantee to support  
 13.27 a public purpose authorized by law in a general manner instead of acquiring by professional  
 13.28 or technical contract, purchase, lease, or barter property or services for the direct benefit or  
 13.29 use of the granting agency.

13.30 (c) Rental housing property does not qualify for an exemption under this subdivision  
 13.31 unless: (1) its use is in furtherance of the tax-exempt charitable purpose of the organization;  
 13.32 and (2) its use does not further the tax-exempt charitable purpose of the organization solely

14.1 by providing rental housing to persons or families on the basis of the income characteristics  
 14.2 of those persons or families.

14.3 ~~(e)~~ (d) In determining whether rental housing property qualifies for exemption under  
 14.4 this subdivision, the following are not gifts or donations to the owner of the rental housing:

14.5 (1) rent assistance provided by the government to or on behalf of tenants; and

14.6 (2) financing assistance or tax credits provided by the government to the owner on  
 14.7 condition that specific units or a specific quantity of units be set aside for persons or families  
 14.8 with certain income characteristics.

14.9 **EFFECTIVE DATE.** This section is effective for property taxes payable in 2026 and  
 14.10 thereafter.

14.11 Sec. 2. Minnesota Statutes 2024, section 272.02, subdivision 19, is amended to read:

14.12 Subd. 19. **Property used to distribute electricity to farmers.** Electric power distribution  
 14.13 ~~lines and their attachments and appurtenances~~ systems, not including substations, or  
 14.14 transmission or generation equipment, that are used primarily for supplying electricity to  
 14.15 farmers at retail, are exempt.

14.16 **EFFECTIVE DATE.** This section is effective for assessment year 2025 and thereafter.

14.17 Sec. 3. Minnesota Statutes 2024, section 272.02, is amended by adding a subdivision to  
 14.18 read:

14.19 **Subd. 106. Certain property owned by an Indian Tribe.** (a) Property is exempt that:

14.20 (1) was classified as class 2b under section 273.13, subdivision 23, for taxes payable in  
 14.21 2024;

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

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

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

14.28 (b) The exemption under this subdivision does not apply if the use of the property  
 14.29 receiving the exemption changes from the use of the property in assessment year 2025.

14.30 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2026.

15.1 Sec. 4. Minnesota Statutes 2024, section 272.02, is amended by adding a subdivision to  
15.2 read:

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

15.4 (1) was classified as class 3a under section 273.13, subdivision 24, for taxes payable in  
15.5 2024;

15.6 (2) is located in a city of the first class with a population greater than 400,000 as of the  
15.7 2020 federal census;

15.8 (3) was on January 2, 2023, and is for the current assessment, owned by a federally  
15.9 recognized Indian Tribe, or its instrumentality, that is located within the state of Minnesota;  
15.10 and

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

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

15.16 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2026.

15.17 Sec. 5. Minnesota Statutes 2024, section 273.13, subdivision 25, is amended to read:

15.18 Subd. 25. **Class 4.** (a) Class 4a is residential real estate containing four or more units  
15.19 and used or held for use by the owner or by the tenants or lessees of the owner as a residence  
15.20 for rental periods of 30 days or more, excluding property qualifying for class 4d. Class 4a  
15.21 also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt  
15.22 under section 272.02, and contiguous property used for hospital purposes, without regard  
15.23 to whether the property has been platted or subdivided. The market value of class 4a property  
15.24 has a classification rate of 1.25 percent.

15.25 (b) Class 4b includes:

15.26 (1) residential real estate containing less than four units, including property rented as a  
15.27 short-term rental property for more than 14 days in the preceding year, that does not qualify  
15.28 as class 4bb, other than seasonal residential recreational property;

15.29 (2) manufactured homes not classified under any other provision;

15.30 (3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm  
15.31 classified under subdivision 23, paragraph (b) containing two or three units; and

16.1 (4) unimproved property that is classified residential as determined under subdivision  
16.2 33.

16.3 For the purposes of this paragraph, "short-term rental property" means nonhomestead  
16.4 residential real estate rented for periods of less than 30 consecutive days.

16.5 The market value of class 4b property has a classification rate of 1.25 percent.

16.6 (c) Class 4bb includes:

16.7 (1) nonhomestead residential real estate containing one unit, other than seasonal  
16.8 residential recreational property;

16.9 (2) a single family dwelling, garage, and surrounding one acre of property on a  
16.10 nonhomestead farm classified under subdivision 23, paragraph (b); and

16.11 (3) a condominium-type storage unit having an individual property identification number  
16.12 that is not used for a commercial purpose.

16.13 Class 4bb property has the same classification rates as class 1a property under subdivision  
16.14 22.

16.15 Property that has been classified as seasonal residential recreational property at any time  
16.16 during which it has been owned by the current owner or spouse of the current owner does  
16.17 not qualify for class 4bb.

16.18 (d) Class 4c property includes:

16.19 (1) except as provided in subdivision 22, paragraph (c), real and personal property  
16.20 devoted to commercial temporary and seasonal residential occupancy for recreation purposes,  
16.21 for not more than 250 days in the year preceding the year of assessment. For purposes of  
16.22 this clause, property is devoted to a commercial purpose on a specific day if any portion of  
16.23 the property is used for residential occupancy, and a fee is charged for residential occupancy.  
16.24 Class 4c property under this clause must contain three or more rental units. A "rental unit"  
16.25 is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site  
16.26 equipped with water and electrical hookups for recreational vehicles. A camping pad offered  
16.27 for rent by a property that otherwise qualifies for class 4c under this clause is also class 4c  
16.28 under this clause regardless of the term of the rental agreement, as long as the use of the  
16.29 camping pad does not exceed 250 days. In order for a property to be classified under this  
16.30 clause, either (i) the business located on the property must provide recreational activities,  
16.31 at least 40 percent of the annual gross lodging receipts related to the property must be from  
16.32 business conducted during 90 consecutive days, and either (A) at least 60 percent of all paid  
16.33 bookings by lodging guests during the year must be for periods of at least two consecutive

17.1 nights; or (B) at least 20 percent of the annual gross receipts must be from charges for  
17.2 providing recreational activities, or (ii) the business must contain 20 or fewer rental units,  
17.3 and must be located in a township or a city with a population of 2,500 or less located outside  
17.4 the metropolitan area, as defined under section 473.121, subdivision 2, that contains a portion  
17.5 of a state trail administered by the Department of Natural Resources. For purposes of item  
17.6 (i)(A), a paid booking of five or more nights shall be counted as two bookings. Class 4c  
17.7 property also includes commercial use real property used exclusively for recreational  
17.8 purposes in conjunction with other class 4c property classified under this clause and devoted  
17.9 to temporary and seasonal residential occupancy for recreational purposes, up to a total of  
17.10 two acres, provided the property is not devoted to commercial recreational use for more  
17.11 than 250 days in the year preceding the year of assessment and is located within two miles  
17.12 of the class 4c property with which it is used. In order for a property to qualify for  
17.13 classification under this clause, the owner must submit a declaration to the assessor  
17.14 designating the cabins or units occupied for 250 days or less in the year preceding the year  
17.15 of assessment by January 15 of the assessment year. Those cabins or units and a proportionate  
17.16 share of the land on which they are located must be designated class 4c under this clause  
17.17 as otherwise provided. The remainder of the cabins or units and a proportionate share of  
17.18 the land on which they are located will be designated as class 3a. The owner of property  
17.19 desiring designation as class 4c property under this clause must provide guest registers or  
17.20 other records demonstrating that the units for which class 4c designation is sought were not  
17.21 occupied for more than 250 days in the year preceding the assessment if so requested. The  
17.22 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center  
17.23 or meeting room, and (5) other nonresidential facility operated on a commercial basis not  
17.24 directly related to temporary and seasonal residential occupancy for recreation purposes  
17.25 does not qualify for class 4c. For the purposes of this paragraph, "recreational activities"  
17.26 means renting ice fishing houses, boats and motors, snowmobiles, downhill or cross-country  
17.27 ski equipment; providing marina services, launch services, or guide services; or selling bait  
17.28 and fishing tackle;

17.29 (2) qualified property used as a golf course if:

17.30 (i) it is open to the public on a daily fee basis. It may charge membership fees or dues,  
17.31 but a membership fee may not be required in order to use the property for golfing, and its  
17.32 green fees for golfing must be comparable to green fees typically charged by municipal  
17.33 courses; and

17.34 (ii) it meets the requirements of section 273.112, subdivision 3, paragraph (d).

18.1 A structure used as a clubhouse, restaurant, or place of refreshment in conjunction with  
18.2 the golf course is classified as class 3a property;

18.3 (3) real property up to a maximum of three acres of land owned and used by a nonprofit  
18.4 community service oriented organization and not used for residential purposes on either a  
18.5 temporary or permanent basis, provided that:

18.6 (i) the property is not used for a revenue-producing activity for more than six days in  
18.7 the calendar year preceding the year of assessment; or

18.8 (ii) the organization makes annual charitable contributions and donations at least equal  
18.9 to the property's previous year's property taxes and the property is allowed to be used for  
18.10 public and community meetings or events for no charge, as appropriate to the size of the  
18.11 facility.

18.12 For purposes of this clause:

18.13 (A) "charitable contributions and donations" has the same meaning as lawful gambling  
18.14 purposes under section 349.12, subdivision 25, excluding those purposes relating to the  
18.15 payment of taxes, assessments, fees, auditing costs, and utility payments;

18.16 (B) "property taxes" excludes the state general tax;

18.17 (C) a "nonprofit community service oriented organization" means any corporation,  
18.18 society, association, foundation, or institution organized and operated exclusively for  
18.19 charitable, religious, fraternal, civic, or educational purposes, and which is exempt from  
18.20 federal income taxation pursuant to section 501(c)(3), (8), (10), or (19) of the Internal  
18.21 Revenue Code; and

18.22 (D) "revenue-producing activities" shall include but not be limited to property or that  
18.23 portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt  
18.24 liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling  
18.25 alley, a retail store, gambling conducted by organizations licensed under chapter 349, an  
18.26 insurance business, or office or other space leased or rented to a lessee who conducts a  
18.27 for-profit enterprise on the premises.

18.28 Any portion of the property not qualifying under either item (i) or (ii) is class 3a. The  
18.29 use of the property for social events open exclusively to members and their guests for periods  
18.30 of less than 24 hours, when an admission is not charged nor any revenues are received by  
18.31 the organization shall not be considered a revenue-producing activity.

18.32 The organization shall maintain records of its charitable contributions and donations  
18.33 and of public meetings and events held on the property and make them available upon

19.1 request any time to the assessor to ensure eligibility. An organization meeting the requirement  
19.2 under item (ii) must file an application by May 1 with the assessor for eligibility for the  
19.3 current year's assessment. The commissioner shall prescribe a uniform application form  
19.4 and instructions;

19.5 (4) postsecondary student housing of not more than one acre of land that is owned by a  
19.6 nonprofit corporation organized under chapter 317A and is used exclusively by a student  
19.7 cooperative, sorority, or fraternity for on-campus housing or housing located within two  
19.8 miles of the border of a college campus;

19.9 (5)(i) manufactured home parks as defined in section 327.14, subdivision 3, excluding  
19.10 manufactured home parks described in items (ii) and (iii), (ii) manufactured home parks as  
19.11 defined in section 327.14, subdivision 3, that are described in section 273.124, subdivision  
19.12 3a, and (iii) class I manufactured home parks as defined in section 327C.015, subdivision  
19.13 2;

19.14 (6) real property that is actively and exclusively devoted to indoor fitness, health, social,  
19.15 recreational, and related uses, is owned and operated by a not-for-profit corporation, and is  
19.16 located within the metropolitan area as defined in section 473.121, subdivision 2;

19.17 (7) a leased or privately owned noncommercial aircraft storage hangar not exempt under  
19.18 section 272.01, subdivision 2, and the land on which it is located, provided that:

19.19 (i) the land is on an airport owned or operated by a city, town, county, Metropolitan  
19.20 Airports Commission, or group thereof; and

19.21 (ii) the land lease, or any ordinance or signed agreement restricting the use of the leased  
19.22 premise, prohibits commercial activity performed at the hangar.

19.23 If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be  
19.24 filed by the new owner with the assessor of the county where the property is located within  
19.25 60 days of the sale;

19.26 (8) a privately owned noncommercial aircraft storage hangar not exempt under section  
19.27 272.01, subdivision 2, and the land on which it is located, provided that:

19.28 (i) the land abuts a public airport; and

19.29 (ii) the owner of the aircraft storage hangar provides the assessor with a signed agreement  
19.30 restricting the use of the premises, prohibiting commercial use or activity performed at the  
19.31 hangar; and

20.1 (9) residential real estate, a portion of which is used by the owner for homestead purposes,  
20.2 and that is also a place of lodging, if all of the following criteria are met:

20.3 (i) rooms are provided for rent to transient guests that generally stay for periods of 14  
20.4 or fewer days;

20.5 (ii) meals are provided to persons who rent rooms, the cost of which is incorporated in  
20.6 the basic room rate;

20.7 (iii) meals are not provided to the general public except for special events on fewer than  
20.8 seven days in the calendar year preceding the year of the assessment; and

20.9 (iv) the owner is the operator of the property.

20.10 The market value subject to the 4c classification under this clause is limited to five rental  
20.11 units. Any rental units on the property in excess of five, must be valued and assessed as  
20.12 class 3a. The portion of the property used for purposes of a homestead by the owner must  
20.13 be classified as class 1a property under subdivision 22;

20.14 (10) real property up to a maximum of three acres and operated as a restaurant as defined  
20.15 under section 157.15, subdivision 12, provided it: (i) is located on a lake as defined under  
20.16 section 103G.005, subdivision 15, paragraph (a), clause (3); and (ii) is either devoted to  
20.17 commercial purposes for not more than 250 consecutive days, or receives at least 60 percent  
20.18 of its annual gross receipts from business conducted during four consecutive months. Gross  
20.19 receipts from the sale of alcoholic beverages must be included in determining the property's  
20.20 qualification under item (ii). The property's primary business must be as a restaurant and  
20.21 not as a bar. Gross receipts from gift shop sales located on the premises must be excluded.  
20.22 Owners of real property desiring 4c classification under this clause must submit an annual  
20.23 declaration to the assessor by February 1 of the current assessment year, based on the  
20.24 property's relevant information for the preceding assessment year;

20.25 (11) lakeshore and riparian property and adjacent land, not to exceed six acres, used as  
20.26 a marina, as defined in section 86A.20, subdivision 5, which is made accessible to the public  
20.27 and devoted to recreational use for marina services. The marina owner must annually provide  
20.28 evidence to the assessor that it provides services, including lake or river access to the public  
20.29 by means of an access ramp or other facility that is either located on the property of the  
20.30 marina or at a publicly owned site that abuts the property of the marina. No more than 800  
20.31 feet of lakeshore may be included in this classification. Buildings used in conjunction with  
20.32 a marina for marina services, including but not limited to buildings used to provide food  
20.33 and beverage services, fuel, boat repairs, or the sale of bait or fishing tackle, are classified  
20.34 as class 3a property; and

21.1 (12) real and personal property devoted to noncommercial temporary and seasonal  
21.2 residential occupancy for recreation purposes.

21.3 Class 4c property has a classification rate of 1.5 percent of market value, except that (i)  
21.4 each parcel of noncommercial seasonal residential recreational property under clause (12)  
21.5 has the same classification rates as class 4bb property, (ii) manufactured home parks assessed  
21.6 under clause (5), item (i), have the same classification rate as class 4b property, the market  
21.7 value of manufactured home parks assessed under clause (5), item (ii), have a classification  
21.8 rate of 0.75 percent if more than 50 percent of the lots in the park are occupied by  
21.9 shareholders in the cooperative corporation or association and a classification rate of one  
21.10 percent if 50 percent or less of the lots are so occupied, and class I manufactured home  
21.11 parks as defined in section 327C.015, subdivision 2, have a classification rate of 1.0 percent,  
21.12 (iii) commercial-use seasonal residential recreational property and marina recreational land  
21.13 as described in clause (11), has a classification rate of one percent for the first \$500,000 of  
21.14 market value, and 1.25 percent for the remaining market value, (iv) the market value of  
21.15 property described in clause (4) has a classification rate of one percent, (v) the market value  
21.16 of property described in clauses (2), (6), and (10) has a classification rate of 1.25 percent,  
21.17 (vi) that portion of the market value of property in clause (9) qualifying for class 4c property  
21.18 has a classification rate of 1.25 percent, and (vii) property qualifying for classification under  
21.19 clause (3) that is owned or operated by a congressionally chartered veterans organization  
21.20 has a classification rate of one percent. The commissioner of veterans affairs must provide  
21.21 a list of congressionally chartered veterans organizations to the commissioner of revenue  
21.22 by June 30, 2017, and by January 1, 2018, and each year thereafter.

21.23 (e) Class 4d property includes:

21.24 (1) qualifying low-income rental housing certified to the assessor by the Housing Finance  
21.25 Agency under section 273.128, subdivision 3. If only a portion of the units in the building  
21.26 qualify as low-income rental housing units as certified under section 273.128, subdivision  
21.27 3, only the proportion of qualifying units to the total number of units in the building qualify  
21.28 for class 4d(1). The remaining portion of the building shall be classified by the assessor  
21.29 based upon its use. Class 4d(1) also includes the same proportion of land as the qualifying  
21.30 low-income rental housing units are to the total units in the building. For all properties  
21.31 qualifying as class 4d(1), the market value determined by the assessor must be based on the  
21.32 normal approach to value using normal unrestricted rents; and

21.33 (2) a unit that is owned by the occupant and used as a homestead by the occupant, and  
21.34 otherwise meets all the requirements for community land trust property under section 273.11,  
21.35 subdivision 12, provided that by December 31 of each assessment year, the community land

22.1 trust certifies to the assessor that (i) the community land trust owns the real property on  
 22.2 which the unit is located, and (ii) the unit owner is a member in good standing of the  
 22.3 community land trust. ~~For all units qualifying as class 4d(2), the market value determined~~  
 22.4 ~~by the assessor must be based on the normal approach to value without regard to any~~  
 22.5 ~~restrictions that apply because the unit is a community land trust property.~~

22.6 (f) Class 4d(1) property has a classification rate of 0.25 percent. Class 4d(2) property  
 22.7 has a classification rate of 0.75 percent.

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

22.9 Sec. 6. **[273.1389] ADVANCE HOMESTEAD CREDIT FOR SENIORS.**

22.10 **Subdivision 1. Eligibility.** Homestead property is eligible to receive the advance  
 22.11 homestead credit for seniors under this section if it is owned by an eligible senior claimant  
 22.12 who received homestead treatment on the property in the prior taxes payable year. For the  
 22.13 purposes of this section, "eligible senior claimant" means a claimant who has submitted an  
 22.14 application and has been determined eligible under section 290A.071.

22.15 **Subd. 2. Credit amount.** For each qualifying property, the amount of the advance  
 22.16 homestead credit for seniors is equal to 50 percent of the amount of the homestead credit  
 22.17 refund the property owner received in the previous year.

22.18 **Subd. 3. Certification.** No later than January 2 of the year for which an eligible senior  
 22.19 claimant elected to receive the advance homestead credit for seniors under this section, the  
 22.20 commissioner of revenue must calculate and certify to each county auditor credit amounts  
 22.21 under this section. The county auditor must apply the credit to each qualifying property's  
 22.22 first half payment. If a property's credit amount under subdivision 2 exceeds the first half  
 22.23 payment amount after all other applicable credits, the auditor must reduce the advance  
 22.24 homestead credit for seniors so that the first half payment amount is \$0. No later than July  
 22.25 1 of the taxes payable year in which the credit is applied, the county auditor must certify  
 22.26 any reductions under this subdivision to the commissioner of revenue under section 270C.85,  
 22.27 subdivision 2. The commissioner shall review the certifications for accuracy and may make  
 22.28 any changes the commissioner deems necessary or return the certification to the county  
 22.29 auditor for correction.

22.30 **Subd. 4. Payment.** (a) The commissioner of revenue shall reimburse each local taxing  
 22.31 jurisdiction, other than school districts, for the tax reductions granted under this section in  
 22.32 one installment on October 31 of the taxes payable year for which the reductions are granted,

23.1 including in each payment any prior year adjustments. The reimbursements related to tax  
 23.2 increments shall be issued in one installment each year on December 26.

23.3 (b) The commissioner of revenue shall certify the total of the tax reductions granted  
 23.4 under this section for each taxes payable year within each school district to the commissioner  
 23.5 of education. The commissioner of education shall pay the reimbursement amounts to each  
 23.6 school district as provided in section 273.1392.

23.7 Subd. 5. **Appropriation.** An amount sufficient to make the payments required by this  
 23.8 section to taxing jurisdictions other than school districts is annually appropriated from the  
 23.9 general fund to the commissioner of revenue. An amount sufficient to make the payments  
 23.10 required by this section for school districts is annually appropriated from the general fund  
 23.11 to the commissioner of education.

23.12 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
 23.13 in 2027.

23.14 Sec. 7. Minnesota Statutes 2024, section 273.1392, is amended to read:

23.15 **273.1392 PAYMENT; SCHOOL DISTRICTS.**

23.16 The amounts of bovine tuberculosis credit reimbursements under section 273.113;  
 23.17 conservation tax credits under section 273.119; disaster or emergency reimbursement under  
 23.18 sections 273.1231 to 273.1235; agricultural credits under sections 273.1384 and 273.1387;  
 23.19 the advance homestead credit for seniors under section 273.1389; aids and credits under  
 23.20 section 273.1398; enterprise zone property credit payments under section 469.171;  
 23.21 metropolitan agricultural preserve reduction under section 473H.10; and electric generation  
 23.22 transition aid under section 477A.24 for school districts, shall be certified to the Department  
 23.23 of Education by the Department of Revenue. The amounts so certified shall be paid according  
 23.24 to section 127A.45, subdivisions 9, 10, and 13.

23.25 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
 23.26 in 2027.

23.27 Sec. 8. Minnesota Statutes 2024, section 273.1393, is amended to read:

23.28 **273.1393 COMPUTATION OF NET PROPERTY TAXES.**

23.29 Notwithstanding any other provisions to the contrary, "net" property taxes are determined  
 23.30 by subtracting the credits in the order listed from the gross tax:

23.31 (1) disaster credit as provided in sections 273.1231 to 273.1235;

- 24.1 (2) powerline credit as provided in section 273.42;
- 24.2 (3) agricultural preserves credit as provided in section 473H.10;
- 24.3 (4) enterprise zone credit as provided in section 469.171;
- 24.4 (5) disparity reduction credit;
- 24.5 (6) conservation tax credit as provided in section 273.119;
- 24.6 (7) the school bond credit as provided in section 273.1387;
- 24.7 (8) agricultural credit as provided in section 273.1384;
- 24.8 (9) taconite homestead credit as provided in section 273.135;
- 24.9 (10) supplemental homestead credit as provided in section 273.1391; ~~and~~
- 24.10 (11) the bovine tuberculosis zone credit, as provided in section 273.113-; and
- 24.11 (12) the advance homestead credit for seniors under section 273.1389.

24.12 The combination of all property tax credits must not exceed the gross tax amount.

24.13 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
 24.14 in 2027.

24.15 Sec. 9. Minnesota Statutes 2024, section 273.38, is amended to read:

24.16 **273.38 PERCENTAGE OF ASSESSMENTS; EXCEPTIONS.**

24.17 The distribution ~~lines and the attachments and appurtenances thereto~~ systems, not  
 24.18 including substations, or transmission or generation equipment of cooperative associations  
 24.19 organized under the provisions of Laws 1923, chapter 326, and laws amendatory thereof  
 24.20 and supplemental thereto, and engaged in the electrical heat, light and power business, upon  
 24.21 a mutual, nonprofit and cooperative plan, shall be assessed and taxed as provided in sections  
 24.22 273.40 and 273.41.

24.23 **EFFECTIVE DATE.** This section is effective for assessment year 2025 and thereafter.

24.24 Sec. 10. Minnesota Statutes 2024, section 273.41, is amended to read:

24.25 **273.41 AMOUNT OF TAX; DISTRIBUTION.**

24.26 There is hereby imposed upon each such cooperative association on December 31 of  
 24.27 each year a tax of \$10 for each 100 members, or fraction thereof, of such association. The  
 24.28 tax, when paid, shall be in lieu of all personal property taxes, state, county, or local, upon  
 24.29 ~~distribution lines and the attachments and appurtenances thereto~~ of such associations that

25.1 part of the association's distribution system, not including substations, or transmission or  
 25.2 generation equipment, located in rural areas. The tax shall be payable on or before March  
 25.3 1 of the next succeeding year, to the commissioner of revenue. If the tax, or any portion  
 25.4 thereof, is not paid within the time herein specified for the payment thereof, there shall be  
 25.5 added thereto a specific penalty equal to ten percent of the amount so remaining unpaid.  
 25.6 Such penalty shall be collected as part of said tax, and the amount of said tax not timely  
 25.7 paid, together with said penalty, shall bear interest at the rate specified in section 270C.40  
 25.8 from the time such tax should have been paid until paid. The commissioner shall deposit  
 25.9 the amount so received in the general fund of the state treasury.

25.10 **EFFECTIVE DATE.** This section is effective for assessment year 2025 and thereafter.

25.11 Sec. 11. Minnesota Statutes 2024, section 275.065, subdivision 3, is amended to read:

25.12 Subd. 3. **Notice of proposed property taxes.** (a) The county auditor shall prepare and  
 25.13 the county treasurer shall deliver after November 10 and on or before November 24 each  
 25.14 year, by first class mail to each taxpayer at the address listed on the county's current year's  
 25.15 assessment roll, a notice of proposed property taxes. Upon written request by the taxpayer,  
 25.16 the treasurer may send the notice in electronic form or by electronic mail instead of on paper  
 25.17 or by ordinary mail.

25.18 (b) The commissioner of revenue shall prescribe the form of the notice.

25.19 (c) The notice must inform taxpayers that it contains the amount of property taxes each  
 25.20 taxing authority proposes to collect for taxes payable the following year. In the case of a  
 25.21 town, or in the case of the state general tax, the final tax amount will be its proposed tax.  
 25.22 The notice must clearly state for each city that has a population over 500, county, school  
 25.23 district, regional library authority established under section 134.201, metropolitan taxing  
 25.24 districts as defined in paragraph (i), and fire protection and emergency medical services  
 25.25 special taxing districts established under section 144F.01, the time and place of a meeting  
 25.26 for each taxing authority in which the budget and levy will be discussed and public input  
 25.27 allowed, prior to the final budget and levy determination. The taxing authorities must provide  
 25.28 the county auditor with the information to be included in the notice on or before the time it  
 25.29 certifies its proposed levy under subdivision 1. The public must be allowed to speak at that  
 25.30 meeting, which must occur after November 24 and must not be held before 6:00 p.m. It  
 25.31 must provide a website address and a telephone number for the taxing authority that taxpayers  
 25.32 may call if they have questions related to the notice and an address where comments will  
 25.33 be received by mail, except that no notice required under this section shall be interpreted  
 25.34 as requiring the printing of a personal telephone number or address as the contact information

26.1 for a taxing authority. If a taxing authority does not maintain a website or public offices  
26.2 where telephone calls can be received by the authority, the authority may inform the county  
26.3 of the lack of a public website or telephone number and the county shall not list a website  
26.4 or telephone number for that taxing authority.

26.5 (d) The notice must state for each parcel:

26.6 (1) the market value of the property as determined under section 273.11, and used for  
26.7 computing property taxes payable in the following year and for taxes payable in the current  
26.8 year as each appears in the records of the county assessor on November 1 of the current  
26.9 year; and, in the case of residential property, whether the property is classified as homestead  
26.10 or nonhomestead. The notice must clearly inform taxpayers of the years to which the market  
26.11 values apply and that the values are final values;

26.12 (2) the items listed below, shown separately by county, city or town, and state general  
26.13 tax, agricultural homestead credit under section 273.1384, school building bond agricultural  
26.14 credit under section 273.1387, the advance homestead credit for seniors under section  
26.15 273.1389, voter approved school levy, other local school levy, and the sum of the special  
26.16 taxing districts, and as a total of all taxing authorities:

26.17 (i) the actual tax for taxes payable in the current year; and

26.18 (ii) the proposed tax amount.

26.19 If the county levy under clause (2) includes an amount for a lake improvement district  
26.20 as defined under sections 103B.501 to 103B.581, the amount attributable for that purpose  
26.21 must be separately stated from the remaining county levy amount.

26.22 In the case of a town or the state general tax, the final tax shall also be its proposed tax  
26.23 unless the town changes its levy at a special town meeting under section 365.52. If a school  
26.24 district has certified under section 126C.17, subdivision 9, that a referendum will be held  
26.25 in the school district at the November general election, the county auditor must note next  
26.26 to the school district's proposed amount that a referendum is pending and that, if approved  
26.27 by the voters, the tax amount may be higher than shown on the notice. In the case of the  
26.28 city of Minneapolis, the levy for Minneapolis Park and Recreation shall be listed separately  
26.29 from the remaining amount of the city's levy. In the case of the city of St. Paul, the levy for  
26.30 the St. Paul Library Agency must be listed separately from the remaining amount of the  
26.31 city's levy. In the case of Ramsey County, any amount levied under section 134.07 may be  
26.32 listed separately from the remaining amount of the county's levy. In the case of a parcel  
26.33 where tax increment or the fiscal disparities areawide tax under chapter 276A or 473F  
26.34 applies, the proposed tax levy on the captured value or the proposed tax levy on the tax

27.1 capacity subject to the areawide tax must each be stated separately and not included in the  
27.2 sum of the special taxing districts; and

27.3 (3) the increase or decrease between the total taxes payable in the current year and the  
27.4 total proposed taxes, expressed as a percentage.

27.5 For purposes of this section, the amount of the tax on homesteads qualifying under the  
27.6 senior citizens' property tax deferral program under chapter 290B is the total amount of  
27.7 property tax before subtraction of the deferred property tax amount.

27.8 (e) The notice must clearly state that the proposed or final taxes do not include the  
27.9 following:

27.10 (1) special assessments;

27.11 (2) levies approved by the voters after the date the proposed taxes are certified, including  
27.12 bond referenda and school district levy referenda;

27.13 (3) a levy limit increase approved by the voters by the first Tuesday after the first Monday  
27.14 in November of the levy year as provided under section 275.73;

27.15 (4) amounts necessary to pay cleanup or other costs due to a natural disaster occurring  
27.16 after the date the proposed taxes are certified;

27.17 (5) amounts necessary to pay tort judgments against the taxing authority that become  
27.18 final after the date the proposed taxes are certified; and

27.19 (6) the contamination tax imposed on properties which received market value reductions  
27.20 for contamination.

27.21 (f) Except as provided in subdivision 7, failure of the county auditor to prepare or the  
27.22 county treasurer to deliver the notice as required in this section does not invalidate the  
27.23 proposed or final tax levy or the taxes payable pursuant to the tax levy.

27.24 (g) If the notice the taxpayer receives under this section lists the property as  
27.25 nonhomestead, and satisfactory documentation is provided to the county assessor by the  
27.26 applicable deadline, and the property qualifies for the homestead classification in that  
27.27 assessment year, the assessor shall reclassify the property to homestead for taxes payable  
27.28 in the following year.

27.29 (h) In the case of class 4 residential property used as a residence for lease or rental  
27.30 periods of 30 days or more, the taxpayer must either:

27.31 (1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter,  
27.32 or lessee; or

28.1 (2) post a copy of the notice in a conspicuous place on the premises of the property.

28.2 The notice must be mailed or posted by the taxpayer by November 27 or within three  
28.3 days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer  
28.4 of the address of the taxpayer, agent, caretaker, or manager of the premises to which the  
28.5 notice must be mailed in order to fulfill the requirements of this paragraph.

28.6 (i) For purposes of this subdivision and subdivision 6, "metropolitan special taxing  
28.7 districts" means the following taxing districts in the seven-county metropolitan area that  
28.8 levy a property tax for any of the specified purposes listed below:

28.9 (1) Metropolitan Council under section 473.132, 473.167, 473.249, 473.325, 473.446,  
28.10 473.521, 473.547, or 473.834;

28.11 (2) Metropolitan Airports Commission under section 473.667, 473.671, or 473.672; and

28.12 (3) Metropolitan Mosquito Control Commission under section 473.711.

28.13 For purposes of this section, any levies made by the regional rail authorities in the county  
28.14 of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A  
28.15 shall be included with the appropriate county's levy.

28.16 (j) The governing body of a county, city, or school district may, with the consent of the  
28.17 county board, include supplemental information with the statement of proposed property  
28.18 taxes about the impact of state aid increases or decreases on property tax increases or  
28.19 decreases and on the level of services provided in the affected jurisdiction. This supplemental  
28.20 information may include information for the following year, the current year, and for as  
28.21 many consecutive preceding years as deemed appropriate by the governing body of the  
28.22 county, city, or school district. It may include only information regarding:

28.23 (1) the impact of inflation as measured by the implicit price deflator for state and local  
28.24 government purchases;

28.25 (2) population growth and decline;

28.26 (3) state or federal government action; and

28.27 (4) other financial factors that affect the level of property taxation and local services  
28.28 that the governing body of the county, city, or school district may deem appropriate to  
28.29 include.

28.30 The information may be presented using tables, written narrative, and graphic  
28.31 representations and may contain instruction toward further sources of information or  
28.32 opportunity for comment.

29.1 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
29.2 in 2027.

29.3 Sec. 12. Minnesota Statutes 2024, section 276.04, subdivision 2, is amended to read:

29.4 Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the printing of  
29.5 the tax statements. The commissioner of revenue shall prescribe the form of the property  
29.6 tax statement and its contents. The tax statement must not state or imply that property tax  
29.7 credits are paid by the state of Minnesota. The statement must contain a tabulated statement  
29.8 of the dollar amount due to each taxing authority and the amount of the state tax from the  
29.9 parcel of real property for which a particular tax statement is prepared. The dollar amounts  
29.10 attributable to the county, the state tax, the voter approved school tax, the other local school  
29.11 tax, the township or municipality, and the total of the metropolitan special taxing districts  
29.12 as defined in section 275.065, subdivision 3, paragraph (i), must be separately stated. The  
29.13 amounts due all other special taxing districts, if any, may be aggregated except that any  
29.14 levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin,  
29.15 Ramsey, Scott, or Washington under chapter 398A shall be listed on a separate line directly  
29.16 under the appropriate county's levy. If the county levy under this paragraph includes an  
29.17 amount for a lake improvement district as defined under sections 103B.501 to 103B.581,  
29.18 the amount attributable for that purpose must be separately stated from the remaining county  
29.19 levy amount. In the case of Ramsey County, if the county levy under this paragraph includes  
29.20 an amount for public library service under section 134.07, the amount attributable for that  
29.21 purpose may be separated from the remaining county levy amount. The amount of the tax  
29.22 on homesteads qualifying under the senior citizens' property tax deferral program under  
29.23 chapter 290B is the total amount of property tax before subtraction of the deferred property  
29.24 tax amount. The amount of the tax on contamination value imposed under sections 270.91  
29.25 to 270.98, if any, must also be separately stated. The dollar amounts, including the dollar  
29.26 amount of any special assessments, may be rounded to the nearest even whole dollar. For  
29.27 purposes of this section whole odd-numbered dollars may be adjusted to the next higher  
29.28 even-numbered dollar.

29.29 (b) The property tax statements for manufactured homes and sectional structures taxed  
29.30 as personal property shall contain the same information that is required on the tax statements  
29.31 for real property.

29.32 (c) Real and personal property tax statements must contain the following information  
29.33 in the order given in this paragraph. The information must contain the current year tax

30.1 information in the right column with the corresponding information for the previous year  
30.2 in a column on the left:

30.3 (1) the property's estimated market value under section 273.11, subdivision 1;

30.4 (2) the property's homestead market value exclusion under section 273.13, subdivision  
30.5 35;

30.6 (3) the property's taxable market value under section 272.03, subdivision 15;

30.7 (4) the property's gross tax, before credits;

30.8 (5) for agricultural properties, the credits under sections 273.1384 and 273.1387;

30.9 (6) any credits received under sections 273.119; 273.1234 or 273.1235; 273.135;

30.10 273.1389; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount  
30.11 of credit received under section 273.135 must be separately stated and identified as "taconite  
30.12 tax relief"; and

30.13 (7) the net tax payable in the manner required in paragraph (a).

30.14 (d) If the county uses envelopes for mailing property tax statements and if the county  
30.15 agrees, a taxing district may include a notice with the property tax statement notifying  
30.16 taxpayers when the taxing district will begin its budget deliberations for the current year,  
30.17 and encouraging taxpayers to attend the hearings. If the county allows notices to be included  
30.18 in the envelope containing the property tax statement, and if more than one taxing district  
30.19 relative to a given property decides to include a notice with the tax statement, the county  
30.20 treasurer or auditor must coordinate the process and may combine the information on a  
30.21 single announcement.

30.22 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
30.23 in 2027.

30.24 Sec. 13. Minnesota Statutes 2024, section 289A.08, subdivision 1, is amended to read:

30.25 Subdivision 1. **Generally; individuals.** (a) A taxpayer must file a return for each taxable  
30.26 year the taxpayer is required to file a return under section 6012 of the Internal Revenue  
30.27 Code or meets the requirements under paragraph (d) to file a return, except that:

30.28 (1) an individual who is not a Minnesota resident for any part of the year is not required  
30.29 to file a Minnesota income tax return if the individual's gross income derived from Minnesota  
30.30 sources as determined under sections 290.081, paragraph (a), and 290.17, is less than the  
30.31 filing requirements for a single individual who is a full year resident of Minnesota;

31.1 (2) an individual who is a Minnesota resident is not required to file a Minnesota income  
 31.2 tax return if the individual's gross income derived from Minnesota sources as determined  
 31.3 under section 290.17, less the subtractions allowed under section 290.0132, subdivisions  
 31.4 12 and 15, is less than the filing requirements for a single individual who is a full-year  
 31.5 resident of Minnesota.

31.6 (b) The decedent's final income tax return, and other income tax returns for prior years  
 31.7 where the decedent had gross income in excess of the minimum amount at which an  
 31.8 individual is required to file and did not file, must be filed by the decedent's personal  
 31.9 representative, if any. If there is no personal representative, the return or returns must be  
 31.10 filed by the transferees, as defined in section 270C.58, subdivision 3, who receive property  
 31.11 of the decedent.

31.12 (c) The term "gross income," as it is used in this section, has the same meaning given it  
 31.13 in section 290.01, subdivision 20.

31.14 (d) The commissioner of revenue must annually determine the gross income levels at  
 31.15 which individuals are required to file a return for each taxable year based on the amounts  
 31.16 allowed as a deduction under section 290.0123.

31.17 (e) Notwithstanding paragraph (a), an individual must file a Minnesota income tax return  
 31.18 for each taxable year that the taxpayer has made an election to receive advance payments  
 31.19 of the child tax credit under section 290.0661, subdivision 8.

31.20 (f) A claimant who elects to receive advance payments under section 290A.071 must  
 31.21 file a claim for a homestead credit refund as a return to reconcile their advanced payment.

31.22 **EFFECTIVE DATE.** This section is effective for credits applied to property taxes  
 31.23 payable in 2027 and thereafter.

31.24 Sec. 14. Minnesota Statutes 2024, section 290A.03, subdivision 13, is amended to read:

31.25 Subd. 13. **Property taxes payable.** (a) "Property taxes payable" means the property tax  
 31.26 exclusive of:

31.27 (1) special assessments, penalties, and interest payable on a claimant's homestead after  
 31.28 deductions made under sections 273.135, 273.1384, 273.1391, 273.42, subdivision 2, ~~and;~~

31.29 (2) any other state paid property tax credits in any calendar year, except the credit under  
 31.30 section 273.1389; and

31.31 (3) after any refund claimed and allowable under section 290A.04, subdivision 2h, that  
 31.32 is first payable in the year that the property tax is payable.

32.1 (b) In the case of a claimant who makes ground lease payments, "property taxes payable"  
 32.2 includes the amount of the payments directly attributable to the property taxes assessed  
 32.3 against the parcel on which the house is located.

32.4 (c) Regardless of the limitations in section 280A(c)(5) of the Internal Revenue Code,  
 32.5 "property taxes payable" must be apportioned or reduced for the use of a portion of the  
 32.6 claimant's homestead for a business purpose if the claimant deducts any business depreciation  
 32.7 expenses for the use of a portion of the homestead or deducts expenses under section 280A  
 32.8 of the Internal Revenue Code for a business operated in the claimant's homestead.

32.9 (d) For manufactured homes, "property taxes payable" shall also include 17 percent of  
 32.10 the gross rent paid in the preceding year for the site on which the homestead is located.

32.11 (e) When a homestead is owned by two or more persons as joint tenants or tenants in  
 32.12 common, such tenants shall determine between them which tenant may claim the property  
 32.13 taxes payable on the homestead. If they are unable to agree, the matter shall be referred to  
 32.14 the commissioner of revenue whose decision shall be final.

32.15 (f) Property taxes are considered payable in the year prescribed by law for payment of  
 32.16 the taxes.

32.17 (g) In the case of a claim relating to "property taxes payable," the claimant must have  
 32.18 owned and occupied the homestead on January 2 of the year in which the tax is payable and  
 32.19 (i) the property must have been classified as homestead property pursuant to section 273.124,  
 32.20 on or before December 31 of the assessment year to which the "property taxes payable"  
 32.21 relate; or (ii) the claimant must provide documentation from the local assessor that application  
 32.22 for homestead classification has been made on or before December 31 of the year in which  
 32.23 the "property taxes payable" were payable and that the assessor has approved the application.

32.24 **EFFECTIVE DATE.** This section is effective for refunds based on property taxes  
 32.25 payable in 2027 and thereafter.

32.26 Sec. 15. Minnesota Statutes 2024, section 290A.03, is amended by adding a subdivision  
 32.27 to read:

32.28 **Subd. 17. Eligible senior claimant.** "Eligible senior claimant" means a claimant who  
 32.29 has attained at least the age of 65, or in the case of a married claimant filing a joint claim,  
 32.30 one spouse has attained at least the age of 65 and the other spouse has attained at least the  
 32.31 age of 62.

32.32 **EFFECTIVE DATE.** This section is effective for advance payment elections after  
 32.33 December 31, 2025, for credits applied to property taxes payable in 2027 and thereafter.

33.1 Sec. 16. Minnesota Statutes 2024, section 290A.03, is amended by adding a subdivision  
33.2 to read:

33.3 Subd. 18. **Homestead credit refund.** "Homestead credit refund" means the refund under  
33.4 section 290A.04, subdivision 2.

33.5 **EFFECTIVE DATE.** This section is effective for advance payment elections after  
33.6 December 31, 2025, for credits applied to property taxes payable in 2027 and thereafter.

33.7 Sec. 17. **[290A.071] ADVANCE CREDIT OF HOMESTEAD CREDIT REFUNDS.**

33.8 Subdivision 1. **Advance payment election established.** The commissioner must establish  
33.9 a process to allow an eligible senior claimant to elect to receive advance credit of the  
33.10 homestead credit refund, as provided in this section.

33.11 Subd. 2. **Election for senior claimants to receive advance payments.** At the time of  
33.12 filing a claim for the homestead credit refund, an eligible senior claimant may elect to  
33.13 receive an advance credit of the claimant's homestead credit refund for property taxes payable  
33.14 in the following year by applying for the advance homestead credit for seniors under section  
33.15 273.1389. The application must be made in the form and manner specified by the  
33.16 commissioner, but the claimant must attest that they intend to continue to occupy the same  
33.17 homestead in the following year.

33.18 Subd. 3. **Reconciliation.** (a) A claimant's homestead credit refund is reduced by the  
33.19 amount of any advance homestead credit for seniors under section 273.1389 received by  
33.20 the claimant. If a claimant's credit exceeds the amount of the refund for which the claimant  
33.21 was eligible, the claimant must repay to the commissioner the difference between the amount  
33.22 of advance payments received and the credit amount for which the claimant is eligible.

33.23 (b) The commissioner must deposit repayments under this subdivision in the general  
33.24 fund.

33.25 (c) A claimant that receives an advance credit under this section and section 273.1389  
33.26 must file a claim for a homestead credit refund for the property taxes payable year for which  
33.27 the advance credit was received.

33.28 **EFFECTIVE DATE.** This section is effective for advance payment elections after  
33.29 December 31, 2025, for credits applied to property taxes payable in 2027 and thereafter.

34.1 Sec. 18. Minnesota Statutes 2024, section 469.1812, is amended by adding a subdivision  
34.2 to read:

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

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

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

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

34.14 Sec. 19. Minnesota Statutes 2024, section 469.1813, subdivision 1, is amended to read:

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

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

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

34.24 (i) increase or preserve tax base;

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

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

34.27 (iv) help redevelop or renew blighted areas;

34.28 (v) help provide access to services for residents of the political subdivision;

34.29 (vi) finance or provide public infrastructure;

35.1 (vii) phase in a property tax increase on the parcel resulting from an increase of 50  
 35.2 percent or more in one year on the estimated market value of the parcel, other than increase  
 35.3 attributable to improvement of the parcel; ~~or~~

35.4 (viii) stabilize the tax base through equalization of property tax revenues for a specified  
 35.5 period of time with respect to a taxpayer whose real and personal property is subject to  
 35.6 valuation under Minnesota Rules, chapter 8100;

35.7 (ix) provide for the development of affordable housing to households at or below 80  
 35.8 percent of area median income as estimated by the United States Department of Housing  
 35.9 and Urban Development for the political subdivision in which the project is located; or

35.10 (x) allow the property to be held by a land bank organization for future development.

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

35.12 Sec. 20. Minnesota Statutes 2024, section 469.1813, subdivision 6, is amended to read:

35.13 Subd. 6. **Duration limit.** (a) A political subdivision may grant an abatement for a period  
 35.14 no longer than 15 years, except as provided under ~~paragraph~~ paragraphs (b) and (c). The  
 35.15 abatement period commences in the first year in which the abatement granted is either paid  
 35.16 or retained in accordance with section 469.1815, subdivision 2. The subdivision may specify  
 35.17 in the abatement resolution a shorter duration. If the resolution does not specify a period of  
 35.18 time, the abatement is for eight years. If an abatement has been granted to a parcel of property  
 35.19 and the period of the abatement has expired, the political subdivision that granted the  
 35.20 abatement may not grant another abatement for eight years after the expiration of the first  
 35.21 abatement. This prohibition does not apply to improvements added after and not subject to  
 35.22 the first abatement. Economic abatement agreements for real and personal property subject  
 35.23 to valuation under Minnesota Rules, chapter 8100, are not subject to this prohibition and  
 35.24 may be granted successively.

35.25 (b) A political subdivision proposing to abate taxes for a parcel may request, in writing,  
 35.26 that the other political subdivisions in which the parcel is located grant an abatement for  
 35.27 the property. If one of the other political subdivisions declines, in writing, to grant an  
 35.28 abatement or if 90 days pass after receipt of the request to grant an abatement without a  
 35.29 written response from one of the political subdivisions, the duration limit for an abatement  
 35.30 for the parcel by the requesting political subdivision and any other participating political  
 35.31 subdivision is increased to 20 years. If the political subdivision which declined to grant an  
 35.32 abatement later grants an abatement for the parcel, the 20-year duration limit is reduced by  
 35.33 one year for each year that the declining political subdivision grants an abatement for the

36.1 parcel during the period of the abatement granted by the requesting political subdivision.

36.2 The duration limit may not be reduced below the limit under paragraph (a).

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

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

36.8 Sec. 21. Minnesota Statutes 2024, section 469.1813, is amended by adding a subdivision  
 36.9 to read:

36.10 Subd. 11. **Repayment.** A land bank organization receiving an abatement under  
 36.11 subdivision 1, clause (2), item (ix) or (x), must repay the abatement with interest if the land  
 36.12 for which the abatement was granted is used for a purpose other than the purpose given by  
 36.13 the land bank organization prior to redevelopment. This subdivision applies immediately  
 36.14 after the abatement under this section expires. Land is subject to repayment under this  
 36.15 subdivision for the same number of years that the abatement was granted. Interest under  
 36.16 this section is payable at the rate determined in section 270C.40, subdivision 5.

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

36.18 Sec. 22. Minnesota Statutes 2024, section 477A.30, subdivision 4, is amended to read:

36.19 Subd. 4. **Use of proceeds.** (a) Counties and Tribal governments that receive a distribution  
 36.20 under this section must use the proceeds to fund new or existing family homeless prevention  
 36.21 and assistance projects or programs. These projects or programs may be administered by a  
 36.22 county, a group of contiguous counties jointly acting together, a city, a group of contiguous  
 36.23 cities jointly acting together, a Tribal government, a group of Tribal governments, or a  
 36.24 community-based nonprofit organization. Each project or program must include plans for:

36.25 (1) targeting families with children who are eligible for a prekindergarten through grade  
 36.26 12 academic program and are:

36.27 (i) living in overcrowded conditions in their current housing;

36.28 (ii) paying more than 50 percent of their income for rent; or

36.29 (iii) lacking a fixed, regular, and adequate nighttime residence;

36.30 (2) targeting unaccompanied youth in need of an alternative residential setting;

37.1 (3) connecting families with the social services necessary to maintain the families'  
 37.2 stability in their homes, including but not limited to housing navigation, legal representation,  
 37.3 and family outreach; and

37.4 (4) one or more of the following:

37.5 (i) providing rental assistance for a specified period of time which may exceed 24 months;

37.6 or

37.7 (ii) providing support and case management services to improve housing stability,  
 37.8 including but not limited to housing navigation and family outreach.

37.9 (b) Aid distributions under this section must not be used to cover the costs of removing  
 37.10 from an encampment any individuals living at the encampment or clearing the encampment  
 37.11 site of any personal property used by individuals living at the encampment.

37.12 ~~(b)~~ (c) Counties may choose not to spend all or a portion of the distribution under this  
 37.13 section. Any unspent funds must be returned to the commissioner of revenue by December  
 37.14 31 of the year following the year that the aid was received. Any funds returned to the  
 37.15 commissioner under this paragraph must be added to the overall distribution of aids certified  
 37.16 under this section in the following year. Any unspent funds returned to the commissioner  
 37.17 after the expiration under subdivision 8 are canceled to the general fund.

37.18 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2025.

37.19 Sec. 23. Minnesota Statutes 2024, section 477A.30, subdivision 7, is amended to read:

37.20 Subd. 7. **Report.** (a) No later than January 15, 2025, the commissioner of revenue must  
 37.21 produce a report on projects and programs funded by counties and Tribal governments under  
 37.22 this section. The report must include a list of the projects and programs, the number of  
 37.23 people served by each, and an assessment of how each project and program impacts people  
 37.24 who are currently experiencing homelessness or who are at risk of experiencing  
 37.25 homelessness, as reported by the counties and Tribal governments to the commissioner by  
 37.26 December 31 each year on a form prescribed by the commissioner. The commissioner must  
 37.27 provide a copy of the report to the chairs and ranking minority members of the legislative  
 37.28 committees with jurisdiction over property taxes and services for persons experiencing  
 37.29 homelessness.

37.30 (b) The report in paragraph (a) must be updated ~~every two years~~ in 2027 and 2029 and  
 37.31 the commissioner of revenue must provide copies of the updated reports to the chairs and  
 37.32 ranking minority members of the legislative committees with jurisdiction over property  
 37.33 taxes and services for persons experiencing homelessness by January 15 of the year the

38.1 report is due. Report requirements under this subdivision expire following the report which  
 38.2 includes the ~~final~~ distribution ~~preceeding the expiration in subdivision 8~~ in 2028.

38.3 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2025.

38.4 Sec. 24. **2023 AID PENALTY FORGIVENESS; CITY OF STEWART.**

38.5 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Stewart  
 38.6 must receive its aid payment for calendar year 2023 under Minnesota Statutes, section  
 38.7 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3,  
 38.8 provided that the state auditor certifies to the commissioner of revenue that the state auditor  
 38.9 received the annual financial reporting form for 2022 from the city by June 1, 2025. The  
 38.10 commissioner of revenue must make a payment of \$87,501.50 to the city of Stewart by June  
 38.11 30, 2025. An amount sufficient to pay aid under this section is appropriated in fiscal year  
 38.12 2025 from the general fund to the commissioner of revenue. This is a onetime appropriation.

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

38.14 Sec. 25. **PROPERTY TAX EXEMPTION; RED LAKE NATION COLLEGE.**

38.15 (a) Notwithstanding Minnesota Statutes, section 272.02, subdivision 38, paragraph (b),  
 38.16 and any other law to the contrary, property located in the city of Minneapolis acquired by  
 38.17 Red Lake Nation College Without Borders, LLC in either August 2021 or September 2021  
 38.18 is exempt from property taxes payable in 2022 and the portion of property taxes payable in  
 38.19 2021 due after the property was acquired. An amount necessary to make a payment to the  
 38.20 county for the property taxes that would be payable but for the exemption is appropriated  
 38.21 from the general fund to the commissioner of revenue in fiscal year 2026. All prior year  
 38.22 penalties, interest, and costs are canceled.

38.23 (b) By August 1, 2025, the auditor of the county in which the property is located must  
 38.24 certify to the commissioner of revenue the amount to be paid by the commissioner of revenue  
 38.25 to the county under paragraph (a). The commissioner of revenue must make this payment  
 38.26 by August 15, 2025.

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

38.28 Sec. 26. **APPROPRIATION; ADMINISTRATION OF ADVANCE HOMESTEAD**  
 38.29 **CREDIT FOR SENIORS.**

38.30 \$158,000 in fiscal year 2026 and \$118,000 in fiscal year 2027 are appropriated from the  
 38.31 general fund to the commissioner of revenue to administer the advance homestead credit

39.1 for seniors in Minnesota Statutes, sections 273.1389 and 290A.071. The base for this  
 39.2 appropriation is \$116,000 in fiscal year 2028.

39.3 **EFFECTIVE DATE.** This section is effective July 1, 2025.

39.4 Sec. 27. **REPEALER.**

39.5 Minnesota Statutes 2024, section 477A.30, subdivision 8, is repealed.

### 39.6 **ARTICLE 3**

### 39.7 **SALES AND USE TAXES**

39.8 Section 1. Minnesota Statutes 2024, section 295.53, subdivision 4a, is amended to read:

39.9 Subd. 4a. **Credit for research.** (a) In addition to the exemptions allowed under  
 39.10 subdivision 1, a hospital or health care provider may claim an annual credit against the total  
 39.11 amount of tax, if any, the hospital or health care provider owes for that calendar year under  
 39.12 sections 295.50 to 295.57. The credit shall equal ~~2.5~~ 0.5 percent of revenues for patient  
 39.13 services used to fund expenditures for qualifying research conducted by an allowable research  
 39.14 program. The amount of the credit shall not exceed the tax liability of the hospital or health  
 39.15 care provider under sections 295.50 to 295.57.

39.16 (b) For purposes of this subdivision, the following requirements apply:

39.17 (1) expenditures must be for program costs of qualifying research conducted by an  
 39.18 allowable research program;

39.19 (2) an allowable research program must be a formal program of medical and health care  
 39.20 research conducted by an entity which is exempt under section 501(c)(3) of the Internal  
 39.21 Revenue Code as defined in section 289A.02, subdivision 7, or is owned and operated under  
 39.22 authority of a governmental unit;

39.23 (3) qualifying research must:

39.24 (A) be approved in writing by the governing body of the hospital or health care provider  
 39.25 which is taking the deduction under this subdivision;

39.26 (B) have as its purpose the development of new knowledge in basic or applied science  
 39.27 relating to the diagnosis and treatment of conditions affecting the human body;

39.28 (C) be subject to review by individuals with expertise in the subject matter of the proposed  
 39.29 study but who have no financial interest in the proposed study and are not involved in the  
 39.30 conduct of the proposed study; and

40.1 (D) be subject to review and supervision by an institutional review board operating in  
 40.2 conformity with federal regulations if the research involves human subjects or an institutional  
 40.3 animal care and use committee operating in conformity with federal regulations if the  
 40.4 research involves animal subjects. Research expenses are not exempt if the study is a routine  
 40.5 evaluation of health care methods or products used in a particular setting conducted for the  
 40.6 purpose of making a management decision. Costs of clinical research activities paid directly  
 40.7 for the benefit of an individual patient are excluded from this exemption. Basic research in  
 40.8 fields including biochemistry, molecular biology, and physiology are also included if such  
 40.9 programs are subject to a peer review process.

40.10 (c) No credit shall be allowed under this subdivision for any revenue received by the  
 40.11 hospital or health care provider in the form of a grant, gift, or otherwise, whether from a  
 40.12 government or nongovernment source, on which the tax liability under section 295.52 is  
 40.13 not imposed.

40.14 (d) The taxpayer shall apply for the credit under this section on the annual return under  
 40.15 section 295.55, subdivision 5.

40.16 ~~(e) Beginning September 1, 2001, if the actual or estimated amount paid under this~~  
 40.17 ~~section for the calendar year exceeds \$2,500,000, the commissioner of management and~~  
 40.18 ~~budget shall determine the rate of the research credit for the following calendar year to the~~  
 40.19 ~~nearest one-half percent so that refunds paid under this section will most closely equal~~  
 40.20 ~~\$2,500,000. The commissioner of management and budget shall publish in the State Register~~  
 40.21 ~~by October 1 of each year the rate of the credit for the following calendar year. A~~  
 40.22 ~~determination under this section is not subject to the rulemaking provisions of chapter 14.~~

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

40.24 **Sec. 2. [295.85] AMUSEMENT DEVICE GROSS RECEIPTS TAX.**

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

40.27 (b) "Amusement device" means any electronic or mechanical machine or device that is  
 40.28 activated and operated by providing payment for use to provide entertainment or amusement,  
 40.29 including but not limited to bowling alleys, fortune-telling machines, cranes, foosball tables,  
 40.30 pool tables, video games, pinball machines, batting cages, rides, photo or video booths,  
 40.31 shuffleboard tables, air hockey tables, arcade games, shooting gallery games, dart boards,  
 40.32 and jukeboxes. An amusement device does not include vending machines, lottery devices,  
 40.33 or gaming devices as described in chapters 297E and 349.

41.1 (c) "Commissioner" means the commissioner of revenue.

41.2 (d) "Gross receipts" means the total amount received in money or by barter or exchange  
41.3 for sales derived from the making available of amusement devices for play as measured by  
41.4 the sales price.

41.5 (e) "Providing payment" means activating an amusement device by either:

41.6 (1) inserting a coin, paper currency, or token; swiping a card; entering a code; or using  
41.7 an electronic payment on the device; or

41.8 (2) giving such payment to a person who activates for play the amusement device.

41.9 Subd. 2. **Tax imposed.** A tax equal to 6.875 percent of gross receipts from making  
41.10 available any amusement device for play is imposed on the owners of each device operated  
41.11 in Minnesota. The tax imposed by this section is in lieu of the taxes imposed by chapter  
41.12 297A.

41.13 Subd. 3. **Administration.** Unless specifically provided otherwise, the audit, assessment,  
41.14 refund, penalty, interest, enforcement, collection remedies, appeal, and administrative  
41.15 provisions of chapters 270C and 289A that are applicable to taxes imposed under chapter  
41.16 297A apply to the tax imposed under this section.

41.17 Subd. 4. **Returns; payment of tax.** (a) An owner of an amusement device must report  
41.18 the tax on a return prescribed by the commissioner and must remit the tax in a form and  
41.19 manner prescribed by the commissioner. The return and the tax must be filed and paid using  
41.20 the filing cycle and due dates provided for taxes imposed under section 289A.20, subdivision  
41.21 4, and chapter 297A.

41.22 (b) Interest must be paid on an overpayment refunded or credited to the taxpayer from  
41.23 the date of payment of the tax until the date the refund is paid or credited. For purposes of  
41.24 this subdivision, the date of payment is the due date of the return or the date of actual  
41.25 payment of the tax, whichever is later.

41.26 Subd. 5. **Deposit of revenues.** The commissioner must deposit the revenues, including  
41.27 penalties and interest, derived from the tax imposed by this section as follows:

41.28 (1) the revenue derived from the portion of the tax equal to 6.5 percent must be deposited  
41.29 into the general fund; and

41.30 (2) the revenue derived from the portion of the tax equal to 0.375 percent must be  
41.31 deposited pursuant to Minnesota Constitution, article XI, section 15.

42.1 Subd. 6. **Personal debt.** The tax imposed by this section, and interest and penalties  
 42.2 imposed with respect to the tax, are a personal debt of the person required to file a return  
 42.3 from the time that the liability for the tax arises, irrespective of when the time for payment  
 42.4 of the liability occurs. The debt must, in the case of the executor or administrator of the  
 42.5 estate of a decedent and in the case of a fiduciary, be that of the person in the person's official  
 42.6 or fiduciary capacity only, unless the person has voluntarily distributed the assets held in  
 42.7 that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in  
 42.8 which event the person is personally liable for any deficiency.

42.9 **EFFECTIVE DATE.** This section is effective October 1, 2025.

42.10 Sec. 3. Minnesota Statutes 2024, section 297A.61, subdivision 3, is amended to read:

42.11 **Subd. 3. Sale and purchase.** (a) "Sale" and "purchase" include, but are not limited to,  
 42.12 each of the transactions listed in this subdivision. In applying the provisions of this chapter,  
 42.13 the terms "tangible personal property" and "retail sale" include the taxable services listed  
 42.14 in paragraph (g), clause (6), items (i) to (vi) and (viii), and the provision of these taxable  
 42.15 services, unless specifically provided otherwise. Services performed by an employee for  
 42.16 an employer are not taxable. Services performed by a partnership or association for another  
 42.17 partnership or association are not taxable if one of the entities owns or controls more than  
 42.18 80 percent of the voting power of the equity interest in the other entity. Services performed  
 42.19 between members of an affiliated group of corporations are not taxable. For purposes of  
 42.20 the preceding sentence, "affiliated group of corporations" means those entities that would  
 42.21 be classified as members of an affiliated group as defined under United States Code, title  
 42.22 26, section 1504, disregarding the exclusions in section 1504(b).

42.23 (b) Sale and purchase include:

42.24 (1) any transfer of title or possession, or both, of tangible personal property, whether  
 42.25 absolutely or conditionally, for a consideration in money or by exchange or barter; and

42.26 (2) the leasing of or the granting of a license to use or consume, for a consideration in  
 42.27 money or by exchange or barter, tangible personal property, other than a manufactured  
 42.28 home used for residential purposes for a continuous period of 30 days or more.

42.29 (c) Sale and purchase include the production, fabrication, printing, or processing of  
 42.30 tangible personal property for a consideration for consumers who furnish either directly or  
 42.31 indirectly the materials used in the production, fabrication, printing, or processing.

42.32 (d) Sale and purchase include the preparing for a consideration of food. Notwithstanding  
 42.33 section 297A.67, subdivision 2, taxable food includes, but is not limited to, the following:

43.1 (1) prepared food sold by the retailer;

43.2 (2) soft drinks;

43.3 (3) candy; and

43.4 (4) dietary supplements.

43.5 (e) A sale and a purchase includes the furnishing for a consideration of electricity, gas,  
43.6 water, or steam for use or consumption within this state.

43.7 (f) A sale and a purchase includes the transfer for a consideration of prewritten computer  
43.8 software whether delivered electronically, by load and leave, or otherwise.

43.9 (g) A sale and a purchase includes the furnishing for a consideration of the following  
43.10 services:

43.11 (1) the privilege of admission to places of amusement, recreational areas, or athletic  
43.12 events, and the making available of ~~amusement devices~~, tanning facilities, reducing salons,  
43.13 steam baths, health clubs, and spas or athletic facilities;

43.14 (2) lodging and related services by a hotel, rooming house, resort, campground, motel,  
43.15 or trailer camp, including furnishing the guest of the facility with access to telecommunication  
43.16 services, and the granting of any similar license to use real property in a specific facility,  
43.17 other than the renting or leasing of it for a continuous period of 30 days or more under an  
43.18 enforceable written agreement that may not be terminated without prior notice and including  
43.19 accommodations intermediary services provided in connection with other services provided  
43.20 under this clause;

43.21 (3) nonresidential parking services, whether on a contractual, hourly, or other periodic  
43.22 basis, except for parking at a meter;

43.23 (4) the granting of membership in a club, association, or other organization if:

43.24 (i) the club, association, or other organization makes available for the use of its members  
43.25 sports and athletic facilities, without regard to whether a separate charge is assessed for use  
43.26 of the facilities; and

43.27 (ii) use of the sports and athletic facility is not made available to the general public on  
43.28 the same basis as it is made available to members.

43.29 Granting of membership means both onetime initiation fees and periodic membership dues.  
43.30 Sports and athletic facilities include golf courses; tennis, racquetball, handball, and squash  
43.31 courts; basketball and volleyball facilities; running tracks; exercise equipment; swimming  
43.32 pools; and other similar athletic or sports facilities;

44.1 (5) delivery of aggregate materials by a third party, excluding delivery of aggregate  
44.2 material used in road construction; and delivery of concrete block by a third party if the  
44.3 delivery would be subject to the sales tax if provided by the seller of the concrete block.  
44.4 For purposes of this clause, "road construction" means construction of:

44.5 (i) public roads;

44.6 (ii) cartways; and

44.7 (iii) private roads in townships located outside of the seven-county metropolitan area  
44.8 up to the point of the emergency response location sign; and

44.9 (6) services as provided in this clause:

44.10 (i) laundry and dry cleaning services including cleaning, pressing, repairing, altering,  
44.11 and storing clothes, linen services and supply, cleaning and blocking hats, and carpet,  
44.12 drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not  
44.13 include services provided by coin operated facilities operated by the customer;

44.14 (ii) motor vehicle washing, waxing, and cleaning services, including services provided  
44.15 by coin operated facilities operated by the customer, and rustproofing, undercoating, and  
44.16 towing of motor vehicles;

44.17 (iii) building and residential cleaning, maintenance, and disinfecting services and pest  
44.18 control and exterminating services;

44.19 (iv) detective, security, burglar, fire alarm, and armored car services; but not including  
44.20 services performed within the jurisdiction they serve by off-duty licensed peace officers as  
44.21 defined in section 626.84, subdivision 1, or services provided by a nonprofit organization  
44.22 or any organization at the direction of a county for monitoring and electronic surveillance  
44.23 of persons placed on in-home detention pursuant to court order or under the direction of the  
44.24 Minnesota Department of Corrections;

44.25 (v) pet grooming services;

44.26 (vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting  
44.27 and maintenance; tree, bush, and shrub pruning, bracing, spraying, and surgery; indoor plant  
44.28 care; tree, bush, shrub, and stump removal, except when performed as part of a land clearing  
44.29 contract as defined in section 297A.68, subdivision 40; and tree trimming for public utility  
44.30 lines. Services performed under a construction contract for the installation of shrubbery,  
44.31 plants, sod, trees, bushes, and similar items are not taxable;

45.1 (vii) massages, except when provided by a licensed health care facility or professional  
45.2 or upon written referral from a licensed health care facility or professional for treatment of  
45.3 illness, injury, or disease; and

45.4 (viii) the furnishing of lodging, board, and care services for animals in kennels and other  
45.5 similar arrangements, but excluding veterinary and horse boarding services.

45.6 (h) A sale and a purchase includes the furnishing for a consideration of tangible personal  
45.7 property or taxable services by the United States or any of its agencies or instrumentalities,  
45.8 or the state of Minnesota, its agencies, instrumentalities, or political subdivisions.

45.9 (i) A sale and a purchase includes the furnishing for a consideration of  
45.10 telecommunications services, ancillary services associated with telecommunication services,  
45.11 and pay television services. Telecommunication services include, but are not limited to, the  
45.12 following services, as defined in section 297A.669: air-to-ground radiotelephone service,  
45.13 mobile telecommunication service, postpaid calling service, prepaid calling service, prepaid  
45.14 wireless calling service, and private communication services. The services in this paragraph  
45.15 are taxed to the extent allowed under federal law.

45.16 (j) A sale and a purchase includes the furnishing for a consideration of installation if the  
45.17 installation charges would be subject to the sales tax if the installation were provided by  
45.18 the seller of the item being installed.

45.19 (k) A sale and a purchase includes the rental of a vehicle by a motor vehicle dealer to a  
45.20 customer when (1) the vehicle is rented by the customer for a consideration, or (2) the motor  
45.21 vehicle dealer is reimbursed pursuant to a service contract as defined in section 59B.02,  
45.22 subdivision 11.

45.23 (l) A sale and a purchase includes furnishing for a consideration of specified digital  
45.24 products or other digital products or granting the right for a consideration to use specified  
45.25 digital products or other digital products on a temporary or permanent basis and regardless  
45.26 of whether the purchaser is required to make continued payments for such right. Wherever  
45.27 the term "tangible personal property" is used in this chapter, other than in subdivisions 10  
45.28 and 38, the provisions also apply to specified digital products, or other digital products,  
45.29 unless specifically provided otherwise or the context indicates otherwise.

45.30 (m) The sale of the privilege of admission under section 297A.61, subdivision 3,  
45.31 paragraph (g), clause (1), to a place of amusement, recreational area, or athletic event  
45.32 includes all charges included in the privilege of admission's sales price, without deduction  
45.33 for amenities that may be provided, unless the amenities are separately stated and the

46.1 purchaser of the privilege of admission is entitled to add or decline the amenities, and the  
46.2 amenities are not otherwise taxable.

46.3 (n) A sale and purchase includes the transfer for consideration of a taxable cannabis  
46.4 product as defined in section 295.81, subdivision 1, paragraph (r).

46.5 **EFFECTIVE DATE.** This section is effective October 1, 2025.

46.6 Sec. 4. Minnesota Statutes 2024, section 297A.68, subdivision 3a, is amended to read:

46.7 Subd. 3a. ~~Coin-operated entertainment and Amusement devices.~~ **Coin-operated**  
46.8 ~~entertainment and Amusement devices~~ as defined in section 295.85, subdivision 1, including,  
46.9 but not limited to, fortune-telling machines, cranes, foosball and pool tables, video and  
46.10 pinball games, batting cages, rides, photo or video booths, and jukeboxes are exempt when  
46.11 purchased by retailers selling admission to places of amusement and making available  
46.12 amusement devices as provided in section ~~297A.61, subdivision 3, paragraph (g), clause~~  
46.13 ~~(1). Coin-operated entertainment and~~ 295.85. Amusement devices do not include vending  
46.14 machines, lottery devices, or gaming devices as described in chapters 297E and 349.

46.15 **EFFECTIVE DATE.** This section is effective October 1, 2025.

46.16 Sec. 5. Minnesota Statutes 2024, section 297A.68, subdivision 45, is amended to read:

46.17 Subd. 45. **Jukebox music.** The purchase of music, either as a digital audio work or in  
46.18 tangible form such as a record or compact disc, by operators that provide the service of  
46.19 making available jukeboxes as amusement devices, as provided in section ~~297A.61,~~  
46.20 ~~subdivision 3, paragraph (g), clause (1)~~ 295.85, is exempt if the music is used exclusively  
46.21 for the jukebox.

46.22 **EFFECTIVE DATE.** This section is effective October 1, 2025.

46.23 Sec. 6. Minnesota Statutes 2024, section 609.902, subdivision 4, is amended to read:

46.24 Subd. 4. **Criminal act.** "Criminal act" means conduct constituting, or a conspiracy or  
46.25 attempt to commit, a felony violation of chapter 152, or a felony violation of section ~~297D.09;~~  
46.26 ~~299F.79; 299F.80; 299F.82; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222;~~  
46.27 ~~609.223; 609.2231; 609.228; 609.235; 609.245; 609.25; 609.27; 609.322; 609.342; 609.343;~~  
46.28 ~~609.344; 609.345; 609.42; 609.48; 609.485; 609.495; 609.496; 609.497; 609.498; 609.52,~~  
46.29 subdivision 2, if the offense is punishable under subdivision 3, clause (1), if the property is  
46.30 a firearm, clause (3)(b), or clause (3)(d)(v); section 609.52, subdivision 2, paragraph (a),  
46.31 clause (1) or (4); 609.527, if the crime is punishable under subdivision 3, clause (4); 609.528,

47.1 if the crime is punishable under subdivision 3, clause (4); 609.53; 609.561; 609.562; 609.582,  
 47.2 subdivision 1 or 2; 609.668, subdivision 6, paragraph (a); 609.67; 609.687; 609.713; 609.86;  
 47.3 609.894, subdivision 3 or 4; 609.895; 624.713; 624.7191; or 626A.02, subdivision 1, if the  
 47.4 offense is punishable under section 626A.02, subdivision 4, paragraph (a). "Criminal act"  
 47.5 also includes conduct constituting, or a conspiracy or attempt to commit, a felony violation  
 47.6 of section 609.52, subdivision 2, clause (3), (4), (15), or (16), if the violation involves an  
 47.7 insurance company as defined in section 60A.02, subdivision 4, a nonprofit health service  
 47.8 plan corporation regulated under chapter 62C, a health maintenance organization regulated  
 47.9 under chapter 62D, or a fraternal benefit society regulated under chapter 64B.

47.10 **EFFECTIVE DATE.** This section is effective August 1, 2025.

47.11 **Sec. 7. CITY OF WOODBURY; SALES TAX EXEMPTION FOR CONSTRUCTION**  
 47.12 **MATERIALS.**

47.13 **Subdivision 1. Exemption; refund.** (a) Materials and supplies used or consumed in and  
 47.14 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
 47.15 or remodeling of a water treatment facility, including water pipeline infrastructure and  
 47.16 associated improvements, funded by the city of Woodbury are exempt from sales and use  
 47.17 tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies, and  
 47.18 equipment are purchased after January 31, 2024, and before July 1, 2025.

47.19 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
 47.20 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
 47.21 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds must not  
 47.22 be issued until after June 30, 2025.

47.23 **Subd. 2. Appropriation.** The amount required to pay the refunds under subdivision 1  
 47.24 is appropriated from the general fund to the commissioner of revenue.

47.25 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
 47.26 made after January 31, 2024, and before July 1, 2025.

47.27 **Sec. 8. REPEALER.**

47.28 Minnesota Statutes 2024, sections 13.4967, subdivision 5; 297D.01; 297D.02; 297D.03;  
 47.29 297D.04; 297D.05; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivisions 1, 1a,  
 47.30 and 2; 297D.10; 297D.11; 297D.12; and 297D.13, are repealed.

47.31 **EFFECTIVE DATE.** This section is effective August 1, 2025.

48.1 **ARTICLE 4**48.2 **TAX INCREMENT FINANCING**

48.3 Section 1. Laws 2010, chapter 389, article 7, section 22, as amended by Laws 2011, chapter  
48.4 112, article 11, section 16, is amended to read:

48.5 **Sec. 22. CITY OF RAMSEY; TAX INCREMENT FINANCING DISTRICT;**  
48.6 **SPECIAL RULES.**

48.7 (a) If the city of Ramsey or an authority of the city elects upon the adoption of a tax  
48.8 increment financing plan for a district, the rules under this section apply to a redevelopment  
48.9 tax increment financing district established by the city or an authority of the city. The  
48.10 redevelopment tax increment district includes parcels within the area bounded on the east  
48.11 by Ramsey Boulevard, on the north by Bunker Lake Boulevard as extended west to Llama  
48.12 Street, on the west by Llama Street, and on the south by a line running parallel to and 600  
48.13 feet south of the southerly right-of-way for U.S. Highway 10, but including Parcels  
48.14 28-32-25-43-0007 and 28-32-25-34-0002 in their entirety, and excluding the Anoka County  
48.15 Regional Park property in its entirety. A parcel within this area that is included in a tax  
48.16 increment financing district that was certified before the date of enactment of this act may  
48.17 be included in the district created under this act if the initial district is decertified.

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

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

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

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

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

49.8 (g) The requirement of Minnesota Statutes, section 469.178, subdivision 7, paragraph  
 49.9 (b), is considered to be met for the district if the city adopts interfund loan resolutions  
 49.10 reflecting the terms and conditions required by Minnesota Statutes, section 469.178,  
 49.11 subdivision 7, paragraph (d), by December 31, 2025.

49.12 **EFFECTIVE DATE.** This section is effective the day after the city of Ramsey and its  
 49.13 chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and  
 49.14 3.

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

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

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

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

49.21 (c) "Project area" means all or a portion of the area in the city commencing at a point  
 49.22 130 feet East and 120 feet North of the southwest corner of the Southeast Quarter of Section  
 49.23 23, Township 119, Range 22, Hennepin County, said point being on the easterly right-of-way  
 49.24 line of Hemlock Lane; thence northerly along said easterly right-of-way line of Hemlock  
 49.25 Lane to a point on the west line of the east one-half of the Southeast Quarter of section 23,  
 49.26 thence south along said west line a distance of 1,200 feet; thence easterly to the east line of  
 49.27 Section 23, 1,030 feet North from the southeast corner thereof; thence South 74 degrees  
 49.28 East 1,285 feet; thence East a distance of 1,000 feet; thence North 59 degrees West a distance  
 49.29 of 650 feet; thence northerly to a point on the northerly right-of-way line of 81st Avenue  
 49.30 North, 650 feet westerly measured at right angles, from the east line of the Northwest Quarter  
 49.31 of Section 24; thence North 13 degrees West a distance of 795 feet; thence West to the west  
 49.32 line of the Southeast Quarter of the Northwest Quarter of Section 24; thence North 55

50.1 degrees West to the south line of the Northwest Quarter of the Northwest Quarter of Section  
50.2 24; thence West along said south line to the east right-of-way line of Zachary Lane; thence  
50.3 North along the east right-of-way line of Zachary Lane to the southwest corner of Lot 1,  
50.4 Block 1, Metropolitan Industrial Park 5th Addition; thence East along the south line of said  
50.5 Lot 1 to the northeast corner of Outlot A, Metropolitan Industrial Park 5th Addition; thence  
50.6 South along the east line of said Outlot A and its southerly extension to the south right-of-way  
50.7 line of County State-Aid Highway (CSAH) 109; thence easterly along the south right-of-way  
50.8 line of CSAH 109 to the east line of the Northwest Quarter of the Northeast Quarter of  
50.9 Section 24; thence South along said east line to the north line of the South Half of the  
50.10 Northeast Quarter of Section 24; thence East along said north line to the westerly right-of-way  
50.11 line of Jefferson Highway North; thence southerly along the westerly right-of-way line of  
50.12 Jefferson Highway to the centerline of CSAH 130; thence continuing South along the west  
50.13 right-of-way line of Pilgrim Lane North to the westerly extension of the north line of Outlot  
50.14 A, Park North Fourth Addition; thence easterly along the north line of Outlot A, Park North  
50.15 Fourth Addition to the northeast corner of said Outlot A; thence southerly along the east  
50.16 line of said Outlot A to the southeast corner of said Outlot A; thence easterly along the south  
50.17 line of Lot 1, Block 1, Park North Fourth Addition to the westerly right-of-way line of State  
50.18 Highway 169; thence southerly, southwesterly, westerly, and northwesterly along the  
50.19 westerly right-of-way line of State Highway 169 and the northerly right-of-way line of  
50.20 Interstate 694 to its intersection with the southerly extension of the easterly right-of-way  
50.21 line of Zachary Lane North; thence northerly along the easterly right-of-way line of Zachary  
50.22 Lane North and its northerly extension to the north right-of-way line of CSAH 130; thence  
50.23 westerly, southerly, northerly, southwesterly, and northwesterly to the point of beginning  
50.24 and there terminating, provided that the project area includes the rights-of-way for all present  
50.25 and future highway interchanges abutting the area described in this paragraph, and may  
50.26 include any additional property necessary to cause the property included in the tax increment  
50.27 financing district to consist of complete parcels.

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

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

50.33 (2) the estimated cost of the physical preparation under clause (1), but excluding costs  
50.34 directly related to roads as defined in Minnesota Statutes, section 160.01, and local  
50.35 improvements as described in Minnesota Statutes, sections 429.021, subdivision 1, clauses

51.1 (1) to (7), (11), and (12), and 430.01, exceeds the fair market value of the land before  
51.2 completion of the preparation.

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

51.7 (b) Prior to or upon the adoption of the first tax increment plan subject to the special  
51.8 rules under this subdivision, the city must find by resolution that parcels consisting of at  
51.9 least 80 percent of the acreage of the project area, excluding street and railroad rights-of-way,  
51.10 are characterized by one or more of the following conditions:

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

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

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

51.16 (4) quarries or similar resource extraction sites;

51.17 (5) floodway; and

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

51.20 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the  
51.21 relevant condition if at least 70 percent of the area of the parcel contains the relevant  
51.22 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by  
51.23 substandard buildings if substandard buildings occupy at least 30 percent of the area of the  
51.24 parcel.

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

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

51.32 (f) For a soil deficiency district:

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

52.3 (2) increments may be used only to:

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

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

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

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

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

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

52.15 (i) Notwithstanding the restrictions in paragraph (f), clause (2), the city may use  
52.16 increments from a soil deficiency district to acquire parcels and for other infrastructure costs  
52.17 either inside or outside of the district, but within the project area, if the acquisition or  
52.18 infrastructure is for a qualified development. For purposes of this paragraph, a development  
52.19 is a qualified development only if all of the following requirements are satisfied:

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

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

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

52.25 **EFFECTIVE DATE.** (a) The extension of the five- and six-year rules under this section  
52.26 are effective the day after the governing body of the city of Maple Grove and its chief  
52.27 clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

52.28 (b) The district duration extension under this section is effective upon compliance by  
52.29 the city of Maple Grove, Hennepin County, and Independent School District No. 279 with  
52.30 the requirements of Minnesota Statutes, section 469.1782, subdivision 2.

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

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

53.4 (a) For purposes of computing the duration limits under Minnesota Statutes, section  
53.5 469.176, subdivision 1b, the housing and redevelopment authority of the city of St. Paul  
53.6 may waive receipt of increment for the Ford Site Redevelopment Tax Increment Financing  
53.7 District. This authority is limited to the first four years of increment or increments derived  
53.8 from taxes payable in 2023, whichever occurs first.

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

53.14 (c) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
53.15 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
53.16 4, relating to the use of increment after the expiration of the five-year period, is extended  
53.17 to 11 years for the Ford Site Redevelopment Tax Increment Financing District in the city  
53.18 of St. Paul.

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

53.22 **Sec. 4. CITY OF BROOKLYN CENTER; TAX INCREMENT FINANCING**  
53.23 **AUTHORITY.**

53.24 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
53.25 economic development authority of the city of Brooklyn Center or the city of Brooklyn  
53.26 Center may establish one or more redevelopment tax increment financing districts located  
53.27 wholly within the area in the city identified as the "Opportunity Site," which includes the  
53.28 area bounded by Shingle Creek Parkway from Hennepin County State-Aid Highway 10 to  
53.29 Summit Drive North; Summit Drive North from Shingle Creek Parkway to marked Trunk  
53.30 Highway 100; marked Trunk Highway 100 from Summit Drive North to Hennepin County  
53.31 State-Aid Highway 10; and Hennepin County State-Aid Highway 10 from marked Trunk  
53.32 Highway 100 to Shingle Creek Parkway, together with internal and adjacent roads and  
53.33 rights-of-way.

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

54.3 (1) the district is deemed to meet all the requirements of Minnesota Statutes, section  
 54.4 469.174, subdivision 10; and

54.5 (2) expenditures incurred in connection with the development of the property described  
 54.6 in subdivision 1 are deemed to meet the requirements of Minnesota Statutes, section 469.176,  
 54.7 subdivision 4j.

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

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

54.13 Sec. 5. **CITY OF BROOKLYN PARK; TAX INCREMENT FINANCING**  
 54.14 **AUTHORITY; VILLAGE CREEK AREA.**

54.15 Subdivision 1. **Establishment of districts.** Upon the termination of Tax Increment  
 54.16 Financing District No. 20 within the city of Brooklyn Park, under the special rules established  
 54.17 in subdivision 2, the economic development authority of the city of Brooklyn Park or city  
 54.18 of Brooklyn Park may establish one or more redevelopment tax increment financing districts  
 54.19 located wholly within the area of the city of Brooklyn Park. The districts may be comprised  
 54.20 of the following parcels identified by their current parcel identification numbers:

- 54.21 2011921430101 2011921440088 2011921430092 2011921430099 2111921330104
- 54.22 2111921340003 2111921340005 2111921340006 2111921340019 2111921340021
- 54.23 2111921330066 2111921330068 2111921340017 2111921340018 2811921130004
- 54.24 2811921130005 2811921140007 2811921210003 2811921220002 2811921220007
- 54.25 2811921240004 2811921240009 2811921240010 2811921240107 2811921310001
- 54.26 2811921340010 2911921120032 2811921130014 2811921130015 2811921130024
- 54.27 2811921140012 2811921210014 2811921210020 2811921210023 2811921210103
- 54.28 2811921220001 2811921220003 2811921220005 2811921240007 2811921340006
- 54.29 2911921120001 2911921120004 2011921440089 2111921330067 2111921340002
- 54.30 2111921340004 2111921340027 2111921340113 2811921120001 2811921130001
- 54.31 2811921130017 2811921130023 2811921210001 2811921210016 2811921210033
- 54.32 2811921210060 2811921210101 2811921240006 2811921240017 2911921110004
- 54.33 2911921120005 2011921430093 2011921430100 2011921430102 2011921430103
- 54.34 2111921330102 2111921330103 2111921340001 2111921340007 2111921340020

55.1 2111921340022 2811921120002 2811921120104 2811921130002 2811921130020  
 55.2 2811921130021 2811921210022 2811921210034 2811921210099 2811921210102  
 55.3 2811921220006 2811921240003 2811921240012 2811921340005 2811921340009  
 55.4 2911921110118 2911921120006 2911921120043 3311921210001

55.5 together with adjacent and internal roads and rights-of-way, and the following roadways  
 55.6 within the city of Brooklyn Park: Zane Avenue North (from and including the intersection  
 55.7 at 78th Avenue North to and including the intersection at Highway 94), Brooklyn Boulevard  
 55.8 (from and including the intersection at the border of Brooklyn Center to and including the  
 55.9 intersection at Kentucky Avenue North), Brookdale Drive North (from and including the  
 55.10 intersection at Zane Avenue North to and including the intersection at Welcome Avenue  
 55.11 North), Village Creek Parkway North, 77th Avenue North (from and including the  
 55.12 intersection at Village Creek Parkway North to and including the intersection at Brookdale  
 55.13 Drive North), 73rd Avenue North/Regent Avenue (from and including the intersection at  
 55.14 Zane Avenue North to and including the intersection at Brooklyn Boulevard).

55.15 Subd. 2. **Special rules.** If the city or the authority establishes any tax increment financing  
 55.16 district under subdivision 1, the following special rules apply:

55.17 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section  
 55.18 469.174, subdivision 10;

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

55.22 (3) the five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
 55.23 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
 55.24 4, relating to the use of increment after the expiration of the five-year period, is extended  
 55.25 to 11 years.

55.26 Subd. 3. **Expiration.** The authority to request certification of any district under this  
 55.27 section expires on December 31, 2030.

55.28 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 55.29 city of Brooklyn Park and its chief clerical officer comply with the requirements of Minnesota  
 55.30 Statutes, section 645.021, subdivisions 2 and 3.

56.1 **Sec. 6. CITY OF BROOKLYN PARK; TAX INCREMENT FINANCING**56.2 **AUTHORITY; 610/ZANE AREA.**

56.3 **Subdivision 1. Establishment of districts.** Under the special rules established in  
 56.4 subdivision 2, the economic development authority of the city of Brooklyn Park or the city  
 56.5 of Brooklyn Park may establish one or more redevelopment districts located wholly within  
 56.6 the area of the city of Brooklyn Park. The districts may be comprised of the following  
 56.7 parcels identified by their current parcel identification numbers together with adjacent and  
 56.8 internal roads and rights-of-way:

56.9	<u>0811921410009</u>	<u>0811921140050</u>	<u>0811921140051</u>	<u>0911921120005</u>	<u>0911921210007</u>
56.10	<u>0911921230008</u>	<u>0911921230049</u>	<u>0911921240006</u>	<u>0911921240009</u>	<u>0911921310004</u>
56.11	<u>0911921320018</u>	<u>0911921330009</u>	<u>0911921430006</u>	<u>0911921430014</u>	<u>0911921430015</u>
56.12	<u>0911921430019</u>	<u>0911921430020</u>	<u>0911921430028</u>	<u>0911921430030</u>	<u>0911921430033</u>
56.13	<u>0911921430037</u>	<u>0911921430038</u>	<u>0911921430040</u>	<u>0911921430048</u>	<u>0911921430054</u>
56.14	<u>0911921430055</u>	<u>0911921430059</u>	<u>0911921430069</u>	<u>0911921430071</u>	<u>0911921430072</u>
56.15	<u>0911921430076</u>	<u>0911921430080</u>	<u>0911921430081</u>	<u>0911921430082</u>	<u>0911921430083</u>
56.16	<u>0911921430086</u>	<u>0911921430087</u>	<u>0911921430088</u>	<u>0911921430094</u>	<u>0911921430095</u>
56.17	<u>0911921430099</u>	<u>0911921430104</u>	<u>0911921430114</u>	<u>0911921210005</u>	<u>0911921210095</u>
56.18	<u>0911921220070</u>	<u>0911921220071</u>	<u>0911921230009</u>	<u>0911921230010</u>	<u>0911921230011</u>
56.19	<u>0911921230012</u>	<u>0911921230013</u>	<u>0911921240005</u>	<u>0911921240008</u>	<u>0911921310007</u>
56.20	<u>0911921310009</u>	<u>0911921320023</u>	<u>0911921330008</u>	<u>0911921330011</u>	<u>0911921340008</u>
56.21	<u>0911921340014</u>	<u>0911921340017</u>	<u>0911921430018</u>	<u>0911921430024</u>	<u>0911921430025</u>
56.22	<u>0911921430029</u>	<u>0911921430034</u>	<u>0911921430035</u>	<u>0911921430039</u>	<u>0911921430044</u>
56.23	<u>0911921430045</u>	<u>0911921430049</u>	<u>0911921430058</u>	<u>0911921430060</u>	<u>0911921430061</u>
56.24	<u>0911921430062</u>	<u>0911921430063</u>	<u>0911921430067</u>	<u>0911921430068</u>	<u>0911921430090</u>
56.25	<u>0911921430093</u>	<u>0911921430097</u>	<u>0911921430098</u>	<u>0911921430102</u>	<u>0911921430103</u>
56.26	<u>0911921430112</u>	<u>0911921430113</u>	<u>0911921430120</u>	<u>0811921440008</u>	<u>0911921210006</u>
56.27	<u>0911921210096</u>	<u>0911921210100</u>	<u>0911921210101</u>	<u>0911921220008</u>	<u>0911921220017</u>
56.28	<u>0911921230014</u>	<u>0911921230015</u>	<u>0911921240004</u>	<u>0911921240007</u>	<u>0911921310010</u>
56.29	<u>0911921310011</u>	<u>0911921310012</u>	<u>0911921330010</u>	<u>0911921330012</u>	<u>0911921340009</u>
56.30	<u>0911921430013</u>	<u>0911921430017</u>	<u>0911921430021</u>	<u>0911921430022</u>	<u>0911921430026</u>
56.31	<u>0911921430031</u>	<u>0911921430032</u>	<u>0911921430036</u>	<u>0911921430041</u>	<u>0911921430042</u>
56.32	<u>0911921430046</u>	<u>0911921430053</u>	<u>0911921430057</u>	<u>0911921430064</u>	<u>0911921430065</u>
56.33	<u>0911921430073</u>	<u>0911921430077</u>	<u>0911921430078</u>	<u>0911921430100</u>	<u>0911921430105</u>
56.34	<u>0911921430107</u>	<u>0911921430108</u>	<u>0911921430110</u>	<u>0911921430115</u>	<u>0911921430117</u>
56.35	<u>0911921430118</u>	<u>0911921210097</u>	<u>0911921210099</u>	<u>0911921220014</u>	<u>0911921220015</u>
56.36	<u>0911921220068</u>	<u>0911921230005</u>	<u>0911921320016</u>	<u>0911921320021</u>	<u>0911921320024</u>
56.37	<u>0911921330006</u>	<u>0911921340015</u>	<u>0911921340016</u>	<u>0911921430009</u>	<u>0911921430010</u>

57.1 0911921430011 0911921430012 0911921430016 0911921430023 0911921430027  
 57.2 0911921430043 0911921430047 0911921430050 0911921430051 0911921430052  
 57.3 0911921430056 0911921430066 0911921430070 0911921430074 0911921430075  
 57.4 0911921430079 0911921430084 0911921430085 0911921430089 0911921430091  
 57.5 0911921430092 0911921430096 0911921430101 0911921430106 0911921430109  
 57.6 Unplatted  
 57.7 0911921430111 0911921430116 0911921430119 0611921440003 0611921

57.8 Subd. 2. **Special rules.** If the city or the authority establishes any tax increment financing  
 57.9 district under subdivision 1, the following special rules apply:

57.10 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section  
 57.11 469.174, subdivision 10;

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

57.15 (3) the five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
 57.16 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
 57.17 4, relating to the use of increment after the expiration of the five-year period, is extended  
 57.18 to 11 years.

57.19 Subd. 3. **Expiration.** The authority to request certification of any district under this  
 57.20 section expires on December 31, 2030.

57.21 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 57.22 city of Brooklyn Park and its chief clerical officer comply with the requirements of Minnesota  
 57.23 Statutes, section 645.021, subdivisions 2 and 3.

57.24 Sec. 7. **CITY OF BROOKLYN PARK; TAX INCREMENT FINANCING**  
 57.25 **AUTHORITY; BIOTECH AREA.**

57.26 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
 57.27 economic development authority of the city of Brooklyn Park or the city of Brooklyn Park  
 57.28 may establish one or more redevelopment districts located wholly within the area of the  
 57.29 city of Brooklyn Park. The districts may be comprised of the following parcels identified  
 57.30 by their current parcel identification numbers together with adjacent and internal roads and  
 57.31 rights-of-way:

57.32 0711921110007 0711921140001 0711921140002 0711921140007 0711921240002  
 57.33 0711921240004 0711921110005 0711921120009 0711921220003 0711921230001

58.1 0711921230002 0811921230004 0711921110004 0711921110006 0711921110008  
 58.2 0711921120005 0711921130005 0711921140005 0711921140006 0711921210003  
 58.3 0711921110003 0711921120006 0811921230002 0811921220002

58.4 Subd. 2. **Special rules.** If the city or the authority establishes any tax increment financing  
 58.5 district under subdivision 1, the following special rules apply:

58.6 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section  
 58.7 469.174, subdivision 10;

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

58.11 (3) the five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
 58.12 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
 58.13 4, relating to the use of increment after the expiration of the five-year period, is extended  
 58.14 to 11 years.

58.15 Subd. 3. **Expiration.** The authority to request certification of any district under this  
 58.16 section expires on December 31, 2030.

58.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 58.18 city of Brooklyn Park and its chief clerical officer comply with the requirements of Minnesota  
 58.19 Statutes, section 645.021, subdivisions 2 and 3.

58.20 Sec. 8. **CITY OF EDEN PRAIRIE; TAX INCREMENT FINANCING AUTHORITY;**  
 58.21 **EDEN PRAIRIE CENTER.**

58.22 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
 58.23 economic development authority of the city of Eden Prairie or the city of Eden Prairie may  
 58.24 establish one or more redevelopment districts located wholly within the area of the city of  
 58.25 Eden Prairie consisting of parcels, together with adjacent roads and rights-of-way, within  
 58.26 the area surrounded by Flying Cloud Drive, West 78th Street, and Prairie Center Drive.

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

58.29 (1) the districts are deemed to meet the requirements of Minnesota Statutes, section  
 58.30 469.174, subdivision 10; and

59.1 (2) expenditures incurred in connection with the development of the property described  
 59.2 in subdivision 1 are deemed to meet the requirements of Minnesota Statutes, section 469.176,  
 59.3 subdivision 4j.

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

59.6 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 59.7 city of Eden Prairie and its chief clerical officer comply with Minnesota Statutes, section  
 59.8 645.021, subdivisions 2 and 3.

59.9 Sec. 9. **CITY OF EDINA; 72ND & FRANCE 2 TIF DISTRICT; FIVE-YEAR RULE**  
 59.10 **EXTENSION; DURATION EXTENSION.**

59.11 (a) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
 59.12 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
 59.13 4, relating to the use of increment after the expiration of the five-year period, is extended  
 59.14 to 11 years for Tax Increment Financing District 72nd & France 2 in the city of Edina.

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

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

59.23 Sec. 10. **CITY OF EDINA; 70TH & FRANCE TIF DISTRICT; FIVE-YEAR RULE**  
 59.24 **EXTENSION; DURATION EXTENSION.**

59.25 (a) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
 59.26 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
 59.27 4, relating to the use of increment after the expiration of the five-year period, is extended  
 59.28 to 11 years for Tax Increment Financing District 70th & France in the city of Edina.

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

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

60.6 Sec. 11. **CITY OF MINNETONKA; OPUS TIF DISTRICT; FIVE-YEAR RULE**  
 60.7 **EXTENSION.**

60.8 The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
 60.9 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
 60.10 4, relating to the use of increment after the expiration of the five-year period, is extended  
 60.11 to 11 years for the Opus tax increment financing district established in 2021 by the economic  
 60.12 development authority in the city of Minnetonka.

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

60.16 Sec. 12. **CITY OF MOORHEAD; TAX INCREMENT FINANCING DISTRICT**  
 60.17 **NO. 31; FIVE-YEAR RULE EXTENSION.**

60.18 The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
 60.19 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
 60.20 4, relating to the use of increment after the expiration of the five-year period, is extended  
 60.21 to 11 years for Tax Increment Financing District No. 31 in the city of Moorhead.

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

60.25 Sec. 13. **CITY OF PLYMOUTH; TAX INCREMENT FINANCING AUTHORITY;**  
 60.26 **FIVE-YEAR RULE EXTENSION.**

60.27 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
 60.28 city of Plymouth may establish one or more redevelopment districts located wholly within  
 60.29 the city of Plymouth, Hennepin County, Minnesota, limited to the area identified as the city  
 60.30 center district in the Plymouth, Minnesota Zoning Map in effect on January 1, 2024, and  
 60.31 adopted pursuant to section 21000.12 of the Plymouth Zoning Code of Ordinances.

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

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

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

61.8 (3) the five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
 61.9 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
 61.10 4, relating to the use of increment after the expiration of the five-year period, is extended  
 61.11 to 11 years.

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

61.14 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 61.15 city of Plymouth and its chief clerical officer comply with Minnesota Statutes, section  
 61.16 645.021, subdivisions 2 and 3.

61.17 Sec. 14. **CITY OF ST. CLOUD; TAX INCREMENT FINANCING AUTHORITY.**

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

61.23 (1) in Stearns County: 82517020000 (Lady Slipper Catalyst Site); 82515440001 (North  
 61.24 Riverfront Catalyst Site); 82515470000; 82515480000 (Empire Catalyst Site); 82518760015  
 61.25 (Swan Lot Catalyst Site); 82528850020 (Riverboat Lot Catalyst Site); and 82528850001  
 61.26 (Former Herberger's); and

61.27 (2) in Benton County: 170037810 (Transit Oriented Development Catalyst Site);  
 61.28 170058101 (Ace Block Catalyst Site); 170042000; 170041600; 170041100; 170041601;  
 61.29 170041200; 170041800; 170059600 (Star Bank Catalyst Site); 170059300 (Riverfront South  
 61.30 Catalyst Site); 170058300; 170059200; 170058600; 170058800; 170059100; and 170058900.

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

62.1 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section  
 62.2 469.174, subdivision 10;

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

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

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

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

## 62.16 **ARTICLE 5**

### 62.17 **SPECIAL LOCAL TAXES**

62.18 Section 1. Minnesota Statutes 2024, section 469.190, subdivision 1, is amended to read:

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

62.27 (b) A lodging tax imposed under this section, a city charter, or a special law applies to  
 62.28 the entire consideration paid to obtain access to lodging, including ancillary or related  
 62.29 services, such as services provided by an accommodations intermediary as defined in section  
 62.30 297A.61, subdivision 47.

62.31 **EFFECTIVE DATE.** This section is effective July 1, 2025.

63.1 Sec. 2. Minnesota Statutes 2024, section 469.190, subdivision 7, is amended to read:

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

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

63.16 **EFFECTIVE DATE.** This section is effective July 1, 2025.

63.17 Sec. 3. Laws 1986, chapter 396, section 5, as amended by Laws 2001, First Special Session  
 63.18 chapter 5, article 12, section 87, Laws 2012, chapter 299, article 3, section 3, and Laws  
 63.19 2019, First Special Session chapter 6, article 6, section 5, is amended to read:

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

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

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

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

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

64.15 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
 64.16 September 30, 2025.

64.17 Sec. 4. Laws 1986, chapter 400, section 44, as amended by Laws 1995, chapter 264, article  
 64.18 2, section 39, and Laws 2009, chapter 88, article 4, section 13, is amended to read:

64.19 Sec. 44. **DOWNTOWN TAXING AREA.**

64.20 If a bill is enacted into law in the 1986 legislative session which authorizes the city of  
 64.21 Minneapolis to issue bonds and expend certain funds including taxes to finance the  
 64.22 acquisition and betterment of a convention center and related facilities, which authorizes  
 64.23 certain taxes to be levied in a downtown taxing area, then, notwithstanding the provisions  
 64.24 of that law "downtown taxing area" shall mean the geographic area bounded by the portion  
 64.25 of the Mississippi River between I-35W and Washington Avenue, the portion of Washington  
 64.26 Avenue between the river and I-35W, the portion of I-35W between Washington Avenue  
 64.27 and ~~8th Street~~ Portland Avenue South, the portion of 8th Street South between I-35W and  
 64.28 Portland Avenue South, the portion of Portland Avenue South between 8th Street South  
 64.29 and I-94, the portion of I-94 from the intersection of Portland Avenue South to the  
 64.30 intersection of I-94 and ~~the Burlington Northern Railroad tracks~~ Plymouth Avenue North,  
 64.31 the portion of ~~the Burlington Northern Railroad tracks from I-94~~ Plymouth Avenue North  
 64.32 to the Mississippi River. From Plymouth Avenue North and the Mississippi River south to  
 64.33 Main Street and including Nicollet Island, and the portion of Main Street to Hennepin

65.1 Avenue and the portion of Hennepin Avenue between Main Street and 2nd Street S.E., and  
 65.2 the portion of 2nd Street S.E. between Main Street and Bank Street, and the portion of Bank  
 65.3 Street between 2nd Street S.E. and University Avenue S.E., and the portion of University  
 65.4 Avenue S.E. between Bank Street and I-35W, and by I-35W from University Avenue S.E.,  
 65.5 to the river. The downtown taxing area excludes the area bounded on the south and west  
 65.6 by Oak Grove Street, on the east by Spruce Place, and on the north by West 15th Street.  
 65.7 The downtown taxing area also excludes any property located in a zone that is contained  
 65.8 in chapter 546 of the Minneapolis Zoning Code of Ordinances on which a restaurant with  
 65.9 a wine license is operated.

65.10 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
 65.11 September 30, 2025.

## 65.12 **ARTICLE 6**

### 65.13 **MISCELLANEOUS**

65.14 Section 1. Minnesota Statutes 2024, section 349.12, subdivision 25, is amended to read:

65.15 Subd. 25. **Lawful purpose.** (a) "Lawful purpose" means one or more of the following:

65.16 (1) any expenditure by or contribution to a 501(c)(3) or festival organization, as defined  
 65.17 in subdivision 15c, provided that the organization and expenditure or contribution are in  
 65.18 conformity with standards prescribed by the board under section 349.154, which standards  
 65.19 must apply to both types of organizations in the same manner and to the same extent;

65.20 (2) a contribution to or expenditure for goods and services for an individual or family  
 65.21 suffering from poverty, homelessness, or disability, which is used to relieve the effects of  
 65.22 that suffering;

65.23 (3) a contribution to a program recognized by the Minnesota Department of Human  
 65.24 Services for the education, prevention, or treatment of problem gambling;

65.25 (4) a contribution to or expenditure on a public or private nonprofit educational institution  
 65.26 registered with or accredited by this state or any other state;

65.27 (5) a contribution to an individual, public or private nonprofit educational institution  
 65.28 registered with or accredited by this state or any other state, or to a scholarship fund of a  
 65.29 nonprofit organization whose primary mission is to award scholarships, for defraying the  
 65.30 cost of education to individuals where the funds are awarded through an open and fair  
 65.31 selection process;

66.1 (6) activities by an organization or a government entity which recognize military service  
66.2 to the United States, the state of Minnesota, or a community, subject to rules of the board,  
66.3 provided that the rules must not include mileage reimbursements in the computation of the  
66.4 per diem reimbursement limit and must impose no aggregate annual limit on the amount of  
66.5 reasonable and necessary expenditures made to support:

66.6 (i) members of a military marching or color guard unit for activities conducted within  
66.7 the state;

66.8 (ii) members of an organization solely for services performed by the members at funeral  
66.9 services;

66.10 (iii) members of military marching, color guard, or honor guard units may be reimbursed  
66.11 for participating in color guard, honor guard, or marching unit events within the state or  
66.12 states contiguous to Minnesota at a per participant rate of up to \$50 per diem; or

66.13 (iv) active military personnel and their immediate family members in need of support  
66.14 services;

66.15 (7) recreational, community, and athletic facilities and activities, intended primarily for  
66.16 persons under age 21, provided that such facilities and activities do not discriminate on the  
66.17 basis of gender and the organization complies with section 349.154, subdivision 3a;

66.18 (8) payment of local taxes authorized under this chapter, including local gambling taxes  
66.19 authorized under section 349.213, subdivision 3, taxes imposed by the United States on  
66.20 receipts from lawful gambling, the taxes imposed by section 297E.02, subdivisions 1 and  
66.21 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

66.22 (9) payment of real estate taxes and assessments on permitted gambling premises owned  
66.23 by the licensed organization paying the taxes, or wholly leased by a licensed veterans  
66.24 organization under a national charter recognized under section 501(c)(19) of the Internal  
66.25 Revenue Code;

66.26 (10) a contribution to the United States, this state or any of its political subdivisions, or  
66.27 any agency or instrumentality thereof other than a direct contribution to a law enforcement  
66.28 or prosecutorial agency;

66.29 (11) a contribution to or expenditure by a nonprofit organization which is a church or  
66.30 body of communicants gathered in common membership for mutual support and edification  
66.31 in piety, worship, or religious observances;

66.32 (12) an expenditure for citizen monitoring of surface water quality by individuals or  
66.33 nongovernmental organizations that is consistent with section 115.06, subdivision 4, and

67.1 Minnesota Pollution Control Agency guidance on monitoring procedures, quality assurance  
67.2 protocols, and data management, provided that the resulting data is submitted to the  
67.3 Minnesota Pollution Control Agency for review and inclusion in the state water quality  
67.4 database;

67.5 (13) a contribution to or expenditure on projects or activities approved by the  
67.6 commissioner of natural resources for:

67.7 (i) wildlife management projects that benefit the public at large;

67.8 (ii) grant-in-aid trail maintenance and grooming established under sections 84.83 and  
67.9 84.927, and other trails open to public use, including purchase or lease of equipment for  
67.10 this purpose; and

67.11 (iii) supplies and materials for safety training and educational programs coordinated by  
67.12 the Department of Natural Resources, including the Enforcement Division;

67.13 (14) conducting nutritional programs, food shelves, and congregate dining programs  
67.14 primarily for persons who are age 62 or older or disabled;

67.15 (15) a contribution to a community arts organization, or an expenditure to sponsor arts  
67.16 programs in the community, including but not limited to visual, literary, performing, or  
67.17 musical arts;

67.18 (16) an expenditure by a licensed fraternal organization or a licensed veterans organization  
67.19 for payment of water, fuel for heating, electricity, and sewer costs for:

67.20 (i) up to 100 percent for a building wholly owned or wholly leased by and used as the  
67.21 primary headquarters of the licensed veteran or fraternal organization; or

67.22 (ii) a proportional amount subject to approval by the director and based on the portion  
67.23 of a building used as the primary headquarters of the licensed veteran or fraternal  
67.24 organization;

67.25 (17) expenditure by a licensed veterans organization of up to \$5,000 in a calendar year  
67.26 in net costs to the organization for meals and other membership events, limited to members  
67.27 and spouses, held in recognition of military service. No more than \$5,000 can be expended  
67.28 in total per calendar year under this clause by all licensed veterans organizations sharing  
67.29 the same veterans post home;

67.30 (18) payment of fees authorized under this chapter imposed by the state of Minnesota  
67.31 to conduct lawful gambling in Minnesota;

68.1 (19) a contribution or expenditure to honor an individual's humanitarian service as  
68.2 demonstrated through philanthropy or volunteerism to the United States, this state, or local  
68.3 community;

68.4 (20) a contribution by a licensed organization to another licensed organization with prior  
68.5 board approval, with the contribution designated to be used for one or more of the following  
68.6 lawful purposes under this section: clauses (1) to (7), (11) to (15), (19), and (25);

68.7 (21) an expenditure that is a contribution to a parent organization, if the parent  
68.8 organization: (i) has not provided to the contributing organization within one year of the  
68.9 contribution any money, grants, property, or other thing of value, and (ii) has received prior  
68.10 board approval for the contribution that will be used for a program that meets one or more  
68.11 of the lawful purposes under subdivision 7a;

68.12 (22) an expenditure for the repair, maintenance, or improvement of real property and  
68.13 capital assets owned by an organization, or for the replacement of a capital asset that can  
68.14 no longer be repaired, with a fiscal year limit of five percent of gross profits from the  
68.15 previous fiscal year, with no carryforward of unused allowances. The fiscal year is July 1  
68.16 through June 30. Total expenditures for the fiscal year may not exceed the limit unless the  
68.17 board has specifically approved the expenditures that exceed the limit due to extenuating  
68.18 circumstances beyond the organization's control. An expansion of a building or bar-related  
68.19 expenditures are not allowed under this provision.

68.20 (i) The expenditure must be related to the portion of the real property or capital asset  
68.21 that must be made available for use free of any charge to other nonprofit organizations,  
68.22 community groups, or service groups, and is used for the organization's primary mission or  
68.23 headquarters.

68.24 (ii) An expenditure may be made to bring an existing building that the organization owns  
68.25 into compliance with the Americans with Disabilities Act.

68.26 (iii) An organization may apply the amount that is allowed under item (ii) to the erection  
68.27 or acquisition of a replacement building that is in compliance with the Americans with  
68.28 Disabilities Act if the board has specifically approved the amount. The cost of the erection  
68.29 or acquisition of a replacement building may not be made from gambling proceeds, except  
68.30 for the portion allowed under this item;

68.31 (23) an expenditure for the acquisition or improvement of a capital asset with a cost  
68.32 greater than \$2,000, excluding real property, that will be used exclusively for lawful purposes  
68.33 under this section if the board has specifically approved the amount;

69.1 (24) an expenditure for the acquisition, erection, improvement, or expansion of real  
 69.2 property, if the board has first specifically authorized the expenditure after finding that the  
 69.3 real property will be used exclusively for lawful purpose under this section;

69.4 (25) an expenditure, including a mortgage payment or other debt service payment, for  
 69.5 the erection or acquisition of a comparable building to replace an organization-owned  
 69.6 building that was destroyed or made uninhabitable by fire or catastrophe or to replace an  
 69.7 organization-owned building that was taken or sold under an eminent domain proceeding.  
 69.8 The expenditure may be only for that part of the replacement cost not reimbursed by  
 69.9 insurance for the fire or catastrophe or compensation not received from a governmental unit  
 69.10 under the eminent domain proceeding, if the board has first specifically authorized the  
 69.11 expenditure; ~~or~~

69.12 (26) a contribution to a 501(c)(19) organization that does not have an organization license  
 69.13 under section 349.16 and is not affiliated with the contributing organization, and whose  
 69.14 owned or leased property is not a permitted premises under section 349.165. The 501(c)(19)  
 69.15 organization may only use the contribution for lawful purposes under this subdivision or  
 69.16 for the organization's primary mission. The 501(c)(19) organization may not use the  
 69.17 contribution for expansion of a building or for bar-related expenditures. A contribution may  
 69.18 not be made to a statewide organization representing a consortia of 501(c)(19) organizations;  
 69.19 or

69.20 (27) an expenditure for the repair, maintenance, or improvement of real property and  
 69.21 capital assets or for the replacement of a capital asset that can no longer be repaired subject  
 69.22 to the following requirements:

69.23 (i) the capital asset must be owned by one of the following organizations:

69.24 (A) American Legion;

69.25 (B) Veterans of Foreign Wars of the United States (VFW);

69.26 (C) Jewish War Veterans of the United States of America;

69.27 (D) Military Order of the Purple Heart;

69.28 (E) AMVETS;

69.29 (F) Marine Corps League;

69.30 (G) Paralyzed Veterans of America; or

69.31 (H) Disabled American Veterans;

70.1 (ii) the expenditure is limited to 50 percent of gross profits from the previous fiscal year.  
 70.2 The fiscal year is July 1 through June 30. Any unused allowances may carry forward for  
 70.3 one fiscal year. Any organization carrying forward funds must identify the planned project  
 70.4 for which the funds will be used prior to carrying forward the unused allowances; and

70.5 (iii) total expenditures for the fiscal year may not exceed the limit imposed under item  
 70.6 (ii) unless the board has specifically approved the expenditures that exceed the limit due to  
 70.7 extenuating circumstances beyond the organization's control. An expansion of a building  
 70.8 or any capital improvements within the building regardless of use of the improvement are  
 70.9 allowed under this provision. This provision applies only to capital improvements to the  
 70.10 existing building square footage and does not apply to the new construction of a new or  
 70.11 replacement building.

70.12 (b) Expenditures authorized by the board under paragraph (a), clauses (24) and (25),  
 70.13 must be 51 percent completed within two years of the date of board approval; otherwise the  
 70.14 organization must reapply to the board for approval of the project. "Fifty-one percent  
 70.15 completed" means that the work completed must represent at least 51 percent of the value  
 70.16 of the project as documented by the contractor or vendor.

70.17 (c) Notwithstanding paragraph (a), "lawful purpose" does not include:

70.18 (1) any expenditure made or incurred for the purpose of influencing the nomination or  
 70.19 election of a candidate for public office or for the purpose of promoting or defeating a ballot  
 70.20 question;

70.21 (2) any activity intended to influence an election or a governmental decision-making  
 70.22 process;

70.23 (3) a contribution to a statutory or home rule charter city, county, or town by a licensed  
 70.24 organization with the knowledge that the governmental unit intends to use the contribution  
 70.25 for a pension or retirement fund; or

70.26 (4) a contribution to a 501(c)(3) organization or other entity with the intent or effect of  
 70.27 not complying with lawful purpose restrictions or requirements.

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

70.29 **Sec. 2. [428A.30] DEFINITIONS.**

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

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

71.1 Subd. 3. **District.** "District" means a land-value taxation district established under section  
 71.2 428A.31.

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

71.5 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
 71.6 in 2026.

71.7 Sec. 3. **[428A.31] ESTABLISHMENT OF LAND-VALUE TAXATION DISTRICT.**

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

71.10 (1) the parcels of property constituting the district, either by specific identification of  
 71.11 each parcel, or by defining a geographic area or areas within the city, and then within that  
 71.12 area or those areas, identifying the specific types of property, as defined under section  
 71.13 273.13, to be included in the district; and

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

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

71.20 Subd. 2. **Hearing; notice.** Before adopting an ordinance, the governing body of the city  
 71.21 must hold a public hearing on the question. Notice of the hearing must include the time and  
 71.22 place of the hearing, a description of the parcels to be included in the district, a description  
 71.23 of the procedure for reallocating the tax burden among the parcels, and the duration of the  
 71.24 district. Each person owning property in the proposed district must be given the opportunity  
 71.25 to be heard at the hearing. The governing body must publish notice of the hearing on the  
 71.26 city's website and in at least two issues of the official newspaper of the city. The two  
 71.27 publications must be two weeks apart and the hearing must be held at least three days after  
 71.28 the last publication. Not less than ten days before the hearing, the governing body must mail  
 71.29 notice to the owner of each parcel proposed to be included in the district. For the purpose  
 71.30 of the mailed notice, owners are those shown on the records of the county auditor. Other  
 71.31 records may be used to supply the necessary information. At the public hearing, a person  
 71.32 affected by the proposed district may testify on any issues relevant to the proposed district.  
 71.33 The governing body may adjourn the hearing from time to time and may adopt the ordinance

72.1 establishing the district at any time within six months after the date of the conclusion of the  
 72.2 hearing by a vote of the majority of the governing body of the city. Within 30 days after  
 72.3 adoption of the ordinance, the governing body shall send a copy of the ordinance to the  
 72.4 commissioner of revenue.

72.5 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
 72.6 in 2026.

72.7 **Sec. 4. [428A.32] RESTRICTIONS ON TAX REALLOCATION PROCEDURE.**

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

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

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

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

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

72.17 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
 72.18 in 2026.

72.19 **Sec. 5. [428A.33] TAXATION WITHIN DISTRICT.**

72.20 Subdivision 1. **Initial taxation within district.** For each property taxes payable year, a  
 72.21 city must compile the total property taxes imposed upon all properties within the district  
 72.22 for each taxing jurisdiction after final property tax statements are issued under section  
 72.23 276.04. For the purposes of this section, the areawide taxes under chapters 276A and 473F,  
 72.24 and the state general levy under section 275.025, are considered to be taxing jurisdictions.

72.25 Subd. 2. **Final taxation within district.** A city must allocate the tax, as determined  
 72.26 under subdivision 1, among all properties in the district according to the terms of the  
 72.27 ordinance so the entire amount of tax payable to each taxing jurisdiction under subdivision  
 72.28 1 is allocated among the properties constituting the district. The city must report the revised  
 72.29 property tax amounts for each parcel of property to the county treasurer by April 30 of the  
 72.30 year the tax is payable. The city must mail revised property tax statements to all properties  
 72.31 within the district by April 30 of the year the tax is payable. Taxpayers must make payments

73.1 according to the dates specified in section 279.01 as if the property tax statements were  
 73.2 mailed 21 days prior to May 15 of the year the taxes are payable.

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

73.7 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
 73.8 in 2026.

73.9 Sec. 6. **[428A.34] APPEAL OF LAND VALUE.**

73.10 The owner of any property included in a land-value taxation district under section  
 73.11 428A.31 may appeal the valuation attributable to land separately from the valuation  
 73.12 attributable to improvements upon the land under sections 274.01 and 274.13 or chapter  
 73.13 271.

73.14 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
 73.15 in 2026.

73.16 Sec. 7. **APPROPRIATION; ANOKA COUNTY SOIL AND WATER**  
 73.17 **CONSERVATION DISTRICT; GRANT.**

73.18 \$50,000 in fiscal year 2026 is appropriated from the general fund to the commissioner  
 73.19 of revenue for a grant to the Anoka County Soil and Water Conservation District. This is a  
 73.20 onetime appropriation. The grant must be paid by July 15, 2025. The grant under this section  
 73.21 is not subject to retention of administrative costs under Minnesota Statutes, section 16B.98,  
 73.22 subdivision 14.

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

73.24 Sec. 8. **APPROPRIATION; CITY OF SOUTH ST. PAUL; GRANT.**

73.25 (a) \$100,000 in fiscal year 2025 is appropriated from the general fund to the commissioner  
 73.26 of revenue for a grant to the city of South St. Paul. This is a onetime appropriation. The  
 73.27 grant must be paid by June 30, 2025. The grant under this section is not subject to retention  
 73.28 of administrative costs under Minnesota Statutes, section 16B.98, subdivision 14.

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

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

74.1 **Sec. 9. CITY OF MINNEAPOLIS; EMERALD ASH BORER FINANCIAL**  
74.2 **ASSISTANCE; APPROPRIATION.**

74.3 **Subdivision 1. Definitions.** For the purposes of this section, the following terms have  
74.4 the meanings given:

74.5 (1) "eligible costs" means costs incurred in 2020 or later for treating or removing a tree  
74.6 on owner-occupied residential property that has been required by state law or by municipal  
74.7 ordinance to be treated or removed due to infestation or possible infestation by the emerald  
74.8 ash borer, including but not limited to costs incurred by the city and assessed to a property  
74.9 owner;

74.10 (2) "eligible homeowner" means a homeowner who experienced eligible costs related  
74.11 to a tree on the homeowner's property in an eligible region and whose income is below 200  
74.12 percent of the official federal poverty guideline;

74.13 (3) "eligible region" means a census block group in Minneapolis with a supplemental  
74.14 demographic index score in the 70th percentile or higher within the state of Minnesota; and

74.15 (4) "supplemental demographic index" means an index in the Environmental Justice  
74.16 Screening and Mapping Tool developed by the United States Environmental Protection  
74.17 Agency that is based on socioeconomic indicators, including low income, unemployment,  
74.18 less than high school education, limited English speaking, and low life expectancy.

74.19 **Subd. 2. Eligible uses; prioritization.** (a) The city of Minneapolis must use the full  
74.20 amount of the aid under this section to pay eligible homeowners for their eligible costs.

74.21 (b) After receiving an application for a payment from an eligible homeowner, the city  
74.22 must use funds received under this section to directly reduce the remaining balance of an  
74.23 eligible homeowner's special assessment related to eligible costs. If the original balance of  
74.24 the special assessment is greater than the remaining balance, the city must reimburse the  
74.25 eligible homeowner for the difference.

74.26 (c) If the amount of funds available is insufficient to reimburse all eligible homeowners  
74.27 for the full amount of their eligible costs, the city must prioritize reimbursing a subset of  
74.28 eligible homeowners for the full amount of their eligible costs.

74.29 (d) After December 31, 2026, the city may use any remaining funds to reimburse other  
74.30 eligible homeowners who incurred eligible costs but did not have a special assessment  
74.31 applied to their properties.

75.1 (e) Notwithstanding paragraph (a), after June 30, 2027, the city may use any remaining  
75.2 funds to offset the eligible costs of resident homeowners whose properties are not in an  
75.3 eligible region but who otherwise meet the definition of an eligible homeowner.

75.4 (f) The city must administer the funding under this section within existing city resources  
75.5 and not with money appropriated in this section.

75.6 Subd. 3. **Outreach.** The city of Minneapolis must promote the availability of financial  
75.7 assistance under this section in eligible regions. As part of its outreach efforts, the city  
75.8 department administering the program under this section must consult with Hope Community,  
75.9 Metro Blooms, Harrison Neighborhood Association, the Center for Urban and Regional  
75.10 Affairs at the University of Minnesota, and the public health department of the city.

75.11 Subd. 4. **Reporting.** On July 1, 2026, and July 1, 2027, the city must report to the  
75.12 commissioner of revenue on its use of money under this section. By income level and  
75.13 neighborhood, the report must detail the number of eligible homeowners reimbursed and  
75.14 the amount of money distributed.

75.15 Subd. 5. **Appropriation.** \$800,000 in fiscal year 2026 is appropriated from the general  
75.16 fund to the commissioner of revenue for an aid to the city of Minneapolis. This is a onetime  
75.17 appropriation. The aid must be paid on July 1, 2025. The aid under this section is not subject  
75.18 to retention of administrative costs under Minnesota Statutes, section 16B.98, subdivision  
75.19 14.

75.20 **Sec. 10. APPROPRIATION; CITY OF MINNEAPOLIS.**

75.21 (a) The \$10,000,000 appropriation from the general fund in Laws 2023, chapter 64,  
75.22 article 15, section 30, is canceled.

75.23 (b) \$8,000,000 in fiscal year 2025 is appropriated from the general fund to the  
75.24 commissioner of employment and economic development for a grant to the city of  
75.25 Minneapolis. The balance of the grant must be awarded to a foundation that supports business  
75.26 advising, branding and marketing, and real estate consulting to businesses located in the  
75.27 area of Minneapolis bounded by the intersections of West 28th Street and Blaisdell Avenue;  
75.28 Blaisdell Avenue and West 32nd Street; East 32nd Street and 30th Avenue South; and 30th  
75.29 Avenue South and East 28th Street. The foundation must use the funds for direct business  
75.30 support or direct corridor support, including assistance with marketing, place making,  
75.31 redevelopment, real estate acquisition, and public relations services. The foundation may  
75.32 subcontract with other organizations to deliver these services. This is a onetime appropriation  
75.33 and is available until June 30, 2029.

76.1 (c) \$2,000,000 in fiscal year 2025 is appropriated from the general fund to the Public  
76.2 Facilities Authority for a grant to the city of Minneapolis for the predesign, design,  
76.3 engineering, and environmental analysis of a water distribution facility to be located in  
76.4 Hennepin County. This is a onetime appropriation and is available until June 30, 2029. If  
76.5 the funds under this paragraph are not spent pursuant to this paragraph by June 30, 2029,  
76.6 the funds must be returned to the commissioner of management and budget and cancel to  
76.7 the general fund.

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

76.9 Sec. 11. **APPROPRIATION; BROWERVILLE PUBLIC SCHOOLS.**

76.10 \$..... in fiscal year 2026 is appropriated from the general fund to the commissioner of  
76.11 revenue for a grant to Browerville public schools, Independent School District No. 787, to  
76.12 remediate the effects of a school building roof collapse that occurred in 2023. The grant  
76.13 recipient must use the money appropriated under this section for materials and supplies  
76.14 used in and equipment incorporated into renovations to the prekindergarten through grade  
76.15 12 school building, and construction of a new gymnasium, classrooms, locker rooms, a  
76.16 wrestling and weight room, offices, and a stage. The grant must be paid by July 15, 2025.  
76.17 This appropriation is onetime. The grant under this section is not subject to retention of  
76.18 administrative costs under Minnesota Statutes, section 16B.98, subdivision 14.

76.19 **EFFECTIVE DATE.** This section is effective July 1, 2025.

APPENDIX  
Article locations for 25-04030

ARTICLE 1	INDIVIDUAL INCOME AND CORPORATE FRANCHISE TAXES..	Page.Ln 2.5
ARTICLE 2	PROPERTY TAXES AND LOCAL GOVERNMENT AIDS.....	Page.Ln 12.25
ARTICLE 3	SALES AND USE TAXES.....	Page.Ln 39.6
ARTICLE 4	TAX INCREMENT FINANCING.....	Page.Ln 48.1
ARTICLE 5	SPECIAL LOCAL TAXES.....	Page.Ln 62.16
ARTICLE 6	MISCELLANEOUS.....	Page.Ln 65.12

**13.4967 OTHER TAX DATA CODED ELSEWHERE.**

Subd. 5. **Marijuana and controlled substance tax information.** Disclosure of information obtained under chapter 297D is governed by section 297D.13, subdivisions 1 to 3.

**297D.01 DEFINITIONS.**

Subdivision 1. **Illegal cannabis.** "Illegal cannabis" means any taxable cannabis product as defined in section 295.81, subdivision 1, paragraph (r), whether real or counterfeit, that is held, possessed, transported, transferred, sold, or offered to be sold in violation of chapter 342 or Minnesota criminal laws.

Subd. 2. **Controlled substance.** "Controlled substance" means any drug or substance, whether real or counterfeit, as defined in section 152.01, subdivision 4, that is held, possessed, transported, transferred, sold, or offered to be sold in violation of Minnesota laws. "Controlled substance" does not include illegal cannabis.

Subd. 3. **Tax obligor or obligor.** "Tax obligor" or "obligor" means a person who in violation of Minnesota law manufactures, produces, ships, transports, or imports into Minnesota or in any manner acquires or possesses more than 42-1/2 grams of illegal cannabis, or seven or more grams of any controlled substance, or ten or more dosage units of any controlled substance which is not sold by weight. A quantity of illegal cannabis or other controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the tax obligor's possession. A quantity of a controlled substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of revenue.

**297D.02 ADMINISTRATION.**

The commissioner of revenue shall administer this chapter. The commissioner shall prescribe the content, format, and manner of all forms and other documents required to be filed under this chapter pursuant to section 270C.30. Payments required by this chapter must be made to the commissioner on the form provided by the commissioner. Tax obligors are not required to give their name, address, Social Security number, or other identifying information on the form. The commissioner shall collect all taxes under this chapter.

**297D.03 RULES.**

The commissioner may adopt rules necessary to enforce this chapter. The commissioner shall adopt a uniform system of providing, affixing, and displaying official stamps, official labels, or other official indicia for marijuana and controlled substances on which a tax is imposed.

**297D.04 TAX PAYMENT REQUIRED FOR POSSESSION.**

No tax obligor may possess any illegal cannabis or controlled substance upon which a tax is imposed by section 297D.08 unless the tax has been paid on the illegal cannabis or a controlled substance as evidenced by a stamp or other official indicia.

**297D.05 NO IMMUNITY.**

Nothing in this chapter may in any manner provide immunity for a tax obligor from criminal prosecution pursuant to Minnesota law.

**297D.06 PHARMACEUTICALS.**

Nothing in this chapter requires persons registered under chapter 151 or otherwise lawfully in possession of illegal cannabis or a controlled substance to pay the tax required under this chapter.

**297D.07 MEASUREMENT.**

For the purpose of calculating the tax under section 297D.08, a quantity of illegal cannabis or a controlled substance is measured by the weight of the substance whether pure or impure or dilute, or by dosage units when the substance is not sold by weight, in the tax obligor's possession. A quantity of a controlled substance is dilute if it consists of a detectable quantity of pure controlled substance and any excipients or fillers.

**297D.08 TAX RATE.**

A tax is imposed on illegal cannabis and controlled substances as defined in section 297D.01 at the following rates:

- (1) on each gram of illegal cannabis, or each portion of a gram, \$3.50; and
- (2) on each gram of controlled substance, or portion of a gram, \$200; or
- (3) on each ten dosage units of a controlled substance that is not sold by weight, or portion thereof, \$400.

**297D.085 CREDIT FOR PREVIOUSLY PAID TAXES.**

If another state or local unit of government has previously assessed an excise tax on the illegal cannabis or controlled substances, the taxpayer must pay the difference between the tax due under section 297D.08 and the tax previously paid. If the tax previously paid to the other state or local unit of government was equal to or greater than the tax due under section 297D.08, no tax is due. The burden is on the taxpayer to show that an excise tax on the illegal cannabis or controlled substances has been paid to another state or local unit of government.

**297D.09 PENALTIES; CRIMINAL PROVISIONS.**

Subdivision 1. **Penalties.** Any tax obligor violating this chapter is subject to a penalty of 100 percent of the tax in addition to the tax imposed by section 297D.08. The penalty will be collected as part of the tax.

Subd. 1a. **Criminal penalty; sale without affixed stamps.** In addition to the tax penalty imposed, a tax obligor distributing or possessing illegal cannabis or controlled substances without affixing the appropriate stamps, labels, or other indicia is guilty of a crime and, upon conviction, may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than \$14,000, or both.

Subd. 2. **Statute of limitations.** Notwithstanding section 628.26, or any other provision of the criminal laws of this state, an indictment may be found and filed, or a complaint filed, upon any criminal offense specified in this section, in the proper court within six years after the commission of this offense.

**297D.10 STAMP PRICE.**

Official stamps, labels, or other indicia to be affixed to all illegal cannabis or controlled substances shall be purchased from the commissioner. The purchaser shall pay 100 percent of face value for each stamp, label, or other indicia at the time of the purchase.

**297D.11 PAYMENT DUE.**

Subdivision 1. **Stamps affixed.** When a tax obligor purchases, acquires, transports, or imports into this state illegal cannabis or controlled substances on which a tax is imposed by section 297D.08, and if the indicia evidencing the payment of the tax have not already been affixed, the tax obligor shall have them permanently affixed on the illegal cannabis or controlled substance immediately after receiving the substance. Each stamp or other official indicia may be used only once.

Subd. 2. **Payable on possession.** Taxes imposed upon illegal cannabis or controlled substances by this chapter are due and payable immediately upon acquisition or possession in this state by a tax obligor.

**297D.12 ALL ASSESSMENTS ARE JEOPARDY.**

Subdivision 1. **Assessment procedure.** An assessment for a tax obligor not possessing valid stamps or other official indicia showing that the tax has been paid shall be considered a jeopardy assessment or collection, as provided in section 270C.36. The commissioner shall assess a tax and applicable penalties based on personal knowledge or information available to the commissioner; mail the taxpayer at the taxpayer's last known address or serve in person, a written notice of the amount of tax and penalty; demand its immediate payment; and, if payment is not immediately made, collect the tax and penalty by any method prescribed in chapter 270C, except that the commissioner need not await the expiration of the times specified in chapter 270C.

Subd. 2. **Injunction prohibited.** No person may bring suit to enjoin the assessment or collection of any taxes, interest, or penalties imposed by this chapter.

Subd. 3. **Standard of proof.** The tax and penalties assessed by the commissioner are presumed to be valid and correctly determined and assessed. The burden is upon the taxpayer to show their incorrectness or invalidity. Any statement filed by the commissioner with the court administrator, or any other certificate by the commissioner of the amount of tax and penalties determined or assessed is admissible in evidence and is prima facie evidence of the facts it contains.

**297D.13 CONFIDENTIAL NATURE OF INFORMATION.**

Subdivision 1. **Disclosure prohibited.** Notwithstanding any law to the contrary, neither the commissioner nor a public employee may reveal facts contained in a report or return required by this chapter or any information obtained from a tax obligor; nor can any information contained in such a report or return or obtained from a tax obligor be used against the tax obligor in any criminal proceeding, unless independently obtained, except in connection with a proceeding involving taxes due under this chapter from the tax obligor making the return.

Subd. 2. **Penalty for disclosure.** Any person violating this section is guilty of a gross misdemeanor.

Subd. 3. **Statistics.** This section does not prohibit the commissioner from publishing statistics that do not disclose the identity of tax obligors or the contents of particular returns or reports.

Subd. 4. **Possession of stamps.** A stamp denoting payment of the tax imposed under this chapter must not be used against the taxpayer in a criminal proceeding, except that the stamp may be used against the taxpayer in connection with the administration or civil or criminal enforcement of the tax imposed under this chapter or any similar tax imposed by another state or local unit of government.

**477A.30 LOCAL HOMELESS PREVENTION AID.**

Subd. 8. **Expiration.** Distributions under this section expire after aids payable in 2028 have been distributed.