

1.1 ..... moves to amend H.F. No. 5247 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 INDIVIDUAL INCOME AND CORPORATE FRANCHISE TAXES

1.5 Section 1. Minnesota Statutes 2022, section 10A.02, subdivision 11b, is amended to read:

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

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

1.21 **EFFECTIVE DATE.** This section is effective January 1, 2026.

2.1 Sec. 2. Minnesota Statutes 2022, section 10A.322, subdivision 4, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

3.3 **EFFECTIVE DATE.** This section is effective for contributions made after December  
3.4 31, 2025.

3.5 Sec. 3. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 4, is amended  
3.6 to read:

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

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

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

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

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

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

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

3.27 (c) For credits for owners of agricultural assets allowed under subdivision 2, the authority  
3.28 must not allocate more than \$6,500,000 ~~for taxable years beginning after December 31,~~  
3.29 ~~2022, and before January 1, 2024,~~ and \$4,000,000 for each taxable years ~~beginning after~~  
3.30 ~~December 31, 2023~~ year. The authority must allocate credits on a first-come, first-served  
3.31 basis beginning on January 1 of each year, except that recertifications for the second and  
3.32 third years of credits under subdivision 2, paragraph (a), clauses (1) and (2), have first

4.1 priority. ~~Any amount authorized but not allocated for taxable years ending before January~~  
 4.2 ~~1, 2023, is canceled and is not allocated for future taxable years. For taxable years beginning~~  
 4.3 ~~after December 31, 2022,~~ Any amount authorized but not allocated in any taxable year does  
 4.4 not cancel and is added to the allocation for the next taxable year. For each taxable year,  
 4.5 50 percent of newly allocated credits must be allocated to owners of agricultural assets that  
 4.6 sell or rent agricultural assets to beginning farmers who are also emerging farmers. Any  
 4.7 portion of a taxable year's newly allocated credits that is reserved for sales or rentals to  
 4.8 emerging farmers that is not allocated by ~~September 30~~ May 31 of the taxable year is  
 4.9 available for allocation to other credit allocations beginning on ~~October~~ June 1.

4.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 4.11 31, 2023.

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

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

4.17 (1) a corporation's corporate franchise tax return required under section 289A.18,  
 4.18 subdivision 1;

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

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

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

4.24 (c) This section applies to a corporation required to file a return under section 289A.08,  
 4.25 subdivision 3, that has \$250,000,000 or more in aggregate gross sales or receipts in a taxable  
 4.26 year, including a unitary business under section 290.17, subdivision 4.

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

4.28 **EFFECTIVE DATE.** This section is effective for information required to be made  
 4.29 available in calendar years beginning after December 31, 2024.

5.1 Sec. 5. Minnesota Statutes 2022, section 289A.08, subdivision 1, is amended to read:

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

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

5.9 (2) an individual who is a Minnesota resident is not required to file a Minnesota income  
5.10 tax return if the individual's gross income derived from Minnesota sources as determined  
5.11 under section 290.17, less the subtractions allowed under section 290.0132, subdivisions  
5.12 12 and 15, is less than the filing requirements for a single individual who is a full-year  
5.13 resident of Minnesota.

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

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

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

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

5.28 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
5.29 31, 2024.

5.30 Sec. 6. **[289A.081] DIRECT FREE FILING OF INDIVIDUAL RETURNS.**

5.31 (a) The commissioner must establish an electronic filing system through which taxpayers  
5.32 may directly file an electronic individual income tax return free of charge. The commissioner

6.1 may contract with a software vendor to develop the filing system required under this section,  
 6.2 but the vendor must not offer paid tax preparation services for Minnesota individual income  
 6.3 taxpayers for tax years that the system is active, and the filing system must be made available  
 6.4 on the Department of Revenue website.

6.5 (b) To the extent feasible, the commissioner must coordinate the state filing system  
 6.6 under this section with federal direct file options.

6.7 (c) For taxable years beginning after December 31, 2024, the filing system established  
 6.8 under this section must include the ability to file a sufficient number of tax forms that the  
 6.9 commissioner estimates at least 70 percent of resident individual income tax returns could  
 6.10 be filed using the system.

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

6.12 Sec. 7. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision  
 6.13 to read:

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

6.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 6.17 31, 2023.

6.18 Sec. 8. Minnesota Statutes 2023 Supplement, section 290.06, subdivision 23, is amended  
 6.19 to read:

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

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

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

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

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

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

7.12 (1) has signed an agreement to limit campaign expenditures as provided in section  
 7.13 10A.322;

7.14 (2) is seeking an office for which voluntary spending limits are specified in section  
 7.15 10A.25; and

7.16 (3) has designated a principal campaign committee.

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

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

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

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

7.28 "Contribution" means a gift of money.

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

7.31 ~~(e)~~ (f) The following data collected or maintained by the commissioner under this  
 7.32 subdivision are private: the identities of individuals claiming a refund, the identities of

8.1 candidates to whom those individuals have made contributions, and the amount of each  
8.2 contribution.

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

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

8.9 ~~(h) For a taxpayer who files a claim for refund via the Internet or other electronic means,~~  
8.10 ~~the commissioner may accept the number on the official receipt as documentation that a~~  
8.11 ~~contribution was made rather than the actual receipt as required by paragraph (a) (i) The~~  
8.12 commissioner must establish an electronic filing system by which refunds are claimed.

8.13 **EFFECTIVE DATE.** This section is effective for contributions made after December  
8.14 31, 2025.

8.15 Sec. 9. Minnesota Statutes 2023 Supplement, section 290.0661, subdivision 1, is amended  
8.16 to read:

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

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

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

8.22 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
8.23 31, 2023.

8.24 Sec. 10. Minnesota Statutes 2023 Supplement, section 290.0661, subdivision 8, is amended  
8.25 to read:

8.26 Subd. 8. **Advance payment of credits.** (a) The commissioner of revenue ~~may~~ must  
8.27 establish a process to allow taxpayers to elect to receive one or more advance payments of  
8.28 the credit under this section. The amount of advance payments must be based on the taxpayer  
8.29 and commissioner's estimate of the amount of credits for which the taxpayer would be  
8.30 eligible in the taxable year beginning in the calendar year in which the payments were made.

9.1 The commissioner must not distribute advance payments to a taxpayer who does not elect  
9.2 to receive advance payments.

9.3 (b) The amount of a taxpayer's credit under this section for the taxable year is reduced  
9.4 by the amount of advance payments received by the taxpayer in the calendar year during  
9.5 which the taxable year began. If a taxpayer's advance payments exceeded the credit the  
9.6 taxpayer was eligible to receive for the taxable year, the taxpayer's liability for tax is increased  
9.7 by the difference between the amount of advance payments received and the credit amount.

9.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
9.9 31, 2024.

9.10 Sec. 11. Minnesota Statutes 2023 Supplement, section 290.0661, is amended by adding  
9.11 a subdivision to read:

9.12 **Subd. 9. Minimum credit.** (a) An eligible taxpayer is allowed the greater of the credit  
9.13 allowed under subdivision 2 or the minimum credit described in this subdivision. A taxpayer  
9.14 is eligible for the minimum credit under this subdivision if the taxpayer received an advance  
9.15 payment under subdivision 8 for the taxable year and received the credit under subdivision  
9.16 2 in the preceding taxable year.

9.17 (b) The credit allowed under this subdivision is equal to 50 percent of the credit received  
9.18 under subdivision 2 in the prior taxable year, unless paragraph (c) applies.

9.19 (c) If a taxpayer is claiming fewer qualifying children in the current taxable year than  
9.20 in the prior taxable year, the minimum credit allowed under this subdivision is equal to 50  
9.21 percent of credit received under this section in the prior taxable year multiplied by a fraction  
9.22 in which:

9.23 (1) the numerator is the number of qualifying children in the current taxable year; and

9.24 (2) the denominator is the number of qualifying children in the prior taxable year.

9.25 (d) By June 30 of each fiscal year in which a transfer is required under paragraph (g),  
9.26 the commissioner must certify to the commissioner of management and budget:

9.27 (1) the total change in individual income tax liability from the credit allowed under this  
9.28 subdivision compared to the credit calculated under subdivision 2; and

9.29 (2) the total change in individual income tax liability resulting from an 18-year-old  
9.30 individual to be considered a qualifying child under subdivision 1.

10.1 (e) A child tax credit account is created in the special revenue fund. Money in the account  
10.2 is appropriated to the commissioner of management and budget for transfers to the general  
10.3 fund required in paragraph (g).

10.4 (f) \$32,300,000 in fiscal year 2025 is transferred from the general fund to the child tax  
10.5 credit account established in paragraph (e). This is a onetime transfer.

10.6 (g) In fiscal years 2026 and 2027, the commissioner of management and budget must  
10.7 transfer an amount sufficient to cover the amounts certified in paragraph (d) from the child  
10.8 tax credit account to the general fund. Any amount remaining in the minimum child tax  
10.9 credit account on July 1, 2027, cancels to the general fund.

10.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
10.11 31, 2024.

10.12 Sec. 12. Minnesota Statutes 2023 Supplement, section 290.0671, subdivision 1a, is amended  
10.13 to read:

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

10.18 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
10.19 31, 2023.

10.20 Sec. 13. Minnesota Statutes 2022, section 290.0683, subdivision 3, is amended to read:

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

10.25 (b) The aggregate amount of tax credits allowed to all eligible contributors is limited to  
10.26 \$9,900,000 annually. If the entire amount is not allocated for 2023, any remaining amount  
10.27 is available for allocation for 2024.

10.28 (c) Within 30 days after a taxpayer contributes to the account, the agency must file with  
10.29 the contributing taxpayer a credit certificate statement or return any amounts to the taxpayer  
10.30 as provided in this paragraph. The agency must send a copy of the credit certificate to the  
10.31 commissioner. If there are insufficient credits to match the contribution, the agency must

11.1 not issue a credit certificate for the amount of the contribution for which there are insufficient  
 11.2 credits, and must return that amount to the taxpayer before issuing any credit certificate.

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

11.6 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
 11.7 after December 31, 2022.

11.8 Sec. 14. Minnesota Statutes 2022, section 290.92, is amended by adding a subdivision to  
 11.9 read:

11.10 Subd. 32. **Nonconformity to certain worker classification rules.** For purposes of  
 11.11 employee classification under this section, "Internal Revenue Code" does not include section  
 11.12 530 of Public Law 95-600, as amended.

11.13 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 11.14 31, 2024.

11.15 Sec. 15. Minnesota Statutes 2023 Supplement, section 290A.03, subdivision 3, is amended  
 11.16 to read:

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

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

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

11.20 (i) all nontaxable income;

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

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

11.27 (iv) cash public assistance and relief;

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

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

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

12.5 (vii) workers' compensation;

12.6 (viii) nontaxable strike benefits;

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

12.10 (x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of  
12.11 1986, as amended through December 31, 1995;

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

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

12.20 (xiii) nontaxable scholarship or fellowship grants;

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

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

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

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

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

13.1 (b) "Income" does not include:

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

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

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

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

13.11 (5) relief granted under this chapter;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14.9 EFFECTIVE DATE. This section is effective for property taxes payable in 2025 and  
14.10 thereafter.

14.11 Sec. 16. CORPORATE TAX BASE EROSION STUDY.

14.12 By January 1, 2025, the commissioner of revenue must provide a report to the chairs  
14.13 and ranking minority members of the legislative committees with jurisdiction over taxes  
14.14 on the extent of corporate tax base erosion in Minnesota; the legislative options for addressing  
14.15 that erosion, including worldwide combined reporting; and the litigation risks that may arise  
14.16 by adopting various approaches to address corporate tax base erosion. The report must  
14.17 comply with Minnesota Statutes, sections 3.195 and 3.197, and specifically include a  
14.18 discussion of:

14.19 (1) the types of international corporate structures and resulting transactions among  
14.20 commonly controlled businesses that reduce the amount of income that would otherwise  
14.21 be apportionable to Minnesota under the corporate franchise tax, the effect of which is  
14.22 commonly referred to as "corporate tax base erosion";

14.23 (2) the most reliable published analyses of corporate tax base erosion that could be used  
14.24 to estimate the revenue impact of that erosion on corporate franchise tax collections in  
14.25 Minnesota, including how Minnesota's share of aggregate domestic shifted profits may be  
14.26 calculated;

14.27 (3) the extent to which the state's current treatment of income under section 951A of the  
14.28 Internal Revenue Code addresses corporate tax base erosion and the limitations of this  
14.29 approach;

14.30 (4) other options that exist for modifying the state's corporate franchise tax to address  
14.31 corporate tax base erosion, including the imposition of worldwide combined reporting;

14.32 (5) for worldwide combined reporting;

15.1 (i) how the increased amount of income estimated to be apportioned to Minnesota under  
15.2 a combined reporting system would be equal to the amount of Minnesota's share of shifted  
15.3 profits described in clause (2);

15.4 (ii) the administrative impact of worldwide combined reporting on taxpayers and the  
15.5 Department of Revenue relative to current law; and

15.6 (iii) recommendations for administrative changes to the corporate franchise tax to address  
15.7 the impacts described in item (ii);

15.8 (6) recommendations for any other modifications to current law needed to administer  
15.9 the options described in clause (4);

15.10 (7) the risk of litigation, including federal constitutional claims, under the options  
15.11 described in clause (4) and recommendations to mitigate those risks; and

15.12 (8) any other topic the commissioner deems necessary to properly inform legislators on  
15.13 this subject.

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

15.15 **Sec. 17. APPROPRIATION; POLITICAL CONTRIBUTION REFUND**  
15.16 **ELECTRONIC FILING SYSTEM.**

15.17 \$147,000 in fiscal year 2025 is appropriated from the general fund to the commissioner  
15.18 of revenue to establish and implement an electronic filing system for political contribution  
15.19 refund claims. This appropriation is available until June 30, 2026. The base for this  
15.20 appropriation is \$59,000 for fiscal year 2026 and \$59,000 for fiscal year 2027.

15.21 **Sec. 18. TRANSFER; APPROPRIATION; DIRECT FREE FILING SYSTEM.**

15.22 (a) \$5,000,000 in fiscal year 2025 is appropriated from the general fund to the  
15.23 commissioner of revenue to implement the electronic filing system required in Minnesota  
15.24 Statutes, section 289A.081. This is a onetime appropriation and is available until June 30,  
15.25 2027. The base for the appropriation is \$2,300,000 in fiscal year 2027.

15.26 (b) On July 1, 2024, \$5,000,000 is transferred to the general fund from the tax filing  
15.27 modernization account in the special revenue fund established in Laws 2023, chapter 64,  
15.28 article 15, section 24.

15.29 **Sec. 19. REPEALER.**

15.30 Laws 2023, chapter 64, article 15, section 24, is repealed.

16.1 **EFFECTIVE DATE.** This section is effective July 2, 2024.

16.2

## ARTICLE 2

16.3

### PROPERTY TAXES AND LOCAL GOVERNMENT AIDS

16.4 Section 1. Minnesota Statutes 2022, section 272.02, subdivision 7, is amended to read:

16.5 Subd. 7. **Institutions of public charity.** (a) Institutions of purely public charity that are  
 16.6 exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code  
 16.7 are exempt if they meet the requirements of this subdivision. In determining whether real  
 16.8 property is exempt under this subdivision, the following factors must be considered:

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

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

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

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

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

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

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

16.30 (b) For purposes of this subdivision, a grant is a written instrument or electronic document  
 16.31 defining a legal relationship between a granting agency and a grantee when the principal  
 16.32 purpose of the relationship is to transfer cash or something of value to the grantee to support

17.1 a public purpose authorized by law in a general manner instead of acquiring by professional  
 17.2 or technical contract, purchase, lease, or barter property or services for the direct benefit or  
 17.3 use of the granting agency.

17.4 (c) In determining whether rental housing property qualifies for exemption under this  
 17.5 subdivision, the following are not gifts or donations to the owner of the rental housing:

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

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

17.10 (d) Property owned by a charitable organization eligible for an exemption under this  
 17.11 subdivision and used to provide rental housing is exempt only if a portion of the property  
 17.12 is permanently used by the charitable organization to provide services to the intended  
 17.13 beneficiaries of organization's work. Such services do not include solely furnishing space  
 17.14 for private and exclusive occupancy.

17.15 **EFFECTIVE DATE.** This section is effective for taxes payable in 2025 and thereafter.

17.16 Sec. 2. Minnesota Statutes 2022, section 272.02, subdivision 19, is amended to read:

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

17.21 **EFFECTIVE DATE.** This section is effective for assessment year 2024 and thereafter.

17.22 Sec. 3. Minnesota Statutes 2022, section 272.02, is amended by adding a subdivision to  
 17.23 read:

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

17.25 (1) was classified as class 2b under section 273.13, subdivision 24, for taxes payable in  
 17.26 2024;

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

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

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

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

18.4 Sec. 4. Minnesota Statutes 2022, section 272.02, is amended by adding a subdivision to  
 18.5 read:

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

18.7 (1) was classified as class 3a under section 273.13, subdivision 24, for taxes payable in  
 18.8 2024;

18.9 (2) is located in a city of the first class with a population greater than 400,000 as of the  
 18.10 2020 federal census;

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

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

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

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

18.20 Sec. 5. Minnesota Statutes 2022, section 273.13, subdivision 22, is amended to read:

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

18.26 The first \$500,000 of market value of class 1a property has a net classification rate of  
 18.27 one percent of its market value; and the market value of class 1a property that exceeds  
 18.28 \$500,000 has a classification rate of 1.25 percent of its market value.

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

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

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

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

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

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

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

19.20 (c) Class 1c property is commercial use real and personal property that abuts public  
19.21 water as defined in section 103G.005, subdivision 15, or abuts a state trail administered by  
19.22 the Department of Natural Resources, and is devoted to temporary and seasonal residential  
19.23 occupancy for recreational purposes but not devoted to commercial purposes for more than  
19.24 250 days in the year preceding the year of assessment, and that includes a portion used as  
19.25 a homestead by the owner, which includes a dwelling occupied as a homestead by a  
19.26 shareholder of a corporation that owns the resort, a partner in a partnership that owns the  
19.27 resort, or a member of a limited liability company that owns the resort even if the title to  
19.28 the homestead is held by the corporation, partnership, or limited liability company. For  
19.29 purposes of this paragraph, property is devoted to a commercial purpose on a specific day  
19.30 if any portion of the property, excluding the portion used exclusively as a homestead, is  
19.31 used for residential occupancy and a fee is charged for residential occupancy. Class 1c  
19.32 property must contain three or more rental units. A "rental unit" is defined as a cabin,  
19.33 condominium, townhouse, sleeping room, or individual camping site equipped with water  
19.34 and electrical hookups for recreational vehicles. Class 1c property must provide recreational

20.1 activities such as the rental of ice fishing houses, boats and motors, snowmobiles, downhill  
20.2 or cross-country ski equipment; provide marina services, launch services, or guide services;  
20.3 or sell bait and fishing tackle. Any unit in which the right to use the property is transferred  
20.4 to an individual or entity by deeded interest, or the sale of shares or stock, no longer qualifies  
20.5 for class 1c even though it may remain available for rent. A camping pad offered for rent  
20.6 by a property that otherwise qualifies for class 1c is also class 1c, regardless of the term of  
20.7 the rental agreement, as long as the use of the camping pad does not exceed 250 days. If  
20.8 the same owner owns two separate parcels that are located in the same township, and one  
20.9 of those properties is classified as a class 1c property and the other would be eligible to be  
20.10 classified as a class 1c property if it was used as the homestead of the owner, both properties  
20.11 will be assessed as a single class 1c property; for purposes of this sentence, properties are  
20.12 deemed to be owned by the same owner if each of them is owned by a limited liability  
20.13 company, and both limited liability companies have the same membership. The portion of  
20.14 the property used as a homestead is class 1a property under paragraph (a). The remainder  
20.15 of the property is classified as follows: the first ~~\$600,000~~ \$1,100,000 of market value is tier  
20.16 I, the next ~~\$1,700,000~~ \$2,600,000 of market value is tier II, and any remaining market value  
20.17 is tier III. The classification rates for class 1c are: tier I, 0.50 percent; tier II, 1.0 percent;  
20.18 and tier III, 1.25 percent. Owners of real and personal property devoted to temporary and  
20.19 seasonal residential occupancy for recreation purposes in which all or a portion of the  
20.20 property was devoted to commercial purposes for not more than 250 days in the year  
20.21 preceding the year of assessment desiring classification as class 1c, must submit a declaration  
20.22 to the assessor designating the cabins or units occupied for 250 days or less in the year  
20.23 preceding the year of assessment by January 15 of the assessment year. Those cabins or  
20.24 units and a proportionate share of the land on which they are located must be designated as  
20.25 class 1c as otherwise provided. The remainder of the cabins or units and a proportionate  
20.26 share of the land on which they are located must be designated as class 3a commercial. The  
20.27 owner of property desiring designation as class 1c property must provide guest registers or  
20.28 other records demonstrating that the units for which class 1c designation is sought were not  
20.29 occupied for more than 250 days in the year preceding the assessment if so requested. The  
20.30 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center  
20.31 or meeting room, and (5) other nonresidential facility operated on a commercial basis not  
20.32 directly related to temporary and seasonal residential occupancy for recreation purposes  
20.33 does not qualify for class 1c.

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

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

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

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

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

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

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

21.14 Sec. 6. Minnesota Statutes 2023 Supplement, section 273.13, subdivision 25, is amended  
21.15 to read:

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

21.23 (b) Class 4b includes:

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

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

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

21.30 (4) unimproved property that is classified residential as determined under subdivision  
21.31 33.

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

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

22.4 (c) Class 4bb includes:

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

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

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

22.11 Class 4bb property has the same classification rates as class 1a property under subdivision  
22.12 22.

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

22.16 (d) Class 4c property includes:

22.17 (1) except as provided in subdivision 22, paragraph (c), real and personal property  
22.18 devoted to commercial temporary and seasonal residential occupancy for recreation purposes,  
22.19 for not more than 250 days in the year preceding the year of assessment. For purposes of  
22.20 this clause, property is devoted to a commercial purpose on a specific day if any portion of  
22.21 the property is used for residential occupancy, and a fee is charged for residential occupancy.  
22.22 Class 4c property under this clause must contain three or more rental units. A "rental unit"  
22.23 is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site  
22.24 equipped with water and electrical hookups for recreational vehicles. A camping pad offered  
22.25 for rent by a property that otherwise qualifies for class 4c under this clause is also class 4c  
22.26 under this clause regardless of the term of the rental agreement, as long as the use of the  
22.27 camping pad does not exceed 250 days. In order for a property to be classified under this  
22.28 clause, either (i) the business located on the property must provide recreational activities,  
22.29 at least 40 percent of the annual gross lodging receipts related to the property must be from  
22.30 business conducted during 90 consecutive days, and either (A) at least 60 percent of all paid  
22.31 bookings by lodging guests during the year must be for periods of at least two consecutive  
22.32 nights; or (B) at least 20 percent of the annual gross receipts must be from charges for  
22.33 providing recreational activities, or (ii) the business must contain 20 or fewer rental units,

23.1 and must be located in a township or a city with a population of 2,500 or less located outside  
23.2 the metropolitan area, as defined under section 473.121, subdivision 2, that contains a portion  
23.3 of a state trail administered by the Department of Natural Resources. For purposes of item  
23.4 (i)(A), a paid booking of five or more nights shall be counted as two bookings. Class 4c  
23.5 property also includes commercial use real property used exclusively for recreational  
23.6 purposes in conjunction with other class 4c property classified under this clause and devoted  
23.7 to temporary and seasonal residential occupancy for recreational purposes, up to a total of  
23.8 two acres, provided the property is not devoted to commercial recreational use for more  
23.9 than 250 days in the year preceding the year of assessment and is located within two miles  
23.10 of the class 4c property with which it is used. In order for a property to qualify for  
23.11 classification under this clause, the owner must submit a declaration to the assessor  
23.12 designating the cabins or units occupied for 250 days or less in the year preceding the year  
23.13 of assessment by January 15 of the assessment year. Those cabins or units and a proportionate  
23.14 share of the land on which they are located must be designated class 4c under this clause  
23.15 as otherwise provided. The remainder of the cabins or units and a proportionate share of  
23.16 the land on which they are located will be designated as class 3a. The owner of property  
23.17 desiring designation as class 4c property under this clause must provide guest registers or  
23.18 other records demonstrating that the units for which class 4c designation is sought were not  
23.19 occupied for more than 250 days in the year preceding the assessment if so requested. The  
23.20 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center  
23.21 or meeting room, and (5) other nonresidential facility operated on a commercial basis not  
23.22 directly related to temporary and seasonal residential occupancy for recreation purposes  
23.23 does not qualify for class 4c. For the purposes of this paragraph, "recreational activities"  
23.24 means renting ice fishing houses, boats and motors, snowmobiles, downhill or cross-country  
23.25 ski equipment; providing marina services, launch services, or guide services; or selling bait  
23.26 and fishing tackle;

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

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

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

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

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

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

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

24.10 For purposes of this clause:

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

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

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

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

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

24.30 The organization shall maintain records of its charitable contributions and donations  
24.31 and of public meetings and events held on the property and make them available upon  
24.32 request any time to the assessor to ensure eligibility. An organization meeting the requirement  
24.33 under item (ii) must file an application by May 1 with the assessor for eligibility for the

25.1 current year's assessment. The commissioner shall prescribe a uniform application form  
25.2 and instructions;

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

25.7 (5)(i) manufactured home parks as defined in section 327.14, subdivision 3, excluding  
25.8 manufactured home parks described in items (ii) and (iii), (ii) manufactured home parks as  
25.9 defined in section 327.14, subdivision 3, that are described in section 273.124, subdivision  
25.10 3a, and (iii) class I manufactured home parks as defined in section 327C.015, subdivision  
25.11 2;

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

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

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

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

25.21 If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be  
25.22 filed by the new owner with the assessor of the county where the property is located within  
25.23 60 days of the sale;

25.24 (8) a privately owned noncommercial aircraft storage hangar not exempt under section  
25.25 272.01, subdivision 2, and the land on which it is located, provided that:

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

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

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

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

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

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

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

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

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

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

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

27.1 Class 4c property has a classification rate of 1.5 percent of market value, except that (i)  
27.2 each parcel of noncommercial seasonal residential recreational property under clause (12)  
27.3 has the same classification rates as class 4bb property, (ii) manufactured home parks assessed  
27.4 under clause (5), item (i), have the same classification rate as class 4b property, the market  
27.5 value of manufactured home parks assessed under clause (5), item (ii), have a classification  
27.6 rate of 0.75 percent if more than 50 percent of the lots in the park are occupied by  
27.7 shareholders in the cooperative corporation or association and a classification rate of one  
27.8 percent if 50 percent or less of the lots are so occupied, and class I manufactured home  
27.9 parks as defined in section 327C.015, subdivision 2, have a classification rate of 1.0 percent,  
27.10 (iii) commercial-use seasonal residential recreational property and marina recreational land  
27.11 as described in clause (11), has a classification rate of one percent for the first \$500,000 of  
27.12 market value, and 1.25 percent for the remaining market value, (iv) the market value of  
27.13 property described in clause (4) has a classification rate of one percent, (v) the market value  
27.14 of property described in clauses (2), (6), and (10) has a classification rate of 1.25 percent,  
27.15 (vi) that portion of the market value of property in clause (9) qualifying for class 4c property  
27.16 has a classification rate of 1.25 percent, and (vii) property qualifying for classification under  
27.17 clause (3) that is owned or operated by a congressionally chartered veterans organization  
27.18 has a classification rate of one percent. The commissioner of veterans affairs must provide  
27.19 a list of congressionally chartered veterans organizations to the commissioner of revenue  
27.20 by June 30, 2017, and by January 1, 2018, and each year thereafter.

27.21 (e) Class 4d property includes:

27.22 (1) qualifying low-income rental housing certified to the assessor by the Housing Finance  
27.23 Agency under section 273.128, subdivision 3. If only a portion of the units in the building  
27.24 qualify as low-income rental housing units as certified under section 273.128, subdivision  
27.25 3, only the proportion of qualifying units to the total number of units in the building qualify  
27.26 for class 4d(1). The remaining portion of the building shall be classified by the assessor  
27.27 based upon its use. Class 4d(1) also includes the same proportion of land as the qualifying  
27.28 low-income rental housing units are to the total units in the building. For all properties  
27.29 qualifying as class 4d(1), the market value determined by the assessor must be based on the  
27.30 normal approach to value using normal unrestricted rents; and

27.31 (2) a unit that is owned by the occupant and used as a homestead by the occupant, and  
27.32 otherwise meets all the requirements for community land trust property under section 273.11,  
27.33 subdivision 12, provided that by December 31 of each assessment year, the community land  
27.34 trust certifies to the assessor that (i) the community land trust owns the real property on  
27.35 which the unit is located, and (ii) the unit owner is a member in good standing of the

28.1 community land trust. ~~For all units qualifying as class 4d(2), the market value determined~~  
 28.2 ~~by the assessor must be based on the normal approach to value without regard to any~~  
 28.3 ~~restrictions that apply because the unit is a community land trust property.~~

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

28.6 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024.

28.7 **Sec. 7. [273.1389] ADVANCE HOMESTEAD CREDIT FOR SENIORS.**

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

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

28.16 **Subd. 3. Certification.** No later than January 2 of the year for which an eligible senior  
 28.17 claimant elected to receive the advance homestead credit for seniors under this section, the  
 28.18 commissioner of revenue must calculate and certify to each county auditor credit amounts  
 28.19 under this section. The county auditor must apply the credit to each qualifying property's  
 28.20 first half payment. If a property's credit amount under subdivision 2 exceeds the first half  
 28.21 payment amount after all other applicable credits, the auditor must reduce the advance  
 28.22 homestead credit for seniors so that the first half payment amount is \$0. No later than July  
 28.23 1 of the taxes payable year in which the credit is applied, the county auditor must certify  
 28.24 any reductions under this subdivision to the commissioner of revenue under section 270C.85,  
 28.25 subdivision 2. The commissioner shall review the certifications for accuracy and may make  
 28.26 any changes the commissioner deems necessary or return the certification to the county  
 28.27 auditor for correction.

28.28 **Subd. 4. Payment.** (a) The commissioner of revenue shall reimburse each local taxing  
 28.29 jurisdiction, other than school districts, for the tax reductions granted under this section in  
 28.30 one installment on October 31 of the taxes payable year for which the reductions are granted,  
 28.31 including in each payment any prior year adjustments. The reimbursements related to tax  
 28.32 increments shall be issued in one installment each year on December 26.

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

29.5 Subd. 5. **Appropriation.** An amount sufficient to make the payments required by this  
 29.6 section to taxing jurisdictions other than school districts is annually appropriated from the  
 29.7 general fund to the commissioner of revenue. An amount sufficient to make the payments  
 29.8 required by this section for school districts is annually appropriated from the general fund  
 29.9 to the commissioner of education.

29.10 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
 29.11 in 2026.

29.12 Sec. 8. Minnesota Statutes 2023 Supplement, section 273.1392, is amended to read:

29.13 **273.1392 PAYMENT; SCHOOL DISTRICTS.**

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

29.23 **EFFECTIVE DATE.** This section is effective beginning July 1, 2026.

29.24 Sec. 9. Minnesota Statutes 2022, section 273.1393, is amended to read:

29.25 **273.1393 COMPUTATION OF NET PROPERTY TAXES.**

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

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

29.29 (2) powerline credit as provided in section 273.42;

29.30 (3) agricultural preserves credit as provided in section 473H.10;

29.31 (4) enterprise zone credit as provided in section 469.171;

- 30.1 (5) disparity reduction credit;
- 30.2 (6) conservation tax credit as provided in section 273.119;
- 30.3 (7) the school bond credit as provided in section 273.1387;
- 30.4 (8) agricultural credit as provided in section 273.1384;
- 30.5 (9) taconite homestead credit as provided in section 273.135;
- 30.6 (10) supplemental homestead credit as provided in section 273.1391; ~~and~~
- 30.7 (11) the bovine tuberculosis zone credit, as provided in section 273.113-; and
- 30.8 (12) the advance homestead credit for seniors under section 273.1389.

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

30.10 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
 30.11 in 2026.

30.12 Sec. 10. Minnesota Statutes 2022, section 273.38, is amended to read:

30.13 **273.38 PERCENTAGE OF ASSESSMENTS; EXCEPTIONS.**

30.14 The distribution ~~lines and the attachments and appurtenances thereto~~ systems, not  
 30.15 including substations, or transmission or generation equipment of cooperative associations  
 30.16 organized under the provisions of Laws 1923, chapter 326, and laws amendatory thereof  
 30.17 and supplemental thereto, and engaged in the electrical heat, light and power business, upon  
 30.18 a mutual, nonprofit and cooperative plan, shall be assessed and taxed as provided in sections  
 30.19 273.40 and 273.41.

30.20 **EFFECTIVE DATE.** This section is effective for assessment year 2024 and thereafter.

30.21 Sec. 11. Minnesota Statutes 2022, section 273.41, is amended to read:

30.22 **273.41 AMOUNT OF TAX; DISTRIBUTION.**

30.23 There is hereby imposed upon each such cooperative association on December 31 of  
 30.24 each year a tax of \$10 for each 100 members, or fraction thereof, of such association. The  
 30.25 tax, when paid, shall be in lieu of all personal property taxes, state, county, or local, upon  
 30.26 ~~distribution lines and the attachments and appurtenances thereto~~ of such associations that  
 30.27 part of the association's distribution system, not including substations, or transmission or  
 30.28 generation equipment, located in rural areas. The tax shall be payable on or before March  
 30.29 1 of the next succeeding year, to the commissioner of revenue. If the tax, or any portion  
 30.30 thereof, is not paid within the time herein specified for the payment thereof, there shall be

31.1 added thereto a specific penalty equal to ten percent of the amount so remaining unpaid.  
31.2 Such penalty shall be collected as part of said tax, and the amount of said tax not timely  
31.3 paid, together with said penalty, shall bear interest at the rate specified in section 270C.40  
31.4 from the time such tax should have been paid until paid. The commissioner shall deposit  
31.5 the amount so received in the general fund of the state treasury.

31.6 **EFFECTIVE DATE.** This section is effective for assessment year 2024 and thereafter.

31.7 Sec. 12. Minnesota Statutes 2023 Supplement, section 275.065, subdivision 3, is amended  
31.8 to read:

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

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

31.16 (c) The notice must inform taxpayers that it contains the amount of property taxes each  
31.17 taxing authority proposes to collect for taxes payable the following year. In the case of a  
31.18 town, or in the case of the state general tax, the final tax amount will be its proposed tax.  
31.19 The notice must clearly state for each city that has a population over 500, county, school  
31.20 district, regional library authority established under section 134.201, metropolitan taxing  
31.21 districts as defined in paragraph (i), and fire protection and emergency medical services  
31.22 special taxing districts established under section 144F.01, the time and place of a meeting  
31.23 for each taxing authority in which the budget and levy will be discussed and public input  
31.24 allowed, prior to the final budget and levy determination. The taxing authorities must provide  
31.25 the county auditor with the information to be included in the notice on or before the time it  
31.26 certifies its proposed levy under subdivision 1. The public must be allowed to speak at that  
31.27 meeting, which must occur after November 24 and must not be held before 6:00 p.m. It  
31.28 must provide a website address and a telephone number for the taxing authority that taxpayers  
31.29 may call if they have questions related to the notice and an address where comments will  
31.30 be received by mail, except that no notice required under this section shall be interpreted  
31.31 as requiring the printing of a personal telephone number or address as the contact information  
31.32 for a taxing authority. If a taxing authority does not maintain a website or public offices  
31.33 where telephone calls can be received by the authority, the authority may inform the county

32.1 of the lack of a public website or telephone number and the county shall not list a website  
 32.2 or telephone number for that taxing authority.

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

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

32.10 (2) the items listed below, shown separately by county, city or town, and state general  
 32.11 tax, agricultural homestead credit under section 273.1384, school building bond agricultural  
 32.12 credit under section 273.1387, the advance homestead credit for seniors under section  
 32.13 273.1389, voter approved school levy, other local school levy, and the sum of the special  
 32.14 taxing districts, and as a total of all taxing authorities:

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

32.16 (ii) the proposed tax amount.

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

32.20 In the case of a town or the state general tax, the final tax shall also be its proposed tax  
 32.21 unless the town changes its levy at a special town meeting under section 365.52. If a school  
 32.22 district has certified under section 126C.17, subdivision 9, that a referendum will be held  
 32.23 in the school district at the November general election, the county auditor must note next  
 32.24 to the school district's proposed amount that a referendum is pending and that, if approved  
 32.25 by the voters, the tax amount may be higher than shown on the notice. In the case of the  
 32.26 city of Minneapolis, the levy for Minneapolis Park and Recreation shall be listed separately  
 32.27 from the remaining amount of the city's levy. In the case of the city of St. Paul, the levy for  
 32.28 the St. Paul Library Agency must be listed separately from the remaining amount of the  
 32.29 city's levy. In the case of Ramsey County, any amount levied under section 134.07 may be  
 32.30 listed separately from the remaining amount of the county's levy. In the case of a parcel  
 32.31 where tax increment or the fiscal disparities areawide tax under chapter 276A or 473F  
 32.32 applies, the proposed tax levy on the captured value or the proposed tax levy on the tax  
 32.33 capacity subject to the areawide tax must each be stated separately and not included in the  
 32.34 sum of the special taxing districts; and

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

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

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

33.8 (1) special assessments;

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

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

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

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

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

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

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

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

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

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

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

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

34.8 (1) Metropolitan Council under section 473.132, 473.167, 473.249, 473.325, 473.446,  
34.9 473.521, 473.547, or 473.834;

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

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

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

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

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

34.24 (2) population growth and decline;

34.25 (3) state or federal government action; and

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

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

35.1 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
35.2 in 2026.

35.3 Sec. 13. Minnesota Statutes 2022, section 276.04, subdivision 2, is amended to read:

35.4 Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the printing of  
35.5 the tax statements. The commissioner of revenue shall prescribe the form of the property  
35.6 tax statement and its contents. The tax statement must not state or imply that property tax  
35.7 credits are paid by the state of Minnesota. The statement must contain a tabulated statement  
35.8 of the dollar amount due to each taxing authority and the amount of the state tax from the  
35.9 parcel of real property for which a particular tax statement is prepared. The dollar amounts  
35.10 attributable to the county, the state tax, the voter approved school tax, the other local school  
35.11 tax, the township or municipality, and the total of the metropolitan special taxing districts  
35.12 as defined in section 275.065, subdivision 3, paragraph (i), must be separately stated. The  
35.13 amounts due all other special taxing districts, if any, may be aggregated except that any  
35.14 levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin,  
35.15 Ramsey, Scott, or Washington under chapter 398A shall be listed on a separate line directly  
35.16 under the appropriate county's levy. If the county levy under this paragraph includes an  
35.17 amount for a lake improvement district as defined under sections 103B.501 to 103B.581,  
35.18 the amount attributable for that purpose must be separately stated from the remaining county  
35.19 levy amount. In the case of Ramsey County, if the county levy under this paragraph includes  
35.20 an amount for public library service under section 134.07, the amount attributable for that  
35.21 purpose may be separated from the remaining county levy amount. The amount of the tax  
35.22 on homesteads qualifying under the senior citizens' property tax deferral program under  
35.23 chapter 290B is the total amount of property tax before subtraction of the deferred property  
35.24 tax amount. The amount of the tax on contamination value imposed under sections 270.91  
35.25 to 270.98, if any, must also be separately stated. The dollar amounts, including the dollar  
35.26 amount of any special assessments, may be rounded to the nearest even whole dollar. For  
35.27 purposes of this section whole odd-numbered dollars may be adjusted to the next higher  
35.28 even-numbered dollar. The amount of market value excluded under section 273.11,  
35.29 subdivision 16, if any, must also be listed on the tax statement.

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

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

36.1 information in the right column with the corresponding information for the previous year  
36.2 in a column on the left:

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

36.4 (2) the property's homestead market value exclusion under section 273.13, subdivision  
36.5 35;

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

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

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

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

36.10 273.1389; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount  
36.11 of credit received under section 273.135 must be separately stated and identified as "taconite  
36.12 tax relief"; and

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

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

36.22 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
36.23 in 2026.

36.24 Sec. 14. Minnesota Statutes 2023 Supplement, section 290A.03, subdivision 13, is amended  
36.25 to read:

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

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

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

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

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

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

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

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

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

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

37.26 **EFFECTIVE DATE.** This section is effective for refunds based on property taxes  
37.27 payable in 2026 and thereafter.

37.28 Sec. 15. Minnesota Statutes 2022, section 290A.03, is amended by adding a subdivision  
37.29 to read:

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

38.1 **EFFECTIVE DATE.** This section is effective for advance payment elections after  
38.2 December 31, 2024, for credits applied to property taxes payable in 2026 and thereafter.

38.3 Sec. 16. Minnesota Statutes 2022, section 290A.03, is amended by adding a subdivision  
38.4 to read:

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

38.7 **EFFECTIVE DATE.** This section is effective for advance payment elections after  
38.8 December 31, 2024, for credits applied to property taxes payable in 2026 and thereafter.

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

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

38.13 Subd. 2. **Election for senior claimants to receive advance payments.** At the time of  
38.14 filing a claim for the homestead credit refund, an eligible senior claimant may elect to  
38.15 receive an advance credit of the claimant's homestead credit refund for property taxes payable  
38.16 in the following year by applying for the advance homestead credit for seniors under section  
38.17 273.1389. The application must be made in the form and manner specified by the  
38.18 commissioner, but the claimant must attest that they intend to continue to occupy the same  
38.19 homestead in the following year.

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

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

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

38.30 **EFFECTIVE DATE.** This section is effective for advance payment elections after  
38.31 December 31, 2024, for credits applied to property taxes payable in 2026 and thereafter.

39.1 Sec. 18. Minnesota Statutes 2022, section 469.1812, is amended by adding a subdivision  
39.2 to read:

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

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

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

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

39.14 Sec. 19. Minnesota Statutes 2022, section 469.1813, subdivision 1, is amended to read:

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

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

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

39.24 (i) increase or preserve tax base;

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

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

39.27 (iv) help redevelop or renew blighted areas;

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

39.29 (vi) finance or provide public infrastructure;

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

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

40.7 (ix) provide for the development of affordable housing to households at or below 80  
 40.8 percent of area median income; or

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

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

40.11 Sec. 20. Minnesota Statutes 2022, section 469.1813, subdivision 6, is amended to read:

40.12 Subd. 6. **Duration limit.** (a) A political subdivision may grant an abatement for a period  
 40.13 no longer than 15 years, except as provided under ~~paragraph~~ paragraphs (b) and (c). The  
 40.14 abatement period commences in the first year in which the abatement granted is either paid  
 40.15 or retained in accordance with section 469.1815, subdivision 2. The subdivision may specify  
 40.16 in the abatement resolution a shorter duration. If the resolution does not specify a period of  
 40.17 time, the abatement is for eight years. If an abatement has been granted to a parcel of property  
 40.18 and the period of the abatement has expired, the political subdivision that granted the  
 40.19 abatement may not grant another abatement for eight years after the expiration of the first  
 40.20 abatement. This prohibition does not apply to improvements added after and not subject to  
 40.21 the first abatement. Economic abatement agreements for real and personal property subject  
 40.22 to valuation under Minnesota Rules, chapter 8100, are not subject to this prohibition and  
 40.23 may be granted successively.

40.24 (b) A political subdivision proposing to abate taxes for a parcel may request, in writing,  
 40.25 that the other political subdivisions in which the parcel is located grant an abatement for  
 40.26 the property. If one of the other political subdivisions declines, in writing, to grant an  
 40.27 abatement or if 90 days pass after receipt of the request to grant an abatement without a  
 40.28 written response from one of the political subdivisions, the duration limit for an abatement  
 40.29 for the parcel by the requesting political subdivision and any other participating political  
 40.30 subdivision is increased to 20 years. If the political subdivision which declined to grant an  
 40.31 abatement later grants an abatement for the parcel, the 20-year duration limit is reduced by  
 40.32 one year for each year that the declining political subdivision grants an abatement for the

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

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

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

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

41.8 Sec. 21. Minnesota Statutes 2022, section 469.1813, is amended by adding a subdivision  
 41.9 to read:

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

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

41.18 Sec. 22. Minnesota Statutes 2023 Supplement, section 477A.30, subdivision 4, is amended  
 41.19 to read:

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

41.26 (1) targeting families with children who are eligible for a prekindergarten through grade  
 41.27 12 academic program and are:

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

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

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

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

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

42.4 (4) one or more of the following:

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

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

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

42.12 ~~(b)~~ (c) Counties may choose not to spend all or a portion of the distribution under this  
 42.13 section. Any unspent funds must be returned to the commissioner of revenue by December  
 42.14 31 of the year following the year that the aid was received. Any funds returned to the  
 42.15 commissioner under this paragraph must be added to the overall distribution of aids certified  
 42.16 under this section in the following year. Any unspent funds returned to the commissioner  
 42.17 after the expiration under subdivision 8 are canceled to the general fund.

42.18 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

42.19 Sec. 23. Minnesota Statutes 2023 Supplement, section 477A.30, subdivision 5, is amended  
 42.20 to read:

42.21 Subd. 5. **Payments.** The commissioner of revenue must compute the amount of local  
 42.22 homeless prevention aid payable to each county and Tribal government under this section.  
 42.23 On or before August 1 of each year, the commissioner shall certify the amount to be paid  
 42.24 to each county and Tribal government in the following year. The commissioner shall pay  
 42.25 local homeless prevention aid annually at the times provided in section 477A.015. For aids  
 42.26 payable in ~~2023~~ 2024 only, the commissioner must recalculate and recertify the aid under  
 42.27 this section by July 15, ~~2023~~ 2024.

42.28 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

43.1 Sec. 24. Minnesota Statutes 2023 Supplement, section 477A.30, subdivision 6, is amended  
43.2 to read:

43.3 Subd. 6. **Appropriation.** (a) For aid payable in 2024, \$22,000,000 is appropriated from  
43.4 the general fund to the commissioner of revenue to make payments to counties required  
43.5 under this section. For aid payable in 2025 and thereafter, \$17,600,000 is annually  
43.6 appropriated from the general fund to the commissioner of revenue to make payments to  
43.7 counties required under this section.

43.8 (b) For aid payable in 2024, \$3,000,000 is appropriated from the general fund to the  
43.9 commissioner of revenue to make payments to Tribal governments required under this  
43.10 section. For aid payable in 2025 and thereafter, \$2,400,000 is annually appropriated from  
43.11 the general fund to the commissioner of revenue to make payments to Tribal governments  
43.12 required under this section.

43.13 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2024.

43.14 Sec. 25. **2023 AID PENALTY FORGIVENESS; CITY OF STEWART.**

43.15 Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Stewart  
43.16 must receive its aid payment for calendar year 2023 under Minnesota Statutes, section  
43.17 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3,  
43.18 provided that the state auditor certifies to the commissioner of revenue that it received the  
43.19 annual financial reporting form for 2022 from the city by June 1, 2024. The commissioner  
43.20 of revenue must make a payment of \$87,501.50 to the city by June 30, 2024.

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

43.22 Sec. 26. **PROPERTY TAX EXEMPTION; RED LAKE NATION COLLEGE.**

43.23 (a) Notwithstanding Minnesota Statutes, section 272.02, subdivision 38, paragraph (b),  
43.24 and any other law to the contrary, property located in the city of Minneapolis acquired by  
43.25 Red Lake Nation in either August 2021 or September 2021 is exempt from property taxes  
43.26 payable in 2022 and the portion of property taxes payable in 2021 due after the property  
43.27 was acquired. The city assessor must provide the property owner with an application for  
43.28 exemption under this section and the property owner must file the application with the city  
43.29 assessor by August 1, 2024. An amount necessary to make a payment to the county for the  
43.30 property taxes attributable to the exemption is appropriated from the general fund to the  
43.31 commissioner of revenue in fiscal year 2024.

44.1 (b) By August 1, 2024, the auditor of the county in which the property is located must  
 44.2 certify to the commissioner of revenue the amount to be paid by the commissioner of revenue  
 44.3 to the county under paragraph (a). The commissioner of revenue must make this payment  
 44.4 by August 15, 2024. The county auditor must distribute the payment to the property owner  
 44.5 by August 31, 2024.

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

44.7 Sec. 27. **APPROPRIATION; ADMINISTRATION OF ADVANCE HOMESTEAD**  
 44.8 **CREDIT FOR SENIORS.**

44.9 \$158,000 in fiscal year 2025 is appropriated from the general fund to the commissioner  
 44.10 of revenue to administer the advance homestead credit for seniors in Minnesota Statutes,  
 44.11 sections 273.1389 and 290A.071. The base for this appropriation is \$118,000 in fiscal year  
 44.12 2026 and \$116,000 in fiscal year 2027.

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

44.14 Sec. 28. **REPEALER.**

44.15 Minnesota Statutes 2023 Supplement, section 477A.30, subdivision 8, is repealed.

### 44.16 **ARTICLE 3**

#### 44.17 **MINERALS TAXES**

44.18 Section 1. Minnesota Statutes 2022, section 123B.53, subdivision 1, is amended to read:

44.19 Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service  
 44.20 revenue of a district is defined as follows:

44.21 (1) the amount needed to produce between five and six percent in excess of the amount  
 44.22 needed to meet when due the principal and interest payments on the obligations of the district  
 44.23 for eligible projects according to subdivision 2, excluding the amounts listed in paragraph  
 44.24 (b), minus

44.25 (2) the amount of debt service excess levy reduction for that school year calculated  
 44.26 according to the procedure established by the commissioner.

44.27 (b) The obligations in this paragraph are excluded from eligible debt service revenue:

44.28 (1) obligations under section 123B.61;

44.29 (2) the part of debt service principal and interest paid from the taconite environmental  
 44.30 protection fund or Douglas J. Johnson economic protection trust, excluding the portion of

45.1 taconite payments from the Iron Range school consolidation and cooperatively operated  
 45.2 school and community development account under section 298.28, subdivision 7a;

45.3 (3) obligations for long-term facilities maintenance under section 123B.595;

45.4 (4) obligations under section 123B.62; and

45.5 (5) obligations equalized under section 123B.535.

45.6 (c) For purposes of this section, if a preexisting school district reorganized under sections  
 45.7 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement of the  
 45.8 preexisting district's bonded indebtedness or capital loans, debt service equalization aid  
 45.9 must be computed separately for each of the preexisting districts.

45.10 (d) For purposes of this section, the adjusted net tax capacity determined according to  
 45.11 sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property  
 45.12 generally exempted from ad valorem taxes under section 272.02, subdivision 64.

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

45.14 Sec. 2. Minnesota Statutes 2022, section 273.135, subdivision 2, is amended to read:

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

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

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

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

45.27 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
 45.28 in 2025.

46.1 Sec. 3. Minnesota Statutes 2022, section 275.065, is amended by adding a subdivision to  
46.2 read:

46.3 Subd. 3c. **Notice of proposed taxes; property subject to chapter 276A.** In the case of  
46.4 property subject to the areawide tax under section 276A.06, subdivision 7, for both the  
46.5 current year taxes and the proposed tax amounts, the net tax capacity portion of the taxes  
46.6 shown for each taxing jurisdiction must be based on the property's total net tax capacity  
46.7 multiplied by the jurisdiction's actual or proposed net tax capacity tax rate. In addition to  
46.8 the tax amounts shown for each jurisdiction, the statement must include a line showing the  
46.9 "fiscal disparities adjustment" equal to the total gross tax payable minus the sum of the tax  
46.10 amounts shown for the individual taxing jurisdictions. The fiscal disparities adjustment may  
46.11 be a negative number. If the fiscal disparities adjustment for either the current year taxes  
46.12 or the proposed tax amount is a negative number, the percentage change must not be shown.  
46.13 In all other respects the statement must fulfill the requirements of subdivision 3.

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

46.16 Sec. 4. Minnesota Statutes 2022, section 276.04, is amended by adding a subdivision to  
46.17 read:

46.18 Subd. 2a. **Contents of tax statements; property subject to chapter 276A.** In the case  
46.19 of property subject to the areawide tax under section 276A.06, subdivision 7, for both the  
46.20 current year taxes and the previous year tax amounts, the net tax capacity portion of the tax  
46.21 shown for each taxing jurisdiction must be based on the property's total net tax capacity  
46.22 multiplied by the jurisdiction's net tax capacity tax rate. In addition to the tax amounts shown  
46.23 for each jurisdiction, the statement must include a line showing the "fiscal disparities  
46.24 adjustment" equal to the total gross tax payable minus the sum of the tax amounts shown  
46.25 for the individual taxing jurisdictions for each year. The fiscal disparities adjustment may  
46.26 be a negative number. In all other respects the statement must fulfill the requirements of  
46.27 subdivision 2.

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

46.30 Sec. 5. Minnesota Statutes 2022, section 276A.01, subdivision 17, is amended to read:

46.31 Subd. 17. **School fund allocation.** (a) "School fund allocation" means an amount up to  
46.32 25 percent of the areawide levy certified by the commissioner of Iron Range resources and  
46.33 rehabilitation, after consultation with the Iron Range Resources and Rehabilitation Board,

47.1 to be used for the purposes of the Iron Range school ~~consolidation and cooperatively operated~~  
 47.2 ~~school~~ and community development account under section 298.28, subdivision 7a.

47.3 (b) The allocation under paragraph (a) shall only be made after the commissioner of  
 47.4 Iron Range resources and rehabilitation, after consultation with the Iron Range Resources  
 47.5 and Rehabilitation Board, has certified by June 30 that the Iron Range school ~~consolidation~~  
 47.6 ~~and cooperatively operated~~ and community development account has insufficient funds to  
 47.7 make payments as authorized under section 298.28, subdivision 7a.

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

47.9 Sec. 6. Minnesota Statutes 2022, section 276A.06, subdivision 8, is amended to read:

47.10 Subd. 8. **Certification of values; payment.** The administrative auditor shall determine  
 47.11 for each county the difference between the total levy on distribution value pursuant to  
 47.12 subdivision 3, clause (1), including the school fund allocation within the county and the  
 47.13 total tax on contribution value pursuant to subdivision 7, within the county. On or before  
 47.14 May 16 of each year, the administrative auditor shall certify the differences so determined  
 47.15 and the county's portion of the school fund allocation to each county auditor. In addition,  
 47.16 the administrative auditor shall certify to those county auditors for whose county the total  
 47.17 tax on contribution value exceeds the total levy on distribution value the settlement the  
 47.18 county is to make to the other counties of the excess of the total tax on contribution value  
 47.19 over the total levy on distribution value in the county. On or before June 15 and November  
 47.20 15 of each year, each county treasurer in a county having a total tax on contribution value  
 47.21 in excess of the total levy on distribution value shall pay one-half of the excess to the other  
 47.22 counties in accordance with the administrative auditor's certification. On or before June 15  
 47.23 and November 15 of each year, each county treasurer shall pay to the administrative auditor  
 47.24 that county's share of the school fund allocation. On or before December 1 of each year,  
 47.25 the administrative auditor shall pay the school fund allocation to the commissioner of Iron  
 47.26 Range resources and rehabilitation for deposit in the Iron Range school ~~consolidation and~~  
 47.27 ~~cooperatively operated~~ and community development account.

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

47.29 Sec. 7. Minnesota Statutes 2023 Supplement, section 298.018, subdivision 1, is amended  
 47.30 to read:

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

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

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

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

48.16 (4) 20 percent to a group of school districts comprised of those school districts wherein  
48.17 the mineral or energy resource was mined or extracted or in which there is a qualifying  
48.18 municipality as defined by section 273.134, paragraph (b), in direct proportion to school  
48.19 district indexes as follows: for each school district, its pupil units determined under section  
48.20 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted  
48.21 net tax capacity per pupil unit for school districts receiving aid under this clause as calculated  
48.22 pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution  
48.23 to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that  
48.24 portion of the distribution which its index bears to the sum of the indices for all school  
48.25 districts that receive the distributions;

48.26 (5) ten percent to the county within which the minerals or energy resources are mined  
48.27 or extracted, or within which the concentrate was produced. If the mining and concentration,  
48.28 or different steps in either process, are carried on in more than one county, distribution  
48.29 among the counties must be based on the apportionment formula prescribed in clause (1),  
48.30 provided that any county receiving distributions under this clause shall pay one percent of  
48.31 its proceeds to the Range Association of Municipalities and Schools;

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

49.1 (7) 20 percent to the commissioner of Iron Range resources and rehabilitation for the  
49.2 purposes of section 298.22;

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

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

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

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

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

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

49.22 Sec. 8. Minnesota Statutes 2022, section 298.17, is amended to read:

49.23 **298.17 OCCUPATION TAXES TO BE APPORTIONED.**

49.24 (a) All occupation taxes paid by persons, copartnerships, companies, joint stock  
49.25 companies, corporations, and associations, however or for whatever purpose organized,  
49.26 engaged in the business of mining or producing iron ore or other ores, when collected shall  
49.27 be apportioned and distributed in accordance with the Constitution of the state of Minnesota,  
49.28 article X, section 3, in the manner following: 90 percent shall be deposited in the state  
49.29 treasury and credited to the general fund of which four-ninths shall be used for the support  
49.30 of elementary and secondary schools; and ten percent of the proceeds of the tax imposed  
49.31 by this section shall be deposited in the state treasury and credited to the general fund for  
49.32 the general support of the university.

50.1 (b) Of the money apportioned to the general fund by this section: (1) there is annually  
50.2 appropriated and credited to the mining environmental and regulatory account in the special  
50.3 revenue fund an amount equal to that which would have been generated by a 2-1/2 cent tax  
50.4 imposed by section 298.24 on each taxable ton produced in the preceding calendar year.  
50.5 Money in the mining environmental and regulatory account is appropriated annually to the  
50.6 commissioner of natural resources to fund agency staff to work on environmental issues  
50.7 and provide regulatory services for ferrous and nonferrous mining operations in this state.  
50.8 Payment to the mining environmental and regulatory account shall be made by July 1  
50.9 annually. The commissioner of natural resources shall execute an interagency agreement  
50.10 with the Pollution Control Agency to assist with the provision of environmental regulatory  
50.11 services such as monitoring and permitting required for ferrous and nonferrous mining  
50.12 operations; (2) there is annually appropriated and credited to the Iron Range resources and  
50.13 rehabilitation account in the special revenue fund an amount equal to that which would have  
50.14 been generated by a 1.5 cent tax imposed by section 298.24 on each taxable ton produced  
50.15 in the preceding calendar year, to be expended for the purposes of section 298.22; and (3)  
50.16 there is annually appropriated and credited to the Iron Range resources and rehabilitation  
50.17 account in the special revenue fund for transfer to the Iron Range school consolidation and  
50.18 ~~cooperatively operated school~~ and community development account under section 298.28,  
50.19 subdivision 7a, an amount equal to that which would have been generated by a six cent tax  
50.20 imposed by section 298.24 on each taxable ton produced in the preceding calendar year.  
50.21 Payment to the Iron Range resources and rehabilitation account shall be made by May 15  
50.22 annually.

50.23 (c) The money appropriated pursuant to paragraph (b), clause (2), shall be used (i) to  
50.24 provide environmental development grants to local governments located within any county  
50.25 in region 3 as defined in governor's executive order number 60, issued on June 12, 1970,  
50.26 which does not contain a municipality qualifying pursuant to section 273.134, paragraph  
50.27 (b), or (ii) to provide economic development loans or grants to businesses located within  
50.28 any such county, provided that the county board or an advisory group appointed by the  
50.29 county board to provide recommendations on economic development shall make  
50.30 recommendations to the commissioner of Iron Range resources and rehabilitation regarding  
50.31 the loans. Payment to the Iron Range resources and rehabilitation account shall be made by  
50.32 May 15 annually.

50.33 (d) Of the money allocated to Koochiching County, one-third must be paid to the  
50.34 Koochiching County Economic Development Commission.

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

51.1 Sec. 9. Minnesota Statutes 2023 Supplement, section 298.28, subdivision 7a, is amended  
51.2 to read:

51.3 Subd. 7a. **Iron Range school consolidation and cooperatively operated school and**  
51.4 **community development account.** (a) The following amounts must be allocated to the  
51.5 commissioner of Iron Range resources and rehabilitation to be deposited in the Iron Range  
51.6 school ~~consolidation and cooperatively operated school~~ and community development account  
51.7 that is hereby created:

51.8 (1) for distributions beginning in 2015, ten cents per taxable ton of the tax imposed under  
51.9 section 298.24;

51.10 (2) the amount as determined under section 298.17, paragraph (b), clause (3); and

51.11 (3) any other amount as provided by law.

51.12 (b) Expenditures from this account may be approved as ongoing annual expenditures  
51.13 and shall be made only to provide disbursements to assist school districts with the payment  
51.14 of bonds that were issued for qualified school projects, or for any other school disbursement  
51.15 as approved by the commissioner of Iron Range resources and rehabilitation after consultation  
51.16 with the Iron Range Resources and Rehabilitation Board. For purposes of this section,  
51.17 "qualified school projects" means school projects within the taconite assistance area as  
51.18 defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006;  
51.19 and (2) approved by the commissioner of education pursuant to section 123B.71.

51.20 (c) Beginning in fiscal year 2019, the disbursement to school districts for payments for  
51.21 bonds issued under section 123A.482, subdivision 9, must be increased each year to offset  
51.22 any reduction in debt service equalization aid that the school district qualifies for in that  
51.23 year, under section 123B.53, subdivision 6, compared with the amount the school district  
51.24 qualified for in fiscal year 2018.

51.25 (d) No expenditure under this section shall be made unless approved by the commissioner  
51.26 of Iron Range resources and rehabilitation after consultation with the Iron Range Resources  
51.27 and Rehabilitation Board.

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

51.29 Sec. 10. Minnesota Statutes 2022, section 298.28, subdivision 8, is amended to read:

51.30 Subd. 8. **Range Association of Municipalities and Schools.** ~~.30~~ 0.50 cent per taxable  
51.31 ton shall be paid to the Range Association of Municipalities and Schools, for the purpose  
51.32 of providing an areawide approach to problems which demand coordinated and cooperative

52.1 actions and which are common to those areas of northeast Minnesota affected by operations  
 52.2 involved in mining iron ore and taconite and producing concentrate therefrom, and for the  
 52.3 purpose of promoting the general welfare and economic development of the cities, towns,  
 52.4 and school districts within the Iron Range area of northeast Minnesota.

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

52.6 Sec. 11. Minnesota Statutes 2023 Supplement, section 298.28, subdivision 16, is amended  
 52.7 to read:

52.8 Subd. 16. **Transfer.** Of the amount annually distributed to the Douglas J. Johnson  
 52.9 Economic Protection Trust Fund under this section, ~~\$3,500,000~~ the following amounts shall  
 52.10 be transferred to the Iron Range school ~~consolidation and cooperatively operated school~~  
 52.11 and community development account under subdivision 7a. For distributions in 2024,  
 52.12 \$6,250,000 must be transferred. For distributions in 2025 through 2029, \$6,500,000 must  
 52.13 be transferred. For distributions in 2030 through 2034, \$5,500,000 must be transferred. For  
 52.14 distributions in 2035 and 2036, \$5,000,000 must be transferred. For distributions in 2037  
 52.15 and thereafter, \$3,500,000 must be transferred. Any remaining amount of the amount  
 52.16 annually distributed to the Douglas J. Johnson Economic Protection Trust Fund shall be  
 52.17 transferred to the Iron Range resources and rehabilitation account under subdivision 7. The  
 52.18 transfers under this subdivision must be made within ten days of the August payment.

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

52.20 Sec. 12. Minnesota Statutes 2022, section 298.282, subdivision 1, is amended to read:

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

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

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

53.2 Sec. 13. Minnesota Statutes 2022, section 298.292, subdivision 2, is amended to read:

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

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

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

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

53.18 (4) to invest in a venture capital fund or enterprise that will provide capital to other  
53.19 entities that are engaging in, or that will engage in, projects or programs that have the  
53.20 purposes set forth in subdivision 1. No investments may be made in a venture capital fund  
53.21 or enterprise unless at least two other unrelated investors make investments of at least  
53.22 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J.  
53.23 Johnson economic protection trust fund may not exceed the amount of the largest investment  
53.24 by an unrelated investor in the venture capital fund or enterprise. For purposes of this  
53.25 subdivision, an "unrelated investor" is a person or entity that is not related to the entity in  
53.26 which the investment is made or to any individual who owns more than 40 percent of the  
53.27 value of the entity, in any of the following relationships: spouse, parent, child, sibling,  
53.28 employee, or owner of an interest in the entity that exceeds ten percent of the value of all  
53.29 interests in it. For purposes of determining the limitations under this clause, the amount of  
53.30 investments made by an investor other than the Douglas J. Johnson economic protection  
53.31 trust fund is the sum of all investments made in the venture capital fund or enterprise during  
53.32 the period beginning one year before the date of the investment by the Douglas J. Johnson  
53.33 economic protection trust fund; and

54.1 (5) to purchase forest land in the taconite assistance area defined in section 273.1341 to  
 54.2 be held and managed as a public trust for the benefit of the area for the purposes authorized  
 54.3 in section 298.22, subdivision 5a. Property purchased under this section may be sold by the  
 54.4 commissioner, after consultation with the advisory board. The net proceeds must be deposited  
 54.5 in the trust fund for the purposes and uses of this section.

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

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

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

54.11 Sec. 14. **IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER;**  
 54.12 **BONDS AUTHORIZED IN 2024.**

54.13 **Subdivision 1. Issuance; purpose.** (a) Notwithstanding any provision of Minnesota  
 54.14 Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and  
 54.15 rehabilitation shall, by March 31, 2025, issue revenue bonds in a principal amount of up to  
 54.16 \$49,000,000 plus an amount sufficient to pay costs of issuance in one or more series, and  
 54.17 thereafter may issue bonds to refund those bonds. The proceeds of the bonds must be used  
 54.18 to pay the costs of issuance and to make distributions pursuant this section. The commissioner  
 54.19 of Iron Range resources and rehabilitation must distribute these transferred funds as outlined  
 54.20 in this section. In order to receive a distribution, a recipient must submit to the commissioner  
 54.21 a plan of how the distribution will be spent and the commissioner must ensure that the plan  
 54.22 matches the intended use outlined in this section. The plan must be submitted in a form and  
 54.23 manner determined by the commissioner. The uses listed are not subject to review or  
 54.24 recommendation by the Iron Range Resources and Rehabilitation Board. By December 31,  
 54.25 2025, each recipient must report to the commissioner how the distribution received under  
 54.26 this section was spent. If a recipient's plan is submitted and approved, the commissioner  
 54.27 must distribute the funds for the uses outlined in subdivision 3. The bonds issued under this  
 54.28 section do not constitute public debt as that term is defined in article XI, section 4, of the  
 54.29 Minnesota Constitution, and as such are not subject to its provisions.

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

55.1 Subd. 2. Appropriation. (a) Notwithstanding any restrictions on expenditures from the  
55.2 account, there is annually appropriated from the distribution of the taconite production tax  
55.3 revenues under Minnesota Statutes, section 298.28, subdivision 7a, an amount sufficient to  
55.4 pay when due the principal and interest on the bonds issued pursuant to subdivision 1.  
55.5 Payments must be made from the account annually after the distribution of the production  
55.6 tax revenues has been made.

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

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

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

55.14 (1) \$160,000 to the Grand Portage Band of Lake Superior Chippewa to construct a  
55.15 playground;

55.16 (2) \$3,600,000 to the Mesabi Fit Coalition for the renovation, reconstruction, and  
55.17 expansion of the former Mesabi Family YMCA in the city of Mountain Iron;

55.18 (3) \$950,000 to the Buyck Volunteer Fire Department for design, engineering, and  
55.19 construction of a new fire and training hall and related equipment;

55.20 (4) \$750,000 to the Voyageur Trail Society for a joint maintenance facility with Voyageur  
55.21 Country ATV in the city of Orr;

55.22 (5) \$2,250,000 to Cook County, of which \$250,000 must be spent to preserve affordable  
55.23 housing units for seniors in the city of Grand Marais and \$2,000,000 must be used to  
55.24 construct, furnish, and equip a solid waste transfer station in the county;

55.25 (6) \$1,000,000 to the Northland Learning Center for construction costs;

55.26 (7) \$2,720,000 to the city of Chisholm, of which \$520,000 must be used for the renovation  
55.27 of the Chisholm Ice Arena facility and parking and the remaining amount must be used for  
55.28 the public works facility;

55.29 (8) \$1,000,000 to the city of Gilbert for the Gilbert Community Center;

55.30 (9) \$360,000 to the city of Biwabik for housing and infrastructure;

55.31 (10) \$3,000,000 to the city of Tower for water management infrastructure projects;

56.1 (11) \$3,000,000 to the city of Silver Bay to design, engineer, construct, and reconstruct  
56.2 publicly owned infrastructure including sewers, water systems, utility extensions, street  
56.3 construction, wastewater treatment, stormwater management systems, sidewalks, and  
56.4 compliance with the Americans with Disabilities Act;

56.5 (12) \$2,100,000 to St. Louis County for the development of the Canyon Integrated Solid  
56.6 Waste Management Campus;

56.7 (13) \$3,640,000 to the city of Eveleth to design, engineer, and construct public utilities  
56.8 in its business park and construction of the Hat Trick Avenue slip ramp;

56.9 (14) \$700,000 to the city of Meadowlands for costs related to park improvements and  
56.10 a community center;

56.11 (15) \$600,000 to School District No. 2142, St. Louis County, of which \$400,000 must  
56.12 be used for septic system upgrades at South Ridge School and \$200,000 must be used for  
56.13 cafeteria renovations at Northeast Range School in Babbitt and Tower Elementary School  
56.14 in Tower;

56.15 (16) \$250,000 to the city of Two Harbors for band stand repairs and Odegard Park and  
56.16 Trail restoration;

56.17 (17) \$850,000 to the Central Iron Range Sanitary Sewer District for infrastructure  
56.18 projects;

56.19 (18) \$5,070,000 to the Minnesota Discovery Center to design, construct, renovate,  
56.20 furnish, and repair facilities, including HVAC upgrades, demolition, and compliance with  
56.21 the Americans with Disabilities Act, at the Minnesota Discovery Center in the city of  
56.22 Chisholm, and for historical research funding;

56.23 (19) \$5,200,000 to the commissioner of Iron Range resources and rehabilitation for the  
56.24 design, engineering, and upgrades or replacement of chair lifts and for the design,  
56.25 engineering, demolition, and construction of a nordic and welcome center at the Giants  
56.26 Ridge Recreation Area;

56.27 (20) \$250,000 to Independent School District No. 696, Ely, for baseball field renovation;

56.28 (21) \$500,000 to the city of Mountain Iron for the Outdoor Recreation Center;

56.29 (22) \$200,000 to Cook County Higher Education Board for costs to bring commercial  
56.30 drivers' licenses and trades training to the region along with educational training and academic  
56.31 support to remote populations;

56.32 (23) \$200,000 to Save Our Ship, Inc., for construction costs at Knife River;

- 57.1 (24) \$3,000,000 to Hibbing Public Utilities for water infrastructure projects;
- 57.2 (25) \$400,000 to Veterans On The Lake for demolition of existing structures and the  
57.3 building of a triplex that is compliant with the Americans with Disabilities Act;
- 57.4 (26) \$350,000 to the city of Eveleth for the Hippodrome renovation;
- 57.5 (27) \$500,000 to the Great Expectations School Foundation in Cook County for school  
57.6 facilities construction;
- 57.7 (28) \$225,000 to the Minnesota Forest Zone Trappers Association to plan, engineer,  
57.8 purchase land, and develop the Sportsperson Training and Development Center;
- 57.9 (29) \$200,000 to the Sturgeon Chain Lake Association to update the engineering and  
57.10 hydrology study of the lakes, for regulatory and community outreach, and for preparing  
57.11 recommendations to the commissioner of natural resources related to bank stabilization and  
57.12 maintenance;
- 57.13 (30) \$300,000 to the Northern Lights Music Festival to support programs, of this amount  
57.14 \$100,000 is available each year in calendar years 2025, 2026, and 2027;
- 57.15 (31) \$250,000 to Cherry Township for recreational facilities upgrades and lights;
- 57.16 (32) \$350,000 to the East Range Developmental Achievement Center for building  
57.17 renovations;
- 57.18 (33) \$500,000 to the Northland Foundation for grants or loans to (i) businesses or resorts  
57.19 that were economically damaged by floods that occurred in 2022 or 2023 and which are  
57.20 eligible under article 5 of the Canadian border counties economic relief program, or (ii)  
57.21 outfitters in the border region who experienced either more than a 50 percent reduction in  
57.22 Boundary Waters Canoe Area Wilderness permits obtained by their customers between  
57.23 2019 and 2021, or a 50 percent reduction between 2019 and 2021 in trips across the fee-based  
57.24 mechanical portages into the Boundary Waters Canoe Area Wilderness or Quetico Provincial  
57.25 Park. Businesses may be awarded a maximum grant under this clause of up to \$50,000,  
57.26 must be located within the taconite assistance area, as defined under Minnesota Statutes,  
57.27 section 273.1341, and must not have received a grant under the Canadian border counties  
57.28 economic relief program. The Northland Foundation may retain up to four percent of the  
57.29 amount under this clause for administration;
- 57.30 (34) \$3,300,000 to the city of Virginia for a grant to be used for: (i) modernization,  
57.31 renovation, and expansion of the Virginia Hospital emergency room complex to 12  
57.32 emergency rooms; (ii) construction of an emergency behavior health suite for adults and

58.1 children; and (iii) security and safety upgrades. The grant must be transferred by the city  
58.2 within 30 days of receipt;

58.3 (35) \$100,000 to Crystal Bay Township for a septic project at the Clair Nelson  
58.4 Community Center;

58.5 (36) \$25,000 to the Northwoods Friends of the Arts in the city of Cook for facility  
58.6 upgrades and programs;

58.7 (37) \$50,000 to the Bois Forte Band of Chippewa for food shelf expenses;

58.8 (38) \$100,000 to the Lake Vermilion Cultural Center to improve and renovate the facility  
58.9 and its displays in Tower;

58.10 (39) \$50,000 to the Lyric Center for the Arts in Virginia for repairs and renovation;

58.11 (40) \$50,000 to the Pioneer Mine historical site for maintenance and displays in Ely;

58.12 (41) \$150,000 to the Lake Superior School District to support an emergency preparedness  
58.13 career introduction program;

58.14 (42) \$50,000 to the Essentia Health Virginia Regional Foundation for the development  
58.15 of a substance use disorder community education and awareness program;

58.16 (43) \$200,000 to the city of Babbitt for ADA compliance and renovations to the city's  
58.17 parks; and

58.18 (44) \$500,000 for grants of \$25,000 distributed pursuant to paragraph (b).

58.19 (b) Of the amount under paragraph (a), clause (44), grants of \$25,000 to be used for trail  
58.20 grooming costs or equipment must be made available to the following entities:

58.21 (1) Alborn Dirt Devils ATV Club;

58.22 (2) Wild Country ATV Club;

58.23 (3) Ely Igloo Snowmobile Club;

58.24 (4) CC Riders Snowmobile Club;

58.25 (5) PathBlazers Snowmobile Club;

58.26 (6) Cook Timberwolves Snowmobile Club;

58.27 (7) Crane Lake Voyageurs Club;

58.28 (8) Pequaywan Area Trail Blazers Snowmobile Club;

58.29 (9) Eveleth Trail Hawks Snowmobile Club;

- 59.1 (10) Ranger Snowmobile/ATV Club;
- 59.2 (11) Silver Trail Riders Snowmobile and ATV Club;
- 59.3 (12) Voyageur Snowmobile Club;
- 59.4 (13) Mesabi Sno Voyageurs;
- 59.5 (14) Quad Cities ATV Club;
- 59.6 (15) Prospector ATV Club;
- 59.7 (16) Northern Traxx ATV Club;
- 59.8 (17) Finland Snowmobile and ATV Club;
- 59.9 (18) Babbitt ATV and Snowmobile Club;
- 59.10 (19) Cook County ATV Club; and
- 59.11 (20) Vermilion Penguins Snowmobile Club.

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

59.13 applies beginning with the 2024 distribution under Minnesota Statutes, section 298.28.

59.14 **Sec. 15. IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER;**

59.15 **BONDS AUTHORIZED IN 2025.**

59.16 Subdivision 1. **Issuance; purpose.** (a) Notwithstanding any provision of Minnesota

59.17 Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and

59.18 rehabilitation shall, in 2025, issue revenue bonds in a principal amount of up to \$31,000,000

59.19 plus an amount sufficient to pay costs of issuance in one or more series, and thereafter may

59.20 issue bonds to refund those bonds. The proceeds of the bonds must be used to pay the costs

59.21 of issuance and to make distributions pursuant to this section. The commissioner of Iron

59.22 Range resources and rehabilitation must distribute these transferred funds as outlined in

59.23 this section. In order to receive a distribution, a recipient must submit to the commissioner

59.24 a plan of how the distribution will be spent and the commissioner must ensure that the plan

59.25 matches the intended use outlined in this section. The plan must be submitted in a form and

59.26 manner determined by the commissioner. The uses listed are not subject to review or

59.27 recommendation by the Iron Range Resources and Rehabilitation Board. By December 31,

59.28 2026, each recipient must report to the commissioner how the distribution received under

59.29 this section was spent. If a recipient's plan is submitted and approved, the commissioner

59.30 must distribute the funds for the uses outlined in subdivision 3. The bonds issued under this

60.1 section do not constitute public debt as that term is defined in article XI, section 4, of the  
60.2 Minnesota Constitution, and as such are not subject to its provisions.

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

60.6 Subd. 2. **Appropriation.** (a) Notwithstanding any restrictions on expenditures from the  
60.7 account, there is annually appropriated from the distribution of the taconite production tax  
60.8 revenues under Minnesota Statutes, section 298.28, subdivision 7a, an amount sufficient to  
60.9 pay when due the principal and interest on the bonds issued pursuant to subdivision 1.  
60.10 Payments must be made from the account annually after the distribution of the production  
60.11 tax revenues has been made.

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

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

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

60.19 (1) \$5,000,000 to the Minnesota Discovery Center to design, construct, renovate, furnish,  
60.20 and repair facilities, including HVAC upgrades, demolition, and compliance with the  
60.21 Americans with Disabilities Act, at the Minnesota Discovery Center in the city of Chisholm,  
60.22 and for historical research funding;

60.23 (2) \$7,800,000 to the commissioner of Iron Range resources and rehabilitation for the  
60.24 design, engineering, and upgrades or replacement of chair lifts and for the design,  
60.25 engineering, demolition, and construction of a nordic and welcome center at the Giants  
60.26 Ridge Recreation Area;

60.27 (3) \$350,000 to the Central Iron Range Sanitary Sewer District for infrastructure projects;

60.28 (4) \$1,500,000 to the city of Babbitt for renovations to the ice arena;

60.29 (5) \$1,200,000 to Independent School District No. 2909, Rock Ridge, for demolition of  
60.30 the James Madison Elementary School in Virginia;

60.31 (6) \$500,000 to the city of Buhl for infrastructure projects;

61.1 (7) \$500,000 to St. Louis and Lake Counties Regional Railroad Authority to design,  
 61.2 engineer, acquire right-of-way, and construct the Mesabi Trail Spur from Aurora to Hoyt  
 61.3 Lakes;

61.4 (8) \$2,000,000 to the city of Mountain Iron for infrastructure projects including but not  
 61.5 limited to Enterprise Drive North East infrastructure development, water main and other  
 61.6 infrastructure in the city, waste water plant improvements to comply with new permits,  
 61.7 supervisory control and data acquisition on lift stations, and recreation projects;

61.8 (9) \$3,000,000 to the city of Silver Bay to design, engineer, construct, and reconstruct  
 61.9 publicly owned infrastructure including sewers, water systems, utility extensions, street  
 61.10 construction, wastewater treatment, stormwater management systems, sidewalks, and  
 61.11 compliance with the Americans with Disabilities Act;

61.12 (10) \$5,000,000 to Independent School District No. 696, Ely, for planning, design,  
 61.13 engineering, demolition, and construction related to the district's athletic complex;

61.14 (11) \$1,080,000 to the Northland Learning Center to construct the Alternative Learning  
 61.15 Center on the campus in the city of Mountain Iron;

61.16 (12) \$1,000,000 for the city of Biwabik for a public safety facility;

61.17 (13) \$1,570,000 to Hibbing Public Utilities for water infrastructure projects; and

61.18 (14) \$500,000 to St. Louis County for the demolition of the public school in Hoyt Lakes.

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

61.21 **Sec. 16. TRANSFER 2024 DISTRIBUTION ONLY; TACONITE ECONOMIC**  
 61.22 **DEVELOPMENT FUND.**

61.23 Of the funds distributed to the taconite economic development fund under Minnesota  
 61.24 Statutes, section 298.28, subdivision 9a, for the 2024 distribution only, an amount equal to  
 61.25 \$300,000 shall be transferred from the taconite economic development fund to the city of  
 61.26 Chisholm for the Senator David Tomassoni Bridge of Peace. The transfer must be made  
 61.27 within ten days of the August 2024 payment. If less than \$300,000 is distributed to the  
 61.28 taconite economic development fund in 2024, distributions to the fund in future years must  
 61.29 be transferred to the city of Chisholm, pursuant to this paragraph, until the total amount  
 61.30 transferred equals \$300,000.

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

62.1 **ARTICLE 4**  
62.2 **SALES AND USE TAXES, GROSS RECEIPTS TAXES, AND EXCISE TAXES**

62.3 Section 1. Minnesota Statutes 2022, section 295.53, subdivision 4a, is amended to read:

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

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

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

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

62.18 (3) qualifying research must:

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

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

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

62.26 (D) be subject to review and supervision by an institutional review board operating in  
62.27 conformity with federal regulations if the research involves human subjects or an institutional  
62.28 animal care and use committee operating in conformity with federal regulations if the  
62.29 research involves animal subjects. Research expenses are not exempt if the study is a routine  
62.30 evaluation of health care methods or products used in a particular setting conducted for the  
62.31 purpose of making a management decision. Costs of clinical research activities paid directly  
62.32 for the benefit of an individual patient are excluded from this exemption. Basic research in

63.1 fields including biochemistry, molecular biology, and physiology are also included if such  
63.2 programs are subject to a peer review process.

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

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

63.9 ~~(e) Beginning September 1, 2001, if the actual or estimated amount paid under this~~  
63.10 ~~section for the calendar year exceeds \$2,500,000, the commissioner of management and~~  
63.11 ~~budget shall determine the rate of the research credit for the following calendar year to the~~  
63.12 ~~nearest one-half percent so that refunds paid under this section will most closely equal~~  
63.13 ~~\$2,500,000. The commissioner of management and budget shall publish in the State Register~~  
63.14 ~~by October 1 of each year the rate of the credit for the following calendar year. A~~  
63.15 ~~determination under this section is not subject to the rulemaking provisions of chapter 14.~~

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

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

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

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

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

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

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

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

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

64.4 Subd. 2. **Tax imposed.** A tax equal to 6.875 percent of gross receipts from making  
64.5 available any amusement device for play is imposed on the owners of each device operated  
64.6 in Minnesota. The tax imposed by this section is in lieu of the taxes imposed by chapter  
64.7 297A.

64.8 Subd. 3. **Administration.** Unless specifically provided otherwise, the audit, assessment,  
64.9 refund, penalty, interest, enforcement, collection remedies, appeal, and administrative  
64.10 provisions of chapters 270C and 289A that are applicable to taxes imposed under chapter  
64.11 297A apply to the tax imposed under this section.

64.12 Subd. 4. **Returns; payment of tax.** (a) An owner of an amusement device must report  
64.13 the tax on a return prescribed by the commissioner and must remit the tax in a form and  
64.14 manner prescribed by the commissioner. The return and the tax must be filed and paid using  
64.15 the filing cycle and due dates provided for taxes imposed under section 289A.20, subdivision  
64.16 4, and chapter 297A.

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

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

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

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

64.27 Subd. 6. **Personal debt.** The tax imposed by this section, and interest and penalties  
64.28 imposed with respect to the tax, are a personal debt of the person required to file a return  
64.29 from the time that the liability for the tax arises, irrespective of when the time for payment  
64.30 of the liability occurs. The debt must, in the case of the executor or administrator of the  
64.31 estate of a decedent and in the case of a fiduciary, be that of the person in the person's official  
64.32 or fiduciary capacity only, unless the person has voluntarily distributed the assets held in

65.1 that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in  
65.2 which event the person is personally liable for any deficiency.

65.3 **EFFECTIVE DATE.** This section is effective October 1, 2024.

65.4 Sec. 3. Minnesota Statutes 2023 Supplement, section 297A.61, subdivision 3, is amended  
65.5 to read:

65.6 Subd. 3. **Sale and purchase.** (a) "Sale" and "purchase" include, but are not limited to,  
65.7 each of the transactions listed in this subdivision. In applying the provisions of this chapter,  
65.8 the terms "tangible personal property" and "retail sale" include the taxable services listed  
65.9 in paragraph (g), clause (6), items (i) to (vi) and (viii), and the provision of these taxable  
65.10 services, unless specifically provided otherwise. Services performed by an employee for  
65.11 an employer are not taxable. Services performed by a partnership or association for another  
65.12 partnership or association are not taxable if one of the entities owns or controls more than  
65.13 80 percent of the voting power of the equity interest in the other entity. Services performed  
65.14 between members of an affiliated group of corporations are not taxable. For purposes of  
65.15 the preceding sentence, "affiliated group of corporations" means those entities that would  
65.16 be classified as members of an affiliated group as defined under United States Code, title  
65.17 26, section 1504, disregarding the exclusions in section 1504(b).

65.18 (b) Sale and purchase include:

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

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

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

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

65.29 (1) prepared food sold by the retailer;

65.30 (2) soft drinks;

65.31 (3) candy; and

65.32 (4) dietary supplements.

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

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

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

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

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

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

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

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

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

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

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

- 67.1 (i) public roads;
- 67.2 (ii) cartways; and
- 67.3 (iii) private roads in townships located outside of the seven-county metropolitan area  
67.4 up to the point of the emergency response location sign; and
- 67.5 (6) services as provided in this clause:
- 67.6 (i) laundry and dry cleaning services including cleaning, pressing, repairing, altering,  
67.7 and storing clothes, linen services and supply, cleaning and blocking hats, and carpet,  
67.8 drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not  
67.9 include services provided by coin operated facilities operated by the customer;
- 67.10 (ii) motor vehicle washing, waxing, and cleaning services, including services provided  
67.11 by coin operated facilities operated by the customer, and rustproofing, undercoating, and  
67.12 towing of motor vehicles;
- 67.13 (iii) building and residential cleaning, maintenance, and disinfecting services and pest  
67.14 control and exterminating services;
- 67.15 (iv) detective, security, burglar, fire alarm, and armored car services; but not including  
67.16 services performed within the jurisdiction they serve by off-duty licensed peace officers as  
67.17 defined in section 626.84, subdivision 1, or services provided by a nonprofit organization  
67.18 or any organization at the direction of a county for monitoring and electronic surveillance  
67.19 of persons placed on in-home detention pursuant to court order or under the direction of the  
67.20 Minnesota Department of Corrections;
- 67.21 (v) pet grooming services;
- 67.22 (vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting  
67.23 and maintenance; tree, bush, and shrub pruning, bracing, spraying, and surgery; indoor plant  
67.24 care; tree, bush, shrub, and stump removal, except when performed as part of a land clearing  
67.25 contract as defined in section 297A.68, subdivision 40; and tree trimming for public utility  
67.26 lines. Services performed under a construction contract for the installation of shrubbery,  
67.27 plants, sod, trees, bushes, and similar items are not taxable;
- 67.28 (vii) massages, except when provided by a licensed health care facility or professional  
67.29 or upon written referral from a licensed health care facility or professional for treatment of  
67.30 illness, injury, or disease; and
- 67.31 (viii) the furnishing of lodging, board, and care services for animals in kennels and other  
67.32 similar arrangements, but excluding veterinary and horse boarding services.

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

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

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

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

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

68.25 (m) The sale of the privilege of admission under section 297A.61, subdivision 3,  
68.26 paragraph (g), clause (1), to a place of amusement, recreational area, or athletic event  
68.27 includes all charges included in the privilege of admission's sales price, without deduction  
68.28 for amenities that may be provided, unless the amenities are separately stated and the  
68.29 purchaser of the privilege of admission is entitled to add or decline the amenities, and the  
68.30 amenities are not otherwise taxable.

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

68.33 **EFFECTIVE DATE.** This section is effective October 1, 2024.

69.1 Sec. 4. Minnesota Statutes 2022, section 297A.68, subdivision 3a, is amended to read:

69.2 Subd. 3a. **Coin-operated entertainment and amusement devices.** Coin-operated  
69.3 entertainment and amusement devices including, but not limited to, fortune-telling machines,  
69.4 cranes, foosball and pool tables, video and pinball games, batting cages, rides, photo or  
69.5 video booths, and jukeboxes are exempt when purchased by retailers selling admission to  
69.6 places of amusement and making available amusement devices as provided in section  
69.7 ~~297A.61, subdivision 3, paragraph (g), clause (1)~~ 295.85. Coin-operated entertainment and  
69.8 amusement devices do not include vending machines, lottery devices, or gaming devices  
69.9 as described in chapters 297E and 349.

69.10 **EFFECTIVE DATE.** This section is effective October 1, 2024.

69.11 Sec. 5. Minnesota Statutes 2022, section 297A.68, subdivision 45, is amended to read:

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

69.17 **EFFECTIVE DATE.** This section is effective October 1, 2024.

69.18 Sec. 6. Minnesota Statutes 2022, section 609.902, subdivision 4, is amended to read:

69.19 Subd. 4. **Criminal act.** "Criminal act" means conduct constituting, or a conspiracy or  
69.20 attempt to commit, a felony violation of chapter 152, or a felony violation of section ~~297D.09;~~  
69.21 ~~299F.79; 299F.80; 299F.82; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222;~~  
69.22 ~~609.223; 609.2231; 609.228; 609.235; 609.245; 609.25; 609.27; 609.322; 609.342; 609.343;~~  
69.23 ~~609.344; 609.345; 609.42; 609.48; 609.485; 609.495; 609.496; 609.497; 609.498; 609.52,~~  
69.24 subdivision 2, if the offense is punishable under subdivision 3, clause (1), if the property is  
69.25 a firearm, clause (3)(b), or clause (3)(d)(v); section 609.52, subdivision 2, paragraph (a),  
69.26 clause (1) or (4); 609.527, if the crime is punishable under subdivision 3, clause (4); 609.528,  
69.27 if the crime is punishable under subdivision 3, clause (4); 609.53; 609.561; 609.562; 609.582,  
69.28 subdivision 1 or 2; 609.668, subdivision 6, paragraph (a); 609.67; 609.687; 609.713; 609.86;  
69.29 609.894, subdivision 3 or 4; 609.895; 624.713; 624.7191; or 626A.02, subdivision 1, if the  
69.30 offense is punishable under section 626A.02, subdivision 4, paragraph (a). "Criminal act"  
69.31 also includes conduct constituting, or a conspiracy or attempt to commit, a felony violation  
69.32 of section 609.52, subdivision 2, clause (3), (4), (15), or (16), if the violation involves an  
69.33 insurance company as defined in section 60A.02, subdivision 4, a nonprofit health service

70.1 plan corporation regulated under chapter 62C, a health maintenance organization regulated  
70.2 under chapter 62D, or a fraternal benefit society regulated under chapter 64B.

70.3 **EFFECTIVE DATE.** This section is effective August 1, 2024.

70.4 Sec. 7. **CITY OF WOODBURY; SALES TAX EXEMPTION FOR CONSTRUCTION**  
70.5 **MATERIALS.**

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

70.12 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
70.13 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
70.14 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
70.15 purchases must not be issued until after June 30, 2024. No refunds may be issued after June  
70.16 30, 2025.

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

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

70.21 Sec. 8. **REPEALER.**

70.22 (a) Minnesota Statutes 2022, sections 13.4967, subdivision 5; 297D.02; 297D.03;  
70.23 297D.05; 297D.09, subdivisions 1 and 2; 297D.12; and 297D.13, are repealed.

70.24 (b) Minnesota Statutes 2023 Supplement, sections 297D.01; 297D.04; 297D.06; 297D.07;  
70.25 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; and 297D.11, are repealed.

70.26 **EFFECTIVE DATE.** This section is effective August 1, 2024.

71.1

**ARTICLE 5**

71.2

**TAX INCREMENT FINANCING**

71.3 Section 1. Laws 2010, chapter 389, article 7, section 22, as amended by Laws 2011, chapter  
71.4 112, article 11, section 16, is amended to read:

71.5 **Sec. 22. CITY OF RAMSEY; TAX INCREMENT FINANCING DISTRICT;**  
71.6 **SPECIAL RULES.**

71.7 (a) If the city of Ramsey or an authority of the city elects upon the adoption of a tax  
71.8 increment financing plan for a district, the rules under this section apply to a redevelopment  
71.9 tax increment financing district established by the city or an authority of the city. The  
71.10 redevelopment tax increment district includes parcels within the area bounded on the east  
71.11 by Ramsey Boulevard, on the north by Bunker Lake Boulevard as extended west to Llama  
71.12 Street, on the west by Llama Street, and on the south by a line running parallel to and 600  
71.13 feet south of the southerly right-of-way for U.S. Highway 10, but including Parcels  
71.14 28-32-25-43-0007 and 28-32-25-34-0002 in their entirety, and excluding the Anoka County  
71.15 Regional Park property in its entirety. A parcel within this area that is included in a tax  
71.16 increment financing district that was certified before the date of enactment of this act may  
71.17 be included in the district created under this act if the initial district is decertified.

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

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

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

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

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

72.8 (g) The requirement of Minnesota Statutes, section 469.178, subdivision 7, paragraph  
 72.9 (b), that the governing body of the city of Ramsey authorize by resolution an interfund loan  
 72.10 within 60 days after the money is transferred, advanced, or spent is extended to December  
 72.11 31, 2024.

72.12 **EFFECTIVE DATE.** This section is effective the day after the city of Ramsey and its  
 72.13 chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and  
 72.14 3.

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

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

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

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

72.21 (c) "Project area" means all or a portion of the area in the city commencing at a point  
 72.22 130 feet East and 120 feet North of the southwest corner of the Southeast Quarter of Section  
 72.23 23, Township 119, Range 22, Hennepin County, said point being on the easterly right-of-way  
 72.24 line of Hemlock Lane; thence northerly along said easterly right-of-way line of Hemlock  
 72.25 Lane to a point on the west line of the east one-half of the Southeast Quarter of section 23,  
 72.26 thence south along said west line a distance of 1,200 feet; thence easterly to the east line of  
 72.27 Section 23, 1,030 feet North from the southeast corner thereof; thence South 74 degrees  
 72.28 East 1,285 feet; thence East a distance of 1,000 feet; thence North 59 degrees West a distance  
 72.29 of 650 feet; thence northerly to a point on the northerly right-of-way line of 81st Avenue  
 72.30 North, 650 feet westerly measured at right angles, from the east line of the Northwest Quarter  
 72.31 of Section 24; thence North 13 degrees West a distance of 795 feet; thence West to the west  
 72.32 line of the Southeast Quarter of the Northwest Quarter of Section 24; thence North 55

73.1 degrees West to the south line of the Northwest Quarter of the Northwest Quarter of Section  
 73.2 24; thence West along said south line to the east right-of-way line of Zachary Lane; thence  
 73.3 North along the east right-of-way line of Zachary Lane to the southwest corner of Lot 1,  
 73.4 Block 1, Metropolitan Industrial Park 5th Addition; thence East along the south line of said  
 73.5 Lot 1 to the northeast corner of Outlot A, Metropolitan Industrial Park 5th Addition; thence  
 73.6 South along the east line of said Outlot A and its southerly extension to the south right-of-way  
 73.7 line of County State-Aid Highway (CSAH) 109; thence easterly along the south right-of-way  
 73.8 line of CSAH 109 to the east line of the Northwest Quarter of the Northeast Quarter of  
 73.9 Section 24; thence South along said east line to the north line of the South Half of the  
 73.10 Northeast Quarter of Section 24; thence East along said north line to the westerly right-of-way  
 73.11 line of Jefferson Highway North; thence southerly along the westerly right-of-way line of  
 73.12 Jefferson Highway to the centerline of CSAH 130; thence continuing South along the west  
 73.13 right-of-way line of Pilgrim Lane North to the westerly extension of the north line of Outlot  
 73.14 A, Park North Fourth Addition; thence easterly along the north line of Outlot A, Park North  
 73.15 Fourth Addition to the northeast corner of said Outlot A; thence southerly along the east  
 73.16 line of said Outlot A to the southeast corner of said Outlot A; thence easterly along the south  
 73.17 line of Lot 1, Block 1, Park North Fourth Addition to the westerly right-of-way line of State  
 73.18 Highway 169; thence southerly, southwesterly, westerly, and northwesterly along the  
 73.19 westerly right-of-way line of State Highway 169 and the northerly right-of-way line of  
 73.20 Interstate 694 to its intersection with the southerly extension of the easterly right-of-way  
 73.21 line of Zachary Lane North; thence northerly along the easterly right-of-way line of Zachary  
 73.22 Lane North and its northerly extension to the north right-of-way line of CSAH 130; thence  
 73.23 westerly, southerly, northerly, southwesterly, and northwesterly to the point of beginning  
 73.24 and there terminating, provided that the project area includes the rights-of-way for all present  
 73.25 and future highway interchanges abutting the area described in this paragraph, and may  
 73.26 include any additional property necessary to cause the property included in the tax increment  
 73.27 financing district to consist of complete parcels.

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

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

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

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

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

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

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

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

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

74.16 (4) quarries or similar resource extraction sites;

74.17 (5) floodway; and

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

74.20 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the  
74.21 relevant condition if at least 70 percent of the area of the parcel contains the relevant  
74.22 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by  
74.23 substandard buildings if substandard buildings occupy at least 30 percent of the area of the  
74.24 parcel.

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

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

74.32 (f) For a soil deficiency district:

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

75.3 (2) increments may be used only to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

76.4 (a) For purposes of computing the duration limits under Minnesota Statutes, section  
76.5 469.176, subdivision 1b, the housing and redevelopment authority of the city of St. Paul  
76.6 may waive receipt of increment for the Ford Site Redevelopment Tax Increment Financing  
76.7 District. This authority is limited to the first four years of increment or increments derived  
76.8 from taxes payable in 2023, whichever occurs first.

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

76.14 (c) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
76.15 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
76.16 4, relating to the use of increment after the expiration of the five-year period, is extended  
76.17 to 11 years for the Ford Site Redevelopment Tax Increment Financing District in the city  
76.18 of St. Paul.

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

76.22 **Sec. 4. CITY OF BROOKLYN CENTER; TAX INCREMENT FINANCING**  
76.23 **AUTHORITY.**

76.24 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
76.25 economic development authority of the city of Brooklyn Center or the city of Brooklyn  
76.26 Center may establish one or more redevelopment tax increment financing districts located  
76.27 wholly within the area in the city identified as the "Opportunity Site," which includes the  
76.28 area bounded by Shingle Creek Parkway from Hennepin County State-Aid Highway 10 to  
76.29 Summit Drive North; Summit Drive North from Shingle Creek Parkway to marked Trunk  
76.30 Highway 100; marked Trunk Highway 100 from Summit Drive North to Hennepin County  
76.31 State-Aid Highway 10; and Hennepin County State-Aid Highway 10 from marked Trunk  
76.32 Highway 100 to Shingle Creek Parkway, together with internal and adjacent roads and  
76.33 rights-of-way.

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

77.3 (1) the district is deemed to meet all the requirements of Minnesota Statutes, section  
77.4 469.174, subdivision 10; and

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

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

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

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

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

- 77.21 2011921430101 2011921440088 2011921430092 2011921430099 2111921330104
- 77.22 2111921340003 2111921340005 2111921340006 2111921340019 2111921340021
- 77.23 2111921330066 2111921330068 2111921340017 2111921340018 2811921130004
- 77.24 2811921130005 2811921140007 2811921210003 2811921220002 2811921220007
- 77.25 2811921240004 2811921240009 2811921240010 2811921240107 2811921310001
- 77.26 2811921340010 2911921120032 2811921130014 2811921130015 2811921130024
- 77.27 2811921140012 2811921210014 2811921210020 2811921210023 2811921210103
- 77.28 2811921220001 2811921220003 2811921220005 2811921240007 2811921340006
- 77.29 2911921120001 2911921120004 2011921440089 2111921330067 2111921340002
- 77.30 2111921340004 2111921340027 2111921340113 2811921120001 2811921130001
- 77.31 2811921130017 2811921130023 2811921210001 2811921210016 2811921210033
- 77.32 2811921210060 2811921210101 2811921240006 2811921240017 2911921110004
- 77.33 2911921120005 2011921430093 2011921430100 2011921430102 2011921430103
- 77.34 2111921330102 2111921330103 2111921340001 2111921340007 2111921340020

78.1 2111921340022 2811921120002 2811921120104 2811921130002 2811921130020  
 78.2 2811921130021 2811921210022 2811921210034 2811921210099 2811921210102  
 78.3 2811921220006 2811921240003 2811921240012 2811921340005 2811921340009  
 78.4 2911921110118 2911921120006 2911921120043 3311921210001

78.5 together with adjacent and internal roads and rights-of-way, and the following roadways  
 78.6 within the city of Brooklyn Park: Zane Avenue North (from and including the intersection  
 78.7 at 78th Avenue North to and including the intersection at Highway 94), Brooklyn Boulevard  
 78.8 (from and including the intersection at the border of Brooklyn Center to and including the  
 78.9 intersection at Kentucky Avenue North), Brookdale Drive North (from and including the  
 78.10 intersection at Zane Avenue North to and including the intersection at Welcome Avenue  
 78.11 North), Village Creek Parkway North, 77th Avenue North (from and including the  
 78.12 intersection at Village Creek Parkway North to and including the intersection at Brookdale  
 78.13 Drive North), 73rd Avenue North/Regent Avenue (from and including the intersection at  
 78.14 Zane Avenue North to and including the intersection at Brooklyn Boulevard).

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

78.17 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section  
 78.18 469.174, subdivision 10;

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

78.22 (3) the five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
 78.23 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
 78.24 4, relating to the use of increment after the expiration of the five-year period, is extended  
 78.25 to 11 years.

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

78.28 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 78.29 city of Brooklyn Park and its chief clerical officer comply with the requirements of Minnesota  
 78.30 Statutes, section 645.021.

79.1 **Sec. 6. CITY OF BROOKLYN PARK; TAX INCREMENT FINANCING**

79.2 **AUTHORITY; 610/ZANE AREA.**

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

- 79.9 0811921410009 0811921140050 0811921140051 0911921120005 0911921210007
- 79.10 0911921230008 0911921230049 0911921240006 0911921240009 0911921310004
- 79.11 0911921320018 0911921330009 0911921430006 0911921430014 0911921430015
- 79.12 0911921430019 0911921430020 0911921430028 0911921430030 0911921430033
- 79.13 0911921430037 0911921430038 0911921430040 0911921430048 0911921430054
- 79.14 0911921430055 0911921430059 0911921430069 0911921430071 0911921430072
- 79.15 0911921430076 0911921430080 0911921430081 0911921430082 0911921430083
- 79.16 0911921430086 0911921430087 0911921430088 0911921430094 0911921430095
- 79.17 0911921430099 0911921430104 0911921430114 0911921210005 0911921210095
- 79.18 0911921220070 0911921220071 0911921230009 0911921230010 0911921230011
- 79.19 0911921230012 0911921230013 0911921240005 0911921240008 0911921310007
- 79.20 0911921310009 0911921320023 0911921330008 0911921330011 0911921340008
- 79.21 0911921340014 0911921340017 0911921430018 0911921430024 0911921430025
- 79.22 0911921430029 0911921430034 0911921430035 0911921430039 0911921430044
- 79.23 0911921430045 0911921430049 0911921430058 0911921430060 0911921430061
- 79.24 0911921430062 0911921430063 0911921430067 0911921430068 0911921430090
- 79.25 0911921430093 0911921430097 0911921430098 0911921430102 0911921430103
- 79.26 0911921430112 0911921430113 0911921430120 0811921440008 0911921210006
- 79.27 0911921210096 0911921210100 0911921210101 0911921220008 0911921220017
- 79.28 0911921230014 0911921230015 0911921240004 0911921240007 0911921310010
- 79.29 0911921310011 0911921310012 0911921330010 0911921330012 0911921340009
- 79.30 0911921430013 0911921430017 0911921430021 0911921430022 0911921430026
- 79.31 0911921430031 0911921430032 0911921430036 0911921430041 0911921430042
- 79.32 0911921430046 0911921430053 0911921430057 0911921430064 0911921430065
- 79.33 0911921430073 0911921430077 0911921430078 0911921430100 0911921430105
- 79.34 0911921430107 0911921430108 0911921430110 0911921430115 0911921430117
- 79.35 0911921430118 0911921210097 0911921210099 0911921220014 0911921220015
- 79.36 0911921220068 0911921230005 0911921320016 0911921320021 0911921320024
- 79.37 0911921330006 0911921340015 0911921340016 0911921430009 0911921430010

80.1	<u>0911921430011</u>	<u>0911921430012</u>	<u>0911921430016</u>	<u>0911921430023</u>	<u>0911921430027</u>
80.2	<u>0911921430043</u>	<u>0911921430047</u>	<u>0911921430050</u>	<u>0911921430051</u>	<u>0911921430052</u>
80.3	<u>0911921430056</u>	<u>0911921430066</u>	<u>0911921430070</u>	<u>0911921430074</u>	<u>0911921430075</u>
80.4	<u>0911921430079</u>	<u>0911921430084</u>	<u>0911921430085</u>	<u>0911921430089</u>	<u>0911921430091</u>
80.5	<u>0911921430092</u>	<u>0911921430096</u>	<u>0911921430101</u>	<u>0911921430106</u>	<u>0911921430109</u>
80.6					<u>Unplatted</u>
80.7	<u>0911921430111</u>	<u>0911921430116</u>	<u>0911921430119</u>	<u>0611921440003</u>	<u>0611921</u>

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

80.10 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section  
80.11 469.174, subdivision 10;

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

80.15 (3) the five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
80.16 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
80.17 4, relating to the use of increment after the expiration of the five-year period, is extended  
80.18 to 11 years.

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

80.21 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
80.22 city of Brooklyn Park and its chief clerical officer comply with the requirements of Minnesota  
80.23 Statutes, section 645.021.

80.24 Sec. 7. **CITY OF BROOKLYN PARK; TAX INCREMENT FINANCING**  
80.25 **AUTHORITY; BIOTECH AREA.**

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

80.32	<u>0711921110007</u>	<u>0711921140001</u>	<u>0711921140002</u>	<u>0711921140007</u>	<u>0711921240002</u>
80.33	<u>0711921240004</u>	<u>0711921110005</u>	<u>0711921120009</u>	<u>0711921220003</u>	<u>0711921230001</u>

81.1 0711921230002 0811921230004 0711921110004 0711921110006 0711921110008  
 81.2 0711921120005 0711921130005 0711921140005 0711921140006 0711921210003  
 81.3 0711921110003 0711921120006 0811921230002 0811921220002

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

81.6 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section  
 81.7 469.174, subdivision 10;

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

81.11 (3) the five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
 81.12 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
 81.13 4, relating to the use of increment after the expiration of the five-year period, is extended  
 81.14 to 11 years.

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

81.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 81.18 city of Brooklyn Park and its chief clerical officer comply with the requirements of Minnesota  
 81.19 Statutes, section 645.021.

81.20 Sec. 8. **CITY OF EDEN PRAIRIE; TAX INCREMENT FINANCING AUTHORITY;**  
 81.21 **EDEN PRAIRIE CENTER.**

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

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

81.29 (1) the districts are deemed to meet the requirements of Minnesota Statutes, section  
 81.30 469.174, subdivision 10; and

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

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

82.6 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 82.7 city of Eden Prairie and its chief clerical officer comply with Minnesota Statutes, section  
 82.8 645.021, subdivisions 2 and 3.

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

82.11 (a) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
 82.12 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
 82.13 4, relating to the use of increment after the expiration of the five-year period, is extended  
 82.14 to 11 years for Tax Increment Financing District 72nd & France 2 in the city of Edina.

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

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

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

82.25 (a) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
 82.26 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
 82.27 4, relating to the use of increment after the expiration of the five-year period, is extended  
 82.28 to 11 years for Tax Increment Financing District 70th & France in the city of Edina.

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

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

83.6 Sec. 11. **CITY OF MINNETONKA; TAX INCREMENT FINANCING AUTHORITY;**  
 83.7 **FIVE-YEAR RULE EXTENSION.**

83.8 The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
 83.9 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
 83.10 4, relating to the use of increment after the expiration of the five-year period, is extended  
 83.11 to 11 years for the renewal and renovation tax increment financing district established in  
 83.12 2021 by the economic development authority in the city of Minnetonka.

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

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

83.18 The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
 83.19 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
 83.20 4, relating to the use of increment after the expiration of the five-year period, is extended  
 83.21 to 11 years for Tax Increment Financing District No. 31 in the city of Moorhead.

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

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

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

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

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

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

84.8 (3) the five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is  
 84.9 extended to ten years and the period under Minnesota Statutes, section 469.1763, subdivision  
 84.10 4, relating to the use of increment after the expiration of the five-year period, is extended  
 84.11 to 11 years.

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

84.14 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 84.15 city of Plymouth and its chief clerical officer comply with Minnesota Statutes, section  
 84.16 645.021, subdivisions 2 and 3.

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

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

84.23 (1) in Stearns County: 82517020000 (Lady Slipper Catalyst Site); 82515440001 (North  
 84.24 Riverfront Catalyst Site); 82515470000; 82515480000 (Empire Catalyst Site); 82518760015  
 84.25 (Swan Lot Catalyst Site); 82528850020 (Riverboat Lot Catalyst Site); and 82528850001  
 84.26 (Former Herbergers); and

84.27 (2) in Benton County: 170037810 (Transit Oriented Development Catalyst Site);  
 84.28 170058101 (Ace Block Catalyst Site); 170042000; 170041600; 170041100; 170041601;  
 84.29 170041200; 170041800; 170059600 (Star Bank Catalyst Site); 170059300 (Riverfront South  
 84.30 Catalyst Site); 170058300; 170059200; 170058600; 170058800; 170059100; and 170058900.

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

85.1 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section  
 85.2 469.174, subdivision 10;

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

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

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

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

## 85.16 **ARTICLE 6**

### 85.17 **LOCAL SALES AND USE TAXES**

85.18 Section 1. Minnesota Statutes 2023 Supplement, section 297A.99, subdivision 1, is  
 85.19 amended to read:

85.20 Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose  
 85.21 a general sales tax:

85.22 (1) under section 297A.9901;

85.23 (2) under section 297A.9915, ~~(2)~~;

85.24 (3) under section 297A.992, ~~(3)~~;

85.25 (4) under section 297A.9925, ~~(4)~~;

85.26 (5) under section 297A.993, ~~(5)~~;

85.27 (6) if permitted by special law; or

85.28 ~~(6)~~ (7) if the political subdivision enacted and imposed the tax before January 1, 1982,  
 85.29 and its predecessor provision.

86.1 (b) This section governs the imposition of a general sales tax by the political subdivision.

86.2 The provisions of this section preempt the provisions of any special law:

86.3 (1) enacted before June 2, 1997, ~~or;~~

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

86.6 (3) enacted before July 1, 2024.

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

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

86.13 (1) conduct the referendum;

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

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

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

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

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

86.25 Sec. 2. Minnesota Statutes 2022, section 297A.99, is amended by adding a subdivision to  
86.26 read:

86.27 **Subd. 2a. Scope.** The provisions of this section only apply to a tax imposed and enacted  
86.28 by special law. A political subdivision seeking to amend, extend, or otherwise change a tax  
86.29 imposed and enacted before July 1, 2024, must do so pursuant to the requirements of section  
86.30 297A.9901.

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

87.1 Sec. 3. Minnesota Statutes 2022, section 297A.99, subdivision 3, is amended to read:

87.2 Subd. 3. **Legislative authority required before voter approval; requirements for**  
87.3 **adoption, use, termination.** (a) A political subdivision must receive legislative authority  
87.4 to impose a local sales tax before submitting the tax for approval by voters of the political  
87.5 subdivision. Imposition of a local sales tax is subject to approval by voters of the political  
87.6 subdivision at a general election. The election must be conducted at a general election within  
87.7 the two-year period after the governing body of the political subdivision has received  
87.8 authority to impose the tax. If the authorizing legislation allows the tax to be imposed for  
87.9 more than one project, there must be a separate question approving the use of the tax revenue  
87.10 for each project. Notwithstanding the authorizing legislation, a project that is not approved  
87.11 by the voters may not be funded with the local sales tax revenue and the termination date  
87.12 of the tax set in the authorizing legislation must be reduced proportionately based on the  
87.13 share of that project's cost to the total costs of all projects included in the authorizing  
87.14 legislation.

87.15 (b) The proceeds of the tax must be dedicated exclusively to payment of the construction  
87.16 and rehabilitation costs and associated bonding costs related to the specific capital  
87.17 improvement projects that were approved by the voters under paragraph (a).

87.18 (c) The tax must terminate after the revenues raised are sufficient to fund the projects  
87.19 approved by the voters under paragraph (a).

87.20 (d) After a sales tax imposed by a political subdivision has expired or been terminated,  
87.21 the political subdivision is prohibited from imposing a local sales tax for a period of one  
87.22 year.

87.23 (e) ~~Notwithstanding paragraph (a), if a political subdivision received voter approval to~~  
87.24 ~~seek authority for a local sales tax at the November 6, 2018, general election and is granted~~  
87.25 ~~authority to impose a local sales tax before January 1, 2021, the tax may be imposed without~~  
87.26 ~~an additional referendum provided that it meets the requirements of subdivision 2 and the~~  
87.27 ~~list of specific projects contained in the resolution does not conflict with the projects listed~~  
87.28 ~~in the approving referendum.~~ Beginning January 1, 2025, the reporting requirements under  
87.29 section 297A.9902 apply to taxes authorized under special law or the requirements of this  
87.30 section.

87.31 (f) If a tax is terminated because sufficient revenues have been raised, any amount of  
87.32 tax collected under subdivision 9, after sufficient revenues have been raised and before the  
87.33 quarterly termination required under subdivision 12, paragraph (a), that is greater than the

88.1 average quarterly revenues collected over the immediately preceding 12 calendar months  
88.2 must be retained by the commissioner for deposit in the general fund.

88.3 (g) Upon expiration of a tax authorized under this section or any other law, ordinance,  
88.4 or city charter, the combined tax rate limit in section 297A.9901, subdivision 5, applies.

88.5 (h) If, after receiving voter approval, a political subdivision cancels a project approved  
88.6 by the voters, the political subdivision must notify the commissioner. The commissioner  
88.7 must proportionately decrease the maximum amount of tax revenue the political subdivision  
88.8 may collect and must adjust the termination of the tax accordingly. If the political subdivision  
88.9 has already collected revenue for the canceled project, the political subdivision must return  
88.10 the funds to the commissioner for deposit into the local sales tax equalization distribution  
88.11 account.

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

88.13 Sec. 4. **[297A.9901] LOCAL SALES TAXES; LOCAL AUTHORIZATION**  
88.14 **ALLOWED.**

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

88.17 (b) "Convention center" means a structure that is expressly designed and constructed  
88.18 for the purpose of presenting conventions, public meetings, and exhibitions and that contains  
88.19 at least 50,000 square feet for exhibit and meeting spaces and includes parking facilities  
88.20 that serve the center.

88.21 (c) "Correctional facility" means a public facility licensed and inspected by the  
88.22 commissioner of corrections, established and operated for the detention and confinement  
88.23 of adults or juveniles, including but not limited to programs or facilities operating under  
88.24 chapter 401, secure juvenile detention facilities, municipal holding facilities, juvenile  
88.25 temporary holdover facilities, regional or local jails, lockups, work houses, work farms, and  
88.26 detention facilities.

88.27 (d) "District court" means one of the ten judicial district courts in the state of Minnesota  
88.28 subject to chapter 484.

88.29 (e) "Law enforcement center" means a facility that serves multiple communities and  
88.30 provides public safety functions, including a fire or police station and a facility that provides  
88.31 emergency 911 and dispatch functions, training facilities, court security and support,  
88.32 emergency operations, evidence and record retention, and other public safety services.

89.1 (f) "Library" means a library that is part of a regional public library system as designated  
89.2 by the regional library board pursuant to section 134.20.

89.3 (g) "Metropolitan county" has the meaning given in section 473.121, subdivision 4.

89.4 (h) "Park" means a park that meets the five criteria established in the Department of  
89.5 Natural Resources Parks and Trails Legacy Plan dated February 14, 2011, required by Laws  
89.6 2009, chapter 172, article 3, section 2, paragraph (e).

89.7 (i) "Political subdivision" means a county located in Minnesota or a statutory or home  
89.8 rule charter city located in Minnesota.

89.9 (j) "Prevailing wage rate" has the meaning given in section 177.42, subdivision 6.

89.10 (k) "Specified capital project" means a convention center, correctional facility, district  
89.11 court, law enforcement center, library, park, or trail. A specified capital project must serve  
89.12 a regional population, provide economic development benefits and opportunities, or draw  
89.13 nonresident individuals to the region.

89.14 (l) "Sports complex" means a defined area of sports pavilions, stadiums, gymnasiums,  
89.15 swimming pools, or similar facilities where regional tournaments may be hosted, and where  
89.16 members of the public engage in physical exercise, participate in athletic competitions,  
89.17 witness sporting events, and host regional tournaments.

89.18 (m) "Trail" means a trail that meets the five criteria established in the Department of  
89.19 Natural Resources Parks and Trails Legacy Plan dated February 14, 2011, required by Laws  
89.20 2009, chapter 172, article 3, section 2, paragraph (e).

89.21 Subd. 2. **Local authorization allowed.** Notwithstanding section 477A.016 or any other  
89.22 law or ordinance, a political subdivision may impose, extend, or modify the uses of a local  
89.23 sales tax to finance a specified capital project by: (1) meeting the requirements of this  
89.24 section; (2) receiving approval from the state auditor; and (3) receiving voter approval. The  
89.25 authorization under this section applies to an extension to or modification of a local sales  
89.26 tax authorized under special law or the requirements of section 297A.99, or any other law,  
89.27 ordinance, city charter, or other provision.

89.28 Subd. 3. **Use of proceeds.** The proceeds of a tax imposed under this section must be  
89.29 dedicated exclusively to payment of construction or rehabilitation costs, including associated  
89.30 bonding costs, related to the specified capital projects approved by the voters. Specified  
89.31 capital projects must meet the requirements specified in subdivisions 1, 4, and 5. The political  
89.32 subdivision imposing the tax must not commingle revenue from a tax approved by the voters  
89.33 under this section with revenue from a tax authorized under section 297A.99, or any other

90.1 law, ordinance, city charter, or other provision, including an extension of or modification  
90.2 to the uses of a tax for a different project.

90.3 Subd. 4. Specified capital projects; additional requirements. (a) A political subdivision  
90.4 seeking to impose a tax to fund the construction or rehabilitation of a sports complex or  
90.5 convention center must demonstrate the following:

90.6 (1) an analysis of the surrounding region demonstrates that there is no similar sports  
90.7 complex or convention center open to nonresidents at the same cost as residents within a  
90.8 15-mile radius of the political subdivision for political subdivisions located outside of a  
90.9 metropolitan county and within an eight-mile radius of the political subdivision for political  
90.10 subdivisions located within a metropolitan county; and

90.11 (2) if admission or entry fees are charged to members of the public for use of the facility,  
90.12 the fees must be charged equally to residents and nonresidents of the political subdivision  
90.13 imposing the tax.

90.14 (b) The political subdivision must submit documentation of the requirements of paragraph  
90.15 (a) to the state auditor pursuant to the requirements of section 297A.9902, subdivision 1.

90.16 Subd. 5. Criminal justice facilities. (a) To impose a tax to fund the construction or  
90.17 rehabilitation of or improvements to a correctional facility, a political subdivision must  
90.18 demonstrate the need for the facility by providing official documentation of the age of the  
90.19 facility; and either:

90.20 (1) official correspondence from the Department of Corrections that includes an analysis  
90.21 of the facility and description of the improvements or updates needed; or

90.22 (2) if the facility is a joint project between two or more counties, the joint powers  
90.23 agreement or other official documentation between at least one other county demonstrating  
90.24 that the facility will serve public safety functions for the region.

90.25 (b) To impose a tax to fund construction or rehabilitation of or improvements to a district  
90.26 court office, a political subdivision must demonstrate the need for the facility by providing  
90.27 the age of the facility and a description of improvements needed.

90.28 (c) To impose a tax to fund construction or rehabilitation of or improvements to a law  
90.29 enforcement center, a political subdivision must provide resolutions from the governing  
90.30 bodies of surrounding counties, statutory or home rule charter cities, or townships affirming  
90.31 that the functions of the law enforcement center will meet the needs of the surrounding  
90.32 county, statutory or home rule charter city, or township.

91.1 (d) The political subdivision must submit documentation of the requirements of  
91.2 paragraphs (a) to (c) to the state auditor pursuant to the requirements of section 297A.9902,  
91.3 subdivision 1.

91.4 Subd. 6. **Tax rate and duration.** (a) The combined total tax rate imposed by a political  
91.5 subdivision under this section and section 297A.99 must not exceed one percent. If a local  
91.6 sales tax is imposed by a county, the limit under this paragraph includes any tax authorized  
91.7 under section 297A.993.

91.8 (b) The maximum collection period for a tax imposed under this section must be the  
91.9 earlier of the amount of time necessary to collect the revenue equal to the cost of the specified  
91.10 capital projects approved by the voters, including associated financing costs, or 30 years.

91.11 Subd. 7. **Bonds; authorization.** (a) A political subdivision may issue bonds under  
91.12 chapter 475 to finance all or a portion of the costs of a specified capital project. The aggregate  
91.13 principal amount of bonds issued must not exceed the cost of a qualifying capital project  
91.14 approved by the voters, plus an amount to be applied to the payment of the costs of issuing  
91.15 the bonds. The bonds may be paid from or secured by any funds available to the political  
91.16 subdivision, including the tax authorized under this section and approved by the voters. The  
91.17 issuance of bonds under this subdivision is not subject to sections 275.60 and 275.61.

91.18 (b) A separate election to approve the bonds under section 475.58 is not required.

91.19 Subd. 8. **Public hearing required.** (a) Prior to seeking authority to impose a tax under  
91.20 this section, a political subdivision must hold at least one public hearing occurring not before  
91.21 6:00 p.m. that is open to residents and nonresidents, at which equal time is given to  
91.22 proponents and opponents to express their opinions on the imposition of the tax. Notice of  
91.23 the hearing must be given at least 14 days in advance and published on the political  
91.24 subdivision's website detailing the time and location of the hearing and contain the following  
91.25 information:

91.26 (1) the proposed tax rate;

91.27 (2) a description of each project proposed to be funded by the local sales tax; and

91.28 (3) the amount of tax revenue to be used for each project and the estimated time needed  
91.29 to raise that amount of revenue, inclusive of the estimated amount distributed under  
91.30 subdivision 14, paragraph (a).

91.31 (b) The political subdivision must submit the minutes from this hearing to the state  
91.32 auditor when requesting approval of the tax pursuant to the provisions of section 297A.9902,  
91.33 subdivision 1, paragraph (a).

92.1 Subd. 9. Resolution required. (a) After conducting the public hearing required under  
92.2 subdivision 8 and before the governing body of a political subdivision seeks voter approval  
92.3 to impose a local sales tax, the governing body must adopt a resolution indicating its approval  
92.4 of the tax. The resolution must include the following information:

92.5 (1) the proposed tax rate;

92.6 (2) a detailed description of no more than three projects that will be funded with revenue  
92.7 from the tax;

92.8 (3) documentation of the regional significance of each specified capital project, including:

92.9 (i) the share of the economic benefit to or use of each project by persons residing, or  
92.10 businesses located, outside of the jurisdiction; and

92.11 (ii) demonstration that the project meets the requirements of the applicable definitions  
92.12 in subdivision 1, as well as the requirements of subdivisions 4 and 5;

92.13 (4) the amount of local sales tax revenue that will be used for each project and the  
92.14 estimated time needed to raise that amount of revenue; and

92.15 (5) the total revenue that will be raised for all projects before the tax expires, and the  
92.16 estimated length of time that the tax will be in effect if all proposed projects are funded.

92.17 (b) The political subdivision must submit the resolution along with underlying  
92.18 documentation to the state auditor pursuant to the provisions of section 297A.9902,  
92.19 subdivision 1, paragraph (a).

92.20 Subd. 10. Community support required. Prior to seeking authority to impose a tax  
92.21 under this section, a political subdivision must provide to the state auditor letters or  
92.22 resolutions from the governing bodies of at least two surrounding local governments that  
92.23 affirmatively acknowledge that there is a local or regional need for the proposed specified  
92.24 capital project. Documentation must be submitted as required by section 297A.9902,  
92.25 subdivision 1, paragraph (a).

92.26 Subd. 11. Voter approval required. (a) A local sales tax approved by the state auditor  
92.27 is subject to voter approval prior to being imposed. A referendum must be conducted pursuant  
92.28 to the following requirements:

92.29 (1) the referendum must be held on the first Tuesday after the first Monday in November  
92.30 at a general or special election, so long as the ballot question for approval of the tax is not  
92.31 the only item on the ballot, within the two-year period after the political subdivision has  
92.32 received authority to impose the tax. For purposes of this section, "general election" and

93.1 "special election" have the meanings given in section 200.02, except that a special election  
93.2 held under this section must be held on the first Tuesday after the first Monday in November;

93.3 (2) the ballot language must contain the following information:

93.4 (i) a description of each specified capital project that will be funded by the tax;

93.5 (ii) the projected start date of the tax;

93.6 (iii) the proposed tax rate;

93.7 (iv) the cost of the project, including associated financing costs;

93.8 (v) the maximum amount of time the tax will be imposed;

93.9 (vi) a statement that a portion of the tax revenue will be used for payment into the local  
93.10 sales tax equalization distribution account; and

93.11 (vii) a statement that an affirmative vote means that a new tax will be imposed or that  
93.12 an existing tax will be extended or increased;

93.13 (3) the ballot language must not contain any statement that informs the voter that by  
93.14 voting "no" the voter acknowledges that the project subject to approval in the question may  
93.15 be funded by increased property taxes; and

93.16 (4) each project must be a separate ballot question if a political subdivision is seeking  
93.17 voter approval for more than one project.

93.18 (b) A project that is not approved by the voters may not be funded with the tax revenue  
93.19 and the termination date of the tax approved by the state auditor must be reduced  
93.20 proportionately based on the share of that project's cost to the total costs of all projects.

93.21 (c) A political subdivision may not advertise or expend funds for the promotion of a  
93.22 referendum to support imposing a tax and may only spend funds related to:

93.23 (1) conduct the referendum;

93.24 (2) disseminate information regarding the projects to be funded with the tax;

93.25 (3) provide notice of and conduct public forums at which proponents and opponents of  
93.26 the referendum are given equal time to express their opinions on the merits of the referendum;  
93.27 and

93.28 (4) provide facts and data on the impact of the proposed local sales tax on consumer  
93.29 purchases.

94.1 (d) The political subdivision must submit the language of each ballot question to the  
94.2 state auditor for approval prior to printing the ballot for use in a referendum.

94.3 Subd. 12. **Legislative approval required.** (a) A political subdivision seeking to impose  
94.4 a tax must obtain legislative approval to impose the tax if the tax does not meet the  
94.5 requirements of this section or if the state auditor does not approve the proposal submitted  
94.6 for imposition of the tax. The provisions of section 297A.99 apply to any tax imposed by  
94.7 special law.

94.8 (b) In addition to the requirements imposed under section 297A.99, subdivision 2, the  
94.9 political subdivision must include in its resolution submitted to the legislature:

94.10 (1) a detailed description of how the request does not meet the requirements of this  
94.11 section; and

94.12 (2) letters or resolutions from the governing bodies of each local government located in  
94.13 Minnesota that abuts the political subdivision that affirmatively acknowledge that there is  
94.14 a local or regional need for the proposed capital project.

94.15 (c) A tax approved by the legislature is subject to the collection and retention provisions  
94.16 of subdivision 15 and sections 297A.9902, subdivision 2, and 297A.9903.

94.17 Subd. 13. **Filing requirements.** After receiving voter approval, a political subdivision  
94.18 with approval to impose a tax from the state auditor or special law must file a certificate of  
94.19 local approval with the secretary of state pursuant to section 645.021, subdivisions 2 and  
94.20 3, for the tax to be lawfully imposed.

94.21 Subd. 14. **Administration; termination.** (a) A political subdivision imposing a tax  
94.22 under this section must not commingle revenue from a tax for a project or projects approved  
94.23 by the voters under this section with revenue from a tax authorized under section 297A.99  
94.24 or any other law, ordinance, city charter, or other provision, including an extension of or  
94.25 modification to the uses of a tax for a different project.

94.26 (b) A political subdivision imposing the tax must notify the commissioner and the state  
94.27 auditor at least 60 days before the date the political subdivision anticipates that revenues  
94.28 raised from the tax are sufficient to fund the projects approved by the voters. The notification  
94.29 applies to each authorization of a tax and each project approved by the voters, regardless  
94.30 of whether the legislature has authorized the tax, notwithstanding the requirements of section  
94.31 297A.99, subdivision 3, paragraph (d).

95.1 (c) After a tax imposed by a political subdivision has expired or been terminated, the  
 95.2 political subdivision is prohibited from imposing a new local sales tax for a period of one  
 95.3 year.

95.4 (d) If, after receiving voter approval, a political subdivision cancels a project approved  
 95.5 by the voters, the political subdivision must notify the commissioner and the state auditor.  
 95.6 The commissioner must proportionately decrease the maximum amount of tax revenue the  
 95.7 political subdivision may collect and must adjust the termination of the tax accordingly. If  
 95.8 the political subdivision has already collected revenue for the canceled project, the political  
 95.9 subdivision must return the funds to the commissioner for deposit into the local sales tax  
 95.10 equalization distribution account.

95.11 Subd. 15. **Collection and retention.** (a) The commissioner shall remit the proceeds of  
 95.12 the tax, less refunds and a proportionate share described in clauses (1) to (3), at least  
 95.13 quarterly, to the political subdivision. The commissioner shall deduct from the proceeds  
 95.14 distributed to a political subdivision an amount that equals:

95.15 (1) one percent for the direct and indirect costs of the department to administer, audit,  
 95.16 and collect the tax, of which a portion must be used for the cost of constructing and  
 95.17 maintaining a zip code or geocode database necessary for local sales tax collections under  
 95.18 the Streamlined Sales and Use Tax Agreement in section 297A.995;

95.19 (2) one percent for the direct and indirect costs of the state auditor to approve and audit  
 95.20 the tax; and

95.21 (3) 15 percent for the political subdivision's contribution share of the amount to be paid  
 95.22 for distribution under section 297A.9903.

95.23 (b) The revenue retained by the commissioner under paragraph (a), clause (1), must be  
 95.24 deposited into the Revenue Department service and recovery special revenue fund established  
 95.25 under section 270C.15.

95.26 (c) The revenue retained for the purpose outlined in paragraph (a), clause (2), must be  
 95.27 deposited into the state auditor service and recovery account.

95.28 (d) The revenue retained for the purpose outlined in paragraph (a), clause (3), must be  
 95.29 deposited into the local sales tax equalization distribution account.

95.30 Subd. 16. **Enforcement.** If notified by the state auditor that a political subdivision  
 95.31 imposing a tax under this section, section 297A.99, or special law is not in compliance with  
 95.32 the requirements of section 297A.9902, subdivision 2, the commissioner must expire the  
 95.33 tax and deposit any funds collected into the local sales tax equalization distribution account.

96.1 Subd. 17. **Accounts established; transfer.** (a) The local sales tax equalization distribution  
96.2 account is established in the special revenue fund. Funds in the account must be distributed  
96.3 in accordance with section 297A.9903.

96.4 (b) The state auditor service and recovery account is established in the special revenue  
96.5 fund. Each October 1, the commissioner of revenue must transfer the balance of the account  
96.6 into the general fund.

96.7 Subd. 18. **Other provisions apply.** (a) The provisions of section 297A.99, subdivisions  
96.8 4 to 10 and 12 to 13, apply to taxes authorized under this section.

96.9 (b) The requirements of section 475.53 apply to bonds issued for projects under this  
96.10 section.

96.11 (c) The prevailing wage rate applies to all contracts for construction of specified capital  
96.12 projects under this section.

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

96.14 Sec. 5. **[297A.9902] LOCAL SALES TAXES; OVERSIGHT.**

96.15 Subdivision 1. **Filing requirement.** (a) A political subdivision seeking to impose a local  
96.16 sales tax under the provisions of section 297A.9901 must file a copy of all documentation  
96.17 required under section 297A.9901 with the commissioner and the state auditor by October  
96.18 31.

96.19 (b) The state auditor must verify whether each project included in the submission under  
96.20 paragraph (a) meets the requirements of section 297A.9901. By January 10 of the following  
96.21 year, the state auditor must notify the political subdivision of its determination. If the state  
96.22 auditor determines that a project does not meet the requirements of section 297A.9901, the  
96.23 political subdivision may seek legislative authorization for a local sales tax to finance the  
96.24 project under the provisions of section 297A.99.

96.25 Subd. 2. **Annual financial reporting.** By January 31 of each budget year, a political  
96.26 subdivision imposing a local sales tax under section 297A.99 or 297A.9901, under special  
96.27 law, or by city charter or ordinance must submit information regarding the uses of the local  
96.28 sales tax to the state auditor. The information must be submitted in the form and manner as  
96.29 prescribed by the state auditor. The state auditor or its designees may examine records of  
96.30 a political subdivision to complete or verify the provided information.

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

97.1 **Sec. 6. [297A.9903] LOCAL SALES TAX EQUALIZATION DISTRIBUTIONS.**

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

97.4 (b) "Adjusted net tax capacity" means the qualified recipient's adjusted net tax capacity  
97.5 under section 273.1325.

97.6 (c) "Average fiscal capacity" means the sum of the adjusted net tax capacities of all  
97.7 qualified recipients, divided by the sum of their populations.

97.8 (d) "Contribution share" means 15 percent of the total local sales taxes that were collected  
97.9 by a political subdivision in the previous calendar year pursuant to section 297A.99,  
97.10 subdivision 2a, or 297A.9901, subdivision 15, paragraph (a).

97.11 (e) "Distribution index" for a qualified recipient means the product of: (1) its population;  
97.12 and (2) the proportion which the average fiscal capacity in the preceding year bears to the  
97.13 fiscal capacity of the qualified recipient for the preceding year.

97.14 (f) "Distribution share" for a qualified recipient means the product of: (1) the total of all  
97.15 contribution shares of all political subdivisions; and (2) the proportion which the distribution  
97.16 index for the qualified recipient bears to the sum of the distribution indices of all qualified  
97.17 recipients.

97.18 (g) "Fiscal capacity" of a qualified recipient means its adjusted net tax capacity divided  
97.19 by its population.

97.20 (h) "Local sales tax" means: (1) a local sales tax imposed under section 297A.9901; or  
97.21 (2) a local sales tax imposed under section 297A.99, or special law that was enacted or  
97.22 modified after July 1, 2024.

97.23 (i) "Political subdivision" means a political subdivision as defined in section 297A.9901,  
97.24 subdivision 1.

97.25 (j) "Population" means the population estimated or established, as of January 1 in the  
97.26 year distributions under this section are calculated, by the most recent federal census, by a  
97.27 special census conducted under contract with the United States Bureau of the Census, or  
97.28 by a population estimate of the state demographer made pursuant to section 4A.02, whichever  
97.29 is the most recent.

97.30 (k) "Qualified recipient" means a political subdivision that either: (1) had a contribution  
97.31 share greater than \$0 based on local sales taxes collected in the prior calendar year; or (2)

98.1 did not collect a local sales tax in the prior calendar year that was approved by voters prior  
98.2 to July 1, 2024.

98.3 Subd. 2. **Local sales tax revenue sharing required.** A political subdivision with a local  
98.4 sales tax is subject to the contribution requirements under subdivision 3 for any calendar  
98.5 year, or portion thereof, in which a local sales tax was collected. All qualified recipients  
98.6 are eligible for distributions under this section, and the commissioner of revenue must  
98.7 annually calculate each qualified recipient's distribution share.

98.8 Subd. 3. **Contribution share.** Pursuant to section 297A.9901, subdivision 15, paragraph  
98.9 (a), the commissioner of revenue must annually retain each political subdivision's contribution  
98.10 share. For any calendar year in which a political subdivision does not have a local sales tax,  
98.11 the political subdivision's contribution share is \$0.

98.12 Subd. 4. **Certification.** The commissioner of revenue must annually calculate and certify  
98.13 each political subdivision's contribution share and each qualified recipient's distribution  
98.14 share, based on local sales taxes collected in the prior calendar year. The commissioner  
98.15 must provide notice of the certification to each political subdivision by January 31.

98.16 Subd. 5. **Settlement.** By March 15 annually, the commissioner of revenue must pay to  
98.17 each qualified recipient the distribution share certified under subdivision 4.

98.18 Subd. 6. **Future contributions and payments** A political subdivision that has imposed  
98.19 a local sales tax prior to July 1, 2024, is a qualified recipient under this section if:

98.20 (1) the political subdivision modifies, increases, or extends the local sales tax;

98.21 (2) the political subdivision imposes a new local tax under section 297A.9901 or special  
98.22 law; or

98.23 (3) the political subdivision's existing local sales tax expires.

98.24 Subd. 7. **Appropriation.** The amount required to make distributions under this section  
98.25 is appropriated from the local sales tax equalization distribution account established under  
98.26 section 297A.9901, subdivision 17, to the commissioner of revenue.

98.27 Sec. 7. **OFFICE OF THE STATE AUDITOR; APPROPRIATION.**

98.28 \$..... in fiscal year 2025 is appropriated from the general fund to the state auditor to  
98.29 implement the requirements of section 297A.9902. The funds appropriated are available  
98.30 through June 30, 2027.

99.1 Sec. 8. **REPEALER.**

99.2 Minnesota Statutes 2023 Supplement, section 297A.99, subdivision 3a, is repealed.

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

## 99.4 ARTICLE 7

### 99.5 SPECIAL LOCAL TAXES

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

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

99.15 (b) A lodging tax imposed under this section, a city charter, or a special law applies to  
 99.16 the entire consideration paid to obtain access to lodging, including ancillary or related  
 99.17 services, such as services provided by an accommodations intermediary as defined in section  
 99.18 297A.61, subdivision 47.

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

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

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

99.26 (b) If a lodging tax imposed under this section, a city charter, or a special law is not  
 99.27 collected by the commissioner of revenue, the local government imposing the tax may, by  
 99.28 ordinance, limit the required filing and remittance of the tax by an accommodations  
 99.29 intermediary to once per calendar year. The local government must inform the  
 99.30 accommodations intermediary of the date when the return or remittance is due and the dates  
 99.31 must coincide with one of the monthly dates for filing and remitting state sales tax under  
 99.32 chapter 297A. The local government must electronically provide an accommodations

100.1 intermediary with the geographic and zip code information necessary to properly collect  
 100.2 the tax.

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

100.4 Sec. 3. Laws 1986, chapter 396, section 5, as amended by Laws 2001, First Special Session  
 100.5 chapter 5, article 12, section 87, Laws 2012, chapter 299, article 3, section 3, and Laws  
 100.6 2019, First Special Session chapter 6, article 6, section 5, is amended to read:

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

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

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

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

100.20 (3) a sales tax of not more than ~~three~~ 2.5 percent on the gross receipts on all sales of  
 100.21 food primarily for consumption on or off the premises by restaurants and places of  
 100.22 refreshment as defined by resolution of the city that occur within the downtown taxing area.

100.23 The taxes authorized by this section must not be terminated before January 1, 2047. The  
 100.24 taxes shall be imposed and may be adjusted periodically by the city council such that the  
 100.25 rates imposed produce revenue sufficient, together with the tax imposed under section 4,  
 100.26 to finance the purposes described in Minnesota Statutes, section 297A.994, and section 4,  
 100.27 subdivisions 3 and 4. These taxes shall be applied, first, as provided in Minnesota Statutes,  
 100.28 section 297A.994, subdivision 3, clauses (1) to (3), and then, solely to pay, secure, maintain,  
 100.29 and fund the payment of any principal of, premium on, and interest on any bonds or any  
 100.30 other purposes in section 4, subdivision 3 or 4. The commissioner of revenue may enter  
 100.31 into appropriate agreements with the city to provide for the collection of these taxes by the

101.1 state on behalf of the city. These taxes shall be subject to the same interest, penalties, and  
 101.2 enforcement provisions as the taxes imposed under Minnesota Statutes, chapter 297A.

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

101.5 Sec. 4. Laws 1986, chapter 400, section 44, as amended by Laws 1995, chapter 264, article  
 101.6 2, section 39, and Laws 2009, chapter 88, article 4, section 13, is amended to read:

101.7 Sec. 44. **DOWNTOWN TAXING AREA.**

101.8 If a bill is enacted into law in the 1986 legislative session which authorizes the city of  
 101.9 Minneapolis to issue bonds and expend certain funds including taxes to finance the  
 101.10 acquisition and betterment of a convention center and related facilities, which authorizes  
 101.11 certain taxes to be levied in a downtown taxing area, then, notwithstanding the provisions  
 101.12 of that law "downtown taxing area" shall mean the geographic area bounded by the portion  
 101.13 of the Mississippi River between I-35W and Washington Avenue, the portion of Washington  
 101.14 Avenue between the river and I-35W, the portion of I-35W between Washington Avenue  
 101.15 and ~~8th Street~~ Portland Avenue South, the portion of 8th Street South between I-35W and  
 101.16 Portland Avenue South, the portion of Portland Avenue South between 8th Street South  
 101.17 and I-94, the portion of I-94 from the intersection of Portland Avenue South to the  
 101.18 intersection of I-94 and ~~the Burlington Northern Railroad tracks~~ Plymouth Avenue North,  
 101.19 the portion of ~~the Burlington Northern Railroad tracks from I-94~~ Plymouth Avenue North  
 101.20 to the Mississippi River. From Plymouth Avenue North and the Mississippi River south to  
 101.21 Main Street and including Nicollet Island, and the portion of Main Street to Hennepin  
 101.22 Avenue and the portion of Hennepin Avenue between Main Street and 2nd Street S.E., and  
 101.23 the portion of 2nd Street S.E. between Main Street and Bank Street, and the portion of Bank  
 101.24 Street between 2nd Street S.E. and University Avenue S.E., and the portion of University  
 101.25 Avenue S.E. between Bank Street and I-35W, and by I-35W from University Avenue S.E.,  
 101.26 to the river. The downtown taxing area excludes the area bounded on the south and west  
 101.27 by Oak Grove Street, on the east by Spruce Place, and on the north by West 15th Street.  
 101.28 The downtown taxing area also excludes any property located in a zone that is contained  
 101.29 in chapter 546 of the Minneapolis Zoning Code of Ordinances on which a restaurant with  
 101.30 a wine license is operated.

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

102.1 **ARTICLE 8**

102.2 **PUBLIC FINANCE**

102.3 Section 1. Minnesota Statutes 2022, section 123B.71, subdivision 8, is amended to read:

102.4 Subd. 8. **Review and comment.** A school district, a special education cooperative, or  
 102.5 a cooperative unit of government, as defined in section 123A.24, subdivision 2, must not  
 102.6 ~~initiate~~ enter into an installment contract for purchase or a lease agreement, hold a referendum  
 102.7 for bonds, nor solicit bids for new construction, expansion, or remodeling of an educational  
 102.8 facility that requires an expenditure in excess of \$500,000 per school site if it has a capital  
 102.9 loan outstanding, or \$2,000,000 per school site if it does not have a capital loan outstanding,  
 102.10 prior to review and comment by the commissioner. ~~A facility addition, maintenance project,~~  
 102.11 ~~or remodeling project~~ New construction, expansion, or remodeling of an educational facility  
 102.12 funded only with general education revenue, lease levy proceeds from an additional capital  
 102.13 expenditure levy under section 126C.40, subdivision 1, capital facilities bond proceeds, or  
 102.14 long-term facilities maintenance revenue is exempt from this provision. A capital project  
 102.15 under section 123B.63 addressing only technology is exempt from this provision if the  
 102.16 district submits a school board resolution stating that funds approved by the voters will be  
 102.17 used only as authorized in section 126C.10, subdivision 14. A school board shall not separate  
 102.18 portions of a single project into components to avoid the requirements of this subdivision.

102.19 Sec. 2. Minnesota Statutes 2023 Supplement, section 123B.71, subdivision 12, is amended  
 102.20 to read:

102.21 Subd. 12. **Publication.** (a) At least 48 days but not more than ~~60~~ 88 days before a  
 102.22 referendum for bonds under chapter 475 or solicitation of bids for a project that has received  
 102.23 a positive or unfavorable review and comment under section 123B.70, the school board  
 102.24 shall publish a summary of the commissioner's review and comment of that project in the  
 102.25 legal newspaper of the district. The school board must hold a public meeting to discuss the  
 102.26 commissioner's review and comment before ~~the~~ such a referendum for bonds. Supplementary  
 102.27 information shall be available to the public. Where no such referendum for bonds is required,  
 102.28 the publication and public meeting requirements of this subdivision shall not apply.

102.29 (b) The publication requirement in paragraph (a) does not apply to alternative facilities  
 102.30 projects approved under section 123B.595.

103.1 Sec. 3. Minnesota Statutes 2023 Supplement, section 126C.40, subdivision 6, is amended  
103.2 to read:

103.3 Subd. 6. **Lease purchase; installment buys.** (a) Upon application to, and approval by,  
103.4 the commissioner in accordance with the procedures and limits in subdivision 1, paragraphs  
103.5 (a) and (b), a district, as defined in this subdivision, may:

103.6 (1) purchase real or personal property under an installment contract or may lease real  
103.7 or personal property with an option to purchase under a lease purchase agreement, by which  
103.8 installment contract or lease purchase agreement title is kept by the seller or vendor or  
103.9 assigned to a third party as security for the purchase price, including interest, if any; and

103.10 (2) annually levy the amounts necessary to pay the district's obligations under the  
103.11 installment contract or lease purchase agreement.

103.12 (b) The obligation created by the installment contract or the lease purchase agreement  
103.13 must not be included in the calculation of net debt for purposes of section 475.53, and does  
103.14 not constitute debt under other law. An election is not required in connection with the  
103.15 execution of the installment contract or the lease purchase agreement.

103.16 (c) The proceeds of the levy authorized by this subdivision must not be used to acquire  
103.17 a facility to be primarily used for athletic or school administration purposes.

103.18 (d) For the purposes of this subdivision, "district" means:

103.19 (1) Special School District No. 1, Minneapolis, Independent School District No. 625,  
103.20 St. Paul, Independent School District No. 709, Duluth, or Independent School District No.  
103.21 535, Rochester, if the district's desegregation plan has been determined by the commissioner  
103.22 to be in compliance with Department of Education rules relating to equality of educational  
103.23 opportunity and where the acquisition of property under this subdivision is determined by  
103.24 the commissioner to contribute to the implementation of the desegregation plan; or

103.25 (2) other districts eligible for revenue under section 124D.862 if the facility acquired  
103.26 under this subdivision is to be primarily used for a joint program for interdistrict  
103.27 desegregation and the commissioner determines that the joint programs are being undertaken  
103.28 to implement the districts' desegregation plan.

103.29 (e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease  
103.30 or rent a district-owned building to itself does not apply to levies otherwise authorized by  
103.31 this subdivision.

103.32 (f) For the purposes of this subdivision, any references in subdivision 1 to building or  
103.33 land shall include personal property.

104.1 (g) Projects funded under this subdivision that require an expenditure in excess of  
 104.2 \$500,000 per school site if the school district has a capital loan outstanding, or \$2,000,000  
 104.3 per school site if the school district does not have a capital loan outstanding, are subject to  
 104.4 review and comment under section 123B.71, subdivision 8, in the same manner as other  
 104.5 school construction projects.

104.6 Sec. 4. Minnesota Statutes 2022, section 446A.086, subdivision 1, is amended to read:

104.7 Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the  
 104.8 meanings given.

104.9 (b) "Authority" means the Minnesota Public Facilities Authority.

104.10 (c) "Commissioner" means the commissioner of management and budget.

104.11 (d) "Debt obligation" means:

104.12 (1) a general obligation bond or note issued by a county, a bond or note to which the  
 104.13 general obligation of a county is pledged under section 469.034, subdivision 2, or a bond  
 104.14 or note payable from a county lease obligation under section 641.24, to provide funds for  
 104.15 the construction of:

104.16 (i) jails;

104.17 (ii) correctional facilities;

104.18 (iii) law enforcement facilities;

104.19 (iv) a court house or justice center, if connected to a jail, correctional facility, or other  
 104.20 law enforcement facility;

104.21 ~~(iv)~~ (v) social services and human services facilities;

104.22 ~~(v)~~ (vi) solid waste facilities; or

104.23 ~~(vi)~~ (vii) qualified housing development projects as defined in section 469.034,  
 104.24 subdivision 2; or

104.25 (2) a general obligation bond or note issued by a governmental unit to provide funds for  
 104.26 the construction, improvement, or rehabilitation of:

104.27 (i) wastewater facilities;

104.28 (ii) drinking water facilities;

104.29 (iii) stormwater facilities; or

105.1 (iv) any publicly owned building or infrastructure improvement that has received partial  
105.2 funding from grants awarded by the commissioner of employment and economic development  
105.3 related to redevelopment, contaminated site cleanup, bioscience, small cities development  
105.4 programs, and rural business infrastructure programs, for which bonds are issued by the  
105.5 authority under section 446A.087.

105.6 (e) "Governmental unit" means a county or a statutory or home rule charter city.

105.7 Sec. 5. Minnesota Statutes 2022, section 469.104, is amended to read:

105.8 **469.104 SECTIONS THAT APPLY IF FEDERAL LIMIT APPLIES.**

105.9 Sections 474A.01 to 474A.21 apply to obligations issued under sections 469.090 to  
105.10 469.108 that are ~~limited~~ required by federal tax law as defined in section 474A.02,  
105.11 subdivision 8, to obtain an allocation of volume cap.

105.12 Sec. 6. Minnesota Statutes 2022, section 474A.091, subdivision 2, is amended to read:

105.13 Subd. 2. **Application for residential rental projects.** (a) Issuers may apply for an  
105.14 allocation for residential rental bonds under this section by submitting to the department an  
105.15 application on forms provided by the department accompanied by:

105.16 (1) a preliminary resolution;

105.17 (2) a statement of bond counsel that the proposed issue of obligations requires an  
105.18 allocation under this chapter and the Internal Revenue Code;

105.19 (3) an application deposit in the amount of two percent of the requested allocation;

105.20 (4) a sworn statement from the applicant identifying the project as a preservation project,  
105.21 30 percent AMI residential rental project, 50 percent AMI residential rental project, 100  
105.22 percent LIHTC project, 20 percent LIHTC project, or any other residential rental project;  
105.23 and

105.24 (5) a certification from the applicant or its accountant stating that the requested allocation  
105.25 does not exceed the aggregate bond limitation.

105.26 The issuer must pay the application deposit to the Department of Management and Budget.  
105.27 An entitlement issuer may not apply for an allocation for residential rental project bonds  
105.28 under this section unless it has either permanently issued bonds equal to the amount of its  
105.29 entitlement allocation for the current year plus any amount carried forward from previous  
105.30 years or returned for reallocation all of its unused entitlement allocation. For purposes of

106.1 this subdivision, its entitlement allocation includes an amount obtained under section  
106.2 474A.04, subdivision 6.

106.3 (b) An issuer that receives an allocation under this subdivision must permanently issue  
106.4 obligations equal to all or a portion of the allocation received on or before the earlier of:  
106.5 (1) 180 days of the allocation; or (2) the last business day of December. If an issuer that  
106.6 receives an allocation under this subdivision does not permanently issue obligations equal  
106.7 to all or a portion of the allocation received within the time period provided in this paragraph  
106.8 or returns the allocation to the commissioner, the amount of the allocation is canceled and  
106.9 returned for reallocation through the unified pool.

106.10 (c) The Minnesota Housing Finance Agency may apply for and receive an allocation  
106.11 under this section without submitting an application deposit.

106.12 Sec. 7. Minnesota Statutes 2022, section 474A.091, subdivision 2a, is amended to read:

106.13 Subd. 2a. **Application for all other types of qualified bonds.** (a) Issuers may apply  
106.14 for an allocation for all types of qualified bonds other than residential rental bonds under  
106.15 this section by submitting to the department an application on forms provided by the  
106.16 department accompanied by:

106.17 (1) a preliminary resolution;

106.18 (2) a statement of bond counsel that the proposed issue of obligations requires an  
106.19 allocation under this chapter and the Internal Revenue Code;

106.20 (3) the type of qualified bonds to be issued;

106.21 (4) an application deposit in the amount of two percent of the requested allocation; and

106.22 (5) a public purpose scoring worksheet for manufacturing and enterprise zone  
106.23 applications.

106.24 The issuer must pay the application deposit to the Department of Management and Budget.  
106.25 An entitlement issuer may not apply for an allocation for public facility bonds or mortgage  
106.26 bonds under this section unless it has either permanently issued bonds equal to the amount  
106.27 of its entitlement allocation for the current year plus any amount carried forward from  
106.28 previous years or returned for reallocation all of its unused entitlement allocation. For  
106.29 purposes of this subdivision, an entitlement allocation includes an amount obtained under  
106.30 section 474A.04, subdivision 6.

106.31 (b) An issuer that receives an allocation under this subdivision must permanently issue  
106.32 obligations equal to all or a portion of the allocation received on or before the earlier of:

107.1 (1) 120 days of the allocation; or (2) the last business day of December. If an issuer that  
 107.2 receives an allocation under this subdivision does not permanently issue obligations equal  
 107.3 to all or a portion of the allocation received within the time period provided in this paragraph  
 107.4 or returns the allocation to the commissioner, the amount of the allocation is canceled and  
 107.5 returned for reallocation through the unified pool.

107.6 (c) Notwithstanding the restrictions imposed on entitlement issuers under this subdivision,  
 107.7 the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds  
 107.8 under this section prior to the first Monday in October, but may be awarded allocations for  
 107.9 mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota  
 107.10 Housing Finance Agency, the Minnesota Office of Higher Education, and the Minnesota  
 107.11 Rural Finance Authority may apply for and receive an allocation under this section without  
 107.12 submitting an application deposit.

## 107.13 ARTICLE 9

### 107.14 MISCELLANEOUS

107.15 Section 1. Minnesota Statutes 2022, section 270C.21, is amended to read:

107.16 **270C.21 TAXPAYER ASSISTANCE GRANTS; TAX CREDIT OUTREACH**  
 107.17 **GRANTS.**

107.18 Subdivision 1. **Taxpayer assistance.** When the commissioner awards grants to ~~eligible~~  
 107.19 ~~organizations to coordinate, facilitate, encourage, and aid in the provision of taxpayer~~  
 107.20 ~~assistance services~~ under this section, the commissioner must provide public notice of the  
 107.21 grants in a timely manner so that the grant process is completed and grants are awarded by  
 107.22 October 1, in order for recipient ~~eligible~~ organizations to adequately plan expenditures for  
 107.23 the filing season. At the time the commissioner provides public notice, the commissioner  
 107.24 must also notify ~~eligible~~ organizations that received grants in the previous biennium. Amounts  
 107.25 appropriated for grants under this section are not subject to retention of administrative costs  
 107.26 under section 16B.98, subdivision 14.

107.27 Subd. 2. ~~Eligible organization~~ **Eligible organization Definitions.** "Eligible organization" means an organization  
 107.28 ~~that meets the definition of eligible organization provided in section 7526A(e)(2)(B) of the~~  
 107.29 ~~Internal Revenue Code.~~

107.30 (a) For the purposes of this section, the following terms have the meanings given.

107.31 (b) "Eligible credit" means a credit, refund, or other tax preference targeting low-income  
 107.32 taxpayers, including but not limited to the credits under sections 290.0661, 290.0671,  
 107.33 290.0674, and 290.0693, and chapter 290A.

108.1 (c) "Tax outreach organization" means a nonprofit organization or federally recognized  
 108.2 Indian Tribe with experience serving demographic groups or geographic regions that have  
 108.3 historically had low rates of participation in eligible credits.

108.4 (d) "Taxpayer assistance services" means accounting and tax preparation services  
 108.5 provided by volunteers to low-income, elderly, and disadvantaged Minnesota residents to  
 108.6 help them file federal and state income tax returns and Minnesota property tax refund claims  
 108.7 and to provide personal representation before the Department of Revenue and Internal  
 108.8 Revenue Service.

108.9 (e) "Volunteer taxpayer assistance organization" means an eligible organization qualifying  
 108.10 under section 7526A(e)(2)(B) of the Internal Revenue Code of 1986.

108.11 Subd. 3. **Taxpayer assistance grants.** The commissioner must annually make grants  
 108.12 to one or more volunteer taxpayer assistance organizations to coordinate, facilitate, encourage,  
 108.13 and aid in the provision of taxpayer assistance services.

108.14 Subd. 4. **Tax credit outreach grants.** The commissioner must annually make one or  
 108.15 more grants to tax outreach organizations and volunteer assistance organizations. Grants  
 108.16 provided under this subdivision must be used to:

108.17 (1) publicize and promote the availability of eligible credits to taxpayers likely to be  
 108.18 eligible for those credits; or

108.19 (2) provide taxpayer assistance services.

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

108.21 Sec. 2. Minnesota Statutes 2023 Supplement, section 297H.13, subdivision 2, is amended  
 108.22 to read:

108.23 Subd. 2. **Allocation of revenues.** (a) Of the amounts remitted under this chapter, 70  
 108.24 percent must be credited to the environmental fund established in section 16A.531,  
 108.25 subdivision 1.

108.26 (b) In addition to the amounts credited to the environmental fund in paragraph (a), ~~in~~  
 108.27 ~~fiscal year 2024 and later,~~ three percent of the amounts remitted under this chapter shall be  
 108.28 deposited into the resource management account in the environmental fund. For fiscal year  
 108.29 2025 only, an additional \$1,821,000 must be deposited in the resource management account  
 108.30 in the environmental fund.

108.31 (c) The remainder must be deposited into the general fund.

109.1 (d) ~~Beginning in fiscal year 2024 and annually thereafter,~~ The money deposited in the  
109.2 resource management account in the environmental fund under paragraph (b) is appropriated  
109.3 to the commissioner of the Pollution Control Agency for distribution to counties under  
109.4 section 115A.557, subdivision 2, paragraph (a), clauses (1) to (7) and (9) to (11). Amounts  
109.5 appropriated for distribution under this section are not subject to retention of administrative  
109.6 costs under section 16B.98, subdivision 14.

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

109.8 Sec. 3. **[428A.30] DEFINITIONS.**

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

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

109.12 Subd. 3. **District.** "District" means a land-value taxation district established under section  
109.13 428A.31.

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

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

109.17 Sec. 4. **[428A.31] ESTABLISHMENT OF LAND-VALUE TAXATION DISTRICT.**

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

109.20 (1) the parcels of property constituting the district, either by specific identification of  
109.21 each parcel, or by defining a geographic area or areas within the city, and then within that  
109.22 area or those areas, identifying the specific types of property, as defined under section  
109.23 273.13, to be included in the district; and

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

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

109.29 Subd. 2. **Hearing; notice.** Before adopting an ordinance, the city must hold a public  
109.30 hearing on the question. Notice of the hearing must include the time and place of the hearing,  
109.31 a description of the parcels to be included in the district, a description of the procedure for

110.1 reallocating the tax burden among the parcels, and the duration of the district. Each person  
 110.2 owning property in the proposed district must be given the opportunity to be heard at the  
 110.3 hearing. Notice of the hearing must be published on the city's website and in at least two  
 110.4 issues of the official newspaper of the city. The two publications must be two weeks apart  
 110.5 and the hearing must be held at least three days after the last publication. Not less than ten  
 110.6 days before the hearing, notice must be mailed to the owner of each parcel proposed to be  
 110.7 included in the district. For the purpose of the mailed notice, owners are those shown on  
 110.8 the records of the county auditor. Other records may be used to supply the necessary  
 110.9 information. At the public hearing, a person affected by the proposed district may testify  
 110.10 on any issues relevant to the proposed district. The hearing may be adjourned from time to  
 110.11 time and the ordinance establishing the district may be adopted at any time within six months  
 110.12 after the date of the conclusion of the hearing by a vote of the majority of the governing  
 110.13 body of the city. Within 30 days after adoption of the ordinance, the governing body shall  
 110.14 send a copy of the ordinance to the commissioner of revenue.

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

110.16 **Sec. 5. [428A.32] RESTRICTIONS ON TAX REALLOCATION PROCEDURE.**

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

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

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

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

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

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

110.27 **Sec. 6. [428A.33] TAXATION WITHIN DISTRICT.**

110.28 Subdivision 1. **Initial taxation within district.** For each property taxes payable year,  
 110.29 the city must compile the total property taxes imposed upon all properties within the district  
 110.30 for each taxing jurisdiction after final property tax statements are issued under section  
 110.31 276.04. For the purposes of this section, the areawide taxes under chapters 276A and 473F,  
 110.32 and the state general levy under section 275.025, are considered to be taxing jurisdictions.

111.1 Subd. 2. Final taxation within district. The city must allocate the tax, as determined  
111.2 under subdivision 1, among all properties in the district according to the terms of the  
111.3 ordinance, such that the entire amount of tax payable to each taxing jurisdiction under  
111.4 subdivision 1 is allocated among the properties constituting the district. The city must report  
111.5 the revised property tax amounts for each parcel of property to the county treasurer by April  
111.6 30 of the year the tax is payable. The city must provide for revised property tax statements  
111.7 to be mailed to all properties within the district by April 30 of the year the tax is payable.  
111.8 Taxpayers must make payments according to the dates specified in section 279.01 as if the  
111.9 property tax statements were mailed 21 days prior to May 15 of the year the taxes are  
111.10 payable.

111.11 Subd. 3. Report to commissioner of revenue. By September 1 of each year, the county  
111.12 treasurer must report the initial and final distribution of the net tax for each parcel of property  
111.13 in the district to the commissioner of revenue on a form prescribed by the commissioner of  
111.14 revenue.

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

111.16 Sec. 7. [428A.34] APPEAL OF LAND VALUE.

111.17 The owner of any property included in a land-value taxation district under section  
111.18 428A.31 may appeal the valuation attributable to land separately from the valuation  
111.19 attributable to improvements upon the land under sections 274.01 and 274.13 or chapter  
111.20 271.

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

111.22 Sec. 8. AID TO CITIES FOR EMERALD ASH BORER FINANCIAL ASSISTANCE.

111.23 Subdivision 1. Definitions. For the purposes of this section, the following terms have  
111.24 the meanings given:

111.25 (1) "eligible costs" means costs incurred in 2020 or later for treating or removing a tree  
111.26 on residential or agricultural homestead property that has been found to be infested by the  
111.27 emerald ash borer and has been required by state law or by municipal ordinance to be treated  
111.28 or removed;

111.29 (2) "eligible homeowner" means a homeowner who experienced eligible costs related  
111.30 to a tree on the homeowner's property; and

111.31 (3) "eligible local government" means:

- 112.1 (i) a town with a population of at least 10,000;  
112.2 (ii) a statutory or home rule charter city; or  
112.3 (iii) "Minnesota Tribal governments," as defined in Minnesota Statutes, section 10.65,  
112.4 subdivision 2, clause (4).

112.5 Subd. 2. **Aid program established; payment.** The commissioner of revenue must  
112.6 distribute aid to eligible local governments, as provided in this section. The commissioner  
112.7 must certify the aid amount to be paid in 2025 to each eligible local government by January  
112.8 31, 2025. The commissioner must make the full 2025 payment to each eligible local  
112.9 government by February 15, 2025. This program is not subject to retention of administrative  
112.10 costs under Minnesota Statutes, section 16B.98, subdivision 14.

112.11 Subd. 3. **Amount of aid.** (a) The commissioner of revenue must establish a process to  
112.12 allocate the amount of available aid to eligible local governments. The process must be an  
112.13 open application process for a merit-based competitive grant program. The grant program  
112.14 established under this subdivision must prioritize distributing aid to eligible local  
112.15 governments based on:

- 112.16 (1) the rate of emerald ash borer infestations on residential properties;  
112.17 (2) the ability of the local government's residents to pay for eligible costs; and  
112.18 (3) the population of the eligible local government.

112.19 (b) The commissioner of revenue must consult with the commissioners of agriculture  
112.20 and natural resources when establishing the process required under this subdivision.

112.21 Subd. 4. **Eligible uses.** An eligible government must use aid received under this section  
112.22 to reimburse eligible homeowners with incomes below 200 percent of the official federal  
112.23 poverty guideline for their eligible costs.

112.24 Subd. 5. **Appropriation.** \$1,000,000 in fiscal year 2025 is appropriated from the general  
112.25 fund to the commissioner of revenue for aid under this section. This is a onetime  
112.26 appropriation. The Department of Revenue may retain up to three percent of this amount  
112.27 for costs incurred in administering the program.

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

113.1 Sec. 9. **APPROPRIATION; ANOKA COUNTY SOIL AND WATER**  
113.2 **CONSERVATION DISTRICT; GRANT.**

113.3 \$50,000 in fiscal year 2025 is appropriated from the general fund to the commissioner  
113.4 of revenue for a grant to the Anoka County Soil And Water Conservation District. This is  
113.5 a onetime appropriation. The grant must be paid by July 15, 2024. The grant under this  
113.6 section is not subject to retention of administrative costs under Minnesota Statutes, section  
113.7 16B.98, subdivision 14.

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

113.9 Sec. 10. **APPROPRIATION; BROWERVILLE PUBLIC SCHOOLS.**

113.10 \$580,000 in fiscal year 2025 is appropriated from the general fund to the commissioner  
113.11 of revenue for a grant to Browerville public schools, Independent School District No. 787,  
113.12 to remediate the effects of a school building roof collapse that occurred in 2023. The grant  
113.13 recipient must use the money appropriated under this section for materials and supplies  
113.14 used in and equipment incorporated into renovations to the prekindergarten through grade  
113.15 12 school building, and construction of a new gymnasium, classrooms, locker rooms, a  
113.16 wrestling and weight room, offices, and a stage. The grant must be paid by July 15, 2024.  
113.17 This appropriation is onetime. The grant under this section is not subject to retention of  
113.18 administrative costs under Minnesota Statutes, section 16B.98, subdivision 14.

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

113.20 Sec. 11. **APPROPRIATION; CITY OF SOUTH ST. PAUL; GRANT.**

113.21 (a) \$100,000 in fiscal year 2024 is appropriated from the general fund to the commissioner  
113.22 of revenue for a grant to the city of South St. Paul. This is a onetime appropriation. The  
113.23 grant must be paid by June 30, 2024. The grant under this section is not subject to retention  
113.24 of administrative costs under Minnesota Statutes, section 16B.98, subdivision 14.

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

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

113.28 Sec. 12. **APPROPRIATION; TAX CREDIT OUTREACH GRANTS; TAXPAYER**  
113.29 **ASSISTANCE GRANTS.**

113.30 (a) \$1,000,000 in fiscal year 2025 is appropriated from the general fund to the  
113.31 commissioner of revenue for tax credit outreach grants under Minnesota Statutes, section

114.1 270C.21, subdivision 4. This appropriation is in addition to the amount appropriated in  
 114.2 Laws 2023, chapter 64, article 7, section 30. The base for this program is \$1,044,000 in  
 114.3 fiscal year 2026 and \$1,045,000 in fiscal year 2027.

114.4 (b) \$750,000 in fiscal year 2025 is appropriated from the general fund to the commissioner  
 114.5 of revenue for taxpayer assistance grants under Minnesota Statutes, section 270C.21,  
 114.6 subdivision 3. This appropriation is in addition to the amount appropriated for taxpayer  
 114.7 assistance in Laws 2023, chapter 62, article 1, section 14, subdivision 2.

## 114.8 **ARTICLE 10**

### 114.9 **DEPARTMENT OF REVENUE; INDIVIDUAL INCOME AND CORPORATE** 114.10 **FRANCHISE TAXES**

114.11 Section 1. Minnesota Statutes 2022, section 116U.27, subdivision 2, is amended to read:

114.12 Subd. 2. **Credit allowed.** A taxpayer is eligible for a credit up to 25 percent of eligible  
 114.13 production costs paid in ~~a taxable year~~ any consecutive 12-month period as described in  
 114.14 subdivision 1, paragraph (h). A taxpayer may only claim a credit if the taxpayer was issued  
 114.15 a credit certificate under subdivision 4.

114.16 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
 114.17 after December 31, 2022.

114.18 Sec. 2. Minnesota Statutes 2023 Supplement, section 290.01, subdivision 19, is amended  
 114.19 to read:

114.20 Subd. 19. **Net income.** (a) For a trust or estate taxable under section 290.03, and a  
 114.21 corporation taxable under section 290.02, the term "net income" means the federal taxable  
 114.22 income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through  
 114.23 the date named in this subdivision, incorporating the federal effective dates of changes to  
 114.24 the Internal Revenue Code and any elections made by the taxpayer in accordance with the  
 114.25 Internal Revenue Code in determining federal taxable income for federal income tax  
 114.26 purposes, and with the modifications provided in sections 290.0131 to 290.0136.

114.27 (b) For an individual, the term "net income" means federal adjusted gross income with  
 114.28 the modifications provided in sections 290.0131, 290.0132, and 290.0135 to 290.0137.

114.29 (c) In the case of a regulated investment company or a fund thereof, as defined in section  
 114.30 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment  
 114.31 company taxable income as defined in section 852(b)(2) of the Internal Revenue Code,  
 114.32 except that:

115.1 (1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal  
115.2 Revenue Code does not apply;

115.3 (2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue  
115.4 Code must be applied by allowing a deduction for capital gain dividends and exempt-interest  
115.5 dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code;  
115.6 and

115.7 (3) the deduction for dividends paid must also be applied in the amount of any  
115.8 undistributed capital gains which the regulated investment company elects to have treated  
115.9 as provided in section 852(b)(3)(D) of the Internal Revenue Code.

115.10 (d) The net income of a real estate investment trust as defined and limited by section  
115.11 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust  
115.12 taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

115.13 (e) The net income of a designated settlement fund as defined in section 468B(d) of the  
115.14 Internal Revenue Code means the gross income as defined in section 468B(b) of the Internal  
115.15 Revenue Code.

115.16 (f) The Internal Revenue Code of 1986, as amended through May 1, 2023, applies for  
115.17 taxable years beginning after December 31, 1996.

115.18 (g) Except as otherwise provided, references to the Internal Revenue Code in this  
115.19 subdivision and sections 290.0131 to 290.0136 mean the code in effect for purposes of  
115.20 determining net income for the applicable year.

115.21 (h) In the case of a partnership electing to file a composite return under section 289A.08,  
115.22 subdivision 7, "net income" means the partner's share of federal adjusted gross income from  
115.23 the partnership modified by the additions provided in section 290.0131, subdivisions 8 to  
115.24 10, 16, and 17, and the subtractions provided in: (1) section 290.0132, subdivisions 9, 27,  
115.25 ~~and 28, and 31~~, to the extent the amount is assignable or allocable to Minnesota under section  
115.26 290.17; and (2) section 290.0132, subdivision 14. The subtraction allowed under section  
115.27 290.0132, subdivision 9, is only allowed on the composite tax computation to the extent  
115.28 the electing partner would have been allowed the subtraction.

115.29 (i) In the case of a qualifying entity electing to pay the pass-through entity tax under  
115.30 section 289A.08, subdivision 7a, "net income" means the qualifying owner's share of federal  
115.31 adjusted gross income from the qualifying entity modified by the additions provided in  
115.32 section 290.0131, subdivisions 5, 8 to 10, 16, and 17, and the subtractions provided in: (1)  
115.33 section 290.0132, subdivisions 3, 9, 27, ~~and 28, and 31~~, to the extent the amount is assignable

116.1 or allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14.  
116.2 The subtraction allowed under section 290.0132, subdivision 9, is only allowed on the  
116.3 pass-through entity tax computation to the extent the qualifying owners would have been  
116.4 allowed the subtraction. ~~The income of both a resident and nonresident qualifying owner~~  
116.5 ~~is allocated and assigned to this state as provided for nonresident partners and shareholders~~  
116.6 ~~under sections 290.17, 290.191, and 290.20.~~

116.7 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
116.8 after December 31, 2022.

116.9 Sec. 3. Minnesota Statutes 2023 Supplement, section 290.0132, subdivision 34, is amended  
116.10 to read:

116.11 Subd. 34. **Qualified retirement benefits.** (a) The amount of qualified public pension  
116.12 income is a subtraction. The subtraction in this section is limited to:

116.13 (1) \$25,000 for a married taxpayer filing a joint return or surviving spouse; or

116.14 (2) \$12,500 for all other filers.

116.15 (b) For a taxpayer with adjusted gross income above the phaseout threshold, the  
116.16 subtraction is reduced by ten percent for each \$2,000 of adjusted gross income, or fraction  
116.17 thereof, in excess of the threshold. The phaseout threshold equals:

116.18 (1) \$100,000 for a married taxpayer filing a joint return or surviving spouse;

116.19 (2) \$78,000 for a single or head of household taxpayer; or

116.20 (3) for a married taxpayer filing a separate return, half the amount for a married taxpayer  
116.21 filing a joint return.

116.22 (c) For the purposes of this section, "qualified public pension income" means any amount  
116.23 received:

116.24 (1) by a former basic member or the survivor of a former basic member, as an annuity  
116.25 or survivor benefit, from a pension plan governed by chapter 353, 353E, 354, or 354A,  
116.26 provided that the annuity or benefit is based on service for which the member or survivor  
116.27 ~~is not also receiving~~ did not earn Social Security benefits;

116.28 (2) as an annuity or survivor benefit from the legislators plan under chapter 3A, the State  
116.29 Patrol retirement plan under chapter 352B, or the public employees police and fire plan  
116.30 under sections 353.63 to 353.666, provided that the annuity or benefit is based on service  
116.31 for which the member or survivor ~~is not also receiving~~ did not earn Social Security benefits;

117.1 (3) from any retirement system administered by the federal government that is based on  
117.2 service for which the recipient or the recipient's survivor ~~is not also receiving~~ did not earn  
117.3 Social Security benefits; or

117.4 (4) from a public retirement system of or created by another state or any of its political  
117.5 subdivisions, or the District of Columbia, if the income tax laws of the other state or district  
117.6 permit a similar deduction or exemption or a reciprocal deduction or exemption of a  
117.7 retirement or pension benefit received from a public retirement system of or created by this  
117.8 state or any political subdivision of this state.

117.9 (d) The commissioner must annually adjust the subtraction limits in paragraph (a) and  
117.10 the phaseout thresholds in paragraph (b), as provided in section 270C.22. The statutory year  
117.11 is taxable year 2023.

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

117.13 Sec. 4. Minnesota Statutes 2023 Supplement, section 290.0134, subdivision 20, is amended  
117.14 to read:

117.15 Subd. 20. **Delayed business interest.** (a) For each taxable year an addition is required  
117.16 under section ~~290.0131, subdivision 19~~ 290.0133, subdivision 15, the amount of the addition,  
117.17 less the sum of all amounts subtracted under this paragraph in all prior taxable years, that  
117.18 does not exceed the limitation on business interest in section 163(j) of the Internal Revenue  
117.19 Code of 1986, as amended through December 15, 2022, notwithstanding the special rule in  
117.20 section 163(j)(10) of the Internal Revenue Code, is a subtraction. Any excess is a delayed  
117.21 business interest carryforward, the entire amount of which must be carried to the earliest  
117.22 taxable year. No subtraction is allowed under this paragraph for taxable years beginning  
117.23 after December 31, 2022.

117.24 (b) For each of the five taxable years beginning after December 31, 2022, there is allowed  
117.25 a subtraction equal to one-fifth of the sum of all carryforward amounts that remain after the  
117.26 expiration of paragraph (a).

117.27 (c) Entities that are part of a combined reporting group under the unitary rules of section  
117.28 290.17, subdivision 4, must compute deductions and additions as required under section  
117.29 290.34, subdivision 5.

117.30 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
117.31 after December 31, 2019.

118.1 Sec. 5. Minnesota Statutes 2023 Supplement, section 290.0693, subdivision 1, is amended  
118.2 to read:

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

118.5 (b) "Dependent" means any individual who is considered a dependent under sections  
118.6 151 and 152 of the Internal Revenue Code and was claimed by the taxpayer as a dependent.

118.7 (c) "Disability" has the meaning given in section 290A.03, subdivision 10.

118.8 (d) "Exemption amount" means the exemption amount under section 290.0121,  
118.9 subdivision 1, paragraph (b).

118.10 (e) "Gross rent" means rent paid for the right of occupancy, at arm's length, of a  
118.11 homestead, exclusive of charges for any medical services furnished by the landlord as a  
118.12 part of the rental agreement, whether expressly set out in the rental agreement or not. The  
118.13 gross rent of a resident of a nursing home or intermediate care facility is \$600 per month.  
118.14 The gross rent of a resident of an adult foster care home is \$930 per month. The commissioner  
118.15 shall annually adjust the amounts in this paragraph as provided in section 270C.22. The  
118.16 statutory year is 2023. If the landlord and tenant have not dealt with each other at arm's  
118.17 length and the commissioner determines that the gross rent charged was excessive, the  
118.18 commissioner may adjust the gross rent to a reasonable amount for purposes of this section.

118.19 (f) "Homestead" has the meaning given in section 290A.03, subdivision 6.

118.20 (g) "Household" has the meaning given in section 290A.03, subdivision 4.

118.21 (h) "Household income" means all income received by all persons of a household in a  
118.22 taxable year while members of the household, other than income of a dependent.

118.23 (i) "Income" means adjusted gross income, minus:

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

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

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

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

118.28 (5) for the taxpayer's fifth dependent, the exemption amount; and

118.29 (6) if the taxpayer or taxpayer's spouse had a disability or attained the age of 65 on or  
118.30 before the close of the taxable year, the exemption amount.

119.1 (j) "Rent constituting property taxes" means 17 percent of the gross rent actually paid  
 119.2 in cash, or its equivalent, or the portion of rent paid in lieu of property taxes, in any taxable  
 119.3 year by a claimant for the right of occupancy of the claimant's Minnesota homestead in the  
 119.4 taxable year, and which rent constitutes the basis, in the succeeding taxable year of a claim  
 119.5 for a credit under this section by the claimant. If an individual occupies a homestead with  
 119.6 another person or persons not related to the individual as the individual's spouse or as  
 119.7 dependents, and the other person or persons are residing at the homestead under a rental or  
 119.8 lease agreement with the individual, the amount of rent constituting property tax for the  
 119.9 individual equals that portion not covered by the rental agreement.

119.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
 119.11 31, 2023.

119.12 Sec. 6. Minnesota Statutes 2023 Supplement, section 290.0693, subdivision 6, is amended  
 119.13 to read:

119.14 Subd. 6. **Residents of nursing homes, intermediate care facilities, long-term care**  
 119.15 **facilities, or facilities accepting housing support payments.** (a) A taxpayer must not claim  
 119.16 a credit under this section if the taxpayer is a resident of a nursing home, intermediate care  
 119.17 facility, long-term residential facility, or a facility that accepts housing support payments  
 119.18 whose rent constituting property taxes is paid pursuant to the Supplemental Security Income  
 119.19 program under title XVI of the Social Security Act, the Minnesota supplemental aid program  
 119.20 under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX  
 119.21 of the Social Security Act, or the housing support program under chapter 256I.

119.22 (b) If only a portion of the rent constituting property taxes is paid by these programs,  
 119.23 the resident is eligible for a credit, but the credit calculated must be multiplied by a fraction,  
 119.24 the numerator of which is adjusted gross income, ~~reduced by the total amount of income~~  
 119.25 ~~from the above sources other than vendor payments under the medical assistance program~~  
 119.26 and the denominator of which is adjusted gross income, plus vendor payments under the  
 119.27 medical assistance program, to determine the allowable credit.

119.28 (c) Notwithstanding paragraphs (a) and (b), if the taxpayer was a resident of the nursing  
 119.29 home, intermediate care facility, long-term residential facility, or facility for which the rent  
 119.30 was paid for the claimant by the housing support program for only a portion of the taxable  
 119.31 year covered by the claim, the taxpayer may compute rent constituting property taxes by  
 119.32 disregarding the rent constituting property taxes from the nursing home or facility and may  
 119.33 use only that amount of rent constituting property taxes or property taxes payable relating

120.1 to that portion of the year when the taxpayer was not in the facility. The taxpayer's household  
120.2 income is the income for the entire taxable year covered by the claim.

120.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
120.4 31, 2023.

120.5 Sec. 7. Minnesota Statutes 2023 Supplement, section 290.0693, subdivision 8, is amended  
120.6 to read:

120.7 Subd. 8. **One claimant per household.** Only one taxpayer per household per year is  
120.8 entitled to claim a credit under this section. In the case of a married couple filing a joint  
120.9 return, the couple may claim a credit under this section based on the total amount of both  
120.10 spouses' gross rent. In the case of a married taxpayer filing a separate return, only one spouse  
120.11 may claim the credit under this section. The credit amount for the spouse that claims the  
120.12 credit must be calculated based on household income and not solely on the income of the  
120.13 spouse.

120.14 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
120.15 31, 2023.

120.16 Sec. 8. Minnesota Statutes 2023 Supplement, section 290.0695, subdivision 2, is amended  
120.17 to read:

120.18 Subd. 2. **Credit allowed; limitation; carryover.** (a) An eligible taxpayer is allowed a  
120.19 credit against tax due under this chapter equal to 50 percent of ~~eligible expenses, not to~~  
120.20 ~~exceed \$3,000 per mile, multiplied by the number of miles of railroad track owned or leased~~  
120.21 ~~within the state by the eligible taxpayer for which the taxpayer made the~~ qualified railroad  
120.22 reconstruction or replacement expenditures ~~as of the close of the taxable year for which the~~  
120.23 ~~credit is claimed~~ made by an eligible taxpayer within this state during the taxable year for  
120.24 which the credit is claimed.

120.25 (b) The credit allowed under paragraph (a) for any taxable year must not exceed the  
120.26 product of:

120.27 (1) \$3,000, multiplied by;

120.28 (2) the number of miles of railroad track owned or leased by the eligible taxpayer within  
120.29 this state as of the close of the taxable year for which the taxpayer made qualified railroad  
120.30 reconstruction or replacement expenditures for which the credit is claimed.

120.31 ~~(b)~~ (c) If the amount of the credit determined under this section for any taxable year  
120.32 exceeds the liability for tax under this chapter, the excess is a credit carryover to each of

121.1 the five succeeding taxable years. The entire amount of the excess unused credit for the  
121.2 taxable year must be carried first to the earliest of the taxable years to which the credit may  
121.3 be carried and then to each successive year to which the credit may be carried. The amount  
121.4 of the unused credit that may be added under this paragraph must not exceed the taxpayer's  
121.5 liability for tax less the credit for the taxable year.

121.6 ~~(e)~~ (d) An eligible taxpayer claiming a credit under this section may not also claim the  
121.7 credit under section 297I.20, subdivision 6, for the same qualified railroad reconstruction  
121.8 or replacement expenditures.

121.9 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
121.10 after December 31, 2022.

121.11 Sec. 9. Laws 2023, chapter 1, section 22, is amended to read:

121.12 Sec. 22. **TEMPORARY ADDITIONS AND SUBTRACTIONS; INDIVIDUALS,**  
121.13 **ESTATES, AND TRUSTS.**

121.14 (a) For the purposes of this section:

121.15 (1) "subtraction" has the meaning given in Minnesota Statutes, section 290.0132,  
121.16 subdivision 1, and the rules in that subdivision apply to this section;

121.17 (2) "addition" has the meaning given in Minnesota Statutes, section 290.0131, subdivision  
121.18 1, and the rules in that subdivision apply to this section; and

121.19 (3) the definitions in Minnesota Statutes, section 290.01, apply to this section.

121.20 (b) The following amounts are subtractions:

121.21 (1) the amount of wages used for the calculation of the employee retention credit for  
121.22 employers affected by qualified disasters, to the extent not deducted from income, under  
121.23 Public Law 116-94, division Q, section 203, or Public Law 116-260, division EE, section  
121.24 303;

121.25 (2) the amount of wages used for the calculation of the payroll credit for required paid  
121.26 sick leave, to the extent not deducted from income, under Public Law 116-127, section  
121.27 7001, as amended by section 9641 of Public Law 117-2;

121.28 (3) the amount of wages or expenses used for the calculation of the payroll credit for  
121.29 required paid family leave, to the extent not deducted from income, under Public Law  
121.30 116-127, section 7003, as amended by section 9641 of Public Law 117-2;

122.1 (4) the amount of wages used for the calculation of the employee retention credit for  
122.2 employers subject to closure due to COVID-19, to the extent not deducted from income,  
122.3 under Public Law 116-136, section 2301, as amended by Public Law 116-260, division EE,  
122.4 section 207, and Public Law 117-2, section 9651; and

122.5 (5) the amount required to be added to gross income to claim the credit in section 6432  
122.6 of the Internal Revenue Code.

122.7 (c) The following amounts are additions:

122.8 (1) the amount subtracted for qualified tuition expenses under section 222 of the Internal  
122.9 Revenue Code, as amended by Public Law 116-94, division Q, section 104;

122.10 (2) the amount of above the line charitable contributions deducted under section 2204  
122.11 of Public Law 116-136;

122.12 (3) the amount of meal expenses in excess of the 50 percent limitation under section  
122.13 274(n)(1) of the Internal Revenue Code allowed under subsection (n), paragraph (2),  
122.14 subparagraph (D), of that section; and

122.15 (4) the amount of charitable contributions deducted from federal taxable income by a  
122.16 trust for taxable year 2020 under Public Law 116-136, section 2205(a).

122.17 (d) The commissioner of revenue must apply the subtractions in paragraph (b) and the  
122.18 additions in paragraph (c), when calculating the following:

122.19 (1) the percentage under Minnesota Statutes, section 290.06, subdivision 2c, paragraph  
122.20 (e);

122.21 (2) a taxpayer's alternative minimum taxable income under Minnesota Statutes, section  
122.22 290.091; and

122.23 (3) "~~income~~" ~~as defined in Minnesota Statutes, section 289A.08, subdivision 7, paragraph~~  
122.24 ~~(j)~~, for the purposes of determining the tax for composite filers and the pass-through entity  
122.25 tax, means the partner's share of federal adjusted gross income from the partnership modified  
122.26 by the additions provided in Minnesota Statutes, section 290.0131, subdivisions 8 to 10,  
122.27 16, 17, and 19, and the subtractions provided in (i) Minnesota Statutes, section 290.0132,  
122.28 subdivisions 9, 27, and 28, to the extent the amount is assignable or allocable to Minnesota  
122.29 under Minnesota Statutes, section 290.17; and (ii) Minnesota Statutes, section 290.0132,  
122.30 subdivision 14. The subtraction allowed under Minnesota Statutes, section 290.0132,  
122.31 subdivision 9, is only allowed on the composite tax computation to the extent the electing  
122.32 partner would have been allowed the subtraction.

123.1 (e) For the purpose of calculating property tax refunds under Minnesota Statutes, chapter  
 123.2 290A, any amounts allowed as a subtraction in paragraph (b) are excluded from "income,"  
 123.3 as defined in Minnesota Statutes, section 290A.03, subdivision 3.

123.4 **EFFECTIVE DATE.** This section is effective retroactively at the same time the changes  
 123.5 in Laws 2023, chapter 1, section 22, were effective for federal purposes.

## 123.6 **ARTICLE 11**

### 123.7 **DEPARTMENT OF REVENUE; SALES AND USE TAXES**

123.8 Section 1. Minnesota Statutes 2022, section 297A.66, subdivision 3, is amended to read:

123.9 Subd. 3. **Marketplace provider liability.** (a) A marketplace provider is deemed the  
 123.10 retailer or seller for all retail sales it facilitates, and is subject to audit on the retail sales it  
 123.11 facilitates if it is required to collect sales and use taxes and remit them to the commissioner  
 123.12 under subdivision 2, paragraphs (b) and (c).

123.13 ~~(b) A marketplace provider is not liable for failing to file, collect, and remit sales and~~  
 123.14 ~~use taxes to the commissioner if the marketplace provider demonstrates that the error was~~  
 123.15 ~~due to incorrect or insufficient information given to the marketplace provider by the retailer.~~  
 123.16 ~~This paragraph does not apply if the marketplace provider and the marketplace retailer are~~  
 123.17 ~~related as defined in subdivision 4, paragraph (b).~~

123.18 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
 123.19 30, 2024

123.20 Sec. 2. Minnesota Statutes 2022, section 297A.66, is amended by adding a subdivision to  
 123.21 read:

123.22 Subd. 3a. **Marketplace provider relief.** (a) A marketplace provider is relieved of liability  
 123.23 for failure to collect the correct amount of sales or use tax, with respect to sales on behalf  
 123.24 of marketplace sellers, to the extent that the marketplace provider can demonstrate that the  
 123.25 error was due to incorrect information given to the marketplace provider by the marketplace  
 123.26 seller, unless the marketplace provider and the marketplace seller are affiliated persons. To  
 123.27 qualify for the liability relief under this subdivision, a marketplace provider must have  
 123.28 received erroneous information from a marketplace seller that prevented the marketplace  
 123.29 provider from properly determining the correct tax amount owed. A marketplace provider  
 123.30 does not qualify for the liability relief under this subdivision when a marketplace seller  
 123.31 provided information that was correct, but was incomplete or insufficient to make the proper  
 123.32 taxability determination.

124.1 (b) If the marketplace provider is relieved of liability under paragraph (a), the marketplace  
 124.2 seller is solely liable for the amount of uncollected tax due.

124.3 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
 124.4 30, 2024

124.5 **ARTICLE 12**  
 124.6 **DEPARTMENT OF REVENUE; PROPERTY TAXES AND LOCAL GOVERNMENT**  
 124.7 **AIDS**

124.8 Section 1. Minnesota Statutes 2022, section 273.13, subdivision 22, is amended to read:

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

124.14 The first \$500,000 of market value of class 1a property has a net classification rate of  
 124.15 one percent of its market value; and the market value of class 1a property that exceeds  
 124.16 \$500,000 has a classification rate of 1.25 percent of its market value.

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

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

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

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

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

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

125.1 Permanently and totally disabled for the purpose of this subdivision means a condition  
125.2 which is permanent in nature and totally incapacitates the person from working at an  
125.3 occupation which brings the person an income. The first \$50,000 market value of class 1b  
125.4 property has a net classification rate of .45 percent of its market value. The remaining market  
125.5 value of class 1b property is classified as class 1a, ~~or~~ class 2a property, or class 4d(2)  
125.6 whichever is appropriate.

125.7 (c) Class 1c property is commercial use real and personal property that abuts public  
125.8 water as defined in section 103G.005, subdivision 15, or abuts a state trail administered by  
125.9 the Department of Natural Resources, and is devoted to temporary and seasonal residential  
125.10 occupancy for recreational purposes but not devoted to commercial purposes for more than  
125.11 250 days in the year preceding the year of assessment, and that includes a portion used as  
125.12 a homestead by the owner, which includes a dwelling occupied as a homestead by a  
125.13 shareholder of a corporation that owns the resort, a partner in a partnership that owns the  
125.14 resort, or a member of a limited liability company that owns the resort even if the title to  
125.15 the homestead is held by the corporation, partnership, or limited liability company. For  
125.16 purposes of this paragraph, property is devoted to a commercial purpose on a specific day  
125.17 if any portion of the property, excluding the portion used exclusively as a homestead, is  
125.18 used for residential occupancy and a fee is charged for residential occupancy. Class 1c  
125.19 property must contain three or more rental units. A "rental unit" is defined as a cabin,  
125.20 condominium, townhouse, sleeping room, or individual camping site equipped with water  
125.21 and electrical hookups for recreational vehicles. Class 1c property must provide recreational  
125.22 activities such as the rental of ice fishing houses, boats and motors, snowmobiles, downhill  
125.23 or cross-country ski equipment; provide marina services, launch services, or guide services;  
125.24 or sell bait and fishing tackle. Any unit in which the right to use the property is transferred  
125.25 to an individual or entity by deeded interest, or the sale of shares or stock, no longer qualifies  
125.26 for class 1c even though it may remain available for rent. A camping pad offered for rent  
125.27 by a property that otherwise qualifies for class 1c is also class 1c, regardless of the term of  
125.28 the rental agreement, as long as the use of the camping pad does not exceed 250 days. If  
125.29 the same owner owns two separate parcels that are located in the same township, and one  
125.30 of those properties is classified as a class 1c property and the other would be eligible to be  
125.31 classified as a class 1c property if it was used as the homestead of the owner, both properties  
125.32 will be assessed as a single class 1c property; for purposes of this sentence, properties are  
125.33 deemed to be owned by the same owner if each of them is owned by a limited liability  
125.34 company, and both limited liability companies have the same membership. The portion of  
125.35 the property used as a homestead is class 1a property under paragraph (a). The remainder  
125.36 of the property is classified as follows: the first \$600,000 of market value is tier I, the next

126.1 \$1,700,000 of market value is tier II, and any remaining market value is tier III. The  
126.2 classification rates for class 1c are: tier I, 0.50 percent; tier II, 1.0 percent; and tier III, 1.25  
126.3 percent. Owners of real and personal property devoted to temporary and seasonal residential  
126.4 occupancy for recreation purposes in which all or a portion of the property was devoted to  
126.5 commercial purposes for not more than 250 days in the year preceding the year of assessment  
126.6 desiring classification as class 1c, must submit a declaration to the assessor designating the  
126.7 cabins or units occupied for 250 days or less in the year preceding the year of assessment  
126.8 by January 15 of the assessment year. Those cabins or units and a proportionate share of  
126.9 the land on which they are located must be designated as class 1c as otherwise provided.  
126.10 The remainder of the cabins or units and a proportionate share of the land on which they  
126.11 are located must be designated as class 3a commercial. The owner of property desiring  
126.12 designation as class 1c property must provide guest registers or other records demonstrating  
126.13 that the units for which class 1c designation is sought were not occupied for more than 250  
126.14 days in the year preceding the assessment if so requested. The portion of a property operated  
126.15 as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center or meeting room, and (5)  
126.16 other nonresidential facility operated on a commercial basis not directly related to temporary  
126.17 and seasonal residential occupancy for recreation purposes does not qualify for class 1c.

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

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

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

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

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

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

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

127.1 Sec. 2. Minnesota Statutes 2022, section 375.192, subdivision 2, is amended to read:

127.2 Subd. 2. **Procedure, conditions.** Upon written application by the owner of any property,  
127.3 the county board may grant the reduction or abatement of estimated market valuation or  
127.4 taxes and of any costs, penalties, or interest on them as the board deems just and equitable  
127.5 and order the refund in whole or part of any taxes, costs, penalties, or interest which have  
127.6 been erroneously or unjustly paid. Except as provided in sections 469.1812 to 469.1815,  
127.7 no reduction or abatement may be granted on the basis of providing an incentive for economic  
127.8 development or redevelopment. Except as provided in section 375.194, the county board  
127.9 may consider and grant reductions or abatements on applications only as they relate to taxes  
127.10 payable in the current year and the two prior years; provided that reductions or abatements  
127.11 for the two prior years shall be considered or granted only for (i) clerical errors, or (ii) when  
127.12 the taxpayer fails to file for a reduction or an adjustment due to hardship, as determined by  
127.13 the county board. The application must include the Social Security number or individual  
127.14 taxpayer identification number of the applicant. The Social Security number ~~is~~ and individual  
127.15 taxpayer identification number are private data on individuals as defined by section 13.02,  
127.16 subdivision 12. All applications must be approved by the county assessor, or, if the property  
127.17 is located in a city of the first or second class having a city assessor, by the city assessor,  
127.18 and by the county auditor before consideration by the county board, except that the part of  
127.19 the application which is for the abatement of penalty or interest must be approved by the  
127.20 county treasurer and county auditor. Approval by the county or city assessor is not required  
127.21 for abatements of penalty or interest. No reduction, abatement, or refund of any special  
127.22 assessments made or levied by any municipality for local improvements shall be made  
127.23 unless it is also approved by the board of review or similar taxing authority of the  
127.24 municipality. On any reduction or abatement when the reduction of taxes, costs, penalties,  
127.25 and interest exceed \$10,000, the county board shall give notice within 20 days to the school  
127.26 board and the municipality in which the property is located. The notice must describe the  
127.27 property involved, the actual amount of the reduction being sought, and the reason for the  
127.28 reduction.

127.29 An appeal may not be taken to the Tax Court from any order of the county board made  
127.30 in the exercise of the discretionary authority granted in this section.

127.31 The county auditor shall notify the commissioner of revenue of all abatements resulting  
127.32 from the erroneous classification of real property, for tax purposes, as nonhomestead property.  
127.33 For the abatements relating to the current year's tax processed through June 30, the auditor  
127.34 shall notify the commissioner on or before July 31 of that same year of all abatement  
127.35 applications granted. For the abatements relating to the current year's tax processed after

128.1 June 30 through the balance of the year, the auditor shall notify the commissioner on or  
 128.2 before the following January 31 of all applications granted. The county auditor shall submit  
 128.3 a form containing the Social Security number or individual taxpayer identification number  
 128.4 of the applicant and such other information the commissioner prescribes.

128.5 **EFFECTIVE DATE.** This section is effective retroactively for abatement applications  
 128.6 filed in 2023 and thereafter.

128.7 Sec. 3. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 6, is amended  
 128.8 to read:

128.9 Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount  
 128.10 of aid payable to each tier I city and county under this section. ~~By August 1 of each year,~~  
 128.11 ~~the commissioner must certify the distribution factors of each tier I city and county to be~~  
 128.12 ~~used in the following year. The commissioner must pay local affordable housing aid annually~~  
 128.13 ~~at the times provided in section 477A.015, distributing the amounts available on the~~  
 128.14 ~~immediately preceding June 1 under the accounts established in section 477A.37, subdivisions~~  
 128.15 ~~2 and 3.~~ On or before September 1 of each year, the commissioner of revenue must certify  
 128.16 the amount to be paid to each tier I city and county in that year. By July 15, 2024, and  
 128.17 annually thereafter, the commissioner of management and budget must certify to the  
 128.18 commissioner of revenue the balances in the accounts established in section 477A.37,  
 128.19 subdivisions 2 and 3, as of the immediately preceding June 1. The commissioner of revenue  
 128.20 must pay the full amount of aid on October 1 annually.

128.21 (b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later  
 128.22 than December 1 of each year, to the Minnesota Housing Finance Agency. The report must  
 128.23 include documentation of the location of any unspent funds distributed under this section  
 128.24 and of qualifying projects completed or planned with funds under this section. If a tier I  
 128.25 city or county fails to submit a report, if a tier I city or county fails to spend funds within  
 128.26 the timeline imposed under subdivision 5, paragraph (b), or if a tier I city or county uses  
 128.27 funds for a project that does not qualify under this section, the Minnesota Housing Finance  
 128.28 Agency shall notify the Department of Revenue and the cities and counties that must repay  
 128.29 funds under paragraph (c) by February 15 of the following year.

128.30 (c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a  
 128.31 tier I city or county must pay to the Minnesota Housing Finance Agency funds the city or  
 128.32 county received under this section if the city or county:

128.33 (1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);

129.1 (2) spends the funds on anything other than a qualifying project; or

129.2 (3) fails to submit a report documenting use of the funds.

129.3 (d) The commissioner of revenue must stop distributing funds to a tier I city or county  
129.4 that, in three consecutive years, the Minnesota Housing Finance Agency has reported,  
129.5 pursuant to paragraph (b), to have failed to use funds, misused funds, or failed to report on  
129.6 its use of funds.

129.7 (e) The commissioner may resume distributing funds to a tier I city or county to which  
129.8 the commissioner has stopped payments in the year following the August 1 after the  
129.9 Minnesota Housing Finance Agency certifies that the city or county has submitted  
129.10 documentation of plans for a qualifying project.

129.11 (f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph  
129.12 (c) must be deposited in the housing development fund. Funds deposited under this paragraph  
129.13 are appropriated to the commissioner of the Minnesota Housing Finance Agency for use  
129.14 on the family homeless prevention and assistance program under section 462A.204, the  
129.15 economic development and housing challenge program under section 462A.33, and the  
129.16 workforce and affordable homeownership development program under section 462A.38.

129.17 **EFFECTIVE DATE.** This section is effective for aids payable in 2024 and thereafter.

129.18

## ARTICLE 13

129.19

### DEPARTMENT OF REVENUE; MISCELLANEOUS

129.20 Section 1. Minnesota Statutes 2022, section 270C.445, subdivision 6, is amended to read:

129.21 Subd. 6. **Enforcement; administrative order; penalties; cease and desist.** (a) The  
129.22 commissioner may impose an administrative penalty of not more than \$1,000 per violation  
129.23 of subdivision 3 or 5, or section 270C.4451, provided that a penalty may not be imposed  
129.24 for any conduct for which a tax preparer penalty is imposed under section 289A.60,  
129.25 subdivision 13. The commissioner may terminate a tax preparer's authority to transmit  
129.26 returns electronically to the state, if the commissioner determines the tax preparer engaged  
129.27 in a pattern and practice of violating this section. Imposition of a penalty under this paragraph  
129.28 is subject to the contested case procedure under chapter 14. The commissioner shall collect  
129.29 the penalty in the same manner as the income tax. There is no right to make a claim for  
129.30 refund under section 289A.50 of the penalty imposed under this paragraph. Penalties imposed  
129.31 under this paragraph are public data.

130.1 (b) In addition to the penalty under paragraph (a), if the commissioner determines that  
130.2 a tax preparer has violated subdivision 3 or 5, or section 270C.4451, the commissioner may  
130.3 issue an administrative order to the tax preparer requiring the tax preparer to cease and  
130.4 desist from committing the violation. The administrative order may include an administrative  
130.5 penalty provided in paragraph (a).

130.6 (c) If the commissioner issues an administrative order under paragraph (b), the  
130.7 commissioner must send the order to the tax preparer addressed to the last known address  
130.8 of the tax preparer.

130.9 (d) A cease and desist order under paragraph (b) must:

130.10 (1) describe the act, conduct, or practice committed and include a reference to the law  
130.11 that the act, conduct, or practice violates; and

130.12 (2) provide notice that the tax preparer may request a hearing as provided in this  
130.13 subdivision.

130.14 (e) Within 30 days after the commissioner issues an administrative order under paragraph  
130.15 (b), the tax preparer may request a hearing to review the commissioner's action. The request  
130.16 for hearing must be made in writing and must be served on the commissioner at the address  
130.17 specified in the order. The hearing request must specifically state the reasons for seeking  
130.18 review of the order. The date on which a request for hearing is served by mail is the postmark  
130.19 date on the envelope in which the request for hearing is mailed.

130.20 (f) If a tax preparer does not timely request a hearing regarding an administrative order  
130.21 issued under paragraph (b), the order becomes a final order of the commissioner and is not  
130.22 subject to review by any court or agency.

130.23 (g) If a tax preparer timely requests a hearing regarding an administrative order issued  
130.24 under paragraph (b), the hearing must be commenced by the issuance of a notice of and  
130.25 order for hearing by the commissioner within ~~ten~~ 30 days after the commissioner receives  
130.26 the request for a hearing.

130.27 (h) A hearing timely requested under paragraph (e) is subject to the contested case  
130.28 procedure under chapter 14, as modified by this subdivision. The administrative law judge  
130.29 must issue a report containing findings of fact, conclusions of law, and a recommended  
130.30 order within ~~ten~~ 30 days after the completion of the hearing, the receipt of late-filed exhibits,  
130.31 or the submission of written arguments, whichever is later.

130.32 (i) Within ~~five~~ 15 days of the date of the administrative law judge's report issued under  
130.33 paragraph (h), any party aggrieved by the administrative law judge's report may submit

131.1 written exceptions and arguments to the commissioner. Within ~~15~~ 45 days after receiving  
131.2 the administrative law judge's report, the commissioner must issue an order vacating,  
131.3 modifying, or making final the administrative order.

131.4 (j) The commissioner and the tax preparer requesting a hearing may by agreement  
131.5 lengthen any time periods prescribed in paragraphs (g) to (i).

131.6 (k) An administrative order issued under paragraph (b) is in effect until it is modified  
131.7 or vacated by the commissioner or an appellate court. The administrative hearing provided  
131.8 by paragraphs (e) to (i) and any appellate judicial review as provided in chapter 14 constitute  
131.9 the exclusive remedy for a tax preparer aggrieved by the order.

131.10 (l) The commissioner may impose an administrative penalty, in addition to the penalty  
131.11 under paragraph (a), up to \$5,000 per violation of a cease and desist order issued under  
131.12 paragraph (b). Imposition of a penalty under this paragraph is subject to the contested case  
131.13 procedure under chapter 14. Within 30 days after the commissioner imposes a penalty under  
131.14 this paragraph, the tax preparer assessed the penalty may request a hearing to review the  
131.15 penalty order. The request for hearing must be made in writing and must be served on the  
131.16 commissioner at the address specified in the order. The hearing request must specifically  
131.17 state the reasons for seeking review of the order. The cease and desist order issued under  
131.18 paragraph (b) is not subject to review in a proceeding to challenge the penalty order under  
131.19 this paragraph. The date on which a request for hearing is served by mail is the postmark  
131.20 date on the envelope in which the request for hearing is mailed. If the tax preparer does not  
131.21 timely request a hearing, the penalty order becomes a final order of the commissioner and  
131.22 is not subject to review by any court or agency. A penalty imposed by the commissioner  
131.23 under this paragraph may be collected and enforced by the commissioner as an income tax  
131.24 liability. There is no right to make a claim for refund under section 289A.50 of the penalty  
131.25 imposed under this paragraph. A penalty imposed under this paragraph is public data.

131.26 (m) If a tax preparer violates a cease and desist order issued under paragraph (b), the  
131.27 commissioner may terminate the tax preparer's authority to transmit returns electronically  
131.28 to the state. Termination under this paragraph is public data.

131.29 (n) A cease and desist order issued under paragraph (b) is public data when it is a final  
131.30 order.

131.31 (o) Notwithstanding any other law, the commissioner may impose a penalty or take other  
131.32 action under this subdivision against a tax preparer, with respect to a return, within the  
131.33 period to assess tax on that return as provided by sections 289A.38 to 289A.382.

132.1 (p) Notwithstanding any other law, the imposition of a penalty or any other action against  
 132.2 a tax preparer under this subdivision, other than with respect to a return, must be taken by  
 132.3 the commissioner within five years of the violation of statute.

132.4 **EFFECTIVE DATE.** This section is effective for penalties assessed and orders issued  
 132.5 after the day following final enactment.

132.6 Sec. 2. Minnesota Statutes 2022, section 289A.12, subdivision 18, is amended to read:

132.7 Subd. 18. ~~Returns~~ Return by qualified heirs. A qualified heir, as defined in section  
 132.8 291.03, subdivision 8, paragraph (c), must file ~~two returns~~ a return with the commissioner  
 132.9 attesting that no disposition or cessation as provided by section 291.03, subdivision 11,  
 132.10 paragraph (a), occurred. ~~The first return must be filed no earlier than 24 months and no later~~  
 132.11 ~~than 26 months after the decedent's death.~~ The ~~second~~ return must be filed no earlier than  
 132.12 36 months and no later than 39 months after the decedent's death.

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

132.14 Sec. 3. Minnesota Statutes 2023 Supplement, section 297E.06, subdivision 4, is amended  
 132.15 to read:

132.16 Subd. 4. ~~Annual audit, and certified inventory, and cash count.~~ (a) An organization  
 132.17 licensed under chapter 349 with gross receipts from lawful gambling of more than \$750,000  
 132.18 in any year must have an annual financial audit of its lawful gambling activities and funds  
 132.19 for that year. For the purposes of this subdivision, "gross receipts" does not include a licensed  
 132.20 organization's receipts from electronic pull-tabs regulated under chapter 349 provided the  
 132.21 electronic pull-tab manufacturer has completed an annual system and organization controls  
 132.22 audit, containing standards that must incorporate and be consistent with standards prescribed  
 132.23 by the American Institute of Certified Public Accountants.

132.24 (b) The commissioner may require a financial audit of the lawful gambling activities  
 132.25 and funds of an organization licensed under chapter 349, with gross receipts less than  
 132.26 \$750,000 annually, when an organization has:

- 132.27 (1) failed to timely file required gambling tax returns;
- 132.28 (2) failed to timely pay the gambling tax or regulatory fee;
- 132.29 (3) filed fraudulent gambling tax returns;
- 132.30 (4) failed to take corrective actions required by the commissioner; or
- 132.31 (5) failed to otherwise comply with this chapter.

133.1 (c) Audits under this subdivision must be performed by an independent accountant firm  
 133.2 licensed in accordance with chapter 326A.

133.3 (d) An organization licensed under chapter 349 must perform an annual certified inventory  
 133.4 ~~and cash count report~~ report at the end of its fiscal year and submit the report to the commissioner  
 133.5 within 30 days after the end of its fiscal year. The report shall be on a form prescribed by  
 133.6 the commissioner.

133.7 (e) The commissioner of revenue shall prescribe standards for the audits, and certified  
 133.8 inventory, ~~and cash count reports~~ report required under this subdivision. The standards may  
 133.9 vary based on the gross receipts of the organization. The standards must incorporate and  
 133.10 be consistent with standards prescribed by the American Institute of Certified Public  
 133.11 Accountants. A complete, true, and correct copy of the audits, and certified inventory, ~~and~~  
 133.12 ~~cash count~~ report must be filed as prescribed by the commissioner.

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

133.14 Sec. 4. Minnesota Statutes 2022, section 297I.20, subdivision 4, is amended to read:

133.15 Subd. 4. **Film production credit.** (a) A taxpayer may claim a credit against the premiums  
 133.16 tax imposed under this chapter equal to the amount indicated on the credit certificate  
 133.17 statement issued to the company under section 116U.27. If the amount of the credit exceeds  
 133.18 the taxpayer's liability for tax under this chapter, the excess is a credit carryover to each of  
 133.19 the five succeeding taxable years. The entire amount of the excess unused credit for the  
 133.20 taxable year must be carried first to the earliest of the taxable years to which the credit may  
 133.21 be carried and then to each successive year to which the credit may be carried. This credit  
 133.22 does not affect the calculation of fire state aid under section 477B.03 and police state aid  
 133.23 under section 477C.03.

133.24 (b) This subdivision expires January 1, ~~2025~~ 2031, for taxable years beginning after and  
 133.25 premiums received after December 31, ~~2024~~ 2030.

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

133.27 Sec. 5. Laws 2023, chapter 1, section 28, is amended to read:

133.28 Sec. 28. **EXTENSION OF STATUTE OF LIMITATIONS.**

133.29 (a) Notwithstanding any law to the contrary, a taxpayer whose tax liability changes as  
 133.30 a result of this act may file an amended return by December 31, 2023. The commissioner  
 133.31 may review and assess the return of a taxpayer covered by this provision for the later of:

134.1 (1) the periods under Minnesota Statutes, sections 289A.38; ~~289.39~~ 289A.39, subdivision  
134.2 3; and 289A.40; or

134.3 (2) one year from the time the amended return is filed as a result of a change in tax  
134.4 liability under this section.

134.5 (b) Interest on any additional liabilities as a result of any provision in this act accrue  
134.6 beginning on January 1, 2024.

134.7 **EFFECTIVE DATE.** This section is effective retroactively at the same time the changes  
134.8 incorporated in Laws 2023, chapter 1, were effective for federal purposes."

134.9 Delete the title and insert:

134.10 "A bill for an act

134.11 relating to taxation; modifying individual income taxes, corporate franchise taxes,  
134.12 property taxes, local government aids, minerals taxes, sales and use taxes, gross  
134.13 receipts taxes, excise taxes, and other tax-related provisions; modifying income  
134.14 tax credits and subtractions; expanding the child tax credit and providing for a  
134.15 minimum credit; providing for nonconformity to certain worker classification  
134.16 rules; providing for disclosure of certain corporate franchise tax information;  
134.17 providing for direct free filing; requiring a corporate tax base erosion study;  
134.18 modifying property tax exemptions, credits, classifications, and abatements;  
134.19 adjusting local government aid calculations and payments and forgiving local  
134.20 government aid penalties; providing for an advance homestead credit for seniors;  
134.21 providing for transfers and distributions of proceeds of minerals taxes; providing  
134.22 for issuance of revenue bonds; providing for an amusement device gross receipts  
134.23 tax in lieu of the sales and use tax; providing sales and use tax construction  
134.24 exemptions; repealing the tax on illegal marijuana and controlled substances;  
134.25 providing special tax increment financing authority; authorizing cities and counties  
134.26 to impose local sales and use taxes for certain projects; establishing a local sales  
134.27 tax equalization distribution; providing for state auditor oversight of local sales  
134.28 and use taxes; modifying certain special local taxes; providing for taxpayer  
134.29 assistance and outreach grants; providing aid for various uses; providing for the  
134.30 establishment of land valuation districts; making technical changes; requiring  
134.31 reports; transferring money; appropriating money; amending Minnesota Statutes  
134.32 2022, sections 10A.02, subdivision 11b; 10A.322, subdivision 4; 116U.27,  
134.33 subdivision 2; 123B.53, subdivision 1; 123B.71, subdivision 8; 270C.21; 270C.445,  
134.34 subdivision 6; 272.02, subdivisions 7, 19, by adding subdivisions; 273.13,  
134.35 subdivision 22; 273.135, subdivision 2; 273.1393; 273.38; 273.41; 275.065, by  
134.36 adding a subdivision; 276.04, subdivision 2, by adding a subdivision; 276A.01,  
134.37 subdivision 17; 276A.06, subdivision 8; 289A.08, subdivision 1; 289A.12,  
134.38 subdivision 18; 290.0132, by adding a subdivision; 290.0683, subdivision 3;  
134.39 290.92, by adding a subdivision; 290A.03, by adding subdivisions; 295.53,  
134.40 subdivision 4a; 297A.66, subdivision 3, by adding a subdivision; 297A.68,  
134.41 subdivisions 3a, 45; 297A.99, subdivision 3, by adding a subdivision; 297I.20,  
134.42 subdivision 4; 298.17; 298.28, subdivision 8; 298.282, subdivision 1; 298.292,  
134.43 subdivision 2; 375.192, subdivision 2; 446A.086, subdivision 1; 469.104; 469.1812,  
134.44 by adding a subdivision; 469.1813, subdivisions 1, 6, by adding a subdivision;  
134.45 469.190, subdivisions 1, 7; 474A.091, subdivisions 2, 2a; 609.902, subdivision 4;  
134.46 Minnesota Statutes 2023 Supplement, sections 41B.0391, subdivision 4; 123B.71,  
134.47 subdivision 12; 126C.40, subdivision 6; 273.13, subdivision 25; 273.1392; 275.065,  
134.48 subdivision 3; 290.01, subdivision 19; 290.0132, subdivision 34; 290.0134,  
134.49 subdivision 20; 290.06, subdivision 23; 290.0661, subdivisions 1, 8, by adding a  
134.50 subdivision; 290.0671, subdivision 1a; 290.0693, subdivisions 1, 6, 8; 290.0695,

135.1 subdivision 2; 290A.03, subdivisions 3, 13; 297A.61, subdivision 3; 297A.99,  
135.2 subdivision 1; 297E.06, subdivision 4; 297H.13, subdivision 2; 298.018, subdivision  
135.3 1; 298.28, subdivisions 7a, 16; 477A.30, subdivisions 4, 5, 6; 477A.35, subdivision  
135.4 6; Laws 1986, chapter 396, section 5, as amended; Laws 1986, chapter 400, section  
135.5 44, as amended; Laws 2010, chapter 389, article 7, section 22, as amended; Laws  
135.6 2014, chapter 308, article 6, section 9, as amended; Laws 2017, First Special  
135.7 Session chapter 1, article 6, section 22; Laws 2023, chapter 1, sections 22; 28;  
135.8 proposing coding for new law in Minnesota Statutes, chapters 270B; 273; 289A;  
135.9 290A; 295; 297A; 428A; repealing Minnesota Statutes 2022, sections 13.4967,  
135.10 subdivision 5; 297D.02; 297D.03; 297D.05; 297D.09, subdivisions 1, 2; 297D.12;  
135.11 297D.13; Minnesota Statutes 2023 Supplement, sections 297A.99, subdivision 3a;  
135.12 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision  
135.13 1a; 297D.10; 297D.11; 477A.30, subdivision 8; Laws 2023, chapter 64, article 15,  
135.14 section 24."