

Subject Property and Local Tax Division Report

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Article 1: Property Taxes

This article provides a number of changes related to property tax exemptions, programs, refunds, and technical changes. The changes include:

- allowing a city or town to fund its own historical society;
- providing exemptions and deferrals for agricultural historical societies, a pharmacy, an elderly living facility, and charitable farmland;
- clarifying how fractional ownership is determined;
- allowing shareholders of manufactured home park cooperatives to treat a portion of their ground lease payments as property tax paid when applying for a refund;
- allowing agricultural classification on land used for certain environmental purposes;
- moving the application deadline for the disabled veteran homestead exclusion; and
- allowing immediate expiration of an agricultural preserve under certain conditions.

Section	Description
1	<p>County historical society tax levy.</p> <p>Allows a city or town to fund its own historical society from its property tax levy. Current law only allows them to fund the county’s historical society.</p> <p>Effective the day following final enactment.</p>
2	<p>Administration (small cities assistance).</p> <p>Provides that the commissioner of transportation will certify aid amounts for the small cities assistance program to the commissioner of revenue by June 1.</p> <p>Effective for aids payable in 2019 and thereafter.</p>
3	<p>Records; data privacy.</p> <p>Authorizes the county veterans’ service officer to share certain data on veterans with the county assessor, for the purposes of making eligibility determinations under the disabled veterans homestead exclusion, in conjunction with section 21.</p> <p>Effective the day following final enactment.</p>
4	<p>Powers and duties.</p> <p>Amends the commissioner of revenue’s powers to administer the state’s property tax laws by clarifying that the commissioner may collect property tax data at the parcel level or higher in the time, form, and manner as the commissioner may prescribe. This method of collection is consistent with property tax data collection under the Property Record Information System of Minnesota (PRISM).</p> <p>Effective the day following final enactment.</p>
5	<p>Initial report.</p> <p>Conforming changes and cross-references added to the changes made by section 4.</p> <p>Effective the day following final enactment.</p>
6	<p>Final report.</p> <p>Conforming changes and cross-references added to the changes made by section 4.</p> <p>Effective the day following final enactment.</p>
7	<p>Record of proceedings changing net tax capacity; duties of the county auditor.</p> <p>Conforming changes and cross-references added to the changes made by section 4.</p> <p>Effective the day following final enactment.</p>

Section	Description
8	<p>Agricultural historical society property.</p> <p>Increases the amount of property that may be exempted from 20 acres to 40 acres. The deadline to apply for this exemption is extended to July 1 for applications filed in 2019 only.</p> <p>Effective for assessments beginning in 2019.</p>
9	<p>Certain property owned by an Indian tribe.</p> <p>Provides a property tax exemption for a pharmacy in the city of Minneapolis owned by a federally recognized Indian tribe. The property must have been owned by the tribe on January 1, 2016. This exemption is limited to parcels and structures that do not exceed 4,000 square feet. The exemption expires with taxes payable in 2029.</p> <p>Effective for taxes payable in 2020 and thereafter.</p>
10	<p>Charitable farmland.</p> <p>Exempts from property tax land used to produce agricultural products, provided that the land is owned by a public hospital, house of worship, or cemetery that is exempt from property tax and that the proceeds from the sale of the products are used to support the mission of a public hospital, house of worship, or cemetery.</p> <p>Effective beginning with property taxes payable in 2020.</p>
11	<p>Requirement (Certificates of Real Estate Value).</p> <p>Changes the threshold for filing a Certificate of Real Estate Value at consideration in excess of \$1,000 to in excess of \$3,000.</p> <p>Effective for certificates of value filed after December 31, 2019.</p>
12	<p>Conveyances, taxes paid before recording.</p> <p>Requires the county auditor to record a transfer of property which has delinquent taxes if there is a confession of judgment stating that the delinquent taxes are being paid by the senior citizens' property tax deferral program.</p> <p>Effective the day following enactment.</p>
13	<p>Documentation of title.</p> <p>States that a court order transferring title to the applicant is sufficient to demonstrate that the title is held by an applicant of a program administered by the Department of Revenue.</p> <p>Effective the day following enactment.</p>
14	<p>Additional general duties.</p> <p>Conforming changes and cross-references added to the changes made by section 4.</p>

Section	Description
	Effective the day following final enactment.
15	Training and education of property tax personnel. Conforming changes and cross-references added to the changes made by section 4. Effective the day following final enactment.
16	Reimbursement for lost revenue. Conforming changes and cross-references added to the changes made by section 4. Effective the day following final enactment.
17	Reimbursement for lost revenue. Conforming changes and cross-references added to the changes made by section 4. Effective the day following final enactment.
18	Disaster or emergency area. Conforming changes and cross-references added to the changes made by section 4. Effective the day following final enactment.
19	Manufactured home park cooperative. Eliminates a specific prohibition against ground lease payments being included as part of property taxes payable for shareholders of manufactured home park cooperatives when filing for the homestead credit refund. Effective for taxes payable in 2020.
20	Agricultural homesteads; special provisions. Eliminates language allowing certain special agricultural homesteads owned by grantor trusts to qualify for homestead property tax status. This language is moved to section 19. Effective for taxes payable in 2020.
21	Trust property; homestead. Modifies the statute that allows certain properties owned by trusts to qualify for homestead property tax treatment. This section: <ul style="list-style-type: none">▪ adds the language eliminated in section 18;▪ defines agricultural land for agricultural homestead rules and classification statutes so that the rules requiring agricultural property to have the same

Section	Description
	<p>ownership (e.g. when a farm is divided into multiple parcels with different owners or when there are multiple owners of a parcel) are satisfied if the properties are owned by some combination of the individual owner, the individual's spouse or surviving spouse, or a trust or trusts, the grantor of which is the individual, spouse, surviving spouse, or deceased spouse; and</p> <ul style="list-style-type: none">▪ extends the proposed trust ownership rule to noncontiguous parcels located within four townships or cities.
	<p>Effective for taxes payable in 2020.</p>
22	<p>Fractional homesteads.</p> <p>Requires fractional ownership of homesteads to be determined based on the ownership percentage that each owner has as per the county land records. If this method of determining fractional ownership cannot be used, ownership percentages are determined in equal shares.</p> <p>Effective for assessments beginning in 2019.</p>
23	<p>Disclosure.</p> <p>Authorizes the county assessor to share certain data on veterans with the county veterans' service officer, for the purpose of making eligibility determinations under the disabled veterans homestead exclusion, in conjunction with section 3.</p> <p>Effective the day following final enactment.</p>
24	<p>Elderly living facility deferral.</p> <p>Establishes a deferral of property taxes for an elderly living facility. As long as the property continues to meet the requirements of subdivision 1, the facility is treated as if it were exempt from property taxes. If the property is sold, transferred, or no longer meets the requirements, the property owner must pay taxes that would have been due over the last five years.</p> <p>Effective beginning with property taxes payable in 2020.</p>
25	<p>Class 2 (agricultural land used for environmental purpose).</p> <p>Allows land to continue to qualify for agricultural classification even if up to three acres of the land is used to serve environmental purposes, such as buffer strips, old growth forest restoration or retention, or retention ponds.</p> <p>Effective beginning with assessments in 2019.</p>
26	<p>Homestead of disabled veteran or family caregiver.</p> <p>Makes a number of changes to the disabled veterans' homestead exclusion. First, the bill moves the application deadline from July 1 to December 15. Second, the bill removes the</p>

Section	Description
	exclusion on properties that are sold to nonqualifying owners, so that the new owners will not receive the benefit in the following year. Third, the eight-year limit on the spousal benefit is eliminated. Lastly, the bill would allow the spouse of a deceased veteran to transfer the exclusion to a new property, provided that the new property has a market value less than or equal to the value of the original property. The spouse would be limited to one such transfer of the exclusion. Effective for assessments beginning in 2019.
27	Homestead market value exclusion. Amends the homestead exclusion to clarify that the homestead exclusion is prorated when there are multiple owners and that the ownership shares are determined using the county land records, as outlined in section 20. Effective beginning with taxes payable in 2020.
28	Reduction amounts submitted to county. Conforming changes and cross-references added to the changes made by section 4. Effective the day following final enactment.
29	Agricultural homestead market value credit. Amends the agricultural homestead credit to clarify that the credit is prorated when there are multiple owners and that the ownership shares are determined using the county land records, as outlined in section 20. Effective beginning with taxes payable in 2020.
30	Credit reimbursements. Conforming changes and cross-references added to the changes made by section 4. Effective the day following final enactment.
31	Credit reimbursements. Conforming changes and cross-references added to the changes made by section 4. Effective the day following final enactment.
32	Listing, valuation, and assessment of exempt property by county auditors. Conforming changes and cross-references added to the changes made by section 4. Effective the day following final enactment.

Section	Description
33	<p>Length of session; record.</p> <p>Conforming changes and cross-references added to the changes made by section 4.</p> <p>Effective the day following final enactment.</p>
34	<p>Corrected lists.</p> <p>Conforming changes and cross-references added to the changes made by section 4.</p> <p>Effective the day following final enactment.</p>
35	<p>Levy amounts.</p> <p>Conforming changes and cross-references added to the changes made by section 4.</p> <p>Effective the day following final enactment.</p>
36	<p>Duties of the commissioner after sale.</p> <p>Requires the commissioner of revenue to issue a deed for land sold at a tax-forfeiture sale if the county auditor has written confirmation from a closing agent that the purchase money for the deed is held in escrow.</p> <p>Effective for conveyances issued by the commissioner after December 31, 2019.</p>
37	<p>Determination of tax (deed tax).</p> <p>Changes the minimum consideration for real property, used in calculating the deed tax, from \$500 or less to \$3,000 or less.</p> <p>Effective for deeds recorded after December 31, 2019.</p>
38	<p>Property taxes payable.</p> <p>Allows resident shareholders of manufactured home cooperatives to add 17 percent of their ground lease payments to the actual personal property tax amounts on their individual units when filing for the homestead credit refund.</p> <p>This section is effective beginning with claims for tax payable in 2020.</p>
39	<p>Initial application.</p> <p>Moves the application date for the senior deferral program from July 1 to November 1, and clarifies that a taxpayer may request early notification of approval or denial. The bill also allows applicants who are denied to reapply within 90 days of the application deadline and retain the same submission date of the original application. The bill also allows the commissioner to require a copy of a court order transferring title to the applicant as a part of the application.</p>

Section	Description
	Effective beginning with applications submitted in 2019.
40	Determination; payment. Conforming changes and cross-references added to the changes made by section 4. Effective the day following final enactment.
41	Original net tax capacity. Conforming changes and cross-references added to the changes made by section 4. Effective the day following final enactment.
42	Till expiration started. Authorizes a state agency or governmental unit to initiate expiration of an agricultural preserve. Effective the day following final enactment.
43	Expiration for park and trail purposes. Provides that an agricultural preserve expires immediately when the public entity purchases the property or acquires an easement for purposes of a trail or park. The expiration would apply only to the portion of the preserve used for trail or park purposes. The remaining portion of the agricultural preserve remains an agricultural preserve, even if the trail or park lowers the total acreage to less than 40 acres. Requires the public entity to notify the preserve authority accordingly. Effective the day following final enactment.
44	Notice to others. Conforming change to section 41. Effective the day following final enactment.
45	Effective date (Northwest Minnesota Multicounty Housing and Redevelopment Authority). Extends the levy authority of the Northwest Minnesota Multicounty Housing and Redevelopment Authority by five years, to taxes payable in 2025. Effective beginning with taxes payable in 2020.
46	Agreement (Cloquet Area Fire and Ambulance District). Changes the name of the Cloquet Area Fire and Ambulance Special Taxing District.

Section	Description
	Effective upon compliance by the Cloquet Area Fire and Ambulance Special Taxing District Board with approval and filing requirements.
47	Board (Cloquet Area Fire and Ambulance District). Changes the name of the Cloquet Area Fire and Ambulance Special Taxing District. Effective upon compliance by the Cloquet Area Fire and Ambulance Special Taxing District Board with approval and filing requirements.
48	Tax (Cloquet Area Fire and Ambulance District). Clarifies that the Cloquet Area Fire and Ambulance Special Taxing District may levy within its area for fire services or ambulance services or both. Exempts levies imposed to make debt service payments on the bonds that may be issued under the authority granted in section 47 from the levy limit requirements that exist under the current enabling legislation for the district. Effective upon compliance by the Cloquet Area Fire and Ambulance Special Taxing District Board with approval and filing requirements.
49	Public indebtedness (Cloquet Area Fire and Ambulance District). Clarifies the Cloquet Area Fire and Ambulance Special Taxing District's ability to incur debt by designating the district as a municipality, for purposes of applying chapter 475 (municipal debt) and by allowing the district to issue equipment bonds under section 412.301. Effective upon compliance by the Cloquet Area Fire and Ambulance Special Taxing District Board with approval and filing requirements.
50	Withdrawal (Cloquet Area Fire and Ambulance District). Provides that a debt levy in a municipality that wishes to withdraw from the Cloquet Area Fire and Ambulance Special Taxing District remains in effect until the obligations outstanding (i.e. debt issued under the authority granted in section 47) on the date of withdrawal are satisfied. Effective upon compliance by the Cloquet Area Fire and Ambulance Special Taxing District Board with approval and filing requirements.
51	Effective date; application (SFIA). Amends the effective date to an SFIA provision enacted in 2017 that amended the definition of forest land to include land improved with a paved trail under an easement, lease, or license to the state or political subdivision. The change to the effective date clarifies that land improved with a paved trail at the same time an SFIA enrollee submits their annual certification meets the new definition of forest land. Effective retroactively for certifications made in 2018 and thereafter.

Section	Description
52	<p data-bbox="354 275 1003 302">Valuation method of state-assessed property; report.</p> <p data-bbox="354 317 1421 453">This provision requires the commissioner of revenue to issue a report analyzing certain aspects of the state’s assessment of pipeline and utility property. The commissioner is required to issue the report by February 1, 2020, to the chairs of the legislative committees with jurisdiction over property taxes. The report must include:</p> <ul data-bbox="451 489 1421 894" style="list-style-type: none"><li data-bbox="451 489 1421 590">▪ a detailed description of administrative appeals and tax court petitions filed since 2012, including the final results of these appeals and petitions and any refunds paid by local taxing jurisdictions;<li data-bbox="451 604 1421 705">▪ a detailed description of the administrative appeal process, specifically explaining the criteria used by the commissioner to determine the appropriate increase or reduction of the original valuation;<li data-bbox="451 720 1421 779">▪ a detailed description of the process by which the commissioner determines preliminary and final valuation orders; and<li data-bbox="451 793 1421 894">▪ a detailed comparison of the methodology used to administer Rule 8100 to methods used by other states, in at least two neighboring states and three non-neighboring states. <p data-bbox="354 930 873 957">Effective the day following final enactment.</p>
53	<p data-bbox="354 1014 834 1041">4d affordable housing programs report.</p> <p data-bbox="354 1056 1421 1192">Requires the Department of Revenue to consult with the Minnesota Housing Finance Agency and the Department of Human Services to produce a report on 4d property tax classification. For each of the four qualifications which allow properties to be classified as 4d, the report must include the following data from the previous tax year:</p> <ul data-bbox="451 1228 1421 1503" style="list-style-type: none"><li data-bbox="451 1228 1421 1262">▪ the number of units in qualifying properties classified as 4d;<li data-bbox="451 1276 1421 1310">▪ the number of units in qualifying properties not classified as 4d;<li data-bbox="451 1325 1421 1358">▪ the property tax paid by qualifying properties in 2019;<li data-bbox="451 1373 1421 1432">▪ the property tax reductions for qualifying properties resulting from 4d classification;<li data-bbox="451 1446 1421 1480">▪ the average household income of residents in 4d units; and<li data-bbox="451 1495 1421 1503">▪ the total number of units that qualified for 4d in each of the last ten years. <p data-bbox="354 1539 1421 1675">The report also requires the department to provide a profile of income limits and area median incomes used in Minnesota by the Department of Housing and Urban Development to determine eligibility for assisted housing programs. The report is due by January 15, 2020.</p> <p data-bbox="354 1711 873 1738">Effective the day following final enactment.</p>
54	<p data-bbox="354 1791 1149 1818">Special refund provision; disabled veterans homestead exclusion.</p> <p data-bbox="354 1833 1421 1900">Allows a veteran who received a disability rating of 70% or more in 2016 or 2017 to apply for a refund of taxes paid in 2017 or 2018. The refund is equal to the difference between</p>

Section	Description
	<p>the tax paid and the tax that the veteran would have paid had they qualified for the exclusion in one or both of those years.</p> <p>Effective for refund applications received in 2019, for refunds of tax paid in 2017 and 2018.</p>
55	<p>Repealer.</p> <p>Repeals the statute describing the abstract of tax lists, which is no longer needed due to changes made in section 4.</p> <p>Effective the day following final enactment.</p>

Article 2: Aids and Credits

Makes changes to a number of existing aid and credit programs including:

- Extending the PERA aid program;
- Increasing the school building bond agricultural credit;
- Increasing the renter's credit and the homestead credit refund;
- Increasing funding for city LGA and county program aid (CPA) while providing for additional payments to specific cities and counties;
- establishing an annual appropriation for the border city enterprise zones; and
- modifying the distributions for the Taconite Municipal Aid Account.

Also provides for the development of an automated electronic system for generating certificates of rent paid.

Provides special appropriations to reimburse for a fire aid penalty for the city of Austin, and to cover costs associated with fires in Melrose and Mazeppa.

Section	Description
1	<p>Aid termination (PERA).</p> <p>This provision extends the sunset of the aid paid by the commissioner of revenue to local governments for their employer contributions to the Public Employees Retirement Association until the earlier of:</p> <ul style="list-style-type: none">▪ June 30 of the fiscal year after the year in which the general employees retirement plan (GERP) is fully funded; or▪ June 30, 2048. <p>Effective the day following final enactment.</p>

Section	Description
2	<p data-bbox="355 275 1036 302">Credit amount (school building bond agricultural credit).</p> <p data-bbox="355 317 1382 453">Increases the school building bond agricultural credit from 40 percent to 70 percent of the tax on the property attributable to school district bonded debt levies. The credit is available to all property classified as agricultural, excluding the house, garage, and surrounding one acre of land of an agricultural homestead.</p> <p data-bbox="355 489 1021 516">Effective beginning with property taxes payable in 2020.</p>
3	<p data-bbox="355 552 841 579">Homeowners; homestead credit refund.</p> <p data-bbox="355 594 1344 663">Increases the maximum refund amounts by \$200 for most existing recipients of the credit, and expands the range of incomes eligible for the credit.</p> <p data-bbox="355 709 805 737"><i>Changes to maximum credit amounts.</i></p> <p data-bbox="355 751 1390 898">The bill increases the maximums by \$200 for all recipients with household incomes less than \$103,229. The maximum credit under the bill is \$3,020 for taxpayers with household income of \$42,709 or less. For recipients with household incomes of \$103,230 to \$115,439, the maximums increase by \$180.</p> <p data-bbox="355 945 992 972"><i>Expanding the range of incomes eligible for the credit.</i></p> <p data-bbox="355 987 1414 1134">Under current law, the credit is unavailable to taxpayers with household incomes greater than \$115,440. The bill expands eligibility for the credit for taxpayers with household incomes of up to \$155,439. The income thresholds for newly eligible taxpayers range from 2.6% to 3.5%; co-pays are 50% or 55%; maximum credits range from \$500 to \$100.</p> <p data-bbox="355 1180 1175 1207">Effective for refunds payable in 2020 (based on 2020 property taxes).</p>
4	<p data-bbox="355 1266 456 1293">Renters.</p> <p data-bbox="355 1308 1385 1377">Reduces co-pays for existing recipients of the renter's credit, and expands the range of incomes eligible for the credit.</p> <p data-bbox="355 1423 651 1451"><i>Changes to co-payments.</i></p> <p data-bbox="355 1465 1425 1633">The bill reduces the "co-payments" for existing recipients of the credit by 2.5 or 5 percentage points. For existing recipients with \$32,169 of household income or less, the co-payments are reduced by 5 percentage points, with the exception of the lowest income range which is reduced from 5 to 2.5 percent. For existing recipients with incomes of \$32,170 and greater, the co-payments are reduced by 2.5 percentage points.</p> <p data-bbox="355 1675 992 1703"><i>Expanding the range of incomes eligible for the credit.</i></p> <p data-bbox="355 1717 1414 1873">Under current law, the credit is unavailable to taxpayers with household incomes greater than \$62,560. The bill expands eligibility for the credit for taxpayers with household incomes of up to \$74,999. The threshold percentage for newly eligible taxpayers is 2.0% to 2.3% of household income. The co-payment rate is 55%. The maximum credit is \$550, which phases down to \$150 for claimants with \$72,500 to \$74,999 in household income.</p>

Section	Description
5	<p data-bbox="355 268 1122 296">Effective for refunds payable in 2020 (based on 2019 rents paid).</p> <p data-bbox="355 352 578 380">Certificates (rent).</p> <p data-bbox="355 401 1409 569">Requires the commissioner to develop an automated electronic system for generating certificates of rent paid (CRPs). Requires property owners or managing agents to provide rental market information when generating certificates of rent paid. Requires property owners or managing agents to use the automated system, or to provide equivalent data to the Department of Revenue in a form and manner approved by the department.</p> <p data-bbox="453 611 1422 810">Subd. 1. Owner or managing agent to furnish rent certificates. Beginning with CRPs for rents paid in 2021, requires property owners or managing agents to use the automated system to generate CRPs, or to provide equivalent data in a form and manner approved by the Department of Revenue. Requires the department to retain data collected as long as is necessary to ensure compliance. Deems data collected to be return information.</p> <p data-bbox="453 852 1422 1230">Subd. 2. Rental market information. Beginning with CRPs for 2021 rents, requires landlords to provide the commissioner with information on the number of bedrooms in the rental unit, whether utilities are included in the rent amount, whether the renter paid a different rent amount due to a subsidy, and the city, county, and five-digit zip code of the rental unit. Requires landlords to provide the data either using the electronic system developed under subdivision 3, or in an alternate form and manner approved by the department. Requires the Department to retain data collected as long as is necessary to ensure compliance. Deems data collected to be return information. Owners and managing agents are not required to report the data if there is an equivalent publicly available data source.</p> <p data-bbox="453 1272 1357 1335">These subdivisions are effective for refunds based on rents paid in 2021 and thereafter.</p> <p data-bbox="453 1377 1422 1514">Subd. 3. Electronic system for certificates of rent paid. Requires the Department of Revenue to develop and implement an electronic system for generating CRPs. The system must be available for use by January 1, 2021, for CRPs for rents paid in 2020.</p> <p data-bbox="453 1556 932 1583">This subdivision is effective July 1, 2019.</p>
6	<p data-bbox="355 1640 867 1667">Annual report on rents paid in Minnesota.</p> <p data-bbox="355 1682 1422 1814">Requires the Department of Revenue to publish an annual report on rents paid in Minnesota using the rental market information collected under the previous section. The report must include aggregated summary data on rents, broken out by the number of bedrooms in the unit, and geographic region.</p>

Section	Description
	<p>The report must include average and median rent amounts and year-to-year changes in rent paid.</p>
	<p>The department must submit the report to the tax, property tax, and housing committees of the legislature on March 15, 2022, and every following March 15.</p>
	<p>Effective the day following final enactment.</p>
7	<p>Guaranteed distribution.</p> <p>Guarantees the production tax distributions allocated to the Taconite Municipal Aid Account at 100 percent of the 1983 distribution and eliminates the decrease in the distribution when production falls below 42 million taxable tons. The increase in the guarantee would reduce the amounts distributed to the Taconite Environmental Protection Fund and the Douglas J. Johnson Economic Protection Trust Fund.</p> <p>Effective for distributions in 2020 and thereafter.</p>
8	<p>Cities; towns (taconite municipal aid).</p> <p>Indexes to inflation the amount of the distribution to the Taconite Municipal Aid Account.</p> <p>Effective for distributions in 2020 and thereafter.</p>
9	<p>Additional border city allocations.</p> <p>Provides an annual allocation of \$1,000,000 to be allocated on a per capita basis to cities with border city enterprise zones. The funds may be used for tax reductions currently allowed for the border cities enterprise zones.</p> <p>This section is effective July 1, 2020.</p>
10	<p>Restriction (border cities enterprise zone).</p> <p>Technical clean-up language clarifying the types of property that can qualify for border cities enterprise zone tax reductions.</p> <p>Effective the day following final enactment.</p>
11	<p>Sparsity adjustment.</p> <p>Sets the sparsity adjustment in the LGA formula for both large (10,000 or more population) and small cities (cities less than 10,000 population) at the current \$200 amount used for small cities.</p> <p>Effective beginning with aids payable in 2020.</p>

Section	Description
12	<p data-bbox="355 275 670 302">Certified aid adjustments.</p> <p data-bbox="355 317 1393 380">Deletes language related to obsolete LGA adjustments for individual cities and provides additional LGA payments to the following cities out of the total LGA appropriation:</p> <ul data-bbox="404 422 1157 793" style="list-style-type: none"><li data-bbox="404 422 1117 449">• \$20,000 per year for five years to the city of Floodwood;<li data-bbox="404 491 1157 518">• \$200,000 per year for five years to the city of Hermantown;<li data-bbox="404 560 1157 588">• \$920,000 per year for five years to the city of West St. Paul;<li data-bbox="404 630 1044 657">• \$38,400 for one year only to the city of Flensburg;<li data-bbox="404 699 1084 726">• \$275,000 for one year only to the city of Lilydale; and<li data-bbox="404 768 1073 795">• \$40,000 per year for ten years to the city of Scanlon. <p data-bbox="355 837 898 863">Effective beginning with aids payable in 2020.</p>
13	<p data-bbox="355 919 678 947">Cities (LGA appropriation).</p> <p data-bbox="355 961 1393 1062">The city LGA appropriation is increased by about \$30.6 million, to \$564,990,952 for aids payable in 2020 and thereafter. This is the same amount that was appropriated for city LGA in calendar year 2002—the highest certified amount that was actually paid.</p> <p data-bbox="355 1104 898 1129">Effective beginning with aids payable in 2020.</p>
14	<p data-bbox="355 1186 732 1213">Counties (county program aid).</p> <p data-bbox="355 1228 716 1255">Increases county program aid:</p> <ul data-bbox="453 1297 1393 1434" style="list-style-type: none"><li data-bbox="453 1297 1393 1360">▪ \$15,296,470 is added to the county need portion of the formula raising that share of the appropriation to \$119,091,470.<li data-bbox="453 1371 1393 1434">▪ \$15,296,470 is added to the county tax base equalization portion of the formula, raising that share of the appropriation to \$146,169,914. <p data-bbox="355 1476 1393 1612">This section also increases the aid distribution to Mahnomens County in 2020 by \$750,000. Of this amount, \$250,000 must be used by the county for the Mahnomens Health Center, and \$250,000 must be paid from the county to the White Earth Band of Ojibwe to reimburse the band for the costs of delivering child welfare services.</p> <p data-bbox="355 1654 1101 1682">Effective for aids payable in calendar year 2020 and thereafter.</p>
15	<p data-bbox="355 1738 854 1766">State fire aid penalty forgiveness; Austin.</p> <p data-bbox="355 1780 1393 1879">Makes a onetime appropriation from the general fund in fiscal year 2019 to reimburse the city of Austin for the calendar year 2016 state fire aid and 2016 supplemental police and fire retirement aid it did not receive due to a dispute over use of 2015 aid payments.</p>

Section	Description
	<p>The total payment to the city under this provision is \$129,093.40 and will be made by June 30, 2019.</p> <p>Effective the day following final enactment.</p>
16	<p>Appropriation of lapsed amounts; fire remediation.</p> <p>Appropriates in fiscal year 2019 from the general fund the amount of unused remediation grants to the city of Melrose that canceled back to the general fund at the beginning of fiscal year 2019. The appropriated amount is \$634,729 and is available for grants from the day after final enactment until June 30, 2022.</p> <p>Effective the day following final enactment.</p>
17	<p>Appropriation.</p> <p>Appropriates \$5,000 from the general fund in fiscal year 2020 only, to make a \$2,600 grant to the city of Mazeppa and a \$2,400 grant to Wabasha County to pay for property tax abatements and other costs associated with a March 11, 2018 fire in the city.</p> <p>Effective July 1, 2019.</p>

Article 3: Local Option Sales Tax

Modifies the existing general law applying to the authorization of local sales tax special laws as follows:

- requires a more detailed resolution outlining and limiting the specific projects to be funded and providing more project specific costs, and documentation of a project's regional significance;
- requires the voter approval be sought only after the authority is granted and requires the voters to approve each project to be funded in a separate question with a reduction in the authority for any project that fails at the election; and
- allows cities that successfully passed a local sales tax referendum at the 2018 general election that did not get authority this year to come back and seek authority without an additional referendum provided that they meet the new resolution requirement and the projects listed in the resolution do not conflict with original referendum.

Modifies provisions for the following existing local sales taxes:

- lodging taxes for Minneapolis, St. Paul, and Two Harbors; and
- general sales tax for Cloquet.

Provides the following new or increased sales taxes:

- general local sales taxes for Duluth, Two Harbors, Avon, Blue Earth, Cambridge, Detroit Lakes, Elk River, Excelsior, Glenwood, International Falls, Perham, Sauk Centre, Virginia, Willmar, and Worthington; and
- new local lodging taxes for Lake County, La Crescent, North Mankato, and Plymouth.

Provides that certain cities granted new local sales tax authority to pass a new resolution providing more detail on the specific projects to be funded and limiting the use of the local sales tax revenues to funding only the projects listed in the new resolution.

Section	Description
1	<p>Authorization; scope.</p> <p>Allows a local government to spend money to disseminate information on the resolution to seek a local sales tax but only if they provided a detailed list of proposed projects to be funded and each of the project's costs.</p> <p>Effective the day following final enactment.</p>
2	<p>Purpose statement.</p> <p>Adds a statement clarifying that the purpose of local government sales taxes is to pay for capital projects with a clear regional benefit and that using the funds for local projects increases inequities between communities and undermines state assistance provided through property tax deductions and the property tax refund system.</p>
3	<p>Local resolution before application for authority.</p> <p>Expands and changes the requirements for the local resolution that a political subdivision must pass prior to seeking local sales tax authority. Changes include:</p> <ul style="list-style-type: none">▪ limiting the resolution to no more than five capital projects to be funded by the proposed tax;▪ including more detailed information on each project including the amount to be funded from the sales tax and documentation indicating the share of the benefit of each project going to persons other than local residents;▪ requiring the political subdivision to submit the resolution and underlying documentation to the chairs of the house and senate tax committee by January 31 of the year in which it is seeking special legislation; and▪ stating that the special legislation granted may only fund projects listed in the resolution, although it need not allow funding of all projects listed in the resolution. <p>Effective the day following final enactment and applies to all local sales taxes not authorized by the legislature before July 1, 2019.</p>

Section	Description
4	<p data-bbox="355 275 1390 338">Legislative authority required before voter approval; requirements for adoption, use, termination.</p> <p data-bbox="355 352 1417 453">Requires the political subdivision to receive authority to impose a local sales tax <u>before</u> seeking approval by the voters, rather than the current requirement that the referendum be held before seeking authorizing legislation.</p> <p data-bbox="355 491 1409 592">Also requires that a separate question be held for financing each authorized project with the tax. The maximum amount raised and the termination date for the tax must be adjusted proportionately for any project that is not approved by the voters.</p> <p data-bbox="355 630 1377 800">A city that passed a referendum at the 2018 general election but did not get special legislation enacted in 2019 will not have to go back and hold a second election if it receives authorization under special law before January 1, 2021, provided it submits a detailed resolution under subdivision 3 that does not conflict with the language in the 2018 referendum.</p> <p data-bbox="355 840 1317 905">Effective the day following final enactment and applies to all local sales taxes not authorized by the legislature before July 1, 2019.</p>
5	<p data-bbox="355 957 639 984">Duluth (local sales tax).</p> <p data-bbox="355 1001 1362 1064">Increases the local sales tax by one-half of one percent, in addition to its existing one percent sales tax for to pay for road and bridge improvements.</p> <p data-bbox="355 1102 1263 1129">Paragraph (a). Corrects an obsolete cross reference in the city's existing law.</p> <p data-bbox="355 1167 1417 1308">Paragraph (b). Based on approval by the voters at the city's 2017 general election, allows the city to increase its existing local sales tax from one percent to 1.5 percent. Revenues from the additional half cent must be used for the projects listed in paragraph (c). Requires the city to comply with section 31 before imposing the tax increase.</p> <p data-bbox="355 1346 1409 1446">Paragraph (c). Requires the city to spend revenues from the extra one-half cent sales tax on improvements to improvements in the Duluth Street Improvement Program 2017, as of August 8, 2017.</p> <p data-bbox="355 1484 1417 1547">Paragraph (d). Allows the city to issue bonds to fund the projects in subdivision 2 without another referendum. Excludes the bonds from the city's debt limits.</p> <p data-bbox="355 1585 1417 1726">Paragraph (e). Requires the extra one-half cent to terminate at the earlier of 25 years or when revenues are sufficient to fund the allowed projects plus associated bond costs. Any extra revenues not needed to pay for the projects or associated bonds go to the city general fund. The city council may terminate the tax early if desired.</p> <p data-bbox="355 1764 1382 1820">Effective upon the city complying with the approval and filing requirements for special laws.</p>

Section	Description
6	<p>Liquor, lodging, and restaurant taxes (Minneapolis).</p> <p>Removes the limit on the total combined state and local tax rate that may be imposed on lodging establishments of 50 or more rooms in the city of Minneapolis. Currently the combined rate is 13 percent which allows the city to impose only 2.125 percent of the three percent city lodging tax that has been authorized since 1986.</p> <p>Effective for sales and purchases made after June 30, 2019.</p>
7	<p>Authority for taxation (St. Paul).</p> <p>Allows the city of St. Paul to increase the extra three percent local lodging tax that applies to places with 50 or more rooms from three percent to four percent. Ninety-five percent of revenues from this lodging tax must be used to fund the convention bureau and to promote tourism and the city convention center. The total lodging tax rate for larger hotels in the city would be seven percent in addition to all general state and local sales taxes.</p> <p>Effective upon the city's compliance with approval and filing requirements for special laws.</p>
8	<p>Two Harbors lodging tax.</p> <p>Adjusts the cap on the lodging tax imposed in the city of Two Harbors from three percent to five percent to account for the new county lodging tax in section 23. Currently the city may impose a one percent lodging tax under special law but this tax combined with a tax imposed under the general lodging tax law cannot exceed three percent. This change will allow the city to retain the tax under special law but not impose the tax under general law if the county imposes its four percent tax.</p> <p>Effective upon the city complying with approval and notice requirements for special laws.</p>
9	<p>Sales and use tax authorized (Two Harbors).</p> <p>Allows the city of Two Harbors to impose an additional one-half of one percent sales tax based on voter approval at the 2018 general election. This is in addition to its existing one-half of one percent sales tax. Requires the city to comply with section 31 before imposing the tax increase. Updates an obsolete cross-reference.</p> <p>Effective upon the city complying with approval and notice requirements for special laws.</p>
10	<p>Use of revenues (Two Harbors).</p> <p>Allows the city to use the revenues from the new additional sales tax rate for capital and administrative costs of water and sewer infrastructure projects, including associated street patching, property acquisition, and related construction expenses. Revenues from the current tax may be used for similar purposes (water, wastewater, and sewer projects) <u>plus</u> harbor refuge development projects.</p>

Section	Description
	Effective upon the city complying with approval and notice requirements for special laws.
11	Bonding authority (Two Harbors). Allows the cities to issue up to \$30 million in bonds for the new projects without having an additional vote. Effective upon the city complying with approval and notice requirements for special laws.
12	Termination of taxes (Two Harbors). Provides a separate termination date for the additional local sales tax equal to the earlier of 25 years or when revenues are raised to pay for \$30 million plus associated bond costs the projects. The city may choose to terminate the extra tax earlier if it so chooses. Effective upon the city complying with approval and notice requirements for special laws.
13	Use of revenues (Cloquet). Allows the city of Cloquet to reallocate some of the \$5.8 million of local sales tax revenue currently earmarked for property development along Highway 33 and Interstate Highway 35 to the other projects that the city may already fund with its sales tax revenue (various park improvements, or other sewer and water infrastructure improvements identified in the city comprehensive land use plan.) The total amount the city may raise from its local sales tax does not change. Effective upon the city complying with approval and notice requirements for special laws.
14	City of Avon; local sales and use tax authorized. Allows the city of Avon to impose a local sales tax of up to one-half of one percent to raise \$1.5 million plus associated bond costs for transportation improvement projects in the city, based on approval by the voters in the 2018 general election. Requires the city to comply with section 31 before imposing the tax. Allows the city to issue up to \$1.5 million in bonds for the projects without additional voter approval. The tax expires at the earlier of December 31, 2045, or when allowed revenues are raised. Effective upon the city complying with approval and notice requirements for special laws.
15	City of Blue Earth; sales and use tax authorized. Allows the city of Blue Earth to impose a local sales tax of one-half of one percent to finance \$5 million plus associated bond costs for sewer plant improvements, street reconstruction projects, and recreational amenities. Requires the city to comply with section 31 before imposing the tax. Allows the city to issue up to \$5 million in bonds for the projects without additional voter approval. The tax expires at the earlier of 25 years or when allowed revenues are raised.

Section	Description
16	<p data-bbox="355 268 1417 300">Effective upon the city complying with approval and notice requirements for special laws.</p> <p data-bbox="355 352 1000 384">City of Cambridge; local sales and use tax authorized.</p> <p data-bbox="355 401 1417 604">Allows the city of Cambridge to impose a local sales tax of up to one-half of one percent to finance \$8 million plus associated bond costs, for a new library facility, and \$14 million for street improvements. Requires the city to comply with section 31 as it relates to the street improvements before imposing the tax. Allows the city to issue up to \$22 million in bonds for the project without additional voter approval. The tax expires at the earlier of December 31, 2043, or when allowed revenues are raised.</p>
17	<p data-bbox="355 642 1417 674">Effective upon the city complying with approval and notice requirements for special laws.</p> <p data-bbox="355 726 1029 758">City of Detroit Lakes; local sales and use tax authorized.</p> <p data-bbox="355 774 1417 898">Allows the city of Detroit Lakes to impose a local sales tax of one-half of one percent to finance \$6.7 million plus associated bond costs for a new police department facility. Allows the city to issue up to \$6.7 million in bonds for the project without additional voter approval. The tax expires at the earlier of ten years or when allowed revenues are raised.</p>
18	<p data-bbox="355 936 1417 968">Effective upon the city complying with approval and notice requirements for special laws.</p> <p data-bbox="355 1024 972 1056">City of Elk River; local sales and use tax authorized.</p> <p data-bbox="355 1073 1417 1241">Allows the city of Elk River to impose a local sales tax of one-half of one percent to finance \$35 million plus associated bond costs for a number of specified park and recreational facilities, and dredging of Lake Orono. Allows the city to issue up to \$35 million in bonds for the project without additional voter approval. The tax expires at the earlier of 25 years or when allowed revenues are raised.</p>
19	<p data-bbox="355 1278 1417 1310">Effective upon the city complying with approval and notice requirements for special laws.</p> <p data-bbox="355 1367 976 1398">City of Excelsior; local sales and use tax authorized.</p> <p data-bbox="355 1415 1417 1612">Allows the city of Excelsior to impose a local sales tax of one-half of one percent if approved by the voters at a general election held by December 31, 2020. If approved the tax may be used to finance \$7 million plus associated bond costs for capital and administrative costs of improvements to the city commons as indicated in the Commons Master Plan adopted November 20, 2017. The tax expires at the earlier of 25 years after being imposed or when allowed revenues are raised.</p>
20	<p data-bbox="355 1650 1417 1682">Effective upon the city complying with approval and notice requirements for special laws.</p> <p data-bbox="355 1738 995 1770">City of Glenwood; local sales and use tax authorized.</p> <p data-bbox="355 1787 1417 1911">Allows the city of Glenwood to impose a local sales tax of up to one-half of one percent to finance \$2.8 million plus associated bond costs for streets, park and recreational facility and trail improvements, and city municipal building. Requires the city to comply with section 31 before imposing the tax. Allows the city to issue up to \$2.8 million in bonds for</p>

Section	Description
	<p>the projects without additional voter approval. The tax expires at the earlier of 20 years or when allowed revenues are raised.</p>
	<p>Effective upon the city complying with approval and notice requirements for special laws.</p>
21	<p>City of International Falls; local sales and use tax authorized.</p> <p>Allows the city of International Falls to impose a local sales tax of up to one percent to raise \$30 million plus associated bond costs for transportation and other public infrastructure projects in the city. Requires the city to comply with section 31 before imposing the tax. Allows the city to issue up to \$30 million in bonds for the projects without additional voter approval. The tax expires at the earlier of 30 years or when allowed revenues are raised.</p>
	<p>Effective upon the city complying with approval and notice requirements for special laws.</p>
22	<p>La Crescent; local lodging tax authorized.</p> <p>Allows the city of La Crescent to impose an extra two percent local lodging tax in addition to the three percent lodging tax allowed under general law. The revenues from this additional tax must be split evenly between the city chamber of commerce to promote tourism and the La Crescent Area Event Center to promote local tourism. The city currently does not impose the three percent lodging tax under current law because it has no lodging within the city limits.</p>
	<p>Effective upon the city's compliance with approval and filing requirements for special laws.</p>
23	<p>Lake County; local lodging tax authorized.</p> <p>Allows Lake County to impose up to a four percent lodging tax in the county with three-fourths of the money going for countywide marketing and one-fourth for promoting community events and festivals. The tax is in addition to any existing lodging tax imposed by a city, town, or the county in an unorganized territory under the general lodging tax statute; however no city or town may impose a new local lodging tax under the general authority while the county tax is in effect.</p>
	<p>Effective upon the city's compliance with approval and filing requirements for special laws.</p>
24	<p>City of North Mankato; local food and beverage tax authorized.</p> <p>Allows the city of North Mankato to impose a food and beverage tax of up to one percent in the city. The tax also applies to retail on-sale of alcoholic beverages. Revenues from the tax must be used for operation, maintenance, and capital expenses for the Casewell Regional Sporting Complex, including paying associated bonds; and for costs related to regional tourism events. Allows the city to enter into an agreement with the commissioner of revenue to collect the tax on the city's behalf.</p>

Section	Description
25	<p data-bbox="355 270 1369 333">Effective upon the city’s compliance with approval and filing requirements for special laws.</p> <p data-bbox="355 390 964 417">City of Perham; local sales and use tax authorized.</p> <p data-bbox="355 434 1417 604">Allows the city of Perham to impose a local sales tax of up to one-half of one percent to raise \$5.2 million plus associated bond costs for capital costs related to the Perham Area Community Center project. Allows the city to issue up to \$5.2 million in bonds for the project without a separate referendum. The tax expires at the earlier of 20 years or when allowed revenues are raised.</p>
26	<p data-bbox="355 642 1369 705">Effective upon the city’s compliance with approval and filing requirements for special laws.</p> <p data-bbox="355 762 915 789">City of Plymouth; local lodging tax authorized.</p> <p data-bbox="355 806 1422 976">Allows the city of Plymouth to impose an extra three percent local lodging tax for five years, in addition to the three percent lodging tax allowed under general law. Two thirds of the revenues from this special tax must be used for capital improvements to public recreational facilities and for marketing and promotion and the remaining one-third must be used as required under general law—to fund a local convention or tourism bureau.</p>
27	<p data-bbox="355 1014 1369 1077">Effective upon the city’s compliance with approval and filing requirements for special laws.</p> <p data-bbox="355 1134 1192 1161">City of Sauk Centre; local sales and use tax and excise tax authorized.</p> <p data-bbox="355 1178 1427 1348">Allows the city of Sauk Centre to impose a local sales tax of up to one-half of one percent and an excise tax of \$20 per motor vehicle sold commercially in the city. The city may use \$10 million in revenues plus associated bond costs from the taxes to fund city infrastructure projects, related to the reconstruction of Trunk Highway 71. Allows the city to issue up to \$10 million in bonds for the project without a separate referendum. The tax expires at the earlier of December 31, 2045, or when allowed revenues are raised.</p>
28	<p data-bbox="355 1419 1369 1482">Effective upon the city’s compliance with approval and filing requirements for special laws.</p> <p data-bbox="355 1539 964 1566">City of Virginia; local sales and use tax authorized.</p> <p data-bbox="355 1583 1369 1753">Allows the city of Virginia to impose a local sales tax of up to one percent to fund \$30 million plus associated bond costs for renovation, reconstruction, expansion, and improvements of the Miner’s Memorial recreation complex and convention center. Allows the city to issue up to \$200,000 in bonds for the project without a separate referendum. The tax expires at the earlier of 20 years or when allowed revenues are raised.</p>
	<p data-bbox="355 1829 1369 1892">Effective upon the city’s compliance with approval and filing requirements for special laws.</p>

Section	Description
29	<p>City of Willmar; local sales and use tax authorized.</p> <p>Allows the city of Willmar to impose a local sales tax of up to one-half of one percent and up to a \$20 excise tax on commercial sales of motor vehicles to finance \$30 million plus associated bond costs, for replacement of a community center, a number of enumerated recreational facilities, and a storm water management project. Allows the city to issue up to \$30 million in bonds for the projects without a separate referendum. The tax expires at the earlier of 13 years or when allowed revenues are raised.</p> <p>Effective upon the city’s compliance with approval and filing requirements for special laws.</p>
30	<p>City of Worthington; local sales and use and excise taxes authorized.</p> <p>Allows the city of Worthington to impose a local sales tax of one-half of one percent and a \$20 excise tax on commercial sales of motor vehicles to finance \$25 million plus associated bond costs for various park and recreational facility improvements, lake quality improvements, and a street plaza. Requires the city to comply with section 31 before imposing the tax. Allows the city to issue up to \$25 million in bonds for the projects without a separate referendum. The tax expires at the earlier of 15 years or when allowed revenues are raised.</p> <p>Effective upon the city’s compliance with approval and filing requirements for special laws.</p>
31	<p>Resolution and public notice of specific projects to be funded with a local sales tax.</p> <p>Cities that must comply with this section must pass a new resolution before imposing or increasing a local sales tax. The resolution must list each specific project and dollar amount of each project to be funded with the sales tax revenue. Defines what qualifies as a “specific project.” The resolution must be approved by the commissioner of revenue before the tax is imposed and the resolution must be posted on the city website for the duration of the tax. Only projects listed in the new resolution may be funded with the sales tax revenues.</p> <p>Effective the day after final enactment.</p>

Article 4: Tax Increment Financing

Provides special tax increment financing (TIF) authority to the cities of Bloomington, Edina, Champlin, Minneapolis, Roseville, Duluth, and Burnsville.

Section	Description
1	<p data-bbox="355 275 992 302">Bloomington tax increment financing; five-year rule.</p> <p data-bbox="355 317 1398 380">Modifies a 2008 special law for the city of Bloomington, which provided special rules for the city’s Bloomington Central Station TIF district.</p> <p data-bbox="355 422 976 449">This provision extends the five-year rule to 25 years.</p> <p data-bbox="355 485 1382 512">Effective upon local approval and compliance with filing requirements for special laws.</p>
2	<p data-bbox="355 569 789 596">Authority to create districts (Edina).</p> <p data-bbox="355 611 1398 716">Amends a 2014 special law granting special TIF authority for the Southeast Edina Redevelopment Project Area. This provision provides authorization to create TIF districts within the project area until December 31, 2021.</p> <p data-bbox="355 747 1382 774">Effective upon local approval and compliance with filing requirements for special laws.</p>
3	<p data-bbox="355 831 667 858">Pooling authority (Edina).</p> <p data-bbox="355 873 1422 1010">Provides authorization to use increment generated from the Southdale 2 district and used to fund housing projects in the districts established by section 2 (and previous special laws) to satisfy the five-year pooling requirement of the districts created by this bill and previous special laws.</p> <p data-bbox="355 1052 1382 1079">Effective upon local approval and compliance with filing requirements for special laws.</p>
4	<p data-bbox="355 1136 1227 1163">City of Champlin; tax increment financing district; project requirements.</p> <p data-bbox="355 1178 1398 1241">Authorizes the following special rules for the city of Champlin’s Mississippi Crossings TIF district:</p> <ul data-bbox="453 1283 1398 1430" style="list-style-type: none"><li data-bbox="453 1283 959 1310">▪ extends the five-year rule to ten years;<li data-bbox="453 1325 1167 1352">▪ extends the district’s duration an additional 5 years; and<li data-bbox="453 1367 1398 1430">▪ exempts the district from the requirement that starting in the district’s sixth year, increment must be used to decertify the district. <p data-bbox="355 1461 1382 1488">Effective upon local approval and compliance with filing requirements for special laws.</p>
5	<p data-bbox="355 1545 1170 1572">City of Minneapolis; upper harbor terminal redevelopment project.</p> <p data-bbox="355 1587 1406 1692">Authorizes the city of Minneapolis to create redevelopment TIF districts in a project area in North Minneapolis (generally referred to as the Upper Harbor Terminal area). Under this provision, the following special rules would apply to any TIF district created:</p> <ul data-bbox="453 1734 1406 1902" style="list-style-type: none"><li data-bbox="453 1734 1406 1797">▪ The established redevelopment districts do not have to meet the statutorily required blight findings for establishing a redevelopment district.<li data-bbox="453 1812 1406 1902">▪ Increments from the established districts would not be required to be spent on correction of blight conditions, as required by statute for redevelopment districts.

Section	Description
	<ul style="list-style-type: none">▪ The five-year rule is extended to ten years.▪ The percentage pooling rules do not apply to these districts so long as increment is spent within the geographic area described in the bill. <p>Effective upon local approval and compliance with filing requirements for special laws.</p>
6	<p>Expenditure of hazardous substance subdistrict tax increment (Roseville).</p> <p>Allows the city of Roseville to use all increment collected within its Hazardous Substance Subdistrict No. 17A for the purpose of funding environmental remediation on parcels within and adjacent to the district. This includes increment generated but not expended within the district's first five years after certification.</p> <p>Effective upon local approval and compliance with filing requirements for special laws.</p>
7	<p>City of Duluth; tax increment financing district; project requirements.</p> <p>Authorizes the city of Duluth to create redevelopment TIF districts within a project area in downtown Duluth. The following special rules would apply to any TIF district created:</p> <ul style="list-style-type: none">▪ The established redevelopment districts do not have to meet the statutorily required blight findings for establishing a redevelopment district.▪ Increments from the established districts would not be required to be spent on correction of blight conditions, as required by statute for redevelopment districts. <p>Effective upon local approval and compliance with filing requirements for special laws.</p>
8	<p>City of Burnsville; TIF authority.</p> <p>Authorizes the city of Burnsville to create redevelopment TIF districts within the limited area of the Burnsville Center mall and adjacent rights-of-way. Under this provision, the following special rules apply to any TIF district created:</p> <ul style="list-style-type: none">▪ The established redevelopment districts do not have to meet the statutorily required blight findings for establishing a redevelopment district.▪ Increments from the established districts would not be required to be spent on correction of blight conditions, as required by statute for redevelopment districts. <p>Effective upon local approval and compliance with filing requirements for special laws.</p>

Article 5: Public Finance

This bill makes a number of changes in laws relating to municipal financing and borrowing authority.

Section	Description
1	<p>Bonding authority (State Agricultural Society)</p> <p>Increases the total amount of bonds issued and outstanding by the state agricultural society from \$20 million to \$30 million.</p>
2	<p>Interest (maximum interest rates on drainage lien).</p> <p>Increases the maximum interest rate that counties can charge on drainage lien principal to six percent. Present law sets the limit at the rate set by the State Court Administrator for interest on court judgments, a floating interest rate pegged to the rate on one-year Treasury securities.</p>
3	<p>Bond authorization (school districts).</p> <p>Eliminates the public notice requirement for solicitation of bids to allow school districts to solicit project bids prior to involving bond counsel.</p>
4	<p>Authorization; rates (transportation sales and use tax; authorization and rates).</p> <p>Amends current law to clarify that any county may impose a transportation sales and use tax under current law, as all counties are now defined as being outside the “metropolitan transportation area” due the disbanding of CTIB.</p>
5	<p>Municipality may file bankruptcy petition.</p> <p>Updates the reference to the United States Bankruptcy Code to reflect amendments made since 1996 and to adopt future amendments in law authorizing municipalities to file for bankruptcy.</p>
6	<p>Limitation; light rail transit (Metropolitan Council debt obligations).</p> <p>Limits the prohibition on using Metropolitan Council debt for light rail improvements, enacted in 2017, to obligations authorized by the 2017 law. Under present law, the prohibition applies to any debt obligations issued by the council under the amended section of law.</p>
7	<p>Definitions (authority of towns to issue capital improvement bonds).</p> <p>Modifies the definition of “municipality” for purposes of capital improvement bonds so that any town can issue these bonds, regardless of population. This will permit a town board for the added towns to issue capital improvement bonds without holding a town meeting.</p>

Section	Description
8	Repealer. Repeals the expiration of the state agricultural society's bonding authority.



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