

1.1 A bill for an act

1.2 relating to property taxation; modifying the definition of income for the property
1.3 tax refund; decreasing the threshold percentage for the homestead credit refund
1.4 for homeowners and the property tax refund for renters; increasing the maximum
1.5 refunds for renters; changing property tax aids and credits; imposing an insurance
1.6 surcharge; modifying pension aids; providing pension funding; changing
1.7 provisions of the Sustainable Forest Incentive Act; modifying definitions for
1.8 property taxes; providing exemptions; creating joint entertainment facilities
1.9 coordination; providing reimbursement for certain property tax abatement;
1.10 authorizing economic development powers; imposing a tax on extraction and
1.11 processing of fracturing sand; providing a taconite production tax grant for water
1.12 supply improvements; authorizing taconite production tax bonds for grants to
1.13 school districts; authorizing local sales taxes; modifying the definition of market
1.14 value for tax, debt, and other purposes; making policy and technical changes to
1.15 property tax provisions; requiring a study and report on the Iron Range fiscal
1.16 disparities program; requiring a study and report on certain property used in
1.17 business and production; appropriating money; amending Minnesota Statutes
1.18 2012, sections 38.18; 40A.15, subdivision 2; 69.011, subdivision 1; 69.021,
1.19 subdivisions 7, 8, by adding a subdivision; 88.51, subdivision 3; 103B.102,
1.20 subdivision 3; 103B.245, subdivision 3; 103B.251, subdivision 8; 103B.335;
1.21 103B.3369, subdivision 5; 103B.635, subdivision 2; 103B.691, subdivision 2;
1.22 103C.501, subdivision 4; 103D.905, subdivisions 2, 3, 8; 103F.405, subdivision
1.23 1; 117.025, subdivision 7; 123A.455, subdivision 1; 127A.48, subdivision 1;
1.24 138.053; 144F.01, subdivision 4; 162.07, subdivisions 3, 4; 163.04, subdivision
1.25 3; 163.06, subdivision 6; 165.10, subdivision 1; 270.077; 270.41, subdivision
1.26 5; 270C.34, subdivision 1; 272.01, subdivision 2; 272.02, subdivision 97, by
1.27 adding subdivisions; 272.03, subdivision 9, by adding subdivisions; 273.032;
1.28 273.11, subdivision 1, by adding a subdivision; 273.114, subdivision 6;
1.29 273.124, subdivisions 3a, 13; 273.13, subdivisions 21b, 23, 25; 273.1398,
1.30 subdivisions 3, 4; 273.19, subdivision 1; 273.372, subdivision 4; 273.39;
1.31 275.011, subdivision 1; 275.077, subdivision 2; 275.71, subdivision 4; 276.04,
1.32 subdivision 2; 276A.01, subdivisions 10, 12, 13, 15; 276A.06, subdivision 10;
1.33 279.01, subdivision 1, by adding a subdivision; 279.02; 279.06, subdivision
1.34 1; 287.05, by adding a subdivision; 287.08; 287.23, subdivision 1; 290A.03,
1.35 subdivision 3; 290A.04, subdivisions 2, 2a, 4; 290B.04, subdivision 2; 290C.02,
1.36 subdivision 6; 290C.05; 290C.07; 298.01, subdivision 3; 298.018; 298.28,
1.37 subdivisions 4, 6, 9a; 298.75, subdivision 2; 353G.08, subdivision 2; 365.025,
1.38 subdivision 4; 366.095, subdivision 1; 366.27; 368.01, subdivision 23; 368.47;
1.39 370.01; 373.01, subdivision 1; 373.40, subdivisions 1, 4; 375.167, subdivision

2.1 1; 375.18, subdivision 3; 375.555; 383B.152; 383B.245; 383B.73, subdivision
 2.2 1; 383E.20; 383E.23; 385.31; 394.36, subdivision 1; 398A.04, subdivision
 2.3 8; 401.05, subdivision 3; 410.32; 412.221, subdivision 2; 412.301; 428A.02,
 2.4 subdivision 1; 430.102, subdivision 2; 447.10; 450.19; 450.25; 458A.10;
 2.5 458A.31, subdivision 1; 465.04; 469.033, subdivision 6; 469.034, subdivision 2;
 2.6 469.053, subdivisions 4, 4a, 6; 469.071, subdivision 5; 469.107, subdivision 1;
 2.7 469.169, by adding a subdivision; 469.176, subdivisions 4c, 4g, 6; 469.177, by
 2.8 adding a subdivision; 469.180, subdivision 2; 469.187; 469.190, subdivision 7,
 2.9 by adding a subdivision; 469.206; 471.24; 471.571, subdivisions 1, 2; 471.73;
 2.10 473.325, subdivision 2; 473.629; 473.661, subdivision 3; 473.667, subdivision
 2.11 9; 473.671; 473.711, subdivision 2a; 473F.02, subdivisions 12, 14, 15, 23;
 2.12 473F.08, subdivision 10, by adding a subdivision; 475.521, subdivision 4;
 2.13 475.53, subdivisions 1, 3, 4; 475.58, subdivision 2; 475.73, subdivision 1;
 2.14 477A.011, subdivisions 20, 30, 32, 34, 42, by adding subdivisions; 477A.0124,
 2.15 subdivision 2; 477A.013, subdivisions 8, 9, by adding a subdivision; 477A.03,
 2.16 subdivisions 2a, 2b, by adding a subdivision; 641.23; 641.24; 645.44, by adding
 2.17 a subdivision; Laws 1988, chapter 645, section 3, as amended; Laws 1993,
 2.18 chapter 375, article 9, section 46, subdivision 2, as amended; Laws 1999, chapter
 2.19 243, article 6, section 11; Laws 2005, First Special Session chapter 3, article 5,
 2.20 section 37, subdivisions 2, 4; Laws 2008, chapter 366, article 5, sections 26; 33;
 2.21 34, as amended; article 7, section 19, subdivision 3, as amended; Laws 2010,
 2.22 chapter 389, article 1, section 12; article 5, section 6, subdivisions 4, 6; proposing
 2.23 coding for new law in Minnesota Statutes, chapters 116C; 287; 290A; 297I;
 2.24 proposing coding for new law as Minnesota Statutes, chapter 297J; repealing
 2.25 Minnesota Statutes 2012, sections 272.69; 273.11, subdivisions 1a, 22; 276A.01,
 2.26 subdivision 11; 383A.80, subdivision 4; 383B.80, subdivision 4; 428A.101;
 2.27 428A.21; 473F.02, subdivision 13; 477A.011, subdivisions 2a, 19, 21, 29, 31, 32,
 2.28 33, 36, 39, 40, 41, 42; 477A.013, subdivisions 11, 12; 477A.0133; 477A.0134;
 2.29 Laws 2006, chapter 259, article 11, section 3, as amended.

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

2.31 **ARTICLE 1**

2.32 **HOMESTEAD CREDIT REFUND AND RENTER PROPERTY TAX REFUND**

2.33 Section 1. Minnesota Statutes 2012, section 290A.03, subdivision 3, is amended to read:

2.34 Subd. 3. **Income.** (1) "Income" means the sum of the following:

2.35 (a) federal adjusted gross income as defined in the Internal Revenue Code; and

2.36 (b) the sum of the following amounts to the extent not included in clause (a):

2.37 (i) all nontaxable income;

2.38 (ii) the amount of a passive activity loss that is not disallowed as a result of section
 2.39 469, paragraph (i) or (m) of the Internal Revenue Code and the amount of passive activity
 2.40 loss carryover allowed under section 469(b) of the Internal Revenue Code;

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

2.44 (iv) cash public assistance and relief;

3.1 (v) any pension or annuity (including railroad retirement benefits, all payments
3.2 received under the federal Social Security Act, Supplemental Security Income, and
3.3 veterans benefits), which was not exclusively funded by the claimant or spouse, or which
3.4 was funded exclusively by the claimant or spouse and which funding payments were
3.5 excluded from federal adjusted gross income in the years when the payments were made;

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

3.8 (vii) workers' compensation;

3.9 (viii) nontaxable strike benefits;

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

3.13 (x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of
3.14 1986, as amended through December 31, 1995;

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

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

3.23 (xiii) nontaxable scholarship or fellowship grants;

3.24 ~~(xiii)~~ (xiv) the amount of deduction allowed under section 199 of the Internal
3.25 Revenue Code;

3.26 ~~(xiv)~~ (xv) the amount of deduction allowed under section 220 or 223 of the Internal
3.27 Revenue Code;

3.28 ~~(xv)~~ (xvi) the amount of tuition expenses required to be added to income under
3.29 section 290.01, subdivision 19a, clause (12);

3.30 ~~(xvi)~~ (xvii) the amount deducted for certain expenses of elementary and secondary
3.31 school teachers under section 62(a)(2)(D) of the Internal Revenue Code; and

3.32 ~~(xvii)~~ (xviii) unemployment compensation.

3.33 In the case of an individual who files an income tax return on a fiscal year basis, the
3.34 term "federal adjusted gross income" shall mean federal adjusted gross income reflected
3.35 in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be

4.1 reduced by the amount of a net operating loss carryback or carryforward or a capital loss
4.2 carryback or carryforward allowed for the year.

4.3 (2) "Income" does not include:

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

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

4.8 (c) to the extent included in federal adjusted gross income, amounts contributed by
4.9 the claimant or spouse to a traditional or Roth style retirement account or plan, but not
4.10 to exceed the retirement base amount reduced by the amount of contributions excluded
4.11 from federal adjusted gross income, but not less than zero;

4.12 (d) surplus food or other relief in kind supplied by a governmental agency;

4.13 ~~(d)~~ (e) relief granted under this chapter;

4.14 ~~(e)~~ (f) child support payments received under a temporary or final decree of
4.15 dissolution or legal separation; or

4.16 ~~(f)~~ (g) restitution payments received by eligible individuals and excludable interest
4.17 as defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of
4.18 2001, Public Law 107-16.

4.19 (3) The sum of the following amounts may be subtracted from income:

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

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

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

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

4.24 (e) for the claimant's fifth dependent, the exemption amount; and

4.25 (f) if the claimant or claimant's spouse was disabled or attained the age of 65
4.26 on or before December 31 of the year for which the taxes were levied or rent paid, the
4.27 exemption amount.

4.28 For purposes of this subdivision, the "exemption amount" means the exemption
4.29 amount under section 151(d) of the Internal Revenue Code for the taxable year for which
4.30 the income is reported; and "retirement base amount" means the deductible amount for
4.31 the taxable year for the claimant and spouse under section 219(b)(5)(A) of the Internal
4.32 Revenue Code, adjusted for inflation as provided in section 219(b)(5)(D) of the Internal
4.33 Revenue Code, without regard to whether the claimant or spouse claimed a deduction.

4.34 **EFFECTIVE DATE.** This section is effective beginning with refunds based on
4.35 property taxes payable in 2014 and rent paid in 2013.

5.1 Sec. 2. Minnesota Statutes 2012, section 290A.04, subdivision 2, is amended to read:

5.2 Subd. 2. **Homeowners; homestead credit refund.** A claimant whose property
 5.3 taxes payable are in excess of the percentage of the household income stated below shall
 5.4 pay an amount equal to the percent of income shown for the appropriate household
 5.5 income level along with the percent to be paid by the claimant of the remaining amount
 5.6 of property taxes payable. The state refund equals the amount of property taxes payable
 5.7 that remain, up to the state refund amount shown below.

5.8				Maximum
5.9			Percent Paid by	State
5.10	Household Income	Percent of Income	Claimant	Refund
5.11	\$0 to 1,549	1.0 percent	15 percent	\$ 2,460
5.12	1,550 to 3,089	1.1 percent	15 percent	\$ 2,460
5.13	3,090 to 4,669	1.2 percent	15 percent	\$ 2,460
5.14	4,670 to 6,229	1.3 percent	20 percent	\$ 2,460
5.15	6,230 to 7,769	1.4 percent	20 percent	\$ 2,460
5.16	7,770 to 10,879	1.5 percent	20 percent	\$ 2,460
5.17	10,880 to 12,429	1.6 percent	20 percent	\$ 2,460
5.18	12,430 to 13,989	1.7 percent	20 percent	\$ 2,460
5.19	13,990 to 15,539	1.8 percent	20 percent	\$ 2,460
5.20	15,540 to 17,079	1.9 percent	25 percent	\$ 2,460
5.21	17,080 to 18,659	2.0 percent	25 percent	\$ 2,460
5.22	18,660 to 21,759	2.1 percent	25 percent	\$ 2,460
5.23	21,760 to 23,309	2.2 percent	30 percent	\$ 2,460
5.24	23,310 to 24,859	2.3 percent	30 percent	\$ 2,460
5.25	24,860 to 26,419	2.4 percent	30 percent	\$ 2,460
5.26	26,420 to 32,629	2.5 percent	35 percent	\$ 2,460
5.27	32,630 to 37,279	2.6 percent	35 percent	\$ 2,460
5.28	37,280 to 46,609	2.7 percent	35 percent	\$ 2,000
5.29	46,610 to 54,369	2.8 percent	35 percent	\$ 2,000
5.30	54,370 to 62,139	2.8 percent	40 percent	\$ 1,750
5.31	62,140 to 69,909	3.0 percent	40 percent	\$ 1,440
5.32	69,910 to 77,679	3.0 percent	40 percent	\$ 1,290
5.33	77,680 to 85,449	3.0 percent	40 percent	\$ 1,130
5.34	85,450 to 90,119	3.5 percent	45 percent	\$ 960
5.35	90,120 to 93,239	3.5 percent	45 percent	\$ 790
5.36	93,240 to 97,009	3.5 percent	50 percent	\$ 650
5.37	97,010 to 100,779	3.5 percent	50 percent	\$ 480

5.38				Maximum
5.39			Percent Paid by	State
5.40	<u>Household Income</u>	<u>Percent of Income</u>	<u>Claimant</u>	<u>Refund</u>
5.41	<u>\$0 to 1,619</u>	<u>1.0 percent</u>	<u>15 percent</u>	<u>\$ 2,580</u>
5.42	<u>1,620 to 3,229</u>	<u>1.1 percent</u>	<u>15 percent</u>	<u>\$ 2,580</u>

6.1	<u>3,230 to 4,889</u>	<u>1.2 percent</u>	<u>15 percent</u>	<u>\$ 2,580</u>
6.2	<u>4,890 to 6,519</u>	<u>1.3 percent</u>	<u>20 percent</u>	<u>\$ 2,580</u>
6.3	<u>6,520 to 8,129</u>	<u>1.4 percent</u>	<u>20 percent</u>	<u>\$ 2,580</u>
6.4	<u>8,130 to 11,389</u>	<u>1.5 percent</u>	<u>20 percent</u>	<u>\$ 2,580</u>
6.5	<u>11,390 to 13,009</u>	<u>1.6 percent</u>	<u>20 percent</u>	<u>\$ 2,580</u>
6.6	<u>13,010 to 14,649</u>	<u>1.7 percent</u>	<u>20 percent</u>	<u>\$ 2,580</u>
6.7	<u>14,650 to 16,269</u>	<u>1.8 percent</u>	<u>20 percent</u>	<u>\$ 2,580</u>
6.8	<u>16,270 to 17,879</u>	<u>1.9 percent</u>	<u>25 percent</u>	<u>\$ 2,580</u>
6.9	<u>17,880 to 22,779</u>	<u>2.0 percent</u>	<u>25 percent</u>	<u>\$ 2,580</u>
6.10	<u>22,780 to 24,399</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$ 2,580</u>
6.11	<u>24,400 to 27,659</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$ 2,580</u>
6.12	<u>27,660 to 39,029</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$ 2,580</u>
6.13	<u>39,030 to 56,919</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$ 2,090</u>
6.14	<u>56,920 to 65,049</u>	<u>2.0 percent</u>	<u>40 percent</u>	<u>\$ 1,830</u>
6.15	<u>65,050 to 73,189</u>	<u>2.1 percent</u>	<u>40 percent</u>	<u>\$ 1,510</u>
6.16	<u>73,190 to 81,319</u>	<u>2.2 percent</u>	<u>40 percent</u>	<u>\$ 1,350</u>
6.17	<u>81,320 to 89,449</u>	<u>2.3 percent</u>	<u>40 percent</u>	<u>\$ 1,180</u>
6.18	<u>89,450 to 94,339</u>	<u>2.4 percent</u>	<u>45 percent</u>	<u>\$ 1,000</u>
6.19	<u>94,340 to 97,609</u>	<u>2.5 percent</u>	<u>45 percent</u>	<u>\$ 830</u>
6.20	<u>97,610 to 101,559</u>	<u>2.5 percent</u>	<u>50 percent</u>	<u>\$ 680</u>
6.21	<u>101,560 to 105,499</u>	<u>2.5 percent</u>	<u>50 percent</u>	<u>\$ 500</u>

6.22 The payment made to a claimant shall be the amount of the state refund calculated
 6.23 under this subdivision. No payment is allowed if the claimant's household income is
 6.24 ~~\$100,780~~ \$105,500 or more.

6.25 **EFFECTIVE DATE.** This section is effective for refund claims based on taxes
 6.26 payable in 2014 and thereafter.

6.27 Sec. 3. Minnesota Statutes 2012, section 290A.04, subdivision 2a, is amended to read:

6.28 Subd. 2a. **Renters.** A claimant whose rent constituting property taxes exceeds the
 6.29 percentage of the household income stated below must pay an amount equal to the percent
 6.30 of income shown for the appropriate household income level along with the percent to
 6.31 be paid by the claimant of the remaining amount of rent constituting property taxes. The
 6.32 state refund equals the amount of rent constituting property taxes that remain, up to the
 6.33 maximum state refund amount shown below.

6.34			Percent Paid by	Maximum
6.35	Household Income	Percent of Income	Claimant	State
6.36				Refund
6.37	\$0 to 3,589	1.0 percent	5 percent	\$ 1,190
6.38	3,590 to 4,779	1.0 percent	10 percent	\$ 1,190

7.1	4,780 to 5,969	1.1 percent	10 percent	\$ 1,190
7.2	5,970 to 8,369	1.2 percent	10 percent	\$ 1,190
7.3	8,370 to 10,759	1.3 percent	15 percent	\$ 1,190
7.4	10,760 to 11,949	1.4 percent	15 percent	\$ 1,190
7.5	11,950 to 13,139	1.4 percent	20 percent	\$ 1,190
7.6	13,140 to 15,539	1.5 percent	20 percent	\$ 1,190
7.7	15,540 to 16,729	1.6 percent	20 percent	\$ 1,190
7.8	16,730 to 17,919	1.7 percent	25 percent	\$ 1,190
7.9	17,920 to 20,319	1.8 percent	25 percent	\$ 1,190
7.10	20,320 to 21,509	1.9 percent	30 percent	\$ 1,190
7.11	21,510 to 22,699	2.0 percent	30 percent	\$ 1,190
7.12	22,700 to 23,899	2.2 percent	30 percent	\$ 1,190
7.13	23,900 to 25,089	2.4 percent	30 percent	\$ 1,190
7.14	25,090 to 26,289	2.6 percent	35 percent	\$ 1,190
7.15	26,290 to 27,489	2.7 percent	35 percent	\$ 1,190
7.16	27,490 to 28,679	2.8 percent	35 percent	\$ 1,190
7.17	28,680 to 29,869	2.9 percent	40 percent	\$ 1,190
7.18	29,870 to 31,079	3.0 percent	40 percent	\$ 1,190
7.19	31,080 to 32,269	3.1 percent	40 percent	\$ 1,190
7.20	32,270 to 33,459	3.2 percent	40 percent	\$ 1,190
7.21	33,460 to 34,649	3.3 percent	45 percent	\$ 1,080
7.22	34,650 to 35,849	3.4 percent	45 percent	\$ 960
7.23	35,850 to 37,049	3.5 percent	45 percent	\$ 830
7.24	37,050 to 38,239	3.5 percent	50 percent	\$ 720
7.25	38,240 to 39,439	3.5 percent	50 percent	\$ 600
7.26	38,440 to 40,629	3.5 percent	50 percent	\$ 360
7.27	40,630 to 41,819	3.5 percent	50 percent	\$ 120
7.28	<u>\$0 to 4,909</u>	<u>1.0 percent</u>	<u>5 percent</u>	<u>\$ 2,000</u>
7.29	<u>4,910 to 6,529</u>	<u>1.0 percent</u>	<u>10 percent</u>	<u>\$ 2,000</u>
7.30	<u>6,530 to 8,159</u>	<u>1.1 percent</u>	<u>10 percent</u>	<u>\$ 1,950</u>
7.31	<u>8,160 to 11,439</u>	<u>1.2 percent</u>	<u>10 percent</u>	<u>\$ 1,900</u>
7.32	<u>11,440 to 14,709</u>	<u>1.3 percent</u>	<u>15 percent</u>	<u>\$ 1,850</u>
7.33	<u>14,710 to 16,339</u>	<u>1.4 percent</u>	<u>15 percent</u>	<u>\$ 1,800</u>
7.34	<u>16,340 to 17,959</u>	<u>1.4 percent</u>	<u>20 percent</u>	<u>\$ 1,750</u>
7.35	<u>17,960 to 21,239</u>	<u>1.5 percent</u>	<u>20 percent</u>	<u>\$ 1,700</u>
7.36	<u>21,240 to 22,869</u>	<u>1.6 percent</u>	<u>20 percent</u>	<u>\$ 1,650</u>
7.37	<u>22,870 to 24,499</u>	<u>1.7 percent</u>	<u>25 percent</u>	<u>\$ 1,650</u>
7.38	<u>24,500 to 27,779</u>	<u>1.8 percent</u>	<u>25 percent</u>	<u>\$ 1,650</u>
7.39	<u>27,780 to 29,399</u>	<u>1.9 percent</u>	<u>30 percent</u>	<u>\$ 1,650</u>
7.40	<u>29,400 to 34,299</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$ 1,650</u>
7.41	<u>34,300 to 39,199</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$ 1,650</u>
7.42	<u>39,200 to 45,739</u>	<u>2.0 percent</u>	<u>40 percent</u>	<u>\$ 1,650</u>
7.43	<u>45,740 to 47,369</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,500</u>

8.1	<u>47,370 to 49,009</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,350</u>
8.2	<u>49,010 to 50,649</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,150</u>
8.3	<u>50,650 to 52,269</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 1,000</u>
8.4	<u>52,270 to 53,909</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 900</u>
8.5	<u>53,910 to 55,539</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 500</u>
8.6	<u>55,540 to 57,169</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 200</u>

8.7 The payment made to a claimant is the amount of the state refund calculated under
 8.8 this subdivision. No payment is allowed if the claimant's household income is ~~\$41,820~~
 8.9 \$57,170 or more.

8.10 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in
 8.11 2013 and following years.

8.12 Sec. 4. Minnesota Statutes 2012, section 290A.04, subdivision 4, is amended to read:

8.13 Subd. 4. **Inflation adjustment.** (a) Beginning for property tax refunds payable in
 8.14 calendar year 2002, the commissioner shall annually adjust the dollar amounts of the
 8.15 income thresholds and the maximum refunds under subdivisions 2 and 2a for inflation.
 8.16 The commissioner shall make the inflation adjustments in accordance with section 1(f) of
 8.17 the Internal Revenue Code, except that for purposes of this subdivision the percentage
 8.18 increase shall be determined as provided in this subdivision.

8.19 (b) In adjusting the dollar amounts of the income thresholds and the maximum
 8.20 refunds under subdivision 2 for inflation, the percentage increase shall be determined
 8.21 from the year ending on June 30, ~~2011~~ 2013, to the year ending on June 30 of the year
 8.22 preceding that in which the refund is payable.

8.23 (c) In adjusting the dollar amounts of the income thresholds and the maximum
 8.24 refunds under subdivision 2a for inflation, the percentage increase shall be determined
 8.25 from the year ending on June 30, ~~2000~~ 2013, to the year ending on June 30 of the year
 8.26 preceding that in which the refund is payable.

8.27 (d) The commissioner shall use the appropriate percentage increase to annually
 8.28 adjust the income thresholds and maximum refunds under subdivisions 2 and 2a for
 8.29 inflation without regard to whether or not the income tax brackets are adjusted for inflation
 8.30 in that year. The commissioner shall round the thresholds and the maximum amounts,
 8.31 as adjusted to the nearest \$10 amount. If the amount ends in \$5, the commissioner shall
 8.32 round it up to the next \$10 amount.

8.33 (e) The commissioner shall annually announce the adjusted refund schedule at the
 8.34 same time provided under section 290.06. The determination of the commissioner under
 8.35 this subdivision is not a rule under the Administrative Procedure Act.

9.1 **EFFECTIVE DATE.** This section is effective for refund claims based on taxes
9.2 payable in 2014 and rent paid in 2013 and following years.

9.3 Sec. 5. **[290A.28] NOTIFICATION OF POTENTIAL ELIGIBILITY.**

9.4 Subdivision 1. **Notification of eligibility.** (a) By August 1, 2014, the commissioner
9.5 shall notify, in writing or electronically, individual homeowners whom the commissioner
9.6 determines likely will be eligible for a homestead credit refund under this chapter for
9.7 that property taxes payable year. In determining whether to notify a homeowner, the
9.8 commissioner shall consider the property tax information available to the commissioner
9.9 under paragraph (b) and the most recent income information available to the commissioner
9.10 from filing under this chapter for the prior year or under chapter 290 for the current or
9.11 prior year. The notification must include information on how to file for the homestead
9.12 credit refund and the range of potential homestead credit refunds that the homeowner
9.13 could qualify to receive. The notification requirement under this section does not apply
9.14 to a homeowner who has already filed for the homestead credit refund for the current
9.15 or prior year.

9.16 (b) By May 15, 2014, each county auditor shall transmit to the commissioner
9.17 of revenue the following information for each property classified as a residential or
9.18 agricultural homestead under section 273.13, subdivision 22 or 23:

9.19 (1) the property taxes payable;

9.20 (2) the name and address of the owner;

9.21 (3) the Social Security number or numbers of the owners; and

9.22 (4) any other information the commissioner deems necessary or useful to carry
9.23 out the provisions of this section.

9.24 The information must be provided in the form and manner prescribed by the commissioner.

9.25 Subd. 2. **Report.** By March 15, 2015, the commissioner must provide written
9.26 reports to the chairs and ranking minority members of the legislative committees with
9.27 jurisdiction over taxes, in compliance with Minnesota Statutes, sections 3.195 and 3.197.
9.28 The report must provide information on the number and dollar amount of homeowner
9.29 property tax refund claims based on taxes payable in 2014, including:

9.30 (i) the number and dollar amount of claims projected for homestead credit refunds
9.31 based on taxes payable in 2014 prior to enactment of the notification requirement in
9.32 this section;

9.33 (ii) the number of notifications issued as provided in this section, including the
9.34 number issued by county;

10.1 (iii) the number and dollar amount of claims for homestead credit refunds based on
10.2 taxes payable in 2014 processed through December 31, 2014; and

10.3 (iv) a description of any outreach efforts undertaken by the commissioner for
10.4 homestead credit refunds based on taxes payable in 2014, in addition to the notification
10.5 required in this section.

10.6 **EFFECTIVE DATE.** This section is effective for refund claims based on property
10.7 taxes payable in 2014.

10.8 **ARTICLE 2**

10.9 **PROPERTY TAX AIDS AND CREDITS**

10.10 Section 1. Minnesota Statutes 2012, section 69.021, is amended by adding a
10.11 subdivision to read:

10.12 Subd. 12. **Surcharge aid accounts.** (a) A surcharge fire pension aid account is
10.13 established in the special revenue fund to receive amounts as provided under section
10.14 297I.07, subdivision 3, clause (1). The commissioner shall administer the account and
10.15 allocate money in the account as follows:

10.16 (1) 17.342 percent as supplemental state pension funding paid to the executive
10.17 director of the Public Employees Retirement Association for deposit in the public
10.18 employees police and fire retirement fund established by section 353.65, subdivision 1;

10.19 (2) 8.658 percent to municipalities employing firefighters with retirement coverage
10.20 by the public employees police and fire retirement plan, allocated in proportion to the
10.21 relationship that the preceding December 31 number of firefighters employed by each
10.22 municipality who have public employees police and fire retirement plan coverage bears to
10.23 the total preceding December 31 number of municipal firefighters covered by the public
10.24 employees police and fire retirement plan; and

10.25 (3) 74 percent for municipalities other than the municipalities receiving a
10.26 disbursement under clause (2) which qualified to receive fire state aid in that calendar year,
10.27 allocated in proportion to the most recent amount of fire state aid paid under subdivision 7
10.28 for the municipality bears to the most recent total fire state aid for all municipalities other
10.29 than the municipalities receiving a disbursement under clause (2) paid under subdivision
10.30 7, with the allocated amount for fire departments participating in the voluntary statewide
10.31 lump-sum volunteer firefighter retirement plan paid to the executive director of the Public
10.32 Employees Retirement Association for deposit in the fund established by section 353G.02,
10.33 subdivision 3, and credited to the respective account and with the balance paid to the

11.1 treasurer of each municipality for transmittal within 30 days of receipt to the treasurer of
11.2 the applicable volunteer firefighter relief association for deposit in its special fund.

11.3 (b) A surcharge police pension aid account is established in the special revenue
11.4 fund to receive amounts as provided by section 297I.07, subdivision 3, clause (2). The
11.5 commissioner shall administer the account and allocate money in the account as follows:

11.6 (1) one-third to be distributed as police state aid as provided under subdivision 7a; and

11.7 (2) two-thirds to be apportioned, on the basis of the number of active police officers
11.8 certified for police state aid receipt under section 69.011, subdivisions 2 and 2b, between:

11.9 (i) the executive director of the Public Employees Retirement Association for
11.10 deposit as a supplemental state pension funding aid in the public employees police and fire
11.11 retirement fund established by section 353.65, subdivision 1; and

11.12 (ii) the executive director of the Minnesota State Retirement System for deposit as a
11.13 supplemental state pension funding aid in the state patrol retirement fund.

11.14 (c) On or before September 1, annually, the executive director of the Public
11.15 Employees Retirement Association shall report to the commissioner the following:

11.16 (1) the municipalities which employ firefighters with retirement coverage by the
11.17 public employees police and fire retirement plan;

11.18 (2) the number of firefighters with public employees police and fire retirement plan
11.19 employed by each municipality;

11.20 (3) the fire departments covered by the voluntary statewide lump-sum volunteer
11.21 firefighter retirement plan; and

11.22 (4) any other information requested by the commissioner to administer the surcharge
11.23 fire pension aid account.

11.24 (d) For this subdivision, (i) the number of firefighters employed by a municipality
11.25 who have public employees police and fire retirement plan coverage means the number
11.26 of firefighters with public employees police and fire retirement plan coverage that were
11.27 employed by the municipality for not less than 30 hours per week for a minimum of six
11.28 months prior to December 31 preceding the date of the payment under this section and, if
11.29 the person was employed for less than the full year, prorated to the number of full months
11.30 employed; and, (ii) the number of active police officers certified for police state aid receipt
11.31 under section 69.011, subdivisions 2 and 2b means, for each municipality, the number of
11.32 police officers meeting the definition of peace officer in section 69.011, subdivision 1,
11.33 counted as provided and limited by section 69.011, subdivisions 2 and 2b.

11.34 (e) The payments under this section shall be made on October 1 each year, based
11.35 on the amount in the surcharge fire pension aid account and the amount in the surcharge
11.36 police pension aid account on the preceding June 30, with interest at 1 percent for each

12.1 month, or portion of a month, that the amount remains unpaid after October 1. The
 12.2 amounts necessary to make the payments under this subdivision are annually appropriated
 12.3 to the commissioner from the surcharge fire and police pension aid accounts. Any
 12.4 necessary adjustments shall be made to subsequent payments.

12.5 (f) The provisions of this chapter that prevent municipalities and relief associations
 12.6 from being eligible for, or receiving state aid under this chapter until the applicable
 12.7 financial reporting requirements have been complied with, apply to the amounts payable
 12.8 to municipalities and relief associations under this subdivision.

12.9 (g) The amounts necessary to make the payments under this subdivision are
 12.10 appropriated to the commissioner from the respective accounts in the special revenue fund.

12.11 **EFFECTIVE DATE.** This section is effective beginning in the fiscal year beginning
 12.12 July 1, 2013.

12.13 Sec. 2. Minnesota Statutes 2012, section 290C.02, subdivision 6, is amended to read:

12.14 Subd. 6. **Forest land.** "Forest land" means land containing a minimum of 20
 12.15 contiguous acres for which the owner has implemented a forest management plan that was
 12.16 prepared or updated within the past ten years by an approved plan writer. For purposes of
 12.17 this subdivision, acres are considered to be contiguous even if they are separated by a road,
 12.18 waterway, railroad track, or other similar intervening property. At least 50 percent of the
 12.19 contiguous acreage must meet the definition of forest land in section 88.01, subdivision 7.
 12.20 For the purposes of sections 290C.01 to 290C.11, forest land does not include the following:

12.21 (i) land used for residential or agricultural purposes;²

12.22 (ii) land enrolled in the reinvest in Minnesota program, a state or federal conservation
 12.23 reserve or easement reserve program under sections 103F.501 to 103F.531, the Minnesota
 12.24 agricultural property tax law under section 273.111, or land subject to agricultural land
 12.25 preservation controls or restrictions as defined in section 40A.02 or under the Metropolitan
 12.26 Agricultural Preserves Act under chapter 473H;~~or~~²

12.27 (iii) land subject to a conservation easement funded under section 97A.056 or a
 12.28 comparable permanent easement conveyed to a governmental or nonprofit entity; or

12.29 (iv) land improved with a structure, pavement, sewer, campsite, or any road, other
 12.30 than a township road, used for purposes not prescribed in the forest management plan.

12.31 **EFFECTIVE DATE.** This section is effective for payments made beginning in
 12.32 calendar year 2014.

13.1 Sec. 3. Minnesota Statutes 2012, section 290C.05, is amended to read:

13.2 **290C.05 ANNUAL CERTIFICATION.**

13.3 On or before July 1 of each year, beginning with the year after the original claimant
13.4 has received an approved application, the commissioner shall send each claimant enrolled
13.5 under the sustainable forest incentive program a certification form. For purposes of this
13.6 section, the original claimant is the person that filed the first application under section
13.7 290C.04 to enroll the land in the program. The claimant must sign the certification,
13.8 attesting that the requirements and conditions for continued enrollment in the program are
13.9 currently being met, and must return the signed certification form, along with a copy of
13.10 the property tax statement for the property taxes payable on the enrolled property for the
13.11 calendar year and any other information the commissioner deems necessary to determine
13.12 whether the property is qualified under section 290C.02, subdivision 6, or the amount of
13.13 the payment under section 290C.07, paragraph (a), clause (2), to the commissioner by
13.14 August 15 of that same year. If the claimant does not return an annual certification form
13.15 by the due date, the provisions in section 290C.11 apply.

13.16 **EFFECTIVE DATE.** This section is effective for payments made beginning in
13.17 calendar year 2014.

13.18 Sec. 4. Minnesota Statutes 2012, section 290C.07, is amended to read:

13.19 **290C.07 CALCULATION OF INCENTIVE PAYMENT.**

13.20 (a) An approved claimant under the sustainable forest incentive program is eligible
13.21 to receive an annual payment. The payment shall be equal to the lesser of (1) \$7 per acre
13.22 or (2) one-half of the property tax payable for the calendar year for each acre enrolled in
13.23 the sustainable forest incentive program.

13.24 (b) The annual payment for each Social Security number or state or federal business
13.25 tax identification number must not exceed \$100,000.

13.26 **EFFECTIVE DATE.** This section is effective for payments made beginning in
13.27 calendar year 2014.

13.28 Sec. 5. **[297L.07] SURCHARGE ON HOMEOWNERS AND AUTO POLICIES.**

13.29 Subdivision 1. **Surcharge on policies.** (a) Each licensed insurer engaged in writing
13.30 insurance shall collect a surcharge equal to \$5 per calendar year for each policy issued
13.31 or renewed during that calendar year for:

13.32 (1) homeowners insurance authorized in section 60A.06, subdivision 1, clause
13.33 (1)(c); and

14.1 (2) automobile insurance as defined in section 65B.14, subdivision 2.

14.2 (b) The surcharge amount collected under this subdivision must not be considered
 14.3 premium for any other purpose. The surcharge amount must be separately stated on either a
 14.4 billing or policy declaration or document containing similar information sent to an insured.

14.5 Subd. 2. **Collection and administration.** The commissioner shall administer the
 14.6 surcharge imposed by this section in the same manner as the taxes imposed by this chapter.

14.7 Subd. 3. **Deposit of revenues.** The commissioner shall deposit revenues from the
 14.8 surcharge under this section as follows:

14.9 (1) amounts from the surcharge imposed under subdivision 1, paragraph (a), clause
 14.10 (1), in a surcharge fire pension aid account in the special revenue fund; and

14.11 (2) amounts from the surcharge imposed under subdivision 1, paragraph (a), clause
 14.12 (2), in a surcharge police pension aid account in the special revenue fund.

14.13 Subd. 4. **Surcharge termination.** The surcharge imposed under subdivision
 14.14 1 ends on the December 31 next following the actuarial valuation date on which the
 14.15 assets of the retirement plan on a market value equals or exceeds 90 percent of the total
 14.16 actuarial accrued liabilities of the retirement plan as disclosed in an actuarial valuation
 14.17 prepared under section 356.215 and the Standards for Actuarial Work promulgated by the
 14.18 Legislative Commission on Pensions and Retirement, for the State Patrol retirement plan
 14.19 or the public employees police and fire retirement plan, whichever occurs last.

14.20 **EFFECTIVE DATE.** This section is effective for policies issued after June 30, 2013.

14.21 Sec. 6. Minnesota Statutes 2012, section 477A.011, subdivision 30, is amended to read:

14.22 Subd. 30. **Pre-1940 housing percentage.** (a) Except as provided in paragraph (b),
 14.23 "pre-1940 housing percentage" for a city is 100 times the most recent federal census count
 14.24 by the United States Bureau of the Census of all housing units in the city built before
 14.25 1940, divided by the total number of all housing units in the city. Housing units includes
 14.26 both occupied and vacant housing units as defined by the federal census.

14.27 (b) For the city of East Grand Forks only, "pre-1940 housing percentage" is equal
 14.28 to 100 times the 1990 federal census count of all housing units in the city built before
 14.29 1940, divided by the most recent count by the United States Bureau of the Census of all
 14.30 housing units in the city. Housing units includes both occupied and vacant housing units
 14.31 as defined by the federal census.

14.32 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
 14.33 2014 and thereafter.

15.1 Sec. 7. Minnesota Statutes 2012, section 477A.011, is amended by adding a
 15.2 subdivision to read:

15.3 Subd. 30a. **Percent of housing built between 1940 and 1970.** "Percent of housing
 15.4 built between 1940 and 1970" is equal to 100 times the most recent count by the United
 15.5 States Bureau of the Census of all housing units in the city built after 1939 but before
 15.6 1970, divided by the total number of all housing units in the city. Housing units includes
 15.7 both occupied and vacant housing units as defined by the federal census.

15.8 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
 15.9 2014 and thereafter.

15.10 Sec. 8. Minnesota Statutes 2012, section 477A.011, subdivision 34, is amended to read:

15.11 Subd. 34. **City revenue need.** (a) For a city with a population equal to or greater
 15.12 than ~~2,500~~ 10,000, "city revenue need" is ~~the greater of 285 or 1.15 times~~ the sum of (1)
 15.13 ~~5.0734098~~ 4.59 times the pre-1940 housing percentage; plus (2) ~~19.141678~~ times the
 15.14 ~~population decline percentage~~ 0.622 times the percent of housing built between 1940 and
 15.15 1970; plus (3) ~~2504.06334~~ times the road accidents factor 169.415 times the jobs per
 15.16 capita; plus (4) ~~355.0547~~; minus (5) the metropolitan area factor; minus (6) ~~49.10638~~
 15.17 ~~times the household size~~ 307.664.

15.18 (b) For a city with a population equal to or greater than 2,500 and less than 10,000,
 15.19 "city revenue need" is 1.15 times the sum of (1) 572.62; plus (2) 5.026 times the pre-1940
 15.20 housing percentage; minus (3) 53.768 times household size; plus (4) 14.022 times peak
 15.21 population decline.

15.22 ~~(b)~~ (c) For a city with a population less than 2,500, "city revenue need" is the sum of
 15.23 ~~(1) 2.387~~ times the pre-1940 housing percentage; plus (2) ~~2.67591~~ times the commercial
 15.24 ~~industrial percentage~~; plus (3) ~~3.16042~~ times the population decline percentage; plus (4)
 15.25 ~~1.206~~ times the transformed population; minus (5) ~~62.772~~ 410 plus 0.367 times the city's
 15.26 population over 100. The city revenue need under this paragraph shall not exceed 630.

15.27 ~~(e)~~ (d) For a city with a population of at least 2,500 or more and a population in one
 15.28 ~~of the most recently available five years that was less than 2,500~~, "city revenue need"
 15.29 ~~is the sum of (1) its city revenue need calculated under paragraph (a) multiplied by its~~
 15.30 ~~transition factor~~; plus (2) its city revenue need calculated under the formula in paragraph
 15.31 ~~(b) multiplied by the difference between one and its transition factor~~. For purposes of this
 15.32 ~~paragraph, a city's "transition factor" is equal to 0.2 multiplied by the number of years that~~
 15.33 ~~the city's population estimate has been 2,500 or more. This provision only applies for aids~~
 15.34 ~~payable in calendar years 2006 to 2008 to cities with a 2002 population of less than 2,500.~~
 15.35 ~~It applies to any city for aids payable in 2009 and thereafter~~ but less than 3,000, the "city

16.1 revenue need" equals (1) the transition factor times the city's revenue need calculated in
16.2 paragraph (b) plus (2) 630 times the difference between one and the transition factor. For
16.3 a city with a population of at least 10,000 but less than 10,500, the "city revenue need"
16.4 equals (1) the transition factor times the city's revenue need calculated in paragraph (a)
16.5 plus (2) the city's revenue need calculated under the formula in paragraph (b) times the
16.6 difference between one and the transition factor. For purposes of this paragraph "transition
16.7 factor" is 0.2 percent times the amount that the city's population exceeds the minimum
16.8 threshold in either of the first two sentences.

16.9 ~~(d)~~ (e) The city revenue need cannot be less than zero.

16.10 ~~(e)~~ (f) For calendar year ~~2005~~ 2015 and subsequent years, the city revenue need for
16.11 a city, as determined in paragraphs (a) to ~~(d)~~ (e), is multiplied by the ratio of the annual
16.12 implicit price deflator for government consumption expenditures and gross investment for
16.13 state and local governments as prepared by the United States Department of Commerce,
16.14 for the most recently available year to the ~~2003~~ 2013 implicit price deflator for state
16.15 and local government purchases.

16.16 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
16.17 2014 and thereafter.

16.18 Sec. 9. Minnesota Statutes 2012, section 477A.011, subdivision 42, is amended to read:

16.19 Subd. 42. **City jobs base Jobs per capita.** (a) ~~"City jobs base" for a city with a~~
16.20 ~~population of 5,000 or more is equal to the product of (1) \$25.20, (2) the number of~~
16.21 ~~jobs per capita in the city, and (3) its population. For cities with a population less than~~
16.22 ~~5,000, the city jobs base is equal to zero. For a city receiving aid under subdivision 36,~~
16.23 ~~paragraph (k), its city jobs base is reduced by the lesser of 36 percent of the amount of~~
16.24 ~~aid received under that paragraph or \$1,000,000. No city's city jobs base may exceed~~
16.25 ~~\$4,725,000 under this paragraph.~~

16.26 (b) ~~For calendar year 2010 and subsequent years, the city jobs base for a city, as~~
16.27 ~~determined in paragraph (a), is multiplied by the ratio of the appropriation under section~~
16.28 ~~477A.03, subdivision 2a, for the year in which the aid is paid to the appropriation under~~
16.29 ~~that section for aids payable in 2009.~~

16.30 (c) ~~For purposes of this subdivision, "Jobs per capita in the city" means (1) the~~
16.31 ~~average annual number of employees in the city based on the data from the Quarterly~~
16.32 ~~Census of Employment and Wages, as reported by the Department of Employment and~~
16.33 ~~Economic Development, for the most recent calendar year available as of May 1, 2008~~
16.34 November 1 of every odd-numbered year, divided by (2) the city's population for the
16.35 same calendar year as the employment data. The commissioner of the Department of

17.1 Employment and Economic Development shall certify to the city the average annual
 17.2 number of employees for each city by ~~June 1, 2008~~ January 15, of every even-numbered
 17.3 year beginning with January 15, 2014. A city may challenge an estimate under this
 17.4 paragraph by filing its specific objection, including the names of employers that it feels
 17.5 may have misreported data, in writing with the commissioner by ~~June 20, 2008~~ December
 17.6 1 of every odd-numbered year. The commissioner shall make every reasonable effort
 17.7 to address the specific objection and adjust the data as necessary. The commissioner
 17.8 shall certify the estimates of the annual employment to the commissioner of revenue by
 17.9 ~~July 15, 2008~~ January 15 of all even-numbered years, including any estimates still under
 17.10 objection. For aids payable in 2014, "jobs per capita" shall be based on the annual number
 17.11 of employees and population for calendar year 2010 without additional review.

17.12 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
 17.13 2014 and thereafter.

17.14 Sec. 10. Minnesota Statutes 2012, section 477A.011, is amended by adding a
 17.15 subdivision to read:

17.16 **Subd. 44. Peak population decline.** "Peak population decline" is equal to 100
 17.17 times the difference between one and the ratio of the city's current population, to the
 17.18 highest city population reported in a federal census from the 1970 census or later. "Peak
 17.19 population decline" shall not be less than zero.

17.20 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
 17.21 2014 and thereafter.

17.22 Sec. 11. Minnesota Statutes 2012, section 477A.013, subdivision 8, is amended to read:

17.23 **Subd. 8. City formula aid.** (a) For aids payable in 2014 only, the formula aid for
 17.24 a city is equal to the lesser of its unmet need or the sum of (1) its 2013 certified aid and
 17.25 (2) the product of (i) the difference between its unmet need and its 2013 certified aid
 17.26 and (ii) the aid gap percentage.

17.27 (b) For aids payable in 2015 and thereafter, the formula aid for a city is equal to
 17.28 the sum of (1) its city jobs base, (2) its small city aid base, and (3) the need increase
 17.29 percentage multiplied by the average of its unmet need for the most recently available two
 17.30 years formula aid in the previous year and (2) the product of (i) the difference between
 17.31 its unmet need and its certified aid in the previous year under subdivision 9, and (ii)
 17.32 the aid gap percentage.

18.1 No city may have a formula aid amount less than zero. The ~~need-increase~~ aid gap
18.2 percentage must be the same for all cities.

18.3 The applicable ~~need-increase~~ aid gap percentage must be calculated by the
18.4 Department of Revenue so that the total of the aid under subdivision 9 equals the total
18.5 amount available for aid under section 477A.03. Data used in calculating aids to cities
18.6 under sections 477A.011 to 477A.013 shall be the most recently available data as of
18.7 January 1 in the year in which the aid is calculated except that the data used to compute "net
18.8 levy" in subdivision 9 is the data most recently available at the time of the aid computation.

18.9 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
18.10 2014 and thereafter.

18.11 Sec. 12. Minnesota Statutes 2012, section 477A.013, subdivision 9, is amended to read:

18.12 Subd. 9. **City aid distribution.** (a) In calendar year ~~2013~~ 2014 and thereafter, each
18.13 city shall receive an aid distribution equal to the sum of (1) the city formula aid under
18.14 subdivision 8, and (2) its ~~city aid base aid adjustment~~ aid adjustment under subdivision 13.

18.15 ~~(b) For aids payable in 2013 and 2014 only, the total aid in the previous year for~~
18.16 ~~any city shall mean the amount of aid it was certified to receive for aids payable in 2012~~
18.17 ~~under this section. For aids payable in 2015 and thereafter, the total aid in the previous~~
18.18 ~~year for any city means the amount of aid it was certified to receive under this section in~~
18.19 ~~the previous payable year.~~

18.20 ~~(c) For aids payable in 2010 and thereafter, the total aid for any city shall not exceed~~
18.21 ~~the sum of (1) ten percent of the city's net levy for the year prior to the aid distribution~~
18.22 ~~plus (2) its total aid in the previous year. For aids payable in 2009 and thereafter, the total~~
18.23 ~~aid for any city with a population of 2,500 or more may not be less than its total aid under~~
18.24 ~~this section in the previous year minus the lesser of \$10 multiplied by its population, or ten~~
18.25 ~~percent of its net levy in the year prior to the aid distribution.~~

18.26 ~~(d)~~ (b) For aids payable in 2014 only, the total aid for a city may not be less than the
18.27 amount it was certified to receive in 2013. For aids payable in ~~2010~~ 2015 and thereafter,
18.28 the total aid for a city with ~~a population less than 2,500~~ must not be less than the amount
18.29 it was certified to receive in the previous year minus the lesser of \$10 multiplied by its
18.30 population, or five percent of its ~~2003-certified aid amount.~~ For aids payable in ~~2009~~ only,
18.31 the total aid for a city with a population less than 2,500 must not be less than what it
18.32 received under this section in the previous year unless its total aid in calendar year 2008
18.33 was aid under section 477A.011, subdivision 36, paragraph (s), in which case its minimum
18.34 aid is zero its net levy in the year prior to the aid distribution.

19.1 (e) ~~A city's aid loss under this section may not exceed \$300,000 in any year in~~
 19.2 ~~which the total city aid appropriation under section 477A.03, subdivision 2a, is equal or~~
 19.3 ~~greater than the appropriation under that subdivision in the previous year, unless the~~
 19.4 ~~city has an adjustment in its city net tax capacity under the process described in section~~
 19.5 ~~469.174, subdivision 28.~~

19.6 (f) ~~If a city's net tax capacity used in calculating aid under this section has decreased~~
 19.7 ~~in any year by more than 25 percent from its net tax capacity in the previous year due to~~
 19.8 ~~property becoming tax-exempt Indian land, the city's maximum allowed aid increase~~
 19.9 ~~under paragraph (e) shall be increased by an amount equal to (1) the city's tax rate in the~~
 19.10 ~~year of the aid calculation, multiplied by (2) the amount of its net tax capacity decrease~~
 19.11 ~~resulting from the property becoming tax exempt.~~

19.12 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
 19.13 2014 and thereafter.

19.14 Sec. 13. Minnesota Statutes 2012, section 477A.013, is amended by adding a
 19.15 subdivision to read:

19.16 **Subd. 13. Certified aid adjustments.** (a) A city that received an aid base increase
 19.17 under Minnesota Statutes 2012, section 477A.011, subdivision 36, paragraph (e), shall
 19.18 have its total aid under subdivision 9 increased by an amount equal to \$150,000 for aids
 19.19 payable in 2014 through 2018.

19.20 (b) A city that received a temporary aid increase under Minnesota Statutes 2012,
 19.21 section 477A.011, subdivision 36, paragraph (m), (v), or (w), shall have its total aid under
 19.22 subdivision 9 decreased by the amount of its aid base increase under those paragraphs in
 19.23 calendar year 2013.

19.24 Sec. 14. Minnesota Statutes 2012, section 477A.03, subdivision 2a, is amended to read:

19.25 **Subd. 2a. Cities.** For aids payable in ~~2013~~ 2014 and thereafter, the total aid paid
 19.26 under section 477A.013, subdivision 9, is ~~\$426,438,012~~ \$486,438,012, multiplied by the
 19.27 inflation adjustment under subdivision 6.

19.28 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
 19.29 2014 and thereafter.

19.30 Sec. 15. Minnesota Statutes 2012, section 477A.03, subdivision 2b, is amended to read:

19.31 **Subd. 2b. Counties.** (a) For aids payable in ~~2013~~ 2014 and thereafter, the total aid
 19.32 payable under section 477A.0124, subdivision 3, is ~~\$80,795,000~~ \$95,795,000. Each

20.1 calendar year, \$500,000 of this appropriation shall be retained by the commissioner
20.2 of revenue to make reimbursements to the commissioner of management and budget
20.3 for payments made under section 611.27. ~~For calendar year 2004, the amount shall~~
20.4 ~~be in addition to the payments authorized under section 477A.0124, subdivision 1.~~
20.5 ~~For calendar year 2005 and subsequent years, the amount shall be deducted from the~~
20.6 ~~appropriation under this paragraph.~~ The reimbursements shall be to defray the additional
20.7 costs associated with court-ordered counsel under section 611.27. Any retained amounts
20.8 not used for reimbursement in a year shall be included in the next distribution of county
20.9 need aid that is certified to the county auditors for the purpose of property tax reduction
20.10 for the next taxes payable year.

20.11 (b) For aids payable in ~~2013~~ 2014 and thereafter, the total aid under section
20.12 477A.0124, subdivision 4, is ~~\$84,909,575~~ \$99,909,575. The commissioner of management
20.13 and budget shall bill the commissioner of revenue for the cost of preparation of local impact
20.14 notes as required by section 3.987, not to exceed \$207,000 in each fiscal year ~~2004 and~~
20.15 ~~thereafter~~. The commissioner of education shall bill the commissioner of revenue for the
20.16 cost of preparation of local impact notes for school districts as required by section 3.987,
20.17 not to exceed \$7,000 in each fiscal year ~~2004 and thereafter~~. The commissioner of revenue
20.18 shall deduct the amounts billed under this paragraph from the appropriation under this
20.19 paragraph. The amounts deducted are appropriated to the commissioner of management
20.20 and budget and the commissioner of education for the preparation of local impact notes.

20.21 **EFFECTIVE DATE.** This section is effective for aid payable in 2014 and thereafter.

20.22 Sec. 16. Minnesota Statutes 2012, section 477A.03, is amended by adding a
20.23 subdivision to read:

20.24 **Subd. 6. Inflation adjustment.** In 2015 and thereafter, the amount paid under
20.25 subdivision 2a shall be increased by an amount equal to one plus the sum of (1) the
20.26 percentage increase in the implicit price deflator for government expenditures and gross
20.27 investment for state and local government purchases as prepared by the United States
20.28 Department of Commerce, for the 12-month period ending March 31 of the previous
20.29 calendar year, and (2) the percentage increase in total city population for the most recently
20.30 available years as of January 15 of the current year. The percentage increase in this
20.31 subdivision shall not be less than 2.5 percent or greater than five percent.

20.32 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
20.33 2014 and thereafter.

21.1 Sec. 17. **REPEALER.**

21.2 (a) Minnesota Statutes 2012, sections 477A.011, subdivisions 2a, 19, 29, 31, 32, 33,
21.3 36, 39, 40, 41, and 42; 477A.013, subdivisions 11 and 12; 477A.0133; and 477A.0134, are
21.4 repealed.

21.5 (b) Laws 2006, chapter 259, article 11, section 3, as amended by Laws 2008, chapter
21.6 154, article 1, section 4, is repealed.

21.7 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year
21.8 2014 and thereafter.

21.9 **ARTICLE 3**21.10 **PROPERTY TAXES**

21.11 Section 1. Minnesota Statutes 2012, section 103B.102, subdivision 3, is amended to
21.12 read:

21.13 Subd. 3. **Evaluation and report.** The Board of Water and Soil Resources shall
21.14 evaluate performance, financial, and activity information for each local water management
21.15 entity. The board shall evaluate the entities' progress in accomplishing their adopted plans
21.16 on a regular basis as determined by the board based on budget and operations of the local
21.17 water management entity, but not less than once every five ~~ten~~ years. The board shall
21.18 maintain a summary of local water management entity performance on the board's Web site.
21.19 Beginning February 1, 2008, and annually thereafter, the board shall provide an analysis
21.20 of local water management entity performance to the chairs of the house of representatives
21.21 and senate committees having jurisdiction over environment and natural resources policy.

21.22 Sec. 2. Minnesota Statutes 2012, section 103B.335, is amended to read:

21.23 **103B.335 TAX LEVY AUTHORITY.**

21.24 Subdivision 1. **Local water planning and management.** The governing body of
21.25 any county, municipality, or township may levy a tax in an amount required to implement
21.26 sections 103B.301 to 103B.355 or a comprehensive watershed management plan as
21.27 defined in section 103B.3363.

21.28 Subd. 2. **Priority programs; conservation and watershed districts.** A county
21.29 may levy amounts necessary to pay the reasonable ~~increased~~ costs to soil and water
21.30 conservation districts and watershed districts of administering and implementing priority
21.31 programs identified in an approved and adopted plan or a comprehensive watershed
21.32 management plan as defined in section 103B.3363.

22.1 Sec. 3. Minnesota Statutes 2012, section 103B.3369, subdivision 5, is amended to read:

22.2 Subd. 5. **Financial assistance.** A base grant may be awarded to a county that
22.3 provides a match utilizing a water implementation tax or other local source. A water
22.4 implementation tax that a county intends to use as a match to the base grant must be
22.5 levied at a rate sufficient to generate a minimum amount determined by the board.
22.6 The board may award performance-based grants to local units of government that are
22.7 responsible for implementing elements of applicable portions of watershed management
22.8 plans, comprehensive plans, local water management plans, or comprehensive watershed
22.9 management plans, developed or amended, adopted and approved, according to chapter
22.10 103B, 103C, or 103D. Upon request by a local government unit, the board may also
22.11 award performance-based grants to local units of government to carry out TMDL
22.12 implementation plans as provided in chapter 114D, if the TMDL implementation plan has
22.13 been incorporated into the local water management plan according to the procedures for
22.14 approving comprehensive plans, watershed management plans, local water management
22.15 plans, or comprehensive watershed management plans under chapter 103B, 103C, or
22.16 103D, or if the TMDL implementation plan has undergone a public review process.
22.17 Notwithstanding section 16A.41, the board may award performance-based grants on an
22.18 advanced basis. The fee authorized in section 40A.152 may be used as a local match
22.19 or as a supplement to state funding to accomplish implementation of comprehensive
22.20 plans, watershed management plans, local water management plans, or comprehensive
22.21 watershed management plans under chapter 103B, 103C, or 103D.

22.22 Sec. 4. Minnesota Statutes 2012, section 103C.501, subdivision 4, is amended to read:

22.23 Subd. 4. **Cost-sharing funds.** (a) The state board shall allocate ~~at least 70 percent~~
22.24 ~~of~~ cost-sharing funds to areas with high priority erosion, sedimentation, or water quality
22.25 problems or water quantity problems due to altered hydrology. The areas must be selected
22.26 based on ~~the statewide~~ priorities established by the state board.

22.27 (b) The allocated funds must be used for conservation practices for high priority
22.28 problems identified in the comprehensive and annual work plans of the districts, for
22.29 the technical assistance portion of the grant funds to leverage federal or other nonstate
22.30 funds, or to address high-priority needs identified in local water management plans or
22.31 comprehensive watershed management plans.

22.32 ~~(b) The remaining cost-sharing funds may be allocated to districts as follows:~~

22.33 ~~(1) for technical and administrative assistance, not more than 20 percent of the~~
22.34 ~~funds; and~~

23.1 (2) for conservation practices for lower priority erosion, sedimentation, or water
23.2 quality problems.

23.3 Sec. 5. Minnesota Statutes 2012, section 103F.405, subdivision 1, is amended to read:

23.4 Subdivision 1. **Authority.** Each statutory or home rule charter city, town, or
23.5 county that has planning and zoning authority under sections 366.10 to 366.19, 394.21
23.6 to 394.37, or 462.351 to 462.365 is encouraged to adopt a soil loss ordinance. The soil
23.7 loss ordinance must use the soil loss tolerance for each soil series described in the United
23.8 States Soil Natural Resources Conservation Service Field Office Technical Guide, or
23.9 another method approved by the Board of Water and Soil Resources, to determine the
23.10 soil loss limits, but the soil loss limits must be attainable by the best practicable soil
23.11 conservation practice. Ordinances adopted by local governments ~~within the metropolitan~~
23.12 ~~area defined in section 473.121~~ must be consistent with ~~local water management plans~~
23.13 ~~adopted under section 103B.235~~ a comprehensive plan, local water management plan, or
23.14 watershed management plan developed or amended, adopted and approved, according
23.15 to chapter 103B, 103C, or 103D.

23.16 Sec. 6. Minnesota Statutes 2012, section 272.02, is amended by adding a subdivision
23.17 to read:

23.18 Subd. 98. **Certain property owned by an Indian tribe.** (a) Property is exempt that:

23.19 (1) was classified as 3a under section 273.13, subdivision 24, for taxes payable
23.20 in 2013;

23.21 (2) is located in a city of the first class with a population greater than 300,000 as of
23.22 the 2010 federal census;

23.23 (3) is owned and occupied directly or indirectly by a federally recognized Indian
23.24 tribe within the state of Minnesota; and

23.25 (4) is used exclusively for tribal purposes or institutions of public charity as defined
23.26 in subdivision 7.

23.27 (b) For purposes of this subdivision, a "tribal purpose" is a public purpose as defined
23.28 in subdivision 8 and includes noncommercial tribal government activities. Property
23.29 that qualifies for the exemption under this subdivision is limited to no more than two
23.30 contiguous parcels and structures that do not exceed in the aggregate 20,000 square feet.
23.31 Property acquired for single-family housing, market-rate apartments, agriculture, or
23.32 forestry does not qualify for this exemption. The exemption created by this subdivision
23.33 expires with taxes payable in 2024.

23.34 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2014.

24.1 Sec. 7. Minnesota Statutes 2012, section 272.02, is amended by adding a subdivision
24.2 to read:

24.3 Subd. 99. **Public entertainment facility; property tax exemption; special**
24.4 **assessment.** Any real or personal property acquired, owned, leased, controlled, used,
24.5 or occupied by a first class city for the primary purpose of providing an arena for a
24.6 professional basketball team is declared to be acquired, owned, leased, controlled, used,
24.7 and occupied for public, governmental, and municipal purposes, and is exempt from ad
24.8 valorem taxation by the state or any political subdivision of the state, provided that the
24.9 properties are subject to special assessments levied by a political subdivision for a local
24.10 improvement in amounts proportionate to and not exceeding the special benefit received
24.11 by the properties from the improvement. In determining the special benefit received by
24.12 the properties, no possible use of any of the properties in any manner different from their
24.13 intended use for providing a professional basketball arena at the time may be considered.
24.14 Notwithstanding section 272.01, subdivision 2, or 273.19, real or personal property subject
24.15 to a lease or use agreement between the city and another person for uses related to the
24.16 purposes of the operation of the arena is exempt from taxation regardless of the length of
24.17 the lease or use agreement. This section, insofar as it provides an exemption or special
24.18 treatment, does not apply to any real property that is leased for residential, business, or
24.19 commercial development, or to a restaurant that is open for general business more than
24.20 200 days a year, or for other purposes different from those necessary to the provision
24.21 and operation of the arena.

24.22 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2013.

24.23 Sec. 8. Minnesota Statutes 2012, section 272.02, is amended by adding a subdivision
24.24 to read:

24.25 Subd. 100. **Public entertainment facility; property tax exemption; special**
24.26 **assessment.** Any real or personal property acquired, owned, leased, controlled, used,
24.27 or occupied by a first class city for the primary purpose of providing a ball park for a
24.28 minor league baseball team is declared to be acquired, owned, leased, controlled, used,
24.29 and occupied for public, governmental, and municipal purposes, and is exempt from ad
24.30 valorem taxation by the state or any political subdivision of the state, provided that the
24.31 properties are subject to special assessments levied by a political subdivision for a local
24.32 improvement in amounts proportionate to and not exceeding the special benefit received
24.33 by the properties from the improvement. In determining the special benefit received by
24.34 the properties, no possible use of any of the properties in any manner different from
24.35 their intended use for providing a minor league ballpark at the time may be considered.

25.1 Notwithstanding section 272.01, subdivision 2, or 273.19, real or personal property
25.2 subject to a lease or use agreement between the city and another person for uses related to
25.3 the purposes of the operation of the ballpark and related parking facilities is exempt from
25.4 taxation regardless of the length of the lease or use agreement. This section, insofar as it
25.5 provides an exemption or special treatment, does not apply to any real property that is
25.6 leased for residential, business, or commercial development or other purposes different
25.7 from those necessary to the provision and operation of the ball park.

25.8 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2013.

25.9 Sec. 9. Minnesota Statutes 2012, section 273.11, is amended by adding a subdivision to
25.10 read:

25.11 Subd. 24. **Valuation limit for class 4d property.** Notwithstanding the provisions of
25.12 subdivision 1, the taxable value of any property classified as class 4d under section 273.13,
25.13 subdivision 25, is limited as provided under this section. For assessment year 2013, the
25.14 value may not exceed \$100,000 times the number of dwelling units. For subsequent years,
25.15 the limit is adjusted each year by the average statewide change in estimated market value
25.16 of property classified as class 4a and 4d under section 273.13, subdivision 25, for the
25.17 previous assessment year, excluding valuation change due to new construction, rounded to
25.18 the nearest \$1,000. Beginning with assessment year 2014, the commissioner of revenue
25.19 must certify the limit for each assessment year by November 1 of the previous year.

25.20 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2013.

25.21 Sec. 10. Minnesota Statutes 2012, section 279.01, subdivision 1, is amended to read:

25.22 Subdivision 1. **Due dates; penalties.** Except as provided in ~~subdivision~~ subdivisions
25.23 3 ~~or 4~~ to 5, on May 16 or 21 days after the postmark date on the envelope containing the
25.24 property tax statement, whichever is later, a penalty accrues and thereafter is charged upon
25.25 all unpaid taxes on real estate on the current lists in the hands of the county treasurer. The
25.26 penalty is at a rate of two percent on homestead property until May 31 and four percent on
25.27 June 1. The penalty on nonhomestead property is at a rate of four percent until May 31 and
25.28 eight percent on June 1. This penalty does not accrue until June 1 of each year, or 21 days
25.29 after the postmark date on the envelope containing the property tax statements, whichever
25.30 is later, on commercial use real property used for seasonal residential recreational purposes
25.31 and classified as class 1c or 4c, and on other commercial use real property classified as
25.32 class 3a, provided that over 60 percent of the gross income earned by the enterprise on the
25.33 class 3a property is earned during the months of May, June, July, and August. In order for

26.1 the first half of the tax due on class 3a property to be paid after May 15 and before June 1,
26.2 or 21 days after the postmark date on the envelope containing the property tax statement,
26.3 whichever is later, without penalty, the owner of the property must attach an affidavit
26.4 to the payment attesting to compliance with the income provision of this subdivision.
26.5 Thereafter, for both homestead and nonhomestead property, on the first day of each month
26.6 beginning July 1, up to and including October 1 following, an additional penalty of one
26.7 percent for each month accrues and is charged on all such unpaid taxes provided that if the
26.8 due date was extended beyond May 15 as the result of any delay in mailing property tax
26.9 statements no additional penalty shall accrue if the tax is paid by the extended due date. If
26.10 the tax is not paid by the extended due date, then all penalties that would have accrued if
26.11 the due date had been May 15 shall be charged. When the taxes against any tract or lot
26.12 exceed \$100, one-half thereof may be paid prior to May 16 or 21 days after the postmark
26.13 date on the envelope containing the property tax statement, whichever is later; and, if so
26.14 paid, no penalty attaches; the remaining one-half may be paid at any time prior to October
26.15 16 following, without penalty; but, if not so paid, then a penalty of two percent accrues
26.16 thereon for homestead property and a penalty of four percent on nonhomestead property.
26.17 Thereafter, for homestead property, on the first day of November an additional penalty of
26.18 four percent accrues and on the first day of December following, an additional penalty of
26.19 two percent accrues and is charged on all such unpaid taxes. Thereafter, for nonhomestead
26.20 property, on the first day of November and December following, an additional penalty of
26.21 four percent for each month accrues and is charged on all such unpaid taxes. If one-half of
26.22 such taxes are not paid prior to May 16 or 21 days after the postmark date on the envelope
26.23 containing the property tax statement, whichever is later, the same may be paid at any time
26.24 prior to October 16, with accrued penalties to the date of payment added, and thereupon
26.25 no penalty attaches to the remaining one-half until October 16 following.

26.26 This section applies to payment of personal property taxes assessed against
26.27 improvements to leased property, except as provided by section 277.01, subdivision 3.

26.28 A county may provide by resolution that in the case of a property owner that has
26.29 multiple tracts or parcels with aggregate taxes exceeding \$100, payments may be made in
26.30 installments as provided in this subdivision.

26.31 The county treasurer may accept payments of more or less than the exact amount of
26.32 a tax installment due. Payments must be applied first to the oldest installment that is due
26.33 but which has not been fully paid. If the accepted payment is less than the amount due,
26.34 payments must be applied first to the penalty accrued for the year or the installment being
26.35 paid. Acceptance of partial payment of tax does not constitute a waiver of the minimum

27.1 payment required as a condition for filing an appeal under section 278.03 or any other law,
27.2 nor does it affect the order of payment of delinquent taxes under section 280.39.

27.3 Sec. 11. Minnesota Statutes 2012, section 279.01, is amended by adding a subdivision
27.4 to read:

27.5 Subd. 5. **Federal active service exception.** In the case of a homestead property
27.6 owned by an individual who is on federal active service, as defined in section 190.05,
27.7 subdivision 5c, as a member of the National Guard or a reserve component, a six-month
27.8 grace period is granted for complying with the due dates imposed by subdivision 1. During
27.9 this period, no late fees or penalties shall accrue against the property. The due date for
27.10 property taxes owed under this chapter for an individual covered by this subdivision shall
27.11 be November 16 for taxes due on May 16, and April 16 of the following year for taxes due
27.12 on October 16. A taxpayer making a payment under this subdivision must accompany
27.13 the payment with a signed copy of the taxpayer's orders or form DD214 showing the
27.14 dates of active service which clearly indicate that the taxpayer was in active service as a
27.15 member of the National Guard or a reserve component on the date the payment was due.
27.16 This grace period applies to all homestead property owned by individuals on federal active
27.17 service, as herein defined, for all of that property's due dates which fall on a day that is
27.18 included in the taxpayer's federal active service.

27.19 Sec. 12. Minnesota Statutes 2012, section 279.02, is amended to read:

27.20 **279.02 DUTIES OF COUNTY AUDITOR AND TREASURER.**

27.21 Subdivision 1. **Delinquent property; rates.** On the first business day in January, of
27.22 each year, the county treasurer shall return the tax lists on hand to the county auditor, who
27.23 shall compare the same with the statements receipted for by the treasurer on file in the
27.24 auditor's office and each tract or lot of real property against which the taxes, or any part
27.25 thereof, remain unpaid, shall be deemed delinquent, and thereupon an additional penalty
27.26 of two percent on the amount of the original tax remaining unpaid shall immediately
27.27 accrue and thereafter be charged upon all such delinquent taxes; and any auditor who
27.28 shall make out and deliver any statement of delinquent taxes without including therein
27.29 the penalties imposed by law, and any treasurer who shall receive payment of such taxes
27.30 without including in such payment all items as shown on the auditor's statement, shall be
27.31 liable to the county for the amounts of any items omitted.

27.32 Subd. 2. **Federal active service exception.** Notwithstanding subdivision 1, a
27.33 homestead property owned by an individual who is on federal active service, as defined
27.34 in section 190.05, subdivision 5c, as a member of the National Guard or a reserve

28.1 component, shall not be deemed delinquent under this section if the due dates imposed
28.2 under section 279.01 fall on a day in which the individual was on federal active service.

28.3 Sec. 13. Minnesota Statutes 2012, section 287.05, is amended by adding a subdivision
28.4 to read:

28.5 Subd. 10. **Hennepin and Ramsey Counties.** For properties located in Hennepin
28.6 and Ramsey Counties, the county may impose an additional mortgage registry tax as
28.7 defined in sections 383A.80 and 383B.80.

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

28.9 Sec. 14. **[287.40] HENNEPIN AND RAMSEY COUNTIES.**

28.10 For properties located in Hennepin and Ramsey Counties, the county may impose an
28.11 additional deed tax as defined in sections 383A.80 and 383B.80.

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

28.13 Sec. 15. Laws 1988, chapter 645, section 3, as amended by Laws 1999, chapter 243,
28.14 article 6, section 9, Laws 2000, chapter 490, article 6, section 15, and Laws 2008, chapter
28.15 154, article 2, section 30, is amended to read:

28.16 Sec. 3. **TAX; PAYMENT OF EXPENSES.**

28.17 (a) The tax levied by the hospital district under Minnesota Statutes, section 447.34,
28.18 must not be levied at a rate that exceeds the amount authorized to be levied under that
28.19 section. The proceeds of the tax may be used for all purposes of the hospital district,
28.20 except as provided in paragraph (b).

28.21 (b) 0.015 percent of taxable market value of the tax in paragraph (a) may be used
28.22 solely by the Cook ambulance service and the Orr ambulance service for the purpose of
28.23 capital expenditures as it relates to:

28.24 (1) ambulance acquisitions for the Cook ambulance service and the Orr ambulance
28.25 service and not;

28.26 (2) attached and portable equipment for use in and for the ambulances; and

28.27 (3) parts and replacement parts for maintenance and repair of the ambulances.

28.28 The money may not be used for administrative, operation, or salary expenses.

28.29 (c) The part of the levy referred to in paragraph (b) must be administered by the
28.30 Cook Hospital and passed on in equal amounts directly to the Cook area ambulance
28.31 service board and the city of Orr to be held in trust until funding for a new ambulance is

29.1 ~~needed by either the Cook ambulance service or the Orr ambulance service~~ used for the
29.2 purposes in paragraph (b).

29.3 Sec. 16. Laws 1999, chapter 243, article 6, section 11, is amended to read:

29.4 Sec. 11. **CEMETERY LEVY FOR SAWYER BY CARLTON COUNTY.**

29.5 ~~Subdivision 1. Levy authorized.~~ Notwithstanding other law to the contrary, the
29.6 Carlton county board of commissioners may annually levy in and for the unorganized
29.7 township territory of Sawyer an amount ~~up to \$1,000 annually~~ for cemetery purposes,
29.8 ~~beginning with taxes payable in 2000 and ending with taxes payable in 2009.~~

29.9 ~~Subd. 2. Effective date.~~ This section is effective June 1, 1999, without local
29.10 approval.

29.11 **EFFECTIVE DATE; LOCAL APPROVAL.** This section applies to taxes
29.12 payable in 2014 and thereafter, and is effective the day after the Carlton county board
29.13 of commissioners and its chief clerical officer timely complete their compliance with
29.14 Minnesota Statutes, section 645.021, subdivisions 2 and 3.

29.15 Sec. 17. Laws 2008, chapter 366, article 5, section 33, the effective date, is amended to
29.16 read:

29.17 **EFFECTIVE DATE.** This section is effective for taxes levied in 2008, payable in
29.18 2009, and is repealed effective for taxes levied in ~~2013~~ 2018, payable in ~~2014~~ 2019,
29.19 and thereafter.

29.20 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2014.

29.21 Sec. 18. Laws 2010, chapter 389, article 1, section 12, the effective date, is amended to
29.22 read:

29.23 **EFFECTIVE DATE.** This section is effective for assessment ~~years~~ year 2010 and
29.24 2011, for taxes payable in 2011 and 2012 thereafter.

29.25 **EFFECTIVE DATE.** This section is effective for assessment year 2012 and
29.26 thereafter.

29.27 Sec. 19. **MINNEAPOLIS AND ST. PAUL; ENTERTAINMENT FACILITIES**
29.28 **COORDINATION.**

30.1 (a) On or before January 1, 2015, the cities of St. Paul and Minneapolis shall establish
30.2 a joint governing structure to coordinate and provide for joint marketing, promotion, and
30.3 scheduling of conventions and events at the Target Center and Xcel Energy Center.

30.4 (b) On or before February 1, 2014, the cities of St. Paul and Minneapolis, and
30.5 representatives from the primary professional sports team tenant of each facility, shall also
30.6 study and report to the legislature on creating a joint governing structure to provide for
30.7 joint administration, financing, and operations of the facilities and the possible effects of
30.8 joint governance on the finances of each facility and each city. The study under this
30.9 paragraph must:

30.10 (1) examine the current finances of each facility, including past and projected costs
30.11 and revenues; projected capital improvements; and the current and projected impact
30.12 of each facility on the city's general fund;

30.13 (2) determine the impacts of joint governance on the future finances of each facility
30.14 and city;

30.15 (3) examine the inclusion of other entertainment venues in the joint governance, and
30.16 the impact the inclusion of those facilities would have on all the facilities within the joint
30.17 governing structure and the cities in which they are located; and

30.18 (4) consider the amount of city, regional, and state funding, if any, that would be
30.19 required to fund and operate the facilities under a joint governing structure.

30.20 (c) In considering joint governing structures under paragraph (b), the study shall
30.21 specifically consider the feasibility of joining the Target Center and the Xcel Energy
30.22 Center, and possibly other venues, to the Minnesota Sports Facilities Authority under
30.23 Minnesota Statutes, section 473J.08.

30.24 (d) Representatives of the cities and the primary professional sports team tenants
30.25 of each facility shall meet within 30 days of the effective date of this section to begin
30.26 implementation of this section.

30.27 **EFFECTIVE DATE.** This section is effective the day following final enactment
30.28 upon compliance with the provisions of Minnesota Statutes, section 645.021, subdivisions
30.29 2 and 3, by the governing bodies of the cities of St. Paul and Minneapolis and their chief
30.30 clerical officers, and provided that, notwithstanding the time limits under Minnesota
30.31 Statutes, section 645.021, subdivision 3, the certificates of approval are filed with the
30.32 secretary of state within 30 days after enactment of this act.

30.33 **Sec. 20. MORATORIUM ON CHANGES IN ASSESSMENT PRACTICE.**

31.1 (a) An assessor may not deviate from current practices or policies used generally in
31.2 assessing or determining the taxable status of property used in the production of biofuels,
31.3 wine, beer, distilled beverages, or dairy products.

31.4 (b) An assessor may not change the taxable status of any existing property involved
31.5 in the industrial processes identified in paragraph (a), unless the change is made as a result
31.6 of a change in use of the property, or to correct an error. For currently taxable properties,
31.7 the assessor may change the estimated market value of the property.

31.8 **EFFECTIVE DATE.** This section is effective for assessment year 2013 only.

31.9 Sec. 21. **STUDY AND REPORT ON CERTAIN PROPERTY USED IN**
31.10 **BUSINESS AND PRODUCTION.**

31.11 In order to provide the legislature with information on the assessment of property
31.12 used in business and production activities, the commissioner of revenue must study the
31.13 impact of the exception contained in Minnesota Statutes, section 272.03, subdivision
31.14 1(c)(iii). The commissioner must report a summary of findings and recommendations to
31.15 the chairs and ranking minority members of the taxes committees of the senate and house
31.16 of representatives by February 1, 2014.

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

31.18 Sec. 22. **REIMBURSEMENT FOR PROPERTY TAX ABATEMENTS.**

31.19 Subdivision 1. **Reimbursement.** The commissioner of revenue shall reimburse
31.20 taxing jurisdictions for property tax abatements granted in Hennepin County under Laws
31.21 2011, First Special Session chapter 7, article 5, section 13, notwithstanding the time limits
31.22 contained in that section. The reimbursements must be made to each taxing jurisdiction
31.23 pursuant to the certification of the Hennepin County auditor.

31.24 Subd. 2. **Appropriation.** The amount necessary, not to exceed \$400,000, is
31.25 appropriated to the commissioner of revenue from the general fund to make the payments
31.26 required under this section. This appropriation does not cancel but is available until June
31.27 30, 2014.

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

31.29 Sec. 23. **REPEALER.**

31.30 (a) Minnesota Statutes 2012, sections 428A.101; and 428A.21, are repealed.

31.31 (b) Minnesota Statutes 2012, sections 383A.80, subdivision 4; and 383B.80,
31.32 subdivision 4, are repealed.

32.1 **EFFECTIVE DATE.** This section is effective the day following final enactment,
 32.2 and paragraph (b) reinstates the authority for Hennepin and Ramsey Counties to impose
 32.3 the additional mortgage registry and deed tax effective for deeds and mortgages executed
 32.4 on or after July 1, 2013.

32.5 **ARTICLE 4**

32.6 **ECONOMIC DEVELOPMENT**

32.7 Section 1. Minnesota Statutes 2012, section 469.071, subdivision 5, is amended to read:

32.8 Subd. 5. **Exception; parking facilities.** Notwithstanding section 469.068, the
 32.9 Bloomington port authority need not require competitive bidding with respect to a
 32.10 structured parking facility or other public improvements constructed in conjunction with,
 32.11 and directly above or below, or adjacent and integrally related to, a development and
 32.12 financed with the proceeds of tax increment or revenue bonds, or other funds of the
 32.13 port authority and the city of Bloomington.

32.14 **EFFECTIVE DATE.** This section is effective upon compliance of the governing
 32.15 body of the city of Bloomington with the requirements of Minnesota Statutes, section
 32.16 645.021, subdivision 3.

32.17 Sec. 2. Minnesota Statutes 2012, section 469.169, is amended by adding a subdivision
 32.18 to read:

32.19 Subd. 19. **Additional border city allocation; 2013.** (a) In addition to the tax
 32.20 reductions authorized in subdivisions 12 to 18, the commissioner shall allocate \$750,000
 32.21 for tax reductions to border city enterprise zones in cities located on the western border
 32.22 of the state. The commissioner shall allocate this amount among cities on a per capita
 32.23 basis. Allocations made under this subdivision may be used for tax reductions under
 32.24 section 469.171, or for other offsets of taxes imposed on or remitted by businesses located
 32.25 in the enterprise zone, but only if the municipality determines that the granting of the tax
 32.26 reduction or offset is necessary to retain a business within or attract a business to the zone.
 32.27 The city alternatively may elect to use any portion of the allocation under this paragraph
 32.28 for tax reductions under section 469.1732 or 469.1734.

32.29 (b) The commissioner shall allocate \$750,000 for tax reductions under section
 32.30 469.1732 or 469.1734 to cities with border city enterprise zones located on the western
 32.31 border of the state. The commissioner shall allocate this amount among the cities on a per
 32.32 capita basis. The city alternatively may elect to use any portion of the allocation provided
 32.33 in this paragraph for tax reductions under section 469.171.

33.1 **EFFECTIVE DATE.** This section is effective July 1, 2013.

33.2 Sec. 3. Minnesota Statutes 2012, section 469.176, subdivision 4c, is amended to read:

33.3 Subd. 4c. **Economic development districts.** (a) Revenue derived from tax increment
33.4 from an economic development district may not be used to provide improvements, loans,
33.5 subsidies, grants, interest rate subsidies, or assistance in any form to developments
33.6 consisting of buildings and ancillary facilities, if more than 15 percent of the buildings and
33.7 facilities (determined on the basis of square footage) are used for a purpose other than:

33.8 (1) the manufacturing or production of tangible personal property, including
33.9 processing resulting in the change in condition of the property;

33.10 (2) warehousing, storage, and distribution of tangible personal property, excluding
33.11 retail sales;

33.12 (3) research and development related to the activities listed in clause (1) or (2);

33.13 (4) telemarketing if that activity is the exclusive use of the property;

33.14 (5) tourism facilities; or

33.15 (6) ~~qualified border retail facilities; or~~

33.16 ~~(7) space necessary for and related to the activities listed in clauses (1) to (6)~~ (5).

33.17 (b) Notwithstanding the provisions of this subdivision, revenues derived from tax
33.18 increment from an economic development district may be used to provide improvements,
33.19 loans, subsidies, grants, interest rate subsidies, or assistance in any form for up to 15,000
33.20 square feet of any separately owned commercial facility located within the municipal
33.21 jurisdiction of a small city, if the revenues derived from increments are spent only to
33.22 assist the facility directly or for administrative expenses, the assistance is necessary to
33.23 develop the facility, and all of the increments, except those for administrative expenses,
33.24 are spent only for activities within the district.

33.25 (c) A city is a small city for purposes of this subdivision if the city was a small city
33.26 in the year in which the request for certification was made and applies for the rest of
33.27 the duration of the district, regardless of whether the city qualifies or ceases to qualify
33.28 as a small city.

33.29 ~~(d) Notwithstanding the requirements of paragraph (a) and the finding requirements~~
33.30 ~~of section 469.174, subdivision 12, tax increments from an economic development district~~
33.31 ~~may be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or~~
33.32 ~~assistance in any form to developments consisting of buildings and ancillary facilities, if~~
33.33 ~~all the following conditions are met:~~

33.34 ~~(1) the municipality finds that the project will create or retain jobs in this state,~~
33.35 ~~including construction jobs, and that construction of the project would not have~~

34.1 ~~commenced before July 1, 2012, without the authority providing assistance under the~~
 34.2 ~~provisions of this paragraph;~~

34.3 ~~(2) construction of the project begins no later than July 1, 2012;~~

34.4 ~~(3) the request for certification of the district is made no later than June 30, 2012; and~~

34.5 ~~(4) for development of housing under this paragraph, the construction must begin~~
 34.6 ~~before January 1, 2012.~~

34.7 ~~The provisions of this paragraph may not be used to assist housing that is developed~~
 34.8 ~~to qualify under section 469.1761, subdivision 2 or 3, or similar requirements of other law,~~
 34.9 ~~if construction of the project begins later than July 1, 2011.~~

34.10 **EFFECTIVE DATE.** This section is effective for districts for which the request for
 34.11 certification was made after June 30, 2012.

34.12 Sec. 4. Minnesota Statutes 2012, section 469.176, subdivision 4g, is amended to read:

34.13 Subd. 4g. **General government use prohibited.** (a) Tax increments may not be
 34.14 used to circumvent existing levy limit law.

34.15 (b) No tax increment from any district may be used for the acquisition, construction,
 34.16 renovation, operation, or maintenance of a building to be used primarily and regularly
 34.17 for conducting the business of a municipality, county, school district, or any other local
 34.18 unit of government or the state or federal government. This provision does not prohibit
 34.19 the use of revenues derived from tax increments for the construction or renovation of
 34.20 a parking structure.

34.21 ~~(c)(1) Tax increments may not be used to pay for the cost of public improvements,~~
 34.22 ~~equipment, or other items, if:~~

34.23 ~~(i) the improvements, equipment, or other items are located outside of the area of the~~
 34.24 ~~tax increment financing district from which the increments were collected; and~~

34.25 ~~(ii) the improvements, equipment, or items that (A) primarily serve a decorative or~~
 34.26 ~~aesthetic purpose, or (B) serve a functional purpose, but their cost is increased by more than~~
 34.27 ~~100 percent as a result of the selection of materials, design, or type as compared with more~~
 34.28 ~~commonly used materials, designs, or types for similar improvements, equipment, or items.~~

34.29 ~~(2) The provisions of this paragraph do not apply to expenditures related to the~~
 34.30 ~~rehabilitation of historic structures that are:~~

34.31 ~~(i) individually listed on the National Register of Historic Places; or~~

34.32 ~~(ii) a contributing element to a historic district listed on the National Register~~
 34.33 ~~of Historic Places.~~

35.1 **EFFECTIVE DATE.** This section is effective the day following final enactment for
35.2 all tax increment financing districts, regardless of when the request for certification was
35.3 made, but applies only to amounts spent after final enactment.

35.4 Sec. 5. Minnesota Statutes 2012, section 469.176, subdivision 6, is amended to read:

35.5 Subd. 6. **Action required.** (a) If, after four years from the date of certification of
35.6 the original net tax capacity of the tax increment financing district pursuant to section
35.7 469.177, no demolition, rehabilitation, or renovation of property or other site preparation,
35.8 including qualified improvement of a street adjacent to a parcel but not installation
35.9 of utility service including sewer or water systems, has been commenced on a parcel
35.10 located within a tax increment financing district by the authority or by the owner of the
35.11 parcel in accordance with the tax increment financing plan, no additional tax increment
35.12 may be taken from that parcel, and the original net tax capacity of that parcel shall be
35.13 excluded from the original net tax capacity of the tax increment financing district. If the
35.14 authority or the owner of the parcel subsequently commences demolition, rehabilitation,
35.15 or renovation or other site preparation on that parcel including qualified improvement of
35.16 a street adjacent to that parcel, in accordance with the tax increment financing plan, the
35.17 authority shall certify to the county auditor that the activity has commenced, and the
35.18 county auditor shall certify the net tax capacity thereof as most recently certified by the
35.19 commissioner of revenue and add it to the original net tax capacity of the tax increment
35.20 financing district. The county auditor must enforce the provisions of this subdivision. The
35.21 authority must submit to the county auditor evidence that the required activity has taken
35.22 place for each parcel in the district. The evidence for a parcel must be submitted by
35.23 February 1 of the fifth year following the year in which the parcel was certified as included
35.24 in the district. For purposes of this subdivision, qualified improvements of a street are
35.25 limited to (1) construction or opening of a new street, (2) relocation of a street, and (3)
35.26 substantial reconstruction or rebuilding of an existing street.

35.27 (b) For districts which were certified on or after January 1, 2005, and before April
35.28 20, 2009, the four-year period under paragraph (a) is ~~increased to six years~~ deemed to end
35.29 on December 31, 2016.

35.30 **EFFECTIVE DATE.** This section is effective the day following final enactment
35.31 and applies to districts certified on or after January 1, 2006, and before April 20, 2009.

35.32 Sec. 6. Minnesota Statutes 2012, section 469.177, is amended by adding a subdivision
35.33 to read:

36.1 Subd. 1d. **Original net tax capacity adjustment; homestead market value**
36.2 **exclusion.** (a) Upon approval by the municipality, by resolution, the authority may elect
36.3 to reduce the net tax capacity of a qualified district by the amount of the tax capacity
36.4 attributable to the market value exclusion under section 273.13, subdivision 35. The
36.5 amount of the reduction may not reduce the original net tax capacity below zero.

36.6 (b) For purposes of this subdivision, a qualified district means a tax increment
36.7 financing district that satisfies the following conditions:

36.8 (1) for taxes payable in 2011, the authority received a homestead market value credit
36.9 reimbursement under section 273.1384 for the district of \$10,000 or more;

36.10 (2) for taxes payable in 2013, the reduction in captured tax capacity resulting from
36.11 the market value exclusion for the district was equal to or greater than 1.75 percent of the
36.12 district's captured tax capacity; and

36.13 (3) either (i) the authority is permitted to expend increments on activities under the
36.14 provisions of section 469.1763, subdivision 3, or an equivalent provision of special law
36.15 on July 1, 2013, or (ii) the district's tax increments received for taxes payable in 2012
36.16 exceeded the amount of debt service payments due during calendar year 2012 on bonds
36.17 issued under section 469.178 to which the district's increments are pledged.

36.18 The calculation of the amount under clause (2) must reflect any adjustments to original
36.19 net tax capacity made under subdivision 1, paragraphs (d) and (e), for the homestead
36.20 market value exclusion.

36.21 (c) The authority must notify the county auditor of its election under this section no
36.22 later than July 1, 2014. Notifications made by July 1, 2013, are effective beginning for
36.23 taxes payable in 2014, and notifications made after July 1, 2013, are effective beginning
36.24 for taxes payable in 2015.

36.25 **EFFECTIVE DATE.** This section is effective the day following final enactment
36.26 and applies to all tax increment financing districts regardless of when the request for
36.27 certification was made.

36.28 Sec. 7. Minnesota Statutes 2012, section 473F.08, is amended by adding a subdivision
36.29 to read:

36.30 Subd. 3c. **Mall of America.** (a) When computing the net tax capacity under section
36.31 473F.05, the Hennepin County auditor shall exclude the captured tax capacity of Tax
36.32 Increment Financing Districts No. 1-C and No. 1-G in the city of Bloomington.

36.33 (b) Notwithstanding the provisions of subdivision 2, paragraph (a), the
36.34 commercial-industrial contribution percentage for the city of Bloomington is the

37.1 contribution net tax capacity divided by the total net tax capacity of commercial-industrial
37.2 property in the city, excluding any commercial-industrial property that is captured tax
37.3 capacity of Tax Increment Financing Districts No. 1-C and No. 1-G.

37.4 (c) The property taxes to be paid on commercial-industrial tax capacity that is
37.5 included in the captured tax capacity of Tax Increment Financing Districts No. 1-C and
37.6 No. 1-G in the city of Bloomington must be determined as described in subdivision 6,
37.7 except that the portion of the tax that is based on the areawide tax rate is to be treated
37.8 as tax increment under section 469.176.

37.9 (d) The provisions of this subdivision take effect only if the clerk of the city of
37.10 Bloomington certifies to the Hennepin County auditor that the city has entered into a
37.11 binding written agreement with the Metropolitan Council to repair and restore, or to
37.12 replace, the old Cedar Avenue bridge for use by bicycle commuters and recreational users.

37.13 (e) This subdivision expires on the earliest of the following dates:

37.14 (1) when the tax increment financing districts have been decertified in 2024 or 2034,
37.15 as provided by section 10, subdivision 2 or 4; or

37.16 (2) on January 1, 2014, if the city clerk fails to make the certification provided in
37.17 paragraph (d).

37.18 **EFFECTIVE DATE.** This section is effective beginning for property taxes payable
37.19 in 2014.

37.20 Sec. 8. Laws 2008, chapter 366, article 5, section 26, is amended to read:

37.21 Sec. 26. **BLOOMINGTON TAX INCREMENT FINANCING; FIVE-YEAR**
37.22 **RULE.**

37.23 (a) The requirements of Minnesota Statutes, section 469.1763, subdivision 3, that
37.24 activities must be undertaken within a five-year period from the date of certification of
37.25 a tax increment financing district, are increased to a ~~ten-year~~ 15-year period for the
37.26 Port Authority of the City of Bloomington's Tax Increment Financing District No. 1-I,
37.27 Bloomington Central Station.

37.28 (b) Notwithstanding the provisions of Minnesota Statutes, section 469.176, or any
37.29 other law to the contrary, the city of Bloomington and its port authority may extend the
37.30 duration limits of the district for a period through December 31, 2039.

37.31 (c) Effective for taxes payable in 2014, tax increment for the district must be
37.32 computed using the current local tax rate, notwithstanding the provisions of Minnesota
37.33 Statutes, section 469.177, subdivision 1a.

38.1 EFFECTIVE DATE. Paragraphs (a) and (c) are effective upon compliance by
 38.2 the governing body of the city of Bloomington with the requirements of Minnesota
 38.3 Statutes, section 645.021, subdivision 3. Paragraph (b) is effective upon compliance by
 38.4 the governing bodies of the city of Bloomington, Hennepin County, and Independent
 38.5 School District No. 271 with the requirements of Minnesota Statutes, sections 469.1782,
 38.6 subdivision 2, and 645.021, subdivision 3.

38.7 Sec. 9. Laws 2008, chapter 366, article 5, section 34, as amended by Laws 2009,
 38.8 chapter 88, article 5, section 11, is amended to read:

38.9 Sec. 34. **CITY OF OAKDALE; ORIGINAL TAX CAPACITY PARCELS**
 38.10 **DEEMED OCCUPIED.**

38.11 ~~(a) The provisions of this section apply to redevelopment tax increment financing~~
 38.12 ~~districts created by the Housing and Redevelopment Authority in and for the city of~~
 38.13 ~~Oakdale in the areas comprised of the parcels with the following parcel identification~~
 38.14 ~~numbers: (1) 3102921320053; 3102921320054; 3102921320055; 3102921320056;~~
 38.15 ~~3102921320057; 3102921320058; 3102921320062; 3102921320063; 3102921320059;~~
 38.16 ~~3102921320060; 3102921320061; 3102921330005; and 3102921330004; and (2)~~
 38.17 ~~2902921330001 and 2902921330005.~~

38.18 ~~(b) For a district subject to this section, the Housing and Redevelopment Authority~~
 38.19 ~~may, when requesting certification of the original tax capacity of the district under~~
 38.20 ~~Minnesota Statutes, section 469.177, elect to have the original tax capacity of the district~~
 38.21 ~~be certified as the tax capacity of the land.~~

38.22 ~~(c) The authority to request certification of a district under this section expires on~~
 38.23 ~~July 1, 2013.~~

38.24 (a) Parcel numbers 3102921320054, 3102921320055, 3102921320056,
 38.25 3102921320057, 3102921320061, and 3102921330004 are deemed to meet the
 38.26 requirements of Minnesota Statutes, section 469.174, subdivision 10, paragraph (d),
 38.27 notwithstanding any contrary provisions of that paragraph, if the following conditions
 38.28 are met:

38.29 (1) a building located on any part of each of the specified parcels was demolished after
 38.30 the Housing and Redevelopment Authority for the city of Oakdale adopted a resolution
 38.31 under Minnesota Statutes, section 469.174, subdivision 10, paragraph (d), clause (3);

38.32 (2) the building was removed either by the authority, by a developer under a
 38.33 development agreement with the Housing and Redevelopment Authority for the city of
 38.34 Oakdale, or by the owner of the property without entering into a development agreement
 38.35 with the Housing and Redevelopment Authority for the city of Oakdale; and

39.1 (3) the request for certification of the parcel as part of a district is filed with the
39.2 county auditor by December 31, 2017.

39.3 (b) The provisions of this section allow an election by the Housing and
39.4 Redevelopment Authority for the city of Oakdale for the parcels deemed occupied under
39.5 paragraph (a), notwithstanding the provisions of Minnesota Statutes, sections 469.174,
39.6 subdivision 10, paragraph (d), and 469.177, subdivision 1, paragraph (f).

39.7 **EFFECTIVE DATE.** This section is effective upon compliance by the governing
39.8 body of the city of Oakdale with the requirements of Minnesota Statutes, section 645.021,
39.9 subdivision 3.

39.10 **Sec. 10. CITY OF BLOOMINGTON; TAX INCREMENT FINANCING.**

39.11 **Subdivision 1. Addition of property to Tax Increment Financing District**
39.12 **No. 1-G.** (a) Notwithstanding the provisions of Minnesota Statutes, section 469.175,
39.13 subdivision 4, or any other law to the contrary, the governing bodies of the Port Authority
39.14 of the city of Bloomington and the city of Bloomington may elect to eliminate the real
39.15 property north of the existing building line on Lot 1, Block 1, Mall of America 7th
39.16 Addition, exclusive of Lots 2 and 3 from Tax Increment Financing District No. 1-C
39.17 within Industrial Development District No. 1 Airport South in the city of Bloomington,
39.18 Minnesota, and expand the boundaries of Tax Increment Financing District No. 1-G
39.19 to include that property.

39.20 (b) If the city elects to transfer parcels under this authority, the county auditor shall
39.21 transfer the original tax capacity of the affected parcels from Tax Increment Financing
39.22 District No. 1-C to Tax Increment Financing District No. 1-G.

39.23 **Subd. 2. Authority to extend duration limit; computation of increment.** (a)
39.24 Notwithstanding Minnesota Statutes, section 469.176, or Laws 1996, chapter 464, article
39.25 1, section 8, or any other law to the contrary, the city of Bloomington and its port authority
39.26 may extend the duration limits of Tax Increment Financing Districts No. 1-C and No.
39.27 1-G through December 31, 2033.

39.28 (b) Effective for property taxes payable in 2017 through 2033, the captured tax
39.29 capacity of Tax Increment Financing District No. 1-C must be included in computing the
39.30 tax rates of each local taxing district and the tax increment equals only the amount of tax
39.31 computed under Minnesota Statutes, section 473F.08, subdivision 3c, paragraph (c).

39.32 (c) Effective for property taxes payable in 2019 through 2033, the captured tax
39.33 capacity of Tax Increment Financing District No. 1-G must be included in computing the
39.34 tax rates of each local taxing district and the tax increment for the district equals only

40.1 the amount of tax computed under Minnesota Statutes, section 473F.08, subdivision
40.2 3c, paragraph (c).

40.3 Subd. 3. **Treatment of increment.** Increments received under the provisions
40.4 of subdivision 2, paragraph (b) or (c), and Minnesota Statutes, section 473F.08,
40.5 subdivision 3c, are deemed to be tax increments of Tax Increment Financing District No.
40.6 1-G, notwithstanding any law to the contrary, and without regard to whether they are
40.7 attributable to captured tax capacity of Tax Increment Financing District No. 1-C.

40.8 Subd. 4. **Condition.** The authority under this section expires and Tax Increment
40.9 Financing Districts No. 1-C and No. 1-G must be decertified for taxes payable in 2024
40.10 and thereafter, if the total estimated market value of improvements for parcels located in
40.11 Tax Increment Financing District No. 1-G, as modified, do not exceed \$100,000,000
40.12 by taxes payable in 2023.

40.13 **EFFECTIVE DATE.** This section is effective upon compliance of the governing
40.14 body of the city of Bloomington with the requirements of Minnesota Statutes, section
40.15 645.021, subdivision 3, but only if the city enters into a binding written agreement with
40.16 the Metropolitan Council to repair and restore, or to replace, the old Cedar Avenue bridge
40.17 for use by bicycle commuters and recreational users. This section is effective without
40.18 approval of the county and school district under Minnesota Statutes, section 469.1782,
40.19 subdivision 2. The legislature finds that the county and school district are not "affected
40.20 local government units" within the meaning of Minnesota Statutes, section 469.1782,
40.21 because the provision allowing extended collection of increment by the tax increment
40.22 financing districts does not affect their tax bases and tax rates dissimilarly to other counties
40.23 and school districts in the metropolitan area.

40.24 Sec. 11. **ST. CLOUD; TAX INCREMENT FINANCING.**

40.25 The request for certification of Tax Increment Financing District No. 2, commonly
40.26 referred to as the Norwest District, in the city of St. Cloud is deemed to have been made
40.27 on or after August 1, 1979, and before July 1, 1982. Revenues derived from tax increment
40.28 for that district must be treated for purposes of any law as revenue of a tax increment
40.29 financing district for which the request for certification was made during that time period.

40.30 **EFFECTIVE DATE.** This section is effective upon approval by the governing
40.31 body of the city of St. Cloud and compliance with Minnesota Statutes, section 645.021,
40.32 subdivision 3.

41.1 Sec. 12. **DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY; TAX**
41.2 **INCREMENT FINANCING DISTRICT.**

41.3 Subdivision 1. **Authorization.** Notwithstanding the provisions of any other law,
41.4 the Dakota County Community Development Agency may establish a redevelopment tax
41.5 increment financing district comprised of the properties that were:

41.6 (1) included in the CDA 10 Robert and South Street district in the city of West
41.7 St. Paul; and

41.8 (2) not decertified before July 1, 2012.

41.9 The district created under this section terminates no later than December 31, 2018.

41.10 Subd. 2. **Special rules.** The requirements for qualifying a redevelopment district
41.11 under Minnesota Statutes, section 469.174, subdivision 10, do not apply to parcels located
41.12 within the district. Minnesota Statutes, section 469.176, subdivision 4j, do not apply to the
41.13 district. The original tax capacity of the district is \$93,239.

41.14 Subd. 3. **Authorized expenditures.** Tax increment from the district may be
41.15 expended to pay for any eligible activities authorized by Minnesota Statutes, chapter 469,
41.16 within the redevelopment area that includes the district, provided that the boundaries of
41.17 the redevelopment area may not be expanded to add new area after April 1, 2013. All
41.18 expenditures for eligible activities are deemed to be activities within the district under
41.19 Minnesota Statutes, section 469.1763, subdivisions 2 to 4.

41.20 Subd. 4. **Adjusted net tax capacity.** The captured tax capacity of the district must
41.21 be included in the adjusted net tax capacity of the city, county, and school district for the
41.22 purposes of determining local government aid, education aid, and county program aid.
41.23 The county auditor shall report to the commissioner of revenue the amount of the captured
41.24 tax capacity for the district at the time the assessment abstracts are filed.

41.25 **EFFECTIVE DATE.** This section is effective upon compliance by the governing
41.26 body of the Dakota County Community Development Agency with the requirements of
41.27 Minnesota Statutes, section 645.021, subdivision 3.

41.28 Sec. 13. **CITY OF GLENCOE; TAX INCREMENT FINANCING DISTRICT**
41.29 **EXTENSION.**

41.30 Subdivision 1. **Duration of district.** Notwithstanding the provisions of Minnesota
41.31 Statutes, section 469.176, subdivision 1b, paragraph (a), clause (4), or any other law to the
41.32 contrary, the city of Glencoe may collect tax increments from Tax Increment Financing
41.33 District No. 4 (McLeod County District No. 007) through December 31, 2023, subject to
41.34 the conditions in subdivision 2.

42.1 Subd. 2. **Exclusive use of revenues.** (a) All tax increments derived from Tax
42.2 Increment Financing District No. 4 (McLeod County District No. 007) that are collected
42.3 after December 31, 2013, must be used only to pay debt service on or to defease bonds that
42.4 were outstanding on January 1, 2013 and that were issued to finance improvements serving:

42.5 (1) Tax Increment Financing District No. 14 (McLeod County District No. 033)
42.6 (Downtown);

42.7 (2) Tax Increment Financing District No. 15 (McLeod County District No. 035)
42.8 (Industrial Park); and

42.9 (3) benefited properties as further described in proceedings related to the city's series
42.10 2007A bonds, dated September 1, 2007, and any bonds issued to refund those bonds.

42.11 (b) Increments may also be used to pay debt service on or to defease bonds issued to
42.12 refund the bonds described in paragraph (a), if the refunding bonds do not increase the
42.13 present value of debt service due on the refunded bonds when the refunding is closed.

42.14 (c) When the bonds described in paragraphs (a) and (b) have been paid or defeased,
42.15 the district must be decertified and any remaining increment returned to the city, county,
42.16 and school district as provided in Minnesota Statutes, section 469.176, subdivision 2,
42.17 paragraph (c), clause (4).

42.18 **EFFECTIVE DATE.** This section is effective upon compliance by the governing
42.19 bodies of the city of Glencoe, McLeod County, and Independent School District No.
42.20 2859 with the requirements of Minnesota Statutes, sections 469.1782, subdivision 2, and
42.21 645.021, subdivision 3.

42.22 Sec. 14. **CITY OF ELY; TAX INCREMENT FINANCING.**

42.23 Subdivision 1. **Extension of district.** Notwithstanding Minnesota Statutes, section
42.24 469.176, subdivision 1b, or any other law to the contrary, the city of Ely may collect
42.25 tax increment from Tax Increment Financing District No. 1 through December 31,
42.26 2021. Increments from the district may only be used to pay binding obligations and
42.27 administrative expenses.

42.28 Subd. 2. **Binding obligations.** For purposes of this section, "binding obligations"
42.29 means the binding contractual or debt obligation of Tax Increment Financing District
42.30 No. 1 entered into before January 1, 2013.

42.31 Subd. 3. **Expenditures outside district.** Notwithstanding Minnesota Statutes,
42.32 section 469.1763, subdivision 2, the governing body of the city of Ely may elect to
42.33 transfer revenues derived from increments from its Tax Increment Financing District No.
42.34 3 to the tax increment account established under Minnesota Statutes, section 469.177,

43.1 subdivision 5, for Tax Increment Financing District No. 1. The amount that may be
43.2 transferred is limited to the lesser of:

43.3 (1) \$168,000; or

43.4 (2) the total amount due on binding obligations and outstanding on that date, less the
43.5 amount of increment collected by Tax Increment Financing District No. 1 after December
43.6 31, 2012, and administrative expenses of Tax Increment Financing District No. 1 incurred
43.7 after December 31, 2012.

43.8 **EFFECTIVE DATE.** This section is effective upon approval by the governing
43.9 bodies of the city of Ely, St. Louis County, and Independent School District No. 696 with
43.10 the requirements of Minnesota Statutes, sections 469.1782, subdivision 2, and 645.021,
43.11 subdivision 3.

43.12 **Sec. 15. CITY OF MAPLEWOOD; TAX INCREMENT FINANCING**
43.13 **DISTRICT; SPECIAL RULES.**

43.14 (a) If the city of Maplewood elects, upon the adoption of a tax increment financing
43.15 plan for a district, the rules under this section apply to one or more redevelopment
43.16 tax increment financing districts established by the city or the economic development
43.17 authority of the city. The area within which the redevelopment tax increment districts may
43.18 be created is parcel 362922240002 (the "parcel") or any replatted parcels constituting a
43.19 part of the parcel and the adjacent rights-of-way. For purposes of this section, the parcel is
43.20 the "3M Renovation and Retention Project Area" or "project area."

43.21 (b) The requirements for qualifying redevelopment tax increment districts under
43.22 Minnesota Statutes, section 469.174, subdivision 10, do not apply to the parcel, which is
43.23 deemed eligible for inclusion in a redevelopment tax increment district.

43.24 (c) The 90 percent rule under Minnesota Statutes, section 469.176, subdivision
43.25 4j, does not apply to the parcel.

43.26 (d) The expenditures outside district rule under Minnesota Statutes, section
43.27 469.1763, subdivision 2, does not apply; the five-year rule under Minnesota Statutes,
43.28 section 469.1763, subdivision 3, is extended to ten years; and expenditures must only
43.29 be made within the project area.

43.30 (e) If, after one year from the date of certification of the original net tax capacity
43.31 of the tax increment district, no demolition, rehabilitation, or renovation of property has
43.32 been commenced on a parcel located within the tax increment district, no additional tax
43.33 increment may be taken from that parcel, and the original net tax capacity of the parcel
43.34 shall be excluded from the original net tax capacity of the tax increment district. If 3M
43.35 Company subsequently commences demolition, rehabilitation, or renovation, the authority

44.1 shall certify to the county auditor that the activity has commenced, and the county auditor
44.2 shall certify the net tax capacity thereof as most recently certified by the commissioner
44.3 of revenue and add it to the original net tax capacity of the tax increment district. The
44.4 authority must submit to the county auditor evidence that the required activity has taken
44.5 place for each parcel in the district.

44.6 (f) The authority to approve a tax increment financing plan and to establish a tax
44.7 increment financing district under this section expires December 31, 2018.

44.8 **EFFECTIVE DATE.** This section is effective upon approval by the governing
44.9 body of the city of Maplewood and upon compliance with Minnesota Statutes, section
44.10 645.021, subdivision 3.

44.11 Sec. 16. **CITY OF MINNEAPOLIS; STREETCAR FINANCING.**

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

44.14 (b) "City" means the city of Minneapolis.

44.15 (c) "County" means Hennepin County.

44.16 (d) "District" means the areas certified by the city under subdivision 2 for collection
44.17 of value capture taxes.

44.18 (e) "Project area" means the area including one city block on either side of a streetcar
44.19 line designated by the city to serve the downtown and adjacent neighborhoods of the city.

44.20 Subd. 2. **Authority to establish district.** (a) The governing body of the city may, by
44.21 resolution, establish a value capture district consisting of some or all of the taxable parcels
44.22 located within one or more of the following areas of the city, as described in the resolution:

44.23 (1) the area bounded by Nicollet Avenue on the west, 16th Street East on the south,
44.24 First Avenue South on the east, and 14th Street East on the north;

44.25 (2) the area bounded by Spruce Place on the west, 14th Street West on the south,
44.26 LaSalle Avenue on the east, and Grant Street West on the north;

44.27 (3) the area bounded by Nicollet Avenue or Mall on the west, Fifth Street South on
44.28 the south, Marquette Avenue on the east, and Fourth Street South on the north; and

44.29 (4) the area bounded by First Avenue North on the west, Washington Avenue on the
44.30 south, Hennepin Avenue on the east, and Second Street North on the north.

44.31 (b) The city may establish the district and the project area only after holding a public
44.32 hearing on its proposed creation after publishing notice of the hearing and the proposal at
44.33 least once not less than ten days nor more than 30 days before the date of the hearing.

45.1 Subd. 3. Calculation of value capture district; administrative provisions. (a) If
45.2 the city establishes a value capture district under subdivision 2, the city shall request the
45.3 county auditor to certify the district for calculation of the district's tax revenues.

45.4 (b) For purposes of calculating the tax revenues of the district, the county auditor
45.5 shall treat the district as if it were a request for certification of a tax increment financing
45.6 district under the provisions of Minnesota Statutes, section 469.177, and shall calculate
45.7 the tax revenues of the district for each year of its duration under subdivision 4 as equaling
45.8 the amount of tax increment under Minnesota Statutes, section 469.177, except that the
45.9 current total tax rate, excluding the state general tax rate, must be used in the calculation,
45.10 rather than a certified original tax rate. The city shall provide the county auditor with the
45.11 necessary information to certify the district, including the option for calculating revenues
45.12 derived from the areawide tax rate under Minnesota Statutes, chapter 473F.

45.13 (c) The county auditor shall pay to the city at the same times provided for settlement
45.14 of taxes and payment of tax increments the tax revenues of the district. The city must use
45.15 the tax revenues as provided under subdivision 4.

45.16 Subd. 4. Permitted uses of district tax revenues. (a) In addition to paying for
45.17 reasonable administrative costs of the district, the city may spend tax revenues of the
45.18 district for property acquisition, improvements, and equipment to be used for operations
45.19 within the project area, along with related costs, for:

45.20 (1) planning, design, and engineering services related to the construction of the
45.21 streetcar line;

45.22 (2) acquiring property for, constructing, and installing a streetcar line;

45.23 (3) acquiring and maintaining equipment and rolling stock and related facilities, such
45.24 as maintenance facilities, which need not be located in the project area;

45.25 (4) acquiring, constructing, or improving transit stations; and

45.26 (5) acquiring or improving public space, including the construction and installation
45.27 of improvements to streets and sidewalks, decorative lighting and surfaces, and plantings
45.28 related to the streetcar line.

45.29 (b) The city may issue bonds or other obligations under Minnesota Statutes, chapter
45.30 475, without an election, to fund acquisition or improvement of property of a capital
45.31 nature authorized by this section, including any costs of issuance. The city may also issue
45.32 bonds or other obligations to refund those bonds or obligations. Payment of principal
45.33 and interest on the bonds or other obligations issued under this paragraph is a permitted
45.34 use of the district's tax revenues.

45.35 (c) Tax revenues of the district may not be used for the operation of the streetcar line.

46.1 Subd. 5. **Duration of the district.** A district established under this section is limited
46.2 to the lesser of (1) 25 years of tax revenues, or (2) the time necessary to collect tax revenues
46.3 equal to the amount of the capital costs permitted under subdivision 4 or the amount needed
46.4 to pay or defease bonds or other obligations issued under subdivision 4, whichever is later.

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

46.6 **ARTICLE 5**

46.7 **MINING TAXES**

46.8 Section 1. **[116C.99] SILICA SAND MINING ACCOUNT.**

46.9 A silica sand mining account is created in the special revenue fund. Money in the
46.10 account is available for development of model standards, technical assistance to counties
46.11 and other governments, other assistance to counties, and other purposes as appropriated
46.12 by law.

46.13 Sec. 2. **[297J.01] DEFINITIONS.**

46.14 Subdivision 1. **Scope.** Unless otherwise defined in this chapter, or unless the
46.15 context clearly indicates otherwise, the terms used in this chapter have the meaning given
46.16 them in this section. The definitions in this section are for tax administration purposes
46.17 and apply to this chapter.

46.18 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of revenue or a
46.19 person to whom the commissioner has delegated functions.

46.20 Subd. 3. **Mining.** "Mining" means excavating and mining of silica sand by any
46.21 process, including digging, excavating, drilling, blasting, tunneling, dredging, stripping,
46.22 or by shaft.

46.23 Subd. 4. **Person.** "Person" means an individual, fiduciary, estate, trust, partnership,
46.24 or corporation.

46.25 Subd. 5. **Processing.** "Processing" means washing, cleaning, screening, crushing,
46.26 filtering, sorting, stockpiling, and storing silica sand at the mining site or at any other site.

46.27 Subd. 6. **Silica sand.** "Silica sand" means well-rounded, sand-sized grains of quartz
46.28 (silica dioxide) with very few impurities in terms of other minerals. Specifically, silica
46.29 sand for the purpose of this section is commercially valuable for use in the hydraulic
46.30 fracturing of shale to obtain oil and natural gas. Silica sand does not include common
46.31 rock, stone, aggregate, gravel, sand with a low quartz level, or silica compounds recovered
46.32 as a by-product of metallic mining.

47.1 Subd. 7. **Temporary storage.** "Temporary storage" means the storage of stockpiles
47.2 of silica sand that have been transported and are awaiting further transport.

47.3 Subd. 8. **Ton.** "Ton" means 2,000 pounds.

47.4 Subd. 9. **Transporting.** "Transporting" means hauling silica sand, by any carrier:

47.5 (1) from the mining site to a processing or transfer site; or

47.6 (2) from a processing or storage site to a rail, barge, or transfer site for shipment.

47.7 Subd. 10. **Year.** "Year" means a calendar year.

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

47.9 Sec. 3. **[297J.02] TAX IMPOSED.**

47.10 Subdivision 1. **Mining tax; rate.** A tax is imposed on any person who mines silica
47.11 sand from within the state. The tax equals 40 cents per cubic yard of fracturing sand
47.12 extracted. The volume includes any material removed from the extraction site prior to
47.13 washing.

47.14 Subd. 2. **Processing tax; rate.** A tax is imposed on any person engaged in
47.15 processing silica sand within the state. The rate of tax imposed is three percent of the
47.16 market value of the silica sand processed. Market value is determined based on the sale
47.17 price of the processed silica sand.

47.18 Subd. 3. **Return and remittance.** Taxes imposed by this section are due and
47.19 payable to the commissioner when the silica sand return is required to be filed. Silica sand
47.20 returns must be filed on a form prescribed by the commissioner. Silica sand returns and
47.21 taxes imposed under this section must be filed with the commissioner on or before the
47.22 20th day of the month following the close of the previous calendar month.

47.23 Subd. 4. **Proceeds of taxes.** Revenue received from taxes under this chapter, as
47.24 well as all related penalties, interest, fees, and miscellaneous sources of revenue, must be
47.25 deposited by the commissioner in the state treasury and credited as follows:

47.26 (1) \$2,000,000 in fiscal year 2014, \$2,690,000 in fiscal year 2015, and \$2,000,000 in
47.27 each fiscal year thereafter must be credited to the silica sand mining account in the special
47.28 revenue fund under section 116C.99; and

47.29 (2) the balance of revenues derived from taxes, penalties, interest, fees, and
47.30 miscellaneous sources of income are credited to the general fund.

47.31 Subd. 5. **Personal debt.** The tax imposed by this section, and interest and penalties
47.32 imposed with respect to it, are a personal debt of the person required to file a return from
47.33 the time the liability for it arises, irrespective of when the time for payment of the liability
47.34 occurs. The debt must, in the case of the executor or administrator of the estate of a
47.35 decedent and in the case of a fiduciary, be that of the person in the person's official or

48.1 fiduciary capacity only unless the person has voluntarily distributed the assets held in that
48.2 capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which
48.3 event the person is personally liable for any deficiency.

48.4 Subd. 6. **Refunds; appropriation.** A person who has paid to the commissioner
48.5 an amount of tax under this chapter for a period in excess of the amount legally due
48.6 for that period, may file with the commissioner a claim for a refund of the excess. The
48.7 amount necessary to pay the refunds under this subdivision is appropriated from the
48.8 general fund to the commissioner.

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

48.10 Sec. 4. **[297J.03] REGISTRATION; REPORTING; FILING REQUIREMENTS.**

48.11 Subdivision 1. **Registration.** A person who extracts or processes silica sand within
48.12 the state must register with the commissioner, on a form prescribed by the commissioner,
48.13 for a silica sand identification number. The commissioner shall issue the applicant a
48.14 registration number. A registration number is not assignable and is valid only for the
48.15 person in whose name it is issued.

48.16 Subd. 2. **Reporting.** (a) A person who extracts or processes silica sand in this state
48.17 must file a report showing the amount of silica sand extracted or processed monthly on or
48.18 before the 20th day of the month following the month in which the silica sand was extracted
48.19 or processed. The commissioner may inspect the premises, books, and records, of a person
48.20 subject to the silica sand tax during the normal business hours of the person extracting or
48.21 processing silica sand. A person violating this section is guilty of a misdemeanor.

48.22 (b) A person shall keep at each place of business complete and accurate records
48.23 for that place of business, including records of silica sand extracted or processed in the
48.24 state. Scale records, sales records, or any other records of tons of silica sand extracted
48.25 or processed in this state, produced or maintained by the person extracting or processing
48.26 silica sand, must be retained by the person extracting or processing silica sand in this
48.27 state. Books, records, invoices, and other papers and documents required by this section
48.28 must be kept for a period of at least 3-1/2 years after the date of the monthly silica sand
48.29 report unless the commissioner of revenue authorizes, in writing, their destruction or
48.30 disposal at an earlier date.

48.31 Subd. 3. **Extensions.** If, in the commissioner's judgment, good cause exists, the
48.32 commissioner may extend the time for filing reports under this section and silica sand
48.33 returns under section 297J.02 and for paying taxes under section 297J.02 for not more
48.34 than six months.

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

49.2 **Sec. 5. [297J.04] LIMITATIONS ON TIME FOR ASSESSMENT OF TAX.**

49.3 Subdivision 1. **Assessment.** Except as otherwise provided in this chapter, the
49.4 amount of taxes assessable must be assessed within 3-1/2 years after the date the return is
49.5 filed, whether or not the return is filed on or after the date prescribed. A return must not be
49.6 treated as filed until it is in processible form. A return is in processible form if it is filed
49.7 on a permitted form and contains sufficient data to identify the taxpayer and permit the
49.8 mathematical verification of the tax liability shown on the return. For purposes of this
49.9 section, a return filed before the last day prescribed by law for filing is considered to
49.10 be filed on the last day.

49.11 Subd. 2. **False or fraudulent return.** Notwithstanding subdivision 1, the tax may be
49.12 assessed at any time if a false or fraudulent return is filed or if a taxpayer fails to file a return.

49.13 Subd. 3. **Omission in excess of 25 percent.** Additional taxes may be assessed
49.14 within 6-1/2 years after the due date of the return or the date the return was filed,
49.15 whichever is later, if the taxpayer omits from a return taxes in excess of 25 percent of
49.16 the taxes reported in the return.

49.17 Subd. 4. **Time limit on refunds.** Unless otherwise provided in this chapter, a claim
49.18 for a refund of an overpayment of tax must be filed within 3-1/2 years from the date
49.19 prescribed for filing the silica sand tax return. Interest on refunds must be computed at
49.20 the rate specified in section 270C.405 from the date of payment to the date the refund is
49.21 paid or credited. For purposes of this subdivision, the date of payment is the later of the
49.22 date the tax was finally due or was paid.

49.23 Subd. 5. **Bankruptcy; suspension of time.** The time during which a tax must be
49.24 assessed or collection proceedings begun is suspended during the period from the date of a
49.25 filing of a petition in bankruptcy until 30 days after either: (1) notice to the commissioner
49.26 that the bankruptcy proceedings have been closed or dismissed; or (2) the automatic stay
49.27 has been ended or has expired, whichever occurs first. The suspension of the statute of
49.28 limitations under this subdivision applies to the person the petition in bankruptcy is filed
49.29 against, and all other persons who may also be wholly or partially liable for the tax.

49.30 Subd. 6. **Extension agreement.** If, before the expiration of time prescribed in
49.31 subdivisions 1 and 4 for the assessment of tax or the filing of a claim for refund, both the
49.32 commissioner and the taxpayer have consented in writing to the assessment or filing of a
49.33 claim for refund after that time, the tax may be assessed or the claim for refund filed at any
49.34 time before the expiration of the agreed upon period. The period may be extended by later
49.35 agreements in writing before the expiration of the period previously agreed upon.

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

50.2 Sec. 6. **[297J.05] CIVIL PENALTIES.**

50.3 Subdivision 1. **Penalty for failure to pay tax.** If a tax is not paid within the time
50.4 specified for payment, a penalty is added to the amount required to be shown as tax. The
50.5 penalty is five percent of the unpaid tax if the failure is for not more than 30 days, with
50.6 an additional penalty of five percent of the amount of tax remaining unpaid during each
50.7 additional 30 days or fraction of 30 days during which the failure continues, not exceeding
50.8 15 percent in the aggregate. For purposes of this subdivision, if the taxpayer has not filed
50.9 a return, the time specified for payment is the final date a return should have been filed.

50.10 Subd. 2. **Penalty for failure to make and file return.** If a taxpayer fails to make
50.11 and file a return within the time prescribed or an extension, a penalty is added to the tax.
50.12 The penalty is five percent of the amount of tax not paid on or before the date prescribed
50.13 for payment of the tax.

50.14 Subd. 3. **Penalty for intentional disregard of law or rules.** If part of an additional
50.15 assessment is due to negligence or intentional disregard of the provisions of this chapter or
50.16 rules of the commissioner of revenue (but without intent to defraud), there is added to the
50.17 tax an amount equal to ten percent of the additional assessment.

50.18 Subd. 4. **Penalty for false or fraudulent return; evasion.** If a person files a false
50.19 or fraudulent return, or attempts in any manner to evade or defeat a tax or payment of
50.20 tax, there is imposed on the person a penalty equal to 50 percent of the tax found due
50.21 for the period to which the return related, less amounts paid by the person on the basis
50.22 of the false or fraudulent return.

50.23 Subd. 5. **Penalty for repeated failures to file returns or pay taxes.** If there is a
50.24 pattern by a person of repeated failures to timely file returns or timely pay taxes, and
50.25 written notice is given that a penalty will be imposed if such failures continue, a penalty
50.26 of 25 percent of the amount of tax not timely paid as a result of each such subsequent
50.27 failure is added to the tax. The penalty can be abated under the abatement authority in
50.28 section 270C.34.

50.29 Subd. 6. **Payment of penalties.** The penalties imposed by this section must be
50.30 collected and paid in the same manner as taxes. These penalties are in addition to criminal
50.31 penalties imposed by this chapter.

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

50.33 Sec. 7. **[297J.07] INTEREST.**

51.1 Subdivision 1. **Rate.** If an interest assessment is required under this section, interest
51.2 is computed at the rate specified in section 270C.40.

51.3 Subd. 2. **Late payment.** If a tax is not paid within the time specified by law for
51.4 payment, the unpaid tax bears interest from the date the tax should have been paid until
51.5 the date the tax is paid.

51.6 Subd. 3. **Extensions.** If an extension of time for payment has been granted, interest
51.7 must be paid from the date the payment should have been made if no extension had been
51.8 granted, until the date the tax is paid.

51.9 Subd. 4. **Additional assessments.** If a taxpayer is liable for additional taxes because
51.10 of a redetermination by the commissioner, or for any other reason, the additional taxes
51.11 bear interest from the time the tax should have been paid, without regard to any extension
51.12 allowed, until the date the tax is paid.

51.13 Subd. 5. **Erroneous refunds.** In the case of an erroneous refund, interest accrues
51.14 from the date the refund was paid unless the erroneous refund results from a mistake of
51.15 the department, then no interest or penalty is imposed unless the deficiency assessment is
51.16 not satisfied within 60 days of the order.

51.17 Subd. 6. **Interest on judgments.** Notwithstanding section 549.09, if judgment is
51.18 entered in favor of the commissioner with regard to any tax, the judgment bears interest
51.19 at the rate specified in section 270C.40 from the date the judgment is entered until the
51.20 date of payment.

51.21 Subd. 7. **Interest on penalties.** A penalty imposed under section 297J.05,
51.22 subdivision 1, 2, 3, 4, or 5, bears interest from the date the return or payment was required
51.23 to be filed or paid, including any extensions, to the date of payment of the penalty.

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

51.25 Sec. 8. Minnesota Statutes 2012, section 298.28, subdivision 4, is amended to read:

51.26 Subd. 4. **School districts.** (a) 23.15 cents per taxable ton, plus the increase provided
51.27 in paragraph (d), less the amount that would have been computed under Minnesota
51.28 Statutes 2008, section 126C.21, subdivision 4, for the current year for that district, must be
51.29 allocated to qualifying school districts to be distributed, based upon the certification of the
51.30 commissioner of revenue, under paragraphs (b), (c), and (f).

51.31 (b)(i) 3.43 cents per taxable ton must be distributed to the school districts in which
51.32 the lands from which taconite was mined or quarried were located or within which the
51.33 concentrate was produced. The distribution must be based on the apportionment formula
51.34 prescribed in subdivision 2.

52.1 (ii) Four cents per taxable ton from each taconite facility must be distributed to
52.2 each affected school district for deposit in a fund dedicated to building maintenance
52.3 and repairs, as follows:

52.4 (1) proceeds from Keewatin Taconite or its successor are distributed to Independent
52.5 School Districts Nos. 316, Coleraine, and 319, Nashwauk-Keewatin, or their successor
52.6 districts;

52.7 (2) proceeds from the Hibbing Taconite Company or its successor are distributed to
52.8 Independent School Districts Nos. 695, Chisholm, and 701, Hibbing, or their successor
52.9 districts;

52.10 (3) proceeds from the Mittal Steel Company and Minntac or their successors are
52.11 distributed to Independent School Districts Nos. 712, Mountain Iron-Buhl, 706, Virginia,
52.12 2711, Mesabi East, and 2154, Eveleth-Gilbert, or their successor districts;

52.13 (4) proceeds from the Northshore Mining Company or its successor are distributed
52.14 to Independent School Districts Nos. 2142, St. Louis County, and 381, Lake Superior,
52.15 or their successor districts; and

52.16 (5) proceeds from United Taconite or its successor are distributed to Independent
52.17 School Districts Nos. 2142, St. Louis County, and 2154, Eveleth-Gilbert, or their
52.18 successor districts.

52.19 Revenues that are required to be distributed to more than one district shall be
52.20 apportioned according to the number of pupil units identified in section 126C.05,
52.21 subdivision 1, enrolled in the second previous year.

52.22 (c)(i) 15.72 cents per taxable ton, less any amount distributed under paragraph (e),
52.23 shall be distributed to a group of school districts comprised of those school districts which
52.24 qualify as a tax relief area under section 273.134, paragraph (b), or in which there is a
52.25 qualifying municipality as defined by section 273.134, paragraph (a), in direct proportion
52.26 to school district indexes as follows: for each school district, its pupil units determined
52.27 under section 126C.05 for the prior school year shall be multiplied by the ratio of the
52.28 average adjusted net tax capacity per pupil unit for school districts receiving aid under
52.29 this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year
52.30 ending prior to distribution to the adjusted net tax capacity per pupil unit of the district.
52.31 Each district shall receive that portion of the distribution which its index bears to the sum
52.32 of the indices for all school districts that receive the distributions.

52.33 (ii) Notwithstanding clause (i), each school district that receives a distribution
52.34 under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this
52.35 clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on
52.36 severed mineral values after reduction for any portion distributed to cities and towns

53.1 under section 126C.48, subdivision 8, paragraph (5), that is less than the amount of its
53.2 levy reduction under section 126C.48, subdivision 8, for the second year prior to the
53.3 year of the distribution shall receive a distribution equal to the difference; the amount
53.4 necessary to make this payment shall be derived from proportionate reductions in the
53.5 initial distribution to other school districts under clause (i). If there are insufficient tax
53.6 proceeds to make the distribution provided under this paragraph in any year, money must
53.7 be transferred from the taconite property tax relief account in subdivision 6, to the extent
53.8 of the shortfall in the distribution.

53.9 (d) Any school district described in paragraph (c) where a levy increase pursuant to
53.10 section 126C.17, subdivision 9, was authorized by referendum for taxes payable in 2001,
53.11 shall receive a distribution of 21.3 cents per ton. Each district shall receive \$175 times the
53.12 pupil units identified in section 126C.05, subdivision 1, enrolled in the second previous
53.13 year or the 1983-1984 school year, whichever is greater, ~~less the product of 1.8 percent~~
53.14 ~~times the district's taxable net tax capacity in the second previous year.~~

53.15 If the total amount provided by paragraph (d) is insufficient to make the payments
53.16 herein required then the entitlement of \$175 per pupil unit shall be reduced uniformly
53.17 so as not to exceed the funds available. Any amounts received by a qualifying school
53.18 district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general
53.19 education aid which the district receives pursuant to section 126C.13 or the permissible
53.20 levies of the district. Any amount remaining after the payments provided in this paragraph
53.21 shall be paid to the commissioner of Iron Range resources and rehabilitation who shall
53.22 deposit the same in the taconite environmental protection fund and the Douglas J. Johnson
53.23 economic protection trust fund as provided in subdivision 11.

53.24 Each district receiving money according to this paragraph shall reserve the lesser of
53.25 the amount received under this paragraph or \$25 times the number of pupil units served
53.26 in the district. It may use the money for early childhood programs or for outcome-based
53.27 learning programs that enhance the academic quality of the district's curriculum. The
53.28 outcome-based learning programs must be approved by the commissioner of education.

53.29 (e) There shall be distributed to any school district the amount which the school
53.30 district was entitled to receive under section 298.32 in 1975.

53.31 (f) Four cents per taxable ton must be distributed to qualifying school districts
53.32 according to the distribution specified in paragraph (b), clause (ii), and two cents per taxable
53.33 ton must be distributed according to the distribution specified in paragraph (c). These
53.34 amounts are not subject to sections 126C.21, subdivision 4, and 126C.48, subdivision 8.

53.35 **EFFECTIVE DATE.** This section is effective beginning for the 2014 distribution.

54.1 Sec. 9. Minnesota Statutes 2012, section 298.28, subdivision 6, is amended to read:

54.2 Subd. 6. **Property tax relief.** (a) In ~~2002~~ 2014 and thereafter, ~~33.9~~ 35.3 cents per
54.3 taxable ton, less any amount required to be distributed under paragraphs (b) and (c), or
54.4 section 298.2961, subdivision 5, must be allocated to St. Louis County acting as the
54.5 counties' fiscal agent, to be distributed as provided in sections 273.134 to 273.136.

54.6 (b) If an electric power plant owned by and providing the primary source of power
54.7 for a taxpayer mining and concentrating taconite is located in a county other than the
54.8 county in which the mining and the concentrating processes are conducted, .1875 cent per
54.9 taxable ton of the tax imposed and collected from such taxpayer shall be paid to the county.

54.10 (c) If an electric power plant owned by and providing the primary source of power
54.11 for a taxpayer mining and concentrating taconite is located in a school district other than
54.12 a school district in which the mining and concentrating processes are conducted, .4541
54.13 cent per taxable ton of the tax imposed and collected from the taxpayer shall be paid to
54.14 the school district.

54.15 **EFFECTIVE DATE.** This section is effective beginning for the 2014 distribution.

54.16 Sec. 10. Minnesota Statutes 2012, section 298.28, subdivision 9a, is amended to read:

54.17 Subd. 9a. **Taconite economic development fund.** (a) ~~30.4~~ 20.4 cents per ton
54.18 for distributions in ~~2002~~ 2014 and thereafter must be paid to the taconite economic
54.19 development fund. No distribution shall be made under this paragraph in ~~2004~~ or any
54.20 ~~subsequent~~ year in which total industry production falls below 30 million tons. Distribution
54.21 shall only be made to a taconite producer's fund under section 298.227 if the producer
54.22 timely pays its tax under section 298.24 by the dates provided under section 298.27, or
54.23 pursuant to the due dates provided by an administrative agreement with the commissioner.

54.24 (b) An amount equal to 50 percent of the tax under section 298.24 for concentrate
54.25 sold in the form of pellet chips and fines not exceeding 5/16 inch in size and not including
54.26 crushed pellets shall be paid to the taconite economic development fund. The amount
54.27 paid shall not exceed \$700,000 annually for all companies. If the initial amount to be
54.28 paid to the fund exceeds this amount, each company's payment shall be prorated so the
54.29 total does not exceed \$700,000.

54.30 **EFFECTIVE DATE.** This section is effective beginning for the 2014 distribution.

54.31 Sec. 11. Minnesota Statutes 2012, section 298.75, subdivision 2, is amended to read:

54.32 Subd. 2. **Tax imposed.** (a) ~~Except as provided in paragraph (c),~~ A county that
54.33 ~~imposes the aggregate production tax, as defined in this section,~~ shall impose upon every

55.1 operator a production tax of 21.5 cents per cubic yard or 15 cents per ton of aggregate
55.2 material excavated in the county ~~except that the county board may decide not to impose~~
55.3 ~~this tax if it determines that in the previous year operators removed less than 20,000 tons~~
55.4 ~~or 14,000 cubic yards of aggregate material from that county.~~ A county may impose upon
55.5 every operator an additional production tax of up to 21.5 cents per cubic yard or 15 cents
55.6 per ton of aggregate material excavated in the county. The tax shall not be imposed on
55.7 aggregate material excavated in the county until the aggregate material is transported from
55.8 the extraction site or sold, whichever occurs first. When aggregate material is stored in a
55.9 stockpile within the state of Minnesota and a public highway, road or street is not used
55.10 for transporting the aggregate material, the tax shall not be imposed until either when the
55.11 aggregate material is sold, or when it is transported from the stockpile site, or when it is
55.12 used from the stockpile, whichever occurs first.

55.13 (b) ~~Except as provided in paragraph (e),~~ A county ~~that imposes the aggregate~~
55.14 ~~production tax under paragraph (a),~~ as defined in this section, shall impose upon every
55.15 importer a production tax of 21.5 cents per cubic yard or 15 cents per ton of aggregate
55.16 material imported into the county. A county may impose upon every importer an
55.17 additional production tax of up to 21.5 cents per cubic yard or 15 cents per ton of
55.18 aggregate material imported into the county. The tax shall be imposed when the aggregate
55.19 material is imported from the extraction site or sold. When imported aggregate material is
55.20 stored in a stockpile within the state of Minnesota and a public highway, road, or street is
55.21 not used for transporting the aggregate material, the tax shall be imposed either when the
55.22 aggregate material is sold, when it is transported from the stockpile site, or when it is used
55.23 from the stockpile, whichever occurs first. The tax shall be imposed on an importer when
55.24 the aggregate material is imported into the county that imposes the tax.

55.25 (c) If the aggregate material is transported directly from the extraction site to a
55.26 waterway, railway, or another mode of transportation other than a highway, road or street,
55.27 the tax imposed by this section shall be apportioned equally between the county where the
55.28 aggregate material is extracted and the county to which the aggregate material is originally
55.29 transported. If that destination is not located in Minnesota, then the county where the
55.30 aggregate material was extracted shall receive all of the proceeds of the tax.

55.31 (d) A county, city, or town that receives revenue under this section is prohibited
55.32 from imposing any additional host community fees on aggregate production within that
55.33 county, city, or town.

55.34 (e) ~~A county that borders two other states and that is not contiguous to a county~~
55.35 ~~that imposes a tax under this section may impose the taxes under paragraphs (a) and (b)~~

56.1 ~~at the rate of ten cents per cubic yard or seven cents per ton. This paragraph expires~~
56.2 ~~December 31, 2014.~~

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

56.4 Sec. 12. **2013 DISTRIBUTION ONLY.**

56.5 For the 2013 distribution, a special fund is established to receive \$3,700,000 of the
56.6 amount that otherwise would be distributed under Minnesota Statutes, section 298.28,
56.7 subdivision 6, and this amount must be paid as follows:

56.8 (1) \$2,000,000 to the city of Hibbing for improvements to the city's water supply
56.9 system; and

56.10 (2) \$1,700,000 to the city of Mountain Iron for the cost of moving utilities required
56.11 as a result of actions undertaken by United States Steel Corporation.

56.12 **EFFECTIVE DATE.** This section is effective for the 2013 distribution, all of which
56.13 must be made in the August 2013 payment.

56.14 Sec. 13. **IRON RANGE RESOURCES AND REHABILITATION**
56.15 **COMMISSIONER; BONDS AUTHORIZED.**

56.16 Subdivision 1. **Issuance; purpose.** Notwithstanding any provision of Minnesota
56.17 Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and
56.18 rehabilitation may issue revenue bonds in a principal amount of \$38,000,000 in one or more
56.19 series, and bonds to refund those bonds. The proceeds of the bonds must be used to make
56.20 grants to school districts located in the taconite tax relief area defined in Minnesota Statutes,
56.21 section 273.134, or the taconite assistance area defined in Minnesota Statutes, section
56.22 273.1341, to be used by the school districts to pay for building projects, such as energy
56.23 efficiency, technology, infrastructure, health, safety, and maintenance improvements.

56.24 Subd. 2. **Appropriation.** (a) There is annually appropriated from the distribution of
56.25 taconite production tax revenues under Minnesota Statutes, section 298.28, prior to the
56.26 calculation of the amount of the remainder under Minnesota Statutes, section 298.28,
56.27 subdivision 11, an amount sufficient to pay when due the principal and interest on the
56.28 bonds issued pursuant to subdivision 1. The appropriation under this section must not
56.29 exceed an amount equal to ten cents per taxable ton.

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

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

57.3 Subd. 3. **Credit enhancement.** The bonds issued under this section are "debt
57.4 obligations" and the commissioner of Iron Range resources and rehabilitation is a "district"
57.5 for purposes of Minnesota Statutes, section 126C.55, provided that advances made under
57.6 Minnesota Statutes, section 126C.55, subdivision 2, are not subject to Minnesota Statutes,
57.7 section 126C.55, subdivisions 4 to 7.

57.8 **EFFECTIVE DATE.** This section is effective the day following final enactment and
57.9 applies beginning with the 2014 distribution under Minnesota Statutes, section 298.28.

57.10 Sec. 14. **IRON RANGE FISCAL DISPARITIES STUDY.**

57.11 Subdivision 1. **Study required.** The commissioner of revenue shall conduct a study
57.12 of the tax relief area revenue distribution program contained in Minnesota Statutes, chapter
57.13 276A, commonly known as the Iron Range fiscal disparities program. By February 1,
57.14 2015, the commissioner shall submit a report to the chairs and ranking minority members
57.15 of the house of representatives and senate tax committees consisting of the findings of the
57.16 study and identification of issues for policy makers to consider. The study must analyze:

57.17 (1) the extent to which the benefits of the economic growth in the region are shared
57.18 throughout the region, especially for growth that results from state or regional decisions;

57.19 (2) the program's impact on the variability of tax rates across jurisdictions of the
57.20 region;

57.21 (3) the program's impact on the distribution of homestead property tax burdens
57.22 across jurisdictions of the region; and

57.23 (4) the relationship between the impacts of the program and overburden on
57.24 jurisdictions containing properties that provide regional benefits, specifically the costs
57.25 those properties impose on their host jurisdictions in excess of their tax payments. The
57.26 report must include a description of other property tax, aid, and local development
57.27 programs that interact with the fiscal disparities program.

57.28 Subd. 2. **Funds transfer from fiscal disparities levy.** For taxes payable in 2014
57.29 only, \$75,000 must be added to St. Louis County's areawide levy as otherwise determined
57.30 under Minnesota Statutes, section 276A.06, subdivision 5. Upon receipt of the proceeds of
57.31 this levy, St. Louis County must transfer this money to the commissioner of management
57.32 and budget for deposit into an account in the special revenue fund. One-half of the
57.33 proceeds of the levy must be transferred prior to June 30, 2014.

57.34 Subd. 3. **Appropriation.** \$37,500 in fiscal year 2014 and \$37,500 in fiscal year
57.35 2015 are appropriated from the account in the special revenue fund established under

58.1 subdivision 2 to the commissioner of revenue to pay for the study required by this section.
58.2 Any amounts remaining in the account in the special revenue fund on June 30, 2015, must
58.3 be distributed to St. Louis County for the purposes of reducing the areawide tax rate
58.4 for taxes payable in 2016.

58.5 **EFFECTIVE DATE.** This section is effective July 1, 2013.

58.6 **ARTICLE 6**

58.7 **LOCAL SALES TAXES**

58.8 Section 1. Minnesota Statutes 2012, section 469.190, is amended by adding a
58.9 subdivision to read:

58.10 Subd. 1a. **Tax base; locally collected taxes.** A tax imposed on the gross receipts
58.11 from lodging under this section or under a special law applies to the same base as taxes
58.12 collected by the commissioner of revenue under subdivision 7 and section 270C.171.

58.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.
58.14 In enacting this section, the legislature confirms its original intent in enacting Minnesota
58.15 Statutes, section 469.190, its predecessor provisions, and any special laws authorizing
58.16 political subdivisions to impose lodging taxes, and that those taxes were and are intended
58.17 to apply to the entire consideration paid to obtain access to transient lodging, including
58.18 ancillary or related services, such as services provided by accommodation intermediaries
58.19 as defined in Minnesota Statutes, section 297A.61, and similar services. The provisions of
58.20 this section must not be interpreted to imply a narrower construction of the tax base under
58.21 lodging tax provisions of Minnesota law prior to the enactment of this section.

58.22 Sec. 2. Minnesota Statutes 2012, section 469.190, subdivision 7, is amended to read:

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

58.28 (b) If a tax imposed under this section or under a special law is not collected by
58.29 the commissioner of revenue, the local government imposing the tax may only require
58.30 an accommodations intermediary, as defined in section 297A.61, subdivision 47, to file
58.31 and remit the tax related to accommodations intermediary services once in every calendar
58.32 year. The local government must inform the tax intermediary of the date when the return
58.33 and remittance is due.

59.1 **EFFECTIVE DATE.** This section is effective for sales and purchases made after
59.2 June 30, 2013.

59.3 Sec. 3. Laws 1993, chapter 375, article 9, section 46, subdivision 2, as amended by
59.4 Laws 1997, chapter 231, article 7, section 40, Laws 1998, chapter 389, article 8, section
59.5 30, Laws 2003, First Special Session chapter 21, article 8, section 13, Laws 2005, First
59.6 Special Session chapter 3, article 5, section 26, and Laws 2009, chapter 88, article 4,
59.7 section 15, is amended to read:

59.8 Subd. 2. **Use of revenues.** Revenues received from the tax authorized by subdivision
59.9 1 may only be used by the city to pay the cost of collecting the tax, and, except as provided in
59.10 paragraph (e), to pay for the following projects or to secure or pay any principal, premium,
59.11 or interest on bonds issued in accordance with subdivision 3 for the following projects.

59.12 (a) To pay all or a portion of the capital expenses of construction, equipment and
59.13 acquisition costs for the expansion and remodeling of the St. Paul Civic Center complex,
59.14 including the demolition of the existing arena and the construction and equipping of a
59.15 new arena.

59.16 (b) Except as provided in paragraphs (e) and (f), the remainder of the funds must be
59.17 spent for:

59.18 (1) capital projects to further residential, cultural, commercial, and economic
59.19 development in both downtown St. Paul and St. Paul neighborhoods; and

59.20 (2) capital and operating expenses of cultural organizations in the city, provided
59.21 that the amount spent under this clause must equal ten percent of the total amount spent
59.22 under this paragraph in any year.

59.23 (c) The amount apportioned under paragraph (b) shall be no less than 60 percent
59.24 of the revenues derived from the tax each year, except to the extent that a portion of that
59.25 amount is required to pay debt service on (1) bonds issued for the purposes of paragraph (a)
59.26 prior to March 1, 1998; or (2) bonds issued for the purposes of paragraph (a) after March 1,
59.27 1998, but only if the city council determines that 40 percent of the revenues derived from
59.28 the tax together with other revenues pledged to the payment of the bonds, including the
59.29 proceeds of definitive bonds, is expected to exceed the annual debt service on the bonds.

59.30 (d) If in any year more than 40 percent of the revenue derived from the tax authorized
59.31 by subdivision 1 is used to pay debt service on the bonds issued for the purposes of
59.32 paragraph (a) and to fund a reserve for the bonds, the amount of the debt service payment
59.33 that exceeds 40 percent of the revenue must be determined for that year. In any year when
59.34 40 percent of the revenue produced by the sales tax exceeds the amount required to pay
59.35 debt service on the bonds and to fund a reserve for the bonds under paragraph (a), the

60.1 amount of the excess must be made available for capital projects to further residential,
 60.2 cultural, commercial, and economic development in the neighborhoods and downtown
 60.3 until the cumulative amounts determined for all years under the preceding sentence have
 60.4 been made available under this sentence. The amount made available as reimbursement in
 60.5 the preceding sentence is not included in the 60 percent determined under paragraph (c).

60.6 (e) ~~In each of calendar years 2006 to 2014, revenue not to exceed \$3,500,000 may be~~
 60.7 ~~used to pay the principal of bonds issued for capital projects of the city. After December~~
 60.8 ~~31, 2014, revenue from the tax imposed under subdivision 1 may not be used for this~~
 60.9 ~~purpose.~~ If the amount necessary to meet obligations under paragraphs (a) and (d) are less
 60.10 than 40 percent of the revenue from the tax in any year, the city may place the difference
 60.11 between 40 percent of the revenue and the amounts allocated under paragraphs (a) and (d)
 60.12 in an economic development fund to be used for any economic development purposes.

60.13 (f) By January 15 of each year, the mayor and the city council must report to the
 60.14 legislature on the use of sales tax revenues during the preceding one-year period.

60.15 **EFFECTIVE DATE.** This section is effective the day after compliance by the
 60.16 governing body of the city of St. Paul with Minnesota Statutes, section 645.021,
 60.17 subdivisions 2 and 3.

60.18 Sec. 4. Laws 2005, First Special Session chapter 3, article 5, section 37, subdivision 2,
 60.19 is amended to read:

60.20 Subd. 2. **Use of revenues.** (a) Revenues received from the tax authorized by
 60.21 subdivision 1 by the city of St. Cloud must be used for the cost of collecting and
 60.22 administering the tax and to pay all or part of the capital or administrative costs of the
 60.23 development, acquisition, construction, improvement, and securing and paying debt
 60.24 service on bonds or other obligations issued to finance the following regional projects as
 60.25 approved by the voters and specifically detailed in the referendum authorizing the tax or
 60.26 extending the tax:

60.27 (1) St. Cloud Regional Airport;

60.28 (2) regional transportation improvements;

60.29 (3) regional community and aquatics and recreation centers and facilities;

60.30 (4) regional public libraries; and

60.31 (5) acquisition and improvement of regional park land and open space.

60.32 (b) Revenues received from the tax authorized by subdivision 1 by the cities of St.
 60.33 Joseph, Waite Park, Sartell, Sauk Rapids, and St. Augusta must be used for the cost of
 60.34 collecting and administering the tax and to pay all or part of the capital or administrative
 60.35 costs of the development, acquisition, construction, improvement, and securing and paying

61.1 debt service on bonds or other obligations issued to fund the projects specifically approved
 61.2 by the voters at the referendum authorizing the tax or extending the tax. The portion of
 61.3 revenues from the city going to fund the regional airport or regional library located in the
 61.4 city of St. Cloud will be as required under the applicable joint powers agreement.

61.5 (c) The use of revenues received from the taxes authorized in subdivision 1 for
 61.6 projects allowed under paragraphs (a) and (b) are limited to the amount authorized for
 61.7 each project under the enabling referendum.

61.8 **EFFECTIVE DATE.** This section is effective for a city that approves it the day
 61.9 after compliance by the governing body of that city with Minnesota Statutes, section
 61.10 645.021, subdivision 3.

61.11 Sec. 5. Laws 2005, First Special Session chapter 3, article 5, section 37, subdivision 4,
 61.12 is amended to read:

61.13 Subd. 4. **Termination of tax.** The tax imposed in the cities of St. Joseph, St. Cloud,
 61.14 St. Augusta, Sartell, Sauk Rapids, and Waite Park under subdivision 1 expires when the
 61.15 city council determines that sufficient funds have been collected from the tax to retire or
 61.16 redeem the bonds and obligations authorized under subdivision 2, paragraph (a), but no
 61.17 later than December 31, 2018. Notwithstanding Minnesota Statutes, section 297A.99,
 61.18 subdivision 3, paragraphs (a), (c), and (d), a city may extend the tax imposed under
 61.19 subdivision 1 through December 31, 2038, if approved under the referendum authorizing
 61.20 the tax under subdivision 1 or if approved by voters of the city at a general election held
 61.21 no later than November 6, 2018.

61.22 **EFFECTIVE DATE.** This section is effective for a city that approves it the day
 61.23 after compliance by the governing body of that city with Minnesota Statutes, section
 61.24 645.021, subdivision 3.

61.25 Sec. 6. Laws 2008, chapter 366, article 7, section 19, subdivision 3, as amended by
 61.26 Laws 2011, First Special Session chapter 7, article 4, section 8, is amended to read:

61.27 Subd. 3. **Use of revenues.** Notwithstanding Minnesota Statutes, section 297A.99,
 61.28 subdivision 3, paragraph (b), the proceeds of the tax imposed under this section shall be
 61.29 used to pay for the costs of improvements to the Sportsman Park/Ballfields, Riverside
 61.30 Park, Lions Park/Pavilion, Cedar South Park also known as Eldorado Park, and Spring
 61.31 Street Park; improvements to and extension of the River County Bike Trail; acquisition,
 61.32 and construction, improvement, and development of regional parks, bicycle trails, park
 61.33 land, open space, and of a pedestrian walkways, as described in the city improvement

62.1 ~~plan adopted by the city council by resolution on December 12, 2006, and~~ walkway
62.2 over Interstate 94 and State Highway 24; and the acquisition of land and construction of
62.3 buildings for a community and recreation center. The total amount of revenues from the
62.4 taxes in subdivisions 1 and 2 that may be used to fund these projects is \$12,000,000
62.5 plus any associated bond costs.

62.6 **EFFECTIVE DATE.** This section is effective the day after compliance by the
62.7 governing body of the city of Clearwater with Minnesota Statutes, section 645.021,
62.8 subdivisions 2 and 3.

62.9 Sec. 7. Laws 2010, chapter 389, article 5, section 6, subdivision 4, is amended to read:

62.10 Subd. 4. **Use of lodging tax revenues.** The revenues derived from the tax imposed
62.11 under subdivision 3 must be used by the city of Marshall to pay the costs of collecting
62.12 and administering the lodging tax, to pay all or part of the operating costs of the new and
62.13 existing facilities of the Minnesota Emergency Response and Industry Training Center,
62.14 including the payment of debt service on bonds issued under subdivision 2, and to pay
62.15 all or part of the operating costs of the facilities of the Southwest Minnesota Regional
62.16 Amateur Sports Center, including the payment of debt service on bonds issued under
62.17 subdivision 2. Authorized expenses include, but are not limited to, acquiring property;
62.18 predesign; design; and paying construction, furnishing, and equipment costs related to
62.19 these facilities and paying debt service on bonds or other obligations issued by the city.

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

62.21 Sec. 8. Laws 2010, chapter 389, article 5, section 6, subdivision 6, is amended to read:

62.22 Subd. 6. **Use of food and beverages tax.** The revenues derived from the tax
62.23 imposed under subdivision 5 must be used by the city of Marshall to pay the costs of
62.24 collecting and administering the food and beverages tax, to pay all or part of the operating
62.25 costs of the new and existing facilities of the Minnesota Emergency Response and
62.26 Industry Training Center, including the payment of debt service on bonds issued under
62.27 subdivision 2, and to pay all or part of the operating costs of the facilities of the Southwest
62.28 Minnesota Regional Amateur Sports Center, including the payment of debt service on
62.29 bonds issued under subdivision 2. Authorized expenses for each organization include,
62.30 but are not limited to, acquiring property; predesign; design; and paying construction,
62.31 furnishing, and equipment costs related to these facilities and paying debt service on
62.32 bonds or other obligations issued by the city.

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

63.1 **Sec. 9. VALIDATION OF PRIOR ACT; AUTHORIZATION AND IMPOSITION.**

63.2 (a) Notwithstanding the time limits in Minnesota Statutes, section 645.021, the city
63.3 of Marshall may approve Laws 2010, chapter 389, article 5, section 6, as amended by
63.4 Laws 2011, First Special Session chapter 7, article 4, section 9, and file its approval with
63.5 the secretary of state by June 15, 2013. If approved as authorized under this paragraph,
63.6 actions undertaken by the city pursuant to the approval of the voters on November 6, 2012,
63.7 and otherwise in accordance with Laws 2010, chapter 389, article 5, section 6, as amended
63.8 by Laws 2011, First Special Session chapter 7, article 4, section 9, are validated.

63.9 (b) Notwithstanding the time limit on the imposition of tax under Laws 2010,
63.10 chapter 389, article 5, section 6, subdivision 1, as amended by Laws 2011, First Special
63.11 Session chapter 7, article 4, section 9, and subject to local approval under paragraph (a),
63.12 the city of Marshall may impose the tax on or before July 1, 2013.

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

63.14 **Sec. 10. CITY OF PROCTOR; VALIDATION OF PRIOR ACT.**

63.15 Notwithstanding the time limits in Minnesota Statutes, section 645.021, the city of
63.16 Proctor may approve, by resolution, Laws 2008, chapter 366, article 7, section 13, and
63.17 Laws 2010, chapter 389, article 5, sections 1 and 2, and file its approval with the secretary
63.18 of state by January 1, 2014. If approved under this paragraph, actions undertaken by
63.19 the city pursuant to the approval of the voters on November 2, 2010, and otherwise in
63.20 accordance with those laws are validated.

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

63.22 **Sec. 11. CITY OF BEMIDJI; LOCAL TAXES AUTHORIZED.**

63.23 **Subdivision 1. Food and beverage tax authorized.** Notwithstanding Minnesota
63.24 Statutes, section 477A.016, or any ordinance, city charter, or other provision of law, the
63.25 city of Bemidji may, by ordinance, impose a sales tax of up to one percent on the gross
63.26 receipts of all food and beverages sold by a restaurant or place of refreshment located
63.27 within the city. For purposes of this section, "food and beverages" include retail on-sale of
63.28 intoxicating liquor and fermented malt beverages.

63.29 **Subd. 2. Lodging tax.** Notwithstanding Minnesota Statutes, section 469.190 or
63.30 477A.016, or any other provision of law, ordinance, or city charter, the city of Bemidji
63.31 may impose, by ordinance, a tax of up to one percent on the gross receipts for the
63.32 furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or
63.33 resort, other than for the renting or leasing of it for a continuous period of 30 days or more.

64.1 Subd. 3. Use of proceeds from authorized taxes. The proceeds of the taxes
 64.2 imposed under subdivisions 1 and 2 must only be used by the city to fund the costs of
 64.3 operation, maintenance, and capital replacement costs for the Sanford Center.

64.4 Subd. 4. Collection, administration, and enforcement. The city may enter into
 64.5 an agreement with the commissioner of revenue to administer, collect, and enforce the
 64.6 taxes under subdivisions 1 and 2. If the commissioner agrees to collect the tax, the
 64.7 provisions of Minnesota Statutes, section 297A.99, related to collection, administration,
 64.8 and enforcement, and Minnesota Statutes, section 270C.171, apply.

64.9 EFFECTIVE DATE. This section is effective the day after the governing body of
 64.10 the city of Bemidji and its chief clerical officer comply with Minnesota Statutes, section
 64.11 645.021, subdivisions 2 and 3.

64.12 ARTICLE 7

64.13 MARKET VALUE DEFINITIONS

64.14 Section 1. Minnesota Statutes 2012, section 38.18, is amended to read:

64.15 **38.18 COUNTY FAIRGROUNDS; IMPROVEMENT AIDED.**

64.16 ~~Any~~ Each town, statutory city, or school district in this state, ~~now or hereafter~~ at any
 64.17 time having a an estimated market value of all its taxable property, ~~exclusive of money and~~
 64.18 ~~credits,~~ of more than \$105,000,000, and having a county fair located within its corporate
 64.19 limits, ~~is hereby authorized to aid in defraying~~ may pay part of the expense of improving
 64.20 ~~any such~~ the fairground, ~~by appropriating and paying over to the treasurer of the county~~
 64.21 ~~owning the fairground such sum of money, not exceeding \$10,000, for each of the political~~
 64.22 ~~subdivisions,~~ as the its governing body of the town, statutory city, or school district ~~may,~~
 64.23 ~~by resolution, determine~~ determines to be for the best interest of the political subdivision;
 64.24 ~~The sums so appropriated to~~ amounts paid to the county must be used solely ~~for the purpose~~
 64.25 ~~of aiding in the improvement of~~ to improve the fairground in ~~such~~ the manner as the county
 64.26 ~~board of the county shall determine~~ determines to be for the best interest of the county.

64.27 Sec. 2. Minnesota Statutes 2012, section 40A.15, subdivision 2, is amended to read:

64.28 Subd. 2. **Eligible recipients.** All counties within the state, municipalities that prepare
 64.29 plans and official controls instead of a county, and districts are eligible for assistance
 64.30 under the program. Counties and districts may apply for assistance on behalf of other
 64.31 municipalities. In order to be eligible for financial assistance a county or municipality must
 64.32 agree to levy at least 0.01209 percent of ~~taxable~~ estimated market value for agricultural

65.1 land preservation and conservation activities or otherwise spend the equivalent amount of
65.2 local money on those activities, or spend \$15,000 of local money, whichever is less.

65.3 Sec. 3. Minnesota Statutes 2012, section 69.011, subdivision 1, is amended to read:

65.4 Subdivision 1. **Definitions.** Unless the language or context clearly indicates that
65.5 a different meaning is intended, the following words and terms, for the purposes of this
65.6 chapter and chapters 423, 423A, 424 and 424A, have the meanings ascribed to them:

65.7 (a) "Commissioner" means the commissioner of revenue.

65.8 (b) "Municipality" means:

65.9 (1) a home rule charter or statutory city;

65.10 (2) an organized town;

65.11 (3) a park district subject to chapter 398;

65.12 (4) the University of Minnesota;

65.13 (5) for purposes of the fire state aid program only, an American Indian tribal
65.14 government entity located within a federally recognized American Indian reservation;

65.15 (6) for purposes of the police state aid program only, an American Indian tribal
65.16 government with a tribal police department which exercises state arrest powers under
65.17 section 626.90, 626.91, 626.92, or 626.93;

65.18 (7) for purposes of the police state aid program only, the Metropolitan Airports
65.19 Commission; and

65.20 (8) for purposes of the police state aid program only, the Department of Natural
65.21 Resources and the Department of Public Safety with respect to peace officers covered
65.22 under chapter 352B.

65.23 (c) "Minnesota Firetown Premium Report" means a form prescribed by the
65.24 commissioner containing space for reporting by insurers of fire, lightning, sprinkler
65.25 leakage and extended coverage premiums received upon risks located or to be performed
65.26 in this state less return premiums and dividends.

65.27 (d) "Firetown" means the area serviced by any municipality having a qualified fire
65.28 department or a qualified incorporated fire department having a subsidiary volunteer
65.29 firefighters' relief association.

65.30 (e) "Estimated market value" means latest available estimated market value of all
65.31 property in a taxing jurisdiction, whether the property is subject to taxation, or exempt
65.32 from ad valorem taxation obtained from information which appears on abstracts filed with
65.33 the commissioner of revenue or equalized by the State Board of Equalization.

65.34 (f) "Minnesota Aid to Police Premium Report" means a form prescribed by the
65.35 commissioner for reporting by each fire and casualty insurer of all premiums received

66.1 upon direct business received by it in this state, or by its agents for it, in cash or otherwise,
66.2 during the preceding calendar year, with reference to insurance written for insuring against
66.3 the perils contained in auto insurance coverages as reported in the Minnesota business
66.4 schedule of the annual financial statement which each insurer is required to file with
66.5 the commissioner in accordance with the governing laws or rules less return premiums
66.6 and dividends.

66.7 (g) "Peace officer" means any person:

66.8 (1) whose primary source of income derived from wages is from direct employment
66.9 by a municipality or county as a law enforcement officer on a full-time basis of not less
66.10 than 30 hours per week;

66.11 (2) who has been employed for a minimum of six months prior to December 31
66.12 preceding the date of the current year's certification under subdivision 2, clause (b);

66.13 (3) who is sworn to enforce the general criminal laws of the state and local ordinances;

66.14 (4) who is licensed by the Peace Officers Standards and Training Board and is
66.15 authorized to arrest with a warrant; and

66.16 (5) who is a member of the State Patrol retirement plan or the public employees
66.17 police and fire fund.

66.18 (h) "Full-time equivalent number of peace officers providing contract service" means
66.19 the integral or fractional number of peace officers which would be necessary to provide
66.20 the contract service if all peace officers providing service were employed on a full-time
66.21 basis as defined by the employing unit and the municipality receiving the contract service.

66.22 (i) "Retirement benefits other than a service pension" means any disbursement
66.23 authorized under section 424A.05, subdivision 3, clauses (3) and (4).

66.24 (j) "Municipal clerk, municipal clerk-treasurer, or county auditor" means:

66.25 (1) for the police state aid program and police relief association financial reports:

66.26 (i) the person who was elected or appointed to the specified position or, in the
66.27 absence of the person, another person who is designated by the applicable governing body;

66.28 (ii) in a park district, the secretary of the board of park district commissioners;

66.29 (iii) in the case of the University of Minnesota, the official designated by the Board
66.30 of Regents;

66.31 (iv) for the Metropolitan Airports Commission, the person designated by the
66.32 commission;

66.33 (v) for the Department of Natural Resources or the Department of Public Safety, the
66.34 respective commissioner;

67.1 (vi) for a tribal police department which exercises state arrest powers under section
67.2 626.90, 626.91, 626.92, or 626.93, the person designated by the applicable American
67.3 Indian tribal government; and

67.4 (2) for the fire state aid program and fire relief association financial reports, the
67.5 person who was elected or appointed to the specified position, or, for governmental
67.6 entities other than counties, if the governing body of the governmental entity designates
67.7 the position to perform the function, the chief financial official of the governmental entity
67.8 or the chief administrative official of the governmental entity.

67.9 (k) "Voluntary statewide lump-sum volunteer firefighter retirement plan" means the
67.10 retirement plan established by chapter 353G.

67.11 Sec. 4. Minnesota Statutes 2012, section 69.021, subdivision 7, is amended to read:

67.12 Subd. 7. **Apportionment of fire state aid to municipalities and relief associations.**

67.13 (a) The commissioner shall apportion the fire state aid relative to the premiums reported
67.14 on the Minnesota Firetown Premium Reports filed under this chapter to each municipality
67.15 and/or firefighters relief association.

67.16 (b) The commissioner shall calculate an initial fire state aid allocation amount for
67.17 each municipality or fire department under paragraph (c) and a minimum fire state aid
67.18 allocation amount for each municipality or fire department under paragraph (d). The
67.19 municipality or fire department must receive the larger fire state aid amount.

67.20 (c) The initial fire state aid allocation amount is the amount available for
67.21 apportionment as fire state aid under subdivision 5, without inclusion of any additional
67.22 funding amount to support a minimum fire state aid amount under section 423A.02,
67.23 subdivision 3, allocated one-half in proportion to the population as shown in the last official
67.24 statewide federal census for each fire town and one-half in proportion to the estimated
67.25 market value of each fire town, including (1) the estimated market value of tax-exempt
67.26 property and (2) the estimated market value of natural resources lands receiving in lieu
67.27 payments under sections 477A.11 to 477A.14, but excluding the estimated market value
67.28 of minerals. In the case of incorporated or municipal fire departments furnishing fire
67.29 protection to other cities, towns, or townships as evidenced by valid fire service contracts
67.30 filed with the commissioner, the distribution must be adjusted proportionately to take
67.31 into consideration the crossover fire protection service. Necessary adjustments must be
67.32 made to subsequent apportionments. In the case of municipalities or independent fire
67.33 departments qualifying for the aid, the commissioner shall calculate the state aid for the
67.34 municipality or relief association on the basis of the population and the estimated market
67.35 value of the area furnished fire protection service by the fire department as evidenced by

68.1 duly executed and valid fire service agreements filed with the commissioner. If one or
68.2 more fire departments are furnishing contracted fire service to a city, town, or township,
68.3 only the population and estimated market value of the area served by each fire department
68.4 may be considered in calculating the state aid and the fire departments furnishing service
68.5 shall enter into an agreement apportioning among themselves the percent of the population
68.6 and the estimated market value of each service area. The agreement must be in writing
68.7 and must be filed with the commissioner.

68.8 (d) The minimum fire state aid allocation amount is the amount in addition to the
68.9 initial fire state allocation amount that is derived from any additional funding amount
68.10 to support a minimum fire state aid amount under section 423A.02, subdivision 3, and
68.11 allocated to municipalities with volunteer firefighters relief associations or covered by the
68.12 voluntary statewide lump-sum volunteer firefighter retirement plan based on the number
68.13 of active volunteer firefighters who are members of the relief association as reported
68.14 in the annual financial reporting for the calendar year 1993 to the Office of the State
68.15 Auditor, but not to exceed 30 active volunteer firefighters, so that all municipalities or
68.16 fire departments with volunteer firefighters relief associations receive in total at least a
68.17 minimum fire state aid amount per 1993 active volunteer firefighter to a maximum of
68.18 30 firefighters. If a relief association is established after calendar year 1993 and before
68.19 calendar year 2000, the number of active volunteer firefighters who are members of the
68.20 relief association as reported in the annual financial reporting for calendar year 1998
68.21 to the Office of the State Auditor, but not to exceed 30 active volunteer firefighters,
68.22 shall be used in this determination. If a relief association is established after calendar
68.23 year 1999, the number of active volunteer firefighters who are members of the relief
68.24 association as reported in the first annual financial reporting submitted to the Office of
68.25 the State Auditor, but not to exceed 20 active volunteer firefighters, must be used in this
68.26 determination. If a relief association is terminated as a result of providing retirement
68.27 coverage for volunteer firefighters by the voluntary statewide lump-sum volunteer
68.28 firefighter retirement plan under chapter 353G, the number of active volunteer firefighters
68.29 of the municipality covered by the statewide plan as certified by the executive director of
68.30 the Public Employees Retirement Association to the commissioner and the state auditor,
68.31 but not to exceed 30 active firefighters, must be used in this determination.

68.32 (e) Unless the firefighters of the applicable fire department are members of the
68.33 voluntary statewide lump-sum volunteer firefighter retirement plan, the fire state aid must
68.34 be paid to the treasurer of the municipality where the fire department is located and the
68.35 treasurer of the municipality shall, within 30 days of receipt of the fire state aid, transmit
68.36 the aid to the relief association if the relief association has filed a financial report with the

69.1 treasurer of the municipality and has met all other statutory provisions pertaining to the
69.2 aid apportionment. If the firefighters of the applicable fire department are members of
69.3 the voluntary statewide lump-sum volunteer firefighter retirement plan, the fire state aid
69.4 must be paid to the executive director of the Public Employees Retirement Association
69.5 and deposited in the voluntary statewide lump-sum volunteer firefighter retirement fund.

69.6 (f) The commissioner may make rules to permit the administration of the provisions
69.7 of this section.

69.8 (g) Any adjustments needed to correct prior misallocations must be made to
69.9 subsequent apportionments.

69.10 Sec. 5. Minnesota Statutes 2012, section 69.021, subdivision 8, is amended to read:

69.11 Subd. 8. **Population and estimated market value.** (a) In computations relating to
69.12 fire state aid requiring the use of population figures, only official statewide federal census
69.13 figures are to be used. Increases or decreases in population disclosed by reason of any
69.14 special census must not be taken into consideration.

69.15 (b) In calculations relating to fire state aid requiring the use of estimated market
69.16 value property figures, only the latest available estimated market value property figures
69.17 may be used.

69.18 Sec. 6. Minnesota Statutes 2012, section 88.51, subdivision 3, is amended to read:

69.19 Subd. 3. **Determination of estimated market value.** In determining the net tax
69.20 capacity of property within any taxing district the value of the surface of lands within any
69.21 auxiliary forest therein, as determined by the county board under the provisions of section
69.22 88.48, subdivision 3, shall, for all purposes except the levying of taxes on lands within any
69.23 such forest, be deemed the estimated market value thereof.

69.24 Sec. 7. Minnesota Statutes 2012, section 103B.245, subdivision 3, is amended to read:

69.25 Subd. 3. **Tax.** After adoption of the ordinance under subdivision 2, a local
69.26 government unit may annually levy a tax on all taxable property in the district for the
69.27 purposes for which the tax district is established. The tax may not exceed 0.02418 percent
69.28 of estimated market value on taxable property located in rural towns other than urban
69.29 towns, unless allowed by resolution of the town electors. The proceeds of the tax shall
69.30 be paid into a fund reserved for these purposes. Any proceeds remaining in the reserve
69.31 fund at the time the tax is terminated or the district is dissolved shall be transferred and
69.32 irrevocably pledged to the debt service fund of the local unit to be used solely to reduce
69.33 tax levies for bonded indebtedness of taxable property in the district.

70.1 Sec. 8. Minnesota Statutes 2012, section 103B.251, subdivision 8, is amended to read:

70.2 Subd. 8. **Tax.** (a) For the payment of principal and interest on the bonds issued
70.3 under subdivision 7 and the payment required under subdivision 6, the county shall
70.4 irrevocably pledge and appropriate the proceeds of a tax levied on all taxable property
70.5 located within the territory of the watershed management organization or subwatershed
70.6 unit for which the bonds are issued. Each year until the reserve for payment of the bonds
70.7 is sufficient to retire the bonds, the county shall levy on all taxable property in the territory
70.8 of the organization or unit, without respect to any statutory or other limitation on taxes, an
70.9 amount of taxes sufficient to pay principal and interest on the bonds and to restore any
70.10 deficiencies in reserves required to be maintained for payment of the bonds.

70.11 (b) The tax levied on rural towns other than urban towns may not exceed 0.02418
70.12 percent of ~~taxable~~ estimated market value, unless approved by resolution of the town
70.13 electors.

70.14 (c) If at any time the amounts available from the levy on property in the territory of
70.15 the organization are insufficient to pay principal and interest on the bonds when due, the
70.16 county shall make payment from any available funds in the county treasury.

70.17 (d) The amount of any taxes which are required to be levied outside of the territory
70.18 of the watershed management organization or unit or taken from the general funds of the
70.19 county to pay principal or interest on the bonds shall be reimbursed to the county from
70.20 taxes levied within the territory of the watershed management organization or unit.

70.21 Sec. 9. Minnesota Statutes 2012, section 103B.635, subdivision 2, is amended to read:

70.22 Subd. 2. **Municipal funding of district.** (a) The governing body or board of
70.23 supervisors of each municipality in the district must provide the funds necessary to meet
70.24 its proportion of the total cost determined by the board, provided the total funding from
70.25 all municipalities in the district for the costs shall not exceed an amount equal to .00242
70.26 percent of the total ~~taxable~~ estimated market value within the district, unless three-fourths
70.27 of the municipalities in the district pass a resolution concurring to the additional costs.

70.28 (b) The funds must be deposited in the treasury of the district in amounts and at
70.29 times as the treasurer of the district requires.

70.30 Sec. 10. Minnesota Statutes 2012, section 103B.691, subdivision 2, is amended to read:

70.31 Subd. 2. **Municipal funding of district.** (a) The governing body or board of
70.32 supervisors of each municipality in the district shall provide the funds necessary to meet its
70.33 proportion of the total cost to be borne by the municipalities as finally certified by the board.

71.1 (b) The municipality's funds may be raised by any means within the authority of
71.2 the municipality. The municipalities may each levy a tax not to exceed .02418 percent of
71.3 ~~taxable~~ estimated market value on the taxable property located in the district to provide
71.4 the funds. The levy shall be within all other limitations provided by law.

71.5 (c) The funds must be deposited into the treasury of the district in amounts and at
71.6 times as the treasurer of the district requires.

71.7 Sec. 11. Minnesota Statutes 2012, section 103D.905, subdivision 2, is amended to read:

71.8 Subd. 2. **Organizational expense fund.** (a) An organizational expense fund,
71.9 consisting of an ad valorem tax levy, shall not exceed 0.01596 percent of ~~taxable~~ estimated
71.10 market value, or \$60,000, whichever is less. The money in the fund shall be used for
71.11 organizational expenses and preparation of the watershed management plan for projects.

71.12 (b) The managers may borrow from the affected counties up to 75 percent of the
71.13 anticipated funds to be collected from the organizational expense fund levy and the
71.14 counties affected may make the advancements.

71.15 (c) The advancement of anticipated funds shall be apportioned among affected
71.16 counties in the same ratio as the net tax capacity of the area of the counties within
71.17 the watershed district bears to the net tax capacity of the entire watershed district. If a
71.18 watershed district is enlarged, an organizational expense fund may be levied against the
71.19 area added to the watershed district in the same manner as provided in this subdivision.

71.20 (d) Unexpended funds collected for the organizational expense may be transferred to
71.21 the administrative fund and used for the purposes of the administrative fund.

71.22 Sec. 12. Minnesota Statutes 2012, section 103D.905, subdivision 3, is amended to read:

71.23 Subd. 3. **General fund.** A general fund, consisting of an ad valorem tax levy, may
71.24 not exceed 0.048 percent of ~~taxable~~ estimated market value, or \$250,000, whichever is
71.25 less. The money in the fund shall be used for general administrative expenses and for
71.26 the construction or implementation and maintenance of projects of common benefit to
71.27 the watershed district. The managers may make an annual levy for the general fund as
71.28 provided in section 103D.911. In addition to the annual general levy, the managers may
71.29 annually levy a tax not to exceed 0.00798 percent of ~~taxable~~ estimated market value
71.30 for a period not to exceed 15 consecutive years to pay the cost attributable to the basic
71.31 water management features of projects initiated by petition of a political subdivision
71.32 within the watershed district or by petition of at least 50 resident owners whose property
71.33 is within the watershed district.

72.1 Sec. 13. Minnesota Statutes 2012, section 103D.905, subdivision 8, is amended to read:

72.2 Subd. 8. **Survey and data acquisition fund.** (a) A survey and data acquisition fund
72.3 is established and used only if other funds are not available to the watershed district to pay
72.4 for making necessary surveys and acquiring data.

72.5 (b) The survey and data acquisition fund consists of the proceeds of a property tax
72.6 that can be levied only once every five years. The levy may not exceed 0.02418 percent of
72.7 ~~taxable~~ estimated market value.

72.8 (c) The balance of the survey and data acquisition fund may not exceed \$50,000.

72.9 (d) In a subsequent proceeding for a project where a survey has been made, the
72.10 attributable cost of the survey as determined by the managers shall be included as a part of
72.11 the cost of the work and the sum shall be repaid to the survey and data acquisition fund.

72.12 Sec. 14. Minnesota Statutes 2012, section 117.025, subdivision 7, is amended to read:

72.13 Subd. 7. **Structurally substandard.** "Structurally substandard" means a building:

72.14 (1) that was inspected by the appropriate local government and cited for one or more
72.15 enforceable housing, maintenance, or building code violations;

72.16 (2) in which the cited building code violations involve one or more of the following:

72.17 (i) a roof and roof framing element;

72.18 (ii) support walls, beams, and headers;

72.19 (iii) foundation, footings, and subgrade conditions;

72.20 (iv) light and ventilation;

72.21 (v) fire protection, including egress;

72.22 (vi) internal utilities, including electricity, gas, and water;

72.23 (vii) flooring and flooring elements; or

72.24 (viii) walls, insulation, and exterior envelope;

72.25 (3) in which the cited housing, maintenance, or building code violations have not
72.26 been remedied after two notices to cure the noncompliance; and

72.27 (4) has uncured housing, maintenance, and building code violations, satisfaction of
72.28 which would cost more than 50 percent of the ~~assessor's taxable~~ estimated market value
72.29 for the building, excluding land value, as determined under section 273.11 for property
72.30 taxes payable in the year in which the condemnation is commenced.

72.31 A local government is authorized to seek from a judge or magistrate an administrative
72.32 warrant to gain access to inspect a specific building in a proposed development or
72.33 redevelopment area upon showing of probable cause that a specific code violation has
72.34 occurred and that the violation has not been cured, and that the owner has denied the local
72.35 government access to the property. Items of evidence that may support a conclusion of

73.1 probable cause may include recent fire or police inspections, housing inspection, exterior
73.2 evidence of deterioration, or other similar reliable evidence of deterioration in the specific
73.3 building.

73.4 Sec. 15. Minnesota Statutes 2012, section 127A.48, subdivision 1, is amended to read:

73.5 Subdivision 1. **Computation.** The Department of Revenue must annually conduct
73.6 an assessment/sales ratio study of the taxable property in each county, city, town, and
73.7 school district in accordance with the procedures in subdivisions 2 and 3. Based upon the
73.8 results of this assessment/sales ratio study, the Department of Revenue must determine an
73.9 ~~aggregate~~ equalized net tax capacity for the various classes of taxable property in each
73.10 taxing district, the aggregate of which tax capacity shall be is designated as the adjusted net
73.11 tax capacity. The adjusted net tax capacity must be reduced by the captured tax capacity of
73.12 tax increment districts under section 469.177, subdivision 2, fiscal disparities contribution
73.13 tax capacities under sections 276A.06 and 473F.08, and the tax capacity of transmission
73.14 lines required to be subtracted from the local tax base under section 273.425; and increased
73.15 by fiscal disparities distribution tax capacities under sections 276A.06 and 473F.08. The
73.16 adjusted net tax capacities shall be determined using the net tax capacity percentages in
73.17 effect for the assessment year following the assessment year of the study. The Department
73.18 of Revenue must make whatever estimates are necessary to account for changes in the
73.19 classification system. The Department of Revenue may incur the expense necessary to
73.20 make the determinations. The commissioner of revenue may reimburse any county or
73.21 governmental official for requested services performed in ascertaining the adjusted net tax
73.22 capacity. On or before March 15 annually, the Department of Revenue shall file with the
73.23 chair of the Tax Committee of the house of representatives and the chair of the Committee
73.24 on Taxes and Tax laws of the senate a report of adjusted net tax capacities for school
73.25 districts. On or before June 15 annually, the Department of Revenue shall file its final report
73.26 on the adjusted net tax capacities for school districts established by the previous year's
73.27 assessments and the current year's net tax capacity percentages with the commissioner of
73.28 education and each county auditor for those school districts for which the auditor has the
73.29 responsibility for determination of local tax rates. A copy of the report so filed shall be
73.30 mailed to the clerk of each school district involved and to the county assessor or supervisor
73.31 of assessments of the county or counties in which each school district is located.

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

74.1 Sec. 16. Minnesota Statutes 2012, section 138.053, is amended to read:

74.2 **138.053 COUNTY HISTORICAL SOCIETY; TAX LEVY; CITIES OR**
74.3 **TOWNS.**

74.4 The governing body of any home rule charter or statutory city or town may annually
74.5 appropriate from its general fund an amount not to exceed 0.02418 percent of ~~taxable~~
74.6 estimated market value, derived from ad valorem taxes on property or other revenues, to
74.7 be paid to the historical society of its respective county to be used for the promotion of
74.8 historical work and to aid in defraying the expenses of carrying on the historical work in the
74.9 county. No city or town may appropriate any funds for the benefit of any historical society
74.10 unless the society is affiliated with and approved by the Minnesota Historical Society.

74.11 Sec. 17. Minnesota Statutes 2012, section 144F.01, subdivision 4, is amended to read:

74.12 Subd. 4. **Property tax levy authority.** The district's board may levy a tax on the
74.13 taxable real and personal property in the district. The ad valorem tax levy may not exceed
74.14 0.048 percent of the ~~taxable~~ estimated market value of the district or \$400,000, whichever
74.15 is less. The proceeds of the levy must be used as provided in subdivision 5. The board shall
74.16 certify the levy at the times as provided under section 275.07. The board shall provide the
74.17 county with whatever information is necessary to identify the property that is located within
74.18 the district. If the boundaries include a part of a parcel, the entire parcel shall be included
74.19 in the district. The county auditors must spread, collect, and distribute the proceeds of the
74.20 tax at the same time and in the same manner as provided by law for all other property taxes.

74.21 Sec. 18. Minnesota Statutes 2012, section 162.07, subdivision 3, is amended to read:

74.22 Subd. 3. **Computation for rural counties.** An amount equal to a levy of 0.01596
74.23 percent on each rural county's total ~~taxable~~ estimated market value for the last preceding
74.24 calendar year shall be computed and shall be subtracted from the county's total estimated
74.25 construction costs. The result thereof shall be the money needs of the county. For the
74.26 purpose of this section, "rural counties" means all counties having a population of less
74.27 than 175,000.

74.28 Sec. 19. Minnesota Statutes 2012, section 162.07, subdivision 4, is amended to read:

74.29 Subd. 4. **Computation for urban counties.** An amount equal to a levy of 0.00967
74.30 percent on each urban county's total ~~taxable~~ estimated market value for the last preceding
74.31 calendar year shall be computed and shall be subtracted from the county's total estimated
74.32 construction costs. The result thereof shall be the money needs of the county. For

75.1 the purpose of this section, "urban counties" means all counties having a population
75.2 of 175,000 or more.

75.3 Sec. 20. Minnesota Statutes 2012, section 163.04, subdivision 3, is amended to read:

75.4 Subd. 3. **Bridges within certain cities.** When the council of any statutory city or
75.5 city of the third or fourth class may determine that it is necessary to build or improve any
75.6 bridge or bridges, including approaches thereto, and any dam or retaining works connected
75.7 therewith, upon or forming a part of streets or highways either wholly or partly within
75.8 its limits, the county board shall appropriate one-half of the money as may be necessary
75.9 therefor from the county road and bridge fund, not exceeding during any year one-half
75.10 the amount of taxes paid into the county road and bridge fund during the preceding year,
75.11 on property within the corporate limits of the city. The appropriation shall be made upon
75.12 the petition of the council, which petition shall be filed by the council with the county
75.13 board prior to the fixing by the board of the annual county tax levy. The county board
75.14 shall determine the plans and specifications, shall let all necessary contracts, shall have
75.15 charge of construction, and upon its request, warrants in payment thereof shall be issued
75.16 by the county auditor, from time to time, as the construction work proceeds. Any unpaid
75.17 balance may be paid or advanced by the city. On petition of the council, the appropriations
75.18 of the county board, during not to exceed three successive years, may be made to apply
75.19 on the construction of the same items and to repay any money advanced by the city in
75.20 the construction thereof. None of the provisions of this section shall be construed to
75.21 be mandatory as applied to any city whose estimated market value exceeds \$2,100 per
75.22 capita of its population.

75.23 Sec. 21. Minnesota Statutes 2012, section 163.06, subdivision 6, is amended to read:

75.24 Subd. 6. **Expenditure in certain counties.** In any county having not less than 95
75.25 nor more than 105 full and fractional townships, and having a an estimated market value
75.26 of not less than \$12,000,000 nor more than \$21,000,000, ~~exclusive of money and credits,~~
75.27 the county board, by resolution, may expend the funds provided in subdivision 4 in any
75.28 ~~organized or unorganized township~~ town or unorganized territory or portion thereof in
75.29 such county.

75.30 Sec. 22. Minnesota Statutes 2012, section 165.10, subdivision 1, is amended to read:

75.31 Subdivision 1. **Certain counties may issue and sell.** The county board of any
75.32 county having no outstanding road and bridge bonds may issue and sell county road bonds
75.33 in an amount not exceeding 0.12089 percent of the estimated market value of the taxable

76.1 property within the county ~~exclusive of money and credits~~, for the purpose of constructing,
 76.2 reconstructing, improving, or maintaining any bridge or bridges on any highway under its
 76.3 jurisdiction, without submitting the matter to a vote of the electors of the county.

76.4 Sec. 23. Minnesota Statutes 2012, section 272.03, is amended by adding a subdivision
 76.5 to read:

76.6 Subd. 14. **Estimated market value.** "Estimated market value" means the assessor's
 76.7 determination of market value, including the effects of any orders made under section
 76.8 270.12 or chapter 274, for the parcel. The provisions of section 273.032 apply for certain
 76.9 uses in determining the total estimated market value for the taxing jurisdiction.

76.10 Sec. 24. Minnesota Statutes 2012, section 272.03, is amended by adding a subdivision
 76.11 to read:

76.12 Subd. 15. **Taxable market value.** "Taxable market value" means estimated market
 76.13 value for the parcel as reduced by market value exclusions, deferrals of value, or other
 76.14 adjustments required by law, that reduce market value before the application of class rates.

76.15 Sec. 25. Minnesota Statutes 2012, section 273.032, is amended to read:

76.16 **273.032 MARKET VALUE DEFINITION.**

76.17 (a) Unless otherwise provided, for the purpose of determining any property tax
 76.18 levy limitation based on market value or any limit on net debt, the issuance of bonds,
 76.19 certificates of indebtedness, or capital notes based on market value, any qualification to
 76.20 receive state aid based on market value, or any state aid amount based on market value, the
 76.21 terms "market value," "taxable estimated market value," and "market valuation," whether
 76.22 equalized or unequalized, mean the total taxable estimated market value of taxable property
 76.23 within the local unit of government before any of the following or similar adjustments for:

76.24 (1) the market value exclusions under:

76.25 (i) section 273.11, subdivisions 14a and 14c (vacant platted land);

76.26 (ii) section 273.11, subdivision 16 (certain improvements to homestead property);

76.27 (iii) section 273.11, subdivisions 19 and 20 (certain improvements to business
 76.28 properties);

76.29 (iv) section 273.11, subdivision 21 (homestead property damaged by mold);

76.30 (v) section 273.11, subdivision 22 (qualifying lead hazardous reduction projects);

76.31 (vi) section 273.13, subdivision 34 (homestead of a disabled veteran or family
 76.32 caregiver);

76.33 (vii) section 273.13, subdivision 35 (homestead market value exclusion); or

77.1 (2) the deferment of value under:

77.2 (i) the Minnesota Agricultural Property Tax Law, section 273.111;

77.3 (ii) the Aggregate Resource Preservation Law, section 273.1115;

77.4 (iii) the Minnesota Open Space Property Tax Law, section 273.112;

77.5 (iv) the rural preserves property tax program, section 273.114; or

77.6 (v) the Metropolitan Agricultural Preserves Act, section 473H.10; or

77.7 (3) the adjustments to tax capacity for:

77.8 (i) tax increment; financing under sections 469.174 to 469.1794;

77.9 (ii) fiscal disparity; disparities under chapter 276A or 473F; or

77.10 (iii) powerline credit, or wind energy values, but after the limited market adjustments
 77.11 under section 273.11, subdivision 1a, and after the market value exclusions of certain
 77.12 improvements to homestead property under section 273.11, subdivision 16 under section
 77.13 273.425.

77.14 (b) Estimated market value under paragraph (a) also includes the market value
 77.15 of tax-exempt property if the applicable law specifically provides that the limitation,
 77.16 qualification, or aid calculation includes tax-exempt property.

77.17 (c) Unless otherwise provided, "market value," "taxable estimated market value,"
 77.18 and "market valuation" for purposes of this paragraph property tax levy limitations and
 77.19 calculation of state aid, refer to the taxable estimated market value for the previous
 77.20 assessment year and for purposes of limits on net debt, the issuance of bonds, certificates of
 77.21 indebtedness, or capital notes refer to the estimated market value as last finally equalized.

77.22 For the purpose of determining any net debt limit based on market value, or any limit
 77.23 on the issuance of bonds, certificates of indebtedness, or capital notes based on market
 77.24 value, the terms "market value," "taxable market value," and "market valuation," whether
 77.25 equalized or unequalized, mean the total taxable market value of property within the local
 77.26 unit of government before any adjustments for tax increment, fiscal disparity, powerline
 77.27 credit, or wind energy values, but after the limited market value adjustments under section
 77.28 273.11, subdivision 1a, and after the market value exclusions of certain improvements to
 77.29 homestead property under section 273.11, subdivision 16. Unless otherwise provided,
 77.30 "market value," "taxable market value," and "market valuation" for purposes of this
 77.31 paragraph, mean the taxable market value as last finally equalized.

77.32 (d) For purposes of a provision of a home rule charter or of any special law that is not
 77.33 codified in the statutes and that imposes a levy limitation based on market value or any limit
 77.34 on debt, the issuance of bonds, certificates of indebtedness, or capital notes based on market
 77.35 value, the terms "market value," "taxable market value," and "market valuation," whether
 77.36 equalized or unequalized, mean "estimated market value" as defined in paragraph (a).

78.1 Sec. 26. Minnesota Statutes 2012, section 273.11, subdivision 1, is amended to read:

78.2 Subdivision 1. **Generally.** Except as provided in this section or section 273.17,
78.3 subdivision 1, all property shall be valued at its market value. The market value as
78.4 determined pursuant to this section shall be stated such that any amount under \$100 is
78.5 rounded up to \$100 and any amount exceeding \$100 shall be rounded to the nearest \$100.
78.6 In estimating and determining such value, the assessor shall not adopt a lower or different
78.7 standard of value because the same is to serve as a basis of taxation, nor shall the assessor
78.8 adopt as a criterion of value the price for which such property would sell at a forced sale,
78.9 or in the aggregate with all the property in the town or district; but the assessor shall value
78.10 each article or description of property by itself, and at such sum or price as the assessor
78.11 believes the same to be fairly worth in money. The assessor shall take into account the
78.12 effect on the market value of property of environmental factors in the vicinity of the
78.13 property. In assessing any tract or lot of real property, the value of the land, exclusive of
78.14 structures and improvements, shall be determined, and also the value of all structures and
78.15 improvements thereon, and the aggregate value of the property, including all structures
78.16 and improvements, excluding the value of crops growing upon cultivated land. In valuing
78.17 real property upon which there is a mine or quarry, it shall be valued at such price as such
78.18 property, including the mine or quarry, would sell for at a fair, voluntary sale, for cash,
78.19 if the material being mined or quarried is not subject to taxation under section 298.015
78.20 and the mine or quarry is not exempt from the general property tax under section 298.25.
78.21 In valuing real property which is vacant, platted property shall be assessed as provided
78.22 in ~~subdivision 14~~ subdivisions 14a and 14c. All property, or the use thereof, which is
78.23 taxable under section 272.01, subdivision 2, or 273.19, shall be valued at the market
78.24 value of such property and not at the value of a leasehold estate in such property, or at
78.25 some lesser value than its market value.

78.26 Sec. 27. Minnesota Statutes 2012, section 273.124, subdivision 3a, is amended to read:

78.27 Subd. 3a. **Manufactured home park cooperative.** (a) When a manufactured home
78.28 park is owned by a corporation or association organized under chapter 308A or 308B,
78.29 and each person who owns a share or shares in the corporation or association is entitled
78.30 to occupy a lot within the park, the corporation or association may claim homestead
78.31 treatment for the park. Each lot must be designated by legal description or number, and
78.32 each lot is limited to not more than one-half acre of land.

78.33 (b) The manufactured home park shall be entitled to homestead treatment if all
78.34 of the following criteria are met:

79.1 (1) the occupant or the cooperative corporation or association is paying the ad
 79.2 valorem property taxes and any special assessments levied against the land and structure
 79.3 either directly, or indirectly through dues to the corporation or association; and

79.4 (2) the corporation or association organized under chapter 308A or 308B is wholly
 79.5 owned by persons having a right to occupy a lot owned by the corporation or association.

79.6 (c) A charitable corporation, organized under the laws of Minnesota with no
 79.7 outstanding stock, and granted a ruling by the Internal Revenue Service for 501(c)(3)
 79.8 tax-exempt status, qualifies for homestead treatment with respect to a manufactured home
 79.9 park if its members hold residential participation warrants entitling them to occupy a lot
 79.10 in the manufactured home park.

79.11 (d) "Homestead treatment" under this subdivision means the class rate provided for
 79.12 class 4c property classified under section 273.13, subdivision 25, paragraph (d), clause (5),
 79.13 item (ii). The homestead market value ~~credit exclusion~~ exclusion under section ~~273.1384~~ 273.13,
 79.14 subdivision 35, does not apply and the property taxes assessed against the park shall not
 79.15 be included in the determination of taxes payable for rent paid under section 290A.03.

79.16 **EFFECTIVE DATE.** This section is effective for taxes payable in 2013 and
 79.17 thereafter.

79.18 Sec. 28. Minnesota Statutes 2012, section 273.124, subdivision 13, is amended to read:

79.19 Subd. 13. **Homestead application.** (a) A person who meets the homestead
 79.20 requirements under subdivision 1 must file a homestead application with the county
 79.21 assessor to initially obtain homestead classification.

79.22 (b) The format and contents of a uniform homestead application shall be prescribed
 79.23 by the commissioner of revenue. The application must clearly inform the taxpayer that
 79.24 this application must be signed by all owners who occupy the property or by the qualifying
 79.25 relative and returned to the county assessor in order for the property to receive homestead
 79.26 treatment.

79.27 (c) Every property owner applying for homestead classification must furnish to the
 79.28 county assessor the Social Security number of each occupant who is listed as an owner
 79.29 of the property on the deed of record, the name and address of each owner who does not
 79.30 occupy the property, and the name and Social Security number of each owner's spouse who
 79.31 occupies the property. The application must be signed by each owner who occupies the
 79.32 property and by each owner's spouse who occupies the property, or, in the case of property
 79.33 that qualifies as a homestead under subdivision 1, paragraph (c), by the qualifying relative.

79.34 If a property owner occupies a homestead, the property owner's spouse may not
 79.35 claim another property as a homestead unless the property owner and the property owner's

80.1 spouse file with the assessor an affidavit or other proof required by the assessor stating that
80.2 the property qualifies as a homestead under subdivision 1, paragraph (e).

80.3 Owners or spouses occupying residences owned by their spouses and previously
80.4 occupied with the other spouse, either of whom fail to include the other spouse's name
80.5 and Social Security number on the homestead application or provide the affidavits or
80.6 other proof requested, will be deemed to have elected to receive only partial homestead
80.7 treatment of their residence. The remainder of the residence will be classified as
80.8 nonhomestead residential. When an owner or spouse's name and Social Security number
80.9 appear on homestead applications for two separate residences and only one application is
80.10 signed, the owner or spouse will be deemed to have elected to homestead the residence for
80.11 which the application was signed.

80.12 The Social Security numbers, state or federal tax returns or tax return information,
80.13 including the federal income tax schedule F required by this section, or affidavits or other
80.14 proofs of the property owners and spouses submitted under this or another section to
80.15 support a claim for a property tax homestead classification are private data on individuals as
80.16 defined by section 13.02, subdivision 12, but, notwithstanding that section, the private data
80.17 may be disclosed to the commissioner of revenue, or, for purposes of proceeding under the
80.18 Revenue Recapture Act to recover personal property taxes owing, to the county treasurer.

80.19 (d) If residential real estate is occupied and used for purposes of a homestead by a
80.20 relative of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in
80.21 order for the property to receive homestead status, a homestead application must be filed
80.22 with the assessor. The Social Security number of each relative and spouse of a relative
80.23 occupying the property shall be required on the homestead application filed under this
80.24 subdivision. If a different relative of the owner subsequently occupies the property, the
80.25 owner of the property must notify the assessor within 30 days of the change in occupancy.
80.26 The Social Security number of a relative or relative's spouse occupying the property
80.27 is private data on individuals as defined by section 13.02, subdivision 12, but may be
80.28 disclosed to the commissioner of revenue, or, for the purposes of proceeding under the
80.29 Revenue Recapture Act to recover personal property taxes owing, to the county treasurer.

80.30 (e) The homestead application shall also notify the property owners that the
80.31 application filed under this section will not be mailed annually and that if the property
80.32 is granted homestead status for any assessment year, that same property shall remain
80.33 classified as homestead until the property is sold or transferred to another person, or
80.34 the owners, the spouse of the owner, or the relatives no longer use the property as their
80.35 homestead. Upon the sale or transfer of the homestead property, a certificate of value must
80.36 be timely filed with the county auditor as provided under section 272.115. Failure to

81.1 notify the assessor within 30 days that the property has been sold, transferred, or that the
81.2 owner, the spouse of the owner, or the relative is no longer occupying the property as a
81.3 homestead, shall result in the penalty provided under this subdivision and the property
81.4 will lose its current homestead status.

81.5 (f) If the homestead application is not returned within 30 days, the county will send a
81.6 second application to the present owners of record. The notice of proposed property taxes
81.7 prepared under section 275.065, subdivision 3, shall reflect the property's classification. If
81.8 a homestead application has not been filed with the county by December 15, the assessor
81.9 shall classify the property as nonhomestead for the current assessment year for taxes
81.10 payable in the following year, provided that the owner may be entitled to receive the
81.11 homestead classification by proper application under section 375.192.

81.12 (g) At the request of the commissioner, each county must give the commissioner a
81.13 list that includes the name and Social Security number of each occupant of homestead
81.14 property who is the property owner, property owner's spouse, qualifying relative of a
81.15 property owner, or a spouse of a qualifying relative. The commissioner shall use the
81.16 information provided on the lists as appropriate under the law, including for the detection
81.17 of improper claims by owners, or relatives of owners, under chapter 290A.

81.18 (h) If the commissioner finds that a property owner may be claiming a fraudulent
81.19 homestead, the commissioner shall notify the appropriate counties. Within 90 days of
81.20 the notification, the county assessor shall investigate to determine if the homestead
81.21 classification was properly claimed. If the property owner does not qualify, the county
81.22 assessor shall notify the county auditor who will determine the amount of homestead
81.23 benefits that had been improperly allowed. For the purpose of this section, "homestead
81.24 benefits" means the tax reduction resulting from the classification as a homestead and the
81.25 homestead market value exclusion under section 273.13, the taconite homestead credit
81.26 under section 273.135, the ~~residential homestead~~ and agricultural homestead ~~credits~~ credit
81.27 under section 273.1384, and the supplemental homestead credit under section 273.1391.

81.28 The county auditor shall send a notice to the person who owned the affected property
81.29 at the time the homestead application related to the improper homestead was filed,
81.30 demanding reimbursement of the homestead benefits plus a penalty equal to 100 percent
81.31 of the homestead benefits. The person notified may appeal the county's determination
81.32 by serving copies of a petition for review with county officials as provided in section
81.33 278.01 and filing proof of service as provided in section 278.01 with the Minnesota Tax
81.34 Court within 60 days of the date of the notice from the county. Procedurally, the appeal
81.35 is governed by the provisions in chapter 271 which apply to the appeal of a property tax
81.36 assessment or levy, but without requiring any prepayment of the amount in controversy. If

82.1 the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal
82.2 has been filed, the county auditor shall certify the amount of taxes and penalty to the county
82.3 treasurer. The county treasurer will add interest to the unpaid homestead benefits and
82.4 penalty amounts at the rate provided in section 279.03 for real property taxes becoming
82.5 delinquent in the calendar year during which the amount remains unpaid. Interest may be
82.6 assessed for the period beginning 60 days after demand for payment was made.

82.7 If the person notified is the current owner of the property, the treasurer may add the
82.8 total amount of homestead benefits, penalty, interest, and costs to the ad valorem taxes
82.9 otherwise payable on the property by including the amounts on the property tax statements
82.10 under section 276.04, subdivision 3. The amounts added under this paragraph to the ad
82.11 valorem taxes shall include interest accrued through December 31 of the year preceding
82.12 the taxes payable year for which the amounts are first added. These amounts, when added
82.13 to the property tax statement, become subject to all the laws for the enforcement of real or
82.14 personal property taxes for that year, and for any subsequent year.

82.15 If the person notified is not the current owner of the property, the treasurer may
82.16 collect the amounts due under the Revenue Recapture Act in chapter 270A, or use any of
82.17 the powers granted in sections 277.20 and 277.21 without exclusion, to enforce payment
82.18 of the homestead benefits, penalty, interest, and costs, as if those amounts were delinquent
82.19 tax obligations of the person who owned the property at the time the application related to
82.20 the improperly allowed homestead was filed. The treasurer may relieve a prior owner of
82.21 personal liability for the homestead benefits, penalty, interest, and costs, and instead extend
82.22 those amounts on the tax lists against the property as provided in this paragraph to the extent
82.23 that the current owner agrees in writing. On all demands, billings, property tax statements,
82.24 and related correspondence, the county must list and state separately the amounts of
82.25 homestead benefits, penalty, interest and costs being demanded, billed or assessed.

82.26 (i) Any amount of homestead benefits recovered by the county from the property
82.27 owner shall be distributed to the county, city or town, and school district where the
82.28 property is located in the same proportion that each taxing district's levy was to the total
82.29 of the three taxing districts' levy for the current year. Any amount recovered attributable
82.30 to taconite homestead credit shall be transmitted to the St. Louis County auditor to be
82.31 deposited in the taconite property tax relief account. Any amount recovered that is
82.32 attributable to supplemental homestead credit is to be transmitted to the commissioner of
82.33 revenue for deposit in the general fund of the state treasury. The total amount of penalty
82.34 collected must be deposited in the county general fund.

82.35 (j) If a property owner has applied for more than one homestead and the county
82.36 assessors cannot determine which property should be classified as homestead, the county

83.1 assessors will refer the information to the commissioner. The commissioner shall make
83.2 the determination and notify the counties within 60 days.

83.3 (k) In addition to lists of homestead properties, the commissioner may ask the
83.4 counties to furnish lists of all properties and the record owners. The Social Security
83.5 numbers and federal identification numbers that are maintained by a county or city
83.6 assessor for property tax administration purposes, and that may appear on the lists retain
83.7 their classification as private or nonpublic data; but may be viewed, accessed, and used by
83.8 the county auditor or treasurer of the same county for the limited purpose of assisting the
83.9 commissioner in the preparation of microdata samples under section 270C.12.

83.10 (l) On or before April 30 each year beginning in 2007, each county must provide the
83.11 commissioner with the following data for each parcel of homestead property by electronic
83.12 means as defined in section 289A.02, subdivision 8:

83.13 (i) the property identification number assigned to the parcel for purposes of taxes
83.14 payable in the current year;

83.15 (ii) the name and Social Security number of each occupant of homestead property
83.16 who is the property owner, property owner's spouse, qualifying relative of a property
83.17 owner, or spouse of a qualifying relative;

83.18 (iii) the classification of the property under section 273.13 for taxes payable in the
83.19 current year and in the prior year;

83.20 (iv) an indication of whether the property was classified as a homestead for taxes
83.21 payable in the current year because of occupancy by a relative of the owner or by a
83.22 spouse of a relative;

83.23 (v) the property taxes payable as defined in section 290A.03, subdivision 13, for the
83.24 current year and the prior year;

83.25 (vi) the market value of improvements to the property first assessed for tax purposes
83.26 for taxes payable in the current year;

83.27 (vii) the assessor's estimated market value assigned to the property for taxes payable
83.28 in the current year and the prior year;

83.29 (viii) the taxable market value assigned to the property for taxes payable in the
83.30 current year and the prior year;

83.31 (ix) whether there are delinquent property taxes owing on the homestead;

83.32 (x) the unique taxing district in which the property is located; and

83.33 (xi) such other information as the commissioner decides is necessary.

83.34 The commissioner shall use the information provided on the lists as appropriate
83.35 under the law, including for the detection of improper claims by owners, or relatives
83.36 of owners, under chapter 290A.

84.1 **EFFECTIVE DATE.** This section is effective for taxes payable in 2013 and
84.2 thereafter.

84.3 Sec. 29. Minnesota Statutes 2012, section 273.13, subdivision 21b, is amended to read:

84.4 Subd. 21b. **Net tax capacity.** ~~(a) Gross tax capacity means the product of the~~
84.5 ~~appropriate gross class rates in this section and market values.~~

84.6 ~~(b)~~ Net tax capacity means the product of the appropriate net class rates in this
84.7 section and taxable market values.

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

84.9 Sec. 30. Minnesota Statutes 2012, section 273.1398, subdivision 3, is amended to read:

84.10 Subd. 3. **Disparity reduction aid.** The amount of disparity aid certified for each
84.11 taxing district within each unique taxing jurisdiction for taxes payable in the prior year
84.12 shall be multiplied by the ratio of (1) the jurisdiction's tax capacity using the class rates for
84.13 taxes payable in the year for which aid is being computed, to (2) its tax capacity using
84.14 the class rates for taxes payable in the year prior to that for which aid is being computed,
84.15 both based upon taxable market values for taxes payable in the year prior to that for which
84.16 aid is being computed. If the commissioner determines that insufficient information is
84.17 available to reasonably and timely calculate the numerator in this ratio for the first taxes
84.18 payable year that a class rate change or new class rate is effective, the commissioner shall
84.19 omit the effects of that class rate change or new class rate when calculating this ratio for
84.20 aid payable in that taxes payable year. For aid payable in the year following a year for
84.21 which such omission was made, the commissioner shall use in the denominator for the
84.22 class that was changed or created, the tax capacity for taxes payable two years prior to that
84.23 in which the aid is payable, based on taxable market values for taxes payable in the year
84.24 prior to that for which aid is being computed.

84.25 Sec. 31. Minnesota Statutes 2012, section 273.1398, subdivision 4, is amended to read:

84.26 Subd. 4. **Disparity reduction credit.** (a) Beginning with taxes payable in 1989,
84.27 class 4a and class 3a property qualifies for a disparity reduction credit if: (1) the property
84.28 is located in a border city that has an enterprise zone, as defined in section 469.166; (2)
84.29 the property is located in a city with a population greater than 2,500 and less than 35,000
84.30 according to the 1980 decennial census; (3) the city is adjacent to a city in another state or
84.31 immediately adjacent to a city adjacent to a city in another state; and (4) the adjacent city
84.32 in the other state has a population of greater than 5,000 and less than 75,000 according to
84.33 the 1980 decennial census.

85.1 (b) The credit is an amount sufficient to reduce (i) the taxes levied on class 4a
85.2 property to 2.3 percent of the property's taxable market value and (ii) the tax on class 3a
85.3 property to 2.3 percent of taxable market value.

85.4 (c) The county auditor shall annually certify the costs of the credits to the
85.5 Department of Revenue. The department shall reimburse local governments for the
85.6 property taxes forgone as the result of the credits in proportion to their total levies.

85.7 Sec. 32. Minnesota Statutes 2012, section 275.011, subdivision 1, is amended to read:

85.8 Subdivision 1. **Determination of levy limit.** The property tax levied for any
85.9 purpose under a special law that is not codified in Minnesota Statutes or a city charter
85.10 provision and that is subject to a mill rate limitation imposed by the special law or city
85.11 charter provision, excluding levies subject to mill rate limitations that use adjusted
85.12 assessed values determined by the commissioner of revenue under section 124.2131, must
85.13 not exceed the following amount for the years specified:

85.14 (a) for taxes payable in 1988, the product of the applicable mill rate limitation
85.15 imposed by special law or city charter provision multiplied by the total assessed valuation
85.16 of all taxable property subject to the tax as adjusted by the provisions of Minnesota
85.17 Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

85.18 (b) for taxes payable in 1989, the product of (1) the property tax levy limitation for
85.19 the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for
85.20 market valuation changes equal to the assessment year 1988 total market valuation of all
85.21 taxable property subject to the tax divided by the assessment year 1987 total market
85.22 valuation of all taxable property subject to the tax; and

85.23 (c) for taxes payable in 1990 and subsequent years, the product of (1) the property
85.24 tax levy limitation for the previous year determined pursuant to this subdivision multiplied
85.25 by (2) an index for market valuation changes equal to the total market valuation of all
85.26 taxable property subject to the tax for the current assessment year divided by the total
85.27 market valuation of all taxable property subject to the tax for the previous assessment year.

85.28 For the purpose of determining the property tax levy limitation for the taxes payable
85.29 year ~~1988~~ 2014 and subsequent years under this subdivision, "total market valuation"
85.30 means the ~~total~~ estimated market ~~valuation~~ value of all taxable property subject to the
85.31 tax ~~without valuation adjustments for fiscal disparities (chapters 276A and 473F), tax~~
85.32 ~~increment financing (sections 469.174 to 469.179), or powerline credit (section 273.425)~~
85.33 as provided under section 273.032.

85.34 Sec. 33. Minnesota Statutes 2012, section 275.077, subdivision 2, is amended to read:

86.1 Subd. 2. **Correction of levy amount.** The difference between the correct levy and
86.2 the erroneous levy shall be added to the township levy for the subsequent levy year;
86.3 provided that if the amount of the difference exceeds 0.12089 percent of taxable estimated
86.4 market value, the excess shall be added to the township levy for the second and later
86.5 subsequent levy years, not to exceed an additional levy of 0.12089 percent of taxable
86.6 estimated market value in any year, until the full amount of the difference has been levied.
86.7 The funds collected from the corrected levies shall be used to reimburse the county for the
86.8 payment required by subdivision 1.

86.9 Sec. 34. Minnesota Statutes 2012, section 275.71, subdivision 4, is amended to read:

86.10 Subd. 4. **Adjusted levy limit base.** For taxes levied in 2008 through 2010, the
86.11 adjusted levy limit base is equal to the levy limit base computed under subdivision 2
86.12 or section 275.72, multiplied by:

86.13 (1) one plus the percentage growth in the implicit price deflator, but the percentage
86.14 shall not be less than zero or exceed 3.9 percent;

86.15 (2) one plus a percentage equal to 50 percent of the percentage increase in the number
86.16 of households, if any, for the most recent 12-month period for which data is available; and

86.17 (3) one plus a percentage equal to 50 percent of the percentage increase in the
86.18 taxable estimated market value of the jurisdiction due to new construction of class 3
86.19 property, as defined in section 273.13, subdivision 4, except for state-assessed utility and
86.20 railroad property, for the most recent year for which data is available.

86.21 Sec. 35. Minnesota Statutes 2012, section 276.04, subdivision 2, is amended to read:

86.22 Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the printing
86.23 of the tax statements. The commissioner of revenue shall prescribe the form of the property
86.24 tax statement and its contents. The tax statement must not state or imply that property tax
86.25 credits are paid by the state of Minnesota. The statement must contain a tabulated statement
86.26 of the dollar amount due to each taxing authority and the amount of the state tax from the
86.27 parcel of real property for which a particular tax statement is prepared. The dollar amounts
86.28 attributable to the county, the state tax, the voter approved school tax, the other local school
86.29 tax, the township or municipality, and the total of the metropolitan special taxing districts
86.30 as defined in section 275.065, subdivision 3, paragraph (i), must be separately stated.
86.31 The amounts due all other special taxing districts, if any, may be aggregated except that
86.32 any levies made by the regional rail authorities in the county of Anoka, Carver, Dakota,
86.33 Hennepin, Ramsey, Scott, or Washington under chapter 398A shall be listed on a separate
86.34 line directly under the appropriate county's levy. If the county levy under this paragraph

87.1 includes an amount for a lake improvement district as defined under sections 103B.501
87.2 to 103B.581, the amount attributable for that purpose must be separately stated from the
87.3 remaining county levy amount. In the case of Ramsey County, if the county levy under this
87.4 paragraph includes an amount for public library service under section 134.07, the amount
87.5 attributable for that purpose may be separated from the remaining county levy amount.
87.6 The amount of the tax on homesteads qualifying under the senior citizens' property tax
87.7 deferral program under chapter 290B is the total amount of property tax before subtraction
87.8 of the deferred property tax amount. The amount of the tax on contamination value
87.9 imposed under sections 270.91 to 270.98, if any, must also be separately stated. The dollar
87.10 amounts, including the dollar amount of any special assessments, may be rounded to the
87.11 nearest even whole dollar. For purposes of this section whole odd-numbered dollars may
87.12 be adjusted to the next higher even-numbered dollar. The amount of market value excluded
87.13 under section 273.11, subdivision 16, if any, must also be listed on the tax statement.

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

87.17 (c) Real and personal property tax statements must contain the following information
87.18 in the order given in this paragraph. The information must contain the current year tax
87.19 information in the right column with the corresponding information for the previous year
87.20 in a column on the left:

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

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

87.24 (3) the property's taxable market value ~~after reductions under sections 273.11,~~
87.25 ~~subdivisions 1a and 16, and 273.13, subdivision 35~~ section 272.03, subdivision 15;

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

87.27 (5) for homestead agricultural properties, the credit under section 273.1384;

87.28 (6) any credits received under sections 273.119; 273.1234 or 273.1235; 273.135;
87.29 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of
87.30 credit received under section 273.135 must be separately stated and identified as "taconite
87.31 tax relief"; and

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

87.33 (d) If the county uses envelopes for mailing property tax statements and if the county
87.34 agrees, a taxing district may include a notice with the property tax statement notifying
87.35 taxpayers when the taxing district will begin its budget deliberations for the current
87.36 year, and encouraging taxpayers to attend the hearings. If the county allows notices to

88.1 be included in the envelope containing the property tax statement, and if more than
88.2 one taxing district relative to a given property decides to include a notice with the tax
88.3 statement, the county treasurer or auditor must coordinate the process and may combine
88.4 the information on a single announcement.

88.5 Sec. 36. Minnesota Statutes 2012, section 276A.01, subdivision 10, is amended to read:

88.6 Subd. 10. **Adjusted market value.** "Adjusted market value" of real and personal
88.7 property within a municipality means the assessor's estimated taxable market value,
88.8 as defined in section 272.03, of all real and personal property, including the value of
88.9 manufactured housing, within the municipality. ~~For purposes of sections 276A.01 to~~
88.10 ~~276A.09, the commissioner of revenue shall annually make determinations and reports~~
88.11 ~~with respect to each municipality which are comparable to those it makes for school~~
88.12 ~~districts, adjusted for sales ratios in a manner similar to the adjustments made to city and~~
88.13 ~~town net tax capacities under section 127A.48, subdivisions 1 to 6, in the same manner~~
88.14 ~~and at the same times prescribed by the subdivision. The commissioner of revenue shall~~
88.15 ~~annually determine, for each municipality, information comparable to that required by~~
88.16 ~~section 475.53, subdivision 4, for school districts, as soon as practicable after it becomes~~
88.17 ~~available. The commissioner of revenue shall then compute the equalized market value of~~
88.18 ~~property within each municipality.~~

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

88.20 Sec. 37. Minnesota Statutes 2012, section 276A.01, subdivision 12, is amended to read:

88.21 Subd. 12. **Fiscal capacity.** "Fiscal capacity" of a municipality means its ~~valuation~~
88.22 adjusted market value, determined as of January 2 of any year, divided by its population,
88.23 determined as of a date in the same year.

88.24 Sec. 38. Minnesota Statutes 2012, section 276A.01, subdivision 13, is amended to read:

88.25 Subd. 13. **Average fiscal capacity.** "Average fiscal capacity" of municipalities
88.26 means the sum of the ~~valuations~~ adjusted market values of all municipalities, determined
88.27 as of January 2 of any year, divided by the sum of their populations, determined as of
88.28 a date in the same year.

88.29 Sec. 39. Minnesota Statutes 2012, section 276A.01, subdivision 15, is amended to read:

88.30 Subd. 15. **Net tax capacity.** "Net tax capacity" means the taxable market value of
88.31 real and personal property multiplied by its net tax capacity rates in section 273.13.

89.1 Sec. 40. Minnesota Statutes 2012, section 276A.06, subdivision 10, is amended to read:

89.2 Subd. 10. **Adjustment of values for other computations.** For the purpose of
 89.3 computing the amount or rate of any salary, aid, tax, or debt authorized, required, or
 89.4 limited by any provision of any law or charter, where the authorization, requirement, or
 89.5 limitation is related to any value or valuation of taxable property within any governmental
 89.6 unit, the value or net tax capacity fiscal capacity under section 276A.01, subdivision 12, a
 89.7 municipality's taxable market value must be adjusted to reflect the adjustments reductions
 89.8 to net tax capacity effected by subdivision 2, clause (a), provided that: ~~(1)~~ in determining
 89.9 the taxable market value of commercial-industrial property or any class thereof within
 89.10 a ~~governmental unit for any purpose other than section 276A.05~~ municipality, ~~(a)~~ the
 89.11 reduction required by this subdivision is that amount which bears the same proportion to
 89.12 the amount subtracted from the ~~governmental unit's~~ municipality's net tax capacity pursuant
 89.13 to subdivision 2, clause (a), as the taxable market value of commercial-industrial property,
 89.14 or such class thereof, located within the ~~governmental unit~~ municipality bears to the net
 89.15 tax capacity of commercial-industrial property, or such class thereof, located within the
 89.16 ~~governmental unit~~, and ~~(b)~~ the increase required by this subdivision is that amount which
 89.17 bears the same proportion to the amount added to the ~~governmental unit's~~ net tax capacity
 89.18 pursuant to subdivision 2, clause (b), as the market value of ~~commercial-industrial property,~~
 89.19 ~~or such class thereof, located within the governmental unit~~ bears to the net tax capacity of
 89.20 ~~commercial-industrial property, or such class thereof, located within the governmental unit;~~
 89.21 ~~and (2) in determining the market value of real property within a municipality for purposes~~
 89.22 ~~of section 276A.05, the adjustment prescribed by clause (1)(a) must be made and that~~
 89.23 ~~prescribed by clause (1)(b) must not be made~~ municipality. No adjustment shall be made
 89.24 to taxable market value for the increase in net tax capacity under subdivision 2, clause (b).

89.25 Sec. 41. Minnesota Statutes 2012, section 287.08, is amended to read:

89.26 **287.08 TAX, HOW PAYABLE; RECEIPTS.**

89.27 (a) The tax imposed by sections 287.01 to 287.12 must be paid to the treasurer of
 89.28 any county in this state in which the real property or some part is located at or before
 89.29 the time of filing the mortgage for record. The treasurer shall endorse receipt on the
 89.30 mortgage and the receipt is conclusive proof that the tax has been paid in the amount
 89.31 stated and authorizes any county recorder or registrar of titles to record the mortgage. Its
 89.32 form, in substance, shall be "registration tax hereon of dollars paid." If the
 89.33 mortgage is exempt from taxation the endorsement shall, in substance, be "exempt from
 89.34 registration tax." In either case the receipt must be signed by the treasurer. In case the
 89.35 treasurer is unable to determine whether a claim of exemption should be allowed, the tax

90.1 must be paid as in the case of a taxable mortgage. For documents submitted electronically,
90.2 the endorsements and tax amount shall be affixed electronically and no signature by the
90.3 treasurer will be required. The actual payment method must be arranged in advance
90.4 between the submitter and the receiving county.

90.5 (b) The county treasurer may refund in whole or in part any mortgage registry tax
90.6 overpayment if a written application by the taxpayer is submitted to the county treasurer
90.7 within 3-1/2 years from the date of the overpayment. If the county has not issued a denial
90.8 of the application, the taxpayer may bring an action in Tax Court in the county in which
90.9 the tax was paid at any time after the expiration of six months from the time that the
90.10 application was submitted. A denial of refund may be appealed within 60 days from
90.11 the date of the denial by bringing an action in Tax Court in the county in which the tax
90.12 was paid. The action is commenced by the serving of a petition for relief on the county
90.13 treasurer, and by filing a copy with the court. The county attorney shall defend the action.
90.14 The county treasurer shall notify the treasurer of each county that has or would receive a
90.15 portion of the tax as paid.

90.16 (c) If the county treasurer determines a refund should be paid, or if a refund is
90.17 ordered by the court, the county treasurer of each county that actually received a portion
90.18 of the tax shall immediately pay a proportionate share of three percent of the refund
90.19 using any available county funds. The county treasurer of each county that received, or
90.20 would have received, a portion of the tax shall also pay their county's proportionate share
90.21 of the remaining 97 percent of the court-ordered refund on or before the 20th day of the
90.22 following month using solely the mortgage registry tax funds that would be paid to the
90.23 commissioner of revenue on that date under section 287.12. If the funds on hand under
90.24 this procedure are insufficient to fully fund 97 percent of the court-ordered refund, the
90.25 county treasurer of the county in which the action was brought shall file a claim with the
90.26 commissioner of revenue under section 16A.48 for the remaining portion of 97 percent of
90.27 the refund, and shall pay over the remaining portion upon receipt of a warrant from the
90.28 state issued pursuant to the claim.

90.29 (d) When any mortgage covers real property located in more than one county in this
90.30 state the total tax must be paid to the treasurer of the county where the mortgage is first
90.31 presented for recording, and the payment must be receipted as provided in paragraph
90.32 (a). If the principal debt or obligation secured by such a multiple county mortgage
90.33 exceeds \$10,000,000, the nonstate portion of the tax must be divided and paid over by
90.34 the county treasurer receiving it, on or before the 20th day of each month after receipt,
90.35 to the county or counties entitled in the ratio that the estimated market value of the real
90.36 property covered by the mortgage in each county bears to the estimated market value of

91.1 all the real property in this state described in the mortgage. In making the division and
 91.2 payment the county treasurer shall send a statement giving the description of the real
 91.3 property described in the mortgage and the estimated market value of the part located in
 91.4 each county. For this purpose, the treasurer of any county may require the treasurer of
 91.5 any other county to certify to the former the estimated market ~~valuation~~ value of any tract
 91.6 of real property in any mortgage.

91.7 (e) The mortgagor must pay the tax imposed by sections 287.01 to 287.12. The
 91.8 mortgagee may undertake to collect and remit the tax on behalf of the mortgagor. If the
 91.9 mortgagee collects money from the mortgagor to remit the tax on behalf of the mortgagor,
 91.10 the mortgagee has a fiduciary duty to remit the tax on behalf of the mortgagor as to the
 91.11 amount of the tax collected for that purpose and the mortgagor is relieved of any further
 91.12 obligation to pay the tax as to the amount collected by the mortgagee for this purpose.

91.13 Sec. 42. Minnesota Statutes 2012, section 287.23, subdivision 1, is amended to read:

91.14 Subdivision 1. **Real property outside county.** If any taxable deed or instrument
 91.15 describes any real property located in more than one county in this state, the total tax must
 91.16 be paid to the treasurer of the county where the document is first presented for recording,
 91.17 and the payment must be receipted as provided in section 287.08. If the net consideration
 91.18 exceeds \$700,000, the nonstate portion of the tax must be divided and paid over by the
 91.19 county treasurer receiving it, on or before the 20th day of each month after receipt, to
 91.20 the county or counties entitled in the ratio which the estimated market value of the real
 91.21 property covered by the document in each county bears to the estimated market value of
 91.22 all the real property in this state described in the document. In making the division and
 91.23 payment the county treasurer shall send a statement to the other involved counties giving
 91.24 the description of the real property described in the document and the estimated market
 91.25 value of the part located in each county. The treasurer of any county may require the
 91.26 treasurer of any other county to certify to the former the estimated market ~~valuation~~ value
 91.27 of any parcel of real property for this purpose.

91.28 Sec. 43. Minnesota Statutes 2012, section 353G.08, subdivision 2, is amended to read:

91.29 Subd. 2. **Cash flow funding requirement.** If the executive director determines that
 91.30 an account in the voluntary statewide lump-sum volunteer firefighter retirement plan has
 91.31 insufficient assets to meet the service pensions determined payable from the account,
 91.32 the executive director shall certify the amount of the potential service pension shortfall
 91.33 to the municipality or municipalities and the municipality or municipalities shall make
 91.34 an additional employer contribution to the account within ten days of the certification.

92.1 If more than one municipality is associated with the account, unless the municipalities
92.2 agree to a different allocation, the municipalities shall allocate the additional employer
92.3 contribution one-half in proportion to the population of each municipality and one-half in
92.4 proportion to the estimated market value of the property of each municipality.

92.5 Sec. 44. Minnesota Statutes 2012, section 365.025, subdivision 4, is amended to read:

92.6 Subd. 4. **Major purchases: notice, petition, election.** Before buying anything
92.7 under subdivision 2 that costs more than 0.24177 percent of the estimated market value of
92.8 the town, the town must follow this subdivision.

92.9 The town must publish in its official newspaper the board's resolution to pay for the
92.10 property over time. Then a petition for an election on the contract may be filed with the
92.11 clerk. The petition must be filed within ten days after the resolution is published. To require
92.12 the election the petition must be signed by a number of voters equal to ten percent of the
92.13 voters at the last regular town election. The contract then must be approved by a majority of
92.14 those voting on the question. The question may be voted on at a regular or special election.

92.15 Sec. 45. Minnesota Statutes 2012, section 366.095, subdivision 1, is amended to read:

92.16 Subdivision 1. **Certificates of indebtedness.** The town board may issue certificates
92.17 of indebtedness within the debt limits for a town purpose otherwise authorized by law.
92.18 The certificates shall be payable in not more than ten years and be issued on the terms and
92.19 in the manner as the board may determine. If the amount of the certificates to be issued
92.20 exceeds 0.25 percent of the estimated market value of the town, they shall not be issued
92.21 for at least ten days after publication in a newspaper of general circulation in the town of
92.22 the board's resolution determining to issue them. If within that time, a petition asking for
92.23 an election on the proposition signed by voters equal to ten percent of the number of voters
92.24 at the last regular town election is filed with the clerk, the certificates shall not be issued
92.25 until their issuance has been approved by a majority of the votes cast on the question at
92.26 a regular or special election. A tax levy shall be made to pay the principal and interest
92.27 on the certificates as in the case of bonds.

92.28 Sec. 46. Minnesota Statutes 2012, section 366.27, is amended to read:

92.29 **366.27 FIREFIGHTERS' RELIEF; TAX LEVY.**

92.30 The town board of any town in this state having therein a platted portion on
92.31 which resides 1,200 or more people, and wherein a duly incorporated firefighters' relief
92.32 association is located may each year levy a tax not to exceed 0.00806 percent of ~~taxable~~
92.33 estimated market value for the benefit of the relief association.

93.1 Sec. 47. Minnesota Statutes 2012, section 368.01, subdivision 23, is amended to read:

93.2 Subd. 23. **Financing purchase of certain equipment.** The town board may issue
93.3 certificates of indebtedness within debt limits to purchase fire or police equipment or
93.4 ambulance equipment or street construction or maintenance equipment. The certificates
93.5 shall be payable in not more than five years and be issued on terms and in the manner as the
93.6 board may determine. If the amount of the certificates to be issued to finance a purchase
93.7 exceeds 0.24177 percent of the estimated market value of the town, ~~excluding money~~
93.8 ~~and credits~~; they shall not be issued for at least ten days after publication in the official
93.9 newspaper of a town board resolution determining to issue them. If before the end of that
93.10 time, a petition asking for an election on the proposition signed by voters equal to ten
93.11 percent of the number of voters at the last regular town election is filed with the clerk, the
93.12 certificates shall not be issued until the proposition of their issuance has been approved by a
93.13 majority of the votes cast on the question at a regular or special election. A tax levy shall be
93.14 made for the payment of the principal and interest on the certificates as in the case of bonds.

93.15 Sec. 48. Minnesota Statutes 2012, section 368.47, is amended to read:

93.16 **368.47 TOWNS MAY BE DISSOLVED.**

93.17 (1) When the voters residing within a town have failed to elect any town officials for
93.18 more than ten years continuously;

93.19 (2) when a town has failed for a period of ten years to exercise any of the powers
93.20 and functions of a town;

93.21 (3) when the estimated market value of a town drops to less than \$165,000;

93.22 (4) when the tax delinquency of a town, exclusive of taxes that are delinquent or
93.23 unpaid because they are contested in proceedings for the enforcement of taxes, amounts to
93.24 12 percent of its market value; or

93.25 (5) when the state or federal government has acquired title to 50 percent of the
93.26 real estate of a town,

93.27 which facts, or any of them, may be found and determined by the resolution of the county
93.28 board of the county in which the town is located, according to the official records in the
93.29 office of the county auditor, the county board by resolution may declare the town, naming
93.30 it, dissolved and no longer entitled to exercise any of the powers or functions of a town.

93.31 In Cass, Itasca, and St. Louis Counties, before the dissolution is effective the voters
93.32 of the town shall express their approval or disapproval. The town clerk shall, upon a
93.33 petition signed by a majority of the registered voters of the town, filed with the clerk at
93.34 least 60 days before a regular or special town election, give notice at the same time and
93.35 in the same manner of the election that the question of dissolution of the town will be

94.1 submitted for determination at the election. At the election the question shall be voted
94.2 upon by a separate ballot, the terms of which shall be either "for dissolution" or "against
94.3 dissolution." The ballot shall be deposited in a separate ballot box and the result of the
94.4 voting canvassed, certified, and returned in the same manner and at the same time as
94.5 other facts and returns of the election. If a majority of the votes cast at the election are
94.6 for dissolution, the town shall be dissolved. If a majority of the votes cast at the election
94.7 are against dissolution, the town shall not be dissolved.

94.8 When a town is dissolved under sections 368.47 to 368.49 the county shall acquire
94.9 title to any telephone company or other business conducted by the town. The business
94.10 shall be operated by the board of county commissioners until it can be sold. The
94.11 subscribers or patrons of the business shall have the first opportunity of purchase. If the
94.12 town has any outstanding indebtedness chargeable to the business, the county auditor shall
94.13 levy a tax against the property situated in the dissolved town to pay the indebtedness
94.14 as it becomes due.

94.15 Sec. 49. Minnesota Statutes 2012, section 370.01, is amended to read:

94.16 **370.01 CHANGE OF BOUNDARIES; CREATION OF NEW COUNTIES.**

94.17 The boundaries of counties may be changed by taking territory from a county and
94.18 attaching it to an adjoining county, and new counties may be established out of territory of
94.19 one or more existing counties. A new county shall contain at least 400 square miles and
94.20 have at least 4,000 inhabitants. A proposed new county must have a total ~~taxable~~ estimated
94.21 market value of at least 35 percent of (i) the total ~~taxable~~ estimated market value of the
94.22 existing county, or (ii) the average total ~~taxable~~ estimated market value of the existing
94.23 counties, included in the proposition. The determination of the ~~taxable~~ estimated market
94.24 value of a county must be made by the commissioner of revenue. An existing county shall
94.25 not be reduced in area below 400 square miles, have less than 4,000 inhabitants, or have a
94.26 total ~~taxable~~ estimated market value of less than that required of a new county.

94.27 No change in the boundaries of any county having an area of more than 2,500 square
94.28 miles, whether by the creation of a new county, or otherwise, shall detach from the existing
94.29 county any territory within 12 miles of the county seat.

94.30 Sec. 50. Minnesota Statutes 2012, section 373.40, subdivision 1, is amended to read:

94.31 Subdivision 1. **Definitions.** For purposes of this section, the following terms have
94.32 the meanings given.

94.33 (a) "Bonds" means an obligation as defined under section 475.51.

95.1 (b) "Capital improvement" means acquisition or betterment of public lands,
95.2 buildings, or other improvements within the county for the purpose of a county courthouse,
95.3 administrative building, health or social service facility, correctional facility, jail, law
95.4 enforcement center, hospital, morgue, library, park, qualified indoor ice arena, roads and
95.5 bridges, and the acquisition of development rights in the form of conservation easements
95.6 under chapter 84C. An improvement must have an expected useful life of five years or
95.7 more to qualify. "Capital improvement" does not include a recreation or sports facility
95.8 building (such as, but not limited to, a gymnasium, ice arena, racquet sports facility,
95.9 swimming pool, exercise room or health spa), unless the building is part of an outdoor
95.10 park facility and is incidental to the primary purpose of outdoor recreation.

95.11 (c) "Metropolitan county" means a county located in the seven-county metropolitan
95.12 area as defined in section 473.121 or a county with a population of 90,000 or more.

95.13 (d) "Population" means the population established by the most recent of the
95.14 following (determined as of the date the resolution authorizing the bonds was adopted):

95.15 (1) the federal decennial census,

95.16 (2) a special census conducted under contract by the United States Bureau of the
95.17 Census, or

95.18 (3) a population estimate made either by the Metropolitan Council or by the state
95.19 demographer under section 4A.02.

95.20 (e) "Qualified indoor ice arena" means a facility that meets the requirements of
95.21 section 373.43.

95.22 (f) ~~"Tax capacity" means total taxable market value, but does not include captured~~
95.23 ~~market value.~~

95.24 Sec. 51. Minnesota Statutes 2012, section 373.40, subdivision 4, is amended to read:

95.25 Subd. 4. **Limitations on amount.** A county may not issue bonds under this section
95.26 if the maximum amount of principal and interest to become due in any year on all the
95.27 outstanding bonds issued pursuant to this section (including the bonds to be issued) will
95.28 equal or exceed 0.12 percent of ~~taxable~~ the estimated market value of property in the
95.29 county. Calculation of the limit must be made using the ~~taxable~~ estimated market value for
95.30 the taxes payable year in which the obligations are issued and sold. This section does not
95.31 limit the authority to issue bonds under any other special or general law.

95.32 Sec. 52. Minnesota Statutes 2012, section 375.167, subdivision 1, is amended to read:

95.33 Subdivision 1. **Appropriations.** Notwithstanding any contrary law, a county board
95.34 may appropriate from the general revenue fund to any nonprofit corporation a sum not

96.1 to exceed 0.00604 percent of ~~taxable~~ estimated market value to provide legal assistance
96.2 to persons who are unable to afford private legal counsel.

96.3 Sec. 53. Minnesota Statutes 2012, section 375.18, subdivision 3, is amended to read:

96.4 Subd. 3. **Courthouse.** Each county board may erect, furnish, and maintain a
96.5 suitable courthouse. No indebtedness shall be created for a courthouse in excess of an
96.6 amount equal to a levy of 0.04030 percent of ~~taxable~~ estimated market value without the
96.7 approval of a majority of the voters of the county voting on the question of issuing the
96.8 obligation at an election.

96.9 Sec. 54. Minnesota Statutes 2012, section 375.555, is amended to read:

96.10 **375.555 FUNDING.**

96.11 To implement the county emergency jobs program, the county board may expend
96.12 an amount equal to what would be generated by a levy of 0.01209 percent of ~~taxable~~
96.13 estimated market value. The money to be expended may be from any available funds
96.14 not otherwise earmarked.

96.15 Sec. 55. Minnesota Statutes 2012, section 383B.152, is amended to read:

96.16 **383B.152 BUILDING AND MAINTENANCE FUND.**

96.17 The county board may by resolution levy a tax to provide money which shall be kept
96.18 in a fund known as the county reserve building and maintenance fund. Money in the fund
96.19 shall be used solely for the construction, maintenance, and equipping of county buildings
96.20 that are constructed or maintained by the board. The levy shall not be subject to any limit
96.21 fixed by any other law or by any board of tax levy or other corresponding body, but shall
96.22 not exceed 0.02215 percent of ~~taxable~~ estimated market value, less the amount required by
96.23 chapter 475 to be levied in the year for the payment of the principal of and interest on all
96.24 bonds issued pursuant to Extra Session Laws 1967, chapter 47, section 1.

96.25 Sec. 56. Minnesota Statutes 2012, section 383B.245, is amended to read:

96.26 **383B.245 LIBRARY LEVY.**

96.27 (a) The county board may levy a tax on the taxable property within the county to
96.28 acquire, better, and construct county library buildings and branches and to pay principal
96.29 and interest on bonds issued for that purpose.

96.30 (b) The county board may by resolution adopted by a five-sevenths vote issue and
96.31 sell general obligation bonds of the county in the manner provided in sections 475.60 to

97.1 475.73. The bonds shall not be subject to the limitations of sections 475.51 to 475.59,
97.2 but the maturity years and amounts and interest rates of each series of bonds shall be
97.3 fixed so that the maximum amount of principal and interest to become due in any year,
97.4 on the bonds of that series and of all outstanding series issued by or for the purposes of
97.5 libraries, shall not exceed an amount equal to 0.01612 percent of estimated market value
97.6 of all taxable property in the county as last finally equalized before the issuance of the new
97.7 series. When the tax levy authorized in this section is collected it shall be appropriated
97.8 and credited to a debt service fund for the bonds in amounts required each year in lieu of a
97.9 countywide tax levy for the debt service fund under section 475.61.

97.10 Sec. 57. Minnesota Statutes 2012, section 383B.73, subdivision 1, is amended to read:

97.11 Subdivision 1. **Levy.** To provide funds for the purposes of the Three Rivers Park
97.12 District as set forth in its annual budget, in lieu of the levies authorized by any other
97.13 special law for such purposes, the Board of Park District Commissioners may levy taxes
97.14 on all the taxable property in the county and park district at a rate not exceeding 0.03224
97.15 percent of estimated market value. Notwithstanding section 398.16, on or before October
97.16 1 of each year, after public hearing, the Board of Park District Commissioners shall adopt
97.17 a budget for the ensuing year and shall determine the total amount necessary to be raised
97.18 from ad valorem tax levies to meet its budget. The Board of Park District Commissioners
97.19 shall submit the budget to the county board. The county board may veto or modify an item
97.20 contained in the budget. If the county board determines to veto or to modify an item in the
97.21 budget, it must, within 15 days after the budget was submitted by the district board, state
97.22 in writing the specific reasons for its objection to the item vetoed or the reason for the
97.23 modification. The Park District Board, after consideration of the county board's objections
97.24 and proposed modifications, may reapprove a vetoed item or the original version of an item
97.25 with respect to which a modification has been proposed, by a two-thirds majority. If the
97.26 district board does not reapprove a vetoed item, the item shall be deleted from the budget.
97.27 If the district board does not reapprove the original version of a modified item, the item
97.28 shall be included in the budget as modified by the county board. After adoption of the final
97.29 budget and no later than October 1, the superintendent of the park district shall certify to the
97.30 office of the Hennepin County director of tax and public records exercising the functions
97.31 of the county auditor the total amount to be raised from ad valorem tax levies to meet its
97.32 budget for the ensuing year. The director of tax and public records shall add the amount of
97.33 any levy certified by the district to other tax levies on the property of the county within the
97.34 district for collection by the director of tax and public records with other taxes. When

98.1 collected, the director shall make settlement of such taxes with the district in the same
98.2 manner as other taxes are distributed to the other political subdivisions in Hennepin County.

98.3 Sec. 58. Minnesota Statutes 2012, section 383E.20, is amended to read:

98.4 **383E.20 BONDING FOR COUNTY LIBRARY BUILDINGS.**

98.5 The Anoka County Board may, by resolution adopted by a four-sevenths vote, issue
98.6 and sell general obligation bonds of the county in the manner provided in chapter 475 to
98.7 acquire, better, and construct county library buildings. The bonds shall not be subject to the
98.8 requirements of sections 475.57 to 475.59. The maturity years and amounts and interest
98.9 rates of each series of bonds shall be fixed so that the maximum amount of principal and
98.10 interest to become due in any year, on the bonds of that series and of all outstanding series
98.11 issued by or for the purposes of libraries, shall not exceed an amount equal to .01 percent
98.12 of the ~~taxable~~ estimated market value of all taxable property in the county, excluding any
98.13 taxable property taxed by any city for the support of any free public library. When the tax
98.14 levy authorized in this section is collected, it shall be appropriated and credited to a debt
98.15 service fund for the bonds. The tax levy for the debt service fund under section 475.61
98.16 shall be reduced by the amount available or reasonably anticipated to be available in the
98.17 fund to make payments otherwise payable from the levy pursuant to section 475.61.

98.18 Sec. 59. Minnesota Statutes 2012, section 383E.23, is amended to read:

98.19 **383E.23 LIBRARY TAX.**

98.20 The Anoka County Board may levy a tax of not more than .01 percent of the ~~taxable~~
98.21 estimated market value of taxable property located within the county excluding any
98.22 taxable property taxed by any city for the support of any free public library, to acquire,
98.23 better, and construct county library buildings and to pay principal and interest on bonds
98.24 issued for that purpose. The tax shall be disregarded in the calculation of levies or limits
98.25 on levies provided by section 373.40, or other law.

98.26 Sec. 60. Minnesota Statutes 2012, section 385.31, is amended to read:

98.27 **385.31 PAYMENT OF COUNTY ORDERS OR WARRANTS.**

98.28 When any order or warrant drawn on the treasurer is presented for payment, if there
98.29 is money in the treasury for that purpose, the county treasurer shall redeem the same, and
98.30 write across the entire face thereof the word "redeemed," the date of the redemption, and
98.31 the treasurer's official signature. If there is not sufficient funds in the proper accounts to
98.32 pay such orders they shall be numbered and registered in their order of presentation,

99.1 and proper endorsement thereof shall be made on such orders and they shall be entitled
99.2 to payment in like order. Such orders shall bear interest at not to exceed the rate of six
99.3 percent per annum from such date of presentment. The treasurer, as soon as there is
99.4 sufficient money in the treasury, shall appropriate and set apart a sum sufficient for the
99.5 payment of the orders so presented and registered, and, if entitled to interest, issue to the
99.6 original holder a notice that interest will cease in 30 days from the date of such notice; and,
99.7 if orders thus entitled to priority of payment are not then presented, the next in order of
99.8 registry may be paid until such orders are presented. No interest shall be paid on any order,
99.9 except upon a warrant drawn by the county auditor for that purpose, giving the number
99.10 and the date of the order on account of which the interest warrant is drawn. In any county
99.11 in this state now or hereafter having a an estimated market value of all taxable property;
99.12 ~~exclusive of money and credits~~, of not less than \$1,033,000,000, the county treasurer, in
99.13 order to save payment of interest on county warrants drawn upon a fund in which there
99.14 shall be temporarily insufficient money in the treasury to redeem the same, may borrow
99.15 temporarily from any other fund in the county treasury in which there is a sufficient balance
99.16 to care for the needs of such fund and allow a temporary loan or transfer to any other fund,
99.17 and may pay such warrants out of such funds. Any such money so transferred and used in
99.18 redeeming such county warrants shall be returned to the fund from which drawn as soon
99.19 as money shall come in to the credit of such fund on which any such warrant was drawn
99.20 and paid as aforesaid. Any county operating on a cash basis may use a combined form of
99.21 warrant or order and check, which, when signed by the chair of the county board and by
99.22 the auditor, is an order or warrant for the payment of the claim, and, when countersigned
99.23 by the county treasurer, is a check for the payment of the amount thereof.

99.24 Sec. 61. Minnesota Statutes 2012, section 394.36, subdivision 1, is amended to read:

99.25 Subdivision 1. **Continuation of nonconformity; limitations.** Except as provided in
99.26 subdivision 2, 3, or 4, any nonconformity, including the lawful use or occupation of land
99.27 or premises existing at the time of the adoption of an official control under this chapter,
99.28 may be continued, although the use or occupation does not conform to the official control.
99.29 If the nonconformity or occupancy is discontinued for a period of more than one year, or
99.30 any nonconforming building or structure is destroyed by fire or other peril to the extent of
99.31 50 percent of its estimated market value, any subsequent use or occupancy of the land or
99.32 premises shall be a conforming use or occupancy.

99.33 Sec. 62. Minnesota Statutes 2012, section 398A.04, subdivision 8, is amended to read:

100.1 Subd. 8. **Taxation.** Before deciding to exercise the power to tax, the authority shall
 100.2 give six weeks' published notice in all municipalities in the region. If a number of voters
 100.3 in the region equal to five percent of those who voted for candidates for governor at the
 100.4 last gubernatorial election present a petition within nine weeks of the first published notice
 100.5 to the secretary of state requesting that the matter be submitted to popular vote, it shall be
 100.6 submitted at the next general election. The question prepared shall be:

100.7 "Shall the regional rail authority have the power to impose a property tax?

100.8 Yes

100.9 No"

100.10 If a majority of those voting on the question approve or if no petition is presented
 100.11 within the prescribed time the authority may levy a tax at any annual rate not exceeding
 100.12 0.04835 percent of estimated market value of all taxable property situated within the
 100.13 municipality or municipalities named in its organization resolution. Its recording officer
 100.14 shall file, on or before September 15, in the office of the county auditor of each county
 100.15 in which territory under the jurisdiction of the authority is located a certified copy of the
 100.16 board of commissioners' resolution levying the tax, and each county auditor shall assess
 100.17 and extend upon the tax rolls of each municipality named in the organization resolution the
 100.18 portion of the tax that bears the same ratio to the whole amount that the net tax capacity of
 100.19 taxable property in that municipality bears to the net tax capacity of taxable property in
 100.20 all municipalities named in the organization resolution. Collections of the tax shall be
 100.21 remitted by each county treasurer to the treasurer of the authority. For taxes levied in 1991,
 100.22 the amount levied for light rail transit purposes under this subdivision shall not exceed 75
 100.23 percent of the amount levied in 1990 for light rail transit purposes under this subdivision.

100.24 Sec. 63. Minnesota Statutes 2012, section 401.05, subdivision 3, is amended to read:

100.25 Subd. 3. **Leasing.** (a) A county or joint powers board of a group of counties
 100.26 which acquires or constructs and equips or improves facilities under this chapter may,
 100.27 with the approval of the board of county commissioners of each county, enter into a
 100.28 lease agreement with a city situated within any of the counties, or a county housing and
 100.29 redevelopment authority established under chapter 469 or any special law. Under the lease
 100.30 agreement, the city or county housing and redevelopment authority shall:

100.31 (1) construct or acquire and equip or improve a facility in accordance with plans
 100.32 prepared by or at the request of a county or joint powers board of the group of counties
 100.33 and approved by the commissioner of corrections; and

100.34 (2) finance the facility by the issuance of revenue bonds.

101.1 (b) The county or joint powers board of a group of counties may lease the facility
101.2 site, improvements, and equipment for a term upon rental sufficient to produce revenue
101.3 for the prompt payment of the revenue bonds and all interest accruing on them. Upon
101.4 completion of payment, the lessee shall acquire title. The real and personal property
101.5 acquired for the facility constitutes a project and the lease agreement constitutes a revenue
101.6 agreement as provided in sections 469.152 to 469.165. All proceedings by the city or
101.7 county housing and redevelopment authority and the county or joint powers board shall be
101.8 as provided in sections 469.152 to 469.165, with the following adjustments:

101.9 (1) no tax may be imposed upon the property;

101.10 (2) the approval of the project by the commissioner of employment and economic
101.11 development is not required;

101.12 (3) the Department of Corrections shall be furnished and shall record information
101.13 concerning each project as it may prescribe, in lieu of reports required on other projects to
101.14 the commissioner of employment and economic development;

101.15 (4) the rentals required to be paid under the lease agreement shall not exceed in any
101.16 year one-tenth of one percent of the estimated market value of property within the county
101.17 or group of counties as last equalized before the execution of the lease agreement;

101.18 (5) the county or group of counties shall provide for payment of all rentals due
101.19 during the term of the lease agreement in the manner required in subdivision 4;

101.20 (6) no mortgage on the facilities shall be granted for the security of the bonds, but
101.21 compliance with clause (5) may be enforced as a nondiscretionary duty of the county
101.22 or group of counties; and

101.23 (7) the county or the joint powers board of the group of counties may sublease any
101.24 part of the facilities for purposes consistent with their maintenance and operation.

101.25 Sec. 64. Minnesota Statutes 2012, section 410.32, is amended to read:

101.26 **410.32 CITIES MAY ISSUE CAPITAL NOTES FOR CAPITAL EQUIPMENT.**

101.27 (a) Notwithstanding any contrary provision of other law or charter, a home rule
101.28 charter city may, by resolution and without public referendum, issue capital notes subject
101.29 to the city debt limit to purchase capital equipment.

101.30 (b) For purposes of this section, "capital equipment" means:

101.31 (1) public safety equipment, ambulance and other medical equipment, road
101.32 construction and maintenance equipment, and other capital equipment; and

101.33 (2) computer hardware and software, whether bundled with machinery or equipment
101.34 or unbundled.

102.1 (c) The equipment or software must have an expected useful life at least as long
102.2 as the term of the notes.

102.3 (d) The notes shall be payable in not more than ten years and be issued on terms
102.4 and in the manner the city determines. The total principal amount of the capital notes
102.5 issued in a fiscal year shall not exceed 0.03 percent of the estimated market value of
102.6 taxable property in the city for that year.

102.7 (e) A tax levy shall be made for the payment of the principal and interest on the
102.8 notes, in accordance with section 475.61, as in the case of bonds.

102.9 (f) Notes issued under this section shall require an affirmative vote of two-thirds of
102.10 the governing body of the city.

102.11 (g) Notwithstanding a contrary provision of other law or charter, a home rule charter
102.12 city may also issue capital notes subject to its debt limit in the manner and subject to the
102.13 limitations applicable to statutory cities pursuant to section 412.301.

102.14 Sec. 65. Minnesota Statutes 2012, section 412.221, subdivision 2, is amended to read:

102.15 Subd. 2. **Contracts.** The council shall have power to make such contracts as may
102.16 be deemed necessary or desirable to make effective any power possessed by the council.
102.17 The city may purchase personal property through a conditional sales contract and real
102.18 property through a contract for deed under which contracts the seller is confined to the
102.19 remedy of recovery of the property in case of nonpayment of all or part of the purchase
102.20 price, which shall be payable over a period of not to exceed five years. When the contract
102.21 price of property to be purchased by contract for deed or conditional sales contract
102.22 exceeds 0.24177 percent of the estimated market value of the city, the city may not enter
102.23 into such a contract for at least ten days after publication in the official newspaper of a
102.24 council resolution determining to purchase property by such a contract; and, if before the
102.25 end of that time a petition asking for an election on the proposition signed by voters equal
102.26 to ten percent of the number of voters at the last regular city election is filed with the clerk,
102.27 the city may not enter into such a contract until the proposition has been approved by a
102.28 majority of the votes cast on the question at a regular or special election.

102.29 Sec. 66. Minnesota Statutes 2012, section 412.301, is amended to read:

102.30 **412.301 FINANCING PURCHASE OF CERTAIN EQUIPMENT.**

102.31 (a) The council may issue certificates of indebtedness or capital notes subject to the
102.32 city debt limits to purchase capital equipment.

102.33 (b) For purposes of this section, "capital equipment" means:

103.1 (1) public safety equipment, ambulance and other medical equipment, road
103.2 construction and maintenance equipment, and other capital equipment; and

103.3 (2) computer hardware and software, whether bundled with machinery or equipment
103.4 or unbundled.

103.5 (c) The equipment or software must have an expected useful life at least as long as
103.6 the terms of the certificates or notes.

103.7 (d) Such certificates or notes shall be payable in not more than ten years and shall be
103.8 issued on such terms and in such manner as the council may determine.

103.9 (e) If the amount of the certificates or notes to be issued to finance any such purchase
103.10 exceeds 0.25 percent of the estimated market value of taxable property in the city, they
103.11 shall not be issued for at least ten days after publication in the official newspaper of
103.12 a council resolution determining to issue them; and if before the end of that time, a
103.13 petition asking for an election on the proposition signed by voters equal to ten percent
103.14 of the number of voters at the last regular municipal election is filed with the clerk, such
103.15 certificates or notes shall not be issued until the proposition of their issuance has been
103.16 approved by a majority of the votes cast on the question at a regular or special election.

103.17 (f) A tax levy shall be made for the payment of the principal and interest on such
103.18 certificates or notes, in accordance with section 475.61, as in the case of bonds.

103.19 Sec. 67. Minnesota Statutes 2012, section 428A.02, subdivision 1, is amended to read:

103.20 Subdivision 1. **Ordinance.** The governing body of a city may adopt an ordinance
103.21 establishing a special service district. Only property that is classified under section 273.13
103.22 and used for commercial, industrial, or public utility purposes, or is vacant land zoned or
103.23 designated on a land use plan for commercial or industrial use and located in the special
103.24 service district, may be subject to the charges imposed by the city on the special service
103.25 district. Other types of property may be included within the boundaries of the special
103.26 service district but are not subject to the levies or charges imposed by the city on the
103.27 special service district. If 50 percent or more of the estimated market value of a parcel of
103.28 property is classified under section 273.13 as commercial, industrial, or vacant land zoned
103.29 or designated on a land use plan for commercial or industrial use, or public utility for the
103.30 current assessment year, then the entire taxable market value of the property is subject to a
103.31 service charge based on net tax capacity for purposes of sections 428A.01 to 428A.10.
103.32 The ordinance shall describe with particularity the area within the city to be included in
103.33 the district and the special services to be furnished in the district. The ordinance may not
103.34 be adopted until after a public hearing has been held on the question. Notice of the hearing
103.35 shall include the time and place of hearing, a map showing the boundaries of the proposed

104.1 district, and a statement that all persons owning property in the proposed district that
104.2 would be subject to a service charge will be given opportunity to be heard at the hearing.
104.3 Within 30 days after adoption of the ordinance under this subdivision, the governing body
104.4 shall send a copy of the ordinance to the commissioner of revenue.

104.5 Sec. 68. Minnesota Statutes 2012, section 430.102, subdivision 2, is amended to read:

104.6 Subd. 2. **Council approval; special tax levy limitation.** The council shall receive
104.7 and consider the estimate required in subdivision 1 and the items of cost after notice and
104.8 hearing before it or its appropriate committee as it considers necessary or expedient, and
104.9 shall approve the estimate, with necessary amendments. The amounts of each item of cost
104.10 estimated are then appropriated to operate, maintain, and improve the pedestrian mall
104.11 during the next fiscal year. The amount of the special tax to be charged under subdivision
104.12 1, clause (3), must not, however, exceed 0.12089 percent of estimated market value of
104.13 taxable property in the district. The council shall make any necessary adjustment in costs of
104.14 operating and maintaining the district to keep the amount of the tax within this limitation.

104.15 Sec. 69. Minnesota Statutes 2012, section 447.10, is amended to read:

104.16 **447.10 TAX LEVY FOR OPERATING AND MAINTAINING HOSPITAL.**

104.17 The governing body of a city of the first class owning a hospital may annually levy
104.18 a tax to operate and maintain the hospital. The tax must not exceed 0.00806 percent of
104.19 ~~taxable~~ estimated market value.

104.20 Sec. 70. Minnesota Statutes 2012, section 450.19, is amended to read:

104.21 **450.19 TOURIST CAMPING GROUNDS.**

104.22 A home rule charter or statutory city or town may establish and maintain public
104.23 tourist camping grounds. The governing body thereof may acquire by lease, purchase, or
104.24 gift, suitable lands located either within or without the corporate limits for use as public
104.25 tourist camping grounds and provide for the equipment, operation, and maintenance
104.26 of the same. The amount that may be expended for the maintenance, improvement, or
104.27 operation of tourist camping grounds shall not exceed, in any year, a sum equal to 0.00806
104.28 percent of ~~taxable~~ estimated market value.

104.29 Sec. 71. Minnesota Statutes 2012, section 450.25, is amended to read:

104.30 **450.25 MUSEUM, GALLERY, OR SCHOOL OF ARTS OR CRAFTS; TAX**
104.31 **LEVY.**

105.1 After the acquisition of any museum, gallery, or school of arts or crafts, the board
105.2 of park commissioners of the city in which it is located shall cause to be included in the
105.3 annual tax levy upon all the taxable property of the county in which the museum, gallery,
105.4 or school of arts or crafts is located, a tax of 0.00846 percent of estimated market value.
105.5 The board shall certify the levy to the county auditor and it shall be added to, and collected
105.6 with and as part of, the general, real, and personal property taxes, with like penalties and
105.7 interest, in case of nonpayment and default, and all provisions of law in respect to the
105.8 levy, collection, and enforcement of other taxes shall, so far as applicable, be followed in
105.9 respect of these taxes. All of these taxes, penalties, and interest, when collected, shall be
105.10 paid to the city treasurer of the city in which is located the museum, gallery, or school
105.11 of arts or crafts and credited to a fund to be known as the park museum fund, and shall
105.12 be used only for the purposes specified in sections 450.23 to 450.25. Any part of the
105.13 proceeds of the levy not expended for the purposes specified in section 450.24 may be
105.14 used for the erection of new buildings for the same purposes.

105.15 Sec. 72. Minnesota Statutes 2012, section 458A.10, is amended to read:

105.16 **458A.10 PROPERTY TAX.**

105.17 The commission shall annually levy a tax not to exceed 0.12089 percent of estimated
105.18 market value on all the taxable property in the transit area at a rate sufficient to produce
105.19 an amount necessary for the purposes of sections 458A.01 to 458A.15, other than the
105.20 payment of principal and interest due on any revenue bonds issued pursuant to section
105.21 458A.05. Property taxes levied under this section shall be certified by the commission to
105.22 the county auditors of the transit area, extended, assessed, and collected in the manner
105.23 provided by law for the property taxes levied by the governing bodies of cities. The
105.24 proceeds of the taxes levied under this section shall be remitted by the respective county
105.25 treasurers to the treasurer of the commission, who shall credit the same to the funds of
105.26 the commission for use for the purposes of sections 458A.01 to 458A.15 subject to any
105.27 applicable pledges or limitations on account of tax anticipation certificates or other
105.28 specific purposes. At any time after making a tax levy under this section and certifying
105.29 it to the county auditors, the commission may issue general obligation certificates of
105.30 indebtedness in anticipation of the collection of the taxes as provided by section 412.261.

105.31 Sec. 73. Minnesota Statutes 2012, section 458A.31, subdivision 1, is amended to read:

105.32 Subdivision 1. **Levy limit.** Notwithstanding anything to the contrary contained in
105.33 the charter of the city of Duluth, any ordinance thereof, or any statute applicable thereto,
105.34 limiting the amount levied in any one year for general or special purposes, the city council

106.1 of the city of Duluth shall each year levy a tax in an amount not to exceed 0.07253
106.2 percent of ~~taxable~~ estimated market value, by ordinance. An ordinance fixing the levy
106.3 shall take effect immediately upon its passage and approval. The proceeds of the levy
106.4 shall be paid into the city treasury and deposited in the operating fund provided for in
106.5 section 458A.24, subdivision 3.

106.6 Sec. 74. Minnesota Statutes 2012, section 465.04, is amended to read:

106.7 **465.04 ACCEPTANCE OF GIFTS.**

106.8 Cities of the second, third, or fourth class, having at any time ~~a~~ an estimated
106.9 market value of not more than \$41,000,000, ~~exclusive of money and credits~~, as officially
106.10 equalized by the commissioner of revenue, either under home rule charter or under the
106.11 laws of this state, in addition to all other powers possessed by them, hereby are authorized
106.12 and empowered to receive and accept gifts and donations for the use and benefit of
106.13 such cities and the inhabitants thereof upon terms and conditions to be approved by the
106.14 governing bodies of such cities; and such cities are authorized to comply with and perform
106.15 such terms and conditions, which may include payment to the donor or donors of interest
106.16 on the value of the gift at not exceeding five percent per annum payable annually or
106.17 semiannually, during the remainder of the natural life or lives of such donor or donors.

106.18 Sec. 75. Minnesota Statutes 2012, section 469.033, subdivision 6, is amended to read:

106.19 Subd. 6. **Operation area as taxing district, special tax.** All of the territory included
106.20 within the area of operation of any authority shall constitute a taxing district for the
106.21 purpose of levying and collecting special benefit taxes as provided in this subdivision. All
106.22 of the taxable property, both real and personal, within that taxing district shall be deemed
106.23 to be benefited by projects to the extent of the special taxes levied under this subdivision.
106.24 Subject to the consent by resolution of the governing body of the city in and for which
106.25 it was created, an authority may levy a tax upon all taxable property within that taxing
106.26 district. The tax shall be extended, spread, and included with and as a part of the general
106.27 taxes for state, county, and municipal purposes by the county auditor, to be collected and
106.28 enforced therewith, together with the penalty, interest, and costs. As the tax, including any
106.29 penalties, interest, and costs, is collected by the county treasurer it shall be accumulated
106.30 and kept in a separate fund to be known as the "housing and redevelopment project fund."
106.31 The money in the fund shall be turned over to the authority at the same time and in the same
106.32 manner that the tax collections for the city are turned over to the city, and shall be expended
106.33 only for the purposes of sections 469.001 to 469.047. It shall be paid out upon vouchers
106.34 signed by the chair of the authority or an authorized representative. The amount of the

107.1 levy shall be an amount approved by the governing body of the city, but shall not exceed
107.2 0.0185 percent of ~~taxable~~ estimated market value. The authority shall each year formulate
107.3 and file a budget in accordance with the budget procedure of the city in the same manner as
107.4 required of executive departments of the city or, if no budgets are required to be filed, by
107.5 August 1. The amount of the tax levy for the following year shall be based on that budget.

107.6 Sec. 76. Minnesota Statutes 2012, section 469.034, subdivision 2, is amended to read:

107.7 Subd. 2. **General obligation revenue bonds.** (a) An authority may pledge the
107.8 general obligation of the general jurisdiction governmental unit as additional security for
107.9 bonds payable from income or revenues of the project or the authority. The authority
107.10 must find that the pledged revenues will equal or exceed 110 percent of the principal and
107.11 interest due on the bonds for each year. The proceeds of the bonds must be used for a
107.12 qualified housing development project or projects. The obligations must be issued and
107.13 sold in the manner and following the procedures provided by chapter 475, except the
107.14 obligations are not subject to approval by the electors, and the maturities may extend to
107.15 not more than 35 years for obligations sold to finance housing for the elderly and 40 years
107.16 for other obligations issued under this subdivision. The authority is the municipality for
107.17 purposes of chapter 475.

107.18 (b) The principal amount of the issue must be approved by the governing body of
107.19 the general jurisdiction governmental unit whose general obligation is pledged. Public
107.20 hearings must be held on issuance of the obligations by both the authority and the general
107.21 jurisdiction governmental unit. The hearings must be held at least 15 days, but not more
107.22 than 120 days, before the sale of the obligations.

107.23 (c) The maximum amount of general obligation bonds that may be issued and
107.24 outstanding under this section equals the greater of (1) one-half of one percent of the
107.25 ~~taxable~~ estimated market value of the general jurisdiction governmental unit whose
107.26 general obligation is pledged, or (2) \$3,000,000. In the case of county or multicounty
107.27 general obligation bonds, the outstanding general obligation bonds of all cities in the
107.28 county or counties issued under this subdivision must be added in calculating the limit
107.29 under clause (1).

107.30 (d) "General jurisdiction governmental unit" means the city in which the housing
107.31 development project is located. In the case of a county or multicounty authority, the
107.32 county or counties may act as the general jurisdiction governmental unit. In the case of
107.33 a multicounty authority, the pledge of the general obligation is a pledge of a tax on the
107.34 taxable property in each of the counties.

108.1 (e) "Qualified housing development project" means a housing development project
108.2 providing housing either for the elderly or for individuals and families with incomes not
108.3 greater than 80 percent of the median family income as estimated by the United States
108.4 Department of Housing and Urban Development for the standard metropolitan statistical
108.5 area or the nonmetropolitan county in which the project is located. The project must be
108.6 owned for the term of the bonds either by the authority or by a limited partnership or other
108.7 entity in which the authority or another entity under the sole control of the authority is
108.8 the sole general partner and the partnership or other entity must receive (1) an allocation
108.9 from the Department of Management and Budget or an entitlement issuer of tax-exempt
108.10 bonding authority for the project and a preliminary determination by the Minnesota
108.11 Housing Finance Agency or the applicable suballocator of tax credits that the project
108.12 will qualify for four percent low-income housing tax credits or (2) a reservation of nine
108.13 percent low-income housing tax credits from the Minnesota Housing Finance Agency or a
108.14 suballocator of tax credits for the project. A qualified housing development project may
108.15 admit nonelderly individuals and families with higher incomes if:

108.16 (1) three years have passed since initial occupancy;

108.17 (2) the authority finds the project is experiencing unanticipated vacancies resulting in
108.18 insufficient revenues, because of changes in population or other unforeseen circumstances
108.19 that occurred after the initial finding of adequate revenues; and

108.20 (3) the authority finds a tax levy or payment from general assets of the general
108.21 jurisdiction governmental unit will be necessary to pay debt service on the bonds if higher
108.22 income individuals or families are not admitted.

108.23 (f) The authority may issue bonds to refund bonds issued under this subdivision in
108.24 accordance with section 475.67. The finding of the adequacy of pledged revenues required
108.25 by paragraph (a) and the public hearing required by paragraph (b) shall not apply to the
108.26 issuance of refunding bonds. This paragraph applies to refunding bonds issued on and
108.27 after July 1, 1992.

108.28 Sec. 77. Minnesota Statutes 2012, section 469.053, subdivision 4, is amended to read:

108.29 Subd. 4. **Mandatory city levy.** A city shall, at the request of the port authority, levy
108.30 a tax in any year for the benefit of the port authority. The tax must not exceed 0.01813
108.31 percent of ~~taxable~~ estimated market value. The amount levied must be paid by the city
108.32 treasurer to the treasurer of the port authority, to be spent by the authority.

108.33 Sec. 78. Minnesota Statutes 2012, section 469.053, subdivision 4a, is amended to read:

109.1 Subd. 4a. **Seaway port authority levy.** A levy made under this subdivision shall
109.2 replace the mandatory city levy under subdivision 4. A seaway port authority is a special
109.3 taxing district under section 275.066 and may levy a tax in any year for the benefit of the
109.4 seaway port authority. The tax must not exceed 0.01813 percent of ~~taxable~~ estimated
109.5 market value. The county auditor shall distribute the proceeds of the property tax levy to
109.6 the seaway port authority.

109.7 Sec. 79. Minnesota Statutes 2012, section 469.053, subdivision 6, is amended to read:

109.8 Subd. 6. **Discretionary city levy.** Upon request of a port authority, the port
109.9 authority's city may levy a tax to be spent by and for its port authority. The tax must
109.10 enable the port authority to carry out efficiently and in the public interest sections 469.048
109.11 to 469.068 to create and develop industrial development districts. The levy must not be
109.12 more than 0.00282 percent of ~~taxable~~ estimated market value. The county treasurer shall
109.13 pay the proceeds of the tax to the port authority treasurer. The money may be spent by
109.14 the authority in performance of its duties to create and develop industrial development
109.15 districts. In spending the money the authority must judge what best serves the public
109.16 interest. The levy in this subdivision is in addition to the levy in subdivision 4.

109.17 Sec. 80. Minnesota Statutes 2012, section 469.107, subdivision 1, is amended to read:

109.18 Subdivision 1. **City tax levy.** A city may, at the request of the authority, levy a tax in
109.19 any year for the benefit of the authority. The tax must be not more than 0.01813 percent of
109.20 ~~taxable~~ estimated market value. The amount levied must be paid by the city treasurer to
109.21 the treasurer of the authority, to be spent by the authority.

109.22 Sec. 81. Minnesota Statutes 2012, section 469.180, subdivision 2, is amended to read:

109.23 Subd. 2. **Tax levies.** Notwithstanding any law, the county board of any county may
109.24 appropriate from the general revenue fund a sum not to exceed a county levy of 0.00080
109.25 percent of ~~taxable~~ estimated market value to carry out the purposes of this section.

109.26 Sec. 82. Minnesota Statutes 2012, section 469.187, is amended to read:

109.27 **469.187 FIRST CLASS CITY SPENDING FOR PUBLICITY; PUBLICITY**
109.28 **BOARD.**

109.29 Any city of the first class may expend money for city publicity purposes. The city may
109.30 levy a tax, not exceeding 0.00080 percent of ~~taxable~~ estimated market value. The proceeds
109.31 of the levy shall be expended in the manner and for the city publicity purposes the council

110.1 directs. The council may establish and provide for a publicity board or bureau to administer
110.2 the fund, subject to the conditions and limitations the council prescribes by ordinance.

110.3 Sec. 83. Minnesota Statutes 2012, section 469.206, is amended to read:

110.4 **469.206 HAZARDOUS PROPERTY PENALTY.**

110.5 A city may assess a penalty up to one percent of the estimated market value of
110.6 real property, including any building located within the city that the city determines to
110.7 be hazardous as defined in section 463.15, subdivision 3. The city shall send a written
110.8 notice to the address to which the property tax statement is sent at least 90 days before it
110.9 may assess the penalty. If the owner of the property has not paid the penalty or fixed the
110.10 property within 90 days after receiving notice of the penalty, the penalty is considered
110.11 delinquent and is increased by 25 percent each 60 days the penalty is not paid and the
110.12 property remains hazardous. For the purposes of this section, a penalty that is delinquent
110.13 is considered a delinquent property tax and subject to chapters 279, 280, and 281, in the
110.14 same manner as delinquent property taxes.

110.15 Sec. 84. Minnesota Statutes 2012, section 471.24, is amended to read:

110.16 **471.24 TOWNS, STATUTORY CITIES; JOINT MAINTENANCE OF**
110.17 **CEMETERY.**

110.18 Where a statutory city or town owns and maintains an established cemetery or burial
110.19 ground, either within or without the municipal limits, the statutory city or town may, by
110.20 mutual agreement with contiguous statutory cities and towns, each having a an estimated
110.21 market value of not less than \$2,000,000, join together in the maintenance of such public
110.22 cemetery or burial ground for the use of the inhabitants of each of such municipalities; and
110.23 each such municipality is hereby authorized, by action of its council or governing body,
110.24 to levy a tax or make an appropriation for the annual support and maintenance of such
110.25 cemetery or burial ground; provided, the amount thus appropriated by each municipality
110.26 shall not exceed a total of \$10,000 in any one year.

110.27 Sec. 85. Minnesota Statutes 2012, section 471.571, subdivision 1, is amended to read:

110.28 Subdivision 1. **Application.** This section applies to each city in which the net tax
110.29 capacity of real and personal property consists in part of iron ore or lands containing
110.30 taconite or semitaconite and in which the total ~~taxable~~ estimated market value of real
110.31 and personal property exceeds \$2,500,000.

110.32 Sec. 86. Minnesota Statutes 2012, section 471.571, subdivision 2, is amended to read:

111.1 Subd. 2. **Creation of fund, tax levy.** The governing body of the city may create a
 111.2 permanent improvement and replacement fund to be maintained by an annual tax levy.
 111.3 The governing body may levy a tax in excess of any charter limitation for the support of
 111.4 the permanent improvement and replacement fund, but not exceeding the following:

111.5 (a) in cities having a population of not more than 500 inhabitants, the lesser of \$20
 111.6 per capita or 0.08059 percent of ~~taxable~~ estimated market value;

111.7 (b) in cities having a population of more than 500 and less than ~~2500~~ 2,500, the
 111.8 greater of \$12.50 per capita or \$10,000 but not exceeding 0.08059 percent of ~~taxable~~
 111.9 estimated market value;

111.10 (c) in cities having a population of ~~more than 2500~~ 2,500 or more inhabitants,
 111.11 the greater of \$10 per capita or \$31,500 but not exceeding 0.08059 percent of ~~taxable~~
 111.12 estimated market value.

111.13 Sec. 87. Minnesota Statutes 2012, section 471.73, is amended to read:

111.14 **471.73 ACCEPTANCE OF PROVISIONS.**

111.15 In the case of any city within the class specified in section 471.72 having a an
 111.16 estimated market value, ~~as defined in section 471.72~~, in excess of \$37,000,000; and in the
 111.17 case of any statutory city within such class having a an estimated market value, ~~as defined~~
 111.18 ~~in section 471.72~~, of less than \$5,000,000; and in the case of any statutory city within such
 111.19 class which is governed by Laws 1933, chapter 211, or Laws 1937, chapter 356; and in
 111.20 the case of any statutory city within such class which is governed by Laws 1929, chapter
 111.21 208, and has a an estimated market value of less than \$83,000,000; and in the case of
 111.22 any school district within such class having a an estimated market value, ~~as defined in~~
 111.23 ~~section 471.72~~, of more than \$54,000,000; and in the case of all towns within said class;
 111.24 sections 471.71 to 471.83 apply only if the governing body of the city or statutory city, the
 111.25 board of the school district, or the town board of the town shall have adopted a resolution
 111.26 determining to issue bonds under the provisions of sections 471.71 to 471.83 or to go
 111.27 upon a cash basis in accordance with the provisions thereof.

111.28 Sec. 88. Minnesota Statutes 2012, section 473.325, subdivision 2, is amended to read:

111.29 Subd. 2. **Chapter 475 applies; exceptions.** The Metropolitan Council shall sell and
 111.30 issue the bonds in the manner provided in chapter 475, and shall have the same powers
 111.31 and duties as a municipality issuing bonds under that law, except that the approval of a
 111.32 majority of the electors shall not be required and the net debt limitations shall not apply.
 111.33 The terms of each series of bonds shall be fixed so that the amount of principal and interest
 111.34 on all outstanding and undischarged bonds, together with the bonds proposed to be issued,

112.1 due in any year shall not exceed 0.01209 percent of estimated market value of all taxable
 112.2 property in the metropolitan area as last finally equalized prior to a proposed issue. The
 112.3 bonds shall be secured in accordance with section 475.61, subdivision 1, and any taxes
 112.4 required for their payment shall be levied by the council, shall not affect the amount or rate
 112.5 of taxes which may be levied by the council for other purposes, shall be spread against all
 112.6 taxable property in the metropolitan area and shall not be subject to limitation as to rate or
 112.7 amount. Any taxes certified by the council to the county auditors for collection shall be
 112.8 reduced by the amount received by the council from the commissioner of management and
 112.9 budget or the federal government for the purpose of paying the principal and interest on
 112.10 bonds to which the levy relates. The council shall certify the fact and amount of all money
 112.11 so received to the county auditors, and the auditors shall reduce the levies previously made
 112.12 for the bonds in the manner and to the extent provided in section 475.61, subdivision 3.

112.13 Sec. 89. Minnesota Statutes 2012, section 473.629, is amended to read:

112.14 **473.629 VALUE OF PROPERTY FOR BOND ISSUES BY SCHOOL**
 112.15 **DISTRICTS.**

112.16 As to any lands ~~to be~~ detached from any school district under ~~the provisions hereof~~
 112.17 section 473.625, notwithstanding ~~such prospective~~ the detachment, the estimated market
 112.18 value of ~~such~~ the detached lands and ~~the net tax capacity~~ of taxable properties ~~now~~ located
 112.19 ~~therein or thereon shall be and~~ on the lands on the date of the detachment constitute
 112.20 ~~from and after the date of the enactment hereof~~ a part of the estimated market value of
 112.21 properties upon the basis of which ~~such~~ used to calculate the net debt limit of the school
 112.22 district may issue its bonds; The value of ~~such~~ the lands for such purpose to be and other
 112.23 taxable properties for purposes of the school district's net debt limit are 33-1/3 percent of
 112.24 the estimated market value thereof as determined and certified by ~~said~~ the assessor to ~~said~~
 112.25 the school district, and it shall be the duty of ~~such~~ the assessor annually on or before the
 112.26 tenth day of October ~~from and after the passage hereof, to so~~ of each year, shall determine
 112.27 and certify that value; provided, however, that the value of ~~such~~ the detached lands and
 112.28 ~~such~~ taxable properties shall never exceed 20 percent of the estimated market value of
 112.29 all properties ~~constituting and making up the basis aforesaid~~ used to calculate the net
 112.30 debt limit of the school district.

112.31 Sec. 90. Minnesota Statutes 2012, section 473.661, subdivision 3, is amended to read:

112.32 Subd. 3. **Levy limit.** In any budget certified by the commissioners under this section,
 112.33 the amount included for operation and maintenance shall not exceed an amount which,
 112.34 when extended against the property taxable therefor under section 473.621, subdivision 5,

113.1 will require a levy at a rate of 0.00806 percent of estimated market value. Taxes levied by
113.2 the corporation shall not affect the amount or rate of taxes which may be levied by any other
113.3 local government unit within the metropolitan area under the provisions of any charter.

113.4 Sec. 91. Minnesota Statutes 2012, section 473.667, subdivision 9, is amended to read:

113.5 Subd. 9. **Additional taxes.** Nothing herein shall prevent the commission from
113.6 levying a tax not to exceed 0.00121 percent of estimated market value on taxable property
113.7 within its taxing jurisdiction, in addition to any levies found necessary for the debt
113.8 service fund authorized by section 473.671. Nothing herein shall prevent the levy and
113.9 appropriation for purposes of the commission of any other tax on property or on any
113.10 income, transaction, or privilege, when and if authorized by law. All collections of any
113.11 taxes so levied shall be included in the revenues appropriated for the purposes referred
113.12 to in this section, unless otherwise provided in the law authorizing the levies; but no
113.13 covenant as to the continuance or as to the rate and amount of any such levy shall be made
113.14 with the holders of the commission's bonds unless specifically authorized by law.

113.15 Sec. 92. Minnesota Statutes 2012, section 473.671, is amended to read:

113.16 **473.671 LIMIT OF TAX LEVY.**

113.17 The taxes levied against the property of the metropolitan area in any one year shall
113.18 not exceed 0.00806 percent of ~~taxable~~ estimated market value, exclusive of taxes levied
113.19 to pay the principal or interest on any bonds or indebtedness of the city issued under
113.20 Laws 1943, chapter 500, and exclusive of any taxes levied to pay the share of the city for
113.21 payments on bonded indebtedness of the corporation provided for in Laws 1943, chapter
113.22 500. The levy of taxes authorized in Laws 1943, chapter 500, shall be in addition to the
113.23 maximum rate allowed to be levied to defray the cost of government under the provisions
113.24 of the charter of any city affected by Laws 1943, chapter 500.

113.25 Sec. 93. Minnesota Statutes 2012, section 473.711, subdivision 2a, is amended to read:

113.26 Subd. 2a. **Tax levy.** (a) The commission may levy a tax on all taxable property in the
113.27 district as defined in section 473.702 to provide funds for the purposes of sections 473.701
113.28 to 473.716. The tax shall not exceed the property tax levy limitation determined in this
113.29 subdivision. A participating county may agree to levy an additional tax to be used by the
113.30 commission for the purposes of sections 473.701 to 473.716 but the sum of the county's and
113.31 commission's taxes may not exceed the county's proportionate share of the property tax levy
113.32 limitation determined under this subdivision based on the ratio of its total net tax capacity
113.33 to the total net tax capacity of the entire district as adjusted by section 270.12, subdivision

114.1 3. The auditor of each county in the district shall add the amount of the levy made by the
114.2 district to other taxes of the county for collection by the county treasurer with other taxes.
114.3 When collected, the county treasurer shall make settlement of the tax with the district in
114.4 the same manner as other taxes are distributed to political subdivisions. No county shall
114.5 levy any tax for mosquito, disease vectoring tick, and black gnat (Simuliidae) control
114.6 except under this section. The levy shall be in addition to other taxes authorized by law.

114.7 (b) The property tax levied by the Metropolitan Mosquito Control Commission shall
114.8 not exceed the product of (i) the commission's property tax levy limitation for the previous
114.9 year determined under this subdivision multiplied by (ii) an index for market valuation
114.10 changes equal to the total estimated market valuation value of all taxable property for the
114.11 current tax payable year located within the district plus any area that has been added to the
114.12 district since the previous year, divided by the total estimated market valuation value of all
114.13 taxable property located within the district for the previous taxes payable year.

114.14 (c) ~~For the purpose of determining the commission's property tax levy limitation~~
114.15 ~~under this subdivision, "total market valuation" means the total market valuation of all~~
114.16 ~~taxable property within the district without valuation adjustments for fiscal disparities~~
114.17 ~~(chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage~~
114.18 ~~transmission lines (section 273.425).~~

114.19 Sec. 94. Minnesota Statutes 2012, section 473F.02, subdivision 12, is amended to read:

114.20 Subd. 12. **Adjusted market value.** "Adjusted market value" of real and personal
114.21 property within a municipality means the assessor's estimated taxable market value,
114.22 as defined in section 272.03, of all real and personal property, including the value of
114.23 manufactured housing, within the municipality, adjusted for sales ratios in a manner
114.24 similar to the adjustments made to city and town net tax capacities. ~~For purposes~~
114.25 ~~of sections 473F.01 to 473F.13, the commissioner of revenue shall annually make~~
114.26 ~~determinations and reports with respect to each municipality which are comparable to~~
114.27 ~~those it makes for school districts under section 127A.48, subdivisions 1 to 6, in the same~~
114.28 ~~manner and at the same times as are prescribed by the subdivisions. The commissioner~~
114.29 ~~of revenue shall annually determine, for each municipality, information comparable to~~
114.30 ~~that required by section 475.53, subdivision 4, for school districts, as soon as practicable~~
114.31 ~~after it becomes available. The commissioner of revenue shall then compute the equalized~~
114.32 ~~market value of property within each municipality using the aggregate sales ratios from~~
114.33 ~~the Department of Revenue's sales ratio study.~~

114.34 Sec. 95. Minnesota Statutes 2012, section 473F.02, subdivision 14, is amended to read:

115.1 Subd. 14. **Fiscal capacity.** "Fiscal capacity" of a municipality means its ~~valuation~~
115.2 adjusted market value, determined as of January 2 of any year, divided by its population,
115.3 determined as of a date in the same year.

115.4 Sec. 96. Minnesota Statutes 2012, section 473F.02, subdivision 15, is amended to read:

115.5 Subd. 15. **Average fiscal capacity.** "Average fiscal capacity" of municipalities
115.6 means the sum of the ~~valuations~~ adjusted market values of all municipalities, determined
115.7 as of January 2 of any year, divided by the sum of their populations, determined as of
115.8 a date in the same year.

115.9 Sec. 97. Minnesota Statutes 2012, section 473F.02, subdivision 23, is amended to read:

115.10 Subd. 23. **Net tax capacity.** "Net tax capacity" means the taxable market value of
115.11 real and personal property multiplied by its net tax capacity rates in section 273.13.

115.12 Sec. 98. Minnesota Statutes 2012, section 473F.08, subdivision 10, is amended to read:

115.13 Subd. 10. **Adjustment of value or net tax capacity.** For the purpose of computing
115.14 ~~the amount or rate of any salary, aid, tax, or debt authorized, required, or limited by any~~
115.15 ~~provision of any law or charter, where such authorization, requirement, or limitation~~
115.16 ~~is related in any manner to any value or valuation of taxable property within any~~
115.17 ~~governmental unit, such value or net tax capacity~~ fiscal capacity under section 473F.02,
115.18 subdivision 14, a municipality's taxable market value shall be adjusted to reflect the
115.19 adjustments reductions to net tax capacity effected by subdivision 2, clause (a), provided
115.20 that: ~~(1) in determining the taxable market value of commercial-industrial property~~
115.21 ~~or any class thereof within a governmental unit for any purpose other than section~~
115.22 ~~473F.07~~ municipality, (a) the reduction required by this subdivision shall be that amount
115.23 which bears the same proportion to the amount subtracted from the governmental unit's
115.24 municipality's net tax capacity pursuant to subdivision 2, clause (a), as the taxable
115.25 market value of commercial-industrial property, or such class thereof, located within the
115.26 governmental unit municipality bears to the net tax capacity of commercial-industrial
115.27 property, or such class thereof, located within the governmental unit, and (b) the increase
115.28 required by this subdivision shall be that amount which bears the same proportion to
115.29 the amount added to the governmental unit's net tax capacity pursuant to subdivision 2,
115.30 clause (b), as the market value of commercial-industrial property, or such class thereof,
115.31 located within the governmental unit bears to the net tax capacity of commercial-industrial
115.32 property, or such class thereof, located within the governmental unit; and (2) in determining
115.33 the market value of real property within a municipality for purposes of section 473F.07,

116.1 ~~the adjustment prescribed by clause (1)(a) hereof shall be made and that prescribed by~~
116.2 ~~clause (1)(b) hereof shall not be made~~ municipality. No adjustment shall be made to
116.3 taxable market value for the increase in net tax capacity under subdivision 2, clause (b).

116.4 Sec. 99. Minnesota Statutes 2012, section 475.521, subdivision 4, is amended to read:

116.5 Subd. 4. **Limitations on amount.** A municipality may not issue bonds under this
116.6 section if the maximum amount of principal and interest to become due in any year on
116.7 all the outstanding bonds issued under this section, including the bonds to be issued,
116.8 will equal or exceed 0.16 percent of the ~~taxable~~ estimated market value of property
116.9 in the municipality. Calculation of the limit must be made using the ~~taxable~~ estimated
116.10 market value for the taxes payable year in which the obligations are issued and sold. In
116.11 the case of a municipality with a population of 2,500 or more, the bonds are subject to
116.12 the net debt limits under section 475.53. In the case of a shared facility in which more
116.13 than one municipality participates, upon compliance by each participating municipality
116.14 with the requirements of subdivision 2, the limitations in this subdivision and the net debt
116.15 represented by the bonds shall be allocated to each participating municipality in proportion
116.16 to its required financial contribution to the financing of the shared facility, as set forth in
116.17 the joint powers agreement relating to the shared facility. This section does not limit the
116.18 authority to issue bonds under any other special or general law.

116.19 Sec. 100. Minnesota Statutes 2012, section 475.53, subdivision 1, is amended to read:

116.20 Subdivision 1. **Generally.** Except as otherwise provided in sections 475.51 to
116.21 475.74, no municipality, except a school district or a city of the first class, shall incur or be
116.22 subject to a net debt in excess of three percent of the estimated market value of taxable
116.23 property in the municipality.

116.24 Sec. 101. Minnesota Statutes 2012, section 475.53, subdivision 3, is amended to read:

116.25 Subd. 3. **Cities first class.** Unless its charter permits a greater net debt a city of
116.26 the first class may not incur a net debt in excess of two percent of the estimated market
116.27 value of all taxable property therein. If the charter of the city permits a net debt of the city
116.28 in excess of two percent of its valuation, it may not incur a net debt in excess of 3-2/3
116.29 percent of the estimated market value of the taxable property therein.

116.30 The county auditor, at the time of preparing the tax list of the city, shall compile a
116.31 statement setting forth the total net tax capacity and the total estimated market value of
116.32 each class of taxable property in such city for such year.

117.1 Sec. 102. Minnesota Statutes 2012, section 475.53, subdivision 4, is amended to read:

117.2 Subd. 4. **School districts.** Except as otherwise provided by law, no school district
117.3 shall be subject to a net debt in excess of 15 percent of the ~~actual~~ estimated market value of
117.4 all taxable property situated within its corporate limits, as computed in accordance with this
117.5 subdivision. The county auditor of each county containing taxable real or personal property
117.6 situated within any school district shall certify to the district upon request the estimated
117.7 market value of all such property. Whenever the commissioner of revenue, in accordance
117.8 with section 127A.48, subdivisions 1 to 6, has determined that the ~~net tax capacity of any~~
117.9 ~~district furnished by county auditors is not based upon the~~ adjusted market value of taxable
117.10 property in the district exceeds the estimated market value of property within the district,
117.11 the commissioner of revenue shall certify to the district upon request the ratio most recently
117.12 ascertained to exist between ~~such~~ the estimated market value and the actual adjusted
117.13 market value of property within the district, ~~and the actual market value of property~~
117.14 ~~within a district, on which its debt limit under this subdivision is~~ will be based, ~~is (a) the~~
117.15 ~~value certified by the county auditors, or (b) this~~ on the estimated market value divided by
117.16 ~~the ratio certified by the commissioner of revenue, whichever results in a higher value.~~

117.17 Sec. 103. Minnesota Statutes 2012, section 475.58, subdivision 2, is amended to read:

117.18 Subd. 2. **Funding, refunding.** Any county, city, town, or school district whose
117.19 outstanding gross debt, including all items referred to in section 475.51, subdivision
117.20 4, exceed in amount 1.62 percent of its estimated market value may issue bonds under
117.21 this subdivision for the purpose of funding or refunding such indebtedness or any part
117.22 thereof. A list of the items of indebtedness to be funded or refunded shall be made by the
117.23 recording officer and treasurer and filed in the office of the recording officer. The initial
117.24 resolution of the governing body shall refer to this subdivision as authority for the issue,
117.25 state the amount of bonds to be issued and refer to the list of indebtedness to be funded or
117.26 refunded. This resolution shall be published once each week for two successive weeks
117.27 in a legal newspaper published in the municipality or if there be no such newspaper, in
117.28 a legal newspaper published in the county seat. Such bonds may be issued without the
117.29 submission of the question of their issue to the electors unless within ten days after the
117.30 second publication of the resolution a petition requesting such election signed by ten or
117.31 more voters who are taxpayers of the municipality, shall be filed with the recording officer.
117.32 In event such petition is filed, no bonds shall be issued hereunder unless authorized by a
117.33 majority of the electors voting on the question.

117.34 Sec. 104. Minnesota Statutes 2012, section 475.73, subdivision 1, is amended to read:

118.1 Subdivision 1. **May purchase these bonds; conditions.** Obligations sold under the
118.2 provisions of section 475.60 may be purchased by the State Board of Investment if the
118.3 obligations meet the requirements of section 11A.24, subdivision 2, upon the approval of
118.4 the attorney general as to form and execution of the application therefor, and under rules
118.5 as the board may specify, and the state board shall have authority to purchase the same
118.6 to an amount not exceeding 3.63 percent of the estimated market value of the taxable
118.7 property of the municipality, according to the last preceding assessment. The obligations
118.8 shall not run for a shorter period than one year, nor for a longer period than 30 years and
118.9 shall bear interest at a rate to be fixed by the state board but not less than two percent per
118.10 annum. Forthwith upon the delivery to the state of Minnesota of any obligations issued by
118.11 virtue thereof, the commissioner of management and budget shall certify to the respective
118.12 auditors of the various counties wherein are situated the municipalities issuing the same,
118.13 the number, denomination, amount, rate of interest and date of maturity of each obligation.

118.14 Sec. 105. Minnesota Statutes 2012, section 477A.011, subdivision 20, is amended to
118.15 read:

118.16 Subd. 20. **City net tax capacity.** "City net tax capacity" means ~~(1) the net tax~~
118.17 ~~capacity computed using the net tax capacity rates in section 273.13 for taxes payable~~
118.18 ~~in the year of the aid distribution, and the market values, after the exclusion in section~~
118.19 ~~273.13, subdivision 35, for taxes payable in the year prior to the aid distribution plus (2)~~
118.20 ~~a city's fiscal disparities distribution tax capacity under section 276A.06, subdivision 2,~~
118.21 ~~paragraph (b), or 473F.08, subdivision 2, paragraph (b), for taxes payable in the year prior~~
118.22 ~~to that for which aids are being calculated. The market value utilized in computing city~~
118.23 ~~net tax capacity shall be reduced by the sum of (1) a city's market value of commercial~~
118.24 ~~industrial property as defined in section 276A.01, subdivision 3, or 473F.02, subdivision 3,~~
118.25 ~~multiplied by the ratio determined pursuant to section 276A.06, subdivision 2, paragraph~~
118.26 ~~(a), or 473F.08, subdivision 2, paragraph (a), (2) the market value of the captured value~~
118.27 ~~of tax increment financing districts as defined in section 469.177, subdivision 2, and (3)~~
118.28 ~~the market value of transmission lines deducted from a city's total net tax capacity under~~
118.29 ~~section 273.425. The city net tax capacity will be computed using equalized market values~~
118.30 the city's adjusted net tax capacity under section 273.1325.

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

118.32 Sec. 106. Minnesota Statutes 2012, section 477A.011, subdivision 32, is amended to
118.33 read:

119.1 Subd. 32. **Commercial industrial percentage.** "Commercial industrial percentage"
119.2 for a city is 100 times the sum of the estimated market values of all real property in the
119.3 city classified as class 3 under section 273.13, subdivision 24, excluding public utility
119.4 property, to the total estimated market value of all taxable real and personal property in
119.5 the city. The estimated market values are the amounts computed before any adjustments
119.6 for fiscal disparities under section 276A.06 or 473F.08. The estimated market values
119.7 used for this subdivision are not equalized.

119.8 **EFFECTIVE DATE.** This section is effective for aids payable in 2014 and thereafter.

119.9 Sec. 107. Minnesota Statutes 2012, section 477A.0124, subdivision 2, is amended to
119.10 read:

119.11 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms
119.12 have the meanings given them.

119.13 (b) "County program aid" means the sum of "county need aid," "county tax base
119.14 equalization aid," and "county transition aid."

119.15 (c) "Age-adjusted population" means a county's population multiplied by the county
119.16 age index.

119.17 (d) "County age index" means the percentage of the population over age 65 within
119.18 the county divided by the percentage of the population over age 65 within the state, except
119.19 that the age index for any county may not be greater than 1.8 nor less than 0.8.

119.20 (e) "Population over age 65" means the population over age 65 established as of
119.21 July 15 in an aid calculation year by the most recent federal census, by a special census
119.22 conducted under contract with the United States Bureau of the Census, by a population
119.23 estimate made by the Metropolitan Council, or by a population estimate of the state
119.24 demographer made pursuant to section 4A.02, whichever is the most recent as to the stated
119.25 date of the count or estimate for the preceding calendar year and which has been certified
119.26 to the commissioner of revenue on or before July 15 of the aid calculation year. A revision
119.27 to an estimate or count is effective for these purposes only if certified to the commissioner
119.28 on or before July 15 of the aid calculation year. Clerical errors in the certification or use of
119.29 estimates and counts established as of July 15 in the aid calculation year are subject to
119.30 correction within the time periods allowed under section 477A.014.

119.31 (f) "Part I crimes" means the three-year average annual number of Part I crimes
119.32 reported for each county by the Department of Public Safety for the most recent years
119.33 available. By July 1 of each year, the commissioner of public safety shall certify to the
119.34 commissioner of revenue the number of Part I crimes reported for each county for the
119.35 three most recent calendar years available.

120.1 (g) "Households receiving food stamps" means the average monthly number of
120.2 households receiving food stamps for the three most recent years for which data is
120.3 available. By July 1 of each year, the commissioner of human services must certify to the
120.4 commissioner of revenue the average monthly number of households in the state and in
120.5 each county that receive food stamps, for the three most recent calendar years available.

120.6 (h) "County net tax capacity" means the ~~net tax capacity of the county, computed~~
120.7 ~~analogously to city net tax capacity under section 477A.011, subdivision 20~~ county's
120.8 adjusted net tax capacity under section 273.1325.

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

120.10 Sec. 108. Minnesota Statutes 2012, section 641.23, is amended to read:

120.11 **641.23 FUNDS; HOW PROVIDED.**

120.12 Before any contract is made for the erection of a county jail, sheriff's residence, or
120.13 both, the county board shall either levy a sufficient tax to provide the necessary funds, or
120.14 issue county bonds therefor in accordance with the provisions of chapter 475, provided
120.15 that no election is required if the amount of all bonds issued for this purpose and interest
120.16 on them which are due and payable in any year does not exceed an amount equal to
120.17 0.09671 percent of estimated market value of taxable property within the county, as last
120.18 determined before the bonds are issued.

120.19 Sec. 109. Minnesota Statutes 2012, section 641.24, is amended to read:

120.20 **641.24 LEASING.**

120.21 The county may, by resolution of the county board, enter into a lease agreement with
120.22 any statutory or home rule charter city situated within the county, or a county housing and
120.23 redevelopment authority established pursuant to chapter 469 or any special law whereby
120.24 the city or county housing and redevelopment authority will construct a jail or other law
120.25 enforcement facilities for the county sheriff, deputy sheriffs, and other employees of the
120.26 sheriff and other law enforcement agencies, in accordance with plans prepared by or at
120.27 the request of the county board and, when required, approved by the commissioner of
120.28 corrections and will finance it by the issuance of revenue bonds, and the county may lease
120.29 the site and improvements for a term and upon rentals sufficient to produce revenue for the
120.30 prompt payment of the bonds and all interest accruing thereon and, upon completion of
120.31 payment, will acquire title thereto. The real and personal property acquired for the jail
120.32 shall constitute a project and the lease agreement shall constitute a revenue agreement
120.33 as contemplated in chapter 469, and all proceedings shall be taken by the city or county

121.1 housing and redevelopment authority and the county in the manner and with the force and
121.2 effect provided in chapter 469; provided that:

121.3 (1) no tax shall be imposed upon or in lieu of a tax upon the property;

121.4 (2) the approval of the project by the commissioner of commerce shall not be required;

121.5 (3) the Department of Corrections shall be furnished and shall record such
121.6 information concerning each project as it may prescribe;

121.7 (4) the rentals required to be paid under the lease agreement shall not exceed in any
121.8 year one-tenth of one percent of the estimated market value of property within the county,
121.9 as last finally equalized before the execution of the agreement;

121.10 (5) the county board shall provide for the payment of all rentals due during the term
121.11 of the lease, in the manner required in section 641.264, subdivision 2;

121.12 (6) no mortgage on the property shall be granted for the security of the bonds, but
121.13 compliance with clause (5) hereof may be enforced as a nondiscretionary duty of the
121.14 county board; and

121.15 (7) the county board may sublease any part of the jail property for purposes consistent
121.16 with the maintenance and operation of a county jail or other law enforcement facility.

121.17 Sec. 110. Minnesota Statutes 2012, section 645.44, is amended by adding a subdivision
121.18 to read:

121.19 Subd. 20. **Estimated market value.** When used in determining or calculating a
121.20 limit on taxation, spending, state aid amounts, or debt, bond, certificate of indebtedness, or
121.21 capital note issuance by or for a local government unit, "estimated market value" has the
121.22 meaning given in section 273.032.

121.23 Sec. 111. **REVISOR'S INSTRUCTION.**

121.24 The revisor of statutes shall recodify Minnesota Statutes, section 127.48,
121.25 subdivisions 1 to 6, as section 273.1325, subdivisions 1 to 6, and change all
121.26 cross-references to the affected subdivisions accordingly.

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

121.28 Sec. 112. **REPEALER.**

121.29 Minnesota Statutes 2012, sections 273.11, subdivision 1a; 276A.01, subdivision 11;
121.30 473F.02, subdivision 13; and 477A.011, subdivision 21, are repealed.

121.31 Sec. 113. **EFFECTIVE DATE.**

122.1 Unless otherwise specifically provided, this article is effective the day following
122.2 final enactment for purposes of limits on net debt, the issuance of bonds, certificates of
122.3 indebtedness, and capital notes and is effective beginning for taxes payable in 2014 for
122.4 all other purposes.

122.5 **ARTICLE 8**

122.6 **DEPARTMENT OF REVENUE PROPERTY AND MINERALS PROVISIONS**

122.7 Section 1. Minnesota Statutes 2012, section 123A.455, subdivision 1, is amended to
122.8 read:

122.9 Subdivision 1. **Definitions.** "Split residential property parcel" means a parcel of
122.10 real estate that is located within the boundaries of more than one school district and that
122.11 is classified as residential property under:

122.12 (1) section 273.13, subdivision 22, paragraph (a) or (b);

122.13 (2) section 273.13, subdivision 25, paragraph (b), clause (1); or

122.14 (3) section 273.13, subdivision 25, paragraph (c); ~~clause (1).~~

122.15 **EFFECTIVE DATE.** This section is effective for taxes payable in 2014 and
122.16 thereafter.

122.17 Sec. 2. Minnesota Statutes 2012, section 270.077, is amended to read:

122.18 **270.077 TAXES CREDITED TO STATE AIRPORTS FUND.**

122.19 All taxes levied under sections 270.071 to 270.079 must be collected by the
122.20 commissioner and credited to the state airports fund created in section 360.017.

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

122.22 Sec. 3. Minnesota Statutes 2012, section 270.41, subdivision 5, is amended to read:

122.23 Subd. 5. **Prohibited activity.** A licensed assessor or other person employed by an
122.24 assessment jurisdiction or contracting with an assessment jurisdiction for the purpose
122.25 of valuing or classifying property for property tax purposes is prohibited from making
122.26 appraisals or analyses, accepting an appraisal assignment, or preparing an appraisal report
122.27 as defined in section 82B.021, subdivisions 2, 4, 6, and 7, on any property within the
122.28 assessment jurisdiction where the individual is employed or performing the duties of the
122.29 assessor under contract. Violation of this prohibition shall result in immediate revocation
122.30 of the individual's license to assess property for property tax purposes. This prohibition
122.31 must not be construed to prohibit an individual from carrying out any duties required

123.1 for the proper assessment of property for property tax purposes or performing duties
123.2 enumerated in section 273.061, subdivision 7 or 8. If a formal resolution has been adopted
123.3 by the governing body of a governmental unit, which specifies the purposes for which
123.4 such work will be done, this prohibition does not apply to appraisal activities undertaken
123.5 on behalf of and at the request of the governmental unit that has employed or contracted
123.6 with the individual. The resolution may only allow appraisal activities which are related to
123.7 condemnations, right-of-way acquisitions, land exchanges, or special assessments.

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

123.9 Sec. 4. Minnesota Statutes 2012, section 270C.34, subdivision 1, is amended to read:

123.10 Subdivision 1. **Authority.** (a) The commissioner may abate, reduce, or refund any
123.11 penalty or interest that is imposed by a law administered by the commissioner, or imposed
123.12 by section 270.0725, subdivision 1 or 2, or 270.075, subdivision 2, as a result of the late
123.13 payment of tax or late filing of a return, or any part of an additional tax charge under
123.14 section 289A.25, subdivision 2, or 289A.26, subdivision 4, if the failure to timely pay the
123.15 tax or failure to timely file the return is due to reasonable cause, or if the taxpayer is located
123.16 in a presidentially declared disaster or in a presidentially declared state of emergency area
123.17 or in an area declared to be in a state of emergency by the governor under section 12.31.

123.18 (b) The commissioner shall abate any part of a penalty or additional tax charge
123.19 under section 289A.25, subdivision 2, or 289A.26, subdivision 4, attributable to erroneous
123.20 advice given to the taxpayer in writing by an employee of the department acting in
123.21 an official capacity, if the advice:

123.22 (1) was reasonably relied on and was in response to a specific written request of the
123.23 taxpayer; and

123.24 (2) was not the result of failure by the taxpayer to provide adequate or accurate
123.25 information.

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

123.27 Sec. 5. Minnesota Statutes 2012, section 272.01, subdivision 2, is amended to read:

123.28 Subd. 2. **Exempt property used by private entity for profit.** (a) When any real or
123.29 personal property which is exempt from ad valorem taxes, and taxes in lieu thereof, is
123.30 leased, loaned, or otherwise made available and used by a private individual, association,
123.31 or corporation in connection with a business conducted for profit, there shall be imposed a
123.32 tax, for the privilege of so using or possessing such real or personal property, in the same
123.33 amount and to the same extent as though the lessee or user was the owner of such property.

- 124.1 (b) The tax imposed by this subdivision shall not apply to:
- 124.2 (1) property leased or used as a concession in or relative to the use in whole
- 124.3 or part of a public park, market, fairgrounds, port authority, economic development
- 124.4 authority established under chapter 469, municipal auditorium, municipal parking facility,
- 124.5 municipal museum, or municipal stadium;
- 124.6 (2) property of an airport owned by a city, town, county, or group thereof which is:
- 124.7 (i) leased to or used by any person or entity including a fixed base operator; and
- 124.8 (ii) used as a hangar for the storage or repair of aircraft or to provide aviation goods,
- 124.9 services, or facilities to the airport or general public;
- 124.10 the exception from taxation provided in this clause does not apply to:
- 124.11 (i) property located at an airport owned or operated by the Metropolitan Airports
- 124.12 Commission or by a city of over 50,000 population according to the most recent federal
- 124.13 census or such a city's airport authority; or
- 124.14 (ii) hangars leased by a private individual, association, or corporation in connection
- 124.15 with a business conducted for profit other than an aviation-related business;
- 124.16 (3) property constituting or used as a public pedestrian ramp or concourse in
- 124.17 connection with a public airport;
- 124.18 (4) property constituting or used as a passenger check-in area or ticket sale counter,
- 124.19 boarding area, or luggage claim area in connection with a public airport but not the
- 124.20 airports owned or operated by the Metropolitan Airports Commission or cities of over
- 124.21 50,000 population or an airport authority therein. Real estate owned by a municipality
- 124.22 in connection with the operation of a public airport and leased or used for agricultural
- 124.23 purposes is not exempt;
- 124.24 (5) property leased, loaned, or otherwise made available to a private individual,
- 124.25 corporation, or association under a cooperative farming agreement made pursuant to
- 124.26 section 97A.135; or
- 124.27 (6) property leased, loaned, or otherwise made available to a private individual,
- 124.28 corporation, or association under section 272.68, subdivision 4.
- 124.29 (c) Taxes imposed by this subdivision are payable as in the case of personal property
- 124.30 taxes and shall be assessed to the lessees or users of real or personal property in the same
- 124.31 manner as taxes assessed to owners of real or personal property, except that such taxes
- 124.32 shall not become a lien against the property. When due, the taxes shall constitute a debt due
- 124.33 from the lessee or user to the state, township, city, county, and school district for which the
- 124.34 taxes were assessed and shall be collected in the same manner as personal property taxes.
- 124.35 If property subject to the tax imposed by this subdivision is leased or used jointly by two or
- 124.36 more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

125.1 (d) The tax on real property of the federal government, the state or any of its political
125.2 subdivisions that is leased by, loaned, or otherwise made available to a private individual,
125.3 association, or corporation and becomes taxable under this subdivision or other provision
125.4 of law must be assessed and collected as a personal property assessment. The taxes do
125.5 not become a lien against the real property.

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

125.7 Sec. 6. Minnesota Statutes 2012, section 272.02, subdivision 97, is amended to read:

125.8 Subd. 97. **Property used in business of mining subject to net proceeds tax.** The
125.9 following property used in the business of mining that is subject to the net proceeds tax
125.10 under section 298.015 is exempt:

125.11 (1) deposits of ores, metals, and minerals and the lands in which they are contained;

125.12 (2) all real and personal property used in mining, quarrying, producing, or refining
125.13 ores, minerals, or metals, including lands occupied by or used in connection with the
125.14 mining, quarrying, production, or ore refining facilities; and

125.15 (3) concentrate ~~or direct reduced ore.~~

125.16 This exemption applies for each year that a person subject to tax under section
125.17 298.015 uses the property for mining, quarrying, producing, or refining ores, metals, or
125.18 minerals.

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

125.20 Sec. 7. Minnesota Statutes 2012, section 272.03, subdivision 9, is amended to read:

125.21 Subd. 9. **Person.** "Person" ~~includes~~ means an individual, association, estate, trust,
125.22 partnership, firm, company, or corporation.

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

125.24 Sec. 8. Minnesota Statutes 2012, section 273.032, is amended to read:

125.25 **273.032 MARKET VALUE DEFINITION.**

125.26 For the purpose of determining any property tax levy limitation based on market
125.27 value, any qualification to receive state aid based on market value, or any state aid amount
125.28 based on market value, the terms "market value," "taxable market value," and "market
125.29 valuation," whether equalized or unequalized, mean the total taxable market value of
125.30 property within the local unit of government before any adjustments for tax increment,
125.31 fiscal disparity, powerline credit, or wind energy values, but after ~~the limited market~~

126.1 ~~adjustments under section 273.11, subdivision 1a, and after~~ the market value exclusions of
126.2 certain improvements to homestead property under section 273.11, subdivision 16. Unless
126.3 otherwise provided, "market value," "taxable market value," and "market valuation" for
126.4 purposes of this paragraph, refer to the taxable market value for the previous assessment
126.5 year.

126.6 For the purpose of determining any net debt limit based on market value, or any limit
126.7 on the issuance of bonds, certificates of indebtedness, or capital notes based on market
126.8 value, the terms "market value," "taxable market value," and "market valuation," whether
126.9 equalized or unequalized, mean the total taxable market value of property within the local
126.10 unit of government before any adjustments for tax increment, fiscal disparity, powerline
126.11 credit, or wind energy values, but after ~~the limited market value adjustments under section~~
126.12 ~~273.11, subdivision 1a, and after~~ the market value exclusions of certain improvements to
126.13 homestead property under section 273.11, subdivision 16. Unless otherwise provided,
126.14 "market value," "taxable market value," and "market valuation" for purposes of this
126.15 paragraph, mean the taxable market value as last finally equalized.

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

126.17 Sec. 9. Minnesota Statutes 2012, section 273.114, subdivision 6, is amended to read:

126.18 Subd. 6. **Additional taxes.** (a) When real property which is being, or has been
126.19 valued and assessed under this section is sold, transferred, or no longer qualifies under
126.20 subdivision 2, the portion sold, transferred, or no longer qualifying shall be subject to
126.21 additional taxes in the amount equal to the difference between the taxes determined in
126.22 accordance with subdivision 3 and the amount determined under subdivision 4, provided
126.23 that the amount determined under subdivision 4 shall not be greater than it would have
126.24 been had the actual bona fide sale price of the real property at an arm's-length transaction
126.25 been used in lieu of the market value determined under subdivision 4. The additional taxes
126.26 shall be extended against the property on the tax list for taxes payable in the current year,
126.27 provided that no interest or penalties shall be levied on the additional taxes if timely paid
126.28 and provided that the additional taxes shall only be levied with respect to the current year
126.29 plus two prior years that the property has been valued and assessed under this section.

126.30 (b) In the case of a sale or transfer, the additional taxes under paragraph (a) shall not
126.31 be extended against the property if the new owner submits a successful application under
126.32 this section by the later of May 1 of the current year or 30 days after the sale or transfer.

126.33 (c) For the purposes of this section, the following events do not constitute a sale or
126.34 transfer for property that qualified under subdivision 2 prior to the event:

127.1 (1) death of a property owner when the surviving owners retain ownership of the
127.2 property;

127.3 (2) divorce of a married couple when one of the spouses retains ownership of the
127.4 property;

127.5 (3) marriage of a single property owner when that owner retains ownership of the
127.6 property in whole or in part;

127.7 (4) the organization or reorganization of a farm ownership entity that is not prohibited
127.8 from owning agricultural land in this state under section 500.24, if all owners maintain the
127.9 same beneficial interest both before and after the organization or reorganization; and

127.10 (5) transfer of the property to a trust or trustee, provided that the individual owners
127.11 of the property are the grantors of the trust and they maintain the same beneficial interest
127.12 both before and after placement of the property in trust.

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

127.14 Sec. 10. Minnesota Statutes 2012, section 273.13, subdivision 23, is amended to read:

127.15 Subd. 23. **Class 2.** (a) An agricultural homestead consists of class 2a agricultural
127.16 land that is homesteaded, along with any class 2b rural vacant land that is contiguous to
127.17 the class 2a land under the same ownership. The market value of the house and garage
127.18 and immediately surrounding one acre of land has the same class rates as class 1a or 1b
127.19 property under subdivision 22. The value of the remaining land including improvements
127.20 up to the first tier valuation limit of agricultural homestead property has a net class rate
127.21 of 0.5 percent of market value. The remaining property over the first tier has a class rate
127.22 of one percent of market value. For purposes of this subdivision, the "first tier valuation
127.23 limit of agricultural homestead property" and "first tier" means the limit certified under
127.24 section 273.11, subdivision 23.

127.25 (b) Class 2a agricultural land consists of parcels of property, or portions thereof, that
127.26 are agricultural land and buildings. Class 2a property has a net class rate of one percent of
127.27 market value, unless it is part of an agricultural homestead under paragraph (a). Class 2a
127.28 property must also include any property that would otherwise be classified as 2b, but is
127.29 interspersed with class 2a property, including but not limited to sloughs, wooded wind
127.30 shelters, acreage abutting ditches, ravines, rock piles, land subject to a setback requirement,
127.31 and other similar land that is impractical for the assessor to value separately from the rest of
127.32 the property or that is unlikely to be able to be sold separately from the rest of the property.

127.33 An assessor may classify the part of a parcel described in this subdivision that is used
127.34 for agricultural purposes as class 2a and the remainder in the class appropriate to its use.

128.1 (c) Class 2b rural vacant land consists of parcels of property, or portions thereof,
128.2 that are unplatted real estate, rural in character and not used for agricultural purposes,
128.3 including land used for growing trees for timber, lumber, and wood and wood products,
128.4 that is not improved with a structure. The presence of a minor, ancillary nonresidential
128.5 structure as defined by the commissioner of revenue does not disqualify the property from
128.6 classification under this paragraph. Any parcel of 20 acres or more improved with a
128.7 structure that is not a minor, ancillary nonresidential structure must be split-classified, and
128.8 ten acres must be assigned to the split parcel containing the structure. Class 2b property
128.9 has a net class rate of one percent of market value unless it is part of an agricultural
128.10 homestead under paragraph (a), or qualifies as class 2c under paragraph (d).

128.11 (d) Class 2c managed forest land consists of no less than 20 and no more than 1,920
128.12 acres statewide per taxpayer that is being managed under a forest management plan that
128.13 meets the requirements of chapter 290C, but is not enrolled in the sustainable forest
128.14 resource management incentive program. It has a class rate of .65 percent, provided that
128.15 the owner of the property must apply to the assessor in order for the property to initially
128.16 qualify for the reduced rate and provide the information required by the assessor to verify
128.17 that the property qualifies for the reduced rate. If the assessor receives the application
128.18 and information before May 1 in an assessment year, the property qualifies beginning
128.19 with that assessment year. If the assessor receives the application and information after
128.20 April 30 in an assessment year, the property may not qualify until the next assessment
128.21 year. The commissioner of natural resources must concur that the land is qualified. The
128.22 commissioner of natural resources shall annually provide county assessors verification
128.23 information on a timely basis. The presence of a minor, ancillary nonresidential structure
128.24 as defined by the commissioner of revenue does not disqualify the property from
128.25 classification under this paragraph.

128.26 (e) Agricultural land as used in this section means:

128.27 (1) contiguous acreage of ten acres or more, used during the preceding year for
128.28 agricultural purposes; or

128.29 (2) contiguous acreage used during the preceding year for an intensive livestock or
128.30 poultry confinement operation, provided that land used only for pasturing or grazing
128.31 does not qualify under this clause.

128.32 "Agricultural purposes" as used in this section means the raising, cultivation, drying,
128.33 or storage of agricultural products for sale, or the storage of machinery or equipment
128.34 used in support of agricultural production by the same farm entity. For a property to be
128.35 classified as agricultural based only on the drying or storage of agricultural products,
128.36 the products being dried or stored must have been produced by the same farm entity as

129.1 the entity operating the drying or storage facility. "Agricultural purposes" also includes
129.2 enrollment in the Reinvest in Minnesota program under sections 103F.501 to 103F.535 or
129.3 the federal Conservation Reserve Program as contained in Public Law 99-198 or a similar
129.4 state or federal conservation program if the property was classified as agricultural (i)
129.5 under this subdivision for ~~the assessment year 2002~~ taxes payable in 2003 because of its
129.6 enrollment in a qualifying program and the land remains enrolled or (ii) in the year prior
129.7 to its enrollment. Agricultural classification shall not be based upon the market value of
129.8 any residential structures on the parcel or contiguous parcels under the same ownership.

129.9 "Contiguous acreage," for purposes of this paragraph, means all of, or a contiguous
129.10 portion of, a tax parcel as described in section 272.193, or all of, or a contiguous portion
129.11 of, a set of contiguous tax parcels under that section that are owned by the same person.

129.12 (f) ~~Real estate of~~ Agricultural land under this section also includes:

129.13 (1) contiguous acreage that is less than ten acres, which is in size and exclusively or
129.14 intensively used in the preceding year for raising or cultivating agricultural products, shall
129.15 be considered as agricultural land. To qualify under this paragraph, property that includes
129.16 a residential structure must be used intensively for one of the following purposes; or

129.17 (2) contiguous acreage that contains a residence and is less than 11 acres in size, if
129.18 the contiguous acreage exclusive of the house, garage, and surrounding one acre of land
129.19 was used in the preceding year for one or more of the following three uses:

129.20 (i) for an intensive grain drying or storage of grain operation, or for intensive
129.21 machinery or equipment storage of machinery or equipment activities used to support
129.22 agricultural activities on other parcels of property operated by the same farming entity;

129.23 (ii) as a nursery, provided that only those acres used intensively to produce nursery
129.24 stock are considered agricultural land; or

129.25 ~~(iii) for livestock or poultry confinement, provided that land that is used only for~~
129.26 ~~pasturing and grazing does not qualify; or~~

129.27 ~~(iv)~~ (iii) for intensive market farming; for purposes of this paragraph, "market
129.28 farming" means the cultivation of one or more fruits or vegetables or production of animal
129.29 or other agricultural products for sale to local markets by the farmer or an organization
129.30 with which the farmer is affiliated.

129.31 "Contiguous acreage," for purposes of this paragraph, means all of a tax parcel as
129.32 described in section 272.193, or all of a set of contiguous tax parcels under that section
129.33 that are owned by the same person.

129.34 (g) Land shall be classified as agricultural even if all or a portion of the agricultural
129.35 use of that property is the leasing to, or use by another person for agricultural purposes.

130.1 Classification under this subdivision is not determinative for qualifying under
130.2 section 273.111.

130.3 (h) The property classification under this section supersedes, for property tax
130.4 purposes only, any locally administered agricultural policies or land use restrictions that
130.5 define minimum or maximum farm acreage.

130.6 (i) The term "agricultural products" as used in this subdivision includes production
130.7 for sale of:

130.8 (1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing
130.9 animals, horticultural and nursery stock, fruit of all kinds, vegetables, forage, grains,
130.10 bees, and apiary products by the owner;

130.11 (2) fish bred for sale and consumption if the fish breeding occurs on land zoned
130.12 for agricultural use;

130.13 (3) the commercial boarding of horses, which may include related horse training and
130.14 riding instruction, if the boarding is done on property that is also used for raising pasture
130.15 to graze horses or raising or cultivating other agricultural products as defined in clause (1);

130.16 (4) property which is owned and operated by nonprofit organizations used for
130.17 equestrian activities, excluding racing;

130.18 (5) game birds and waterfowl bred and raised (i) on a game farm licensed under
130.19 section 97A.105, provided that the annual licensing report to the Department of Natural
130.20 Resources, which must be submitted annually by March 30 to the assessor, indicates
130.21 that at least 500 birds were raised or used for breeding stock on the property during the
130.22 preceding year and that the owner provides a copy of the owner's most recent schedule F;
130.23 or (ii) for use on a shooting preserve licensed under section 97A.115;

130.24 (6) insects primarily bred to be used as food for animals;

130.25 (7) trees, grown for sale as a crop, including short rotation woody crops, and not
130.26 sold for timber, lumber, wood, or wood products; and

130.27 (8) maple syrup taken from trees grown by a person licensed by the Minnesota
130.28 Department of Agriculture under chapter 28A as a food processor.

130.29 (j) If a parcel used for agricultural purposes is also used for commercial or industrial
130.30 purposes, including but not limited to:

130.31 (1) wholesale and retail sales;

130.32 (2) processing of raw agricultural products or other goods;

130.33 (3) warehousing or storage of processed goods; and

130.34 (4) office facilities for the support of the activities enumerated in clauses (1), (2),
130.35 and (3),

131.1 the assessor shall classify the part of the parcel used for agricultural purposes as class
131.2 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its
131.3 use. The grading, sorting, and packaging of raw agricultural products for first sale is
131.4 considered an agricultural purpose. A greenhouse or other building where horticultural
131.5 or nursery products are grown that is also used for the conduct of retail sales must be
131.6 classified as agricultural if it is primarily used for the growing of horticultural or nursery
131.7 products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of
131.8 those products. Use of a greenhouse or building only for the display of already grown
131.9 horticultural or nursery products does not qualify as an agricultural purpose.

131.10 (k) The assessor shall determine and list separately on the records the market value
131.11 of the homestead dwelling and the one acre of land on which that dwelling is located. If
131.12 any farm buildings or structures are located on this homesteaded acre of land, their market
131.13 value shall not be included in this separate determination.

131.14 (l) Class 2d airport landing area consists of a landing area or public access area of
131.15 a privately owned public use airport. It has a class rate of one percent of market value.
131.16 To qualify for classification under this paragraph, a privately owned public use airport
131.17 must be licensed as a public airport under section 360.018. For purposes of this paragraph,
131.18 "landing area" means that part of a privately owned public use airport properly cleared,
131.19 regularly maintained, and made available to the public for use by aircraft and includes
131.20 runways, taxiways, aprons, and sites upon which are situated landing or navigational aids.
131.21 A landing area also includes land underlying both the primary surface and the approach
131.22 surfaces that comply with all of the following:

131.23 (i) the land is properly cleared and regularly maintained for the primary purposes of
131.24 the landing, taking off, and taxiing of aircraft; but that portion of the land that contains
131.25 facilities for servicing, repair, or maintenance of aircraft is not included as a landing area;

131.26 (ii) the land is part of the airport property; and

131.27 (iii) the land is not used for commercial or residential purposes.

131.28 The land contained in a landing area under this paragraph must be described and certified
131.29 by the commissioner of transportation. The certification is effective until it is modified,
131.30 or until the airport or landing area no longer meets the requirements of this paragraph.
131.31 For purposes of this paragraph, "public access area" means property used as an aircraft
131.32 parking ramp, apron, or storage hangar, or an arrival and departure building in connection
131.33 with the airport.

131.34 (m) Class 2e consists of land with a commercial aggregate deposit that is not actively
131.35 being mined and is not otherwise classified as class 2a or 2b, provided that the land is not
131.36 located in a county that has elected to opt-out of the aggregate preservation program as

132.1 provided in section 273.1115, subdivision 6. It has a class rate of one percent of market
132.2 value. To qualify for classification under this paragraph, the property must be at least
132.3 ten contiguous acres in size and the owner of the property must record with the county
132.4 recorder of the county in which the property is located an affidavit containing:

132.5 (1) a legal description of the property;

132.6 (2) a disclosure that the property contains a commercial aggregate deposit that is not
132.7 actively being mined but is present on the entire parcel enrolled;

132.8 (3) documentation that the conditional use under the county or local zoning
132.9 ordinance of this property is for mining; and

132.10 (4) documentation that a permit has been issued by the local unit of government
132.11 or the mining activity is allowed under local ordinance. The disclosure must include a
132.12 statement from a registered professional geologist, engineer, or soil scientist delineating
132.13 the deposit and certifying that it is a commercial aggregate deposit.

132.14 For purposes of this section and section 273.1115, "commercial aggregate deposit"
132.15 means a deposit that will yield crushed stone or sand and gravel that is suitable for use
132.16 as a construction aggregate; and "actively mined" means the removal of top soil and
132.17 overburden in preparation for excavation or excavation of a commercial deposit.

132.18 (n) When any portion of the property under this subdivision or subdivision 22 begins
132.19 to be actively mined, the owner must file a supplemental affidavit within 60 days from
132.20 the day any aggregate is removed stating the number of acres of the property that is
132.21 actively being mined. The acres actively being mined must be (1) valued and classified
132.22 under subdivision 24 in the next subsequent assessment year, and (2) removed from the
132.23 aggregate resource preservation property tax program under section 273.1115, if the
132.24 land was enrolled in that program. Copies of the original affidavit and all supplemental
132.25 affidavits must be filed with the county assessor, the local zoning administrator, and the
132.26 Department of Natural Resources, Division of Land and Minerals. A supplemental
132.27 affidavit must be filed each time a subsequent portion of the property is actively mined,
132.28 provided that the minimum acreage change is five acres, even if the actual mining activity
132.29 constitutes less than five acres.

132.30 (o) The definitions prescribed by the commissioner under paragraphs (c) and (d) are
132.31 not rules and are exempt from the rulemaking provisions of chapter 14, and the provisions
132.32 in section 14.386 concerning exempt rules do not apply.

132.33 **EFFECTIVE DATE.** This section is effective for taxes payable in 2014 and
132.34 thereafter.

132.35 Sec. 11. Minnesota Statutes 2012, section 273.13, subdivision 25, is amended to read:

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

133.8 (b) Class 4b includes:

133.9 (1) residential real estate containing less than four units that does not qualify as class
133.10 4bb, other than seasonal residential recreational property;

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

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

133.14 (4) unimproved property that is classified residential as determined under subdivision
133.15 33.

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

133.17 (c) Class 4bb includes:

133.18 ~~(1)~~ nonhomestead residential real estate containing one unit, other than seasonal
133.19 residential recreational property; and

133.20 ~~(2)~~ a single family dwelling, garage, and surrounding one acre of property on a
133.21 nonhomestead farm classified under subdivision 23, paragraph (b).

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

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

133.26 (d) Class 4c property includes:

133.27 (1) except as provided in subdivision 22, paragraph (c), real and personal property
133.28 devoted to commercial temporary and seasonal residential occupancy for recreation
133.29 purposes, for not more than 250 days in the year preceding the year of assessment. For
133.30 purposes of this clause, property is devoted to a commercial purpose on a specific day
133.31 if any portion of the property is used for residential occupancy, and a fee is charged for
133.32 residential occupancy. Class 4c property under this clause must contain three or more
133.33 rental units. A "rental unit" is defined as a cabin, condominium, townhouse, sleeping room,
133.34 or individual camping site equipped with water and electrical hookups for recreational
133.35 vehicles. A camping pad offered for rent by a property that otherwise qualifies for class
133.36 4c under this clause is also class 4c under this clause regardless of the term of the rental

134.1 agreement, as long as the use of the camping pad does not exceed 250 days. In order for a
134.2 property to be classified under this clause, either (i) the business located on the property
134.3 must provide recreational activities, at least 40 percent of the annual gross lodging receipts
134.4 related to the property must be from business conducted during 90 consecutive days,
134.5 and either (A) at least 60 percent of all paid bookings by lodging guests during the year
134.6 must be for periods of at least two consecutive nights; or (B) at least 20 percent of the
134.7 annual gross receipts must be from charges for providing recreational activities, or (ii) the
134.8 business must contain 20 or fewer rental units, and must be located in a township or a city
134.9 with a population of 2,500 or less located outside the metropolitan area, as defined under
134.10 section 473.121, subdivision 2, that contains a portion of a state trail administered by the
134.11 Department of Natural Resources. For purposes of item (i)(A), a paid booking of five or
134.12 more nights shall be counted as two bookings. Class 4c property also includes commercial
134.13 use real property used exclusively for recreational purposes in conjunction with other class
134.14 4c property classified under this clause and devoted to temporary and seasonal residential
134.15 occupancy for recreational purposes, up to a total of two acres, provided the property is
134.16 not devoted to commercial recreational use for more than 250 days in the year preceding
134.17 the year of assessment and is located within two miles of the class 4c property with which
134.18 it is used. In order for a property to qualify for classification under this clause, the owner
134.19 must submit a declaration to the assessor designating the cabins or units occupied for 250
134.20 days or less in the year preceding the year of assessment by January 15 of the assessment
134.21 year. Those cabins or units and a proportionate share of the land on which they are located
134.22 must be designated class 4c under this clause as otherwise provided. The remainder of the
134.23 cabins or units and a proportionate share of the land on which they are located will be
134.24 designated as class 3a. The owner of property desiring designation as class 4c property
134.25 under this clause must provide guest registers or other records demonstrating that the units
134.26 for which class 4c designation is sought were not occupied for more than 250 days in the
134.27 year preceding the assessment if so requested. The portion of a property operated as a
134.28 (1) restaurant, (2) bar, (3) gift shop, (4) conference center or meeting room, and (5) other
134.29 nonresidential facility operated on a commercial basis not directly related to temporary and
134.30 seasonal residential occupancy for recreation purposes does not qualify for class 4c. For
134.31 the purposes of this paragraph, "recreational activities" means renting ice fishing houses,
134.32 boats and motors, snowmobiles, downhill or cross-country ski equipment; providing
134.33 marina services, launch services, or guide services; or selling bait and fishing tackle;
134.34 (2) qualified property used as a golf course if:
134.35 (i) it is open to the public on a daily fee basis. It may charge membership fees or
134.36 dues, but a membership fee may not be required in order to use the property for golfing,

135.1 and its green fees for golfing must be comparable to green fees typically charged by
135.2 municipal courses; and

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

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

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

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

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

135.15 For purposes of this clause:

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

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

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

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

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

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

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

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

136.9 (5)(i) manufactured home parks as defined in section 327.14, subdivision 3,
136.10 excluding manufactured home parks described in section 273.124, subdivision 3a, and (ii)
136.11 manufactured home parks as defined in section 327.14, subdivision 3, that are described in
136.12 section 273.124, subdivision 3a;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

137.8 (10) real property up to a maximum of three acres and operated as a restaurant
137.9 as defined under section 157.15, subdivision 12, provided it: (A) is located on a lake
137.10 as defined under section 103G.005, subdivision 15, paragraph (a), clause (3); and (B)
137.11 is either devoted to commercial purposes for not more than 250 consecutive days, or
137.12 receives at least 60 percent of its annual gross receipts from business conducted during
137.13 four consecutive months. Gross receipts from the sale of alcoholic beverages must be
137.14 included in determining the property's qualification under subitem (B). The property's
137.15 primary business must be as a restaurant and not as a bar. Gross receipts from gift shop
137.16 sales located on the premises must be excluded. Owners of real property desiring 4c
137.17 classification under this clause must submit an annual declaration to the assessor by
137.18 February 1 of the current assessment year, based on the property's relevant information for
137.19 the preceding assessment year;

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

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

137.32 Class 4c property has a class rate of 1.5 percent of market value, except that (i) each
137.33 parcel of noncommercial seasonal residential recreational property under clause (12)
137.34 has the same class rates as class 4bb property, (ii) manufactured home parks assessed
137.35 under clause (5), item (i), have the same class rate as class 4b property, and the market
137.36 value of manufactured home parks assessed under clause (5), item (ii), has the same class

138.1 rate as class 4d property if more than 50 percent of the lots in the park are occupied by
138.2 shareholders in the cooperative corporation or association and a class rate of one percent if
138.3 50 percent or less of the lots are so occupied, (iii) commercial-use seasonal residential
138.4 recreational property and marina recreational land as described in clause (11), has a
138.5 class rate of one percent for the first \$500,000 of market value, and 1.25 percent for the
138.6 remaining market value, (iv) the market value of property described in clause (4) has a
138.7 class rate of one percent, (v) the market value of property described in clauses (2), (6), and
138.8 (10) has a class rate of 1.25 percent, and (vi) that portion of the market value of property
138.9 in clause (9) qualifying for class 4c property has a class rate of 1.25 percent.

138.10 (e) Class 4d property is qualifying low-income rental housing certified to the assessor
138.11 by the Housing Finance Agency under section 273.128, subdivision 3. If only a portion
138.12 of the units in the building qualify as low-income rental housing units as certified under
138.13 section 273.128, subdivision 3, only the proportion of qualifying units to the total number
138.14 of units in the building qualify for class 4d. The remaining portion of the building shall be
138.15 classified by the assessor based upon its use. Class 4d also includes the same proportion of
138.16 land as the qualifying low-income rental housing units are to the total units in the building.
138.17 For all properties qualifying as class 4d, the market value determined by the assessor must
138.18 be based on the normal approach to value using normal unrestricted rents.

138.19 Class 4d property has a class rate of 0.75 percent.

138.20 **EFFECTIVE DATE.** This section is effective for taxes payable in 2014 and
138.21 thereafter.

138.22 Sec. 12. Minnesota Statutes 2012, section 273.19, subdivision 1, is amended to read:

138.23 Subdivision 1. **Tax-exempt property; lease.** Except as provided in subdivision 3 or
138.24 4, tax-exempt property held under a lease for a term of at least one year, and not taxable
138.25 under section 272.01, subdivision 2, or under a contract for the purchase thereof, shall be
138.26 considered, for all purposes of taxation, as the property of the person holding it. In this
138.27 subdivision, "tax-exempt property" means property owned by the United States, the state
138.28 or any of its political subdivisions, a school, or any religious, scientific, or benevolent
138.29 society or institution, incorporated or unincorporated, or any corporation whose property
138.30 is not taxed in the same manner as other property. This subdivision does not apply to
138.31 property exempt from taxation under section 272.01, subdivision 2, paragraph (b), clauses
138.32 (2), (3), and (4), or to property exempt from taxation under section 272.0213.

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

139.1 Sec. 13. Minnesota Statutes 2012, section 273.372, subdivision 4, is amended to read:

139.2 Subd. 4. **Administrative appeals.** (a) Companies that submit the reports under
139.3 section 270.82 or 273.371 by the date specified in that section, or by the date specified by
139.4 the commissioner in an extension, may appeal administratively to the commissioner prior
139.5 to bringing an action in court ~~by submitting.~~

139.6 (b) Companies that must submit reports under section 270.82 must submit a written
139.7 request with to the commissioner for a conference within ten days after the date of the
139.8 commissioner's valuation certification or notice to the company, or by ~~May~~ June 15,
139.9 whichever is earlier.

139.10 (c) Companies that submit reports under section 273.371 must submit a written
139.11 request to the commissioner for a conference within ten days after the date of the
139.12 commissioner's valuation certification or notice to the company, or by July 1, whichever
139.13 is earlier.

139.14 (d) The commissioner shall conduct the conference upon the commissioner's entire
139.15 files and records and such further information as may be offered. The conference must
139.16 be held no later than 20 days after the date of the commissioner's valuation certification
139.17 or notice to the company, or by the date specified by the commissioner in an extension.
139.18 Within 60 days after the conference the commissioner shall make a final determination of
139.19 the matter and shall notify the company promptly of the determination. The conference
139.20 is not a contested case hearing.

139.21 ~~(b)~~ (e) In addition to the opportunity for a conference under paragraph (a), the
139.22 commissioner shall also provide the railroad and utility companies the opportunity to
139.23 discuss any questions or concerns relating to the values established by the commissioner
139.24 through certification or notice in a less formal manner. This does not change or modify
139.25 the deadline for requesting a conference under paragraph (a), the deadline in section
139.26 271.06 for appealing an order of the commissioner, or the deadline in section 278.01 for
139.27 appealing property taxes in court.

139.28 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2014.

139.29 Sec. 14. Minnesota Statutes 2012, section 273.39, is amended to read:

139.30 **273.39 RURAL AREA.**

139.31 As used in sections 273.39 to 273.41, the term "rural area" shall be deemed to mean
139.32 any area of the state not included within the boundaries of any ~~incorporated~~ statutory
139.33 city or home rule charter city, and such term shall be deemed to include both farm and
139.34 nonfarm population thereof.

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

140.2 Sec. 15. Minnesota Statutes 2012, section 279.06, subdivision 1, is amended to read:

140.3 Subdivision 1. **List and notice.** Within five days after the filing of such list, the
140.4 court administrator shall return a copy thereof to the county auditor, with a notice prepared
140.5 and signed by the court administrator, and attached thereto, which may be substantially in
140.6 the following form:

140.7 State of Minnesota)

140.8) ss.

140.9 County of)

140.10 District Court
140.11 Judicial District.

140.12 The state of Minnesota, to all persons, companies, or corporations who have or claim
140.13 any estate, right, title, or interest in, claim to, or lien upon, any of the several parcels of
140.14 land described in the list hereto attached:

140.15 The list of taxes and penalties on real property for the county of
140.16 remaining delinquent on the first Monday in January,, has been filed in the office of
140.17 the court administrator of the district court of said county, of which that hereto attached is a
140.18 copy. Therefore, you, and each of you, are hereby required to file in the office of said court
140.19 administrator, on or before the 20th day after the publication of this notice and list, your
140.20 answer, in writing, setting forth any objection or defense you may have to the taxes, or any
140.21 part thereof, upon any parcel of land described in the list, in, to, or on which you have or
140.22 claim any estate, right, title, interest, claim, or lien, and, in default thereof, judgment will
140.23 be entered against such parcel of land for the taxes on such list appearing against it, and
140.24 for all penalties, interest, and costs. Based upon said judgment, the land shall be sold to
140.25 the state of Minnesota on the second Monday in May, ~~The period of redemption for~~
140.26 ~~all lands sold to the state at a tax judgment sale shall be three years from the date of sale to~~
140.27 ~~the state of Minnesota if the land is within an incorporated area unless it is:~~

140.28 ~~(a) nonagricultural homesteaded land as defined in section 273.13, subdivision 22;~~

140.29 ~~(b) homesteaded agricultural land as defined in section 273.13, subdivision 23,~~
140.30 ~~paragraph (a);~~

140.31 ~~(c) seasonal residential recreational land as defined in section 273.13, subdivisions~~
140.32 ~~22, paragraph (c), and 25, paragraph (d), clause (1), in which event the period of~~
140.33 ~~redemption is five years from the date of sale to the state of Minnesota;~~

140.34 ~~(d) abandoned property and pursuant to section 281.173 a court order has been~~
140.35 ~~entered shortening the redemption period to five weeks; or~~

141.1 ~~(e) vacant property as described under section 281.174, subdivision 2, and for which~~
 141.2 ~~a court order is entered shortening the redemption period under section 281.174.~~

141.3 ~~The period of redemption for all other lands sold to the state at a tax judgment sale~~
 141.4 ~~shall be five years from the date of sale.~~

141.5 Inquiries as to the proceedings set forth above can be made to the county auditor of
 141.6 county whose address is

141.7 (Signed),
 141.8 Court Administrator of the District Court of the
 141.9 County of
 141.10 (Here insert list.)

141.11 The notice must contain a narrative description of the various periods to redeem
 141.12 specified in sections 281.17, 281.173, and 281.174, in the manner prescribed by the
 141.13 commissioner of revenue under subdivision 2.

141.14 The list referred to in the notice shall be substantially in the following form:

141.15 List of real property for the county of, on which taxes remain
 141.16 delinquent on the first Monday in January,

141.17 Town of (Fairfield),
 141.18 Township (40), Range (20),

141.19 Names (and Current
 141.20 Filed Addresses) for
 141.21 the Taxpayers and Fee
 141.22 Owners and in Addition
 141.23 Those Parties Who Have
 141.24 Filed Their Addresses

141.25 Pursuant to section	Subdivision of		Tax Parcel	Total Tax
141.26 276.041	Section	Section	Number	and Penalty
141.27				\$ cts.

141.28 John Jones (825 Fremont	S.E. 1/4 of S.W. 1/4	10	23101	2.20
141.29 Fairfield, MN 55000)				

142.1 Bruce Smith (2059 Hand That part of N.E. 1/4
 142.2 Fairfield, MN 55000) of S.W. 1/4 desc. as
 142.3 and Fairfield State follows: Beg. at the
 142.4 Bank (100 Main Street S.E. corner of said N.E.
 142.5 Fairfield, MN 55000) 1/4 of S.W. 1/4; thence
 142.6 N. along the E. line of
 142.7 said N.E. 1/4 of S.W.
 142.8 1/4 a distance of 600
 142.9 ft.; thence W. parallel
 142.10 with the S. line of said
 142.11 N.E. 1/4 of S.W. 1/4
 142.12 a distance of 600 ft.;
 142.13 thence S. parallel with
 142.14 said E. line a distance of
 142.15 600 ft. to S. line of said
 142.16 N.E. 1/4 of S.W. 1/4;
 142.17 thence E. along said S.
 142.18 line a distance of 600 ft.
 142.19 to the point of beg.

142.20 As to platted property, the form of heading shall conform to circumstances and be
 142.21 substantially in the following form:

142.22 City of (Smittown)
 142.23 Brown's Addition, or Subdivision

142.24 Names (and Current
 142.25 Filed Addresses) for
 142.26 the Taxpayers and Fee
 142.27 Owners and in Addition
 142.28 Those Parties Who Have
 142.29 Filed Their Addresses

142.30 Pursuant to section
 142.31 276.041

Lot	Block	Tax Parcel Number	Total Tax and Penalty
			\$ cts.

142.33	John Jones (825 Fremont 142.34 Fairfield, MN 55000)	15	9	58243	2.20
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142.35	Bruce Smith (2059 Hand 142.36 Fairfield, MN 55000) 142.37 and Fairfield State 142.38 Bank (100 Main Street 142.39 Fairfield, MN 55000)	16	9	58244	3.15
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142.40 The names, descriptions, and figures employed in parentheses in the above forms are
 142.41 merely for purposes of illustration.

142.42 The name of the town, township, range or city, and addition or subdivision, as the
 142.43 case may be, shall be repeated at the head of each column of the printed lists as brought
 142.44 forward from the preceding column.

142.45 Errors in the list shall not be deemed to be a material defect to affect the validity
 142.46 of the judgment and sale.

143.1 **EFFECTIVE DATE.** This section is effective for lists and notices required after
143.2 December 31, 2013.

143.3 Sec. 16. Minnesota Statutes 2012, section 290B.04, subdivision 2, is amended to read:

143.4 Subd. 2. **Approval; recording.** The commissioner shall approve all initial
143.5 applications that qualify under this chapter and shall notify qualifying homeowners on or
143.6 before December 1. The commissioner may investigate the facts or require confirmation
143.7 in regard to an application. The commissioner shall record or file a notice of qualification
143.8 for deferral, including the names of the qualifying homeowners and a legal description
143.9 of the property, in the office of the county recorder, or registrar of titles, whichever is
143.10 applicable, in the county where the qualifying property is located. The notice must state
143.11 that it serves as a notice of lien and that it includes deferrals under this section for future
143.12 years. The commissioner shall prescribe the form of the notice. Execution of the notice
143.13 by the original or facsimile signature of the commissioner or a delegate entitles them to
143.14 be recorded, and no other attestation, certification, or acknowledgment is necessary. The
143.15 homeowner shall pay the recording or filing fees for the notice, which, notwithstanding
143.16 section 357.18, shall be paid by the homeowner at the time of satisfaction of the lien.

143.17 **EFFECTIVE DATE.** This section is effective for notices that are both executed
143.18 and recorded after June 30, 2013.

143.19 Sec. 17. Minnesota Statutes 2012, section 298.01, subdivision 3, is amended to read:

143.20 Subd. 3. **Occupation tax; other ores.** Every person engaged in the business of
143.21 mining, refining, or producing ores, metals, or minerals in this state, except iron ore or
143.22 taconite concentrates, shall pay an occupation tax to the state of Minnesota as provided
143.23 in this subdivision. For purposes of this subdivision, mining includes the application of
143.24 hydrometallurgical processes. Hydrometallurgical processes are processes that extract
143.25 the ores, metals, or minerals, by use of aqueous solutions that leach, concentrate, and
143.26 recover the ore, metal, or mineral. The tax is determined in the same manner as the tax
143.27 imposed by section 290.02, except that sections 290.05, subdivision 1, clause (a), 290.17,
143.28 subdivision 4, and 290.191, subdivision 2, do not apply, and the occupation tax must
143.29 be computed by applying to taxable income the rate of 2.45 percent. A person subject
143.30 to occupation tax under this section shall apportion its net income on the basis of the
143.31 percentage obtained by taking the sum of:

143.32 (1) 75 percent of the percentage which the sales made within this state in connection
143.33 with the trade or business during the tax period are of the total sales wherever made in
143.34 connection with the trade or business during the tax period;

144.1 (2) 12.5 percent of the percentage which the total tangible property used by the
144.2 taxpayer in this state in connection with the trade or business during the tax period is of
144.3 the total tangible property, wherever located, used by the taxpayer in connection with the
144.4 trade or business during the tax period; and

144.5 (3) 12.5 percent of the percentage which the taxpayer's total payrolls paid or incurred
144.6 in this state or paid in respect to labor performed in this state in connection with the trade
144.7 or business during the tax period are of the taxpayer's total payrolls paid or incurred in
144.8 connection with the trade or business during the tax period.

144.9 The tax is in addition to all other taxes.

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

144.11 Sec. 18. Minnesota Statutes 2012, section 298.018, is amended to read:

144.12 **298.018 DISTRIBUTION OF PROCEEDS.**

144.13 Subdivision 1. **Within taconite assistance area.** The proceeds of the tax paid
144.14 under sections 298.015 and 298.016 on ores, metals, or minerals ~~and energy resources~~
144.15 mined or extracted within the taconite assistance area defined in section 273.1341, shall
144.16 be allocated as follows:

144.17 (1) five percent to the city or town within which the minerals or energy resources
144.18 are mined or extracted;

144.19 (2) ten percent to the taconite municipal aid account to be distributed as provided
144.20 in section 298.282;

144.21 (3) ten percent to the school district within which the minerals or energy resources
144.22 are mined or extracted;

144.23 (4) 20 percent to a group of school districts comprised of those school districts
144.24 wherein the mineral or energy resource was mined or extracted or in which there is a
144.25 qualifying municipality as defined by section 273.134, paragraph (b), in direct proportion
144.26 to school district indexes as follows: for each school district, its pupil units determined
144.27 under section 126C.05 for the prior school year shall be multiplied by the ratio of the
144.28 average adjusted net tax capacity per pupil unit for school districts receiving aid under
144.29 this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year
144.30 ending prior to distribution to the adjusted net tax capacity per pupil unit of the district.

144.31 Each district shall receive that portion of the distribution which its index bears to the sum
144.32 of the indices for all school districts that receive the distributions;

144.33 (5) 20 percent to the county within which the minerals or energy resources are
144.34 mined or extracted;

145.1 (6) 20 percent to St. Louis County acting as the counties' fiscal agent to be
145.2 distributed as provided in sections 273.134 to 273.136;

145.3 (7) five percent to the Iron Range Resources and Rehabilitation Board for the
145.4 purposes of section 298.22;

145.5 (8) five percent to the Douglas J. Johnson economic protection trust fund; and

145.6 (9) five percent to the taconite environmental protection fund.

145.7 The proceeds of the tax shall be distributed on July 15 each year.

145.8 Subd. 2. **Outside taconite assistance area.** The proceeds of the tax paid under
145.9 sections 298.015 and 298.016 on ores, metals, or minerals ~~and energy resources~~ mined
145.10 or extracted outside of the taconite assistance area defined in section 273.1341, shall
145.11 be deposited in the general fund.

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

145.13 Sec. 19. Minnesota Statutes 2012, section 373.01, subdivision 1, is amended to read:

145.14 Subdivision 1. **Public corporation; listed powers.** (a) Each county is a body politic
145.15 and corporate and may:

145.16 (1) Sue and be sued.

145.17 (2) Acquire and hold real and personal property for the use of the county, and lands
145.18 sold for taxes as provided by law.

145.19 (3) Purchase and hold for the benefit of the county real estate sold by virtue of
145.20 judicial proceedings, to which the county is a party.

145.21 (4) Sell, lease, and convey real or personal estate owned by the county, and give
145.22 contracts or options to sell, lease, or convey it, and make orders respecting it as deemed
145.23 conducive to the interests of the county's inhabitants.

145.24 (5) Make all contracts and do all other acts in relation to the property and concerns
145.25 of the county necessary to the exercise of its corporate powers.

145.26 (b) No sale, lease, or conveyance of real estate owned by the county, except the lease
145.27 of a residence acquired for the furtherance of an approved capital improvement project, nor
145.28 any contract or option for it, shall be valid, without first advertising for bids or proposals in
145.29 the official newspaper of the county for three consecutive weeks and once in a newspaper
145.30 of general circulation in the area where the property is located. The notice shall state the
145.31 time and place of considering the proposals, contain a legal description of any real estate,
145.32 and a brief description of any personal property. Leases that do not exceed \$15,000 for any
145.33 one year may be negotiated and are not subject to the competitive bid procedures of this
145.34 section. All proposals estimated to exceed \$15,000 in any one year shall be considered at

146.1 the time set for the bid opening, and the one most favorable to the county accepted, but the
146.2 county board may, in the interest of the county, reject any or all proposals.

146.3 (c) Sales of personal property the value of which is estimated to be \$15,000 or
146.4 more shall be made only after advertising for bids or proposals in the county's official
146.5 newspaper, on the county's Web site, or in a recognized industry trade journal. At the same
146.6 time it posts on its Web site or publishes in a trade journal, the county must publish in the
146.7 official newspaper, either as part of the minutes of a regular meeting of the county board
146.8 or in a separate notice, a summary of all requests for bids or proposals that the county
146.9 advertises on its Web site or in a trade journal. After publication in the official newspaper,
146.10 on the Web site, or in a trade journal, bids or proposals may be solicited and accepted by
146.11 the electronic selling process authorized in section 471.345, subdivision 17. Sales of
146.12 personal property the value of which is estimated to be less than \$15,000 may be made
146.13 either on competitive bids or in the open market, in the discretion of the county board.
146.14 "Web site" means a specific, addressable location provided on a server connected to the
146.15 Internet and hosting World Wide Web pages and other files that are generally accessible
146.16 on the Internet all or most of a day.

146.17 (d) Notwithstanding anything to the contrary herein, the county may, when acquiring
146.18 real property for county highway right-of-way, exchange parcels of real property of
146.19 substantially similar or equal value without advertising for bids. The estimated values for
146.20 these parcels shall be determined by the county assessor.

146.21 (e) Notwithstanding anything in this section to the contrary, the county may, when
146.22 acquiring real property for purposes other than county highway right-of-way, exchange
146.23 parcels of real property of substantially similar or equal value without advertising for
146.24 bids. The estimated values for these parcels must be determined by the county assessor
146.25 or a private appraisal performed by a licensed Minnesota real estate appraiser. For the
146.26 purpose of determining for the county the estimated values of parcels proposed to be
146.27 exchanged, the county assessor need not be licensed under chapter 82B. Before giving
146.28 final approval to any exchange of land, the county board shall hold a public hearing on
146.29 the exchange. At least two weeks before the hearing, the county auditor shall post a
146.30 notice in the auditor's office and the official newspaper of the county of the hearing that
146.31 contains a description of the lands affected.

146.32 (f) If real estate or personal property remains unsold after advertising for and
146.33 consideration of bids or proposals the county may employ a broker to sell the property.
146.34 The broker may sell the property for not less than 90 percent of its appraised market value
146.35 as determined by the county. The broker's fee shall be set by agreement with the county but
146.36 may not exceed ten percent of the sale price and must be paid from the proceeds of the sale.

147.1 (g) A county or its agent may rent a county-owned residence acquired for the
147.2 furtherance of an approved capital improvement project subject to the conditions set
147.3 by the county board and not subject to the conditions for lease otherwise provided by
147.4 paragraph (a), clause (4), and paragraphs (b), (c), (d), (f), and (h).

147.5 (h) In no case shall lands be disposed of without there being reserved to the county
147.6 all iron ore and other valuable minerals in and upon the lands, with right to explore for,
147.7 mine and remove the iron ore and other valuable minerals, nor shall the minerals and
147.8 mineral rights be disposed of, either before or after disposition of the surface rights,
147.9 otherwise than by mining lease, in similar general form to that provided by section 93.20
147.10 for mining leases affecting state lands. The lease shall be for a term not exceeding 50
147.11 years, and be issued on a royalty basis, the royalty to be not less than 25 cents per ton of
147.12 2,240 pounds, and fix a minimum amount of royalty payable during each year, whether
147.13 mineral is removed or not. Prospecting options for mining leases may be granted for
147.14 periods not exceeding one year. The options shall require, among other things, periodical
147.15 showings to the county board of the results of exploration work done.

147.16 (i) Notwithstanding anything in this subdivision to the contrary, the county may,
147.17 when selling real property owned in fee simple that cannot be improved because of
147.18 noncompliance with local ordinances regarding minimum area, shape, frontage, or access,
147.19 proceed to sell the nonconforming parcel without advertising for bid. At the county's
147.20 discretion, the real property may be restricted to sale to adjoining landowners or may be
147.21 sold to any other interested party. The property shall be sold to the highest bidder, but in no
147.22 case shall the property be sold for less than 90 percent of its fair market value as determined
147.23 by the county assessor. All owners of land adjoining the land to be sold shall be given a
147.24 written notice at least 30 days before the sale. This paragraph shall be liberally construed to
147.25 encourage the sale of nonconforming real property and promote its return to the tax rolls.

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

147.27 Sec. 20. **REPEALER.**

147.28 Minnesota Statutes 2012, sections 272.69; and 273.11, subdivisions 1a and 22, are
147.29 repealed.

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