

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

H.F. No. 991

(SENATE AUTHORS: MARQUART and Youakim)

DATE	D-PG	OFFICIAL STATUS
04/26/2021	3087	Received from House
	3087	Introduction and first reading
		Referred to for comparison with SF961
04/27/2021	3967a	Comm report: Rule 45-amend, subst. General Orders SF961
	3968	Second reading
04/28/2021	3984a	Special Order: Amended
	4010	Third reading Passed
04/29/2021	4063	House not concur, conference committee of 5 requested
		House conferees Marquart; Youakim; Her; Lislegard; Davids
		Senate accedes, CC of 5 be appointed
	4065	Senate conferees Nelson; Weber; Miller; Bakk; Rest
		See First Special Session 2021, HF9

1.1 A bill for an act

1.2 relating to financing and operation of state and local government; providing

1.3 conformity to certain federal tax law changes; modifying individual income and

1.4 corporate franchise taxes, sales and use taxes, partnership taxes, excise taxes,

1.5 property taxes and tax increment financing; providing provisions related to local

1.6 taxes and other miscellaneous taxes and tax provisions; providing for various

1.7 individual and corporate subtractions to income; modifying certain income tax

1.8 credits and authorizing new credits; providing for a pass-through entity tax;

1.9 modifying existing and providing new sales tax exemptions; modifying existing

1.10 local taxes and authorizing new local taxes; modifying classification provisions

1.11 related to relative homesteads and class 4d; authorizing fire protection and

1.12 emergency medical services special taxing districts; modifying the state general

1.13 tax; establishing a property tax credit; allowing for certain special assessments;

1.14 modifying property tax and renters' refunds; providing for supplemental aid;

1.15 requiring a report; appropriating money; amending Minnesota Statutes 2020,

1.16 sections 16A.152, subdivision 2; 116J.8737, subdivisions 5, 12; 144F.01; 270A.04,

1.17 by adding a subdivision; 270B.13, by adding a subdivision; 270C.445, subdivision

1.18 6; 273.124, subdivisions 1, 9, 13; 273.128, subdivision 2, by adding subdivisions;

1.19 273.13, subdivisions 25, 34; 273.1392; 273.1393; 275.025, subdivisions 1, 2;

1.20 275.065, subdivision 3; 275.066; 276.04, subdivision 2; 289A.08, by adding a

1.21 subdivision; 289A.20, subdivision 4; 289A.31, subdivision 1; 289A.37, subdivision

1.22 2; 289A.38, subdivisions 7, 8, 9, 10; 289A.42; 289A.60, subdivision 24; 290.0132,

1.23 subdivision 4, by adding subdivisions; 290.06, subdivision 22, by adding a

1.24 subdivision; 290.0674, subdivision 2; 290.0681, subdivisions 3, 4, 10, by adding

1.25 a subdivision; 290.31, subdivision 1; 290.92, subdivisions 4b, 4c; 290A.03,

1.26 subdivision 3; 297A.70, subdivision 13; 297A.71, by adding a subdivision;

1.27 297A.75, subdivisions 1, 2, 3; 297A.77, subdivision 3; 297A.993, subdivision 2;

1.28 297F.10, subdivision 1; 297F.17, subdivision 6; 297G.16, subdivision 7; 297I.20,

1.29 by adding a subdivision; 298.28, subdivisions 5, 9b; 429.021, subdivision 1;

1.30 429.031, subdivision 3; 453A.04, subdivision 21, by adding a subdivision; 465.71;

1.31 469.319, subdivision 4; 475.56; 475.58, subdivision 3b; 475.60, subdivision 1;

1.32 475.67, subdivision 8; 477A.016; Laws 2019, First Special Session chapter 6,

1.33 article 6, section 27; proposing coding for new law in Minnesota Statutes, chapters

1.34 270C; 273; 289A; 290; 297A; 299C; 462A; repealing Minnesota Statutes 2020,

1.35 section 469.055, subdivision 7.

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

2.2 **ARTICLE 1**

2.3 **FEDERAL UPDATE**

2.4 Section 1. Minnesota Statutes 2020, section 289A.08, is amended by adding a subdivision
2.5 to read:

2.6 Subd. 7a. **Pass-through entity tax.** (a) For the purposes of this subdivision, the following
2.7 terms have the meanings given:

2.8 (1) "income" has the meaning given in subdivision 7, paragraph (j), except that the
2.9 provisions that apply to a partnership apply to a qualifying entity and the provisions that
2.10 apply to a partner apply to a qualifying owner. The income of both a resident and nonresident
2.11 qualifying owner is allocated and assigned to this state as provided for nonresident partners
2.12 and shareholders under section 290.17;

2.13 (2) "qualifying owner" means a resident or nonresident individual, estate, or trust that
2.14 is a partner, member, or shareholder of a qualifying entity; and

2.15 (3) "qualifying entity" means a partnership, limited liability company, or corporation
2.16 organized under subchapter S of the Internal Revenue Code for federal income tax purposes,
2.17 including a qualified subsidiary also organized under subchapter S of the Internal Revenue
2.18 Code. Qualifying entity does not include a partnership, limited liability company, or
2.19 corporation that has a partnership, limited liability company, or corporation as a partner,
2.20 member, or shareholder.

2.21 (b) A qualifying entity may elect to file a return and pay the pass-through entity tax
2.22 imposed under paragraph (c). The election:

2.23 (1) must be made on or before the due date or extended due date of the qualifying entity's
2.24 pass-through entity tax return;

2.25 (2) may only be made by qualifying owners who hold more than a 50 percent ownership
2.26 interest in a qualifying entity; and

2.27 (3) is binding on all qualifying owners who have an ownership interest in the qualifying
2.28 entity.

2.29 (c) Subject to the election in paragraph (b), a pass-through entity tax is imposed on a
2.30 qualifying entity in an amount equal to the sum of the tax liability of each qualifying owner.

3.1 (d) The amount of a qualifying owner's tax liability under paragraph (c) is the amount
3.2 of the qualifying owner's income multiplied by the tax rates and brackets used to determine
3.3 the tax liability for married individuals filing separate returns, estates, and trusts under
3.4 section 290.06, subdivision 2c. When making this determination:

3.5 (1) nonbusiness deductions, standard deductions, or personal exemptions are not allowed;
3.6 and

3.7 (2) a credit or deduction is allowed only to the extent allowed to the qualifying owner.

3.8 (e) The amount of each credit and deduction used to determine a qualifying owner's tax
3.9 liability under paragraph (d) must also be used to determine that qualifying owner's individual
3.10 income tax liability under chapter 290.

3.11 (f) This subdivision does not negate the requirement that a qualifying owner pay estimated
3.12 tax if the qualifying owner's tax liability would exceed the requirements set forth in section
3.13 289A.25. The qualifying owner's liability to pay estimated tax on the qualifying owner's
3.14 tax liability as determined under paragraph (d) is satisfied when the qualifying entity pays
3.15 estimated tax in the manner prescribed in section 289A.25 for composite estimated tax.

3.16 (g) A qualifying owner's adjusted basis in the interest in the qualifying entity, and the
3.17 treatment of distributions, is determined as if the election to pay the pass-through entity tax
3.18 under paragraph (b) is not made.

3.19 (h) To the extent not inconsistent with this subdivision, for purposes of this chapter, a
3.20 pass-through entity tax return must be treated as a composite return and a qualifying entity
3.21 filing a pass-through entity tax return must be treated as a partnership filing a composite
3.22 return.

3.23 (i) The provisions of subdivision 17 apply to the election to pay the pass-through entity
3.24 tax under this subdivision.

3.25 (j) If a nonresident qualifying owner of a qualifying entity making the election to file
3.26 and pay the tax under this subdivision has no other Minnesota source income, filing of the
3.27 pass-through entity tax return is a return for purposes of subdivision 1, provided that the
3.28 nonresident qualifying owner must not have any Minnesota source income other than the
3.29 income from the qualifying entity and other electing qualifying entities. If it is determined
3.30 that the nonresident qualifying owner has other Minnesota source income, the inclusion of
3.31 the income and tax liability for that owner under this provision will not constitute a return
3.32 to satisfy the requirements of subdivision 1. The tax paid for the individual as part of the

4.1 pass-through entity tax return is allowed as a payment of the tax by the individual on the
4.2 date on which the pass-through entity tax return payment was made.

4.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
4.4 31, 2020.

4.5 Sec. 2. Minnesota Statutes 2020, section 290.0132, is amended by adding a subdivision
4.6 to read:

4.7 Subd. 31. **Certain unemployment insurance compensation payments.** For taxable
4.8 years beginning after December 31, 2019, and before January 1, 2021, 18 percent of the
4.9 amount of unemployment compensation received by an individual under section 2104 of
4.10 the CARES Act, Public Law 116-136, is a subtraction. The subtraction is reduced by \$1 for
4.11 every \$4 of adjusted gross income over:

4.12 (1) \$150,000 for married couples filing a joint return or surviving spouses;

4.13 (2) \$112,500 for head of household filers; and

4.14 (3) \$75,000 for all other filers.

4.15 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
4.16 31, 2019, and before January 1, 2021.

4.17 Sec. 3. Minnesota Statutes 2020, section 290.06, subdivision 22, is amended to read:

4.18 Subd. 22. **Credit for taxes paid to another state.** (a) A taxpayer who is liable for taxes
4.19 based on net income to another state, as provided in paragraphs (b) through (f), upon income
4.20 allocated or apportioned to Minnesota, is entitled to a credit for the tax paid to another state
4.21 if the tax is actually paid in the taxable year or a subsequent taxable year. A taxpayer who
4.22 is a resident of this state pursuant to section 290.01, subdivision 7, paragraph (b), and who
4.23 is subject to income tax as a resident in the state of the individual's domicile is not allowed
4.24 this credit unless the state of domicile does not allow a similar credit.

4.25 (b) For an individual, estate, or trust, the credit is determined by multiplying the tax
4.26 payable under this chapter by the ratio derived by dividing the income subject to tax in the
4.27 other state that is also subject to tax in Minnesota while a resident of Minnesota by the
4.28 taxpayer's federal adjusted gross income, as defined in section 62 of the Internal Revenue
4.29 Code, modified by the addition required by section 290.0131, subdivision 2, and the
4.30 subtraction allowed by section 290.0132, subdivision 2, to the extent the income is allocated
4.31 or assigned to Minnesota under sections 290.081 and 290.17.

5.1 (c) If the taxpayer is an athletic team that apportions all of its income under section
5.2 290.17, subdivision 5, the credit is determined by multiplying the tax payable under this
5.3 chapter by the ratio derived from dividing the total net income subject to tax in the other
5.4 state by the taxpayer's Minnesota taxable income.

5.5 (d)(1) The credit determined under paragraph (b) or (c) shall not exceed the amount of
5.6 tax so paid to the other state on the gross income earned within the other state subject to
5.7 tax under this chapter; and

5.8 (2) the allowance of the credit does not reduce the taxes paid under this chapter to an
5.9 amount less than what would be assessed if the gross income earned within the other state
5.10 were excluded from taxable net income.

5.11 (e) In the case of the tax assessed on a lump-sum distribution under section 290.032, the
5.12 credit allowed under paragraph (a) is the tax assessed by the other state on the lump-sum
5.13 distribution that is also subject to tax under section 290.032, and shall not exceed the tax
5.14 assessed under section 290.032. To the extent the total lump-sum distribution defined in
5.15 section 290.032, subdivision 1, includes lump-sum distributions received in prior years or
5.16 is all or in part an annuity contract, the reduction to the tax on the lump-sum distribution
5.17 allowed under section 290.032, subdivision 2, includes tax paid to another state that is
5.18 properly apportioned to that distribution.

5.19 (f) If a Minnesota resident reported an item of income to Minnesota and is assessed tax
5.20 in such other state on that same income after the Minnesota statute of limitations has expired,
5.21 the taxpayer shall receive a credit for that year under paragraph (a), notwithstanding any
5.22 statute of limitations to the contrary. The claim for the credit must be submitted within one
5.23 year from the date the taxes were paid to the other state. The taxpayer must submit sufficient
5.24 proof to show entitlement to a credit.

5.25 (g) For the purposes of this subdivision, a resident shareholder of a corporation treated
5.26 as an "S" corporation under section 290.9725, must be considered to have paid a tax imposed
5.27 on the shareholder in an amount equal to the shareholder's pro rata share of any net income
5.28 tax paid by the S corporation to another state. For the purposes of the preceding sentence,
5.29 the term "net income tax" means any tax imposed on or measured by a corporation's net
5.30 income.

5.31 (h) For the purposes of this subdivision, a resident partner of an entity taxed as a
5.32 partnership under the Internal Revenue Code must be considered to have paid a tax imposed
5.33 on the partner in an amount equal to the partner's pro rata share of any net income tax paid
5.34 by the partnership to another state. For purposes of the preceding sentence, the term "net

6.1 income" tax means any tax imposed on or measured by a partnership's net income. For
6.2 purposes of this paragraph, "partnership" includes a limited liability company and "partner"
6.3 includes a member of a limited liability company.

6.4 (i) For the purposes of this subdivision, "another state":

6.5 (1) includes:

6.6 (i) the District of Columbia; and

6.7 (ii) a province or territory of Canada; but

6.8 (2) excludes Puerto Rico and the several territories organized by Congress.

6.9 (j) The limitations on the credit in paragraphs (b), (c), and (d), are imposed on a state
6.10 by state basis.

6.11 (k) For a tax imposed by a province or territory of Canada, the tax for purposes of this
6.12 subdivision is the excess of the tax over the amount of the foreign tax credit allowed under
6.13 section 27 of the Internal Revenue Code. In determining the amount of the foreign tax credit
6.14 allowed, the net income taxes imposed by Canada on the income are deducted first. Any
6.15 remaining amount of the allowable foreign tax credit reduces the provincial or territorial
6.16 tax that qualifies for the credit under this subdivision.

6.17 (l)(1) The credit allowed to a qualifying individual under this section for tax paid to a
6.18 qualifying state equals the credit calculated under paragraphs (b) and (d), plus the amount
6.19 calculated by multiplying:

6.20 (i) the difference between the preliminary credit and the credit calculated under paragraphs
6.21 (b) and (d), by

6.22 (ii) the ratio derived by dividing the income subject to tax in the qualifying state that
6.23 consists of compensation for performance of personal or professional services by the total
6.24 amount of income subject to tax in the qualifying state.

6.25 (2) If the amount of the credit that a qualifying individual is eligible to receive under
6.26 clause (1) for tax paid to a qualifying state exceeds the tax due under this chapter before
6.27 the application of the credit calculated under clause (1), the commissioner shall refund the
6.28 excess to the qualifying individual. An amount sufficient to pay the refunds required by this
6.29 subdivision is appropriated to the commissioner from the general fund.

6.30 (3) For purposes of this paragraph, "preliminary credit" means the credit that a qualifying
6.31 individual is eligible to receive under paragraphs (b) and (d) for tax paid to a qualifying
6.32 state without regard to the limitation in paragraph (d), clause (2); "qualifying individual"

7.1 means a Minnesota resident under section 290.01, subdivision 7, paragraph (a), who received
7.2 compensation during the taxable year for the performance of personal or professional services
7.3 within a qualifying state; and "qualifying state" means a state with which an agreement
7.4 under section 290.081 is not in effect for the taxable year but was in effect for a taxable
7.5 year beginning before January 1, 2010.

7.6 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
7.7 31, 2020.

7.8 Sec. 4. Minnesota Statutes 2020, section 290.06, is amended by adding a subdivision to
7.9 read:

7.10 Subd. 40. **Pass-through entity tax credit.** (a) A qualifying owner of a qualifying entity
7.11 that elects to pay the pass-through entity tax under section 289A.08, subdivision 7a, may
7.12 claim a credit against the tax due under this chapter equal to the amount of the owner's tax
7.13 liability as calculated under section 289A.08, subdivision 7a, paragraph (d).

7.14 (b) If the amount of the credit the taxpayer may claim under this subdivision exceeds
7.15 the taxpayer's tax liability under this chapter, the commissioner of revenue shall refund the
7.16 excess to the taxpayer. The amount necessary to pay the claim for the refund provided in
7.17 this subdivision is appropriated from the general fund to the commissioner of revenue.

7.18 (c) For purposes of this subdivision, "qualifying entity," "qualifying owner," and "tax
7.19 liability" have the meanings given in section 289A.08, subdivision 7a, paragraphs (a) and
7.20 (d).

7.21 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
7.22 31, 2020.

7.23 Sec. 5. Minnesota Statutes 2020, section 290.92, subdivision 4b, is amended to read:

7.24 **Subd. 4b. Withholding by partnerships.** (a) A partnership shall deduct and withhold
7.25 a tax as provided in paragraph (b) for nonresident individual partners based on their
7.26 distributive shares of partnership income for a taxable year of the partnership.

7.27 (b) The amount of tax withheld is determined by multiplying the partner's distributive
7.28 share allocable to Minnesota under section 290.17, paid or credited during the taxable year
7.29 by the highest rate used to determine the income tax liability for an individual under section
7.30 290.06, subdivision 2c, except that the amount of tax withheld may be determined by the
7.31 commissioner if the partner submits a withholding exemption certificate under subdivision
7.32 5.

8.1 (c) The commissioner may reduce or abate the tax withheld under this subdivision if the
8.2 partnership had reasonable cause to believe that no tax was due under this section.

8.3 (d) Notwithstanding paragraph (a), a partnership is not required to deduct and withhold
8.4 tax for a nonresident partner if:

8.5 (1) the partner elects to have the tax due paid as part of the partnership's composite return
8.6 under section 289A.08, subdivision 7;

8.7 (2) the partner has Minnesota assignable federal adjusted gross income from the
8.8 partnership of less than \$1,000; or

8.9 (3) the partnership is liquidated or terminated, the income was generated by a transaction
8.10 related to the termination or liquidation, and no cash or other property was distributed in
8.11 the current or prior taxable year;

8.12 (4) the distributive shares of partnership income are attributable to:

8.13 (i) income required to be recognized because of discharge of indebtedness;

8.14 (ii) income recognized because of a sale, exchange, or other disposition of real estate,
8.15 depreciable property, or property described in section 179 of the Internal Revenue Code;
8.16 or

8.17 (iii) income recognized on the sale, exchange, or other disposition of any property that
8.18 has been the subject of a basis reduction pursuant to section 108, 734, 743, 754, or 1017 of
8.19 the Internal Revenue Code

8.20 to the extent that the income does not include cash received or receivable or, if there is cash
8.21 received or receivable, to the extent that the cash is required to be used to pay indebtedness
8.22 by the partnership or a secured debt on partnership property; ~~or~~

8.23 (5) the partnership is a publicly traded partnership, as defined in section 7704(b) of the
8.24 Internal Revenue Code; or

8.25 (6) the partnership has elected to pay the pass-through entity tax under section 289A.08,
8.26 subdivision 7a.

8.27 (e) For purposes of sections 270C.60, 289A.09, subdivision 2, 289A.20, subdivision 2,
8.28 paragraph (c), 289A.50, 289A.56, 289A.60, and 289A.63, a partnership is considered an
8.29 employer.

8.30 (f) To the extent that income is exempt from withholding under paragraph (d), clause
8.31 (4), the commissioner has a lien in an amount up to the amount that would be required to
8.32 be withheld with respect to the income of the partner attributable to the partnership interest,

9.1 but for the application of paragraph (d), clause (4). The lien arises under section 270C.63
 9.2 from the date of assessment of the tax against the partner, and attaches to that partner's share
 9.3 of the profits and any other money due or to become due to that partner in respect of the
 9.4 partnership. Notice of the lien may be sent by mail to the partnership, without the necessity
 9.5 for recording the lien. The notice has the force and effect of a levy under section 270C.67,
 9.6 and is enforceable against the partnership in the manner provided by that section. Upon
 9.7 payment in full of the liability subsequent to the notice of lien, the partnership must be
 9.8 notified that the lien has been satisfied.

9.9 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 9.10 31, 2020.

9.11 Sec. 6. Minnesota Statutes 2020, section 290.92, subdivision 4c, is amended to read:

9.12 Subd. 4c. **Withholding by S corporations.** (a) A corporation having a valid election in
 9.13 effect under section 290.9725 shall deduct and withhold a tax as provided in paragraph (b)
 9.14 for nonresident individual shareholders their share of the corporation's income for the taxable
 9.15 year.

9.16 (b) The amount of tax withheld is determined by multiplying the amount of income
 9.17 allocable to Minnesota under section 290.17 by the highest rate used to determine the income
 9.18 tax liability of an individual under section 290.06, subdivision 2c, except that the amount
 9.19 of tax withheld may be determined by the commissioner if the shareholder submits a
 9.20 withholding exemption certificate under subdivision 5.

9.21 (c) Notwithstanding paragraph (a), a corporation is not required to deduct and withhold
 9.22 tax for a nonresident shareholder, if:

9.23 (1) the shareholder elects to have the tax due paid as part of the corporation's composite
 9.24 return under section 289A.08, subdivision 7;

9.25 (2) the shareholder has Minnesota assignable federal adjusted gross income from the
 9.26 corporation of less than \$1,000; ~~or~~

9.27 (3) the corporation is liquidated or terminated, the income was generated by a transaction
 9.28 related to the termination or liquidation, and no cash or other property was distributed in
 9.29 the current or prior taxable year; or

9.30 (4) the S corporation has elected to pay the pass-through entity tax under section 289A.08,
 9.31 subdivision 7a.

10.1 (d) For purposes of sections 270C.60, 289A.09, subdivision 2, 289A.20, subdivision 2,
 10.2 paragraph (c), 289A.50, 289A.56, 289A.60, and 289A.63, a corporation is considered an
 10.3 employer.

10.4 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 10.5 31, 2020.

10.6 **Sec. 7. CLARIFICATION OF SECTION 179 EXPENSING CONFORMITY.**

10.7 For taxable years beginning after December 31, 2019, no addition is required under
 10.8 Minnesota Statutes, sections 290.0131, subdivision 10, and 290.0133, subdivision 12, for
 10.9 property placed in service in taxable years beginning before January 1, 2020, including the
 10.10 following:

10.11 (1) the addition for carryover amounts pursuant to section 179(b)(3) of the Internal
 10.12 Revenue Code for property placed in service in taxable years beginning before January 1,
 10.13 2020; and

10.14 (2) the addition for property placed in service in taxable years beginning before January
 10.15 1, 2020, resulting from being a shareholder or partner in an S-corporation or partnership
 10.16 with a taxable year that began before January 1, 2020.

10.17 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 10.18 after December 31, 2019.

10.19 **Sec. 8. CLARIFICATION OF NET OPERATING LOSS TREATMENT.**

10.20 The reference to the Internal Revenue Code in section 9, subdivision 2, clauses (1) to
 10.21 (3):

10.22 (1) applies only to:

10.23 (i) the exclusion from gross income under section 1106 of Public Law 116-136;

10.24 (ii) modifications to Paycheck Protection Program loan requirements under Public Laws
 10.25 116-142, 116-139, and 116-147; and

10.26 (iii) deductions allowed under section 276 of Public Law 116-260; and

10.27 (2) does not apply to the modifications to treatment of net operating losses under section
 10.28 2303 of Public Law 116-136, as modified by section 281 of Public Law 116-260.

11.1 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
 11.2 that changes incorporated by federal changes are effective retroactively at the same time
 11.3 the changes were effective for federal purposes.

11.4 Sec. 9. **EXCLUSION FROM GROSS INCOME FOR CERTAIN FORGIVEN PPP**
 11.5 **LOANS AND EDUCATOR EXPENSES.**

11.6 Subdivision 1. **Scope.** This section applies for the purpose of calculating:

11.7 (1) net income, as defined in Minnesota Statutes, section 290.01, subdivision 19;

11.8 (2) income, as defined in Minnesota Statutes, section 290.0674, subdivision 2a;

11.9 (3) alternative minimum taxable income, as defined in Minnesota Statutes, section
 11.10 290.091, subdivision 2;

11.11 (4) alternative minimum taxable income, as defined in Minnesota Statutes, section
 11.12 290.0921, subdivision 3; and

11.13 (5) income, as defined in Minnesota Statutes, section 290A.03, subdivision 3.

11.14 Subd. 2. **Adopting federal changes related to the paycheck protection program and**
 11.15 **certain educator expenses.** "Internal Revenue Code" has the meaning given in Minnesota
 11.16 Statutes, section 290.01, subdivision 31, as amended through the date specified in that
 11.17 subdivision, but including the following amendments:

11.18 (1) the exclusion from gross income under section 1106 of Public Law 116-136;

11.19 (2) section 276 of Public Law 116-260;

11.20 (3) all modifications to the Internal Revenue Code in Public Laws 116-142 and 116-147;
 11.21 and

11.22 (4) for taxable years beginning after December 31, 2019, and before January 1, 2022,
 11.23 the exclusion from gross income of educator expenses, including personal protective
 11.24 equipment, disinfectant, and other supplies used for the prevention of the spread of
 11.25 COVID-19 under section 275 of Public Law 116-260.

11.26 Subd. 3. **No denial of deduction.** Notwithstanding Minnesota Statutes, section 290.10,
 11.27 the commissioner of revenue must not deny a taxpayer a deduction that is allowed under
 11.28 section 276 of the COVID-related Tax Relief Act of 2020 in Public Law 116-260.

11.29 **EFFECTIVE DATE.** This section is effective retroactively at the same time the
 11.30 provisions of federal law specified in subdivision 2, clauses (1) to (3), were effective for
 11.31 federal purposes, except that the provision of federal law specified in subdivision 2, clause

12.1 (4), is effective for taxable years beginning after December 31, 2019, and before January
12.2 1, 2022.

12.3 ARTICLE 2

12.4 INCOME AND CORPORATE FRANCHISE TAXES

12.5 Section 1. Minnesota Statutes 2020, section 116J.8737, subdivision 5, is amended to read:

12.6 Subd. 5. **Credit allowed.** (a) A qualified investor or qualified fund is eligible for a credit
12.7 equal to 25 percent of the qualified investment in a qualified small business. Investments
12.8 made by a pass-through entity qualify for a credit only if the entity is a qualified fund. The
12.9 commissioner must not allocate more than \$10,000,000 in credits to qualified investors or
12.10 qualified funds for each of the taxable years listed in paragraph (i), clauses (1) to (3). For
12.11 each taxable year, 50 percent must be allocated to credits for qualified investments in
12.12 qualified greater Minnesota businesses and minority-owned, women-owned, or
12.13 veteran-owned qualified small businesses in Minnesota. Any portion of a taxable year's
12.14 credits that is reserved for qualified investments in greater Minnesota businesses and
12.15 minority-owned, women-owned, or veteran-owned qualified small businesses in Minnesota
12.16 that is not allocated by September 30 of the taxable year is available for allocation to other
12.17 credit applications beginning on October 1. Any portion of a taxable year's credits that is
12.18 not allocated by the commissioner does not cancel and may be carried forward to subsequent
12.19 taxable years until all credits have been allocated.

12.20 (b) The commissioner may not allocate more than a total maximum amount in credits
12.21 for a taxable year to a qualified investor for the investor's cumulative qualified investments
12.22 as an individual qualified investor and as an investor in a qualified fund; for married couples
12.23 filing joint returns the maximum is \$250,000, and for all other filers the maximum is
12.24 \$125,000. The commissioner may not allocate more than a total of \$1,000,000 in credits
12.25 over all taxable years for qualified investments in any one qualified small business.

12.26 (c) The commissioner may not allocate a credit to a qualified investor either as an
12.27 individual qualified investor or as an investor in a qualified fund if, at the time the investment
12.28 is proposed:

12.29 (1) the investor is an officer or principal of the qualified small business; or

12.30 (2) the investor, either individually or in combination with one or more members of the
12.31 investor's family, owns, controls, or holds the power to vote 20 percent or more of the
12.32 outstanding securities of the qualified small business.

13.1 A member of the family of an individual disqualified by this paragraph is not eligible for a
13.2 credit under this section. For a married couple filing a joint return, the limitations in this
13.3 paragraph apply collectively to the investor and spouse. For purposes of determining the
13.4 ownership interest of an investor under this paragraph, the rules under section 267(c) and
13.5 267(e) of the Internal Revenue Code apply.

13.6 (d) Applications for tax credits ~~for 2010~~ must be made available on the department's
13.7 website by September 1, ~~2010~~ each year, and the department must begin accepting
13.8 applications by September 1, ~~2010~~ each year. Applications for subsequent years must be
13.9 made available by November 1 of the preceding year.

13.10 (e) Qualified investors and qualified funds must apply to the commissioner for tax credits.
13.11 Tax credits must be allocated to qualified investors or qualified funds in the order that the
13.12 tax credit request applications are filed with the department. The commissioner must approve
13.13 or reject tax credit request applications within 15 days of receiving the application. The
13.14 investment specified in the application must be made within 60 days of the allocation of
13.15 the credits. If the investment is not made within 60 days, the credit allocation is canceled
13.16 and available for reallocation. A qualified investor or qualified fund that fails to invest as
13.17 specified in the application, within 60 days of allocation of the credits, must notify the
13.18 commissioner of the failure to invest within five business days of the expiration of the
13.19 60-day investment period.

13.20 (f) All tax credit request applications filed with the department on the same day must
13.21 be treated as having been filed contemporaneously. If two or more qualified investors or
13.22 qualified funds file tax credit request applications on the same day, and the aggregate amount
13.23 of credit allocation claims exceeds the aggregate limit of credits under this section or the
13.24 lesser amount of credits that remain unallocated on that day, then the credits must be allocated
13.25 among the qualified investors or qualified funds who filed on that day on a pro rata basis
13.26 with respect to the amounts claimed. The pro rata allocation for any one qualified investor
13.27 or qualified fund is the product obtained by multiplying a fraction, the numerator of which
13.28 is the amount of the credit allocation claim filed on behalf of a qualified investor and the
13.29 denominator of which is the total of all credit allocation claims filed on behalf of all
13.30 applicants on that day, by the amount of credits that remain unallocated on that day for the
13.31 taxable year.

13.32 (g) A qualified investor or qualified fund, or a qualified small business acting on their
13.33 behalf, must notify the commissioner when an investment for which credits were allocated
13.34 has been made, and the taxable year in which the investment was made. A qualified fund
13.35 must also provide the commissioner with a statement indicating the amount invested by

14.1 each investor in the qualified fund based on each investor's share of the assets of the qualified
 14.2 fund at the time of the qualified investment. After receiving notification that the investment
 14.3 was made, the commissioner must issue credit certificates for the taxable year in which the
 14.4 investment was made to the qualified investor or, for an investment made by a qualified
 14.5 fund, to each qualified investor who is an investor in the fund. The certificate must state
 14.6 that the credit is subject to revocation if the qualified investor or qualified fund does not
 14.7 hold the investment in the qualified small business for at least three years, consisting of the
 14.8 calendar year in which the investment was made and the two following years. The three-year
 14.9 holding period does not apply if:

14.10 (1) the investment by the qualified investor or qualified fund becomes worthless before
 14.11 the end of the three-year period;

14.12 (2) 80 percent or more of the assets of the qualified small business is sold before the end
 14.13 of the three-year period;

14.14 (3) the qualified small business is sold before the end of the three-year period;

14.15 (4) the qualified small business's common stock begins trading on a public exchange
 14.16 before the end of the three-year period; or

14.17 (5) the qualified investor dies before the end of the three-year period.

14.18 (h) The commissioner must notify the commissioner of revenue of credit certificates
 14.19 issued under this section.

14.20 (i) The credit allowed under this subdivision is effective for ~~each~~ of the following taxable
 14.21 years:

14.22 (1) taxable years beginning after December 31, 2018, and before January 1, 2020; ~~and~~

14.23 (2) taxable years beginning after December 31, 2020, and before January 1, 2022; and

14.24 (3) taxable years beginning after December 31, 2021, and before January 1, 2023.

14.25 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 14.26 31, 2021, and before January 1, 2023.

14.27 Sec. 2. Minnesota Statutes 2020, section 116J.8737, subdivision 12, is amended to read:

14.28 Subd. 12. **Sunset.** This section expires for taxable years beginning after December 31,
 14.29 ~~2021~~ 2022, except that reporting requirements under subdivision 6 and revocation of credits
 14.30 under subdivision 7 remain in effect through ~~2023~~ 2024 for qualified investors and qualified
 14.31 funds, and through ~~2025~~ 2026 for qualified small businesses, reporting requirements under

15.1 subdivision 9 remain in effect through ~~2021~~ 2022, and the appropriation in subdivision 11
15.2 remains in effect through ~~2025~~ 2026.

15.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
15.4 31, 2021, and before January 1, 2023.

15.5 Sec. 3. Minnesota Statutes 2020, section 290.0132, subdivision 4, is amended to read:

15.6 Subd. 4. **Education expenses.** (a) Subject to the limits in paragraph (b), the following
15.7 amounts paid to others for each qualifying child are a subtraction:

15.8 (1) education-related expenses; plus

15.9 (2) tuition and fees paid to attend a school described in section 290.0674, subdivision
15.10 1, clause (4), that are not included in education-related expenses; less

15.11 (3) any amount used to claim the credit under section 290.0674.

15.12 (b) The maximum subtraction allowed under this subdivision is:

15.13 (1) ~~\$1,625~~ \$1,640 for each qualifying child in kindergarten through grade 6; and

15.14 (2) ~~\$2,500~~ \$2,530 for each qualifying child in grades 7 through 12.

15.15 (c) The definitions in section 290.0674, subdivision 1, apply to this subdivision.

15.16 (d) The commissioner shall annually adjust the dollar amounts in paragraph (b), clauses
15.17 (1) and (2), as provided in section 270C.22. The statutory year is 2021.

15.18 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
15.19 31, 2020.

15.20 Sec. 4. Minnesota Statutes 2020, section 290.0132, is amended by adding a subdivision
15.21 to read:

15.22 Subd. 30. **Volunteer driver reimbursement.** (a) A taxpayer is allowed a subtraction
15.23 equal to the amount of mileage reimbursement paid by a charitable organization to the
15.24 taxpayer for work as a volunteer driver. The subtraction is limited to amounts paid by the
15.25 organization that:

15.26 (1) are in excess of the mileage rate for use of an automobile in rendering gratuitous
15.27 services to a charitable organization under section 170(i) of the Internal Revenue Code; and

15.28 (2) do not exceed the standard mileage rate for businesses established under Code of
15.29 Federal Regulations, title 26, section 1.274-5(j)(2).

16.1 (b) For the purposes of this section, "charitable organization" means an organization
 16.2 eligible for a charitable contribution under section 170(c) of the Internal Revenue Code.

16.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 16.4 31, 2020.

16.5 Sec. 5. Minnesota Statutes 2020, section 290.0132, is amended by adding a subdivision
 16.6 to read:

16.7 Subd. 31. **Education savings accounts.** The amount deposited in an education savings
 16.8 account in a taxable year for each of the taxpayer's dependents is a subtraction. For purposes
 16.9 of this subdivision, "education savings account" means an account established in a bill styled
 16.10 as 2021 House File No. 1065, first unofficial engrossment, article 2, section 36, that creates
 16.11 an education savings account program for parents to pay for specified educational services.

16.12 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 16.13 31, 2020, only upon enactment in the 2021 regular session of a bill styled as House File
 16.14 No. 1065, first unofficial engrossment, article 2, section 36.

16.15 Sec. 6. Minnesota Statutes 2020, section 290.0674, subdivision 2, is amended to read:

16.16 Subd. 2. **Limitations.** (a) For claimants with income not greater than ~~\$33,500~~ \$33,840,
 16.17 the maximum credit allowed for a family is ~~\$1,000~~ \$1,010 multiplied by the number of
 16.18 qualifying children in kindergarten through grade 12 in the family. The maximum credit
 16.19 for families with one qualifying child in kindergarten through grade 12 is reduced by \$1
 16.20 for each \$4 of household income over \$33,500, and the maximum credit for families with
 16.21 two or more qualifying children in kindergarten through grade 12 is reduced by \$2 for each
 16.22 \$4 of household income over \$33,500, but in no case is the credit less than zero.

16.23 (b) In the case of a married claimant, a credit is not allowed unless a joint income tax
 16.24 return is filed.

16.25 (c) For a nonresident or part-year resident, the credit determined under subdivision 1
 16.26 and the maximum credit amount in paragraph (a) must be allocated using the percentage
 16.27 calculated in section 290.06, subdivision 2c, paragraph (e).

16.28 (d) The commissioner shall annually adjust the \$33,840 income limitation amount and
 16.29 the \$1,010 credit amount in paragraph (a) as provided in section 270C.22. The statutory
 16.30 year is 2021.

16.31 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 16.32 31, 2020.

17.1 Sec. 7. Minnesota Statutes 2020, section 290.0681, subdivision 3, is amended to read:

17.2 Subd. 3. **Applications; allocations.** (a) To qualify for a credit or grant under this section,
17.3 the developer of a project must apply to the office before the rehabilitation begins. The
17.4 application must contain the information and be in the form prescribed by the office. The
17.5 office may collect a fee for application of up to 0.5 percent of qualified rehabilitation
17.6 expenditures, up to \$40,000, based on estimated qualified rehabilitation expenditures, to
17.7 offset costs associated with personnel and administrative expenses related to administering
17.8 the credit and preparing the economic impact report in subdivision 9. Application fees are
17.9 deposited in the account. The application must indicate if the application is for a credit or
17.10 a grant in lieu of the credit or a combination of the two and designate the taxpayer qualifying
17.11 for the credit or the recipient of the grant.

17.12 (b) For applications received before July 1, 2021, upon approving an application for
17.13 credit, the office shall issue allocation certificates that:

17.14 (1) verify eligibility for the credit or grant;

17.15 (2) state the amount of credit or grant anticipated with the project, with the credit amount
17.16 equal to 100 percent and the grant amount equal to 90 percent of the federal credit anticipated
17.17 in the application;

17.18 (3) state that the credit or grant allowed may increase or decrease if the federal credit
17.19 the project receives at the time it is placed in service is different than the amount anticipated
17.20 at the time the allocation certificate is issued; and

17.21 (4) state the fiscal year in which the credit or grant is allocated, and that the taxpayer or
17.22 grant recipient is entitled to receive one-fifth of the total amount of either the credit or the
17.23 grant at the time the project is placed in service, provided that date is within three calendar
17.24 years following the issuance of the allocation certificate.

17.25 (c) The office, in consultation with the commissioner, shall determine if the project is
17.26 eligible for a credit or a grant under this section and must notify the developer in writing
17.27 of its determination. Eligibility for the credit is subject to review and audit by the
17.28 commissioner.

17.29 (d) The federal credit recapture and repayment requirements under section 50 of the
17.30 Internal Revenue Code do not apply to the credit allowed under this section.

17.31 (e) Any decision of the office under paragraph (c) may be challenged as a contested case
17.32 under chapter 14. The contested case proceeding must be initiated within 45 days of the
17.33 date of written notification by the office.

18.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and
18.2 applies to applications received before July 1, 2021.

18.3 Sec. 8. Minnesota Statutes 2020, section 290.0681, is amended by adding a subdivision
18.4 to read:

18.5 Subd. 3a. **Certain allocations on pro rata basis.** (a) This subdivision applies to
18.6 applications received after June 30, 2021, and before July 1, 2022.

18.7 (b) Upon approving an application for credit, the office shall verify eligibility for a credit
18.8 or grant and notify the taxpayer of eligibility.

18.9 (c) By November 1, 2022, the office shall calculate the total amount of credits or grants
18.10 for which all taxpayers would be eligible under subdivision 3, paragraph (b), clause (2).

18.11 (d) The office must not allocate more than \$14,000,000 in credits or grants under this
18.12 subdivision. If the total amount of credits or grants calculated under paragraph (c) exceeds
18.13 \$14,000,000, the commissioner of administration shall calculate the credit or grant amount
18.14 for each taxpayer on a pro rata basis.

18.15 (e) The provisions of subdivision 3, paragraphs (a), (b), clauses (3) and (4), and (c) to
18.16 (e), apply to credit or grants calculated under this subdivision.

18.17 **EFFECTIVE DATE.** This section is effective the day following final enactment and
18.18 applies to applications received after June 30, 2021, and before July 1, 2022.

18.19 Sec. 9. Minnesota Statutes 2020, section 290.0681, subdivision 4, is amended to read:

18.20 **Subd. 4. Credit certificates; grants.** (a)(1) The developer of a project for which the
18.21 office has issued an allocation certificate must notify the office when the project is placed
18.22 in service. Upon verifying that the project has been placed in service, and was allowed a
18.23 federal credit, the office must issue a credit certificate to the taxpayer designated in the
18.24 application or must issue a grant to the recipient designated in the application. The credit
18.25 certificate must state the amount of the credit.

18.26 (2) The credit amount equals the federal credit allowed for the project, or for credit
18.27 certificates issued under subdivision 3a, the amount stated in the allocation certificate.

18.28 (3) The grant amount equals 90 percent of the federal credit allowed for the project, or
18.29 for grants issued under subdivision 3a, the amount stated in the allocation certificate.

18.30 (b) The recipient of a credit certificate may assign the certificate to another taxpayer
18.31 before the first one-fifth payment is claimed, which is then allowed the credit under this

19.1 section or section 297I.20, subdivision 3. An assignment is not valid unless the assignee
 19.2 notifies the commissioner within 30 days of the date that the assignment is made. The
 19.3 commissioner shall prescribe the forms necessary for notifying the commissioner of the
 19.4 assignment of a credit certificate and for claiming a credit by assignment.

19.5 (c) Credits passed through to partners, members, shareholders, or owners pursuant to
 19.6 subdivision 5 are not an assignment of a credit certificate under this subdivision.

19.7 (d) A grant agreement between the office and the recipient of a grant may allow the
 19.8 grant to be issued to another individual or entity.

19.9 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 19.10 applies to applications received after June 30, 2021, and before July 1, 2022.

19.11 Sec. 10. Minnesota Statutes 2020, section 290.0681, subdivision 10, is amended to read:

19.12 Subd. 10. **Sunset.** This section expires after fiscal year ~~2021~~ 2022, except that the office's
 19.13 authority to issue credit certificates under subdivision 4 based on allocation certificates that
 19.14 were issued before fiscal year ~~2022~~ 2023 remains in effect through ~~2024~~ 2025, and the
 19.15 reporting requirements in subdivision 9 remain in effect through the year following the year
 19.16 in which all allocation certificates have either been canceled or resulted in issuance of credit
 19.17 certificates, or ~~2025~~ 2026, whichever is earlier.

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

19.19 Sec. 11. **[290.0683] MINNESOTA HOUSING TAX CREDIT.**

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

19.22 (b) "Agency" means the Minnesota Housing Finance Agency.

19.23 (c) "Minnesota housing tax credit contribution fund" or "fund" means the fund established
 19.24 in section 462A.40.

19.25 (d) "Qualified project" means a project that qualifies for a grant or loan under section
 19.26 462A.40.

19.27 (e) "Taxpayer" means a taxpayer as defined in section 290.01, subdivision 6, or a taxpayer
 19.28 as defined in section 297I.01, subdivision 16.

19.29 Subd. 2. **Credit allowed.** (a) A taxpayer is allowed a credit against the tax imposed
 19.30 under this chapter and the premiums tax under chapter 297I for contributions of no less than
 19.31 \$100 and no more than \$2,000,000 to the Minnesota housing tax credit contribution fund.

20.1 The credit equals 90 percent of the amount the taxpayer contributed to the fund during the
20.2 taxable year.

20.3 (b) The credit may be claimed only after certification by the agency as provided in
20.4 subdivision 3.

20.5 (c) To receive the credit, a taxpayer must claim the credit in the manner prescribed by
20.6 the commissioner and file with the return a copy of the credit certificate issued by the agency
20.7 under subdivision 3, paragraph (c).

20.8 (d) The taxpayer must claim the credit for the taxable year in which the contribution
20.9 payment is received by the fund.

20.10 (e) If the amount of the credit under this section exceeds the taxpayer's liability for tax
20.11 under this chapter, the excess is a credit carryover to each of the ten succeeding taxable
20.12 years. The entire amount of the excess unused credit for the taxable year must be carried
20.13 first to the earliest of the taxable years to which the credit may be carried and then to each
20.14 successive year to which the credit may be carried. The amount of the unused credit that
20.15 may be added under this paragraph may not exceed the taxpayer's liability for tax, less any
20.16 credit for the current taxable year.

20.17 (f) The contribution amount used to calculate the credit under this section may not be
20.18 used to calculate any other state income tax deduction or credit allowed by law.

20.19 (g) For nonresidents and part-year residents, the credit must be allocated based on the
20.20 percentage calculated under section 290.06, subdivision 2c, paragraph (e).

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

20.25 (b) The aggregate amount of tax credits allowed to all eligible contributors is limited to
20.26 \$10,000,000 annually.

20.27 (c) Within 30 days after a taxpayer contributes to the fund, the agency must file with
20.28 the contributing taxpayer a credit certificate statement or return any amounts to the taxpayer
20.29 as provided in this paragraph. The agency must send a copy of the credit certificate to the
20.30 commissioner of revenue. If there are insufficient credits to match the contribution, the
20.31 agency must not issue a credit certificate for the amount of the contribution for which there
20.32 are insufficient credits, and must return that amount to the taxpayer before issuing any credit
20.33 certificate.

21.1 (d) The credit certificate must state the dollar amount of the contribution made by the
 21.2 taxpayer, the date the payment was received by the fund, and indicate if the contribution
 21.3 was intended for a specific qualified project.

21.4 Subd. 4. **Partnerships; multiple owners.** Credits granted to a partnership, a limited
 21.5 liability company taxed as a partnership, S corporation, or multiple owners of property are
 21.6 passed through to the partners, members, shareholders, or owners, respectively, pro rata to
 21.7 each partner, member, shareholder, or owner based on their share of the entity's assets or
 21.8 as specially allocated in their organizational documents or any other executed document,
 21.9 as of the last day of the taxable year.

21.10 Subd. 5. **Recapture.** (a) Credits claimed under this section are not subject to recapture.

21.11 (b) If a grant or loan made under section 462A.40 is canceled or recaptured, the grant
 21.12 or loan is returned to the housing tax credit contribution fund. The agency is not required
 21.13 to return contributions to taxpayers who indicated that a contribution was intended for a
 21.14 project for which the loan or grant is recaptured or canceled.

21.15 Subd. 6. **Audit powers.** Notwithstanding the credit certificate issued by the commissioner
 21.16 of the Minnesota Housing Finance Agency under subdivision 3, the commissioner of revenue
 21.17 may use any audit and examination powers under chapter 270C or 289A to the extent
 21.18 necessary to verify that the taxpayer is eligible for the credit and to assess for the amount
 21.19 of any improperly claimed credit.

21.20 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 21.21 31, 2022, and before January 1, 2025.

21.22 Sec. 12. **[290.0693] CREDIT FOR ETHANOL RETAILERS.**

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

21.25 (1) "dealer" has the meaning given in section 296A.01, subdivision 13; and

21.26 (2) "higher ethanol blend" means gasoline blended with ethanol as defined in section
 21.27 239.761, subdivision 4, that contains at least 15 percent ethanol but no more than 85 percent
 21.28 ethanol.

21.29 Subd. 2. **Credit allowed.** A dealer that is subject to the tax imposed under section 290.03
 21.30 is allowed a credit against the tax imposed under this chapter equal to five cents per gallon
 21.31 of higher ethanol blend the dealer sells and dispenses through metered pumps at the dealer's

22.1 retail service station in a taxable year. The credit must not exceed a dealer's tax liability
 22.2 under this chapter.

22.3 Subd. 3. **Pass-through entities.** Credits granted to a partnership, a limited liability
 22.4 company taxed as a partnership, or an S corporation are passed through to the partners,
 22.5 members, shareholders, or owners, respectively, pro rata to each partner, member,
 22.6 shareholder, or owner based on their share of the entity's assets or as specially allocated in
 22.7 their organizational documents or any other executed agreement as of the last day of the
 22.8 taxable year.

22.9 Subd. 4. **Sunset.** This section expires for taxable years beginning after December 31,
 22.10 2030.

22.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 22.12 31, 2020.

22.13 Sec. 13. **[462A.40] MINNESOTA HOUSING TAX CREDIT CONTRIBUTION**
 22.14 **FUND.**

22.15 Subdivision 1. **Fund created.** The Minnesota housing tax credit contribution fund is
 22.16 created as a revolving fund in the state treasury. The fund is administered by the
 22.17 commissioner of the Minnesota Housing Finance Agency. Amounts contributed to the fund
 22.18 are appropriated to the commissioner. The commissioner may use the amounts appropriated
 22.19 to direct disbursements from the fund as loans or grants to eligible recipients as provided
 22.20 in this section.

22.21 Subd. 2. **Use of funds; grant and loan program.** (a) The commissioner may award
 22.22 grants and loans to be used for multifamily and single family developments for persons and
 22.23 families of low and moderate income. Allowable use of the funds include: gap financing,
 22.24 as defined in section 462A.33, subdivision 1; new construction; acquisition; rehabilitation;
 22.25 demolition or removal of existing structures; construction financing; permanent financing;
 22.26 interest rate reduction; and refinancing.

22.27 (b) The commissioner may give preference for grants and loans to comparable proposals
 22.28 that include regulatory changes or waivers that result in identifiable cost avoidance or cost
 22.29 reductions, including but not limited to increased density, flexibility in site development
 22.30 standards, or zoning code requirements.

22.31 (c) Separate from the amounts set aside in paragraph (d), the commissioner shall set
 22.32 aside ten percent of grants and loans for housing units located in a township or city with a

23.1 population of 2,500 or less that is located outside the metropolitan area, as defined in section
 23.2 473.121, subdivision 2.

23.3 (d) The commissioner shall separately set aside:

23.4 (1) 35 percent of the financing under this section for housing for persons and families
 23.5 whose income is 50 percent or less of the area median income for the applicable county or
 23.6 metropolitan area as published by the Department of Housing and Urban Development, as
 23.7 adjusted for household size; and

23.8 (2) 15 percent of the financing under this section for housing for persons and families
 23.9 whose income is 30 percent or less of the area median income for the applicable county or
 23.10 metropolitan area as published by the Department of Housing and Urban Development, as
 23.11 adjusted for household size.

23.12 (e) If by June 1 of each year, the commissioner does not receive requests to use all of
 23.13 the amounts set aside under paragraphs (c) and (d), the commissioner may use any remaining
 23.14 financing for other projects eligible under this section.

23.15 **Subd. 3. Eligible recipients; definitions; restrictions; use of funds.** (a) The
 23.16 commissioner may award a loan to any recipient that qualifies under subdivision 2. The
 23.17 commissioner must not award a grant to a disqualified individual or disqualified business.

23.18 (b) For the purposes of this subdivision disqualified individual means an individual who:

23.19 (1) made a contribution to the fund in the current or prior taxable year and received a
 23.20 credit certificate;

23.21 (2) owns the housing for which the grant or loan will be used and is using that housing
 23.22 as their domicile;

23.23 (3) meets the following criteria:

23.24 (i) the individual is an officer or principal of a business entity; and

23.25 (ii) that business entity made a contribution to the fund in the current or previous taxable
 23.26 year and received a credit certificate; or

23.27 (4) meets the following criteria:

23.28 (i) the individual owns, controls, or holds the power to vote 20 percent or more of the
 23.29 outstanding securities of a business entity; and

23.30 (ii) that business entity made a contribution to the fund in the current or previous taxable
 23.31 year and received a credit certificate.

24.1 (c) For the purposes of this subdivision disqualified business means a business entity
24.2 that:

24.3 (1) made a contribution to the fund in the current or prior taxable year and received a
24.4 credit certificate;

24.5 (2) has an officer or principal who is an individual who made a contribution to the fund
24.6 in the current or previous taxable year and received a credit certificate; or

24.7 (3) meets the following criteria:

24.8 (i) the business entity is owned, controlled, or is subject to the power to vote 20 percent
24.9 or more of the outstanding securities by an individual or business entity; and

24.10 (ii) that controlling individual or business entity made a contribution to the fund in the
24.11 current or previous taxable year and received a credit certificate.

24.12 (d) The disqualifications in paragraphs (b) and (c) apply if the taxpayer would be
24.13 disqualified either individually or in combination with one or more members of the taxpayer's
24.14 family, as defined in the Internal Revenue Code, section 267(c)(4). For a married couple
24.15 filing a joint return, the limitations in this paragraph apply collectively to the taxpayer and
24.16 spouse. For purposes of determining the ownership interest of a taxpayer under paragraph
24.17 (a), clause (4), the rules under section 267(c) and 267(e) of the Internal Revenue Code apply.

24.18 (e) Before applying for a grant or loan, all recipients must sign a disclosure that the
24.19 disqualifications under this subdivision do not apply. The commissioner of the Minnesota
24.20 Housing Finance Agency must prescribe the form of the disclosure.

24.21 (f) The commissioner may award grants or loans to a city as defined in section 462A.03,
24.22 subdivision 21; a federally recognized American Indian tribe or subdivision located in
24.23 Minnesota; a tribal housing corporation; a private developer; a nonprofit organization; a
24.24 housing and redevelopment authority under sections 469.001 to 469.047; a public housing
24.25 authority or agency authorized by law to exercise any of the powers granted by sections
24.26 469.001 to 469.047; or the owner of the housing. The provisions of subdivision 2, and
24.27 paragraphs (a) to (e) and (g) of this subdivision, regarding the use of funds and eligible
24.28 recipients apply to grants and loans awarded under this paragraph.

24.29 (g) Except for the set-aside provided in subdivision 2, paragraph (d), eligible recipients
24.30 must use the funds to serve households that meet the income limits as provided in section
24.31 462A.33, subdivision 5.

24.32 Subd. 4. **Recapture.** A loan or grant awarded under this section is subject to repayment
24.33 or recapture under rules adopted by the commissioner. Any amount of a loan or grant that

25.1 is repaid or recaptured must be redeposited in the fund and is not returned to the taxpayer
 25.2 who made the contribution.

25.3 Subd. 5. **Report.** The commissioner shall report by January 15 each year to the chairs
 25.4 and ranking minority members of the legislative policy and finance committees with
 25.5 jurisdiction over housing on the tax credits and financing provided in the previous fiscal
 25.6 year. The report shall provide a breakdown of the tax credits, grants, and loans by region
 25.7 of the state. The report shall also include information on planned financing in the current
 25.8 fiscal year.

25.9 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 25.10 31, 2022, and before January 1, 2025.

25.11 Sec. 14. **TEMPORARY TAX CREDIT FOR CERTAIN BREWERS, LIQUOR**
 25.12 **RETAILERS, AND WHOLESALERS.**

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

25.15 (b) "Closure or limited capacity" means:

25.16 (1) closed to ingress, egress, use, and occupancy by members of the public by Executive
 25.17 Order 20-04, as extended, amended, and otherwise modified by any related executive order;
 25.18 or

25.19 (2) subject to the requirements and limitations, including operating at reduced capacity,
 25.20 of Executive Order 20-74, as extended, amended, and otherwise modified by any related
 25.21 executive order.

25.22 (c) "Liquor spoilage" means:

25.23 (1) for a qualified brewer, the dollar amount of product purchased back from a liquor
 25.24 wholesaler or liquor retailer, and the dollar amount of any product disposed of as unsalable,
 25.25 due to closure or limited capacity;

25.26 (2) for a qualified retailer, the dollar amount of product returned without reimbursement
 25.27 to a liquor wholesaler or manufacturer, and the dollar amount of any product disposed of
 25.28 as unsalable, due to closure or limited capacity; and

25.29 (3) for a qualified wholesaler, the dollar amount of product purchased back from liquor
 25.30 retailer, the dollar amount of product returned without reimbursement to a manufacturer,
 25.31 and the dollar amount of any product disposed of as unsalable, due to closure or limited
 25.32 capacity.

26.1 (d) "Qualified brewer" means a brewer licensed under Minnesota Statutes, section
26.2 340A.301, subdivision 6, clauses (c), (d), (i), and (j).

26.3 (e) "Qualified retailer" means any on-sale liquor licensee under Minnesota Statutes,
26.4 chapter 340A, that was subject to closure or limited capacity.

26.5 (f) "Qualified wholesaler" means a wholesaler as defined in Minnesota Statutes, section
26.6 340A.101, subdivision 28.

26.7 (g) Except as otherwise provided in this subdivision, the definitions in Minnesota Statutes,
26.8 chapter 340A, apply to this section.

26.9 Subd. 2. **Credit allowed.** (a) A qualified brewer, qualified retailer, and qualified
26.10 wholesaler are allowed a credit, equal to the amount of liquor spoilage in the taxable year,
26.11 against the tax imposed under Minnesota Statutes, chapter 290. The credit must be claimed
26.12 in a manner prescribed by the commissioner of revenue.

26.13 (b) The amounts used to calculate the credit under this section may not be used to
26.14 calculate any other credit or subtraction under Minnesota Statutes, chapter 290.

26.15 Subd. 3. **Partnerships; multiple owners.** Credits granted to a partnership, a limited
26.16 liability company taxed as a partnership, an S corporation, or multiple owners of property
26.17 are passed through to the partners, members, shareholders, or owners, respectively, pro rata
26.18 to each partner, member, shareholder, or owner based on their share of the entity's assets
26.19 or as specially allocated in their organizational documents or any other executed agreement,
26.20 as of the last day of the taxable year.

26.21 Subd. 4. **Credit refundable; appropriation; administration.** (a) If a taxpayer's total
26.22 credit under this section exceeds the taxpayer's liability for tax under Minnesota Statutes,
26.23 chapter 290, the commissioner must refund the excess to the taxpayer. The amount necessary
26.24 to pay the refunds under this section is appropriated to the commissioner of revenue from
26.25 the general fund.

26.26 (b) The administrative provisions of Minnesota Statutes, chapters 270C, 289A, and 290,
26.27 apply to the credit under this section.

26.28 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
26.29 after December 31, 2019, and before January 1, 2022.

27.1 **ARTICLE 3**

27.2 **SALES AND USE; EXCISE TAXES**

27.3 Section 1. Minnesota Statutes 2020, section 16A.152, subdivision 2, is amended to read:

27.4 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund
27.5 revenues and expenditures, the commissioner of management and budget determines that
27.6 there will be a positive unrestricted budgetary general fund balance at the close of the
27.7 biennium, the commissioner of management and budget must allocate money to the following
27.8 accounts and purposes in priority order:

27.9 (1) the cash flow account established in subdivision 1 until that account reaches
27.10 \$350,000,000;

27.11 (2) the budget reserve account established in subdivision 1a until that account reaches
27.12 ~~\$1,596,522,000~~ \$2,377,399,000;

27.13 (3) the amount necessary to increase the aid payment schedule for school district aids
27.14 and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest
27.15 tenth of a percent without exceeding the amount available and with any remaining funds
27.16 deposited in the budget reserve;

27.17 (4) the amount necessary to restore all or a portion of the net aid reductions under section
27.18 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75,
27.19 subdivision 5, by the same amount;

27.20 ~~(5) the clean water fund established in section 114D.50 until \$22,000,000 has been~~
27.21 ~~transferred into the fund; and~~

27.22 ~~(6)~~ (5) the amount necessary to increase the Minnesota 21st century fund by not more
27.23 than the difference between \$5,000,000 and the sum of the amounts credited and canceled
27.24 to it in the previous 12 months under Laws 2020, chapter 71, article 1, section 11, until the
27.25 sum of all transfers under this section and all amounts credited or canceled under Laws
27.26 2020, chapter 71, article 1, section 11, equals \$20,000,000; and

27.27 (6) for a forecast in November only, the amount remaining after the transfer under clause
27.28 (5) must be used to reduce the percentage of accelerated June liability sales tax payments
27.29 required under section 289A.20, subdivision 4, paragraph (b), until the percentage equals
27.30 zero, rounded to the nearest tenth of a percent. By March 1 each year, the commissioner of
27.31 revenue must certify the percentage of June liability owed by qualifying vendors based on
27.32 the reduction required by this clause.

28.1 (b) The amounts necessary to meet the requirements of this section are appropriated
 28.2 from the general fund within two weeks after the forecast is released or, in the case of
 28.3 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations
 28.4 schedules otherwise established in statute.

28.5 (c) The commissioner of management and budget shall certify the total dollar amount
 28.6 of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education.
 28.7 The commissioner of education shall increase the aid payment percentage and reduce the
 28.8 property tax shift percentage by these amounts and apply those reductions to the current
 28.9 fiscal year and thereafter.

28.10 ~~(d) Paragraph (a), clause (5), expires after the entire amount of the transfer has been~~
 28.11 ~~made.~~

28.12 **EFFECTIVE DATE.** This section is effective July 1, 2021.

28.13 Sec. 2. Minnesota Statutes 2020, section 289A.20, subdivision 4, is amended to read:

28.14 Subd. 4. **Sales and use tax.** (a) The taxes imposed by chapter 297A are due and payable
 28.15 to the commissioner monthly on or before the 20th day of the month following the month
 28.16 in which the taxable event occurred, or following another reporting period as the
 28.17 commissioner prescribes or as allowed under section 289A.18, subdivision 4, paragraph (f)
 28.18 or (g), except that use taxes due on an annual use tax return as provided under section
 28.19 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year.

28.20 (b) A vendor having a liability of \$250,000 or more during a fiscal year ending June 30
 28.21 must remit the June liability for the next year in the following manner:

28.22 (1) Two business days before June 30 of calendar year 2020 and 2021, the vendor must
 28.23 remit 87.5 percent of the estimated June liability to the commissioner. Two business days
 28.24 before June 30 of calendar year 2022 and thereafter, the vendor must remit 84.5 percent, or
 28.25 a reduced percentage as certified by the commissioner under section 16A.152, subdivision
 28.26 2, paragraph (a), clause (6), of the estimated June liability to the commissioner.

28.27 (2) On or before August 20 of the year, the vendor must pay any additional amount of
 28.28 tax not remitted in June.

28.29 (c) A vendor having a liability of:

28.30 (1) \$10,000 or more, but less than \$250,000₂ during a fiscal year ~~ending June 30, 2013,~~
 28.31 ~~and fiscal years thereafter,~~ must remit by electronic means all liabilities on returns due for
 28.32 periods beginning in all subsequent calendar years on or before the 20th day of the month

29.1 following the month in which the taxable event occurred, or on or before the 20th day of
 29.2 the month following the month in which the sale is reported under section 289A.18,
 29.3 subdivision 4; or

29.4 (2) \$250,000 or more; during a fiscal year ~~ending June 30, 2013, and fiscal years~~
 29.5 ~~thereafter~~, must remit by electronic means all liabilities in the manner provided in paragraph
 29.6 (a) on returns due for periods beginning in the subsequent calendar year, except for 90
 29.7 percent of the estimated June liability, which is due two business days before June 30. The
 29.8 remaining amount of the June liability is due on August 20.

29.9 (d) Notwithstanding paragraph (b) or (c), a person prohibited by the person's religious
 29.10 beliefs from paying electronically shall be allowed to remit the payment by mail. The filer
 29.11 must notify the commissioner of revenue of the intent to pay by mail before doing so on a
 29.12 form prescribed by the commissioner. No extra fee may be charged to a person making
 29.13 payment by mail under this paragraph. The payment must be postmarked at least two business
 29.14 days before the due date for making the payment in order to be considered paid on a timely
 29.15 basis.

29.16 (e) Paragraph (b) expires after the percentage of estimated payment is reduced to zero
 29.17 in accordance with section 16A.152, subdivision 2, paragraph (a), clause (6).

29.18 **EFFECTIVE DATE.** This section is effective July 1, 2021.

29.19 Sec. 3. Minnesota Statutes 2020, section 297A.70, subdivision 13, is amended to read:

29.20 Subd. 13. **Fund-raising sales by or for nonprofit groups.** (a) The following sales by
 29.21 the specified organizations for fund-raising purposes are exempt, subject to the limitations
 29.22 listed in paragraph (b):

29.23 (1) all sales made by a nonprofit organization that exists solely for the purpose of
 29.24 providing educational or social activities for young people primarily age 18 and under;

29.25 (2) all sales made by an organization that is a senior citizen group or association of
 29.26 groups if (i) in general it limits membership to persons age 55 or older; (ii) it is organized
 29.27 and operated exclusively for pleasure, recreation, and other nonprofit purposes; and (iii) no
 29.28 part of its net earnings inures to the benefit of any private shareholders;

29.29 (3) the sale or use of tickets or admissions to a golf tournament held in Minnesota if the
 29.30 beneficiary of the tournament's net proceeds qualifies as a tax-exempt organization under
 29.31 section 501(c)(3) of the Internal Revenue Code; and

30.1 (4) sales of candy sold for fund-raising purposes by a nonprofit organization that provides
 30.2 educational and social activities primarily for young people age 18 and under.

30.3 (b) The exemptions listed in paragraph (a) are limited in the following manner:

30.4 (1) the exemption under paragraph (a), clauses (1) and (2), applies only to the first
 30.5 \$20,000 of the gross annual receipts of the organization from fund-raising; ~~and~~

30.6 (2) the exemption under paragraph (a), clause (1), does not apply if the sales are derived
 30.7 from admission charges or from activities for which the money must be deposited with the
 30.8 school district treasurer under section 123B.49, subdivision 2, ~~or~~; and

30.9 (3) the exemption under paragraph (a), clause (1), does not apply if the sales are derived
 30.10 from admission charges or from activities for which the money must be recorded in the
 30.11 same manner as other revenues or expenditures of the school district under section 123B.49,
 30.12 subdivision 4, unless the following conditions are both met:

30.13 (i) the sales are made for fund-raising purposes of a club, association, or other
 30.14 organization of elementary or secondary school students organized for the purpose of
 30.15 carrying on sports activities, educational activities, or other extracurricular activities; and

30.16 (ii) the school district reserves revenue raised for extracurricular activities, as provided
 30.17 in section 123B.49, subdivision 4, paragraph (e), and spends the revenue raised by a particular
 30.18 extracurricular activity only for that extracurricular activity.

30.19 (c) Sales of tangible personal property and services are exempt if the entire proceeds,
 30.20 less the necessary expenses for obtaining the property or services, will be contributed to a
 30.21 registered combined charitable organization described in section 43A.50, to be used
 30.22 exclusively for charitable, religious, or educational purposes, and the registered combined
 30.23 charitable organization has given its written permission for the sale. Sales that occur over
 30.24 a period of more than 24 days per year are not exempt under this paragraph.

30.25 (d) For purposes of this subdivision, a club, association, or other organization of
 30.26 elementary or secondary school students organized for the purpose of carrying on sports,
 30.27 educational, or other extracurricular activities is a separate organization from the school
 30.28 district or school for purposes of applying the \$20,000 limit.

30.29 **EFFECTIVE DATE.** This section is effective for sales and purchases made after the
 30.30 date of final enactment.

31.1 Sec. 4. Minnesota Statutes 2020, section 297A.71, is amended by adding a subdivision to
31.2 read:

31.3 Subd. 53. **Public safety facilities.** (a) Materials and supplies used or consumed in and
31.4 equipment incorporated into the construction, remodeling, expansion, or improvement of
31.5 a fire station or police station, including related facilities, owned and operated by a local
31.6 government, as defined in section 297A.70, subdivision 2, paragraph (d), are exempt.

31.7 (b) For purposes of this subdivision, "related facilities" includes access roads, lighting,
31.8 sidewalks, and utility components on or adjacent to the property on which the fire station
31.9 or police station is located that are necessary for safe access to and use of those buildings.

31.10 (c) The tax must be imposed and collected as if the rate under section 297A.62,
31.11 subdivision 1, applied and then refunded in the manner provided in section 297A.75.

31.12 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
31.13 30, 2021.

31.14 Sec. 5. Minnesota Statutes 2020, section 297A.75, subdivision 1, is amended to read:

31.15 Subdivision 1. **Tax collected.** The tax on the gross receipts from the sale of the following
31.16 exempt items must be imposed and collected as if the sale were taxable and the rate under
31.17 section 297A.62, subdivision 1, applied. The exempt items include:

31.18 (1) building materials for an agricultural processing facility exempt under section
31.19 297A.71, subdivision 13;

31.20 (2) building materials for mineral production facilities exempt under section 297A.71,
31.21 subdivision 14;

31.22 (3) building materials for correctional facilities under section 297A.71, subdivision 3;

31.23 (4) building materials used in a residence for veterans with a disability exempt under
31.24 section 297A.71, subdivision 11;

31.25 (5) elevators and building materials exempt under section 297A.71, subdivision 12;

31.26 (6) materials and supplies for qualified low-income housing under section 297A.71,
31.27 subdivision 23;

31.28 (7) materials, supplies, and equipment for municipal electric utility facilities under
31.29 section 297A.71, subdivision 35;

32.1 (8) equipment and materials used for the generation, transmission, and distribution of
 32.2 electrical energy and an aerial camera package exempt under section 297A.68, subdivision
 32.3 37;

32.4 (9) commuter rail vehicle and repair parts under section 297A.70, subdivision 3, paragraph
 32.5 (a), clause (10);

32.6 (10) materials, supplies, and equipment for construction or improvement of projects and
 32.7 facilities under section 297A.71, subdivision 40;

32.8 (11) materials, supplies, and equipment for construction, improvement, or expansion of
 32.9 a biopharmaceutical manufacturing facility exempt under section 297A.71, subdivision 45;

32.10 (12) enterprise information technology equipment and computer software for use in a
 32.11 qualified data center exempt under section 297A.68, subdivision 42;

32.12 (13) materials, supplies, and equipment for qualifying capital projects under section
 32.13 297A.71, subdivision 44, paragraph (a), clause (1), and paragraph (b);

32.14 (14) items purchased for use in providing critical access dental services exempt under
 32.15 section 297A.70, subdivision 7, paragraph (c);

32.16 (15) items and services purchased under a business subsidy agreement for use or
 32.17 consumption primarily in greater Minnesota exempt under section 297A.68, subdivision
 32.18 44;

32.19 (16) building materials, equipment, and supplies for constructing or replacing real
 32.20 property exempt under section 297A.71, subdivisions 49; 50, paragraph (b); and 51; ~~and~~

32.21 (17) building materials, equipment, and supplies for qualifying capital projects under
 32.22 section 297A.71, subdivision 52; and

32.23 (18) building materials, equipment, and supplies for constructing, remodeling, expanding,
 32.24 or improving a fire station, police station, or related facilities exempt under section 297A.71,
 32.25 subdivision 53.

32.26 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
 32.27 30, 2021.

32.28 Sec. 6. Minnesota Statutes 2020, section 297A.75, subdivision 2, is amended to read:

32.29 Subd. 2. **Refund; eligible persons.** Upon application on forms prescribed by the
 32.30 commissioner, a refund equal to the tax paid on the gross receipts of the exempt items must
 32.31 be paid to the applicant. Only the following persons may apply for the refund:

33.1 (1) for subdivision 1, clauses (1), (2), and (14), the applicant must be the purchaser;

33.2 (2) for subdivision 1, clause (3), the applicant must be the governmental subdivision;

33.3 (3) for subdivision 1, clause (4), the applicant must be the recipient of the benefits
33.4 provided in United States Code, title 38, chapter 21;

33.5 (4) for subdivision 1, clause (5), the applicant must be the owner of the homestead
33.6 property;

33.7 (5) for subdivision 1, clause (6), the owner of the qualified low-income housing project;

33.8 (6) for subdivision 1, clause (7), the applicant must be a municipal electric utility or a
33.9 joint venture of municipal electric utilities;

33.10 (7) for subdivision 1, clauses (8), (11), (12), and (15), the owner of the qualifying
33.11 business;

33.12 (8) for subdivision 1, clauses (9), (10), (13), ~~and (17)~~, and (18), the applicant must be
33.13 the governmental entity that owns or contracts for the project or facility; and

33.14 (9) for subdivision 1, clause (16), the applicant must be the owner or developer of the
33.15 building or project.

33.16 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
33.17 30, 2021.

33.18 Sec. 7. Minnesota Statutes 2020, section 297A.75, subdivision 3, is amended to read:

33.19 Subd. 3. **Application.** (a) The application must include sufficient information to permit
33.20 the commissioner to verify the tax paid. If the tax was paid by a contractor, subcontractor,
33.21 or builder, under subdivision 1, clauses (3) to (13) or (15) to ~~(17)~~ (18), the contractor,
33.22 subcontractor, or builder must furnish to the refund applicant a statement including the cost
33.23 of the exempt items and the taxes paid on the items unless otherwise specifically provided
33.24 by this subdivision. The provisions of sections 289A.40 and 289A.50 apply to refunds under
33.25 this section.

33.26 (b) An applicant may not file more than two applications per calendar year for refunds
33.27 for taxes paid on capital equipment exempt under section 297A.68, subdivision 5.

33.28 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June
33.29 30, 2021.

34.1 Sec. 8. Minnesota Statutes 2020, section 297A.77, subdivision 3, is amended to read:

34.2 Subd. 3. **Tax must be remitted.** The tax collected by a retailer under this section, except
 34.3 for the amount allowed to be retained by the seller under section 297A.816, must be remitted
 34.4 to the commissioner as provided in chapter 289A and this chapter.

34.5 **EFFECTIVE DATE.** This section is effective for sales taxes remitted after June 30,
 34.6 2022.

34.7 Sec. 9. **[297A.816] VENDOR ALLOWANCE.**

34.8 Subdivision 1. **Eligibility.** A retailer may retain a portion of sales tax collected as a
 34.9 vendor allowance in compensation for the costs of collecting and administering the tax
 34.10 under this chapter. This section applies only if the tax minus the vendor allowance is both
 34.11 reported and remitted to the commissioner in a timely fashion as required under chapter
 34.12 289A.

34.13 Subd. 2. **Tax not eligible for allowance.** Use taxes paid by the retailer on the retailer's
 34.14 own purchases and local sales and use taxes collected by the retailer are not included in
 34.15 calculating the vendor allowance under this section.

34.16 Subd. 3. **Calculation of allowance; maximum amounts.** (a) The amount of the vendor
 34.17 allowance is equal to the sum of 0.15 percent of the tax collected in the reporting period,
 34.18 up to \$250. The vendor allowance must not reduce the tax owed in the reporting period to
 34.19 less than zero.

34.20 (b) Notwithstanding section 297A.62, subdivision 4, the amount retained under this
 34.21 section must be calculated only on collections of the tax imposed under section 297A.62,
 34.22 subdivision 1.

34.23 **EFFECTIVE DATE.** This section is effective for sales taxes remitted after June 30,
 34.24 2022.

34.25 Sec. 10. Minnesota Statutes 2020, section 297F.10, subdivision 1, is amended to read:

34.26 Subdivision 1. **Tax and use tax on cigarettes.** Revenue received from cigarette taxes,
 34.27 as well as related penalties, interest, license fees, and miscellaneous sources of revenue
 34.28 shall be deposited by the commissioner in the state treasury and credited as follows:

34.29 (1) \$22,250,000 each year must be credited to the Academic Health Center special
 34.30 revenue fund hereby created and is annually appropriated to the Board of Regents at the

35.1 University of Minnesota for Academic Health Center funding at the University of Minnesota;
35.2 and

35.3 (2) \$3,937,000 each year must be credited to the medical education and research costs
35.4 account hereby created in the special revenue fund and is annually appropriated to the
35.5 commissioner of health for distribution under section 62J.692, subdivision 4; and

35.6 (3) \$5,000,000 in fiscal year 2022 only must be credited to the tobacco use prevention
35.7 and cessation account hereby created in the special revenue fund and is appropriated to the
35.8 commissioner of health for tobacco use prevention and cessation projects consistent with
35.9 the duties specified in section 144.392; a public information program under section 144.393;
35.10 the development of health promotion and health education materials about tobacco use
35.11 prevention and cessation; tobacco use prevention activities under section 144.396; and
35.12 statewide tobacco cessation services under section 144.397. In activities funded under this
35.13 clause, the commissioner of health must prioritize preventing youth use of commercial
35.14 tobacco and electronic delivery devices, must promote racial and health equity, and must
35.15 use strategies that are evidence-based or based on promising practices. For purposes of this
35.16 clause, "tobacco" and "electronic delivery device" have the meanings given in section
35.17 609.685, subdivision 1. Any unexpended or unencumbered amount from fiscal year 2022
35.18 may be carried into fiscal year 2023; and

35.19 ~~(3)~~ (4) the balance of the revenues derived from taxes, penalties, and interest (under this
35.20 chapter) and from license fees and miscellaneous sources of revenue shall be credited to
35.21 the general fund.

35.22 **EFFECTIVE DATE.** This section is effective for revenue received after June 30, 2021.

35.23 Sec. 11. Minnesota Statutes 2020, section 297I.20, is amended by adding a subdivision
35.24 to read:

35.25 Subd. 4. **Minnesota housing tax credit.** A taxpayer may claim a credit against the
35.26 premiums tax imposed under this chapter equal to the amount indicated on the credit
35.27 certificate statement issued to the taxpayer under section 290.0683. If the amount of the
35.28 credit exceeds the liability for tax under this chapter, the excess is a credit carryover to each
35.29 of the ten succeeding taxable years. The entire amount of the excess unused credit for the
35.30 taxable year must be carried first to the earliest of the taxable years to which the credit may
35.31 be carried and then to each successive year to which the credit may be carried. This credit
35.32 does not affect the calculation of fire state aid under section 477B.03 and police state aid
35.33 under section 477C.03.

36.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 36.2 31, 2022, and before January 1, 2025.

36.3 Sec. 12. Minnesota Statutes 2020, section 477A.016, is amended to read:

36.4 **477A.016 NEW TAXES PROHIBITED.**

36.5 (a) No county, city, town or other taxing authority shall increase a present tax or impose
 36.6 a new tax on sales or income.

36.7 (b) No county, city, town, or other taxing authority shall increase a present excise tax
 36.8 or fee or impose a new excise tax or fee on either:

36.9 (1) the manufacture, distribution, wholesale, or retail sale of food, based on volume of
 36.10 product sold, product sales value, or the type of product manufactured, distributed, or sold;
 36.11 or

36.12 (2) any container or instrument used for transporting, protecting, or consuming food.

36.13 (c) For purposes of this section:

36.14 (1) "food" has the meaning given in section 34A.01, subdivision 4; and

36.15 (2) "container or instrument" means a bottle, cup, can, bag, or other packaging that is
 36.16 made from plastic, aluminum, glass, paper, cardboard, or other material.

36.17 (d) This section does not apply to reasonable license fees lawfully imposed by a county,
 36.18 city, town, or other licensing authority in the exercise of its regulatory authority to license
 36.19 a trade, profession, or business.

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

36.21 Sec. 13. **SALES TAX EXEMPTION FOR CERTAIN PURCHASES RELATED TO**
 36.22 **COVID-19.**

36.23 (a) Notwithstanding Minnesota Statutes, section 289A.50, or any law to the contrary,
 36.24 the sale and purchase of any materials, supplies, or equipment used in this state by a restaurant
 36.25 to adapt to health guidelines or any executive order related to COVID-19 is exempt from
 36.26 sales and use taxes imposed under Minnesota Statutes, chapter 297A. For the purposes of
 36.27 this section, "restaurant" means an establishment used as, maintained as, advertised as, or
 36.28 held out to be an operation that prepares, serves, or otherwise provides food or beverages,
 36.29 or both, for human consumption, which operates from a location for more than 21 days
 36.30 annually. Restaurant does not include food carts, mobile food units, grocery stores,
 36.31 convenience stores, gas stations, bakeries, or delis.

37.1 (b) The maximum refund allowed under this section is \$1,000 per federal employer
 37.2 identification number or Minnesota tax identification number, whichever number is used
 37.3 to file sales tax returns. A business using a consolidated return to report sales tax information
 37.4 from more than one restaurant location, as provided in Minnesota Statutes, section 289A.11,
 37.5 subdivision 1, paragraph (a), is eligible for a refund of up to \$1,000, per restaurant location
 37.6 reported.

37.7 (c) The tax on the gross receipts from the sale of the items exempt under paragraph (a)
 37.8 must be imposed and collected as if the sale were taxable and the rate under Minnesota
 37.9 Statutes, section 297A.62, subdivision 1, applied. Refunds for eligible purchases must not
 37.10 be issued until after June 30, 2021.

37.11 (d) Upon application on forms prescribed by the commissioner, a refund equal to the
 37.12 tax paid on the gross receipts of the exempt items or \$1,000, whichever is less, must be paid
 37.13 to the applicant. Only the owner of the restaurant may apply for the refund. The application
 37.14 must include sufficient information to permit the commissioner to verify the tax paid and
 37.15 that the applicant is the owner of the restaurant.

37.16 **EFFECTIVE DATE; APPLICATION.** This section is effective retroactively from
 37.17 March 1, 2020, and applies to sales and purchases made after February 29, 2020, and before
 37.18 January 1, 2022.

37.19 **ARTICLE 4**

37.20 **PROPERTY TAXES AND AIDS AND CREDITS**

37.21 Section 1. Minnesota Statutes 2020, section 144F.01, is amended to read:

37.22 **144F.01 FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES**

37.23 **SPECIAL TAXING DISTRICTS.**

37.24 Subdivision 1. ~~Political subdivision defined~~ **Definitions.** For purposes of this section,
 37.25 the following terms have the meanings given.

37.26 ~~In this section,~~ (a) "Political subdivision" means a county, a statutory or home rule charter
 37.27 city, or a township organized to provide town government.

37.28 (b) "Governing body" means a city council for a city, a county board for a county, and
 37.29 a board of supervisors for a town.

37.30 (c) "Emergency medical services" means supporting the providing of out-of-hospital
 37.31 emergency medical services including, but not limited to, first responder or rescue squads
 37.32 recognized by the district, ambulance services licensed under chapter 144E and recognized

38.1 by the district, medical control functions set out in chapter 144E, communications equipment
 38.2 and systems, and programs of regional emergency medical services authorized by regional
 38.3 boards described in section 144E.52.

38.4 Subd. 2. ~~Who may~~ Authority to establish. (a) Two or more political subdivisions, or
 38.5 parts of them, may establish, by resolution of their governing bodies, a special taxing district
 38.6 for to provide fire protection or emergency medical services. The participating territory of
 38.7 a participating political subdivision need not abut any other participating territory to be in
 38.8 the special taxing district, or both, in the area of the district, comprising the jurisdiction of
 38.9 each of the political subdivisions forming the district. For a county that participates in
 38.10 establishing a district, the county's jurisdiction comprises the unorganized territory of the
 38.11 county that it designated in its resolution for inclusion in the district. The area of the special
 38.12 taxing district need not be contiguous or its boundaries continuous.

38.13 (b) Before establishing a district under this section, the participating political subdivisions
 38.14 must enter into an agreement that specifies how any liabilities, other than debt issued under
 38.15 subdivision 6, and assets of the district will be distributed if the district is dissolved. The
 38.16 agreement may also include other terms, including a method for apportioning the levy of
 38.17 the district among participating political subdivisions under subdivision 4, paragraph (b),
 38.18 as the political subdivisions determine appropriate. The agreement must be adopted no later
 38.19 than upon passage of the resolution establishing the district under paragraph (a), but may
 38.20 be later amended by agreement of each of the political subdivisions participating in the
 38.21 district.

38.22 (c) If two or more political subdivisions that currently operate separate fire departments
 38.23 seek to merge fire departments into one fire department, or if a political subdivision with
 38.24 an existing fire department requests to join a special taxing district with an established fire
 38.25 department, the resolution under paragraph (a) or agreement under paragraph (b) must
 38.26 specify which, if any, volunteer firefighter pension plan is associated with the district. A
 38.27 special taxing district that operates a fire department under this section may be associated
 38.28 with only one volunteer firefighting relief association or one account in the voluntary
 38.29 statewide volunteer firefighting retirement plan at one time.

38.30 (d) If the special taxing district includes the operation of a fire department, it must file
 38.31 its resolution establishing the fire protection special taxing district, and any agreements
 38.32 required for the establishment of the special taxing district, with the commissioner of revenue,
 38.33 including any subsequent amendments. If the resolution or agreement does not include
 38.34 sufficient information defining the fire department service area of the fire protection special

39.1 taxing district, the secretary of the district board must file a written statement with the
 39.2 commissioner defining the fire department service area.

39.3 Subd. 3. **Board.** The special taxing district established under this section is governed
 39.4 by a board made up initially of representatives of each participating political subdivision
 39.5 in the proportions set out in the establishing resolution, subject to change as provided in the
 39.6 district's charter, if any, or in the district's bylaws. ~~If a township states in its resolution that~~
 39.7 ~~less than the entire township will participate in the district, the partial townships shall be~~
 39.8 ~~represented on the board by only one member, appointed from among those townships so~~
 39.9 ~~participating. The method for appointment shall be governed by the bylaws of the district's~~
 39.10 ~~joint powers agreement. Each participant's representative serves at the pleasure of that~~
 39.11 ~~participant's governing body or bodies~~ Each participating political subdivision's representative
 39.12 must be an elected member of the governing body of the political subdivision and shall
 39.13 serve at the pleasure of that participant's governing body.

39.14 Subd. 4. **Property tax levy authority.** (a) The district's board may levy a tax on the
 39.15 taxable real and personal property in the district. ~~The ad valorem tax levy may not exceed~~
 39.16 ~~0.048 percent of the estimated market value of the district or \$550,000, whichever is less.~~
 39.17 The proceeds of the levy must be used as provided in subdivision 5. The board shall certify
 39.18 the levy at the times as provided under section 275.07. The board shall provide the county
 39.19 with whatever information is necessary to identify the property that is located within the
 39.20 district. If the boundaries include a part of a parcel, the entire parcel shall be included in
 39.21 the district. The county auditors must spread, collect, and distribute the proceeds of the tax
 39.22 at the same time and in the same manner as provided by law for all other property taxes.

39.23 (b) As an alternative to paragraph (a), the board may apportion its levy among the political
 39.24 subdivisions that are members of the district under a formula or method, with factors such
 39.25 as population, number of service calls, costs of providing service, the market value of
 39.26 improvements, or other measures approved by the governing body of each of the participating
 39.27 political subdivisions. The amount of the levy allocated to each political subdivision must
 39.28 be added to that political subdivision's levy and spread at the same time and in the same
 39.29 manner as provided by law for all other property taxes. The proceeds of the levy must be
 39.30 collected and remitted to the district and used as provided in subdivision 5.

39.31 Subd. 5. **Use of levy proceeds.** The proceeds of property taxes levied under this section
 39.32 must be used to ~~support the providing of out-of-hospital emergency medical services~~
 39.33 ~~including, but not limited to, first responder or rescue squads recognized by the district,~~
 39.34 ~~ambulance services licensed under chapter 144E and recognized by the district, medical~~
 39.35 ~~control functions set out in chapter 144E, communications equipment and systems, and~~

40.1 ~~programs of regional emergency medical services authorized by regional boards described~~
 40.2 ~~in section 144E.52~~ provide fire protection, emergency medical services, or both, to residents
 40.3 of the district and property located in the district, as well as to pay debt issued under
 40.4 subdivision 6. Services may be provided by employees of the district or by contracting for
 40.5 services provided by other governmental or private entities.

40.6 Subd. 6. ~~**Advisory committee Debt.** A special taxing district board under this section~~
 40.7 ~~must have an advisory committee to advise the board on issues involving emergency medical~~
 40.8 ~~services and EMS communications. The committee's membership must be comprised of~~
 40.9 ~~representatives of first responders, ambulance services, ambulance medical directors, and~~
 40.10 ~~EMS communication experts. The advisory committee members serve at the pleasure of~~
 40.11 ~~the appointing board~~ (a) The district may incur debt under chapter 475 when the board
 40.12 determines doing so is necessary to accomplish its duties.

40.13 (b) In addition, the district board may issue certificates of indebtedness or capital notes
 40.14 under section 412.301 to purchase capital equipment. In applying section 412.301, paragraph
 40.15 (e), the following rules apply:

40.16 (1) the taxable property of the entire district must be used to calculate the percent of
 40.17 estimated market value; and

40.18 (2) "the number of voters at the last municipal election" means the sum of the number
 40.19 of voters at the last municipal election for each of the cities that is a member of the district
 40.20 plus the number of registered voters in each town that is a participating member of the
 40.21 district.

40.22 Subd. 7. **Powers.** (a) In addition to authority expressly granted in this section, a special
 40.23 taxing district established under this section may exercise any power that may be exercised
 40.24 by any of its participating political subdivisions, ~~except that the board may not incur debt.~~
 40.25 ~~The special taxing district may only use the power to do what~~ that is necessary or reasonable
 40.26 to support the services set out in subdivision 5. These powers include the authority to
 40.27 participate in state programs and to enforce or carry out state laws related to fire protection
 40.28 or emergency medical services, including programs providing state aid, reimbursement or
 40.29 funding of employee benefits, and authorizing local enforcement of state standards including
 40.30 fire protection related programs and political subdivision powers or responsibilities under
 40.31 chapters 299A, 424A, and 477B; sections 6.495, 353.64, and 423A.022; and any other
 40.32 administrative rules related to the fire code, to the extent the special taxing district meets
 40.33 the qualification criteria and requirements of a program.

41.1 (b) ~~Notwithstanding paragraph (a),~~ To the extent the district's authority under this
 41.2 subdivision overlaps with or may conflict with the authority of the participating political
 41.3 subdivision, the agreement under subdivision 2, paragraph (b), must provide for allocation
 41.4 of those powers or responsibilities between the participating political subdivisions and the
 41.5 district, and may provide for resolution of conflicts in the exercise of those powers.

41.6 (c) The district may only levy the ~~taxes~~ tax authorized in ~~this section~~ subdivision 4.

41.7 Subd. 8. **Additions and withdrawals.** (a) Additional ~~eligible~~ political subdivisions may
 41.8 be added to a special taxing district established under this section as provided by the board
 41.9 of the district and agreed to in a resolution of the governing body of the political subdivision
 41.10 proposed to be added. The addition of a political subdivision to the district may not cause
 41.11 the district to be out of compliance with subdivision 2, paragraph (c).

41.12 (b) A political subdivision may withdraw from a special taxing district under this section
 41.13 by resolution of its governing body. The political subdivision must notify the board of the
 41.14 special taxing district of the withdrawal by providing a copy of the resolution at least ~~one~~
 41.15 ~~year~~ two years in advance of the proposed withdrawal. The taxable property of the
 41.16 withdrawing member is subject to the property tax levy under subdivision 4 for the two
 41.17 ~~taxes payable year~~ years following the notice of the withdrawal, unless the board and the
 41.18 withdrawing member agree otherwise by action of their governing bodies. If a political
 41.19 subdivision withdraws from a district for which debt was issued under subdivision 6 when
 41.20 the political subdivision was a participating member, and which is outstanding when the
 41.21 political subdivision withdraws from the district, the taxable property of the withdrawing
 41.22 political subdivision remains subject to the special taxing district levy until the outstanding
 41.23 debt has been paid or defeased. If the district's property tax levy to repay debt was
 41.24 apportioned among the political subdivisions under an alternative formula or method under
 41.25 subdivision 4, paragraph (b), the withdrawing political subdivision is subject to the same
 41.26 percentage of the debt levy as applied in the taxes payable year immediately preceding its
 41.27 withdrawal from the district.

41.28 (c) Notwithstanding subdivision 2, if the district is comprised of ~~only~~ two political
 41.29 subdivisions and one of the political subdivisions withdraws, the district can continue to
 41.30 exist.

41.31 Subd. 9. **Dissolution.** The special taxing district may be dissolved by resolution approved
 41.32 by a majority vote of the board. If the special taxing district is dissolved, the assets and
 41.33 liabilities may be assigned to a successor entity, if any, or otherwise disposed of for public
 41.34 purposes as provided by law in the agreement adopted under subdivision 2, paragraph (b),

42.1 or otherwise agreed to by each participating political subdivision. A district may not be
 42.2 dissolved until all debt issued under subdivision 6 has been paid or defeased.

42.3 Subd. 10. **Reports.** (a) On or before March 15, 2005 2024, and March 15, 2007 2026,
 42.4 the special taxing district shall submit a levy and expenditure report to the commissioner
 42.5 of revenue and to the ~~chairs of the~~ house of representatives and senate committees with
 42.6 jurisdiction over taxes and property taxes. Each report must include the amount of the
 42.7 district's levies for taxes payable for each of the two previous years and its actual expenditures
 42.8 of those revenues. Expenditures must be reported by general service category, ~~as listed in~~
 42.9 ~~subdivision 5,~~ and include a separate category for administrative expenses.

42.10 (b) On or before March 15, 2024, and March 15, 2026, a political subdivision that has
 42.11 established or joined a special taxing district authorized under this section after June 30,
 42.12 2021, shall submit a levy and expenditure report to the commissioner of revenue and to the
 42.13 house of representatives and senate committees with jurisdiction over taxes and property
 42.14 taxes. The report must include:

42.15 (1) the amount of the political subdivision's levy, and its actual expenditure of the
 42.16 subdivision's levy revenues, including the amount attributable to fire protection and
 42.17 emergency medical services, for taxes payable in each of the two taxes payable years prior
 42.18 to establishing or joining a special taxing district authorized under this section;

42.19 (2) the political subdivision's levy, and its actual expenditure of the subdivision's levy
 42.20 revenues, for taxes payable in each of the taxes payable years after establishing or joining
 42.21 a special taxing district authorized under this section, up to, and including, taxes payable
 42.22 in 2024, and taxes payable in 2026; and

42.23 (3) a certification from the political subdivision that the subdivision's levy for each of
 42.24 the taxes payable years after establishing or joining a special taxing district authorized under
 42.25 this section, up to, and including, taxes payable in 2024, and taxes payable in 2026, does
 42.26 not include expenditures for fire protection, emergency medical services, or both, except
 42.27 as provided in subdivision 4, paragraph (b), or those necessary to establish, or join, a district
 42.28 as provided in this section.

42.29 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 42.30 applies to districts established after June 30, 2021, except that districts established prior to
 42.31 June 30, 2021, are eligible for changes made to subdivisions 4 and 6 beginning with property
 42.32 taxes payable in 2022.

43.1 Sec. 2. Minnesota Statutes 2020, section 273.124, subdivision 1, is amended to read:

43.2 Subdivision 1. **General rule.** (a) Residential real estate that is occupied and used for
43.3 the purposes of a homestead by its owner, who must be a Minnesota resident, is a residential
43.4 homestead.

43.5 Agricultural land, as defined in section 273.13, subdivision 23, that is occupied and used
43.6 as a homestead by its owner, who must be a Minnesota resident, is an agricultural homestead.

43.7 Dates for establishment of a homestead and homestead treatment provided to particular
43.8 types of property are as provided in this section.

43.9 Property held by a trustee under a trust is eligible for homestead classification if the
43.10 requirements under this chapter are satisfied.

43.11 The assessor shall require proof, as provided in subdivision 13, of the facts upon which
43.12 classification as a homestead may be determined. Notwithstanding any other law, the assessor
43.13 may at any time require a homestead application to be filed in order to verify that any
43.14 property classified as a homestead continues to be eligible for homestead status.

43.15 Notwithstanding any other law to the contrary, the Department of Revenue may, upon
43.16 request from an assessor, verify whether an individual who is requesting or receiving
43.17 homestead classification has filed a Minnesota income tax return as a resident for the most
43.18 recent taxable year for which the information is available.

43.19 When there is a name change or a transfer of homestead property, the assessor may
43.20 reclassify the property in the next assessment unless a homestead application is filed to
43.21 verify that the property continues to qualify for homestead classification.

43.22 (b) For purposes of this section, homestead property shall include property which is used
43.23 for purposes of the homestead but is separated from the homestead by a road, street, lot,
43.24 waterway, or other similar intervening property. The term "used for purposes of the
43.25 homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings
43.26 commonly associated with a homestead, but shall not include vacant land held primarily
43.27 for future development. In order to receive homestead treatment for the noncontiguous
43.28 property, the owner must use the property for the purposes of the homestead, and must apply
43.29 to the assessor, both by the deadlines given in subdivision 9. After initial qualification for
43.30 the homestead treatment, additional applications for subsequent years are not required.

43.31 (c) Residential real estate that is occupied and used for purposes of a homestead by a
43.32 relative of the owner is a homestead but only to the extent of the homestead treatment that
43.33 would be provided if the related owner occupied the property. For purposes of this paragraph

44.1 and paragraph (g), "relative" means a parent, stepparent, child, stepchild, grandparent,
44.2 grandchild, brother, sister, uncle, aunt, nephew, or niece. This relationship may be by blood
44.3 or marriage. Property that has been classified as seasonal residential recreational property
44.4 at any time during which it has been owned by the current owner or spouse of the current
44.5 owner will not be reclassified as a homestead unless it is occupied as a homestead by the
44.6 owner; this prohibition also applies to property that, in the absence of this paragraph, would
44.7 have been classified as seasonal residential recreational property at the time when the
44.8 residence was constructed. Neither the related occupant nor the owner of the property may
44.9 claim a property tax refund under chapter 290A for a homestead occupied by a relative. In
44.10 the case of a residence located on agricultural land, only the house, garage, and immediately
44.11 surrounding one acre of land shall be classified as a homestead under this paragraph, except
44.12 as provided in paragraph (d).

44.13 (d) Agricultural property that is occupied and used for purposes of a homestead by a
44.14 relative of the owner, is a homestead, only to the extent of the homestead treatment that
44.15 would be provided if the related owner occupied the property, and only if all of the following
44.16 criteria are met:

44.17 (1) the relative who is occupying the agricultural property is a grandchild, child, sibling,
44.18 ~~or parent, grandparent, stepparent, stepchild, uncle, aunt, nephew, or niece~~ of the owner of
44.19 the agricultural property or of the spouse of the owner;

44.20 (2) the owner of the agricultural property must be a Minnesota resident;

44.21 (3) the owner of the agricultural property must not receive homestead treatment on any
44.22 other agricultural property in Minnesota; and

44.23 (4) the owner of the agricultural property is limited to only one agricultural homestead
44.24 per family under this paragraph.

44.25 Neither the related occupant nor the owner of the property may claim a property tax
44.26 refund under chapter 290A for a homestead occupied by a relative qualifying under this
44.27 paragraph. For purposes of this paragraph, "agricultural property" means the house, garage,
44.28 other farm buildings and structures, and agricultural land.

44.29 Application must be made to the assessor by the owner of the agricultural property to
44.30 receive homestead benefits under this paragraph. The assessor may require the necessary
44.31 proof that the requirements under this paragraph have been met.

44.32 (e) In the case of property owned by a property owner who is married, the assessor must
44.33 not deny homestead treatment in whole or in part if only one of the spouses occupies the

45.1 property and the other spouse is absent due to: (1) marriage dissolution proceedings, (2)
45.2 legal separation, (3) employment or self-employment in another location, or (4) other
45.3 personal circumstances causing the spouses to live separately, not including an intent to
45.4 obtain two homestead classifications for property tax purposes. To qualify under clause (3),
45.5 the spouse's place of employment or self-employment must be at least 50 miles distant from
45.6 the other spouse's place of employment, and the homesteads must be at least 50 miles distant
45.7 from each other.

45.8 (f) The assessor must not deny homestead treatment in whole or in part if:

45.9 (1) in the case of a property owner who is not married, the owner is absent due to
45.10 residence in a nursing home, boarding care facility, or an elderly assisted living facility
45.11 property as defined in section 273.13, subdivision 25a, and the property is not otherwise
45.12 occupied; or

45.13 (2) in the case of a property owner who is married, the owner or the owner's spouse or
45.14 both are absent due to residence in a nursing home, boarding care facility, or an elderly
45.15 assisted living facility property as defined in section 273.13, subdivision 25a, and the property
45.16 is not occupied or is occupied only by the owner's spouse.

45.17 (g) If an individual is purchasing property with the intent of claiming it as a homestead
45.18 and is required by the terms of the financing agreement to have a relative shown on the deed
45.19 as a co-owner, the assessor shall allow a full homestead classification. This provision only
45.20 applies to first-time purchasers, whether married or single, or to a person who had previously
45.21 been married and is purchasing as a single individual for the first time. The application for
45.22 homestead benefits must be on a form prescribed by the commissioner and must contain
45.23 the data necessary for the assessor to determine if full homestead benefits are warranted.

45.24 (h) If residential or agricultural real estate is occupied and used for purposes of a
45.25 homestead by a child of a deceased owner and the property is subject to jurisdiction of
45.26 probate court, the child shall receive relative homestead classification under paragraph (c)
45.27 or (d) to the same extent they would be entitled to it if the owner was still living, until the
45.28 probate is completed. For purposes of this paragraph, "child" includes a relationship by
45.29 blood or by marriage.

45.30 (i) If a single-family home, duplex, or triplex classified as either residential homestead
45.31 or agricultural homestead is also used to provide licensed child care, the portion of the
45.32 property used for licensed child care must be classified as a part of the homestead property.

45.33 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
45.34 in 2022.

46.1 Sec. 3. Minnesota Statutes 2020, section 273.124, subdivision 9, is amended to read:

46.2 Subd. 9. **Homestead established after assessment date.** Any property that was not
46.3 used for the purpose of a homestead on the assessment date, but which was used for the
46.4 purpose of a homestead on December ~~1~~ 31 of a year, constitutes class 1 or class 2a.

46.5 Any taxpayer meeting the requirements of this subdivision must notify the county
46.6 assessor, or the assessor who has the powers of the county assessor under section 273.063,
46.7 in writing, by December ~~15~~ 31 of the year of occupancy in order to qualify under this
46.8 subdivision. The assessor must not deny full homestead treatment to a property that is
46.9 partially homesteaded on January 2 but occupied for the purpose of a full homestead on
46.10 December ~~1~~ 31 of a year.

46.11 The county assessor and the county auditor may make the necessary changes on their
46.12 assessment and tax records to provide for proper homestead classification as provided in
46.13 this subdivision.

46.14 If homestead classification has not been requested as of December ~~15~~ 31, the assessor
46.15 will classify the property as nonhomestead for the current assessment year for taxes payable
46.16 in the following year, provided that the owner of any property qualifying under this
46.17 subdivision, which has not been accorded the benefits of this subdivision, may be entitled
46.18 to receive homestead classification by proper application as provided in section 375.192.

46.19 The county assessor may publish in a newspaper of general circulation within the county
46.20 a notice requesting the public to file an application for homestead as soon as practicable
46.21 after acquisition of a homestead, but no later than December ~~15~~ 31.

46.22 The county assessor shall publish in a newspaper of general circulation within the county
46.23 no later than December 1 of each year a notice informing the public of the requirement to
46.24 file an application for homestead by December ~~15~~ 31.

46.25 In the case of manufactured homes assessed as personal property, the homestead must
46.26 be established, and a homestead classification requested, by May 29 of the assessment year.
46.27 The assessor may include information on these deadlines for manufactured homes assessed
46.28 as personal property in the published notice or notices.

46.29 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2021.

47.1 Sec. 4. Minnesota Statutes 2020, section 273.124, subdivision 13, is amended to read:

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

47.5 (b) The commissioner shall prescribe the content, format, and manner of the homestead
47.6 application required to be filed under this chapter pursuant to section 270C.30. The
47.7 application must clearly inform the taxpayer that this application must be signed by all
47.8 owners who occupy the property or by the qualifying relative and returned to the county
47.9 assessor in order for the property to receive homestead treatment.

47.10 (c) Every property owner applying for homestead classification must furnish to the
47.11 county assessor the Social Security number of each occupant who is listed as an owner of
47.12 the property on the deed of record, the name and address of each owner who does not occupy
47.13 the property, and the name and Social Security number of the spouse of each occupying
47.14 owner. The application must be signed by each owner who occupies the property and by
47.15 each owner's spouse who occupies the property, or, in the case of property that qualifies as
47.16 a homestead under subdivision 1, paragraph (c), by the qualifying relative.

47.17 If a property owner occupies a homestead, the property owner's spouse may not claim
47.18 another property as a homestead unless the property owner and the property owner's spouse
47.19 file with the assessor an affidavit or other proof required by the assessor stating that the
47.20 property qualifies as a homestead under subdivision 1, paragraph (e).

47.21 Owners or spouses occupying residences owned by their spouses and previously occupied
47.22 with the other spouse, either of whom fail to include the other spouse's name and Social
47.23 Security number on the homestead application or provide the affidavits or other proof
47.24 requested, will be deemed to have elected to receive only partial homestead treatment of
47.25 their residence. The remainder of the residence will be classified as nonhomestead residential.
47.26 When an owner or spouse's name and Social Security number appear on homestead
47.27 applications for two separate residences and only one application is signed, the owner or
47.28 spouse will be deemed to have elected to homestead the residence for which the application
47.29 was signed.

47.30 (d) If residential real estate is occupied and used for purposes of a homestead by a relative
47.31 of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for
47.32 the property to receive homestead status, a homestead application must be filed with the
47.33 assessor. The Social Security number of each relative occupying the property and the name
47.34 and Social Security number of the spouse of a relative occupying the property shall be

48.1 required on the homestead application filed under this subdivision. If a different relative of
 48.2 the owner subsequently occupies the property, the owner of the property must notify the
 48.3 assessor within 30 days of the change in occupancy. The Social Security number of a relative
 48.4 occupying the property or the spouse of a relative occupying the property is private data on
 48.5 individuals as defined by section 13.02, subdivision 12, but may be disclosed to the
 48.6 commissioner of revenue, or, for the purposes of proceeding under the Revenue Recapture
 48.7 Act to recover personal property taxes owing, to the county treasurer.

48.8 (e) The homestead application shall also notify the property owners that if the property
 48.9 is granted homestead status for any assessment year, that same property shall remain
 48.10 classified as homestead until the property is sold or transferred to another person, or the
 48.11 owners, the spouse of the owner, or the relatives no longer use the property as their
 48.12 homestead. Upon the sale or transfer of the homestead property, a certificate of value must
 48.13 be timely filed with the county auditor as provided under section 272.115. Failure to notify
 48.14 the assessor within 30 days that the property has been sold, transferred, or that the owner,
 48.15 the spouse of the owner, or the relative is no longer occupying the property as a homestead,
 48.16 shall result in the penalty provided under this subdivision and the property will lose its
 48.17 current homestead status.

48.18 (f) If a homestead application has not been filed with the county by December ~~15~~ 31,
 48.19 the assessor shall classify the property as nonhomestead for the current assessment year for
 48.20 taxes payable in the following year, provided that the owner may be entitled to receive the
 48.21 homestead classification by proper application under section 375.192.

48.22 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2021.

48.23 Sec. 5. Minnesota Statutes 2020, section 273.128, is amended by adding a subdivision to
 48.24 read:

48.25 Subd. 1a. **Notice.** Low-income rental property classified as class 4d under section 273.13,
 48.26 subdivision 25, must post a notice within the property that all or a portion of the property
 48.27 is classified as low-income rental property under section 273.13, subdivision 25. The notice
 48.28 must be posted in an area accessible to all residents and must include the rent and income
 48.29 restrictions required under subdivision 1. The notice must be annually updated.

48.30 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2022.

49.1 Sec. 6. Minnesota Statutes 2020, section 273.128, is amended by adding a subdivision to
49.2 read:

49.3 Subd. 1b. **Approval.** A property owner must receive approval, by resolution of the
49.4 governing body of the city or town where the property is located, before submitting an initial
49.5 application to the Housing Finance Agency, as required under subdivision 2, for property
49.6 that has not, in whole or in part, been classified as class 4d under section 273.13, subdivision
49.7 25, prior to assessment year 2022. A property owner that has received approval as required
49.8 under this subdivision, and the certification made under subdivision 3, shall not be required
49.9 to seek approval under this subdivision prior to submitting an application under subdivision
49.10 2, in each subsequent year.

49.11 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2022.

49.12 Sec. 7. Minnesota Statutes 2020, section 273.128, subdivision 2, is amended to read:

49.13 Subd. 2. **Application.** (a) Application for certification under this section must be filed
49.14 by March 31 of the levy year, or at a later date if the Housing Finance Agency deems
49.15 practicable. The application must be filed with the Housing Finance Agency, on a form
49.16 prescribed by the agency, and must contain the information required by the Housing Finance
49.17 Agency.

49.18 (b) Each application must include:

49.19 (1) the property tax identification number; and

49.20 (2) evidence that the property meets the requirements of ~~subdivision~~ subdivisions 1, 1a,
49.21 and 1b.

49.22 (c) The Housing Finance Agency may charge an application fee approximately equal
49.23 to the costs of processing and reviewing the applications but not to exceed \$10 per unit. If
49.24 imposed, the applicant must pay the application fee to the Housing Finance Agency. The
49.25 fee must be deposited in the housing development fund.

49.26 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2022.

49.27 Sec. 8. Minnesota Statutes 2020, section 273.13, subdivision 25, is amended to read:

49.28 Subd. 25. **Class 4.** (a) Class 4a is residential real estate containing four or more units
49.29 and used or held for use by the owner or by the tenants or lessees of the owner as a residence
49.30 for rental periods of 30 days or more, excluding property qualifying for class 4d. Class 4a
49.31 also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt

50.1 under section 272.02, and contiguous property used for hospital purposes, without regard
50.2 to whether the property has been platted or subdivided. The market value of class 4a property
50.3 has a classification rate of 1.25 percent.

50.4 (b) Class 4b includes:

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

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

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

50.11 (4) unimproved property that is classified residential as determined under subdivision
50.12 33.

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

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

50.16 (c) Class 4bb includes:

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

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

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

50.23 Class 4bb property has the same classification rates as class 1a property under subdivision
50.24 22.

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

50.28 (d) Class 4c property includes:

50.29 (1) except as provided in subdivision 22, paragraph (c), real and personal property
50.30 devoted to commercial temporary and seasonal residential occupancy for recreation purposes,
50.31 for not more than 250 days in the year preceding the year of assessment. For purposes of

51.1 this clause, property is devoted to a commercial purpose on a specific day if any portion of
51.2 the property is used for residential occupancy, and a fee is charged for residential occupancy.
51.3 Class 4c property under this clause must contain three or more rental units. A "rental unit"
51.4 is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site
51.5 equipped with water and electrical hookups for recreational vehicles. A camping pad offered
51.6 for rent by a property that otherwise qualifies for class 4c under this clause is also class 4c
51.7 under this clause regardless of the term of the rental agreement, as long as the use of the
51.8 camping pad does not exceed 250 days. In order for a property to be classified under this
51.9 clause, either (i) the business located on the property must provide recreational activities,
51.10 at least 40 percent of the annual gross lodging receipts related to the property must be from
51.11 business conducted during 90 consecutive days, and either (A) at least 60 percent of all paid
51.12 bookings by lodging guests during the year must be for periods of at least two consecutive
51.13 nights; or (B) at least 20 percent of the annual gross receipts must be from charges for
51.14 providing recreational activities, or (ii) the business must contain 20 or fewer rental units,
51.15 and must be located in a township or a city with a population of 2,500 or less located outside
51.16 the metropolitan area, as defined under section 473.121, subdivision 2, that contains a portion
51.17 of a state trail administered by the Department of Natural Resources. For purposes of item
51.18 (i)(A), a paid booking of five or more nights shall be counted as two bookings. Class 4c
51.19 property also includes commercial use real property used exclusively for recreational
51.20 purposes in conjunction with other class 4c property classified under this clause and devoted
51.21 to temporary and seasonal residential occupancy for recreational purposes, up to a total of
51.22 two acres, provided the property is not devoted to commercial recreational use for more
51.23 than 250 days in the year preceding the year of assessment and is located within two miles
51.24 of the class 4c property with which it is used. In order for a property to qualify for
51.25 classification under this clause, the owner must submit a declaration to the assessor
51.26 designating the cabins or units occupied for 250 days or less in the year preceding the year
51.27 of assessment by January 15 of the assessment year. Those cabins or units and a proportionate
51.28 share of the land on which they are located must be designated class 4c under this clause
51.29 as otherwise provided. The remainder of the cabins or units and a proportionate share of
51.30 the land on which they are located will be designated as class 3a. The owner of property
51.31 desiring designation as class 4c property under this clause must provide guest registers or
51.32 other records demonstrating that the units for which class 4c designation is sought were not
51.33 occupied for more than 250 days in the year preceding the assessment if so requested. The
51.34 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center
51.35 or meeting room, and (5) other nonresidential facility operated on a commercial basis not
51.36 directly related to temporary and seasonal residential occupancy for recreation purposes

52.1 does not qualify for class 4c. For the purposes of this paragraph, "recreational activities"
52.2 means renting ice fishing houses, boats and motors, snowmobiles, downhill or cross-country
52.3 ski equipment; providing marina services, launch services, or guide services; or selling bait
52.4 and fishing tackle;

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

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

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

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

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

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

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

52.22 For purposes of this clause:

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

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

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

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

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

53.11 The organization shall maintain records of its charitable contributions and donations
53.12 and of public meetings and events held on the property and make them available upon
53.13 request any time to the assessor to ensure eligibility. An organization meeting the requirement
53.14 under item (ii) must file an application by May 1 with the assessor for eligibility for the
53.15 current year's assessment. The commissioner shall prescribe a uniform application form
53.16 and instructions;

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

53.21 (5)(i) manufactured home parks as defined in section 327.14, subdivision 3, excluding
53.22 manufactured home parks described in items (ii) and (iii), (ii) manufactured home parks as
53.23 defined in section 327.14, subdivision 3, that are described in section 273.124, subdivision
53.24 3a, and (iii) class I manufactured home parks as defined in section 327C.01, subdivision
53.25 13;

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

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

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

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

54.3 If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be
54.4 filed by the new owner with the assessor of the county where the property is located within
54.5 60 days of the sale;

54.6 (8) a privately owned noncommercial aircraft storage hangar not exempt under section
54.7 272.01, subdivision 2, and the land on which it is located, provided that:

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

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

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

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

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

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

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

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

54.25 (10) real property up to a maximum of three acres and operated as a restaurant as defined
54.26 under section 157.15, subdivision 12, provided it: (i) is located on a lake as defined under
54.27 section 103G.005, subdivision 15, paragraph (a), clause (3); and (ii) is either devoted to
54.28 commercial purposes for not more than 250 consecutive days, or receives at least 60 percent
54.29 of its annual gross receipts from business conducted during four consecutive months. Gross
54.30 receipts from the sale of alcoholic beverages must be included in determining the property's
54.31 qualification under item (ii). The property's primary business must be as a restaurant and
54.32 not as a bar. Gross receipts from gift shop sales located on the premises must be excluded.

55.1 Owners of real property desiring 4c classification under this clause must submit an annual
55.2 declaration to the assessor by February 1 of the current assessment year, based on the
55.3 property's relevant information for the preceding assessment year;

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

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

55.16 Class 4c property has a classification rate of 1.5 percent of market value, except that (i)
55.17 each parcel of noncommercial seasonal residential recreational property under clause (12)
55.18 has the same classification rates as class 4bb property, (ii) manufactured home parks assessed
55.19 under clause (5), item (i), have the same classification rate as class 4b property, the market
55.20 value of manufactured home parks assessed under clause (5), item (ii), have a classification
55.21 rate of 0.75 percent if more than 50 percent of the lots in the park are occupied by
55.22 shareholders in the cooperative corporation or association and a classification rate of one
55.23 percent if 50 percent or less of the lots are so occupied, and class I manufactured home
55.24 parks as defined in section 327C.01, subdivision 13, have a classification rate of 1.0 percent,
55.25 (iii) commercial-use seasonal residential recreational property and marina recreational land
55.26 as described in clause (11), has a classification rate of one percent for the first \$500,000 of
55.27 market value, and 1.25 percent for the remaining market value, (iv) the market value of
55.28 property described in clause (4) has a classification rate of one percent, (v) the market value
55.29 of property described in clauses (2), (6), and (10) has a classification rate of 1.25 percent,
55.30 (vi) that portion of the market value of property in clause (9) qualifying for class 4c property
55.31 has a classification rate of 1.25 percent, and (vii) property qualifying for classification under
55.32 clause (3) that is owned or operated by a congressionally chartered veterans organization
55.33 has a classification rate of one percent. The commissioner of veterans affairs must provide
55.34 a list of congressionally chartered veterans organizations to the commissioner of revenue
55.35 by June 30, 2017, and by January 1, 2018, and each year thereafter.

56.1 (e) Class 4d property is qualifying low-income rental housing certified to the assessor
 56.2 by the Housing Finance Agency under section 273.128, subdivision 3. If only a portion of
 56.3 the units in the building qualify as low-income rental housing units as certified under section
 56.4 273.128, subdivision 3, only the proportion of qualifying units to the total number of units
 56.5 in the building qualify for class 4d. The remaining portion of the building shall be classified
 56.6 by the assessor based upon its use. Class 4d also includes the same proportion of land as
 56.7 the qualifying low-income rental housing units are to the total units in the building. For all
 56.8 properties qualifying as class 4d, the market value determined by the assessor must be based
 56.9 on the normal approach to value using normal unrestricted rents. Class 4d property has a
 56.10 classification rate of 0.25 percent.

56.11 ~~(f) The first tier of market value of class 4d property has a classification rate of 0.75~~
 56.12 ~~percent. The remaining value of class 4d property has a classification rate of 0.25 percent.~~
 56.13 ~~For the purposes of this paragraph, the "first tier of market value of class 4d property" means~~
 56.14 ~~the market value of each housing unit up to the first tier limit. For the purposes of this~~
 56.15 ~~paragraph, all class 4d property value must be assigned to individual housing units. The~~
 56.16 ~~first tier limit is \$100,000 for assessment year 2014. For subsequent years, the limit is~~
 56.17 ~~adjusted each year by the average statewide change in estimated market value of property~~
 56.18 ~~classified as class 4a and 4d under this section for the previous assessment year, excluding~~
 56.19 ~~valuation change due to new construction, rounded to the nearest \$1,000, provided, however,~~
 56.20 ~~that the limit may never be less than \$100,000. Beginning with assessment year 2015, the~~
 56.21 ~~commissioner of revenue must certify the limit for each assessment year by November 1~~
 56.22 ~~of the previous year.~~

56.23 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2022.

56.24 Sec. 9. Minnesota Statutes 2020, section 273.13, subdivision 34, is amended to read:

56.25 Subd. 34. **Homestead of veteran with a disability or family caregiver.** (a) All or a
 56.26 portion of the market value of property owned by a veteran and serving as the veteran's
 56.27 homestead under this section is excluded in determining the property's taxable market value
 56.28 if the veteran has a service-connected disability of 70 percent or more as certified by the
 56.29 United States Department of Veterans Affairs. To qualify for exclusion under this subdivision,
 56.30 the veteran must have been honorably discharged from the United States armed forces, as
 56.31 indicated by United States Government Form DD214 or other official military discharge
 56.32 papers.

56.33 (b)(1) For a disability rating of 70 percent or more, \$150,000 of market value is excluded,
 56.34 except as provided in clause (2); and

57.1 (2) for a total (100 percent) and permanent disability, \$300,000 of market value is
57.2 excluded.

57.3 (c) If a veteran with a disability qualifying for a valuation exclusion under paragraph
57.4 (b), clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the
57.5 spouse holds the legal or beneficial title to the homestead and permanently resides there,
57.6 the exclusion shall carry over to the benefit of the veteran's spouse until such time as the
57.7 spouse remarries, or sells, transfers, or otherwise disposes of the property, except as otherwise
57.8 provided in paragraph (n). Qualification under this paragraph requires an application under
57.9 paragraph (h), and a spouse must notify the assessor if there is a change in the spouse's
57.10 marital status, ownership of the property, or use of the property as a permanent residence.

57.11 (d) If the spouse of a member of any branch or unit of the United States armed forces
57.12 who dies due to a service-connected cause while serving honorably in active service, as
57.13 indicated on United States Government Form DD1300 or DD2064, holds the legal or
57.14 beneficial title to a homestead and permanently resides there, the spouse is entitled to the
57.15 benefit described in paragraph (b), clause (2), until such time as the spouse remarries or
57.16 sells, transfers, or otherwise disposes of the property, except as otherwise provided in
57.17 paragraph (n).

57.18 (e) If a veteran meets the disability criteria of paragraph (a) but does not own property
57.19 classified as homestead in the state of Minnesota, then the homestead of the veteran's primary
57.20 family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify
57.21 for under paragraph (b).

57.22 (f) In the case of an agricultural homestead, only the portion of the property consisting
57.23 of the house and garage and immediately surrounding one acre of land qualifies for the
57.24 valuation exclusion under this subdivision.

57.25 (g) A property qualifying for a valuation exclusion under this subdivision is not eligible
57.26 for the market value exclusion under subdivision 35, or classification under subdivision 22,
57.27 paragraph (b).

57.28 (h) To qualify for a valuation exclusion under this subdivision a property owner must
57.29 apply to the assessor by December ~~15~~ 31 of the first assessment year for which the exclusion
57.30 is sought. ~~For an application received after December 15, the exclusion shall become effective~~
57.31 ~~for the following assessment year.~~ Except as provided in paragraph (c), the owner of a
57.32 property that has been accepted for a valuation exclusion must notify the assessor if there
57.33 is a change in ownership of the property or in the use of the property as a homestead.

58.1 (i) A first-time application by a qualifying spouse for the market value exclusion under
58.2 paragraph (d) must be made any time within two years of the death of the service member.

58.3 (j) For purposes of this subdivision:

58.4 (1) "active service" has the meaning given in section 190.05;

58.5 (2) "own" means that the person's name is present as an owner on the property deed;

58.6 (3) "primary family caregiver" means a person who is approved by the secretary of the
58.7 United States Department of Veterans Affairs for assistance as the primary provider of
58.8 personal care services for an eligible veteran under the Program of Comprehensive Assistance
58.9 for Family Caregivers, codified as United States Code, title 38, section 1720G; and

58.10 (4) "veteran" has the meaning given the term in section 197.447.

58.11 (k) If a veteran dying after December 31, 2011, did not apply for or receive the exclusion
58.12 under paragraph (b), clause (2), before dying, the veteran's spouse is entitled to the benefit
58.13 under paragraph (b), clause (2), until the spouse remarries or sells, transfers, or otherwise
58.14 disposes of the property, except as otherwise provided in paragraph (n), if:

58.15 (1) the spouse files a first-time application within two years of the death of the service
58.16 member or by June 1, 2019, whichever is later;

58.17 (2) upon the death of the veteran, the spouse holds the legal or beneficial title to the
58.18 homestead and permanently resides there;

58.19 (3) the veteran met the honorable discharge requirements of paragraph (a); and

58.20 (4) the United States Department of Veterans Affairs certifies that:

58.21 (i) the veteran met the total (100 percent) and permanent disability requirement under
58.22 paragraph (b), clause (2); or

58.23 (ii) the spouse has been awarded dependency and indemnity compensation.

58.24 (l) The purpose of this provision of law providing a level of homestead property tax
58.25 relief for veterans with a disability, their primary family caregivers, and their surviving
58.26 spouses is to help ease the burdens of war for those among our state's citizens who bear
58.27 those burdens most heavily.

58.28 (m) By July 1, the county veterans service officer must certify the disability rating and
58.29 permanent address of each veteran receiving the benefit under paragraph (b) to the assessor.

58.30 (n) A spouse who received the benefit in paragraph (c), (d), or (k) but no longer holds
58.31 the legal or beneficial title to the property may continue to receive the exclusion for a

59.1 property other than the property for which the exclusion was initially granted until the spouse
59.2 remarries or sells, transfers, or otherwise disposes of the property, provided that:

59.3 (1) the spouse applies under paragraph (h) for the continuation of the exclusion allowed
59.4 under this paragraph;

59.5 (2) the spouse holds the legal or beneficial title to the property for which the continuation
59.6 of the exclusion is sought under this paragraph, and permanently resides there;

59.7 (3) the estimated market value of the property for which the exclusion is sought under
59.8 this paragraph is less than or equal to the estimated market value of the property that first
59.9 received the exclusion, based on the value of each property on the date of the sale of the
59.10 property that first received the exclusion; and

59.11 (4) the spouse has not previously received the benefit under this paragraph for a property
59.12 other than the property for which the exclusion is sought.

59.13 **EFFECTIVE DATE.** This section is effective beginning with assessments in 2021.

59.14 **Sec. 10. [273.1388] LICENSED IN-HOME CHILD CARE PROVIDER CREDIT.**

59.15 **Subdivision 1. Eligibility.** Property classified as class 1a under section 273.13,
59.16 subdivision 22, and that portion of property classified as class 2a under section 273.13,
59.17 subdivision 23, consisting of the house, garage, and surrounding one acre of land, and used
59.18 to operate a family day care or group family day care program as defined under Minnesota
59.19 Rules, chapter 9502, is eligible for the licensed in-home child care provider credit under
59.20 this section.

59.21 **Subd. 2. Notice.** By July 1, 2021, and each June 1 thereafter, the commissioner of human
59.22 services must provide a list to each county of all licensed family day care or group family
59.23 day care providers located within the county.

59.24 **Subd. 3. Credit amount.** For each qualifying property, the licensed in-home child care
59.25 provider credit is equal to 50 percent of the amount of net tax owed on the property for the
59.26 current taxes payable year after subtracting all other applicable credits as determined under
59.27 section 273.1393.

59.28 **Subd. 4. Credit reimbursement.** The county auditor must determine the tax reductions
59.29 allowed under this section within the county for each taxes payable year and must certify
59.30 that amount, including any prior year adjustments, to the commissioner of revenue as required
59.31 under section 270C.85, subdivision 2, clause (4). The commissioner of revenue must review

60.1 the certification for accuracy and may make necessary changes or return the certification
 60.2 to the county auditor for correction.

60.3 Subd. 5. **Payment.** (a) The commissioner of revenue must reimburse each local taxing
 60.4 jurisdiction, other than school districts, for the tax reductions granted under this section in
 60.5 two equal installments on October 31 and December 26 of the taxes payable year for which
 60.6 the reductions are granted, including in each payment the prior year adjustments certified
 60.7 under section 270C.85, subdivision 2, for that taxes payable year.

60.8 (b) The commissioner of revenue must certify the total of tax reductions granted under
 60.9 this section for each taxes payable year within each school district to the commissioner of
 60.10 education and the commissioner of education must pay the reimbursement amounts to each
 60.11 school district as provided in section 273.1392.

60.12 Subd. 6. **Appropriation.** An amount sufficient to make the payments required under
 60.13 this section to taxing jurisdictions other than school districts is annually appropriated from
 60.14 the general fund to the commissioner of revenue. An amount sufficient to make the payments
 60.15 required under this section for each school district is annually appropriated from the general
 60.16 fund to the commissioner of education.

60.17 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2022.

60.18 Sec. 11. Minnesota Statutes 2020, section 273.1392, is amended to read:

60.19 **273.1392 PAYMENT; SCHOOL DISTRICTS.**

60.20 The amounts of bovine tuberculosis credit reimbursements under section 273.113;
 60.21 conservation tax credits under section 273.119; disaster or emergency reimbursement under
 60.22 sections 273.1231 to 273.1235; agricultural credits under sections 273.1384 and 273.1387;
 60.23 licensed in-home child care provider credits under section 273.1388; aids and credits under
 60.24 section 273.1398; enterprise zone property credit payments under section 469.171; and
 60.25 metropolitan agricultural preserve reduction under section 473H.10 for school districts,
 60.26 shall be certified to the Department of Education by the Department of Revenue. The
 60.27 amounts so certified shall be paid according to section 127A.45, subdivisions 9, 10, and 13.

60.28 **EFFECTIVE DATE.** This section is effective July 1, 2022.

60.29 Sec. 12. Minnesota Statutes 2020, section 273.1393, is amended to read:

60.30 **273.1393 COMPUTATION OF NET PROPERTY TAXES.**

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

- 61.1 (1) disaster credit as provided in sections 273.1231 to 273.1235;
- 61.2 (2) powerline credit as provided in section 273.42;
- 61.3 (3) agricultural preserves credit as provided in section 473H.10;
- 61.4 (4) enterprise zone credit as provided in section 469.171;
- 61.5 (5) disparity reduction credit;
- 61.6 (6) conservation tax credit as provided in section 273.119;
- 61.7 (7) the school bond credit as provided in section 273.1387;
- 61.8 (8) agricultural credit as provided in section 273.1384;
- 61.9 (9) taconite homestead credit as provided in section 273.135;
- 61.10 (10) supplemental homestead credit as provided in section 273.1391; ~~and~~
- 61.11 (11) the bovine tuberculosis zone credit, as provided in section 273.113; and
- 61.12 (12) the licensed in-home child care provider credit, as provided in section 273.1388.

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

61.14 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2022.

61.15 Sec. 13. Minnesota Statutes 2020, section 275.025, subdivision 1, is amended to read:

61.16 Subdivision 1. **Levy amount.** The state general levy is levied against

61.17 commercial-industrial property and seasonal residential recreational property, as defined

61.18 in this section. The state general levy for commercial-industrial property is ~~\$737,090,000~~

61.19 \$716,990,000 for taxes payable in ~~2020~~ 2022 and thereafter. The state general levy for

61.20 seasonal-recreational property is \$41,690,000 for taxes payable in 2020 and thereafter. The

61.21 tax under this section is not treated as a local tax rate under section 469.177 and is not the

61.22 levy of a governmental unit under chapters 276A and 473F.

61.23 The commissioner shall increase or decrease the preliminary or final rate for a year as

61.24 necessary to account for errors and tax base changes that affected a preliminary or final rate

61.25 for either of the two preceding years. Adjustments are allowed to the extent that the necessary

61.26 information is available to the commissioner at the time the rates for a year must be certified,

61.27 and for the following reasons:

- 61.28 (1) an erroneous report of taxable value by a local official;
- 61.29 (2) an erroneous calculation by the commissioner; and

62.1 (3) an increase or decrease in taxable value for commercial-industrial or seasonal
 62.2 residential recreational property reported to the commissioner under section 270C.85,
 62.3 subdivision 2, clause (4), for the same year.

62.4 The commissioner may, but need not, make adjustments if the total difference in the tax
 62.5 levied for the year would be less than \$100,000.

62.6 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
 62.7 in 2022 and thereafter.

62.8 Sec. 14. Minnesota Statutes 2020, section 275.025, subdivision 2, is amended to read:

62.9 Subd. 2. **Commercial-industrial tax capacity.** For the purposes of this section,
 62.10 "commercial-industrial tax capacity" means the tax capacity of all taxable property classified
 62.11 as class 3 or class 5(1) under section 273.13, excluding:

62.12 (1) the tax capacity attributable to the first ~~\$100,000~~ \$150,000 of market value of each
 62.13 parcel of commercial-industrial property as defined under section 273.13, subdivision 24,
 62.14 clauses (1) and (2);

62.15 (2) electric generation attached machinery under class 3; and

62.16 (3) property described in section 473.625.

62.17 County commercial-industrial tax capacity amounts are not adjusted for the captured
 62.18 net tax capacity of a tax increment financing district under section 469.177, subdivision 2,
 62.19 the net tax capacity of transmission lines deducted from a local government's total net tax
 62.20 capacity under section 273.425, or fiscal disparities contribution and distribution net tax
 62.21 capacities under chapter 276A or 473F. For purposes of this subdivision, the procedures
 62.22 for determining eligibility for tier 1 under section 273.13, subdivision 24, clauses (1) and
 62.23 (2), shall apply in determining the portion of a property eligible to be considered within the
 62.24 first ~~\$100,000~~ \$150,000 of market value.

62.25 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
 62.26 in 2022 and thereafter.

62.27 Sec. 15. Minnesota Statutes 2020, section 275.065, subdivision 3, is amended to read:

62.28 Subd. 3. **Notice of proposed property taxes.** (a) The county auditor shall prepare and
 62.29 the county treasurer shall deliver after November 10 and on or before November 24 each
 62.30 year, by first class mail to each taxpayer at the address listed on the county's current year's
 62.31 assessment roll, a notice of proposed property taxes. Upon written request by the taxpayer,

63.1 the treasurer may send the notice in electronic form or by electronic mail instead of on paper
63.2 or by ordinary mail.

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

63.4 (c) The notice must inform taxpayers that it contains the amount of property taxes each
63.5 taxing authority proposes to collect for taxes payable the following year. In the case of a
63.6 town, or in the case of the state general tax, the final tax amount will be its proposed tax.
63.7 The notice must clearly state for each city that has a population over 500, county, school
63.8 district, regional library authority established under section 134.201, ~~and~~ metropolitan taxing
63.9 districts as defined in paragraph (i), and fire protection and emergency medical services
63.10 special taxing districts established under section 144F.01, the time and place of a meeting
63.11 for each taxing authority in which the budget and levy will be discussed and public input
63.12 allowed, prior to the final budget and levy determination. The taxing authorities must provide
63.13 the county auditor with the information to be included in the notice on or before the time it
63.14 certifies its proposed levy under subdivision 1. The public must be allowed to speak at that
63.15 meeting, which must occur after November 24 and must not be held before 6:00 p.m. It
63.16 must provide a telephone number for the taxing authority that taxpayers may call if they
63.17 have questions related to the notice and an address where comments will be received by
63.18 mail, except that no notice required under this section shall be interpreted as requiring the
63.19 printing of a personal telephone number or address as the contact information for a taxing
63.20 authority. If a taxing authority does not maintain public offices where telephone calls can
63.21 be received by the authority, the authority may inform the county of the lack of a public
63.22 telephone number and the county shall not list a telephone number for that taxing authority.

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

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

63.30 (2) the items listed below, shown separately by county, city or town, and state general
63.31 tax, agricultural homestead credit under section 273.1384, school building bond agricultural
63.32 credit under section 273.1387, the licensed in-home child care provider credit under section
63.33 273.1388, voter approved school levy, other local school levy, and the sum of the special
63.34 taxing districts, and as a total of all taxing authorities:

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

64.2 (ii) the proposed tax amount.

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

64.6 In the case of a town or the state general tax, the final tax shall also be its proposed tax
64.7 unless the town changes its levy at a special town meeting under section 365.52. If a school
64.8 district has certified under section 126C.17, subdivision 9, that a referendum will be held
64.9 in the school district at the November general election, the county auditor must note next
64.10 to the school district's proposed amount that a referendum is pending and that, if approved
64.11 by the voters, the tax amount may be higher than shown on the notice. In the case of the
64.12 city of Minneapolis, the levy for Minneapolis Park and Recreation shall be listed separately
64.13 from the remaining amount of the city's levy. In the case of the city of St. Paul, the levy for
64.14 the St. Paul Library Agency must be listed separately from the remaining amount of the
64.15 city's levy. In the case of Ramsey County, any amount levied under section 134.07 may be
64.16 listed separately from the remaining amount of the county's levy. In the case of a parcel
64.17 where tax increment or the fiscal disparities areawide tax under chapter 276A or 473F
64.18 applies, the proposed tax levy on the captured value or the proposed tax levy on the tax
64.19 capacity subject to the areawide tax must each be stated separately and not included in the
64.20 sum of the special taxing districts; and

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

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

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

64.28 (1) special assessments;

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

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

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

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

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

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

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

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

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

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

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

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

65.27 (1) Metropolitan Council under section 473.132, 473.167, 473.249, 473.325, 473.446,
65.28 473.521, 473.547, or 473.834;

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

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

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

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

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

66.13 (2) population growth and decline;

66.14 (3) state or federal government action; and

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

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

66.21 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
 66.22 in 2022.

66.23 Sec. 16. Minnesota Statutes 2020, section 275.066, is amended to read:

66.24 **275.066 SPECIAL TAXING DISTRICTS; DEFINITION.**

66.25 For the purposes of property taxation and property tax state aids, the term "special taxing
 66.26 districts" includes the following entities:

66.27 (1) watershed districts under chapter 103D;

66.28 (2) sanitary districts under sections 442A.01 to 442A.29;

66.29 (3) regional sanitary sewer districts under sections 115.61 to 115.67;

66.30 (4) regional public library districts under section 134.201;

66.31 (5) park districts under chapter 398;

- 67.1 (6) regional railroad authorities under chapter 398A;
- 67.2 (7) hospital districts under sections 447.31 to 447.38;
- 67.3 (8) St. Cloud Metropolitan Transit Commission under sections 458A.01 to 458A.15;
- 67.4 (9) Duluth Transit Authority under sections 458A.21 to 458A.37;
- 67.5 (10) regional development commissions under sections 462.381 to 462.398;
- 67.6 (11) housing and redevelopment authorities under sections 469.001 to 469.047;
- 67.7 (12) port authorities under sections 469.048 to 469.068;
- 67.8 (13) economic development authorities under sections 469.090 to 469.1081;
- 67.9 (14) Metropolitan Council under sections 473.123 to 473.549;
- 67.10 (15) Metropolitan Airports Commission under sections 473.601 to 473.679;
- 67.11 (16) Metropolitan Mosquito Control Commission under sections 473.701 to 473.716;
- 67.12 (17) Morrison County Rural Development Financing Authority under Laws 1982, chapter
67.13 437, section 1;
- 67.14 (18) Croft Historical Park District under Laws 1984, chapter 502, article 13, section 6;
- 67.15 (19) East Lake County Medical Clinic District under Laws 1989, chapter 211, sections
67.16 1 to 6;
- 67.17 (20) Floodwood Area Ambulance District under Laws 1993, chapter 375, article 5,
67.18 section 39;
- 67.19 (21) Middle Mississippi River Watershed Management Organization under sections
67.20 103B.211 and 103B.241;
- 67.21 (22) fire protection and emergency medical services special taxing districts under section
67.22 144F.01;
- 67.23 (23) a county levying under the authority of section 103B.241, 103B.245, or 103B.251;
- 67.24 (24) Southern St. Louis County Special Taxing District; Chris Jensen Nursing Home
67.25 under Laws 2003, First Special Session chapter 21, article 4, section 12;
- 67.26 (25) an airport authority created under section 360.0426; and
- 67.27 (26) any other political subdivision of the state of Minnesota, excluding counties, school
67.28 districts, cities, and towns, that has the power to adopt and certify a property tax levy to the
67.29 county auditor, as determined by the commissioner of revenue.

68.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and
68.2 applies to districts established after June 30, 2021.

68.3 Sec. 17. Minnesota Statutes 2020, section 276.04, subdivision 2, is amended to read:

68.4 Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the printing of
68.5 the tax statements. The commissioner of revenue shall prescribe the form of the property
68.6 tax statement and its contents. The tax statement must not state or imply that property tax
68.7 credits are paid by the state of Minnesota. The statement must contain a tabulated statement
68.8 of the dollar amount due to each taxing authority and the amount of the state tax from the
68.9 parcel of real property for which a particular tax statement is prepared. The dollar amounts
68.10 attributable to the county, the state tax, the voter approved school tax, the other local school
68.11 tax, the township or municipality, and the total of the metropolitan special taxing districts
68.12 as defined in section 275.065, subdivision 3, paragraph (i), must be separately stated. The
68.13 amounts due all other special taxing districts, if any, may be aggregated except that any
68.14 levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin,
68.15 Ramsey, Scott, or Washington under chapter 398A shall be listed on a separate line directly
68.16 under the appropriate county's levy. If the county levy under this paragraph includes an
68.17 amount for a lake improvement district as defined under sections 103B.501 to 103B.581,
68.18 the amount attributable for that purpose must be separately stated from the remaining county
68.19 levy amount. In the case of Ramsey County, if the county levy under this paragraph includes
68.20 an amount for public library service under section 134.07, the amount attributable for that
68.21 purpose may be separated from the remaining county levy amount. The amount of the tax
68.22 on homesteads qualifying under the senior citizens' property tax deferral program under
68.23 chapter 290B is the total amount of property tax before subtraction of the deferred property
68.24 tax amount. The amount of the tax on contamination value imposed under sections 270.91
68.25 to 270.98, if any, must also be separately stated. The dollar amounts, including the dollar
68.26 amount of any special assessments, may be rounded to the nearest even whole dollar. For
68.27 purposes of this section whole odd-numbered dollars may be adjusted to the next higher
68.28 even-numbered dollar. The amount of market value excluded under section 273.11,
68.29 subdivision 16, if any, must also be listed on the tax statement.

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

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

69.1 information in the right column with the corresponding information for the previous year
69.2 in a column on the left:

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

69.4 (2) the property's homestead market value exclusion under section 273.13, subdivision
69.5 35;

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

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

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

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

69.10 273.1388; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount
69.11 of credit received under section 273.135 must be separately stated and identified as "taconite
69.12 tax relief"; and

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

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

69.22 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2022.

69.23 Sec. 18. Minnesota Statutes 2020, section 290A.03, subdivision 3, is amended to read:

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

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

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

69.27 (i) all nontaxable income;

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

- 70.1 (iii) an amount equal to the total of any discharge of qualified farm indebtedness of a
70.2 solvent individual excluded from gross income under section 108(g) of the Internal Revenue
70.3 Code;
- 70.4 (iv) cash public assistance and relief;
- 70.5 (v) any pension or annuity (including railroad retirement benefits, all payments received
70.6 under the federal Social Security Act, Supplemental Security Income, and veterans benefits),
70.7 which was not exclusively funded by the claimant or spouse, or which was funded exclusively
70.8 by the claimant or spouse and which funding payments were excluded from federal adjusted
70.9 gross income in the years when the payments were made;
- 70.10 (vi) interest received from the federal or a state government or any instrumentality or
70.11 political subdivision thereof;
- 70.12 (vii) workers' compensation;
- 70.13 (viii) nontaxable strike benefits;
- 70.14 (ix) the gross amounts of payments received in the nature of disability income or sick
70.15 pay as a result of accident, sickness, or other disability, whether funded through insurance
70.16 or otherwise;
- 70.17 (x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of
70.18 1986, as amended through December 31, 1995;
- 70.19 (xi) contributions made by the claimant to an individual retirement account, including
70.20 a qualified voluntary employee contribution; simplified employee pension plan;
70.21 self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of
70.22 the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal
70.23 Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for
70.24 the claimant and spouse;
- 70.25 (xii) to the extent not included in federal adjusted gross income, distributions received
70.26 by the claimant or spouse from a traditional or Roth style retirement account or plan;
- 70.27 (xiii) nontaxable scholarship or fellowship grants;
- 70.28 (xiv) alimony received to the extent not included in the recipient's income;
- 70.29 (xv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue
70.30 Code;
- 70.31 (xvi) the amount deducted for tuition expenses under section 222 of the Internal Revenue
70.32 Code; and

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

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

71.8 (b) "Income" does not include:

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

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

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

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

71.18 (5) relief granted under this chapter;

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

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

71.24 (8) alimony paid; or

71.25 (9) veterans disability compensation paid under title 38 of the United States Code.

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

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

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

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

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

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

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

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

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

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

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

72.14 **EFFECTIVE DATE.** This section is effective for refund claims based on property taxes
72.15 payable in 2022 and rent paid in 2021 and thereafter.

72.16 Sec. 19. Minnesota Statutes 2020, section 429.021, subdivision 1, is amended to read:

72.17 Subdivision 1. **Improvements authorized.** The council of a municipality shall have
72.18 power to make the following improvements:

72.19 (1) To acquire, open, and widen any street, and to improve the same by constructing,
72.20 reconstructing, and maintaining sidewalks, pavement, gutters, curbs, and vehicle parking
72.21 strips of any material, or by grading, graveling, oiling, or otherwise improving the same,
72.22 including the beautification thereof and including storm sewers or other street drainage and
72.23 connections from sewer, water, or similar mains to curb lines.

72.24 (2) To acquire, develop, construct, reconstruct, extend, and maintain storm and sanitary
72.25 sewers and systems, including outlets, holding areas and ponds, treatment plants, pumps,
72.26 lift stations, service connections, and other appurtenances of a sewer system, within and
72.27 without the corporate limits.

72.28 (3) To construct, reconstruct, extend, and maintain steam heating mains.

72.29 (4) To install, replace, extend, and maintain street lights and street lighting systems and
72.30 special lighting systems.

73.1 (5) To acquire, improve, construct, reconstruct, extend, and maintain water works systems,
73.2 including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks,
73.3 treatment plants, and other appurtenances of a water works system, within and without the
73.4 corporate limits.

73.5 (6) To acquire, improve and equip parks, open space areas, playgrounds, and recreational
73.6 facilities within or without the corporate limits.

73.7 (7) To plant trees on streets and provide for their trimming, care, and removal.

73.8 (8) To abate nuisances and to drain swamps, marshes, and ponds on public or private
73.9 property and to fill the same.

73.10 (9) To construct, reconstruct, extend, and maintain dikes and other flood control works.

73.11 (10) To construct, reconstruct, extend, and maintain retaining walls and area walls.

73.12 (11) To acquire, construct, reconstruct, improve, alter, extend, operate, maintain, and
73.13 promote a pedestrian skyway system. Such improvement may be made upon a petition
73.14 pursuant to section 429.031, subdivision 3.

73.15 (12) To acquire, construct, reconstruct, extend, operate, maintain, and promote
73.16 underground pedestrian concourses.

73.17 (13) To acquire, construct, improve, alter, extend, operate, maintain, and promote public
73.18 malls, plazas or courtyards.

73.19 (14) To construct, reconstruct, extend, and maintain district heating systems.

73.20 (15) To construct, reconstruct, alter, extend, operate, maintain, and promote fire protection
73.21 systems in existing buildings, but only upon a petition pursuant to section 429.031,
73.22 subdivision 3.

73.23 (16) To acquire, construct, reconstruct, improve, alter, extend, and maintain highway
73.24 sound barriers.

73.25 (17) To improve, construct, reconstruct, extend, and maintain gas and electric distribution
73.26 facilities owned by a municipal gas or electric utility.

73.27 (18) To purchase, install, and maintain signs, posts, and other markers for addressing
73.28 related to the operation of enhanced 911 telephone service.

73.29 (19) To improve, construct, extend, and maintain facilities for Internet access and other
73.30 communications purposes, if the council finds that:

74.1 (i) the facilities are necessary to make available Internet access or other communications
74.2 services that are not and will not be available through other providers or the private market
74.3 in the reasonably foreseeable future; and

74.4 (ii) the service to be provided by the facilities will not compete with service provided
74.5 by private entities.

74.6 (20) To assess affected property owners for all or a portion of the costs agreed to with
74.7 an electric utility, telecommunications carrier, or cable system operator to bury or alter a
74.8 new or existing distribution system within the public right-of-way that exceeds the utility's
74.9 design and construction standards, or those set by law, tariff, or franchise, but only upon
74.10 petition under section 429.031, subdivision 3.

74.11 (21) To assess affected property owners for repayment of voluntary energy improvement
74.12 financings under section 216C.436, subdivision 7, or 216C.437, subdivision 28.

74.13 (22) To construct, reconstruct, alter, extend, operate, maintain, and promote energy
74.14 improvement projects in existing buildings, provided that:

74.15 (i) a petition for the improvement is made by a property owner under section 429.031,
74.16 subdivision 3;

74.17 (ii) the municipality funds and administers the energy improvement project;

74.18 (iii) project funds are only used for the installation of improvements to heating,
74.19 ventilation, and air conditioning equipment and building envelope and for the installation
74.20 of renewable energy systems;

74.21 (iv) each property owner petitioning for the improvement receives notice that free or
74.22 low-cost energy improvements may be available under federal, state, or utility programs;

74.23 (v) for energy improvement projects on residential property, only residential property
74.24 having five or more units may obtain financing for projects under this clause; and

74.25 (vi) prior to financing an energy improvement project or imposing an assessment for a
74.26 project, written notice is provided to the mortgage lender of any mortgage encumbering or
74.27 otherwise secured by the property proposed to be improved.

74.28 **EFFECTIVE DATE.** This section is effective for special assessments payable in 2022
74.29 and thereafter.

75.1 Sec. 20. Minnesota Statutes 2020, section 429.031, subdivision 3, is amended to read:

75.2 Subd. 3. **Petition by all owners.** Whenever all owners of real property abutting upon
75.3 any street named as the location of any improvement shall petition the council to construct
75.4 the improvement and to assess the entire cost against their property, the council may, without
75.5 a public hearing, adopt a resolution determining such fact and ordering the improvement.
75.6 The validity of the resolution shall not be questioned by any taxpayer or property owner or
75.7 the municipality unless an action for that purpose is commenced within 30 days after adoption
75.8 of the resolution as provided in section 429.036. Nothing herein prevents any property
75.9 owner from questioning the amount or validity of the special assessment against the owner's
75.10 property pursuant to section 429.081. In the case of a petition for the municipality to own
75.11 and install a fire protection system, energy improvement projects, a pedestrian skyway
75.12 system, or on-site water contaminant improvements, the petition must contain or be
75.13 accompanied by an undertaking satisfactory to the city by the petitioner that the petitioner
75.14 will grant the municipality the necessary property interest in the building to permit the city
75.15 to enter upon the property and the building to construct, maintain, and operate the fire
75.16 protection system, energy improvement projects, pedestrian skyway system, or on-site water
75.17 contaminant improvements. In the case of a petition for the installation of a privately owned
75.18 fire protection system, energy improvement projects, a privately owned pedestrian skyway
75.19 system, or privately owned on-site water contaminant improvements, the petition shall
75.20 contain the plans and specifications for the improvement, the estimated cost of the
75.21 improvement and a statement indicating whether the city or the owner will contract for the
75.22 construction of the improvement. If the owner is contracting for the construction of the
75.23 improvement, the city shall not approve the petition until it has reviewed and approved the
75.24 plans, specifications, and cost estimates contained in the petition. The construction cost
75.25 financed under section 429.091 shall not exceed the amount of the cost estimate contained
75.26 in the petition. In the case of a petition for the installation of a fire protection system, energy
75.27 improvement projects, a pedestrian skyway system, or on-site water contaminant
75.28 improvements, the petitioner may request abandonment of the improvement at any time
75.29 after it has been ordered pursuant to subdivision 1 and before contracts have been awarded
75.30 for the construction of the improvement under section 429.041, subdivision 2. If such a
75.31 request is received, the city council shall abandon the proceedings but in such case the
75.32 petitioner shall reimburse the city for any and all expenses incurred by the city in connection
75.33 with the improvement.

75.34 **EFFECTIVE DATE.** This section is effective for special assessments payable in 2022
75.35 and thereafter.

76.1 **Sec. 21. SUPPLEMENTAL 2022 CITY AID DISTRIBUTION.**

76.2 (a) Supplemental aid for a city equals the greater of: (1) zero; or (2) the difference
 76.3 between the local government aid amount under Minnesota Statutes, section 477A.013,
 76.4 subdivision 9, certified for the city for aid payable in 2021, minus the local government aid
 76.5 amount under Minnesota Statutes, section 477A.013, subdivision 9, certified for the city
 76.6 for aid payable in 2022.

76.7 (b) The commissioner of revenue must notify a city of its supplemental aid amount
 76.8 before August 1, 2021, and must pay the aid in calendar year 2022 in two installments on
 76.9 the dates specified in Minnesota Statutes, section 477A.015.

76.10 (c) Supplemental aid under this section must not be included for any calculations under
 76.11 Minnesota Statutes, section 477A.013, that rely on prior year aid amounts.

76.12 (d) An amount sufficient to pay supplemental aid under this section is appropriated in
 76.13 fiscal year 2023 from the general fund to the commissioner of revenue. This is a onetime
 76.14 appropriation.

76.15 **EFFECTIVE DATE.** This section is effective for aid payable in calendar year 2022.

76.16 **ARTICLE 5**

76.17 **TAX INCREMENT FINANCING**

76.18 **Section 1. CITY OF BLOOMINGTON; TIF AUTHORITY; AMERICAN**
 76.19 **BOULEVARD.**

76.20 Subdivision 1. **Establishment.** Pursuant to the special rules established in subdivision
 76.21 2, the housing and redevelopment authority of the city of Bloomington or the city of
 76.22 Bloomington may establish a redevelopment district within the city of Bloomington, limited
 76.23 to the following parcels, identified by tax identification numbers, together with adjacent
 76.24 roads and rights-of-way: 04-027-24-11-0032, 04-027-24-11-0033, and 04-027-24-11-0034.

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

76.27 (1) the district meets all the requirements of Minnesota Statutes, section 469.174,
 76.28 subdivision 10;

76.29 (2) expenditures incurred in connection with the development of the property described
 76.30 in subdivision 1 meet the requirements of Minnesota Statutes, section 469.176, subdivision
 76.31 4j; and

77.1 (3) increments generated from the district may be expended on undergrounding or
 77.2 overhead power lines, transformers, and related utility infrastructure within the project area
 77.3 and all such expenditures are deemed expended on activities within the district for purposes
 77.4 of Minnesota Statutes, section 469.1763.

77.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 77.6 city of Bloomington and its chief clerical officer comply with the requirements of Minnesota
 77.7 Statutes, section 645.021, subdivisions 2 and 3.

77.8 **Sec. 2. CITY OF BLOOMINGTON; TIF AUTHORITY; 98TH & ALDRICH.**

77.9 Subdivision 1. **Establishment.** Pursuant to the special rules established in subdivision
 77.10 2, the housing and redevelopment authority of the city of Bloomington or the city of
 77.11 Bloomington may establish a redevelopment district within the city of Bloomington, limited
 77.12 to the following parcels, identified by tax identification numbers, together with adjacent
 77.13 roads and rights-of-way: 16-027-24-41-0010, 16-027-24-41-0011, and 16-027-24-41-0012.

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

77.16 (1) the district meets all the requirements of Minnesota Statutes, section 469.174,
 77.17 subdivision 10; and

77.18 (2) expenditures incurred in connection with the development of the property described
 77.19 in subdivision 1 meet the requirements of Minnesota Statutes, section 469.176, subdivision
 77.20 4j.

77.21 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 77.22 city of Bloomington and its chief clerical officer comply with the requirements of Minnesota
 77.23 Statutes, section 645.021, subdivisions 2 and 3.

77.24 **Sec. 3. CITY OF BURNSVILLE; TIF AUTHORITY; BURNSVILLE CENTER**
 77.25 **MALL.**

77.26 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the
 77.27 economic development authority of the city of Burnsville or the city of Burnsville may
 77.28 establish one or more redevelopment districts located wholly within the area of the city of
 77.29 Burnsville, Dakota County, Minnesota, limited to the parcels comprising the Burnsville
 77.30 Center mall together with adjacent roads and rights-of-way.

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

78.1 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section
 78.2 469.174, subdivision 10;

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

78.6 (3) increments generated from the districts may be expended for the construction and
 78.7 acquisition of property for a bridge, tunnel, or other connector from the property described
 78.8 in subdivision 1 across adjacent roads and rights-of-way and all such expenditures are
 78.9 deemed expended on activities within the district for purposes of Minnesota Statutes, section
 78.10 469.1763.

78.11 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 78.12 city of Burnsville and its chief clerical officer comply with the requirements of Minnesota
 78.13 Statutes, section 645.021, subdivisions 2 and 3.

78.14 Sec. 4. **CITY OF MOUNTAIN LAKE; TIF DISTRICT NO. 1-8; FIVE-YEAR RULE**
 78.15 **EXTENSION.**

78.16 (a) The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that activities
 78.17 must be undertaken within a five-year period from the date of certification of a tax increment
 78.18 financing district, is extended by a five-year period for Tax Increment Financing District
 78.19 No. 1-8, administered by the city of Mountain Lake or its economic development authority.

78.20 (b) The requirement of Minnesota Statutes, section 469.1763, subdivision 4, relating to
 78.21 the use of increment after the expiration of the five-year period under Minnesota Statutes,
 78.22 section 469.1763, subdivision 3, is extended to the 11th year for Tax Increment Financing
 78.23 District No. 1-8.

78.24 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 78.25 city of Mountain Lake and its chief clerical officer comply with Minnesota Statutes, section
 78.26 645.021, subdivisions 2 and 3.

78.27 Sec. 5. **CITY OF RAMSEY; TIF DISTRICT NO. 14; FIVE-YEAR RULE**
 78.28 **EXTENSION.**

78.29 (a) The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that activities
 78.30 must be undertaken within a five-year period from the date of certification of a tax increment
 78.31 financing district, is extended by a five-year period to November 28, 2026, for Tax Increment
 78.32 Financing District No. 14 administered by the city of Ramsey.

79.1 (b) The requirement of Minnesota Statutes, section 469.1763, subdivision 4, relating to
 79.2 the use of increment after the expiration of the five-year period under Minnesota Statutes,
 79.3 section 469.1763, subdivision 3, is extended to the 16th year for Tax Increment Financing
 79.4 District No. 14.

79.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 79.6 city of Ramsey and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 79.7 subdivisions 2 and 3.

79.8 **Sec. 6. CITY OF WAYZATA; TIF DISTRICT NO. 6; EXPENDITURES ALLOWED.**

79.9 Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, the city of Wayzata
 79.10 may expend increments generated from Tax Increment Financing District No. 6 for the
 79.11 design and construction of the lakefront pedestrian walkway and community transient lake
 79.12 public access infrastructure related to the Panoway on Wayzata Bay project, and all such
 79.13 expenditures are deemed expended on activities within the district.

79.14 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 79.15 city of Wayzata, and its chief clerical officer, comply with the requirement of Minnesota
 79.16 Statutes, section 645.021, subdivisions 2 and 3.

79.17 **Sec. 7. CITY OF WINDOM; TIF DISTRICT NO. 1-22; FIVE-YEAR RULE**
 79.18 **EXTENSION; DURATION EXTENSION.**

79.19 (a) The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that activities
 79.20 must be undertaken within a five-year period from the date of certification of a tax increment
 79.21 financing district, is considered to be met for Tax Increment Financing District No. 1-22,
 79.22 administered by the city of Windom or its economic development authority, if activities are
 79.23 undertaken within ten years of the district's certification.

79.24 (b) The requirements of Minnesota Statutes, section 469.1763, subdivision 4, relating
 79.25 to the use of increment after the expiration of the five-year period under Minnesota Statutes,
 79.26 section 469.1763, subdivision 3, is extended to the 11th year for Tax Increment Financing
 79.27 District No. 1-22.

79.28 (c) Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, the city of
 79.29 Windom, or its economic development authority, may elect to extend the duration of Tax
 79.30 Increment Financing District No. 1-22, by five years.

79.31 **EFFECTIVE DATE.** Paragraphs (a) and (b) are effective the day after the governing
 79.32 body of the city of Windom and its chief clerical officer comply with Minnesota Statutes,

80.1 section 645.021, subdivisions 2 and 3. Paragraph (c) is effective upon compliance by the
 80.2 city of Windom, Cottonwood County, and Independent School District No. 177 with the
 80.3 requirements of Minnesota Statutes, sections 469.1782, subdivision 2, and 645.021,
 80.4 subdivisions 2 and 3.

80.5 Sec. 8. **AFFORDABLE HOUSING DEVELOPMENT TAX ASSISTANCE REPORT.**

80.6 (a) No later than January 31, 2022, the commissioner of revenue, in consultation with
 80.7 the Minnesota Housing Finance Agency, the Minnesota State Auditor, the Association of
 80.8 Minnesota Counties, and the League of Minnesota Cities, must produce a report on affordable
 80.9 housing projects paid for in whole or in part by either tax increment, or from a city or county
 80.10 housing trust fund for local housing development established under Minnesota Statutes,
 80.11 section 462C.16. The commissioner must provide a copy of the report to the legislative
 80.12 committees with jurisdiction over taxation, property taxation, and housing. The report must
 80.13 comply with the requirements of Minnesota Statutes, sections 3.195 and 3.197.

80.14 (b) For housing projects financed in whole or in part by tax increment, the report shall
 80.15 include the following:

80.16 (1) the identity of each housing tax increment financing district established under
 80.17 Minnesota Statutes, chapter 469, or through special law, in the previous five years, including
 80.18 the district's location, certification date, and projected decertification date;

80.19 (2) for each housing district identified under clause (1), a list of each housing project
 80.20 financed in whole or in part from tax increment, including the percentage of area median
 80.21 income relative to each housing project, and any income limits required under federal, state,
 80.22 or local law for each housing project; and

80.23 (3) for any tax increment financing district that, pursuant to Minnesota Statutes, section
 80.24 469.1763, subdivision 2, paragraph (d), increased the permitted amount of expenditures for
 80.25 activities located outside the district in the last five years, the district's location, type of
 80.26 district, certification date, projected decertification date, and detailed information relating
 80.27 to each housing project financed, including the percentage of area median income relative
 80.28 to each housing project, and any income limits required under federal, state, or local law
 80.29 for each housing project.

80.30 (c) For each housing trust fund established under Minnesota Statutes, section 462C.16,
 80.31 the report shall include the following:

80.32 (1) a copy of the ordinance or joint powers agreement establishing the trust fund; and

81.1 (2) an accounting of all authorized expenditures from the housing trust fund for each
 81.2 calendar year, separated by each of the following expenditure types:

81.3 (i) administrative expenses;

81.4 (ii) grants, loans, and business guarantees for the development, rehabilitation, or financing
 81.5 of housing, with detailed information as to each housing project, including the percentage
 81.6 of area median income relative to each housing project, and any income limits required
 81.7 under federal, state, or local law for each housing project;

81.8 (iii) matching of other funds from federal, state, or private resources for housing projects,
 81.9 with details provided as to each housing project, including the percentage of area median
 81.10 income relative to each housing project, and any income limits required under federal, state,
 81.11 or local law for each housing project; and

81.12 (iv) down payment assistance, rental assistance, and home buyer counseling services.

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

81.14

ARTICLE 6

81.15

PUBLIC FINANCE

81.16 Section 1. Minnesota Statutes 2020, section 297A.993, subdivision 2, is amended to read:

81.17 Subd. 2. **Allocation; termination.** The proceeds of the taxes must be dedicated
 81.18 exclusively to: (1) payment of the capital cost of a specific transportation project or
 81.19 improvement; (2) payment of the costs, which may include both capital and operating costs,
 81.20 of a specific transit project or improvement; (3) payment of the capital costs of a safe routes
 81.21 to school program under section 174.40; ~~or~~ (4) payment of transit operating costs; or (5)
 81.22 payment of the capital cost of constructing buildings and other facilities for maintaining
 81.23 transportation or transit projects or improvements. The transportation or transit project or
 81.24 improvement must be designated by the board of the county, or more than one county acting
 81.25 under a joint powers agreement. Except for taxes for operating costs of a transit project or
 81.26 improvement, or for transit operations, the taxes must terminate when revenues raised are
 81.27 sufficient to finance the project. Nothing in this subdivision prohibits the exclusive dedication
 81.28 of the proceeds of the taxes to payments for more than one project or improvement. After
 81.29 a public hearing a county may, by resolution, dedicate the proceeds of the tax for a new
 81.30 enumerated project.

82.1 Sec. 2. Minnesota Statutes 2020, section 453A.04, subdivision 21, is amended to read:

82.2 Subd. 21. ~~All other powers~~ Exercising powers of a municipal power agency. ~~It may~~
 82.3 ~~exercise all other powers not inconsistent with the Constitution of the state of Minnesota~~
 82.4 ~~or the United States Constitution, which powers may be reasonably necessary or appropriate~~
 82.5 ~~for or incidental to the effectuation of its authorized purposes or to the exercise of any of~~
 82.6 ~~the powers enumerated in this section, and generally may exercise in connection with its~~
 82.7 ~~property and affairs, and in connection with property within its control, any and all powers~~
 82.8 ~~which might be exercised by a natural person or a private corporation in connection with~~
 82.9 ~~similar property and affairs~~ It may exercise the powers of a municipal power agency under
 82.10 chapter 453, for the limited purpose of engaging in tax-exempt prepayments and related
 82.11 transactions as described in section 148(b)(4) of the Internal Revenue Code of 1986, as
 82.12 amended, and Code of Federal Regulations, title 26, part 1, section 1.148-1(e)(2)(iii), both
 82.13 as may be amended from time to time, or as may otherwise be authorized by statute or the
 82.14 commissioner of internal revenue.

82.15 Sec. 3. Minnesota Statutes 2020, section 453A.04, is amended by adding a subdivision to
 82.16 read:

82.17 Subd. 22. All other powers. It may exercise all other powers not inconsistent with the
 82.18 Minnesota Constitution or the United States Constitution, which powers may be reasonably
 82.19 necessary or appropriate for or incidental to the effectuation of its authorized purposes or
 82.20 to the exercise of any of the powers enumerated in this section, and generally may exercise
 82.21 in connection with its property and affairs, and in connection with property within its control,
 82.22 any and all powers which might be exercised by a natural person or a private corporation
 82.23 in connection with similar property and affairs.

82.24 Sec. 4. Minnesota Statutes 2020, section 465.71, is amended to read:

82.25 **465.71 INSTALLMENT, LEASE PURCHASE; CITY, COUNTY, TOWN,**
 82.26 **SCHOOL.**

82.27 A home rule charter city, statutory city, county, town, or school district may purchase
 82.28 personal property under an installment contract, or lease real or personal property with an
 82.29 option to purchase under a lease-purchase agreement, by which contract or agreement title
 82.30 is retained by the seller or vendor or assigned to a third party as security for the purchase
 82.31 price, including interest, if any, but such purchases are subject to statutory and charter
 82.32 provisions applicable to the purchase of real or personal property. For purposes of the bid
 82.33 requirements contained in section 471.345, "the amount of the contract" shall include the

83.1 total of all lease payments for the entire term of the lease under a lease-purchase agreement.
 83.2 The obligation created by an installment contract or a lease-purchase agreement for personal
 83.3 property, or an installment contract or a lease-purchase agreement for real property if the
 83.4 amount of the contract for purchase of the real property is less than \$1,000,000, shall not
 83.5 be included in the calculation of net debt for purposes of section 475.53, and shall not
 83.6 constitute debt under any other statutory provision. No election shall be required in
 83.7 connection with the execution of an installment contract or a lease-purchase agreement
 83.8 authorized by this section. The city, county, town, or school district must have the right to
 83.9 terminate a lease-purchase agreement at the end of any fiscal year during its term.

83.10 Sec. 5. Minnesota Statutes 2020, section 475.56, is amended to read:

83.11 **475.56 INTEREST RATE.**

83.12 (a) Any municipality issuing obligations under any law may issue obligations bearing
 83.13 interest at a single rate or at rates varying from year to year which may be lower or higher
 83.14 in later years than in earlier years. ~~Such higher rate for any period prior to maturity may be~~
 83.15 ~~represented in part by separate coupons designated as additional coupons, extra coupons,~~
 83.16 ~~or B-coupons, but~~ The highest aggregate rate of interest contracted to be so paid for any
 83.17 period shall not exceed the maximum rate authorized by law. ~~Such higher rate may also be~~
 83.18 ~~represented in part by the issuance of additional obligations of the same series, over and~~
 83.19 ~~above but not exceeding two percent of the amount otherwise authorized to be issued, and~~
 83.20 ~~the amount of such additional obligations shall not be included in the amount required by~~
 83.21 ~~section 475.59 to be stated in any bond resolution, notice, or ballot, or in the sale price~~
 83.22 ~~required by section 475.60 or any other law to be paid; but if the principal amount of the~~
 83.23 ~~entire series exceeds its cash sale price, such excess shall not, when added to the total amount~~
 83.24 ~~of interest payable on all obligations of the series to their stated maturity dates, cause and~~
 83.25 ~~the average annual rate of such interest to~~ may not exceed the maximum rate authorized by
 83.26 law. This section does not authorize a provision in any such obligations for the payment of
 83.27 a higher rate of interest after maturity than before.

83.28 (b) Any municipality issuing obligations under any law may sell original issue discount
 83.29 or premium obligations ~~having a stated principal amount in excess of the authorized amount~~
 83.30 ~~and the sale price, provided that:~~

83.31 (1) ~~the sale price does not exceed by more than two percent the amount of obligations~~
 83.32 ~~otherwise authorized to be issued;~~

83.33 (2) ~~the underwriting fee, discount, or other sales or underwriting commission does not~~
 83.34 ~~exceed two percent of the sale price; and~~

84.1 ~~(3) the discount rate necessary to present value total principal and interest payments~~
 84.2 ~~over the term of the issue to the sale price does not exceed the lesser of the maximum rate~~
 84.3 ~~permitted by law for municipal obligations or ten percent. To determine the average annual~~
 84.4 ~~rate of interest on the obligations, any discount shall be added to, and any premium subtracted~~
 84.5 ~~from, the total amount of interest on the obligations to their stated maturity dates.~~

84.6 (c) Any obligation may bear interest at a rate varying periodically at the time or times
 84.7 and on the terms, including convertibility to a fixed rate of interest, determined by the
 84.8 governing body of the municipality, but the rate of interest for any period shall not exceed
 84.9 any maximum rate of interest for the obligations established by law. For purposes of section
 84.10 475.61, subdivisions 1 and 3, the interest payable on variable rate obligations for their term
 84.11 shall be determined as if their rate of interest is the lesser of the maximum rate of interest
 84.12 payable on the obligations in accordance with their terms or the rate estimated for such
 84.13 purpose by the governing body, but if the interest rate is subsequently converted to a fixed
 84.14 rate the levy may be modified to provide at least five percent in excess of amounts necessary
 84.15 to pay principal of and interest at the fixed rate on the obligations when due. For purposes
 84.16 of computing debt service or interest pursuant to section 475.67, subdivision 12, interest
 84.17 throughout the term of bonds issued pursuant to this subdivision is deemed to accrue at the
 84.18 rate of interest first borne by the bonds. The provisions of this paragraph do not apply to
 84.19 general obligations issued by a statutory or home rule charter city with a population of less
 84.20 than 7,500, as defined in section 477A.011, subdivision 3, or to general obligations that are
 84.21 not rated A or better, or an equivalent subsequently established rating, by Standard and
 84.22 Poor's Corporation, Moody's Investors Service or other similar nationally recognized rating
 84.23 agency, except that any statutory or home rule charter city, regardless of population or bond
 84.24 rating, may issue variable rate obligations as a participant in a bond pooling program
 84.25 established by the League of Minnesota Cities that meets this bond rating requirement.

84.26 Sec. 6. Minnesota Statutes 2020, section 475.58, subdivision 3b, is amended to read:

84.27 Subd. 3b. **Street reconstruction and bituminous overlays.** (a) A municipality may,
 84.28 without regard to the election requirement under subdivision 1, issue and sell obligations
 84.29 for street reconstruction or bituminous overlays, if the following conditions are met:

84.30 (1) the streets are reconstructed or overlaid under a street reconstruction or overlay plan
 84.31 that describes the street reconstruction or overlay to be financed, the estimated costs, and
 84.32 any planned reconstruction or overlay of other streets in the municipality over the next five
 84.33 years, and the plan and issuance of the obligations has been approved by a vote of a two-thirds
 84.34 majority of the members of the governing body present at the meeting following a public

85.1 hearing for which notice has been published in the official newspaper at least ten days but
85.2 not more than 28 days prior to the hearing; and

85.3 (2) if a petition requesting a vote on the issuance is signed by voters equal to five percent
85.4 of the votes cast in the last municipal general election and is filed with the municipal clerk
85.5 within 30 days of the public hearing, the municipality may issue the bonds only after
85.6 obtaining the approval of a majority of the voters voting on the question of the issuance of
85.7 the obligations. If the municipality elects not to submit the question to the voters, the
85.8 municipality shall not propose the issuance of bonds under this section for the same purpose
85.9 and in the same amount for a period of 365 days from the date of receipt of the petition. If
85.10 the question of issuing the bonds is submitted and not approved by the voters, the provisions
85.11 of section 475.58, subdivision 1a, shall apply.

85.12 (b) Obligations issued under this subdivision are subject to the debt limit of the
85.13 municipality and are not excluded from net debt under section 475.51, subdivision 4.

85.14 (c) For purposes of this subdivision, street reconstruction and bituminous overlays
85.15 ~~includes~~ include but are not limited to: utility replacement and relocation and other activities
85.16 incidental to the street reconstruction; the addition or reconstruction of turn lanes, bicycle
85.17 lanes, sidewalks, paths, and other improvements having a substantial public safety function; ;
85.18 realignments; and other modifications to intersect with state and county roads; ; and the local
85.19 share of state and county road projects. For purposes of this subdivision, "street
85.20 reconstruction" includes expenditures for street reconstruction that have been incurred by
85.21 a municipality before approval of a street reconstruction plan, if such expenditures are
85.22 included in a street reconstruction plan approved on or before the date of the public hearing
85.23 under paragraph (a), clause (1), regarding issuance of bonds for such expenditures.

85.24 (d) Except in the case of turn lanes, bicycle lanes, sidewalks, paths, and other safety
85.25 improvements; realignments; intersection modifications; and the local share of state and
85.26 county road projects, street reconstruction and bituminous overlays does not include the
85.27 portion of project cost allocable to widening a street or adding curbs and gutters where none
85.28 previously existed.

85.29 Sec. 7. Minnesota Statutes 2020, section 475.60, subdivision 1, is amended to read:

85.30 Subdivision 1. **Advertisement.** All obligations shall be negotiated and sold by the
85.31 governing body, except when authority therefor is delegated by the governing body or by
85.32 the charter of the municipality to a board, department, or officers of the municipality. ~~Except~~
85.33 ~~as provided in section 475.56, obligations shall be sold at not less than par value plus accrued~~
85.34 ~~interest to date of delivery and not greater than two percent greater than the amount~~

86.1 ~~authorized to be issued plus accrued interest.~~ Except as provided in subdivision 2 all
 86.2 obligations shall be sold at competitive sale after notice given as provided in subdivision
 86.3 3.

86.4 Sec. 8. Minnesota Statutes 2020, section 475.67, subdivision 8, is amended to read:

86.5 Subd. 8. **Escrow account securities.** Securities purchased for the escrow account shall
 86.6 be limited to:

86.7 (1) general obligations of the United States, securities whose principal and interest
 86.8 payments are guaranteed by the United States including but not limited to Resolution Funding
 86.9 Corporation Interest Separate Trading of Registered Interest and Principal of Securities
 86.10 (STRIPs) and United States Agency for International Development Bonds or STRIPs, and
 86.11 ~~securities issued by the following agencies of the United States: Banks for Cooperatives,~~
 86.12 United States government-sponsored enterprises including but not limited to Federal Home
 86.13 Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, and the Federal Farm
 86.14 Credit System, the Federal National Mortgage Association, or the Federal Home Loan
 86.15 Mortgage Corporation; or

86.16 (2) obligations issued or guaranteed by any state or any political subdivision of a state,
 86.17 which at the date of purchase are rated in the highest or the next highest rating category by
 86.18 Standard and Poor's Corporation, Moody's Investors Service, or a similar nationally
 86.19 recognized rating agency, but not less than the rating on the refunded bonds immediately
 86.20 prior to the refunding.

86.21 "Rating category," as used in this subdivision, means a generic securities rating category,
 86.22 without regard in the case of a long-term rating category to any refinement or gradation of
 86.23 such long-term rating category by a numerical modifier or otherwise.

86.24 Sec. 9. **REPEALER.**

86.25 Minnesota Statutes 2020, section 469.055, subdivision 7, is repealed.

86.26 ARTICLE 7

86.27 PARTNERSHIP AUDITS

86.28 Section 1. Minnesota Statutes 2020, section 270C.445, subdivision 6, is amended to read:

86.29 Subd. 6. **Enforcement; administrative order; penalties; cease and desist.** (a) The
 86.30 commissioner may impose an administrative penalty of not more than \$1,000 per violation
 86.31 of subdivision 3 or 5, or section 270C.4451, provided that a penalty may not be imposed

87.1 for any conduct for which a tax preparer penalty is imposed under section 289A.60,
87.2 subdivision 13. The commissioner may terminate a tax preparer's authority to transmit
87.3 returns electronically to the state, if the commissioner determines the tax preparer engaged
87.4 in a pattern and practice of violating this section. Imposition of a penalty under this paragraph
87.5 is subject to the contested case procedure under chapter 14. The commissioner shall collect
87.6 the penalty in the same manner as the income tax. There is no right to make a claim for
87.7 refund under section 289A.50 of the penalty imposed under this paragraph. Penalties imposed
87.8 under this paragraph are public data.

87.9 (b) In addition to the penalty under paragraph (a), if the commissioner determines that
87.10 a tax preparer has violated subdivision 3 or 5, or section 270C.4451, the commissioner may
87.11 issue an administrative order to the tax preparer requiring the tax preparer to cease and
87.12 desist from committing the violation. The administrative order may include an administrative
87.13 penalty provided in paragraph (a).

87.14 (c) If the commissioner issues an administrative order under paragraph (b), the
87.15 commissioner must send the order to the tax preparer addressed to the last known address
87.16 of the tax preparer.

87.17 (d) A cease and desist order under paragraph (b) must:

87.18 (1) describe the act, conduct, or practice committed and include a reference to the law
87.19 that the act, conduct, or practice violates; and

87.20 (2) provide notice that the tax preparer may request a hearing as provided in this
87.21 subdivision.

87.22 (e) Within 30 days after the commissioner issues an administrative order under paragraph
87.23 (b), the tax preparer may request a hearing to review the commissioner's action. The request
87.24 for hearing must be made in writing and must be served on the commissioner at the address
87.25 specified in the order. The hearing request must specifically state the reasons for seeking
87.26 review of the order. The date on which a request for hearing is served by mail is the postmark
87.27 date on the envelope in which the request for hearing is mailed.

87.28 (f) If a tax preparer does not timely request a hearing regarding an administrative order
87.29 issued under paragraph (b), the order becomes a final order of the commissioner and is not
87.30 subject to review by any court or agency.

87.31 (g) If a tax preparer timely requests a hearing regarding an administrative order issued
87.32 under paragraph (b), the hearing must be commenced within ten days after the commissioner
87.33 receives the request for a hearing.

88.1 (h) A hearing timely requested under paragraph (e) is subject to the contested case
88.2 procedure under chapter 14, as modified by this subdivision. The administrative law judge
88.3 must issue a report containing findings of fact, conclusions of law, and a recommended
88.4 order within ten days after the completion of the hearing, the receipt of late-filed exhibits,
88.5 or the submission of written arguments, whichever is later.

88.6 (i) Within five days of the date of the administrative law judge's report issued under
88.7 paragraph (h), any party aggrieved by the administrative law judge's report may submit
88.8 written exceptions and arguments to the commissioner. Within 15 days after receiving the
88.9 administrative law judge's report, the commissioner must issue an order vacating, modifying,
88.10 or making final the administrative order.

88.11 (j) The commissioner and the tax preparer requesting a hearing may by agreement
88.12 lengthen any time periods prescribed in paragraphs (g) to (i).

88.13 (k) An administrative order issued under paragraph (b) is in effect until it is modified
88.14 or vacated by the commissioner or an appellate court. The administrative hearing provided
88.15 by paragraphs (e) to (i) and any appellate judicial review as provided in chapter 14 constitute
88.16 the exclusive remedy for a tax preparer aggrieved by the order.

88.17 (l) The commissioner may impose an administrative penalty, in addition to the penalty
88.18 under paragraph (a), up to \$5,000 per violation of a cease and desist order issued under
88.19 paragraph (b). Imposition of a penalty under this paragraph is subject to the contested case
88.20 procedure under chapter 14. Within 30 days after the commissioner imposes a penalty under
88.21 this paragraph, the tax preparer assessed the penalty may request a hearing to review the
88.22 penalty order. The request for hearing must be made in writing and must be served on the
88.23 commissioner at the address specified in the order. The hearing request must specifically
88.24 state the reasons for seeking review of the order. The cease and desist order issued under
88.25 paragraph (b) is not subject to review in a proceeding to challenge the penalty order under
88.26 this paragraph. The date on which a request for hearing is served by mail is the postmark
88.27 date on the envelope in which the request for hearing is mailed. If the tax preparer does not
88.28 timely request a hearing, the penalty order becomes a final order of the commissioner and
88.29 is not subject to review by any court or agency. A penalty imposed by the commissioner
88.30 under this paragraph may be collected and enforced by the commissioner as an income tax
88.31 liability. There is no right to make a claim for refund under section 289A.50 of the penalty
88.32 imposed under this paragraph. A penalty imposed under this paragraph is public data.

89.1 (m) If a tax preparer violates a cease and desist order issued under paragraph (b), the
 89.2 commissioner may terminate the tax preparer's authority to transmit returns electronically
 89.3 to the state. Termination under this paragraph is public data.

89.4 (n) A cease and desist order issued under paragraph (b) is public data when it is a final
 89.5 order.

89.6 (o) Notwithstanding any other law, the commissioner may impose a penalty or take other
 89.7 action under this subdivision against a tax preparer, with respect to a return, within the
 89.8 period to assess tax on that return as provided by ~~section~~ sections 289A.38 to 289A.382.

89.9 (p) Notwithstanding any other law, the imposition of a penalty or any other action against
 89.10 a tax preparer under this subdivision, other than with respect to a return, must be taken by
 89.11 the commissioner within five years of the violation of statute.

89.12 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 89.13 after December 31, 2017, except that for partnerships that make an election under Code of
 89.14 Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively
 89.15 and applies to the same tax periods to which the election relates.

89.16 Sec. 2. Minnesota Statutes 2020, section 289A.31, subdivision 1, is amended to read:

89.17 Subdivision 1. **Individual income, fiduciary income, mining company, corporate**
 89.18 **franchise, and entertainment taxes.** (a) Individual income, fiduciary income, mining
 89.19 company, and corporate franchise taxes, and interest and penalties, must be paid by the
 89.20 taxpayer upon whom the tax is imposed, except in the following cases:

89.21 (1) the tax due from a decedent for that part of the taxable year in which the decedent
 89.22 died during which the decedent was alive and the taxes, interest, and penalty due for the
 89.23 prior years must be paid by the decedent's personal representative, if any. If there is no
 89.24 personal representative, the taxes, interest, and penalty must be paid by the transferees, as
 89.25 defined in section 270C.58, subdivision 3, to the extent they receive property from the
 89.26 decedent;

89.27 (2) the tax due from an infant or other incompetent person must be paid by the person's
 89.28 guardian or other person authorized or permitted by law to act for the person;

89.29 (3) the tax due from the estate of a decedent must be paid by the estate's personal
 89.30 representative;

89.31 (4) the tax due from a trust, including those within the definition of a corporation, as
 89.32 defined in section 290.01, subdivision 4, must be paid by a trustee; and

90.1 (5) the tax due from a taxpayer whose business or property is in charge of a receiver,
90.2 trustee in bankruptcy, assignee, or other conservator, must be paid by the person in charge
90.3 of the business or property so far as the tax is due to the income from the business or property.

90.4 (b) Entertainment taxes are the joint and several liability of the entertainer and the
90.5 entertainment entity. The payor is liable to the state for the payment of the tax required to
90.6 be deducted and withheld under section 290.9201, subdivision 7, and is not liable to the
90.7 entertainer for the amount of the payment.

90.8 (c) The taxes imposed under sections 289A.35, paragraph (b), 289A.382, subdivision
90.9 3, and 290.0922 on partnerships are the joint and several liability of the partnership and the
90.10 general partners.

90.11 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
90.12 after December 31, 2017, except that for partnerships that make an election under Code of
90.13 Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively
90.14 and applies to the same tax periods to which the election relates.

90.15 Sec. 3. Minnesota Statutes 2020, section 289A.37, subdivision 2, is amended to read:

90.16 Subd. 2. **Erroneous refunds.** (a) Except as provided in paragraph (b), an erroneous
90.17 refund occurs when the commissioner issues a payment to a person that exceeds the amount
90.18 the person is entitled to receive under law. An erroneous refund is considered an
90.19 underpayment of tax on the date issued.

90.20 (b) To the extent that the amount paid does not exceed the amount claimed by the
90.21 taxpayer, an erroneous refund does not include the following:

90.22 (1) any amount of a refund or credit paid pursuant to a claim for refund filed by a
90.23 taxpayer, including but not limited to refunds of claims made under section 290.06,
90.24 subdivision 23; 290.067; 290.0671; 290.0672; 290.0674; 290.0675; 290.0677; 290.068;
90.25 290.0681; or 290.0692; or chapter 290A; or

90.26 (2) any amount paid pursuant to a claim for refund of an overpayment of tax filed by a
90.27 taxpayer.

90.28 (c) The commissioner may make an assessment to recover an erroneous refund at any
90.29 time within two years from the issuance of the erroneous refund. If all or part of the erroneous
90.30 refund was induced by fraud or misrepresentation of a material fact, the assessment may
90.31 be made at any time.

91.1 (d) Assessments of amounts that are not erroneous refunds under paragraph (b) must be
 91.2 conducted under ~~section~~ sections 289A.38 to 289A.382.

91.3 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 91.4 after December 31, 2017, except that for partnerships that make an election under Code of
 91.5 Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively
 91.6 and applies to the same tax periods to which the election relates.

91.7 Sec. 4. Minnesota Statutes 2020, section 289A.38, subdivision 7, is amended to read:

91.8 Subd. 7. **Federal tax changes.** (a) If the amount of income, items of tax preference,
 91.9 deductions, or credits for any year of a taxpayer, or the wages paid by a taxpayer for any
 91.10 period, as reported to the Internal Revenue Service is changed or corrected by the
 91.11 commissioner of Internal Revenue or other officer of the United States or other competent
 91.12 authority, or where a renegotiation of a contract or subcontract with the United States results
 91.13 in a change in income, items of tax preference, deductions, credits, or withholding tax, or,
 91.14 in the case of estate tax, where there are adjustments to the taxable estate, the taxpayer shall
 91.15 report the ~~change or correction or renegotiation results~~ federal adjustments in writing to the
 91.16 commissioner. The federal adjustments report must be submitted within 180 days after the
 91.17 final determination date and must be in the form of either an amended Minnesota estate,
 91.18 withholding tax, corporate franchise tax, or income tax return conceding the accuracy of
 91.19 the federal ~~determination~~ adjustment or a letter detailing how the federal ~~determination~~
 91.20 adjustment is incorrect or does not change the Minnesota tax. An amended Minnesota
 91.21 income tax return must be accompanied by an amended property tax refund return, if
 91.22 necessary. A taxpayer filing an amended federal tax return must also file a copy of the
 91.23 amended return with the commissioner of revenue within 180 days after filing the amended
 91.24 return.

91.25 (b) ~~For the purposes of paragraph (a), a change or correction includes any case where a~~
 91.26 ~~taxpayer reaches a closing agreement or compromise with the Internal Revenue Service~~
 91.27 ~~under section 7121 or 7122 of the Internal Revenue Code.~~ In the case of a final federal
 91.28 adjustment arising from a partnership-level audit or an administrative adjustment request
 91.29 filed by a partnership under section 6227 of the Internal Revenue Code, a taxpayer must
 91.30 report adjustments as provided for under section 289A.382, and not this section.

91.31 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 91.32 after December 31, 2017, except that for partnerships that make an election under Code of
 91.33 Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively
 91.34 and applies to the same tax periods to which the election relates.

92.1 Sec. 5. Minnesota Statutes 2020, section 289A.38, subdivision 8, is amended to read:

92.2 Subd. 8. **Failure to report change or correction of federal return.** If a taxpayer fails
92.3 to make a federal adjustments report as required by subdivision 7 or section 289A.382, the
92.4 commissioner may recompute the tax, including a refund, based on information available
92.5 to the commissioner. The tax may be recomputed within six years after the federal
92.6 adjustments report should have been filed, notwithstanding any period of limitations to the
92.7 contrary.

92.8 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
92.9 after December 31, 2017, except that for partnerships that make an election under Code of
92.10 Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively
92.11 and applies to the same tax periods to which the election relates.

92.12 Sec. 6. Minnesota Statutes 2020, section 289A.38, subdivision 9, is amended to read:

92.13 Subd. 9. **Report made of change or correction of federal return.** If a taxpayer is
92.14 required to make a federal adjustments report under subdivision 7 or section 289A.382, and
92.15 does report the change or files a copy of the amended return, the commissioner may
92.16 recompute and reassess the tax due, including a refund (1) within one year after the federal
92.17 adjustments report or amended return is filed with the commissioner, notwithstanding any
92.18 period of limitations to the contrary, or (2) within any other applicable period stated in this
92.19 section, whichever period is longer. The period provided for the carryback of any amount
92.20 of loss or credit is also extended as provided in this subdivision, notwithstanding any law
92.21 to the contrary. If the commissioner has completed a field audit of the taxpayer, and, but
92.22 for this subdivision, the commissioner's time period to adjust the tax has expired, the
92.23 additional tax due or refund is limited to only those changes that are required to be made
92.24 to the return which relate to the changes made on the federal return. This subdivision does
92.25 not apply to sales and use tax.

92.26 For purposes of this subdivision and section 289A.42, subdivision 2, a "field audit" is
92.27 the physical presence of examiners in the taxpayer's or taxpayer's representative's office
92.28 conducting an examination of the taxpayer with the intention of issuing an assessment or
92.29 notice of change in tax or which results in the issuing of an assessment or notice of change
92.30 in tax. The examination may include inspecting a taxpayer's place of business, tangible
92.31 personal property, equipment, computer systems and facilities, pertinent books, records,
92.32 papers, vouchers, computer printouts, accounts, and documents.

92.33 A taxpayer may make estimated payments to the commissioner of the tax expected to
92.34 result from a pending audit by the Internal Revenue Service. The taxpayer may make

93.1 estimated payments prior to the due date of the federal adjustments report without the
 93.2 taxpayer having to file the report with the commissioner. The commissioner must credit the
 93.3 estimated tax payments against any tax liability of the taxpayer ultimately found to be due
 93.4 to the commissioner. The estimated payments limit the accrual of further statutory interest
 93.5 on that amount. If the estimated tax payments exceed the final tax liability plus statutory
 93.6 interest ultimately determined to be due, the taxpayer is entitled to a refund or credit for the
 93.7 excess, provided the taxpayer files a federal adjustments report, or claim for refund or credit
 93.8 of tax, no later than one year following the final determination date.

93.9 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 93.10 after December 31, 2017, except that for partnerships that make an election under Code of
 93.11 Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively
 93.12 and applies to the same tax periods to which the election relates.

93.13 Sec. 7. Minnesota Statutes 2020, section 289A.38, subdivision 10, is amended to read:

93.14 Subd. 10. **Incorrect determination of federal adjusted gross income.** Notwithstanding
 93.15 any other provision of this chapter, if a taxpayer whose net income is determined under
 93.16 section 290.01, subdivision 19, omits from income an amount that will under the Internal
 93.17 Revenue Code extend the statute of limitations for the assessment of federal income taxes,
 93.18 or otherwise incorrectly determines the taxpayer's federal adjusted gross income resulting
 93.19 in adjustments by the Internal Revenue Service, then the period of assessment and
 93.20 determination of tax will be that under the Internal Revenue Code. When a change is made
 93.21 to federal income during the extended time provided under this subdivision, the provisions
 93.22 under subdivisions 7 to 9 and section 289A.382 regarding additional extensions apply.

93.23 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 93.24 after December 31, 2017, except that for partnerships that make an election under Code of
 93.25 Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively
 93.26 and applies to the same tax periods to which the election relates.

93.27 Sec. 8. **289A.381 DEFINITIONS; PARTNERSHIPS; FEDERAL ADJUSTMENTS.**

93.28 Subdivision 1. **Definitions relating to federal adjustments.** Unless otherwise specified,
 93.29 the definitions in this section apply for the purposes of sections 289A.38, subdivisions 7 to
 93.30 9, 289A.381, and 289A.382.

93.31 Subd. 2. **Administrative adjustment request.** "Administrative adjustment request"
 93.32 means an administrative adjustment request filed by a partnership under section 6227 of
 93.33 the Internal Revenue Code.

94.1 Subd. 3. **Audited partnership.** "Audited partnership" means a partnership subject to a
94.2 federal adjustment resulting from a partnership-level audit.

94.3 Subd. 4. **Corporate partner.** "Corporate partner" means a partner that is subject to tax
94.4 under section 290.02.

94.5 Subd. 5. **Direct partner.** "Direct partner" means a partner that holds an immediate legal
94.6 ownership interest in a partnership or pass-through entity.

94.7 Subd. 6. **Exempt partner.** "Exempt partner" means a partner that is exempt from taxes
94.8 on its net income under section 290.05, subdivision 1.

94.9 Subd. 7. **Federal adjustment.** "Federal adjustment" means any change in an amount
94.10 calculated under the Internal Revenue Code, whether to income, gross estate, a credit, an
94.11 item of preference, or any other item that is used by a taxpayer to compute a tax administered
94.12 under this chapter for the reviewed year whether that change results from action by the
94.13 Internal Revenue Service or other competent authority, including a partnership-level audit,
94.14 or from the filing of an amended federal return, federal refund claim, or an administrative
94.15 adjustment request by the taxpayer.

94.16 Subd. 8. **Federal adjustments report.** "Federal adjustments report" includes a method
94.17 or form prescribed by the commissioner for use by a taxpayer to report federal adjustments,
94.18 including an amended Minnesota tax return or a uniform multistate report.

94.19 Subd. 9. **Federal partnership representative.** "Federal partnership representative"
94.20 means the person the partnership designates for the taxable year as the partnership's
94.21 representative, or the person the Internal Revenue Service has appointed to act as the
94.22 partnership representative, pursuant to section 6223(a) of the Internal Revenue Code.

94.23 Subd. 10. **Final determination date.** "Final determination date" means:

94.24 (1) for a federal adjustment arising from an audit by the Internal Revenue Service or
94.25 other competent authority, the first day on which no federal adjustment arising from that
94.26 audit remains to be finally determined, whether by agreement, or, if appealed or contested,
94.27 by a final decision with respect to which all rights of appeal have been waived or exhausted;

94.28 (2) for a federal adjustment arising from an audit or other action by the Internal Revenue
94.29 Service or other competent authority, if the taxpayer filed as a member of a combined report
94.30 under section 290.17, subdivision 4, the first day on which no related federal adjustments
94.31 arising from that audit remain to be finally determined as described in clause (1) for the
94.32 entire combined group;

95.1 (3) for a federal adjustment arising from the filing of an amended federal return, a federal
95.2 refund claim, or the filing by a partnership of an administrative adjustment request, the date
95.3 on which the amended return, refund claim, or administrative adjustment request was filed;
95.4 or

95.5 (4) for agreements required to be signed by the Internal Revenue Service and the taxpayer,
95.6 the date on which the last party signed the agreement.

95.7 Subd. 11. **Final federal adjustment.** "Final federal adjustment" means a federal
95.8 adjustment after the final determination date for that federal adjustment has passed.

95.9 Subd. 12. **Indirect partner.** "Indirect partner" means either:

95.10 (1) a partner in a partnership or pass-through entity that itself holds an immediate legal
95.11 ownership interest in another partnership or pass-through entity; or

95.12 (2) a partner in a partnership or pass-through entity that holds an indirect interest in
95.13 another partnership or pass-through entity through another indirect partner.

95.14 Subd. 13. **Partner.** "Partner" means a person that holds an interest directly or indirectly
95.15 in a partnership or other pass-through entity.

95.16 Subd. 14. **Partnership.** "Partnership" has the meaning provided under section 7701(a)(2)
95.17 of the Internal Revenue Code.

95.18 Subd. 15. **Partnership-level audit.** "Partnership-level audit" means an examination by
95.19 the Internal Revenue Service at the partnership level pursuant to subtitle F, chapter 63,
95.20 subchapter C, of the Internal Revenue Code, which results in federal adjustments and
95.21 adjustments to partnership-related items.

95.22 Subd. 16. **Pass-through entity.** "Pass-through entity" means an entity, other than a
95.23 partnership, that is not subject to the tax imposed under section 290.02. The term pass-through
95.24 entity includes but is not limited to S corporations, estates, and trusts other than grantor
95.25 trusts.

95.26 Subd. 17. **Resident partner.** "Resident partner" means an individual, trust, or estate
95.27 partner who is a resident of Minnesota under section 290.01, subdivision 7, 7a, or 7b, for
95.28 the relevant tax period.

95.29 Subd. 18. **Reviewed year.** "Reviewed year" means the taxable year of a partnership that
95.30 is subject to a partnership-level audit from which federal adjustments arise.

95.31 Subd. 19. **Tiered partner.** "Tiered partner" means any partner that is a partnership or
95.32 pass-through entity.

96.1 Subd. 20. **Unrelated business taxable income.** "Unrelated business taxable income"
96.2 has the meaning provided under section 512 of the Internal Revenue Code.

96.3 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
96.4 after December 31, 2017, except that for partnerships that make an election under Code of
96.5 Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively
96.6 and applies to the same tax periods to which the election relates.

96.7 Sec. 9. **[289A.382] REPORTING AND PAYMENT REQUIREMENTS.**

96.8 Subdivision 1. **State partnership representative.** (a) With respect to an action required
96.9 or permitted to be taken by a partnership under this section, or in a proceeding under section
96.10 270C.35 or 271.06, the state partnership representative for the reviewed year shall have the
96.11 sole authority to act on behalf of the partnership, and its direct partners and indirect partners
96.12 shall be bound by those actions.

96.13 (b) The state partnership representative for the reviewed year is the partnership's federal
96.14 partnership representative unless the partnership, in a form and manner prescribed by the
96.15 commissioner, designates another person as its state partnership representative.

96.16 Subd. 2. **Reporting and payment requirements for partnerships and tiered**
96.17 **partners.** (a) Except for when an audited partnership makes the election in subdivision 3,
96.18 or for adjustments required to be reported for federal purposes pursuant to section 6225(a)(2)
96.19 of the Internal Revenue Code, all final federal adjustments of an audited partnership must
96.20 comply with paragraph (b) and each direct partner of the audited partnership, other than a
96.21 tiered partner, must comply with paragraph (c).

96.22 (b) No later than 90 days after the final determination date, the audited partnership must:

96.23 (1) file a completed federal adjustments report, including all partner-level information
96.24 required under section 289A.12, subdivision 3, with the commissioner;

96.25 (2) notify each of its direct partners of their distributive share of the final federal
96.26 adjustments;

96.27 (3) file an amended composite report for all direct partners who were included in a
96.28 composite return under section 289A.08, subdivision 7, in the reviewed year, and pay the
96.29 additional amount that would have been due had the federal adjustments been reported
96.30 properly as required; and

96.31 (4) file amended withholding reports for all direct partners who were or should have
96.32 been subject to nonresident withholding under section 290.92, subdivision 4b, in the reviewed

97.1 year, and pay the additional amount that would have been due had the federal adjustments
97.2 been reported properly as required.

97.3 (c) No later than 180 days after the final determination date, each direct partner, other
97.4 than a tiered partner, that is subject to a tax administered under this chapter, other than the
97.5 sales tax, must:

97.6 (1) file a federal adjustments report reporting their distributive share of the adjustments
97.7 reported to them under paragraph (b), clause (2); and

97.8 (2) pay any additional amount of tax due as if the final federal adjustment had been
97.9 properly reported, plus any penalty and interest due under this chapter, and less any credit
97.10 for related amounts paid or withheld and remitted on behalf of the direct partner under
97.11 paragraph (b), clauses (3) and (4).

97.12 Subd. 3. **Election; partnership or tiered partners pay.** (a) An audited partnership may
97.13 make an election under this subdivision to pay its assessment at the entity level. If an audited
97.14 partnership makes an election to pay its assessment at the entity level it must:

97.15 (1) no later than 90 days after the final determination date:

97.16 (i) file a completed federal adjustments report, which includes the residency information
97.17 for all individual, trust, and estate direct partners and information pertaining to all other
97.18 direct partners as prescribed by the commissioner; and

97.19 (ii) notify the commissioner that it is making the election under this subdivision; and

97.20 (2) no later than 180 days after the final determination date, pay an amount, determined
97.21 as follows, in lieu of taxes on partners:

97.22 (i) exclude from final federal adjustments the distributive share of these adjustments
97.23 made to a direct exempt partner that is not unrelated business taxable income;

97.24 (ii) exclude from final federal adjustments the distributive share of these adjustments
97.25 made to a direct partner that has filed a federal adjustments report and paid the applicable
97.26 tax, as required under subdivision 2, for the distributive share of adjustments reported on a
97.27 federal return under section 6225(c) of the Internal Revenue Code;

97.28 (iii) assign and apportion at the partnership level using sections 290.17 to 290.20 the
97.29 total distributive share of the remaining final federal adjustments for the reviewed year
97.30 attributed to direct corporate partners and direct exempt partners; multiply the total by the
97.31 highest tax rate in section 290.06, subdivision 1, for the reviewed year; and calculate interest
97.32 and penalties as applicable under this chapter;

98.1 (iv) allocate at the partnership level using section 290.17, subdivision 1, the total
98.2 distributive share of all final federal adjustments attributable to individual resident direct
98.3 partners for the reviewed year; multiply the total by the highest tax rate in section 290.06,
98.4 subdivision 2c, for the reviewed year; and calculate interest and penalties as applicable
98.5 under this chapter;

98.6 (v) assign and apportion at the partnership level using sections 290.17 to 290.20 the total
98.7 distributive share of the remaining final federal adjustments attributable to nonresident
98.8 individual direct partners and direct partners who are an estate or a trust for the reviewed
98.9 year; multiply the total by the highest tax rate in section 290.06, subdivision 2c, for the
98.10 reviewed year; and calculate interest and penalties as applicable under this chapter;

98.11 (vi) for the total distributive share of the remaining final federal adjustments reported
98.12 to tiered partners:

98.13 (A) determine the amount of the adjustments that would be assigned using section 290.17,
98.14 subdivision 2, paragraphs (a) to (d), excluding income or gains from intangible personal
98.15 property not employed in the business of the recipient of the income or gains if the recipient
98.16 of the income or gains is a resident of this state or is a resident trust or estate under section
98.17 290.17, subdivision 2, paragraph (c), or apportioned using sections 290.17, subdivision 3,
98.18 290.191, and 290.20; and then determine the portion of the amount that would be allocated
98.19 to this state;

98.20 (B) determine the amount of the adjustments that are fully sourced to the taxpayer's state
98.21 of residency under section 290.17, subdivision 2, paragraph (e), and income or gains from
98.22 intangible personal property not employed in the business of the recipient of the income or
98.23 gains if the recipient of the income or gains is a resident of this state or is a resident trust
98.24 or estate under section 290.17, subdivision 2, paragraph (c);

98.25 (C) determine the portion of the amount determined in subitem (B) that can be established
98.26 to be properly allocable to nonresident indirect partners or other partners not subject to tax
98.27 on the adjustments; and

98.28 (D) multiply the total of the amounts determined in subitems (A) and (B) reduced by
98.29 the amount determined in subitem (C) by the highest tax rate in section 290.06, subdivision
98.30 2c, for the reviewed year, and calculate interest and penalties as applicable under this chapter;
98.31 and

98.32 (vii) add the amounts determined in items (iii) to (vi), and pay all applicable taxes,
98.33 penalties, and interest to the commissioner.

99.1 (b) An audited partnership may not make an election under this subdivision to report:

99.2 (1) a federal adjustment that results in unitary business income to a corporate partner
 99.3 required to file as a member of a combined report under section 290.17, subdivision 4; or

99.4 (2) any final federal adjustments resulting from an administrative adjustment request.

99.5 (c) An audited partnership not otherwise subject to any reporting or payment obligation
 99.6 to this state may not make an election under this subdivision.

99.7 Subd. 4. Tiered partners and indirect partners. The direct and indirect partners of an
 99.8 audited partnership that are tiered partners, and all the partners of the tiered partners, that
 99.9 are subject to tax under chapter 290 are subject to the reporting and payment requirements
 99.10 contained in subdivision 2, and the tiered partners are entitled to make the elections provided
 99.11 in subdivision 3. The tiered partners or their partners shall make required reports and
 99.12 payments no later than 90 days after the time for filing and furnishing of statements to tiered
 99.13 partners and their partners as established under section 6226 of the Internal Revenue Code.

99.14 Subd. 5. Effects of election by partnership or tiered partner and payment of amount
 99.15 due. (a) Unless the commissioner determines otherwise, an election under subdivision 3 is
 99.16 irrevocable.

99.17 (b) If an audited partnership or tiered partner properly reports and pays an amount
 99.18 determined in subdivision 3, the amount must be treated as paid in lieu of taxes owed by
 99.19 the partnership's direct partners and indirect partners, to the extent applicable, on the same
 99.20 final federal adjustments. The direct partners or indirect partners of the partnership who are
 99.21 not resident partners may not take any deduction or credit for this amount or claim a refund
 99.22 of the amount in this state.

99.23 (c) Nothing in this subdivision precludes resident direct partners from claiming a credit
 99.24 against taxes paid under section 290.06 on any amounts paid by the audited partnership or
 99.25 tiered partners on the resident partner's behalf to another state or local tax jurisdiction.

99.26 Subd. 6. Failure of partnership or tiered partner to report or pay. Nothing in this
 99.27 section prevents the commissioner from assessing direct partners or indirect partners for
 99.28 taxes they owe, using the best information available, in the event that, for any reason, a
 99.29 partnership or tiered partner fails to timely make any report or payment required by this
 99.30 section.

99.31 EFFECTIVE DATE. This section is effective retroactively for taxable years beginning
 99.32 after December 31, 2017, except that for partnerships that make an election under Code of

100.1 Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively
 100.2 and applies to the same tax periods to which the election relates.

100.3 Sec. 10. Minnesota Statutes 2020, section 289A.42, is amended to read:

100.4 **289A.42 CONSENT TO EXTEND STATUTE.**

100.5 Subdivision 1. **Extension agreement.** If before the expiration of time prescribed in
 100.6 sections 289A.38 to 289A.382 and 289A.40 for the assessment of tax or the filing of a claim
 100.7 for refund, both the commissioner and the taxpayer have consented in writing to the
 100.8 assessment or filing of a claim for refund after that time, the tax may be assessed or the
 100.9 claim for refund filed at any time before the expiration of the agreed-upon period. The
 100.10 period may be extended by later agreements in writing before the expiration of the period
 100.11 previously agreed upon. The taxpayer and the commissioner may also agree to extend the
 100.12 period for collection of the tax.

100.13 Subd. 2. **Federal extensions.** When a taxpayer consents to an extension of time for the
 100.14 assessment of federal withholding or income taxes, the period in which the commissioner
 100.15 may recompute the tax is also extended, notwithstanding any period of limitations to the
 100.16 contrary, as follows:

100.17 (1) for the periods provided in ~~section~~ sections 289A.38, subdivisions 8 and 9, and
 100.18 289A.382, subdivisions 2 and 3;

100.19 (2) for six months following the expiration of the extended federal period of limitations
 100.20 when no change is made by the federal authority. If no change is made by the federal
 100.21 authority, and, but for this subdivision, the commissioner's time period to adjust the tax has
 100.22 expired, and if the commissioner has completed a field audit of the taxpayer, no additional
 100.23 changes resulting in additional tax due or a refund may be made. For purposes of this
 100.24 subdivision, "field audit" has the meaning given ~~it~~ in section 289A.38, subdivision 9.

100.25 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 100.26 after December 31, 2017, except that for partnerships that make an election under Code of
 100.27 Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively
 100.28 and applies to the same tax periods to which the election relates.

100.29 Sec. 11. Minnesota Statutes 2020, section 289A.60, subdivision 24, is amended to read:

100.30 Subd. 24. **Penalty for failure to notify of federal change.** If a person fails to report to
 100.31 the commissioner a change or correction of the person's federal return in the manner and
 100.32 time prescribed in ~~section~~ sections 289A.38, subdivision 7, and 289A.382, there must be

101.1 added to the tax an amount equal to ten percent of the amount of any underpayment of
101.2 Minnesota tax attributable to the federal change.

101.3 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
101.4 after December 31, 2017, except that for partnerships that make an election under Code of
101.5 Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively
101.6 and applies to the same tax periods to which the election relates.

101.7 Sec. 12. Minnesota Statutes 2020, section 290.31, subdivision 1, is amended to read:

101.8 Subdivision 1. **Partners, not partnership, subject to tax.** Except as provided under
101.9 ~~section~~ sections 289A.35, paragraph (b), and 289A.382, subdivision 3, a partnership as such
101.10 shall not be subject to the income tax imposed by this chapter, but is subject to the tax
101.11 imposed under section 290.0922. Persons carrying on business as partners shall be liable
101.12 for income tax only in their separate or individual capacities.

101.13 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
101.14 after December 31, 2017, except that for partnerships that make an election under Code of
101.15 Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively
101.16 and applies to the same tax periods to which the election relates.

101.17 Sec. 13. Minnesota Statutes 2020, section 297F.17, subdivision 6, is amended to read:

101.18 Subd. 6. **Time limit for bad debt refund.** Claims for refund must be filed with the
101.19 commissioner during the one-year period beginning with the timely filing of the taxpayer's
101.20 federal income tax return containing the bad debt deduction that is being claimed. Claimants
101.21 under this subdivision are subject to the notice requirements of ~~section~~ sections 289A.38,
101.22 subdivision 7, and 289A.382.

101.23 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
101.24 after December 31, 2017, except that for partnerships that make an election under Code of
101.25 Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively
101.26 and applies to the same tax periods to which the election relates.

101.27 Sec. 14. Minnesota Statutes 2020, section 297G.16, subdivision 7, is amended to read:

101.28 Subd. 7. **Time limit for a bad debt deduction.** Claims for refund must be filed with
101.29 the commissioner within one year of the filing of the taxpayer's income tax return containing
101.30 the bad debt deduction that is being claimed. Claimants under this subdivision are subject
101.31 to the notice requirements of ~~section 289A.38, subdivision 7~~ sections 289A.38 to 289A.382.

102.1 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
102.2 after December 31, 2017, except that for partnerships that make an election under Code of
102.3 Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively
102.4 and applies to the same tax periods to which the election relates.

102.5 Sec. 15. Minnesota Statutes 2020, section 469.319, subdivision 4, is amended to read:

102.6 Subd. 4. **Repayment procedures.** (a) For the repayment of taxes imposed under chapter
102.7 290 or 297A or local taxes collected pursuant to section 297A.99, a business must file an
102.8 amended return with the commissioner of revenue and pay any taxes required to be repaid
102.9 within 30 days after becoming subject to repayment under this section. The amount required
102.10 to be repaid is determined by calculating the tax for the period or periods for which repayment
102.11 is required without regard to the exemptions and credits allowed under section 469.315.

102.12 (b) For the repayment of taxes imposed under chapter 297B, a business must pay any
102.13 taxes required to be repaid to the motor vehicle registrar, as agent for the commissioner of
102.14 revenue, within 30 days after becoming subject to repayment under this section.

102.15 (c) For the repayment of property taxes, the county auditor shall prepare a tax statement
102.16 for the business, applying the applicable tax extension rates for each payable year and
102.17 provide a copy to the business and to the taxpayer of record. The business must pay the
102.18 taxes to the county treasurer within 30 days after receipt of the tax statement. The business
102.19 or the taxpayer of record may appeal the valuation and determination of the property tax to
102.20 the Tax Court within 30 days after receipt of the tax statement.

102.21 (d) The provisions of chapters 270C and 289A relating to the commissioner's authority
102.22 to audit, assess, and collect the tax and to hear appeals are applicable to the repayment
102.23 required under paragraphs (a) and (b). The commissioner may impose civil penalties as
102.24 provided in chapter 289A, and the additional tax and penalties are subject to interest at the
102.25 rate provided in section 270C.40. The additional tax shall bear interest from 30 days after
102.26 becoming subject to repayment under this section until the date the tax is paid. Any penalty
102.27 imposed pursuant to this section shall bear interest from the date provided in section 270C.40,
102.28 subdivision 3, to the date of payment of the penalty.

102.29 (e) If a property tax is not repaid under paragraph (c), the county treasurer shall add the
102.30 amount required to be repaid to the property taxes assessed against the property for payment
102.31 in the year following the year in which the auditor provided the statement under paragraph
102.32 (c).

103.1 (f) For determining the tax required to be repaid, a reduction of a state or local sales or
 103.2 use tax is deemed to have been received on the date that the good or service was purchased
 103.3 or first put to a taxable use. In the case of an income tax or franchise tax, including the credit
 103.4 payable under section 469.318, a reduction of tax is deemed to have been received for the
 103.5 two most recent tax years that have ended prior to the date that the business became subject
 103.6 to repayment under this section. In the case of a property tax, a reduction of tax is deemed
 103.7 to have been received for the taxes payable in the year that the business became subject to
 103.8 repayment under this section and for the taxes payable in the prior year.

103.9 (g) The commissioner may assess the repayment of taxes under paragraph (d) any time
 103.10 within two years after the business becomes subject to repayment under subdivision 1, or
 103.11 within any period of limitations for the assessment of tax under ~~section~~ sections 289A.38
 103.12 to 289A.382, whichever period is later. The county auditor may send the statement under
 103.13 paragraph (c) any time within three years after the business becomes subject to repayment
 103.14 under subdivision 1.

103.15 (h) A business is not entitled to any income tax or franchise tax benefits, including
 103.16 refundable credits, for any part of the year in which the business becomes subject to
 103.17 repayment under this section nor for any year thereafter. Property is not exempt from tax
 103.18 under section 272.02, subdivision 64, for any taxes payable in the year following the year
 103.19 in which the property became subject to repayment under this section nor for any year
 103.20 thereafter. A business is not eligible for any sales tax benefits beginning with goods or
 103.21 services purchased or first put to a taxable use on the day that the business becomes subject
 103.22 to repayment under this section.

103.23 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning
 103.24 after December 31, 2017, except that for partnerships that make an election under Code of
 103.25 Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively
 103.26 and applies to the same tax periods to which the election relates.

103.27 **ARTICLE 8**

103.28 **LOCAL SALES TAXES**

103.29 Section 1. Laws 2019, First Special Session chapter 6, article 6, section 27, is amended
 103.30 to read:

103.31 **Sec. 27. CITY OF SARTELL; LOCAL TAXES AUTHORIZED.**

103.32 Subdivision 1. **Food and beverage tax authorized.** Notwithstanding Minnesota Statutes,
 103.33 section 297A.99 or 477A.016, or any ordinance or other provision of law, and if approved

104.1 by voters at ~~the November 3, 2020, a general election,~~ or at a special election held before
 104.2 ~~November 3, 2020~~ pursuant to a resolution adopted by its governing body, the city of Sartell
 104.3 may, by ordinance, impose a sales tax of up to 1-1/2 percent on the gross receipts of all food
 104.4 and beverages sold by a restaurant or place of refreshment, as defined by ordinance of the
 104.5 city, that is located within the city. For purposes of this section, "food and beverages" include
 104.6 retail on-sale of intoxicating liquor and fermented malt beverages.

104.7 **Subd. 2. Use of proceeds from authorized taxes.** The proceeds of the taxes imposed
 104.8 under subdivision 1 must be used by the city to fund capital or operational costs for new
 104.9 and existing recreational facilities and related amenities within the city. Authorized expenses
 104.10 include securing or paying debt service on bonds or other obligations issued to finance
 104.11 construction and improvement projects.

104.12 ~~**Subd. 3. Termination of taxes.** The tax imposed under subdivision 1 expires five years~~
 104.13 ~~after the tax is first imposed.~~

104.14 **Subd. 4. Collection, administration, and enforcement.** The city may enter into an
 104.15 agreement with the commissioner of revenue to administer, collect, and enforce the taxes
 104.16 under subdivision 1. If the commissioner agrees to collect the tax, the provisions of Minnesota
 104.17 Statutes, sections 270C.171 and 297A.99, related to collection, administration, and
 104.18 enforcement apply.

104.19 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 104.20 city of Sartell and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 104.21 subdivisions 2 and 3.

104.22 **Sec. 2. CARLTON COUNTY; LOCAL SALES AND USE TAX AUTHORIZED.**

104.23 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 104.24 sections 477A.016 and 297A.99, subdivision 2, paragraph (b), or any other law or ordinance,
 104.25 and if approved by the voters at a general election as required under Minnesota Statutes,
 104.26 section 297A.99, subdivision 3, Carlton County may impose, by ordinance, a sales and use
 104.27 tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise
 104.28 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the
 104.29 imposition, administration, collection, and enforcement of the tax authorized under this
 104.30 subdivision.

104.31 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
 104.32 under subdivision 1 must be used by Carlton County to pay the costs of collecting and
 104.33 administering the tax and to finance up to \$60,000,000 for the construction of a new law

105.1 enforcement center and jail serving a regional female offender program. Authorized costs
105.2 include related parking, design, construction, reconstruction, mechanical upgrades, and
105.3 engineering costs, as well as the associated bond costs for any bonds issued under subdivision
105.4 3.

105.5 Subd. 3. **Bonding authority.** (a) Carlton County may issue bonds under Minnesota
105.6 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
105.7 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
105.8 not exceed \$60,000,000, plus an amount applied to the payment of costs of issuing the
105.9 bonds. The bonds may be paid from or secured by any funds available to the county,
105.10 including the tax authorized under subdivision 1. The issuance of bonds under this
105.11 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

105.12 (b) The bonds are not included in computing any debt limitation applicable to the county.
105.13 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
105.14 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
105.15 under Minnesota Statutes, section 475.58, is not required.

105.16 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
105.17 earlier of: (1) 30 years after the tax is first imposed; or (2) when the county determines that
105.18 it has received from this tax \$60,000,000 to fund the project listed in subdivision 2, plus an
105.19 amount sufficient to pay costs, including interest costs, related to the issuance of the bonds
105.20 authorized in subdivision 3. Except as otherwise provided in Minnesota Statutes, section
105.21 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the allowed
105.22 costs due to timing of the termination of the tax under Minnesota Statutes, section 297A.99,
105.23 subdivision 12, shall be placed in the county's general fund. The tax imposed under
105.24 subdivision 1 may expire at an earlier time if the county determines by ordinance.

105.25 **EFFECTIVE DATE.** This section is effective the day after the governing body of
105.26 Carlton County and its chief clerical officer comply with Minnesota Statutes, section 645.021,
105.27 subdivisions 2 and 3.

105.28 Sec. 3. **CITY OF CLOQUET; TAXES AUTHORIZED.**

105.29 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
105.30 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
105.31 and if approved by the voters at a general election as required under Minnesota Statutes,
105.32 section 297A.99, subdivision 3, the city of Cloquet may impose by ordinance a sales and
105.33 use tax of one-half of one percent for the purposes specified in subdivision 2. Except as
105.34 otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,

106.1 govern the imposition, administration, collection, and enforcement of the tax authorized
106.2 under this subdivision. The tax imposed under this subdivision is in addition to any local
106.3 sales and use tax imposed under any other special law.

106.4 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
106.5 under subdivision 1 must be used by the city of Cloquet to pay the costs of collecting and
106.6 administering the tax and the capital and administrative costs of any or all of the projects
106.7 listed in this subdivision. The amount spent on each project is limited to the amount set
106.8 forth below plus an amount equal to interest on and the costs of issuing any bonds:

106.9 (1) construction, reconstruction, expansion, or improvement related to the Pine Valley
106.10 Regional Park Project, including ski jump repairs, chalet replacement, and parking and
106.11 lighting improvements, in an amount not to exceed \$2,124,700; and

106.12 (2) restoration, repair, and upgrading of the Cloquet Ice Arena in an amount not to exceed
106.13 \$6,025,500.

106.14 Subd. 3. **Bonding authority.** (a) The city of Cloquet may issue bonds under Minnesota
106.15 Statutes, chapter 475, to finance up to \$8,150,200 of the portion of the costs of the facilities
106.16 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,
106.17 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
106.18 issued under this subdivision may not exceed \$8,150,200 plus an amount to be applied to
106.19 the payment of the costs of issuing the bonds. The bonds may be paid from or secured by
106.20 any funds available to the city of Cloquet, including the tax authorized under subdivision
106.21 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections
106.22 275.60 and 275.61.

106.23 (b) The bonds are not included in computing any debt limitation applicable to the city
106.24 of Cloquet, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
106.25 and interest on the bonds is not subject to any levy limitation. A separate election to approve
106.26 the bonds under Minnesota Statutes, section 475.58, is not required.

106.27 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
106.28 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) ten years
106.29 after the tax is first imposed; or (2) when the city council determines that the amount received
106.30 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
106.31 projects approved by voters as required under Minnesota Statutes, section 297A.99,
106.32 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
106.33 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
106.34 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),

107.1 any funds remaining after payment of the allowed costs due to the timing of the termination
107.2 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
107.3 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
107.4 if the city so determines by ordinance.

107.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
107.6 city of Cloquet and its chief clerical officer comply with Minnesota Statutes, section 645.021,
107.7 subdivisions 2 and 3.

107.8 **Sec. 4. CITY OF CROSSLAKE; TAX AUTHORIZED.**

107.9 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
107.10 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
107.11 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
107.12 the city of Crosslake may impose, by ordinance, a sales and use tax of one-half of one
107.13 percent for the purposes specified in subdivision 2. Except as otherwise provided in this
107.14 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
107.15 administration, collection, and enforcement of the tax authorized under this subdivision.

107.16 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
107.17 under subdivision 1 must be used by the city of Crosslake to pay the costs of collecting and
107.18 administering the tax and paying for the following projects in the city, including securing
107.19 and paying debt service on bonds issued to finance all or part of the following projects:

107.20 (1) \$2,000,000 plus associated bonding costs for modifications to a bio-solids treatment
107.21 facility;

107.22 (2) \$1,600,000 plus associated bonding costs for expansion of sewer service to the CSAH
107.23 66/Moonlight Service Area; and

107.24 (3) \$2,400,000 plus associated bonding costs for expansion of sewer service to the
107.25 Daggett Lake Service Area.

107.26 Subd. 3. **Bonding authority.** (a) The city of Crosslake may issue bonds under Minnesota
107.27 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
107.28 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
107.29 not exceed: (1) \$2,000,000 for the project listed in subdivision 2, clause (1), plus an amount
107.30 applied to the payment of costs of issuing the bonds; (2) \$1,600,000 for the projects listed
107.31 in subdivision 2, clause (2), plus an amount applied to the payment of costs of issuing the
107.32 bonds; and (3) \$2,400,000 for the project listed in subdivision 2, clause (3), plus an amount
107.33 applied to the payment of costs of issuing the bonds. The bonds may be paid from or secured

108.1 by any funds available to the city of Crosslake, including the tax authorized under subdivision
 108.2 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections
 108.3 275.60 and 275.61.

108.4 (b) The bonds are not included in computing any debt limitation applicable to the city.
 108.5 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
 108.6 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 108.7 under Minnesota Statutes, section 475.58, is not required.

108.8 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
 108.9 earlier of: (1) 15 years after the tax is first imposed; or (2) when the city council determines
 108.10 that the amount received from the tax is sufficient to pay for the project costs authorized
 108.11 under subdivision 2, for the projects approved by the voters as required under Minnesota
 108.12 Statutes, section 297A.99, subdivision 3, plus an amount sufficient to pay costs, including
 108.13 interest costs, related to the issuance of the bonds authorized in subdivision 3. Any funds
 108.14 remaining after payment of the allowed costs due to timing of the termination under
 108.15 Minnesota Statutes, section 297A.99, shall be placed in the city's general fund. The tax
 108.16 imposed under subdivision 1 may expire at an earlier time if the city so determines by
 108.17 ordinance.

108.18 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 108.19 city of Crosslake and its chief clerical officer comply with Minnesota Statutes, section
 108.20 645.021, subdivisions 2 and 3.

108.21 Sec. 5. **CITY OF EDINA; TAXES AUTHORIZED.**

108.22 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 108.23 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 108.24 and if approved by the voters at a general election as required under Minnesota Statutes,
 108.25 section 297A.99, subdivision 3, the city of Edina may impose by ordinance a sales and use
 108.26 tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise
 108.27 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the
 108.28 imposition, administration, collection, and enforcement of the tax authorized under this
 108.29 subdivision. The tax imposed under this subdivision is in addition to any local sales and
 108.30 use tax imposed under any other special law.

108.31 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 108.32 under subdivision 1 must be used by the city of Edina to pay the costs of collecting and
 108.33 administering the tax and paying for the following projects in the city, including securing
 108.34 and paying debt service on bonds issued to finance all or part of the following projects:

109.1 (1) \$17,700,000 plus associated bonding costs for development of Fred Richards Park
109.2 as identified in the Fred Richards Park Master Plan;

109.3 (2) \$21,600,000 plus associated bonding costs for improvements to Braemar Park as
109.4 identified in the Braemar Park Master Plan; and

109.5 (3) \$2,000,000 plus associated bonding costs for developing park amenities, including
109.6 recreation and open space areas, and storm water facilities, at Weber Woods Park.

109.7 Subd. 3. **Bonding authority.** (a) The city of Edina may issue bonds under Minnesota
109.8 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
109.9 subdivision 2 and approved by the voters as required under Minnesota Statutes, section
109.10 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
109.11 under this subdivision may not exceed: (1) \$17,700,000 for the project listed in subdivision
109.12 2, clause (1), plus an amount to be applied to the payment of the costs of issuing the bonds;
109.13 (2) \$21,600,000 for the project listed in subdivision 2, clause (2), plus an amount to be
109.14 applied to the payment of the costs of issuing the bonds; and (3) \$2,000,000 for the project
109.15 listed in subdivision 2, clause (3), plus an amount to be applied to the payment of the costs
109.16 of issuing the bonds. The bonds may be paid from or secured by any funds available to the
109.17 city of Edina, including the tax authorized under subdivision 1. The issuance of bonds under
109.18 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

109.19 (b) The bonds are not included in computing any debt limitation applicable to the city
109.20 of Edina, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
109.21 and interest on the bonds is not subject to any levy limitation. A separate election to approve
109.22 the bonds under Minnesota Statutes, section 475.58, is not required.

109.23 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
109.24 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 20 years
109.25 after the tax is first imposed; or (2) when the city council determines that the amount received
109.26 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
109.27 projects approved by voters as required under Minnesota Statutes, section 297A.99,
109.28 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
109.29 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
109.30 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
109.31 any funds remaining after payment of the allowed costs due to the timing of the termination
109.32 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the
109.33 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
109.34 if the city so determines by ordinance.

110.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
110.2 city of Edina and its chief clerical officer comply with Minnesota Statutes, section 645.021,
110.3 subdivisions 2 and 3.

110.4 **Sec. 6. CITY OF FERGUS FALLS; TAXES AUTHORIZED.**

110.5 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
110.6 section 297A.99, subdivision 1; or 477A.016, or any other law, ordinance, or city charter,
110.7 the city of Fergus Falls may, if approved by the voters at a general election as required under
110.8 Minnesota Statutes, section 297A.99, subdivision 3, impose, by ordinance, a sales and use
110.9 tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise
110.10 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the
110.11 imposition, administration, collection, and enforcement of the tax authorized under this
110.12 subdivision. The tax imposed under this subdivision is in addition to any local sales and
110.13 use tax imposed under any other special law.

110.14 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
110.15 under subdivision 1 must be used by the city of Fergus Falls to pay the costs of collecting
110.16 and administering the tax and for the following projects in the city, including securing and
110.17 paying debt service, on bonds issued to finance all or part of the following projects:

110.18 (1) \$7,800,000 for an aquatics center; and

110.19 (2) \$5,200,000 for the DeLagoon Improvement Project.

110.20 Subd. 3. **Bonding authority.** (a) The city of Fergus Falls may issue bonds under
110.21 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
110.22 authorized in subdivision 2, and approved by the voters as required under Minnesota Statutes,
110.23 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
110.24 issued under this subdivision may not exceed:

110.25 (1) \$7,800,000 for the project listed in subdivision 2, clause (1), plus an amount needed
110.26 to pay capitalized interest and an amount to be applied to the payment of the costs of issuing
110.27 the bonds; and

110.28 (2) \$5,200,000 for the project listed in subdivision 2, clause (3), plus an amount needed
110.29 to pay capitalized interest and an amount to be applied to the payment of the costs of issuing
110.30 the bonds.

110.31 (b) The bonds may be paid from or secured by any funds available to the city of Fergus
110.32 Falls, including the tax authorized under subdivision 1. The issuance of bonds under this
110.33 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

111.1 (c) The bonds are not included in computing any debt limitation applicable to the city
 111.2 of Fergus Falls, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
 111.3 principal and interest on the bonds is not subject to any levy limitation. A separate election
 111.4 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

111.5 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
 111.6 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) December
 111.7 1, 2039; or (2) when the city council determines that the amount received from the tax is
 111.8 sufficient to pay for the project costs authorized under subdivision 2 for projects approved
 111.9 by voters as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph
 111.10 (a), plus an amount sufficient to pay the costs related to issuance of any bonds authorized
 111.11 under subdivision 3, including interest on the bonds. Except as otherwise provided in
 111.12 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining
 111.13 after payment of the allowed costs due to the timing of the termination of the tax under
 111.14 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of
 111.15 the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so
 111.16 determines by ordinance.

111.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 111.18 city of Fergus Falls and its chief clerical officer comply with Minnesota Statutes, section
 111.19 645.021, subdivisions 2 and 3.

111.20 Sec. 7. **CITY OF FLOODWOOD; TAXES AUTHORIZED.**

111.21 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 111.22 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
 111.23 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
 111.24 the city of Floodwood may impose by ordinance a sales and use tax of one-half of one
 111.25 percent for the purposes specified in subdivision 2. Except as otherwise provided in this
 111.26 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
 111.27 administration, collection, and enforcement of the tax authorized under this subdivision.

111.28 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 111.29 under subdivision 1 must be used by the city of Floodwood to pay the costs of collecting
 111.30 and administering the tax and the capital and administrative costs of the Floodwood City-wide
 111.31 Street and Infrastructure Project, up to \$1,250,000.

111.32 Subd. 3. **Bonding authority.** (a) The city of Floodwood may issue bonds under Minnesota
 111.33 Statutes, chapter 475, to finance the costs of the project authorized in subdivision 2 and
 111.34 approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision

112.1 3, paragraph (a). The aggregate principal amount of bonds issued under this subdivision
 112.2 may not exceed \$1,250,000, plus an amount to be applied to the payment of the costs of
 112.3 issuing the bonds. The bonds may be paid from or secured by any funds available to the
 112.4 city of Floodwood, including the tax authorized under subdivision 1. The issuance of bonds
 112.5 under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

112.6 (b) The bonds are not included in computing any debt limitation applicable to the city
 112.7 of Floodwood, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
 112.8 principal and interest on the bonds is not subject to any levy limitation. A separate election
 112.9 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

112.10 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
 112.11 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 25 years
 112.12 after the tax is first imposed; or (2) when the city council determines that the amount received
 112.13 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
 112.14 projects approved by voters as required under Minnesota Statutes, section 297A.99,
 112.15 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
 112.16 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
 112.17 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
 112.18 any funds remaining after payment of the allowed costs due to the timing of the termination
 112.19 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
 112.20 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
 112.21 if the city so determines by ordinance.

112.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 112.23 city of Floodwood and its chief clerical officer comply with Minnesota Statutes, section
 112.24 645.021, subdivisions 2 and 3.

112.25 Sec. 8. **CITY OF HERMANTOWN; TAXES AUTHORIZED.**

112.26 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 112.27 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 112.28 and if approved by the voters at a general election as required under Minnesota Statutes,
 112.29 section 297A.99, subdivision 3, the city of Hermantown may impose by ordinance a sales
 112.30 and use tax of one-half of one percent for the purposes specified in subdivision 2. Except
 112.31 as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,
 112.32 govern the imposition, administration, collection, and enforcement of the tax authorized
 112.33 under this subdivision. The tax imposed under this subdivision is in addition to any local
 112.34 sales and use tax imposed under any other special law.

113.1 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
113.2 under subdivision 1 must be used by the city of Hermantown to pay the costs of collecting
113.3 and administering the tax and for up to \$28,000,000 for costs related to a Community
113.4 Recreational Initiative, which includes: an addition of a second ice sheet with locker rooms
113.5 and other facilities and upgrades to the Hermantown Hockey Arena; improvements and
113.6 upgrades to Fichtner Park; and construction of the Hermantown-Proctor trail running from
113.7 the Essentia Wellness Center to the border with Proctor and eventually connecting to the
113.8 Munger Trail.

113.9 Subd. 3. Bonding authority. (a) The city of Hermantown may issue bonds under
113.10 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities
113.11 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,
113.12 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds
113.13 issued under this subdivision may not exceed \$28,000,000 for the project listed in subdivision
113.14 2 plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds
113.15 may be paid from or secured by any funds available to the city of Hermantown, including
113.16 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not
113.17 subject to Minnesota Statutes, sections 275.60 and 275.61.

113.18 (b) The bonds are not included in computing any debt limitation applicable to the city
113.19 of Hermantown, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
113.20 principal and interest on the bonds is not subject to any levy limitation. A separate election
113.21 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

113.22 Subd. 4. Termination of taxes. Subject to Minnesota Statutes, section 297A.99,
113.23 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 20 years
113.24 after being first imposed; or (2) when the city council determines that the amount received
113.25 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for the
113.26 project approved by voters as required under Minnesota Statutes, section 297A.99,
113.27 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
113.28 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
113.29 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
113.30 any funds remaining after payment of the allowed costs due to the timing of the termination
113.31 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
113.32 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
113.33 if the city so determines by ordinance.

114.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
114.2 city of Hermantown and its chief clerical officer comply with Minnesota Statutes, section
114.3 645.021, subdivisions 2 and 3.

114.4 **Sec. 9. ITASCA COUNTY; TAXES AUTHORIZED.**

114.5 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
114.6 section 297A.99, subdivision 1, or 477A.016, or any other law or ordinance and if approved
114.7 by the voters at a general election as required under Minnesota Statutes, section 297A.99,
114.8 subdivision 3, Itasca County may impose by ordinance a sales and use tax of one percent
114.9 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
114.10 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
114.11 collection, and enforcement of the tax authorized under this subdivision.

114.12 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
114.13 under subdivision 1 must be used by Itasca County to pay the costs of collecting and
114.14 administering the tax and paying for up to \$75,000,000 for new construction of or upgrades
114.15 to correctional facilities, new construction of or upgrades to court facilities including ancillary
114.16 support accommodations, and new construction of or upgrades to county offices, plus an
114.17 amount needed for securing and paying debt service on bonds issued for the project.

114.18 Subd. 3. **Bonding authority.** (a) Itasca County may issue bonds under Minnesota Statutes,
114.19 chapter 475, to finance the costs of the facility authorized in subdivision 2. The aggregate
114.20 principal amount of bonds issued under this subdivision may not exceed \$75,000,000 for
114.21 the project listed in subdivision 2, plus an amount to be applied to the payment of the costs
114.22 of issuing the bonds. The bonds may be paid from or secured by any funds available to the
114.23 county, including the tax authorized under subdivision 1. The issuance of bonds under this
114.24 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

114.25 (b) The bonds are not included in computing any debt limitation applicable to the county,
114.26 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest
114.27 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
114.28 under Minnesota Statutes, section 475.58, is not required.

114.29 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
114.30 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 30 years
114.31 after the tax is first imposed; or (2) when the county board determines that the amount
114.32 received from the tax is sufficient to pay \$75,000,000 in project costs authorized under
114.33 subdivision 2, plus an amount sufficient to pay the costs related to issuance of any bonds
114.34 authorized under subdivision 3, including interest on the bonds. Except as otherwise provided

115.1 in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining
 115.2 after payment of the allowed costs due to the timing of the termination of the tax under
 115.3 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of
 115.4 the county. The tax imposed under subdivision 1 may expire at an earlier time if the county
 115.5 so determines by ordinance.

115.6 **EFFECTIVE DATE.** This section is effective the day after the governing body of Itasca
 115.7 County and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 115.8 subdivisions 2 and 3.

115.9 Sec. 10. **CITY OF LITCHFIELD; TAXES AUTHORIZED.**

115.10 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 115.11 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 115.12 and if approved by the voters at a general election as required under Minnesota Statutes,
 115.13 section 297A.99, subdivision 3, the city of Litchfield may impose by ordinance a sales and
 115.14 use tax of one-half of one percent for the purposes specified in subdivision 2. Except as
 115.15 otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,
 115.16 govern the imposition, administration, collection, and enforcement of the tax authorized
 115.17 under this subdivision. The tax imposed under this subdivision is in addition to any local
 115.18 sales and use tax imposed under any other special law.

115.19 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 115.20 under subdivision 1 must be used by the city of Litchfield to pay the costs of collecting and
 115.21 administering the tax and for up to \$10,000,000 for the cost of constructing a community
 115.22 wellness/recreation center that will include a gymnasium and general fitness spaces, a
 115.23 dedicated walking section, a community room, and any locker rooms and mechanical
 115.24 equipment needed for future additions to the facility.

115.25 Subd. 3. **Bonding authority.** (a) The city of Litchfield may issue bonds under Minnesota
 115.26 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in
 115.27 subdivision 2 and approved by the voters as required under Minnesota Statutes, section
 115.28 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
 115.29 under this subdivision may not exceed \$10,000,000 for the project listed in subdivision 2
 115.30 plus an amount to be applied to the payment of the costs of issuing the bonds. The bonds
 115.31 may be paid from or secured by any funds available to the city of Litchfield, including the
 115.32 tax authorized under subdivision 1. The issuance of bonds under this subdivision is not
 115.33 subject to Minnesota Statutes, sections 275.60 and 275.61.

116.1 (b) The bonds are not included in computing any debt limitation applicable to the city
116.2 of Litchfield and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
116.3 and interest on the bonds is not subject to any levy limitation. A separate election to approve
116.4 the bonds under Minnesota Statutes, section 475.58, is not required.

116.5 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
116.6 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 20 years
116.7 after being first imposed; or (2) when the city council determines that the amount received
116.8 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
116.9 projects approved by voters as required under Minnesota Statutes, section 297A.99,
116.10 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
116.11 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
116.12 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
116.13 any funds remaining after payment of the allowed costs due to the timing of the termination
116.14 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
116.15 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
116.16 if the city so determines by ordinance.

116.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
116.18 city of Litchfield and its chief clerical officer comply with Minnesota Statutes, section
116.19 645.021, subdivisions 2 and 3.

116.20 **Sec. 11. CITY OF LITTLE FALLS; TAXES AUTHORIZED.**

116.21 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
116.22 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
116.23 and if approved by the voters at a general election as required under Minnesota Statutes,
116.24 section 297A.99, subdivision 3, the city of Little Falls may impose by ordinance a sales and
116.25 use tax of one-half of one percent for the purposes specified in subdivision 2. Except as
116.26 otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,
116.27 govern the imposition, administration, collection, and enforcement of the tax authorized
116.28 under this subdivision. The tax imposed under this subdivision is in addition to any local
116.29 sales and use tax imposed under any other special law.

116.30 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
116.31 under subdivision 1 must be used by the city of Little Falls to pay the costs of collecting
116.32 and administering the tax and for up to \$17,000,000 for the cost of constructing a community
116.33 recreational facility that includes a gymnasium with an indoor track, multipurpose rooms
116.34 for meeting and educational spaces, office and storage space, and outdoor recreational

117.1 facilities for aquatic recreation with a master plan to incorporate future additions to the
117.2 facility.

117.3 Subd. 3. **Bonding authority.** (a) The city of Little Falls may issue bonds under Minnesota
117.4 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
117.5 subdivision 2 and approved by the voters as required under Minnesota Statutes, section
117.6 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
117.7 under this subdivision may not exceed \$17,000,000 for the project listed in subdivision 2
117.8 plus an amount needed to pay capitalized interest and an amount to be applied to the payment
117.9 of the costs of issuing the bonds. The bonds may be paid from or secured by any funds
117.10 available to the city of Little Falls, including the tax authorized under subdivision 1. The
117.11 issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60
117.12 and 275.61.

117.13 (b) The bonds are not included in computing any debt limitation applicable to the city
117.14 of Little Falls, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
117.15 principal and interest on the bonds is not subject to any levy limitation. A separate election
117.16 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

117.17 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
117.18 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 30 years
117.19 after being first imposed; or (2) when the city council determines that the amount received
117.20 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for the
117.21 project if approved by voters as required under Minnesota Statutes, section 297A.99,
117.22 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
117.23 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
117.24 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
117.25 any funds remaining after payment of the allowed costs due to the timing of the termination
117.26 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
117.27 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
117.28 if the city so determines by ordinance.

117.29 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
117.30 city of Little Falls and its chief clerical officer comply with Minnesota Statutes, section
117.31 645.021, subdivisions 2 and 3.

118.1 **Sec. 12. COUNTY OF MILLE LACS; LOCAL SALES AND USE TAX**118.2 **AUTHORIZED.**

118.3 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
118.4 section 477A.016, or any other law or ordinance, and if approved by the voters at a general
118.5 election as required under Minnesota Statutes, section 297A.99, subdivision 3, Mille Lacs
118.6 County may impose by ordinance a sales and use tax of one-half of one percent for the
118.7 purposes specified in subdivision 2. Except as otherwise provided in this section, the
118.8 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
118.9 collection, and enforcement of the tax authorized under this subdivision.

118.10 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized
118.11 under subdivision 1 must be used by Mille Lacs County to pay the costs of collecting and
118.12 administering the tax, and to finance up to \$10,000,000 for the construction of a public
118.13 works building in Mille Lacs County, plus an amount needed for securing and paying debt
118.14 service on bonds issued to finance the project.

118.15 **Subd. 3. Bonding authority.** (a) Mille Lacs County may issue bonds under Minnesota
118.16 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
118.17 subdivision 2, and approved by the voters as required under Minnesota Statutes, section
118.18 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
118.19 under this subdivision may not exceed \$10,000,000, plus an amount applied to the payment
118.20 of the costs of issuing the bonds. The bonds may be paid from or secured by any funds
118.21 available to the county, including the tax authorized under subdivision 1. The issuance of
118.22 bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and
118.23 275.61.

118.24 **(b)** The bonds are not included in computing any debt limitation applicable to the county.
118.25 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
118.26 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
118.27 under Minnesota Statutes, section 475.58, is not required.

118.28 **Subd. 4. Termination of taxes.** The tax imposed under subdivision 1 expires at the
118.29 earlier of: (1) eight years after the tax is first imposed; or (2) when the county board
118.30 determines that the amount received from the tax is sufficient to pay for the project costs
118.31 authorized under subdivision 2 for the project approved by voters as required under
118.32 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient
118.33 to pay the costs related to issuance of any bonds authorized under subdivision 3, including
118.34 interest on the bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99,

119.1 subdivision 3, paragraph (f), any funds remaining after payment of allowed costs due to the
119.2 timing of the termination of the tax under Minnesota Statutes, section 297A.99, subdivision
119.3 12, shall be placed in the general fund of the county. The tax imposed under subdivision 1
119.4 may expire at an earlier time if the county so determines by ordinance.

119.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of Mille
119.6 Lacs County and its chief clerical officer comply with Minnesota Statutes, section 645.021,
119.7 subdivisions 2 and 3.

119.8 **Sec. 13. CITY OF MOORHEAD; LOCAL SALES AND USE TAX AUTHORIZED.**

119.9 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
119.10 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
119.11 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
119.12 the city of Moorhead may impose by ordinance a sales and use tax of one-half of one percent
119.13 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
119.14 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
119.15 collection, and enforcement of the tax authorized under this subdivision.

119.16 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
119.17 under subdivision 1 must be used by the city of Moorhead to pay the costs of collecting and
119.18 administering the tax, and to finance up to \$31,590,000 for the construction of a regional
119.19 library and community center in the city of Moorhead, plus an amount needed for securing
119.20 and paying debt service on bonds issued to finance the project.

119.21 Subd. 3. **Bonding authority.** (a) The city of Moorhead may issue bonds under Minnesota
119.22 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
119.23 subdivision 2, and approved by the voters as required under Minnesota Statutes, section
119.24 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
119.25 under this subdivision may not exceed \$31,590,000, plus an amount applied to the payment
119.26 of the costs of issuing the bonds. The bonds may be paid from or secured by any funds
119.27 available to the city, including the tax authorized under subdivision 1. The issuance of bonds
119.28 under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

119.29 (b) The bonds are not included in computing any debt limitation applicable to the city.
119.30 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
119.31 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
119.32 under Minnesota Statutes, section 475.58, is not required.

120.1 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
 120.2 earlier of: (1) 25 years after the tax is first imposed; or (2) when the city council determines
 120.3 that the amount received from the tax is sufficient to pay for the project costs authorized
 120.4 under subdivision 2 for the project approved by voters as required under Minnesota Statutes,
 120.5 section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs
 120.6 related to issuance of any bonds authorized under subdivision 3, including interest on the
 120.7 bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision
 120.8 3, paragraph (f), any funds remaining after payment of allowed costs due to the timing of
 120.9 the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall
 120.10 be placed in the general fund of the city. The tax imposed under subdivision 1 may expire
 120.11 at an earlier time if the city so determines by ordinance.

120.12 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 120.13 city of Moorhead and its chief clerical officer comply with Minnesota Statutes, section
 120.14 645.021, subdivisions 2 and 3.

120.15 Sec. 14. **CITY OF OAKDALE; TAX AUTHORIZED.**

120.16 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 120.17 section 477A.016, or any other ordinance or city charter, and if approved by the voters at
 120.18 a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
 120.19 the city of Oakdale may impose, by ordinance, a sales and use tax of one-half of one percent
 120.20 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
 120.21 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 120.22 collection, and enforcement of the tax authorized under this subdivision.

120.23 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 120.24 under subdivision 1 must be used by the city of Oakdale to pay the costs of collecting and
 120.25 administering the tax and paying for the following projects in the city, including securing
 120.26 and paying debt service on bonds issued to finance all or part of the following projects:

120.27 (1) \$22,000,000 plus associated bonding costs for construction of a new public works
 120.28 facility; and

120.29 (2) \$15,000,000 plus associated bonding costs for construction and rehabilitation, and
 120.30 associated building costs of the police department facility.

120.31 Subd. 3. **Bonding authority.** (a) The city of Oakdale may issue bonds under Minnesota
 120.32 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
 120.33 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may

121.1 not exceed: (1) \$22,000,000 for the project listed in subdivision 2, clause (1), plus an amount
 121.2 applied to the payment of costs of issuing the bonds; and (2) \$15,000,000 for the projects
 121.3 listed in subdivision 2, clause (2), plus an amount applied to the payment of costs of issuing
 121.4 the bonds. The bonds may be paid from or secured by any funds available to the city of
 121.5 Oakdale, including the tax authorized under subdivision 1. The issuance of bonds under
 121.6 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

121.7 (b) The bonds are not included in computing any debt limitation applicable to the city.
 121.8 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
 121.9 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 121.10 under Minnesota Statutes, section 475.58, is not required.

121.11 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
 121.12 earlier of: (1) 25 years after the tax is first imposed; or (2) when the city council determines
 121.13 that the city has received from this tax \$37,000,000 to fund the projects listed in subdivision
 121.14 2 plus an amount sufficient to pay costs related to the issuance of the bonds authorized in
 121.15 subdivision 3. Except as otherwise provided under Minnesota Statutes, section 297A.99,
 121.16 subdivision 3, paragraph (f), any funds remaining after payment of the allowed costs due
 121.17 to timing of the termination under Minnesota Statutes, section 297A.99, shall be placed in
 121.18 the city's general fund. The tax imposed under subdivision 1 may expire at an earlier time
 121.19 if the city so determines by ordinance.

121.20 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 121.21 city of Oakdale and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 121.22 subdivisions 2 and 3.

121.23 Sec. 15. **CITY OF ST. CLOUD; TAX AUTHORIZED.**

121.24 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 121.25 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
 121.26 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
 121.27 the city of St. Cloud may impose by ordinance a sales and use tax of one-half of one percent
 121.28 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
 121.29 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 121.30 collection, and enforcement of the tax authorized under this subdivision.

121.31 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 121.32 under subdivision 1 must be used by the city of St. Cloud to pay the costs of collecting and
 121.33 administering the tax and paying for the following projects in the city, including securing
 121.34 and paying debt service on bonds issued to finance all or part of the following projects:

122.1 (1) \$21,600,000 plus associated bonding costs for multimodal transportation and utility
 122.2 improvements to East St. Germain Street, Lincoln Avenue, and 4th Street SE;

122.3 (2) \$12,500,000 plus associated bonding costs for multimodal transportation and utility
 122.4 improvements on Heatherwood Road from Clearwater Road to Opportunity Drive;

122.5 (3) \$23,000,000 plus associated bonding costs for multimodal transportation and utility
 122.6 improvements for a primary gateway for regional access to St. Cloud State University;

122.7 (4) \$24,000,000 plus associated bonding costs for multimodal transportation and utility
 122.8 improvements for a regional gateway to St. Cloud's central business district; and

122.9 (5) \$21,100,000 plus associated bonding costs for expansion and improvement of St.
 122.10 Cloud's Municipal Athletic Complex.

122.11 Subd. 3. **Bonding authority.** (a) The city of St. Cloud may issue bonds under Minnesota
 122.12 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in
 122.13 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
 122.14 not exceed: (1) \$21,600,000 for the project listed in subdivision 2, clause (1), plus an amount
 122.15 applied to the payment of costs of issuing the bonds; (2) \$12,500,000 for the projects listed
 122.16 in subdivision 2, clause (2), plus an amount applied to the payment of costs of issuing the
 122.17 bonds; (3) \$23,000,000 for the project listed in subdivision 2, clause (3), plus an amount
 122.18 applied to the payment of costs of issuing the bonds; (4) \$24,000,000 for the project listed
 122.19 in subdivision 2, clause (4), plus an amount applied to the payment of costs of issuing the
 122.20 bonds; and (5) \$21,100,000 for the project listed in subdivision 2, clause (5), plus an amount
 122.21 applied to the payment of costs of issuing the bonds. The bonds may be paid from or secured
 122.22 by any funds available to the city of St. Cloud, including the tax authorized under subdivision
 122.23 1. The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections
 122.24 275.60 and 275.61.

122.25 (b) The bonds are not included in computing any debt limitation applicable to the city.
 122.26 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
 122.27 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 122.28 under Minnesota Statutes, section 475.58, is not required.

122.29 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
 122.30 earlier of: (1) 20 years after the tax is first imposed; or (2) when the city council determines
 122.31 that the amount received from the tax is sufficient to pay for the project costs authorized
 122.32 under subdivision 2, for the projects approved by the voters as required under Minnesota
 122.33 Statutes, section 297A.99, subdivision 3, plus an amount sufficient to pay costs, including
 122.34 interest costs, related to the issuance of the bonds authorized in subdivision 3. Any funds

123.1 remaining after payment of the allowed costs due to timing of the termination under
123.2 Minnesota Statutes, section 297A.99, shall be placed in the city's general fund. The tax
123.3 imposed under subdivision 1 may expire at an earlier time if the city so determines by
123.4 ordinance.

123.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
123.6 city of St. Cloud and its chief clerical officer comply with Minnesota Statutes, section
123.7 645.021, subdivisions 2 and 3.

123.8 **Sec. 16. CITY OF ST. PETER; TAXES AUTHORIZED.**

123.9 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
123.10 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
123.11 and if approved by the voters at a general election as required under Minnesota Statutes,
123.12 section 297A.99, subdivision 3, the city of St. Peter may impose by ordinance a sales and
123.13 use tax of one-half of one percent for the purposes specified in subdivision 2. Except as
123.14 otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,
123.15 govern the imposition, administration, collection, and enforcement of the tax authorized
123.16 under this subdivision.

123.17 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
123.18 under subdivision 1 must be used by the city of St. Peter to pay the costs of collecting and
123.19 administering the tax and paying for up to \$9,121,000 for construction of a new fire station,
123.20 plus an amount needed for securing and paying debt service on bonds issued to finance the
123.21 project.

123.22 Subd. 3. **Bonding authority.** (a) The city of St. Peter may issue bonds under Minnesota
123.23 Statutes, chapter 475, to finance the costs of the facility authorized in subdivision 2. The
123.24 aggregate principal amount of bonds issued under this subdivision may not exceed \$9,121,000
123.25 for the project listed in subdivision 2, plus an amount to be applied to the payment of the
123.26 costs of issuing the bonds. The bonds may be paid from or secured by any funds available
123.27 to the city of St. Peter, including the tax authorized under subdivision 1. The issuance of
123.28 bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and
123.29 275.61.

123.30 (b) The bonds are not included in computing any debt limitation applicable to the city
123.31 of St. Peter; and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal
123.32 and interest on the bonds is not subject to any levy limitation. A separate election to approve
123.33 the bonds under Minnesota Statutes, section 475.58, is not required.

124.1 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
 124.2 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 40 years
 124.3 after the tax is first imposed; or (2) when the city council determines that the amount received
 124.4 from the tax is sufficient to pay for \$9,121,000 in project costs authorized under subdivision
 124.5 2, plus an amount sufficient to pay the costs related to issuance of any bonds authorized
 124.6 under subdivision 3, including interest on the bonds. Except as otherwise provided in
 124.7 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining
 124.8 after payment of the allowed costs due to the timing of the termination of the tax under
 124.9 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of
 124.10 the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so
 124.11 determines by ordinance.

124.12 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 124.13 city of St. Peter and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 124.14 subdivisions 2 and 3.

124.15 Sec. 17. **CITY OF STAPLES; LOCAL SALES AND USE TAX AUTHORIZED.**

124.16 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 124.17 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
 124.18 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
 124.19 the city of Staples may impose by ordinance a sales and use tax of one-half of one percent
 124.20 for the purposes specified in subdivision 2. Except as otherwise provided in this section,
 124.21 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
 124.22 collection, and enforcement of the tax authorized under this subdivision.

124.23 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
 124.24 under subdivision 1 must be used by the city of Staples to pay the costs of collecting and
 124.25 administering the tax, and to finance up to \$1,600,000 for the renovation of the Staples
 124.26 Community Center, plus an amount needed for securing and paying debt service on bonds
 124.27 issued to finance the project.

124.28 Subd. 3. **Bonding authority.** (a) The city of Staples may issue bonds under Minnesota
 124.29 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
 124.30 subdivision 2, and approved by the voters as required under Minnesota Statutes, section
 124.31 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
 124.32 under this subdivision may not exceed \$1,600,000, plus an amount applied to the payment
 124.33 of the costs of issuing the bonds. The bonds may be paid from or secured by any funds

125.1 available to the city, including the tax authorized under subdivision 1. The issuance of bonds
125.2 under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

125.3 (b) The bonds are not included in computing any debt limitation applicable to the city.
125.4 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
125.5 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
125.6 under Minnesota Statutes, section 475.58, is not required.

125.7 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
125.8 earlier of: (1) 25 years after the tax is first imposed; or (2) when the city council determines
125.9 that the amount received from the tax is sufficient to pay for the project costs authorized
125.10 under subdivision 2 for the project approved by voters as required under Minnesota Statutes,
125.11 section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs
125.12 related to issuance of any bonds authorized under subdivision 3, including interest on the
125.13 bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision
125.14 3, paragraph (f), any funds remaining after payment of allowed costs due to the timing of
125.15 the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall
125.16 be placed in the general fund of the city. The tax imposed under subdivision 1 may expire
125.17 at an earlier time if the city so determines by ordinance.

125.18 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
125.19 city of Staples and its chief clerical officer comply with Minnesota Statutes, section 645.021,
125.20 subdivisions 2 and 3.

125.21 Sec. 18. **CITY OF WADENA; TAX AUTHORIZED.**

125.22 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
125.23 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters
125.24 at a general election as required under Minnesota Statutes, section 297A.99, subdivision 3,
125.25 the city of Wadena may impose by ordinance a sales and use tax of one-quarter of one
125.26 percent for the purposes specified in subdivision 2. Except as otherwise provided in this
125.27 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,
125.28 administration, collection, and enforcement of the tax authorized under this subdivision.

125.29 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
125.30 under subdivision 1 must be used by the city of Wadena to pay the costs of collecting and
125.31 administering the tax and to finance up to \$3,000,000, plus associated bonding costs including
125.32 securing and paying debt service on bonds issued, for the Wadena Library Rehabilitation
125.33 Project.

126.1 Subd. 3. **Bonding authority.** (a) The city of Wadena may issue bonds under Minnesota
 126.2 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
 126.3 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may
 126.4 not exceed \$3,000,000, plus an amount applied to the payment of costs of issuing the bonds.
 126.5 The bonds may be paid from or secured by any funds available to the city of Wadena,
 126.6 including the tax authorized under subdivision 1. The issuance of bonds under this
 126.7 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

126.8 (b) The bonds are not included in computing any debt limitation applicable to the city.
 126.9 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
 126.10 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
 126.11 under Minnesota Statutes, section 475.58, is not required.

126.12 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the
 126.13 earlier of: (1) 20 years after the tax is first imposed; or (2) when the city council determines
 126.14 that the amount received from the tax is sufficient to pay for the project costs authorized
 126.15 under subdivision 2, and approved by the voters as required under Minnesota Statutes,
 126.16 section 297A.99, subdivision 3, plus an amount sufficient to pay costs, including interest
 126.17 costs, related to the issuance of the bonds authorized in subdivision 3. Any funds remaining
 126.18 after payment of the allowed costs due to timing of the termination under Minnesota Statutes,
 126.19 section 297A.99, shall be placed in the city's general fund. The tax imposed under subdivision
 126.20 1 may expire at an earlier time if the city so determines by ordinance.

126.21 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
 126.22 city of Wadena and its chief clerical officer comply with Minnesota Statutes, section 645.021,
 126.23 subdivisions 2 and 3.

126.24 Sec. 19. **CITY OF WAITE PARK; TAXES AUTHORIZED.**

126.25 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
 126.26 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,
 126.27 and if approved by the voters at a general election as required under Minnesota Statutes,
 126.28 section 297A.99, subdivision 3, the city of Waite Park may impose by ordinance a sales
 126.29 and use tax of one-half of one percent for the purposes specified in subdivision 2. Except
 126.30 as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,
 126.31 govern the imposition, administration, collection, and enforcement of the tax authorized
 126.32 under this subdivision. The tax imposed under this subdivision is in addition to any local
 126.33 sales and use tax imposed under any other special law.

127.1 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized
 127.2 under subdivision 1 must be used by the city of Waite Park to pay the costs of collecting
 127.3 and administering the tax and for the following projects in the city, including securing and
 127.4 paying debt service on bonds issued to finance all or part of the following projects:

127.5 (1) up to \$10,000,000 plus associated bonding costs for the 10th Avenue regional corridor
 127.6 project;

127.7 (2) up to \$7,500,000 plus associated bonding costs for regional trail connections; and

127.8 (3) up to \$20,000,000 plus associated bonding costs for construction and equipping of
 127.9 a public safety facility.

127.10 Subd. 3. Bonding authority. (a) The city of Waite Park may issue bonds under Minnesota
 127.11 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in
 127.12 subdivision 2 and approved by the voters as required under Minnesota Statutes, section
 127.13 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
 127.14 under this subdivision may not exceed:

127.15 (1) \$10,000,000 for the project listed in subdivision 2, clause (1), plus an amount needed
 127.16 to pay capitalized interest and an amount to be applied to the payment of the costs of issuing
 127.17 the bonds;

127.18 (2) \$7,500,000 for the project listed in subdivision 2, clause (2), plus an amount needed
 127.19 to pay capitalized interest and an amount to be applied to the payment of the costs of issuing
 127.20 the bonds; and

127.21 (3) \$20,000,000 for the project listed in subdivision 2, clause (3), plus an amount needed
 127.22 to pay capitalized interest and an amount to be applied to the payment of the costs of issuing
 127.23 the bonds.

127.24 The bonds may be paid from or secured by any funds available to the city of Waite Park,
 127.25 including the tax authorized under subdivision 1. The issuance of bonds under this
 127.26 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

127.27 (b) The bonds are not included in computing any debt limitation applicable to the city
 127.28 of Waite Park, and any levy of taxes under Minnesota Statutes, section 475.61, to pay
 127.29 principal and interest on the bonds is not subject to any levy limitation. A separate election
 127.30 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

127.31 Subd. 4. Termination of taxes. Subject to Minnesota Statutes, section 297A.99,
 127.32 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 25 years
 127.33 after the tax is first imposed; or (2) when the city council determines that the amount received

128.1 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for
128.2 projects approved by voters as required under Minnesota Statutes, section 297A.99,
128.3 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
128.4 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
128.5 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
128.6 any funds remaining after payment of the allowed costs due to the timing of the termination
128.7 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
128.8 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
128.9 if the city so determines by ordinance.

128.10 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
128.11 city of Waite Park and its chief clerical officer comply with Minnesota Statutes, section
128.12 645.021, subdivisions 2 and 3.

128.13 **Sec. 20. CITY OF WARREN; LOCAL SALES AND USE TAX AUTHORIZED.**

128.14 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,
128.15 section 477A.016, or any other law or ordinance, and if approved by the voters at a general
128.16 election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of
128.17 Warren may impose by ordinance a sales and use tax of one-half of one percent for the
128.18 purposes specified in subdivision 2. Except as otherwise provided in this section, the
128.19 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,
128.20 collection, and enforcement of the tax authorized under this subdivision. The tax imposed
128.21 under this subdivision is in addition to any local sales and use tax imposed under current
128.22 law.

128.23 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized
128.24 under subdivision 1 must be used by the city of Warren to pay the costs of collecting and
128.25 administering the tax, and to finance up to \$1,600,000 for the construction of a new child
128.26 care facility. Authorized costs include related parking, design, and construction costs, as
128.27 well as payment of debt service on bonds issued to finance the project listed in this
128.28 subdivision.

128.29 Subd. 3. **Bonding authority.** (a) The city of Warren may issue bonds under Minnesota
128.30 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in
128.31 subdivision 2, and approved by the voters as required under Minnesota Statutes, section
128.32 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued
128.33 under this subdivision may not exceed \$1,600,000, plus an amount needed to pay capitalized
128.34 interest and an amount to be applied to the payment of the costs of issuing the bonds. The

129.1 bonds may be paid from or secured by any funds available to the city, including the tax
129.2 authorized under subdivision 1. The issuance of bonds under this subdivision is not subject
129.3 to Minnesota Statutes, sections 275.60 and 275.61.

129.4 (b) The bonds are not included in computing any debt limitation applicable to the city.
129.5 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest
129.6 on the bonds is not subject to any levy limitation. A separate election to approve the bonds
129.7 under Minnesota Statutes, section 475.58, is not required.

129.8 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,
129.9 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 20 years
129.10 after the tax is first imposed; or (2) when the city council determines that the amount received
129.11 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for the
129.12 project approved by voters as required under Minnesota Statutes, section 297A.99,
129.13 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance
129.14 of any bonds authorized under subdivision 3, including interest on the bonds. Except as
129.15 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),
129.16 any funds remaining after payment of allowed costs due to the timing of the termination of
129.17 the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the
129.18 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time
129.19 if the city so determines by ordinance.

129.20 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
129.21 city of Warren and its chief clerical officer comply with Minnesota Statutes, section 645.021,
129.22 subdivisions 2 and 3.

129.23

ARTICLE 9

129.24

MISCELLANEOUS

129.25 Section 1. Minnesota Statutes 2020, section 270A.04, is amended by adding a subdivision
129.26 to read:

129.27 Subd. 5. **Private nonprofit hospital.** A private nonprofit hospital that leases its building
129.28 from the county or city in which it is located must annually provide the commissioner with
129.29 a copy of the lease agreement.

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

130.1 Sec. 2. Minnesota Statutes 2020, section 270B.13, is amended by adding a subdivision to
130.2 read:

130.3 Subd. 3. **Background check; access to federal tax information.** An individual
130.4 performing services for an independent contractor or a vendor under subdivision 1 who has
130.5 or will have access to federal tax information is subject to the requirements of section
130.6 299C.76.

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

130.8 Sec. 3. **[270C.075] PRIVATE LETTER RULINGS.**

130.9 Subdivision 1. **Program established.** By January 1, 2022, the commissioner shall, by
130.10 administrative rule adopted under chapter 14, establish and implement a program for issuing
130.11 private letter rulings to taxpayers to provide guidance as to how the commissioner will apply
130.12 Minnesota tax law to a specific transaction or proposed transaction, arrangement, or other
130.13 fact situation of the applying taxpayer. The commissioner must include in each ruling an
130.14 explanation of the reasoning for the determination. In establishing the terms of the program,
130.15 the commissioner may provide that rulings will not be issued in specified subject areas, for
130.16 categories of transactions, or under specified provisions of law, if the commissioner
130.17 determines doing so is in the best interests of the state and sound tax administration. The
130.18 program must include a process for the representative of a taxpayer to apply for a private
130.19 letter ruling and to communicate with the commissioner regarding the requested ruling.

130.20 Subd. 2. **Application procedure; fees.** (a) The commissioner shall establish an
130.21 application procedure and forms for a taxpayer or the taxpayer's appointed representative
130.22 to request a private letter ruling. The commissioner may require the taxpayer to provide any
130.23 supporting factual information and certifications that the commissioner determines necessary
130.24 or appropriate to issue a private letter ruling. The requirements may vary based on the type
130.25 of ruling requested.

130.26 (b) The commissioner may, in the administrative rule, establish a fee schedule to recover
130.27 the department's actual cost of preparing private letter rulings. The maximum fee per private
130.28 letter ruling is \$..... The commissioner may require the applicant to pay the required fee
130.29 for a private letter ruling before the application is considered. If the administrative rule
130.30 provides for payment of a fee as a condition for providing a private letter ruling, the rule
130.31 must provide a fee structure that varies the amount of the fee by the complexity of the request
130.32 or the number and type of issues or both.

131.1 (c) If the commissioner fails to issue a ruling to the taxpayer within 90 days after the
131.2 taxpayer's filing of a completed application, the commissioner must refund the application
131.3 fee to the taxpayer; however, the commissioner must issue a private letter ruling unless the
131.4 taxpayer withdraws the request.

131.5 (d) Any fees collected under this section must be deposited in the Revenue Department
131.6 service and recovery special revenue fund established under section 270C.15, and are
131.7 appropriated to the commissioner to offset the cost of issuing private letter rulings and
131.8 related administrative costs.

131.9 Subd. 3. **Effect.** (a) A private letter ruling is binding on the commissioner with respect
131.10 to the taxpayer to whom the ruling is issued if:

131.11 (1) there was no misstatement or omission of material facts in the application or other
131.12 information provided to the commissioner;

131.13 (2) the facts that subsequently developed were not materially different from the facts
131.14 upon which the ruling was based;

131.15 (3) the applicable statute, administrative rule, federal law referenced by state law, or
131.16 other relevant law has not changed; and

131.17 (4) the taxpayer acted in good faith in applying for and relying on the ruling.

131.18 (b) Private letter rulings have no precedential effect and may not be relied upon by a
131.19 taxpayer other than as provided in paragraph (a).

131.20 Subd. 4. **Public access.** The commissioner shall make private letter rulings issued under
131.21 this section available to the public on the department's website. The commissioner must
131.22 organize the private letter rulings by tax type and must make them available in a searchable
131.23 format. The published rulings must redact any information that would permit identification
131.24 of the requesting taxpayer.

131.25 Subd. 5. **Legislative report.** (a) By January 31 of each odd-numbered year, the
131.26 commissioner shall report in writing to the legislature the following information for the
131.27 immediately preceding two calendar years:

131.28 (1) the number of applications for private letter rulings;

131.29 (2) the number of private letter rulings issued, including the number issued within the
131.30 90-day time period under subdivision 2, paragraph (c);

131.31 (3) the amount of application fees refunded by tax type;

131.32 (4) the tax types for which rulings were requested;

132.1 (5) the types and characteristics of taxpayers applying for rulings; and
 132.2 (6) any other information that the commissioner considers relevant to legislative oversight
 132.3 of the private letter ruling program.

132.4 (b) The report must be filed as provided in section 3.195, and copies must be provided
 132.5 to the chairs and ranking minority members of the committees of the house of representatives
 132.6 and the senate with jurisdiction over taxes and appropriations to the Department of Revenue.

132.7 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
 132.8 that the first legislative report under subdivision 5 is due January 31, 2024.

132.9 Sec. 4. Minnesota Statutes 2020, section 298.28, subdivision 5, is amended to read:

132.10 Subd. 5. **Counties.** (a) 21.05 cents per taxable ton ~~for distributions in 2015 through 2023,~~
 132.11 ~~and 26.05 cents per taxable ton for distributions beginning in 2024,~~ is allocated to counties
 132.12 to be distributed, based upon certification by the commissioner of revenue, under paragraphs
 132.13 (b) to (d).

132.14 (b) 10.525 cents per taxable ton shall be distributed to the county in which the taconite
 132.15 is mined or quarried or in which the concentrate is produced, less any amount which is to
 132.16 be distributed pursuant to paragraph (c). The apportionment formula prescribed in subdivision
 132.17 2 is the basis for the distribution.

132.18 (c) 1.0 cent per taxable ton of the tax distributed to the counties under paragraph (b)
 132.19 shall be paid to a county that received a distribution under this section in 2000 because there
 132.20 was located in the county an electric power plant owned by and providing the primary source
 132.21 of power for a taxpayer mining and concentrating taconite in a different county.

132.22 (d) 10.525 cents per taxable ton ~~for distributions in 2015 through 2023, and 15.525 cents~~
 132.23 ~~per taxable ton for distributions beginning in 2024,~~ shall be paid to the county from which
 132.24 the taconite was mined, quarried or concentrated to be deposited in the county road and
 132.25 bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those
 132.26 processes are carried on in more than one county, the commissioner shall follow the
 132.27 apportionment formula prescribed in subdivision 2.

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

132.29 Sec. 5. Minnesota Statutes 2020, section 298.28, subdivision 9b, is amended to read:

132.30 Subd. 9b. **Taconite environmental fund.** Five cents per ton through distributions in
 132.31 2023 must be paid to the taconite environmental fund for use under section 298.2961,

133.1 subdivision 4. Beginning with distributions in 2024, ten cents per ton must be paid to the
 133.2 taconite environmental fund of which five cents per ton must be used as provided under
 133.3 section 298.2961, subdivision 4.

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

133.5 Sec. 6. **[299C.76] BACKGROUND CHECK; ACCESS TO FEDERAL TAX**
 133.6 **INFORMATION.**

133.7 Subdivision 1. Definitions. (a) For the purposes of this section, the following definitions
 133.8 apply.

133.9 (b) "Federal tax information" means federal tax returns and return information or
 133.10 information derived or created from federal tax returns, in possession of or control by the
 133.11 requesting agency, that is covered by the safeguarding provisions of section 6103(p)(4) of
 133.12 the Internal Revenue Code.

133.13 (c) "IRS Publication 1075" means Internal Revenue Service Publication 1075 that
 133.14 provides guidance and requirements for the protection and confidentiality of federal tax
 133.15 information as required in section 6103(p)(4) of the Internal Revenue Code.

133.16 (d) "National criminal history record information" means the Federal Bureau of
 133.17 Investigation identification records as defined in Code of Federal Regulations, title 28,
 133.18 section 20.3(d).

133.19 (e) "Requesting agency" means the Department of Revenue, Department of Employment
 133.20 and Economic Development, Department of Human Services, board of directors of MNsure,
 133.21 the Office of MN.IT Services, and counties.

133.22 Subd. 2. National criminal history record information check. As required by IRS
 133.23 Publication 1075, a requesting agency shall require fingerprints for a national criminal
 133.24 history record information check from the following individuals who have or will have
 133.25 access to federal tax information:

133.26 (1) a current or prospective permanent or temporary employee of the requesting agency;

133.27 (2) an independent contractor or vendor of the requesting agency;

133.28 (3) an employee or agent of an independent contractor or vendor of the requesting agency;

133.29 or

133.30 (4) any other individual authorized to access federal tax information by the requesting
 133.31 agency.

134.1 Subd. 3. **Fingerprint submission and written statement of understanding.** An
 134.2 individual subject to this section must provide fingerprints and a written statement of
 134.3 understanding that the fingerprints will be used for a background check to the requesting
 134.4 agency. The requesting agency must submit the fingerprints and written statement of
 134.5 understanding, along with the processing fees, to the superintendent of the Bureau of Criminal
 134.6 Apprehension. The fingerprints must only be used for the purposes described in this section.

134.7 Subd. 4. **Bureau of Criminal Apprehension requirements.** (a) After the superintendent
 134.8 of the Bureau of Criminal Apprehension notifies requesting agencies that the United States
 134.9 Attorney General has approved the request for submission under Public Law 92-544, a
 134.10 requesting agency may submit information under subdivision 3.

134.11 (b) Upon receipt of the information under subdivision 3, the superintendent of the Bureau
 134.12 of Criminal Apprehension must:

134.13 (1) perform a state criminal history record information search;

134.14 (2) exchange the fingerprints to the Federal Bureau of Investigation to facilitate a search
 134.15 of the national criminal history record information;

134.16 (3) compile the results of the state and national criminal history record information
 134.17 searches; and

134.18 (4) provide the results to the requesting agency.

134.19 Subd. 5. **Classification of data.** (a) All data collected, created, received, maintained, or
 134.20 disseminated by the requesting agency under this section is classified as private data on
 134.21 individuals as defined in section 13.02, subdivision 12.

134.22 (b) Notwithstanding any law to the contrary, a requesting agency must not further
 134.23 disseminate the results received under subdivision 4.

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

134.25 Sec. 7. **2008 DISTRIBUTION TRANSFER; CITY OF BIWABIK STREET AND**
 134.26 **HIGHWAY IMPROVEMENTS.**

134.27 Notwithstanding any law to the contrary, by July 1, 2021, St. Louis County shall transfer
 134.28 \$1,500,000 from the appropriation in Laws 2006, chapter 259, article 12, section 12,
 134.29 subdivision 4, to the city of Biwabik for deposit in its general fund account to be used for
 134.30 the preservation and reconstruction of existing streets and highways in the city of Biwabik
 134.31 or the construction of new streets in the city of Biwabik. Any remaining unspent money
 134.32 from the appropriation in Laws 2006, chapter 259, article 12, section 12, subdivision 4,

135.1 shall be retained by St. Louis County for road improvements to County Road 138, north of
135.2 Giants Ridge.

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

135.4 **Sec. 8. CONDITIONAL REPEALER.**

135.5 (a) The commissioner of management and budget shall report within 30 days that the
135.6 bonds under Minnesota Statutes, section 16A.965, have been redeemed or defeased to the
135.7 revisor of statutes.

135.8 (b) Minnesota Statutes, section 16A.727, is repealed 60 days after the commissioner of
135.9 management and budget certifies that the bonds under Minnesota Statutes, section 16A.965,
135.10 have been redeemed or defeased.

469.055 POWERS AND DUTIES.

Subd. 7. **Sale of realty.** The authority may sell, convey, and exchange any real or personal property owned or held by it in any manner and on any terms it wishes. Real property owned by the authority must not be sold, be exchanged, or have its title transferred without approval of two-thirds of the commissioners. All commissioners must have ten days' written notice of a regular or special meeting at which a sale, conveyance, exchange, or transfer of property is to be voted on. The notice must contain a complete description of the affected real estate. The resolution authorizing the real estate transaction is not effective unless a quorum is present.