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# State of Minnesota HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **3567**

02/19/2020 Authored by Carlson, A.,  
The bill was read for the first time and referred to the Property and Local Tax Division

1.1 A bill for an act

1.2 relating to taxation; making various policy and technical changes to property taxes

1.3 and fire and police state aids; amending Minnesota Statutes 2018, sections 270.41,

1.4 subdivision 3a; 272.029, subdivision 2; 272.0295, subdivisions 2, 5; 273.063;

1.5 287.04; 477A.10; Minnesota Statutes 2019 Supplement, sections 6.495, subdivision

1.6 3; 270C.22, subdivision 1; 273.0755; 273.124, subdivision 14; 273.18; 290A.19;

1.7 297I.26, subdivision 2; 477B.01, subdivisions 5, 10, 11, by adding subdivisions;

1.8 477B.02, subdivisions 2, 3, 5, 8, 9, 10, by adding a subdivision; 477B.03,

1.9 subdivisions 3, 4, 7; 477B.04, subdivision 1, by adding a subdivision; 477C.02,

1.10 subdivision 4; 477C.03, subdivisions 2, 5; 477C.04, by adding a subdivision;

1.11 repealing Minnesota Statutes 2018, section 270C.17, subdivision 2; Minnesota

1.12 Statutes 2019 Supplement, sections 477B.02, subdivision 4; 477B.03, subdivision

1.13 6.

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

## 1.15 ARTICLE 1

### 1.16 PROPERTY TAXES

1.17 Section 1. Minnesota Statutes 2018, section 270.41, subdivision 3a, is amended to read:

1.18 Subd. 3a. **Report on disciplinary actions.** ~~Each odd-numbered year,~~ When issuing the

1.19 report required under section 214.07, the board must ~~publish a report detailing~~ include the

1.20 number and types of disciplinary actions recommended by the commissioner of revenue

1.21 under section 273.0645, subdivision 2, and the disposition of those recommendations by

1.22 the board. The report must be presented to the house of representatives and senate committees

1.23 with jurisdiction over property taxes ~~by February 1 of each odd-numbered year~~ in addition

1.24 to the recipients required under section 214.07.

1.25 **EFFECTIVE DATE.** This section is effective for reports issued in 2020 and thereafter.

2.1 Sec. 2. Minnesota Statutes 2018, section 272.029, subdivision 2, is amended to read:

2.2 Subd. 2. **Definitions.** (a) For the purposes of this section:

2.3 (1) "wind energy conversion system" has the meaning given in section 216C.06,  
2.4 subdivision 19, and also includes a substation that is used and owned by one or more wind  
2.5 energy conversion facilities;

2.6 (2) "large scale wind energy conversion system" means a wind energy conversion system  
2.7 of more than 12 megawatts, as measured by the nameplate capacity of the system or as  
2.8 combined with other systems as provided in paragraph (b);

2.9 (3) "medium scale wind energy conversion system" means a wind energy conversion  
2.10 system of over two and not more than 12 megawatts, as measured by the nameplate capacity  
2.11 of the system or as combined with other systems as provided in paragraph (b); and

2.12 (4) "small scale wind energy conversion system" means a wind energy conversion system  
2.13 of two megawatts and under, as measured by the nameplate capacity of the system or as  
2.14 combined with other systems as provided in paragraph (b).

2.15 (b) For systems installed and contracted for after January 1, 2002, the total size of a  
2.16 wind energy conversion system under this subdivision shall be determined according to this  
2.17 paragraph. Unless the systems are interconnected with different distribution systems, the  
2.18 nameplate capacity of one wind energy conversion system shall be combined with the  
2.19 nameplate capacity of any other wind energy conversion system that is:

2.20 (1) located within five miles of the wind energy conversion system;

2.21 (2) constructed within the same 12-month period as the wind energy conversion system;  
2.22 and

2.23 (3) under common ownership.

2.24 In the case of a dispute, the commissioner of commerce shall determine the total size of the  
2.25 system, and shall draw all reasonable inferences in favor of combining the systems.

2.26 For the purposes of making a determination under this paragraph, the original construction  
2.27 date of an existing wind energy conversion system is not changed if the system is replaced,  
2.28 repaired, or otherwise maintained or altered.

2.29 (c) In making a determination under paragraph (b), the commissioner of commerce may  
2.30 determine that two wind energy conversion systems are under common ownership when  
2.31 the underlying ownership structure contains similar persons or entities, even if the ownership  
2.32 shares differ between the two systems. Wind energy conversion systems are not under

common ownership solely because the same person or entity provided equity financing for the systems.

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

Sec. 3. Minnesota Statutes 2018, section 272.0295, subdivision 2, is amended to read:

**Subd. 2. Definitions.** (a) For the purposes of this section, the term "solar energy generating system" means a set of devices whose primary purpose is to produce electricity by means of any combination of collecting, transferring, or converting solar generated energy.

(b) The total size of a solar energy generating system under this subdivision shall be determined according to this paragraph. Unless the systems are interconnected with different distribution systems, the nameplate capacity of a solar energy generating system shall be combined with the nameplate capacity of any other solar energy generating system that:

(1) is constructed within the same 12-month period as the solar energy generating system; and

(2) exhibits characteristics of being a single development, including but not limited to ownership structure, an umbrella sales arrangement, shared interconnection, revenue-sharing arrangements, and common debt or equity financing.

In the case of a dispute, the commissioner of commerce shall determine the total size of the system and shall draw all reasonable inferences in favor of combining the systems.

For the purposes of making a determination under this paragraph, the original construction date of an existing solar energy conversion system is not changed if the system is replaced, repaired, or otherwise maintained or altered.

(c) In making a determination under paragraph (b), the commissioner of commerce may determine that two solar energy generating systems are under common ownership when the underlying ownership structure contains similar persons or entities, even if the ownership shares differ between the two systems. Solar energy generating systems are not under common ownership solely because the same person or entity provided equity financing for the systems.

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

Sec. 4. Minnesota Statutes 2018, section 272.0295, subdivision 5, is amended to read:

Subd. 5. **Notification of tax.** (a) On or before February 28, the commissioner of revenue shall notify the owner of each solar energy generating system of the tax due to each county for the current year and shall certify to the county auditor of each county in which the system is located the tax due from each owner for the current year.

(b) If the commissioner of revenue determines that the amount of production tax has been erroneously calculated, the commissioner may correct the error. The commissioner must notify the owner of the solar energy generating system of the correction and the amount of tax due to each county and must certify the correction to the county auditor of each county in which the system is located on or before April 1 of the current year. The commissioner may correct errors that are clerical in nature until December 31.

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

Sec. 5. Minnesota Statutes 2018, section 273.063, is amended to read:

**273.063 APPLICATION; LIMITATIONS.**

The provisions of sections 272.161, 273.061, 273.062, 273.063, 273.072, 273.08, 273.10, 274.01, and 375.192 shall apply to all counties except Ramsey County. The following limitations shall apply as to the extent of the county assessors jurisdiction:

In counties having a city of the first class, the powers and duties of the county assessor within such city shall be performed by the duly appointed city assessor. In all other cities having a population of 30,000 persons or more, according to the last preceding federal census, except in counties having a county assessor on January 1, 1967, the powers and duties of the county assessor within such cities shall be performed by the duly appointed city assessor, provided that the county assessor shall retain the supervisory duties contained in section 273.061, subdivision 8. For purposes of this section, "powers and duties" means the powers and duties identified in section 273.061, subdivision 8, clauses (5) to (16).

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

Sec. 6. Minnesota Statutes 2019 Supplement, section 273.0755, is amended to read:

**273.0755 TRAINING AND EDUCATION OF PROPERTY TAX PERSONNEL.**

(a) Beginning with the four-year period starting on July 1, ~~2000~~ 2020, every person licensed by the state Board of Assessors at the Accredited Minnesota Assessor level or higher, shall successfully complete ~~a weeklong Minnesota laws course~~ 30 hours of educational coursework on Minnesota laws, assessment administration, and administrative

~~procedures sponsored by the Department of Revenue at least once in every four-year period.~~  
~~An assessor need not attend the course if they successfully pass the test for the course.~~

(b) The commissioner of revenue may require that each county, and each city for which the city assessor performs the duties of county assessor, have (1) a person on the assessor's staff who is certified by the Department of Revenue in sales ratio calculations, (2) an officer or employee who is certified by the Department of Revenue in tax calculations, and (3) an officer or employee who is certified by the Department of Revenue in the proper preparation of information reported to the commissioner under section 270C.85, subdivision 2, clause (4). Certifications under this paragraph expire after four years.

(c) Beginning with the four-year educational licensing period starting on July 1, 2004, every Minnesota assessor licensed by the State Board of Assessors must attend and participate in a seminar that focuses on ethics, professional conduct and the need for standardized assessment practices developed and presented by the commissioner of revenue. This requirement must be met at least once in every subsequent four-year period. This requirement applies to all assessors licensed for one year or more in the four-year period.

(d) When the commissioner of revenue determines that an individual or board that performs functions related to property tax administration has performed those functions in a manner that is not uniform or equitable, the commissioner may require that the individual or members of the board complete supplemental training. The commissioner may not require that an individual complete more than 32 hours of supplemental training pursuant to this paragraph. If the individual is required to complete supplemental training due to that individual's membership on a local or county board of appeal and equalization, the commissioner may not require that the individual complete more than two hours of supplemental training.

**EFFECTIVE DATE.** This section is effective for the four-year licensing period starting on July 1, 2020, and thereafter.

Sec. 7. Minnesota Statutes 2019 Supplement, section 273.124, subdivision 14, is amended to read:

Subd. 14. **Agricultural homesteads; special provisions.** (a) Real estate of less than ten acres that is the homestead of its owner must be classified as class 2a under section 273.13, subdivision 23, paragraph (a), if:

(1) the parcel on which the house is located is contiguous on at least two sides to (i) agricultural land, (ii) land owned or administered by the United States Fish and Wildlife

6.1 Service, or (iii) land administered by the Department of Natural Resources on which in lieu  
6.2 taxes are paid under sections 477A.11 to 477A.14 or section 477A.17;

6.3 (2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20  
6.4 acres;

6.5 (3) the noncontiguous land is located not farther than four townships or cities, or a  
6.6 combination of townships or cities from the homestead; and

6.7 (4) the agricultural use value of the noncontiguous land and farm buildings is equal to  
6.8 at least 50 percent of the market value of the house, garage, and one acre of land.

6.9 Homesteads initially classified as class 2a under the provisions of this paragraph shall  
6.10 remain classified as class 2a, irrespective of subsequent changes in the use of adjoining  
6.11 properties, as long as the homestead remains under the same ownership, the owner owns a  
6.12 noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use  
6.13 value qualifies under clause (4). Homestead classification under this paragraph is limited  
6.14 to property that qualified under this paragraph for the 1998 assessment.

6.15 (b)(i) Agricultural property shall be classified as the owner's homestead, to the same  
6.16 extent as other agricultural homestead property, if all of the following criteria are met:

6.17 (1) the agricultural property consists of at least 40 acres including undivided government  
6.18 lots and correctional 40's;

6.19 (2) the owner, the owner's spouse, or a grandchild, child, sibling, or parent of the owner  
6.20 or of the owner's spouse, is actively farming the agricultural property, either on the person's  
6.21 own behalf as an individual or on behalf of a partnership operating a family farm, family  
6.22 farm corporation, joint family farm venture, or limited liability company of which the person  
6.23 is a partner, shareholder, or member;

6.24 (3) both the owner of the agricultural property and the person who is actively farming  
6.25 the agricultural property under clause (2), are Minnesota residents;

6.26 (4) neither the owner nor the spouse of the owner claims another agricultural homestead  
6.27 in Minnesota; and

6.28 (5) neither the owner nor the person actively farming the agricultural property lives  
6.29 farther than four townships or cities, or a combination of four townships or cities, from the  
6.30 agricultural property, except that if the owner or the owner's spouse is required to live in  
6.31 employer-provided housing, the owner or owner's spouse, whichever is actively farming  
6.32 the agricultural property, may live more than four townships or cities, or combination of  
6.33 four townships or cities from the agricultural property.

7.1 The relationship under this paragraph may be either by blood or marriage.

7.2 (ii) Property containing the residence of an owner who owns qualified property under  
7.3 clause (i) shall be classified as part of the owner's agricultural homestead, if that property  
7.4 is also used for noncommercial storage or drying of agricultural crops.

7.5 (iii) As used in this paragraph, "agricultural property" means class 2a property and any  
7.6 class 2b property that is contiguous to and under the same ownership as the class 2a property.

7.7 (c) Noncontiguous land shall be included as part of a homestead under section 273.13,  
7.8 subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached  
7.9 land is located in the same township or city, or not farther than four townships or cities or  
7.10 combination thereof from the homestead. Any taxpayer of these noncontiguous lands must  
7.11 notify the county assessor that the noncontiguous land is part of the taxpayer's homestead,  
7.12 and, if the homestead is located in another county, the taxpayer must also notify the assessor  
7.13 of the other county.

7.14 (d) Agricultural land used for purposes of a homestead and actively farmed by a person  
7.15 holding a vested remainder interest in it must be classified as a homestead under section  
7.16 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other  
7.17 dwellings on the land used for purposes of a homestead by persons holding vested remainder  
7.18 interests who are actively engaged in farming the property, and up to one acre of the land  
7.19 surrounding each homestead and reasonably necessary for the use of the dwelling as a home,  
7.20 must also be assessed class 2a.

7.21 (e) Agricultural land and buildings that were class 2a homestead property under section  
7.22 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as  
7.23 agricultural homesteads for subsequent assessments if:

7.24 (1) the property owner abandoned the homestead dwelling located on the agricultural  
7.25 homestead as a result of the April 1997 floods;

7.26 (2) the property is located in the county of Polk, Clay, Kittson, Marshall, Norman, or  
7.27 Wilkin;

7.28 (3) the agricultural land and buildings remain under the same ownership for the current  
7.29 assessment year as existed for the 1997 assessment year and continue to be used for  
7.30 agricultural purposes;

7.31 (4) the dwelling occupied by the owner is located in Minnesota and is within 30 miles  
7.32 of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the 1997 floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in dwelling. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(f) Agricultural land and buildings that were class 2a homestead property under section 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified agricultural homesteads for subsequent assessments if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of damage caused by a March 29, 1998, tornado;

(2) the property is located in the county of Blue Earth, Brown, Cottonwood, LeSueur, Nicollet, Nobles, or Rice;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 1998 assessment year;

(4) the dwelling occupied by the owner is located in this state and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to a March 29, 1998, tornado, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the owner must notify the assessor by December 1, 1998. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

(g) Agricultural property of a family farm corporation, joint family farm venture, family farm limited liability company, or partnership operating a family farm as described under subdivision 8 shall be classified homestead, to the same extent as other agricultural homestead property, if all of the following criteria are met:

(1) the property consists of at least 40 acres including undivided government lots and correctional 40's;

(2) a shareholder, member, or partner of that entity is actively farming the agricultural property;

(3) that shareholder, member, or partner who is actively farming the agricultural property is a Minnesota resident;



(4) neither that shareholder, member, or partner, nor the spouse of that shareholder, member, or partner claims another agricultural homestead in Minnesota; and

(5) that shareholder, member, or partner does not live farther than four townships or cities, or a combination of four townships or cities, from the agricultural property.

Homestead treatment applies under this paragraph even if:

(i) the shareholder, member, or partner of that entity is actively farming the agricultural property on the shareholder's, member's, or partner's own behalf; or

(ii) the family farm is operated by a family farm corporation, joint family farm venture, partnership, or limited liability company other than the family farm corporation, joint family farm venture, partnership, or limited liability company that owns the land, provided that:

(A) the shareholder, member, or partner of the family farm corporation, joint family farm venture, partnership, or limited liability company that owns the land who is actively farming the land is a shareholder, member, or partner of the family farm corporation, joint family farm venture, partnership, or limited liability company that is operating the farm; and

(B) more than half of the shareholders, members, or partners of each family farm corporation, joint family farm venture, partnership, or limited liability company are persons or spouses of persons who are a qualifying relative under section 273.124, subdivision 1, paragraphs (c) and (d).

Homestead treatment applies under this paragraph for property leased to a family farm corporation, joint farm venture, limited liability company, or partnership operating a family farm if legal title to the property is in the name of an individual who is a member, shareholder, or partner in the entity.

(h) To be eligible for the special agricultural homestead under this subdivision, an initial full application must be submitted to the county assessor where the property is located. Owners and the persons who are actively farming the property shall be required to complete only a one-page abbreviated version of the application in each subsequent year provided that none of the following items have changed since the initial application:

(1) the day-to-day operation, administration, and financial risks remain the same;

(2) the owners and the persons actively farming the property continue to live within the four townships or city criteria and are Minnesota residents;

(3) the same operator of the agricultural property is listed with the Farm Service Agency;

10.1 (4) a Schedule F or equivalent income tax form was filed for the most recent year;

10.2 (5) the property's acreage is unchanged; and

10.3 (6) none of the property's acres have been enrolled in a federal or state farm program  
10.4 since the initial application.

10.5 The owners and any persons who are actively farming the property must include the  
10.6 appropriate Social Security numbers, and sign and date the application. If any of the specified  
10.7 information has changed since the full application was filed, the owner must notify the  
10.8 assessor, and must complete a new application to determine if the property continues to  
10.9 qualify for the special agricultural homestead. The commissioner of revenue shall prepare  
10.10 a standard reapplication form for use by the assessors.

10.11 (i) Agricultural land and buildings that were class 2a homestead property under section  
10.12 273.13, subdivision 23, paragraph (a), for the 2007 assessment shall remain classified  
10.13 agricultural homesteads for subsequent assessments if:

10.14 (1) the property owner abandoned the homestead dwelling located on the agricultural  
10.15 homestead as a result of damage caused by the August 2007 floods;

10.16 (2) the property is located in the county of Dodge, Fillmore, Houston, Olmsted, Steele,  
10.17 Wabasha, or Winona;

10.18 (3) the agricultural land and buildings remain under the same ownership for the current  
10.19 assessment year as existed for the 2007 assessment year;

10.20 (4) the dwelling occupied by the owner is located in this state and is within 50 miles of  
10.21 one of the parcels of agricultural land that is owned by the taxpayer; and

10.22 (5) the owner notifies the county assessor that the relocation was due to the August 2007  
10.23 floods, and the owner furnishes the assessor any information deemed necessary by the  
10.24 assessor in verifying the change in homestead dwelling. For taxes payable in 2009, the  
10.25 owner must notify the assessor by December 1, 2008. Further notifications to the assessor  
10.26 are not required if the property continues to meet all the requirements in this paragraph and  
10.27 any dwellings on the agricultural land remain uninhabited.

10.28 (j) Agricultural land and buildings that were class 2a homestead property under section  
10.29 273.13, subdivision 23, paragraph (a), for the 2008 assessment shall remain classified as  
10.30 agricultural homesteads for subsequent assessments if:

10.31 (1) the property owner abandoned the homestead dwelling located on the agricultural  
10.32 homestead as a result of the March 2009 floods;

11.1 (2) the property is located in the county of Marshall;

11.2 (3) the agricultural land and buildings remain under the same ownership for the current  
11.3 assessment year as existed for the 2008 assessment year and continue to be used for  
11.4 agricultural purposes;

11.5 (4) the dwelling occupied by the owner is located in Minnesota and is within 50 miles  
11.6 of one of the parcels of agricultural land that is owned by the taxpayer; and

11.7 (5) the owner notifies the county assessor that the relocation was due to the 2009 floods,  
11.8 and the owner furnishes the assessor any information deemed necessary by the assessor in  
11.9 verifying the change in dwelling. Further notifications to the assessor are not required if the  
11.10 property continues to meet all the requirements in this paragraph and any dwellings on the  
11.11 agricultural land remain uninhabited.

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

11.13 Sec. 8. Minnesota Statutes 2019 Supplement, section 273.18, is amended to read:

11.14 **273.18 LISTING, VALUATION, AND ASSESSMENT OF EXEMPT PROPERTY**  
11.15 **BY COUNTY AUDITORS.**

11.16 (a) In every sixth year after the year 2010, the county auditor shall enter the description  
11.17 of each tract of real property exempt by law from taxation, with the name of the owner, and  
11.18 the assessor shall value and assess the same in the same manner that other real property is  
11.19 valued and assessed, and shall designate in each case the purpose for which the property is  
11.20 used.

11.21 (b) The county auditor shall include in the exempt property information that the  
11.22 commissioner may require under section 270C.85, subdivision 2, clause (4), the total number  
11.23 of acres of all natural resources lands for which in lieu payments are made under sections  
11.24 477A.11 to 477A.14 and 477A.17. The assessor shall estimate its market value, provided  
11.25 that if the assessor is not able to estimate the market value of the land on a per parcel basis,  
11.26 the assessor shall furnish the commissioner of revenue with an estimate of the average value  
11.27 per acre of this land within the county.

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

11.29 Sec. 9. Minnesota Statutes 2018, section 287.04, is amended to read:

11.30 **287.04 EXEMPTIONS.**

11.31 The tax imposed by section 287.035 does not apply to:

- 12.1 ~~(a)~~ (1) a decree of marriage dissolution or an instrument made pursuant to it;
- 12.2 ~~(b)~~ (2) a mortgage given to correct a misdescription of the mortgaged property;
- 12.3 ~~(c)~~ (3) a mortgage or other instrument that adds additional security for the same debt
- 12.4 for which mortgage registry tax has been paid;
- 12.5 ~~(d)~~ (4) a contract for the conveyance of any interest in real property, including a contract
- 12.6 for deed;
- 12.7 ~~(e)~~ (5) a mortgage secured by real property subject to the minerals production tax of
- 12.8 sections 298.24 to 298.28;
- 12.9 ~~(f) The principal amount of~~ (6) a mortgage loan made under a low and moderate income
- 12.10 housing program, or other affordable housing program, if: (i) the mortgagee is a federal,
- 12.11 state, or local government agency; or (ii) the assignee is a federal, state, or local government
- 12.12 agency;
- 12.13 ~~(g)~~ (7) mortgages granted by fraternal benefit societies subject to section 64B.24;
- 12.14 ~~(h)~~ (8) a mortgage amendment or extension, as defined in section 287.01;
- 12.15 ~~(i)~~ (9) an agricultural mortgage if the proceeds of the loan secured by the mortgage are
- 12.16 used to acquire or improve real property classified under section 273.13, subdivision 23,
- 12.17 paragraph (a) or (b); and
- 12.18 ~~(j)~~ (10) a mortgage on an armory building as set forth in section 193.147.

12.19 **EFFECTIVE DATE.** This section is effective for mortgages recorded after July 31,

12.20 2020.

12.21 Sec. 10. Minnesota Statutes 2018, section 477A.10, is amended to read:

12.22 **477A.10 NATURAL RESOURCES LAND PAYMENTS IN LIEU; PURPOSE.**

12.23 The purposes of sections 477A.11 to 477A.14 and 477A.17 are:

- 12.24 (1) to compensate local units of government for the loss of tax base from state ownership
- 12.25 of land and the need to provide services for state land;
- 12.26 (2) to address the disproportionate impact of state land ownership on local units of
- 12.27 government with a large proportion of state land; and
- 12.28 (3) to address the need to manage state lands held in trust for the local taxing districts.

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

13.1 **ARTICLE 2**

13.2 **FIRE AND POLICE STATE AIDS**

13.3 Section 1. Minnesota Statutes 2019 Supplement, section 6.495, subdivision 3, is amended  
13.4 to read:

13.5 Subd. 3. **Report to commissioner of revenue.** (a) On or before September 15, the state  
13.6 auditor ~~shall~~ must file with the commissioner of revenue a financial compliance report  
13.7 certifying for each relief association:

13.8 (1) the completion of the annual financial report required under section 424A.014 and  
13.9 the auditing or certification of those financial reports under subdivision 1; and

13.10 (2) the receipt of any actuarial valuations required under section 424A.093 or Laws  
13.11 2013, chapter 111, article 5, sections 31 to 42.

13.12 (b) The state auditor must file with the commissioner of revenue reports as described in  
13.13 paragraph (a) on or before November 1, March 1, and June 1 certifying relief associations  
13.14 that have satisfied the criteria of paragraph (a) since the previously filed financial compliance  
13.15 report.

13.16 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
13.17 and thereafter.

13.18 Sec. 2. Minnesota Statutes 2019 Supplement, section 297I.26, subdivision 2, is amended  
13.19 to read:

13.20 Subd. 2. **Penalties.** (a) A company that fails to file the report on or before the due date  
13.21 in subdivision 1 is liable for a penalty equal to \$25 for each seven days, or fraction thereof,  
13.22 that the report is delinquent, but not to exceed \$200.

13.23 ~~(b) Any person whose duty it is to file the report and who fails or refuses to file within~~  
13.24 ~~30 days after the postmark of the notice in subdivision 1 must be fined an amount of no~~  
13.25 ~~more than \$1,000.~~

13.26 ~~(c) Any~~ (b) A company that knowingly makes and files an inaccurate or false report is  
13.27 ~~liable for a fine in an amount not less than \$25 nor more than \$1,000, as determined by the~~  
13.28 ~~commissioner~~ may be prosecuted under section 609.41, and the commissioner of commerce  
13.29 may revoke the company's certificate of authority.

13.30 **EFFECTIVE DATE.** This section is effective for reports required to be filed after  
13.31 December 31, 2020.

14.1 Sec. 3. Minnesota Statutes 2019 Supplement, section 477B.01, is amended by adding a  
14.2 subdivision to read:

14.3 Subd. 1a. **Apportionment agreement.** "Apportionment agreement" means an agreement  
14.4 between two or more fire departments that provide contracted fire protection service to the  
14.5 same municipality and establishes the percentage of the population and the percentage of  
14.6 the estimated market value within the municipality serviced by each fire department.

14.7 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
14.8 and thereafter.

14.9 Sec. 4. Minnesota Statutes 2019 Supplement, section 477B.01, subdivision 5, is amended  
14.10 to read:

14.11 Subd. 5. **Fire department.** (a) "Fire department" ~~includes~~ means:

14.12 (1) a municipal fire department and;

14.13 (2) an independent nonprofit firefighting corporation;

14.14 (3) a fire department established as or operated by a joint powers entity; or

14.15 (4) a fire protection special taxing district.

14.16 (b) This subdivision only applies to this chapter.

14.17 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
14.18 and thereafter.

14.19 Sec. 5. Minnesota Statutes 2019 Supplement, section 477B.01, is amended by adding a  
14.20 subdivision to read:

14.21 Subd. 6a. **Fire protection special taxing district.** "Fire protection special taxing district"  
14.22 means a special taxing district authorized by law or statute that provides fire protection  
14.23 services within the district and may exercise all the powers of the local governments that  
14.24 relate to fire protection within the district.

14.25 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
14.26 and thereafter.

14.27 Sec. 6. Minnesota Statutes 2019 Supplement, section 477B.01, is amended by adding a  
14.28 subdivision to read:

14.29 Subd. 7a. **Joint powers entity.** "Joint powers entity" means a joint powers entity under  
14.30 section 471.59.

15.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
15.2 and thereafter.

15.3 Sec. 7. Minnesota Statutes 2019 Supplement, section 477B.01, subdivision 10, is amended  
15.4 to read:

15.5 Subd. 10. **Municipality.** (a) "Municipality" means:

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

15.7 (2) an organized town;

15.8 (3) ~~a park district subject to chapter 398~~ a joint powers entity;

15.9 (4) ~~the University of Minnesota~~ a fire protection special taxing district; and or

15.10 (5) an American Indian tribal government entity located within a federally recognized  
15.11 American Indian reservation.

15.12 (b) This subdivision only applies to this chapter ~~477B~~.

15.13 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
15.14 and thereafter.

15.15 Sec. 8. Minnesota Statutes 2019 Supplement, section 477B.01, subdivision 11, is amended  
15.16 to read:

15.17 Subd. 11. **Secretary.** (a) "Secretary" means:

15.18 (1) the secretary of an independent nonprofit firefighting corporation that has a subsidiary  
15.19 incorporated firefighters' relief association or whose firefighters participate in the voluntary  
15.20 statewide volunteer firefighter retirement plan; or

15.21 (2) the secretary of a joint powers entity or fire protection special taxing district or, if  
15.22 there is no such person, the person primarily responsible for managing the finances of a  
15.23 joint powers entity or fire protection special taxing district.

15.24 (b) This subdivision only applies to this chapter.

15.25 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
15.26 and thereafter.

16.1 Sec. 9. Minnesota Statutes 2019 Supplement, section 477B.02, subdivision 2, is amended  
16.2 to read:

16.3 Subd. 2. **Establishment of fire department.** (a) An independent nonprofit firefighting  
16.4 corporation must be created under the nonprofit corporation act of this state operating for  
16.5 the exclusive purpose of firefighting, or the governing body of a municipality must officially  
16.6 establish a fire department.

16.7 (b) The fire department must have provided firefighting services for at least one calendar  
16.8 year, and must have a current fire department identification number issued by the state fire  
16.9 marshal.

16.10 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
16.11 and thereafter.

16.12 Sec. 10. Minnesota Statutes 2019 Supplement, section 477B.02, subdivision 3, is amended  
16.13 to read:

16.14 Subd. 3. ~~**Personnel and Benefits requirements.** (a) A fire department must have a~~  
16.15 ~~minimum of ten paid or volunteer firefighters, including a fire chief and assistant fire chief.~~

16.16 ~~(b) The fire department must have regular scheduled meetings and frequent drills that~~  
16.17 ~~include instructions in firefighting tactics and in the use, care, and operation of all fire~~  
16.18 ~~apparatus and equipment.~~

16.19 ~~(c)~~ (a) The fire department must have a separate subsidiary incorporated firefighters'  
16.20 relief association that provides retirement benefits or must participate in the voluntary  
16.21 statewide volunteer firefighter retirement plan; or if the municipality solely employs full-time  
16.22 firefighters as defined in section 299N.03, subdivision 5, retirement coverage must be  
16.23 provided by the public employees police and fire retirement plan. For purposes of retirement  
16.24 benefits, a fire department may be associated with only one volunteer firefighters' relief  
16.25 association or one account in the voluntary statewide volunteer firefighter retirement plan  
16.26 at one time.

16.27 ~~(d)~~ (b) Notwithstanding paragraph ~~(c)~~ (a), a municipality without a relief association as  
16.28 described under section 424A.08, paragraph (a), may still qualify to receive fire state aid if  
16.29 all other requirements of this section are met.

16.30 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
16.31 and thereafter.



17.1 Sec. 11. Minnesota Statutes 2019 Supplement, section 477B.02, is amended by adding a  
17.2 subdivision to read:

17.3 Subd. 4a. **Public safety answering point requirement.** The fire department must be  
17.4 dispatched by a public safety answering point as defined in section 403.02, subdivision 19.

17.5 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
17.6 and thereafter.

17.7 Sec. 12. Minnesota Statutes 2019 Supplement, section 477B.02, subdivision 5, is amended  
17.8 to read:

17.9 Subd. 5. **Fire service contract or agreement; apportionment agreement filing**  
17.10 **requirement.** (a) Every municipality or independent nonprofit firefighting corporation must  
17.11 file a copy of any duly executed and valid fire service contract ~~or agreement~~ with the  
17.12 commissioner. A written notification of contract termination must be filed with the  
17.13 commissioner when a fire service contract is terminated.

17.14 (b) If more than one fire department provides service to a municipality, the fire  
17.15 departments furnishing service must ~~enter into an agreement apportioning among themselves~~  
17.16 ~~the percentage of the population and the percentage of the estimated market value of each~~  
17.17 ~~shared service fire department service area. The agreement must be in writing and must be~~  
17.18 ~~filed~~ file an apportionment agreement with the commissioner.

17.19 (c) When a municipality is a joint powers entity, it must file its joint powers agreement  
17.20 with the commissioner. If the joint powers agreement does not include sufficient information  
17.21 defining the fire department service area of the joint powers entity for the purposes of  
17.22 calculating fire state aid, the secretary must file a written statement with the commissioner  
17.23 defining the fire department service area.

17.24 (d) When a municipality is a fire protection special taxing district, it must file its  
17.25 resolution establishing the fire protection special taxing district, and any agreements required  
17.26 for the establishment of the fire protection special taxing district, with the commissioner.  
17.27 If the resolution or agreement does not include sufficient information defining the fire  
17.28 department service area of the fire protection special taxing district, the secretary must file  
17.29 a written statement with the commissioner defining the fire department service area.

17.30 (e) The commissioner shall prescribe the format, manner, and time of filing of a written  
17.31 notification of contract termination, an apportionment agreement, a joint powers agreement,  
17.32 a resolution, or a written statement under paragraphs (a) to (d).

(f) A document filed with the commissioner under this subdivision must be refiled any time it is updated. An apportionment agreement must be refiled only when a change in the averaged sum of the percentage of population and percentage of estimated market value serviced by a fire department subject to the apportionment agreement is at least one percent. The percentage amount must be rounded to the nearest whole percentage.

(g) Upon the request of the commissioner, the county auditor must provide information that the commissioner requires to accurately apportion the estimated market value of a fire department service area for a fire department providing service to an unorganized territory located in the county.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021 and thereafter.

Sec. 13. Minnesota Statutes 2019 Supplement, section 477B.02, subdivision 8, is amended to read:

Subd. 8. **PERA certification to commissioner.** On or before February 1 each year, if ~~retirement coverage for a fire department is provided by the voluntary statewide volunteer firefighter retirement plan,~~ the executive director of the Public Employees Retirement Association must certify the existence of retirement coverage to the commissioner the fire departments that transferred retirement coverage to, or terminated participation in, the voluntary statewide volunteer firefighter retirement plan since the previous certification under this paragraph.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021 and thereafter.

Sec. 14. Minnesota Statutes 2019 Supplement, section 477B.02, subdivision 9, is amended to read:

Subd. 9. **Fire department certification to commissioner.** On or before March 15 of each year, the municipal clerk or the secretary, ~~and the fire chief,~~ must jointly certify to the commissioner ~~that the fire department exists and meets the qualification requirements of this section~~ the fire department service area as of December 31 of the previous year, and that the fire department meets the qualification requirements of this section. The fire department must provide the commissioner with documentation that the commissioner deems necessary for determining eligibility for fire state aid or for calculating and apportioning fire state aid under section 477B.03. The certification must be on a form prescribed by the commissioner and must include all other information that the commissioner

19.1 requires. The municipal clerk or the secretary must send a copy of the certification filed  
 19.2 under this subdivision to the fire chief within five business days of the date the certification  
 19.3 was filed with the commissioner.

19.4 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
 19.5 and thereafter.

19.6 Sec. 15. Minnesota Statutes 2019 Supplement, section 477B.02, subdivision 10, is amended  
 19.7 to read:

19.8 Subd. 10. **Penalty for failure to file or correct certification.** (a) If the certification  
 19.9 under subdivision 9 is not filed with the commissioner on or before March 15 1, the  
 19.10 commissioner must notify the municipal clerk or the secretary that a penalty ~~equal to a~~  
 19.11 ~~portion or all of the current year aid will apply if the certification is not received within ten~~  
 19.12 ~~days of the postmark date of the notification~~ will be deducted from fire state aid certified  
 19.13 for the current year if the certification is not filed on or before March 15.

19.14 (b) If the commissioner rejects the certification by the municipal clerk or secretary under  
 19.15 subdivision 9 for inaccurate or incomplete information, the municipal clerk or the secretary  
 19.16 must file a corrective certification after taking corrective action as identified by the  
 19.17 commissioner in the notice of rejection. The corrective certification must be filed within  
 19.18 30 days of the date on the notice of rejection.

19.19 ~~(b)~~ (c) A penalty applies to (1) a certification under subdivision 9 filed after March 15  
 19.20 and (2) a corrective certification under paragraph (b) filed after March 15 that is also filed  
 19.21 more than 30 days after the date on the notice of rejection. The penalty for failure to file  
 19.22 ~~the certification under subdivision 9~~ is equal to the amount of fire state aid determined for  
 19.23 the municipality or the independent nonprofit firefighting corporation for the current year,  
 19.24 multiplied by five ~~ten~~ percent for each week or fraction of a week that the certification or  
 19.25 corrective certification is late filed after March 15. The penalty must be computed beginning  
 19.26 ~~ten days after the postmark date of the commissioner's notification.~~ Aid amounts forfeited  
 19.27 as a result of the penalty revert to the state general fund. Failure to receive the certification  
 19.28 form is not a defense for a failure to file.

19.29 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
 19.30 and thereafter.

20.1 Sec. 16. Minnesota Statutes 2019 Supplement, section 477B.03, subdivision 3, is amended  
20.2 to read:

20.3 Subd. 3. **Population and estimated market value.** (a) ~~Official statewide federal census~~  
20.4 ~~figures~~ Population estimates made by the state demographer pursuant to section 4A.02,  
20.5 paragraph (d), must be used in calculations requiring the use of population figures under  
20.6 this chapter. ~~Increases or decreases in population disclosed by reason of any special census~~  
20.7 ~~must not be taken into consideration.~~

20.8 (b) The latest available estimated market value property figures must be used in  
20.9 calculations requiring the use of estimated market value property figures under this chapter.

20.10 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
20.11 and thereafter.

20.12 Sec. 17. Minnesota Statutes 2019 Supplement, section 477B.03, subdivision 4, is amended  
20.13 to read:

20.14 Subd. 4. **Initial fire state aid allocation amount.** (a) The initial fire state aid allocation  
20.15 amount is the amount available for apportionment as fire state aid under subdivision 2,  
20.16 without the inclusion of any additional funding amount to support a minimum fire state aid  
20.17 amount under section 423A.02, subdivision 3. The initial fire state aid allocation amount  
20.18 is allocated one-half in proportion to the population for each fire department service area  
20.19 and one-half in proportion to the estimated market value of each fire department service  
20.20 area, including (1) the estimated market value of tax-exempt property, and (2) the estimated  
20.21 market value of natural resources lands receiving in lieu payments under sections 477A.11  
20.22 to 477A.14 and 477A.17. The estimated market value of minerals is excluded.

20.23 (b) In the case of a municipality or independent nonprofit firefighting corporation  
20.24 furnishing fire protection to other municipalities as evidenced by valid fire service contracts,  
20.25 joint powers agreements, resolutions, and other supporting documents filed with the  
20.26 commissioner under section 477B.02, subdivision 5, the distribution must be adjusted  
20.27 proportionately to take into consideration the crossover fire protection service. Necessary  
20.28 adjustments must be made to subsequent apportionments.

20.29 (c) In the case of municipalities or independent nonprofit firefighting corporations  
20.30 qualifying for aid, the commissioner must calculate the state aid for the municipality or  
20.31 independent nonprofit firefighting corporation on the basis of the population and the estimated  
20.32 market value of the area furnished fire protection service by the fire department as evidenced

21.1 by valid fire service agreements contracts, joint powers agreements, resolutions, and other  
21.2 supporting documents filed with the commissioner under section 477B.02, subdivision 5.

21.3 (d) In the case of more than one fire department furnishing contracted fire service to a  
21.4 municipality, the population and estimated market value in the apportionment agreement  
21.5 filed with the commissioner under section 477B.02, subdivision 5, must be used in calculating  
21.6 the state aid.

21.7 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
21.8 and thereafter.

21.9 Sec. 18. Minnesota Statutes 2019 Supplement, section 477B.03, subdivision 7, is amended  
21.10 to read:

21.11 Subd. 7. **Appeal.** A municipality, an independent nonprofit firefighting corporation, a  
21.12 fire relief association, or the voluntary statewide volunteer firefighter retirement plan may  
21.13 object to the amount of fire state aid apportioned to it by filing a written request with the  
21.14 commissioner to review and adjust the apportionment of funds within the state. The objection  
21.15 of a municipality, an independent nonprofit firefighting corporation, a fire relief association,  
21.16 or the voluntary statewide volunteer firefighter retirement plan must be filed with the  
21.17 commissioner within 60 days of the date the amount of apportioned fire state aid is paid.  
21.18 The decision of the commissioner is subject to appeal, review, and adjustment by the district  
21.19 court in the county in which the applicable municipality or independent nonprofit firefighting  
21.20 corporation is located or by the Ramsey County District Court with respect to the voluntary  
21.21 statewide volunteer firefighter retirement plan.

21.22 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
21.23 and thereafter.

21.24 Sec. 19. Minnesota Statutes 2019 Supplement, section 477B.04, subdivision 1, is amended  
21.25 to read:

21.26 Subdivision 1. **Payments.** (a) The commissioner must make payments to the Public  
21.27 Employees Retirement Association for deposit in the voluntary statewide volunteer firefighter  
21.28 retirement fund on behalf of a municipality or independent nonprofit firefighting corporation  
21.29 that is a member of the voluntary statewide volunteer firefighter retirement plan under  
21.30 chapter 353G, ~~or directly to a municipality or county designated by an independent nonprofit~~  
21.31 ~~firefighting corporation.~~ The commissioner must directly pay all other municipalities  
21.32 qualifying for fire state aid, except as provided in paragraph (d). The payment is equal to

22.1 the amount of fire state aid apportioned to the applicable fire state aid recipient under section  
22.2 477B.03.

22.3 (b) Fire state aid is payable on October 1 annually. The amount of state aid due and not  
22.4 paid by October 1 accrues interest payable to the recipient at the rate of one percent for each  
22.5 month or part of a month that the amount remains unpaid after October 1.

22.6 (c) In the event of noncompliance with sections 424A.014 and 477B.02, subdivision 7,  
22.7 the amount of fire state aid apportioned to a municipality or independent nonprofit firefighting  
22.8 corporation under section 477B.03 must be withheld from payment to the Public Employees  
22.9 Retirement Association or the municipality. The commissioner of revenue must issue a  
22.10 withheld payment within ten business days of receipt of a financial compliance report under  
22.11 section 6.495, subdivision 3, certifying that the municipality or independent nonprofit  
22.12 firefighting corporation has fulfilled the requirements of sections 424A.014 and 477B.02,  
22.13 subdivision 7. The interest under paragraph (b) does not apply when to a payment has not  
22.14 been made by October 1 due to noncompliance with sections 424A.014 and 477B.02,  
22.15 subdivision 7 withheld under this paragraph.

22.16 (d) A joint powers entity must designate the city or town to be paid fire state aid on its  
22.17 behalf in the first year the joint powers entity qualifies for fire state aid. An independent  
22.18 nonprofit firefighting corporation must designate the city or town within its fire department  
22.19 service area to be paid fire state aid on its behalf in the first year the independent nonprofit  
22.20 firefighting corporation qualifies for fire state aid. If there is no city or town within the fire  
22.21 department service area of an independent nonprofit firefighting corporation, fire state aid  
22.22 must be paid to the county where the independent nonprofit firefighting corporation is  
22.23 located. A local government payment designation under this paragraph must be in writing  
22.24 in the form and manner and at the time prescribed by the commissioner.

22.25 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
22.26 and thereafter.

22.27 Sec. 20. Minnesota Statutes 2019 Supplement, section 477B.04, is amended by adding a  
22.28 subdivision to read:

22.29 **Subd. 4. Aid amount corrections.** (a) An adjustment needed to correct a fire state aid  
22.30 overpayment or underpayment due to a clerical error must be made to subsequent fire state  
22.31 aid payments as provided in paragraphs (b) and (c). The authority to correct an aid payment  
22.32 under this subdivision is limited to three years after the payment was issued.

(b) If the adjustment equals more than ten percent of the most recently paid aid amount, the commissioner must reduce the aid a municipality or independent nonprofit firefighting corporation is to receive by the amount overpaid over a period of no more than three years. If the adjustment equals or is less than ten percent of the most recently paid aid amount, the commissioner must reduce the next aid payment occurring in 30 days or more by the amount overpaid.

(c) In the event of an underpayment, the commissioner must distribute the amount of underpaid funds to the municipality or independent nonprofit firefighting corporation over a period of no more than three years. An additional distribution to a municipality or independent nonprofit firefighting corporation must be paid from the general fund and must not diminish the payments made to other municipalities or independent nonprofit firefighting corporations under this chapter.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021 and thereafter.

Sec. 21. Minnesota Statutes 2019 Supplement, section 477C.02, subdivision 4, is amended to read:

Subd. 4. **Penalty for failure to file or correct certification.** (a) If a certification under subdivision 1 or 2 is not filed with the commissioner on or before March 15, the commissioner must notify the municipal clerk, municipal clerk-treasurer, or county auditor that a penalty equal to a portion or all of its current year aid will apply if the certification is not received within ten days will be deducted from police state aid certified for the current year if the certification is not filed on or before March 15.

(b) If the commissioner rejects the certification under subdivision 1 or 2 for inaccurate or incomplete information, the municipal clerk, municipal clerk-treasurer, or county auditor must file a corrective certification after taking corrective action as identified by the commissioner in the notice of rejection. The corrective certification must be filed within 30 days of the date on the notice of rejection.

~~(b)~~ (c) A penalty applies to (1) a certification under subdivisions 1 and 2 filed after March 15 and (2) a corrective certification under paragraph (b) filed after March 15 that is also filed more than 30 days after the date on the notice of rejection. The penalty for failure to file the certification under subdivision 1 or 2 is equal to the amount of police state aid determined for the municipality for the current year, multiplied by five ten percent for each week or fraction of a week that the certification or corrective certification is late filed after March 15. The penalty must be computed beginning ten days after the postmark date of the

24.1 ~~commissioner's notification as required under this subdivision.~~ All aid amounts forfeited  
24.2 as a result of the penalty revert to the state general fund. Failure to receive the certification  
24.3 form may not be used as a defense for a failure to file.

24.4 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
24.5 and thereafter.

24.6 Sec. 22. Minnesota Statutes 2019 Supplement, section 477C.03, subdivision 2, is amended  
24.7 to read:

24.8 Subd. 2. **Apportionment of police state aid.** (a) The total amount available for  
24.9 apportionment as police state aid is equal to 104 percent of the amount of premium taxes  
24.10 paid to the state on the premiums reported to the commissioner by companies or insurance  
24.11 companies on the Minnesota Aid to Police Premium Report. The total amount for  
24.12 apportionment for the police state aid program must not be less than two percent of the  
24.13 amount of premiums reported to the commissioner by companies or insurance companies  
24.14 on the Minnesota Aid to Police Premium Report.

24.15 (b) The commissioner must calculate the percentage of increase or decrease reflected in  
24.16 the apportionment over or under the previous year's available state aid using the same  
24.17 premiums as a basis for comparison.

24.18 (c) In addition to the amount for apportionment of police state aid under paragraph (a),  
24.19 each year \$100,000 must be apportioned for police state aid. An amount sufficient to pay  
24.20 this increase is annually appropriated from the general fund.

24.21 (d) The commissioner must apportion police state aid to all municipalities in proportion  
24.22 to the relationship that the total number of peace officers employed by that municipality for  
24.23 the prior calendar year and the proportional or fractional number who were employed less  
24.24 than a calendar year as credited under section 477C.02, subdivision 1, paragraph (c), bears  
24.25 to the total number of peace officers employed by all municipalities subject to any reduction  
24.26 under subdivision 3.

24.27 ~~(e) Any necessary additional adjustments must be made to subsequent police state aid~~  
24.28 ~~apportionments.~~

24.29 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
24.30 and thereafter.



25.1 Sec. 23. Minnesota Statutes 2019 Supplement, section 477C.03, subdivision 5, is amended  
25.2 to read:

25.3 Subd. 5. **Appeal.** A municipality may object to the amount of police state aid apportioned  
25.4 to it by filing a written request with the commissioner to review and adjust the apportionment  
25.5 of funds to the municipality. The objection of a municipality must be filed with the  
25.6 commissioner within 60 days of the date the amount of apportioned police state aid is paid.  
25.7 The decision of the commissioner is subject to appeal, review, and adjustment by the district  
25.8 court in the county in which the applicable municipality is located or by the Ramsey County  
25.9 District Court with respect to the Departments of Natural Resources or Public Safety.

25.10 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
25.11 and thereafter.

25.12 Sec. 24. Minnesota Statutes 2019 Supplement, section 477C.04, is amended by adding a  
25.13 subdivision to read:

25.14 Subd. 4. **Aid amount corrections.** (a) An adjustment needed to correct a police state  
25.15 aid overpayment or underpayment due to a clerical error must be made to subsequent police  
25.16 state aid payments as provided in paragraphs (b) and (c). The authority to correct an aid  
25.17 payment under this subdivision is limited to three years after the payment was issued.

25.18 (b) If the adjustment equals more than ten percent of the most recently paid aid amount,  
25.19 the commissioner must reduce the aid a municipality is to receive by the amount overpaid  
25.20 over a period of no more than three years. If the adjustment equals or is less than ten percent  
25.21 of the most recently paid aid amount, the commissioner must reduce the next aid payment  
25.22 occurring in 30 days or more by the amount overpaid.

25.23 (c) In the event of an underpayment, the commissioner must distribute the amount of  
25.24 underpaid funds to the municipality over a period of no more than three years. An additional  
25.25 distribution to a municipality must be paid from the general fund and must not diminish the  
25.26 payments made to other municipalities under this chapter.

25.27 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
25.28 and thereafter.

25.29 Sec. 25. **REPEALER.**

25.30 Minnesota Statutes 2019 Supplement, sections 477B.02, subdivision 4; and 477B.03,  
25.31 subdivision 6, are repealed.

26.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2021  
26.2 and thereafter.

26.3 **ARTICLE 3**  
26.4 **MISCELLANEOUS**

26.5 Section 1. Minnesota Statutes 2019 Supplement, section 270C.22, subdivision 1, is amended  
26.6 to read:

26.7 Subdivision 1. **Adjustment; definition; period; rounding.** (a) The commissioner shall  
26.8 annually make a cost of living adjustment to the dollar amounts noted in sections that  
26.9 reference this section. The commissioner shall adjust the amounts based on the index as  
26.10 provided in this section. For purposes of this section, "index" means the Chained Consumer  
26.11 Price Index for All Urban Consumers published by the Bureau of Labor Statistics. The  
26.12 values of the index used to determine the adjustments under this section are the latest  
26.13 published values when the Bureau of Labor Statistics publishes the initial value of the index  
26.14 for August of the year preceding the year to which the adjustment applies.

26.15 (b) For the purposes of this section, "statutory year" means the year preceding the first  
26.16 year for which dollar amounts are to be adjusted for inflation under sections that reference  
26.17 this section. For adjustments under chapter 290A, the statutory year refers to the year in  
26.18 which a taxpayer's household income used to calculate refunds under chapter 290A was  
26.19 earned and not the year in which refunds are payable. For all other adjustments, the statutory  
26.20 year refers to the taxable year unless otherwise specified.

26.21 (c) To determine the dollar amounts for taxable year 2020, the commissioner shall  
26.22 determine the percentage change in the index for the 12-month period ending on August  
26.23 31, 2019, and increase each of the unrounded dollar amounts in the sections referencing  
26.24 this section by that percentage change. For each subsequent taxable year, the commissioner  
26.25 shall increase the dollar amounts by the percentage change in the index from August 31 of  
26.26 the year preceding the statutory year to August 31 of the year preceding the taxable year.

26.27 (d) To determine the dollar amounts for refunds payable in 2020 under chapter 290A,  
26.28 the commissioner shall determine the percentage change in the index for the 12-month  
26.29 period ending on August 31, 2019, and increase each of the unrounded dollar amounts in  
26.30 the sections referencing this section by that percentage change. For each subsequent year,  
26.31 the commissioner shall increase the dollar amounts by the percentage change in the index  
26.32 from August 31 of the ~~year preceding the~~ statutory year to August 31 of the year preceding  
26.33 the year in which refunds are payable.

(e) Unless otherwise provided, the commissioner shall round the amounts as adjusted to the nearest \$10 amount. If an amount ends in \$5, the amount is rounded up to the nearest \$10 amount.

**EFFECTIVE DATE.** This section is effective for property tax refunds based on property taxes payable in 2020, and rent paid in 2019.

Sec. 2. Minnesota Statutes 2019 Supplement, section 290A.19, is amended to read:

**290A.19 OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE.**

(a) The owner or managing agent of any property for which rent is paid for occupancy as a homestead must furnish a certificate of rent paid to a person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves before December 31, the owner or managing agent may give the certificate to the renter at the time of moving, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate must be made available to the renter before February 1 of the year following the year in which the rent was paid. The owner or managing agent must retain a duplicate of each certificate or an equivalent record showing the same information for a period of three years. The duplicate or other record must be made available to the commissioner upon request.

(b) The commissioner may require the owner or managing agent, through a simple process, to furnish to the commissioner on or before March 1 a copy of each certificate of rent paid furnished to a renter for rent paid in the prior year. The commissioner shall prescribe the content, format, and manner of the form pursuant to section 270C.30. The commissioner may require the Social Security number, individual taxpayer identification number, federal employer identification number, or Minnesota taxpayer identification number of the owner or managing agent who is required to furnish a certificate of rent paid under this paragraph. Prior to implementation, the commissioner, after consulting with representatives of owners or managing agents, shall develop an implementation and administration plan for the requirements of this paragraph that attempts to minimize financial burdens, administration and compliance costs, and takes into consideration existing systems of owners and managing agents.

(c) For the purposes of this section, "owner" includes a park owner as defined under section 327C.01, subdivision 6, and "property" includes a lot as defined under section 327C.01, subdivision 3.

- 28.1 **EFFECTIVE DATE.** This section is effective for certificates of rent paid furnished to
- 28.2 a renter for rent paid after December 31, 2019.
- 28.3 Sec. 3. **REPEALER.**
- 28.4 Minnesota Statutes 2018, section 270C.17, subdivision 2, is repealed.
- 28.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

**270C.17 COMMISSIONER TO COLLECT CERTAIN LOCAL TAXES.**

Subd. 2. **Development costs.** If the commissioner determines that a new computer system will be required to collect the local taxes, the costs of development of the system will be charged to the first local units of government to be included in the system. Any additional local units of government that by agreement are added to the system will be charged for a share of the development costs. The charge will be determined by the commissioner who shall then refund to the original local units of government their portion of the development costs recovered from the additional users.

**477B.02 QUALIFYING FOR FIRE STATE AID.**

Subd. 4. **Equipment requirements.** The fire department must have all of the following equipment, or the equivalent as determined by the state fire marshal, by December 31 of the year preceding the certification required in subdivision 8:

- (1) a motorized fire truck equipped with:
  - (i) a motorized pump;
  - (ii) a 250-gallon or larger water tank;
  - (iii) 300 feet of one inch or larger fire hose in two lines with combination spray and straight stream nozzles;
  - (iv) five-gallon hand pumps - tank extinguisher or equivalent;
  - (v) a dry chemical extinguisher or equivalent;
  - (vi) ladders;
  - (vii) extension ladders;
  - (viii) pike poles;
  - (ix) crowbars;
  - (x) axes;
  - (xi) lanterns; and
  - (xii) fire coats, helmets, and boots;
- (2) the items in clause (1) suitably housed in a building of good construction with facilities for care of hoses and equipment;
- (3) a reliable and adequate method of receiving fire alarms by telephone or with electric siren and suitable means of sounding an alarm; and
- (4) if response is to be provided outside the corporate limits of the municipality where the fire department is located, another piece of motorized apparatus to make the response.

**477B.03 CALCULATION OF FIRE STATE AID; APPEAL.**

Subd. 6. **Corrective aid adjustments.** Any adjustments needed to correct prior misallocations must be made to subsequent fire state aid apportionments.