

1.1 CONFERENCE COMMITTEE REPORT ON H. F. No. 1938

1.2 A bill for an act

1.3 relating to financing and operation of state and local government; modifying  
1.4 provisions governing individual income and corporate franchise taxes, federal  
1.5 conformity, property taxes, certain state aid and credit programs, sales and use  
1.6 taxes, minerals taxes, tax increment financing, certain local taxes, provisions related  
1.7 to public finance, and various other taxes and tax-related provisions; modifying  
1.8 income tax credits; modifying existing and proposing new subtractions; modifying  
1.9 provisions related to the taxation of pass-through entities; providing for certain  
1.10 federal tax conformity; modifying individual income tax rates; modifying provisions  
1.11 related to reporting of corporate income; providing a onetime refundable rebate  
1.12 credit; providing for conformity to certain federal tax provisions; modifying  
1.13 property tax exemptions, classifications, and refunds; modifying local government  
1.14 aid calculations; establishing soil and water conservation district aid; providing  
1.15 for certain sales tax exemptions and providing new definitions; modifying taconite  
1.16 taxes and distributions; converting the renter's property tax refund into a refundable  
1.17 individual income tax credit; modifying provisions related to tax increment  
1.18 financing and allowing certain special local provisions; modifying certain local  
1.19 taxes; establishing tourism improvement special taxing districts; requiring reports;  
1.20 appropriating money; amending Minnesota Statutes 2022, sections 3.8855,  
1.21 subdivisions 4, 7; 6.495, subdivision 3; 10A.31, subdivisions 1, 3; 13.46,  
1.22 subdivision 2; 41B.0391, subdivisions 1, 2, 4, 7; 116U.27, subdivisions 1, 4, 7;  
1.23 118A.04, subdivision 5; 123B.61; 168B.07, subdivision 3; 256J.45, subdivision  
1.24 2; 256L.15, subdivision 1a; 270A.03, subdivision 2; 270B.12, subdivision 8;  
1.25 270B.14, subdivision 1; 270C.13, subdivision 1; 270C.19, subdivisions 1, 2;  
1.26 270C.445, subdivisions 2, 3; 270C.446, subdivision 2; 270C.52, subdivision 2;  
1.27 272.01, subdivision 2; 272.02, subdivisions 24, 73, 98, by adding a subdivision;  
1.28 273.11, subdivision 12; 273.124, subdivisions 6, 13, 13a, 13c, 13d, 14; 273.1245,  
1.29 subdivision 1; 273.13, subdivisions 25, 34, 35; 273.1315, subdivision 2; 273.1341;  
1.30 273.1392; 275.065, subdivisions 3, 3b, 4; 278.01, subdivision 1; 279.03, subdivision  
1.31 1a; 282.261, subdivision 2; 289A.02, subdivision 7, as amended; 289A.08,  
1.32 subdivisions 7, as amended, 7a, as amended, by adding subdivisions; 289A.18,  
1.33 subdivision 5; 289A.38, subdivision 4; 289A.382, subdivision 2; 289A.50, by  
1.34 adding a subdivision; 289A.56, subdivision 6; 289A.60, subdivisions 12, 13, 28;  
1.35 290.01, subdivisions 19, as amended, 31, as amended; 290.0132, subdivisions 4,  
1.36 24, 26, 27, by adding subdivisions; 290.0133, subdivision 6; 290.0134, subdivision  
1.37 18, by adding a subdivision; 290.06, subdivisions 2c, as amended, 2d, 22, 39;  
1.38 290.067; 290.0671, as amended; 290.0674; 290.0677, subdivision 1; 290.0682,  
1.39 subdivision 2, by adding a subdivision; 290.0685, subdivision 1, by adding a  
1.40 subdivision; 290.0686; 290.091, subdivision 2, as amended; 290.17, subdivision  
1.41 4, by adding a subdivision; 290.21, subdivision 9; 290.92, subdivision 20; 290.9705,  
1.42 subdivision 1; 290A.02; 290A.03, subdivisions 3, 6, 8, 12, 13, 15, as amended, by  
1.43 adding a subdivision; 290A.04, subdivisions 1, 2, 2h, 4, 5; 290A.05; 290A.07,

2.1 subdivision 2a; 290A.08; 290A.09; 290A.091; 290A.13; 290A.19; 290A.25;  
2.2 290B.03, subdivision 1; 290B.04, subdivisions 3, 4; 290B.05, subdivision 1;  
2.3 291.005, subdivision 1, as amended; 295.50, subdivision 4; 296A.083, subdivision  
2.4 3; 297A.61, subdivision 29, by adding subdivisions; 297A.67, subdivisions 2, 7,  
2.5 9; 297A.68, subdivisions 4, 25; 297A.70, subdivisions 2, 4, 18, 19; 297E.02,  
2.6 subdivision 6; 297E.021, subdivision 4; 297H.13, subdivision 2; 297I.20,  
2.7 subdivision 4; 298.015; 298.018, subdivisions 1, 1a; 298.28, subdivisions 5, 7a,  
2.8 by adding a subdivision; 298.296, subdivision 4; 299C.76, subdivisions 1, 2;  
2.9 327C.02, subdivision 5; 349.11; 349.12, subdivisions 12b, 12c, by adding a  
2.10 subdivision; 366.095, subdivision 1; 373.01, subdivision 3; 383B.117, subdivision  
2.11 2; 410.32; 412.301; 462A.05, subdivision 24; 462A.38; 469.033, subdivision 6;  
2.12 469.053, subdivisions 4, 6; 469.107, subdivision 1; 469.174, subdivision 14, by  
2.13 adding a subdivision; 469.175, subdivision 6; 469.176, subdivisions 3, 4; 469.1761,  
2.14 subdivision 1; 469.1763, subdivisions 2, 3, 4, 6; 469.1771, subdivisions 2, 2a, 3;  
2.15 474A.02, subdivisions 22b, 23a; 475.54, subdivision 1; 477A.011, subdivision 34,  
2.16 by adding subdivisions; 477A.0124, subdivision 2; 477A.013, subdivisions 8, 9;  
2.17 477A.03, subdivisions 2a, 2b, by adding a subdivision; 477A.12, subdivisions 1,  
2.18 3, by adding a subdivision; 477A.30; 477B.01, subdivisions 5, 10, 11, by adding  
2.19 subdivisions; 477B.02, subdivisions 2, 3, 5, 8, 9, 10, by adding a subdivision;  
2.20 477B.03, subdivisions 2, 3, 4, 5, 7; 477B.04, subdivision 1, by adding a subdivision;  
2.21 477C.02, subdivision 4; 477C.03, subdivisions 2, 5; 477C.04, by adding a  
2.22 subdivision; 514.972, subdivision 5; Laws 1971, chapter 773, section 1, subdivision  
2.23 2, as amended; Laws 1980, chapter 511, sections 1, subdivision 2, as amended; 2,  
2.24 as amended; Laws 2006, chapter 259, article 11, section 3, as amended; Laws  
2.25 2008, chapter 366, article 5, sections 26, as amended; 36, subdivisions 1, 3, as  
2.26 amended; article 7, section 17; article 17, section 6; Laws 2014, chapter 308, article  
2.27 6, section 12, subdivision 2; Laws 2023, chapter 1, section 15; proposing coding  
2.28 for new law in Minnesota Statutes, chapters 16A; 181; 290; 477A; proposing  
2.29 coding for new law as Minnesota Statutes, chapter 428B; repealing Minnesota  
2.30 Statutes 2022, sections 270A.04, subdivision 5; 290.01, subdivision 19i; 290.0131,  
2.31 subdivision 18; 290.0132, subdivision 33; 290A.03, subdivisions 9, 11; 290A.04,  
2.32 subdivision 2a; 290A.23, subdivision 1; 477A.011, subdivisions 30a, 38, 42, 45;  
2.33 477A.013, subdivision 13; 477A.16, subdivisions 1, 2, 3; 477B.02, subdivision 4;  
2.34 477B.03, subdivision 6.

2.35 May 20, 2023

2.36 The Honorable Melissa Hortman  
2.37 Speaker of the House of Representatives

2.38 The Honorable Bobby Joe Champion  
2.39 President of the Senate

2.40 We, the undersigned conferees for H. F. No. 1938 report that we have agreed upon the  
2.41 items in dispute and recommend as follows:

2.42 That the Senate recede from its amendments and that H. F. No. 1938 be further amended  
2.43 as follows:

2.44 Delete everything after the enacting clause and insert:

3.1 "ARTICLE 1

3.2 INDIVIDUAL INCOME AND CORPORATE FRANCHISE TAXES

3.3 Section 1. Minnesota Statutes 2022, section 41B.0391, subdivision 1, is amended to read:

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

3.6 (b) "Agricultural assets" means agricultural land, livestock, facilities, buildings, and  
3.7 machinery used for farming in Minnesota.

3.8 (c) "Beginning farmer" means an individual who:

3.9 (1) is a resident of Minnesota;

3.10 (2) is seeking entry, or has entered within the last ten years, into farming;

3.11 (3) intends to farm land located within the state borders of Minnesota;

3.12 (4) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a  
3.13 family member of the owner of the agricultural assets from whom the beginning farmer is  
3.14 seeking to purchase or rent agricultural assets;

3.15 (5) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a  
3.16 family member of a partner, member, shareholder, or trustee of the owner of agricultural  
3.17 assets from whom the beginning farmer is seeking to purchase or rent agricultural assets;  
3.18 and

3.19 (6) meets the following eligibility requirements as determined by the authority:

3.20 (i) has a net worth that does not exceed the limit provided under section 41B.03,  
3.21 subdivision 3, paragraph (a), clause (2);

3.22 (ii) provides the majority of the day-to-day physical labor and management of the farm;

3.23 (iii) has, by the judgment of the authority, adequate farming experience or demonstrates  
3.24 knowledge in the type of farming for which the beginning farmer seeks assistance from the  
3.25 authority;

3.26 (iv) demonstrates to the authority a profit potential by submitting projected earnings  
3.27 statements;

3.28 (v) asserts to the satisfaction of the authority that farming will be a significant source  
3.29 of income for the beginning farmer;

3.30 (vi) is enrolled in or has completed within ten years of their first year of farming a  
3.31 financial management program approved by the authority or the commissioner of agriculture;

4.1 (vii) agrees to notify the authority if the beginning farmer no longer meets the eligibility  
4.2 requirements within the three-year certification period, in which case the beginning farmer  
4.3 is no longer eligible for credits under this section; and

4.4 (viii) has other qualifications as specified by the authority.

4.5 The authority may waive the requirement in item (vi) if the participant requests a waiver  
4.6 and has a four-year degree in an agricultural program or related field, reasonable agricultural  
4.7 job-related experience, or certification as an adult farm management instructor.

4.8 (d) "Emerging farmer" means an emerging farmer within the meaning of section 17.055,  
4.9 subdivision 1.

4.10 ~~(d)~~ (e) "Family member" means a family member within the meaning of the Internal  
4.11 Revenue Code, section 267(c)(4).

4.12 ~~(e)~~ (f) "Farm product" means plants and animals useful to humans and includes, but is  
4.13 not limited to, forage and sod crops, oilseeds, grain and feed crops, dairy and dairy products,  
4.14 poultry and poultry products, livestock, fruits, and vegetables.

4.15 ~~(f)~~ (g) "Farming" means the active use, management, and operation of real and personal  
4.16 property for the production of a farm product.

4.17 ~~(g)~~ (h) "Owner of agricultural assets" means an individual, trust, or pass-through entity  
4.18 that is the owner in fee of agricultural land or has legal title to any other agricultural asset.  
4.19 Owner of agricultural assets does not mean an equipment dealer, livestock dealer defined  
4.20 in section 17A.03, subdivision 7, or comparable entity that is engaged in the business of  
4.21 selling agricultural assets for profit and that is not engaged in farming as its primary business  
4.22 activity. An owner of agricultural assets approved and certified by the authority under  
4.23 subdivision 4 must notify the authority if the owner no longer meets the definition in this  
4.24 paragraph within the three year certification period and is then no longer eligible for credits  
4.25 under this section.

4.26 ~~(h)~~ (i) "Resident" has the meaning given in section 290.01, subdivision 7.

4.27 ~~(i)~~ (j) "Share rent agreement" means a rental agreement in which the principal  
4.28 consideration given to the owner of agricultural assets is a predetermined portion of the  
4.29 production of farm products produced from the rented agricultural assets and which provides  
4.30 for sharing production costs or risk of loss, or both.

4.31 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
4.32 31, 2022.

5.1 Sec. 2. Minnesota Statutes 2022, section 41B.0391, subdivision 2, is amended to read:

5.2 Subd. 2. **Tax credit for owners of agricultural assets.** (a) An owner of agricultural  
5.3 assets may take a credit against the tax due under chapter 290 for the sale or rental of  
5.4 agricultural assets to a beginning farmer in the amount allocated by the authority under  
5.5 subdivision 4. An owner of agricultural assets is eligible for allocation of a credit equal to:

5.6 (1) ~~five~~ eight percent of the lesser of the sale price or the fair market value of the  
5.7 agricultural asset, up to a maximum of ~~\$32,000~~ \$50,000;

5.8 (2) ten percent of the gross rental income in each of the first, second, and third years of  
5.9 a rental agreement, up to a maximum of \$7,000 per year; or

5.10 (3) 15 percent of the cash equivalent of the gross rental income in each of the first,  
5.11 second, and third years of a share rent agreement, up to a maximum of \$10,000 per year.

5.12 (b) A qualifying rental agreement includes cash rent of agricultural assets or a share rent  
5.13 agreement. The agricultural asset must be rented at prevailing community rates as determined  
5.14 by the authority.

5.15 (c) The credit may be claimed only after approval and certification by the authority, and  
5.16 is limited to the amount stated on the certificate issued under subdivision 4. An owner of  
5.17 agricultural assets must apply to the authority for certification and allocation of a credit, in  
5.18 a form and manner prescribed by the authority.

5.19 (d) An owner of agricultural assets or beginning farmer may terminate a rental agreement,  
5.20 including a share rent agreement, for reasonable cause upon approval of the authority. If a  
5.21 rental agreement is terminated without the fault of the owner of agricultural assets, the tax  
5.22 credits shall not be retroactively disallowed. In determining reasonable cause, the authority  
5.23 must look at which party was at fault in the termination of the agreement. If the authority  
5.24 determines the owner of agricultural assets did not have reasonable cause, the owner of  
5.25 agricultural assets must repay all credits received as a result of the rental agreement to the  
5.26 commissioner of revenue. The repayment is additional income tax for the taxable year in  
5.27 which the authority makes its decision or when a final adjudication under subdivision 5,  
5.28 paragraph (a), is made, whichever is later.

5.29 (e) The credit is limited to the liability for tax as computed under chapter 290 for the  
5.30 taxable year. If the amount of the credit determined under this section for any taxable year  
5.31 exceeds this limitation, the excess is a beginning farmer incentive credit carryover according  
5.32 to section 290.06, subdivision 37.

6.1 (f) For purposes of the credit for the sale of agricultural land only, the family member  
6.2 definitional exclusions in subdivision 1, paragraph (c), clauses (4) and (5), do not apply.  
6.3 For a sale to a family member to qualify for the credit, the sales price of the agricultural  
6.4 land must equal or exceed the assessed value of the land as of the date of the sale. For  
6.5 purposes of this paragraph, "sale to a family member" means a sale to a beginning farmer  
6.6 in which the beginning farmer or the beginning farmer's spouse is a family member of:

6.7 (1) the owner of the agricultural land; or

6.8 (2) a partner, member, shareholder, or trustee of the owner of the agricultural land.

6.9 (g) For a sale to an emerging farmer, the credit rate under paragraph (a), clause (1), is  
6.10 twelve percent rather than eight percent.

6.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
6.12 31, 2022.

6.13 Sec. 3. Minnesota Statutes 2022, section 41B.0391, subdivision 4, is amended to read:

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

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

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

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

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

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

6.30 (b) The certification of a beginning farmer or an owner of agricultural assets under this  
6.31 section is valid for the year of the certification and the two following years, after which

7.1 time the beginning farmer or owner of agricultural assets must apply to the authority for  
7.2 recertification.

7.3 (c) For credits for owners of agricultural assets allowed under subdivision 2, the authority  
7.4 must not allocate more than ~~\$5,000,000 for taxable years beginning after December 31,~~  
7.5 ~~2017, and before January 1, 2019, and must not allocate more than \$6,000,000 for taxable~~  
7.6 ~~years beginning after December 31, 2018~~ \$6,500,000 for taxable years beginning after  
7.7 December 31, 2022, and before January 1, 2024, and \$4,000,000 for taxable years beginning  
7.8 after December 31, 2023. The authority must allocate credits on a first-come, first-served  
7.9 basis beginning on January 1 of each year, except that recertifications for the second and  
7.10 third years of credits under subdivision 2, paragraph (a), clauses (1) and (2), have first  
7.11 priority. Any amount authorized but not allocated for taxable years ending before January  
7.12 1, 2023, is canceled and is not allocated for future taxable years. For taxable years beginning  
7.13 after December 31, 2022, any amount authorized but not allocated in any taxable year does  
7.14 not cancel and is added to the allocation for the next taxable year. For each taxable year,  
7.15 50 percent of newly allocated credits must be allocated to emerging farmers. Any portion  
7.16 of a taxable year's newly allocated credits that is reserved for emerging farmers that is not  
7.17 allocated by September 30 of the taxable year is available for allocation to other credit  
7.18 allocations beginning on October 1.

7.19 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
7.20 31, 2022.

7.21 Sec. 4. Minnesota Statutes 2022, section 41B.0391, subdivision 6, is amended to read:

7.22 Subd. 6. **Report to legislature.** (a) No later than February 1, ~~2022~~ 2024, the Rural  
7.23 Finance Authority, in consultation with the commissioner of revenue, must provide a report  
7.24 to the chairs and ranking minority members of the legislative committees having jurisdiction  
7.25 over agriculture, economic development, rural development, and taxes, in compliance with  
7.26 sections 3.195 and 3.197, on the beginning farmer tax credits under this section issued in  
7.27 tax years beginning after December 31, 2017, and before January 1, ~~2022~~ 2024.

7.28 (b) The report must include background information on beginning farmers in Minnesota  
7.29 and any other information the commissioner and authority find relevant to evaluating the  
7.30 effect of the credits on increasing opportunities for and the number of beginning farmers.

7.31 (c) For credits issued under subdivision 2, paragraph (a), clauses (1) to (3), the report  
7.32 must include:

7.33 (1) the number and amount of credits issued under each clause;

8.1 (2) the geographic distribution of credits issued under each clause;

8.2 (3) the type of agricultural assets for which credits were issued under clause (1);

8.3 (4) the number and geographic distribution of beginning farmers whose purchase or  
8.4 rental of assets resulted in credits for the seller or owner of the asset;

8.5 (5) the number and amount of credits disallowed under subdivision 2, paragraph (d);

8.6 (6) data on the number of beginning farmers by geographic region in calendar years  
8.7 2017 through ~~2021~~ 2023, including:

8.8 (i) the number of beginning farmers by race and ethnicity, as those terms are applied in  
8.9 the 2020 United States Census; and

8.10 (ii) to the extent available, the number of beginning farmers who are emerging farmers;  
8.11 and

8.12 (7) the number and amount of credit applications that exceeded the allocation available  
8.13 in each year.

8.14 (d) For credits issued under subdivision 3, the report must include:

8.15 (1) the number and amount of credits issued;

8.16 (2) the geographic distribution of credits;

8.17 (3) a listing and description of each approved financial management program for which  
8.18 credits were issued; and

8.19 (4) a description of the approval procedure for financial management programs not on  
8.20 the list maintained by the authority, as provided in subdivision 3, paragraph (a).

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

8.22 Sec. 5. Minnesota Statutes 2022, section 41B.0391, subdivision 7, is amended to read:

8.23 Subd. 7. **Sunset.** This section expires for taxable years beginning after December 31,  
8.24 ~~2023~~ 2030.

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

8.26 Sec. 6. Minnesota Statutes 2022, section 116J.8737, subdivision 5, is amended to read:

8.27 Subd. 5. **Credit allowed.** (a) A qualified investor or qualified fund is eligible for a credit  
8.28 equal to 25 percent of the qualified investment in a qualified small business. Investments  
8.29 made by a pass-through entity qualify for a credit only if the entity is a qualified fund. The

9.1 commissioner must not allocate to qualified investors or qualified funds more than the dollar  
9.2 amount in credits allowed for the taxable years listed in paragraph (i). For each taxable year,  
9.3 50 percent must be allocated to credits for qualified investments in qualified greater  
9.4 Minnesota businesses and minority-owned, women-owned, or veteran-owned qualified  
9.5 small businesses in Minnesota. Any portion of a taxable year's credits that is reserved for  
9.6 qualified investments in greater Minnesota businesses and minority-owned, women-owned,  
9.7 or veteran-owned qualified small businesses in Minnesota that is not allocated by September  
9.8 30 of the taxable year is available for allocation to other credit applications beginning on  
9.9 October 1. Any portion of a taxable year's credits that is not allocated by the commissioner  
9.10 does not cancel and may be carried forward to subsequent taxable years until all credits  
9.11 have been allocated.

9.12 (b) The commissioner may not allocate more than a total maximum amount in credits  
9.13 for a taxable year to a qualified investor for the investor's cumulative qualified investments  
9.14 as an individual qualified investor and as an investor in a qualified fund; for married couples  
9.15 filing joint returns the maximum is \$250,000, and for all other filers the maximum is  
9.16 \$125,000. The commissioner may not allocate more than a total of \$1,000,000 in credits  
9.17 over all taxable years for qualified investments in any one qualified small business.

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

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

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

9.25 A member of the family of an individual disqualified by this paragraph is not eligible for a  
9.26 credit under this section. For a married couple filing a joint return, the limitations in this  
9.27 paragraph apply collectively to the investor and spouse. For purposes of determining the  
9.28 ownership interest of an investor under this paragraph, the rules under section 267(c) and  
9.29 267(e) of the Internal Revenue Code apply.

9.30 (d) Applications for tax credits must be made available on the department's website by  
9.31 November 1 of the preceding year.

9.32 (e) Qualified investors and qualified funds must apply to the commissioner for tax credits.  
9.33 Tax credits must be allocated to qualified investors or qualified funds in the order that the  
9.34 tax credit request applications are filed with the department. The commissioner must approve

10.1 or reject tax credit request applications within 15 days of receiving the application. The  
10.2 investment specified in the application must be made within 60 days of the allocation of  
10.3 the credits. If the investment is not made within 60 days, the credit allocation is canceled  
10.4 and available for reallocation. A qualified investor or qualified fund that fails to invest as  
10.5 specified in the application, within 60 days of allocation of the credits, must notify the  
10.6 commissioner of the failure to invest within five business days of the expiration of the  
10.7 60-day investment period.

10.8 (f) All tax credit request applications filed with the department on the same day must  
10.9 be treated as having been filed contemporaneously. If two or more qualified investors or  
10.10 qualified funds file tax credit request applications on the same day, and the aggregate amount  
10.11 of credit allocation claims exceeds the aggregate limit of credits under this section or the  
10.12 lesser amount of credits that remain unallocated on that day, then the credits must be allocated  
10.13 among the qualified investors or qualified funds who filed on that day on a pro rata basis  
10.14 with respect to the amounts claimed. The pro rata allocation for any one qualified investor  
10.15 or qualified fund is the product obtained by multiplying a fraction, the numerator of which  
10.16 is the amount of the credit allocation claim filed on behalf of a qualified investor and the  
10.17 denominator of which is the total of all credit allocation claims filed on behalf of all  
10.18 applicants on that day, by the amount of credits that remain unallocated on that day for the  
10.19 taxable year.

10.20 (g) A qualified investor or qualified fund, or a qualified small business acting on their  
10.21 behalf, must notify the commissioner when an investment for which credits were allocated  
10.22 has been made, and the taxable year in which the investment was made. A qualified fund  
10.23 must also provide the commissioner with a statement indicating the amount invested by  
10.24 each investor in the qualified fund based on each investor's share of the assets of the qualified  
10.25 fund at the time of the qualified investment. After receiving notification that the investment  
10.26 was made, the commissioner must issue credit certificates for the taxable year in which the  
10.27 investment was made to the qualified investor or, for an investment made by a qualified  
10.28 fund, to each qualified investor who is an investor in the fund. The certificate must state  
10.29 that the credit is subject to revocation if the qualified investor or qualified fund does not  
10.30 hold the investment in the qualified small business for at least three years, consisting of the  
10.31 calendar year in which the investment was made and the two following years. The three-year  
10.32 holding period does not apply if:

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

11.1 (2) 80 percent or more of the assets of the qualified small business is sold before the end  
11.2 of the three-year period;

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

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

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

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

11.9 (i) The credit allowed under this subdivision is effective as follows:

11.10 (1) \$10,000,000 for taxable years beginning after December 31, 2020, and before January  
11.11 1, 2022; and

11.12 (2) \$5,000,000 for taxable years beginning after December 31, 2021, and before January  
11.13 1, ~~2023~~ 2025.

11.14 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
11.15 31, 2022.

11.16 Sec. 7. Minnesota Statutes 2022, section 116J.8737, subdivision 12, is amended to read:

11.17 Subd. 12. **Sunset.** This section expires for taxable years beginning after December 31,  
11.18 ~~2022~~ 2024, except that reporting requirements under subdivision 6 and revocation of credits  
11.19 under subdivision 7 remain in effect through ~~2024~~ 2026 for qualified investors and qualified  
11.20 funds, and through ~~2026~~ 2028 for qualified small businesses, reporting requirements under  
11.21 subdivision 9 remain in effect through ~~2022~~ 2024, and the appropriation in subdivision 11  
11.22 remains in effect through ~~2026~~ 2028.

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

11.24 Sec. 8. Minnesota Statutes 2022, section 116U.27, subdivision 1, is amended to read:

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

11.27 (b) "Allocation certificate" means a certificate issued by the commissioner to a taxpayer  
11.28 upon receipt and approval of an initial application for a credit for a project that has not yet  
11.29 been completed.

11.30 (c) "Application" means the application for a credit under subdivision 4.

- 12.1 (d) "Commissioner" means the commissioner of employment and economic development.
- 12.2 (e) "Credit certificate" means a certificate issued by the commissioner upon ~~submission~~  
12.3 receipt and approval of the cost verification report in subdivision 4, paragraph (e).
- 12.4 (f) "Eligible production costs" means eligible production costs as defined in section  
12.5 116U.26, paragraph (b), clause (1), incurred in Minnesota that are directly attributable to  
12.6 the production of a film project in Minnesota.
- 12.7 (g) "Film" has the meaning given in section 116U.26, paragraph (b), clause (2).
- 12.8 (h) "Project" means a film:
- 12.9 (1) that includes the promotion of Minnesota;
- 12.10 (2) for which the taxpayer has expended at least \$1,000,000 in ~~the taxable year~~ any  
12.11 consecutive 12-month period beginning after expenditures are first paid in Minnesota for  
12.12 eligible production costs; and
- 12.13 (3) to the extent practicable, that employs Minnesota residents.
- 12.14 (i) "Promotion of Minnesota" or "promotion" means visible display of a static or animated  
12.15 logo, approved by the commissioner and lasting approximately five seconds, that promotes  
12.16 Minnesota within its presentation in the end credits before the below-the-line crew crawl  
12.17 for the life of the project.
- 12.18 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
12.19 31, 2022.
- 12.20 Sec. 9. Minnesota Statutes 2022, section 116U.27, subdivision 4, is amended to read:
- 12.21 Subd. 4. **Applications; allocations.** (a) To qualify for a credit under this section, a  
12.22 taxpayer must submit to the commissioner an application for a credit in the form prescribed  
12.23 by the commissioner, in consultation with the commissioner of revenue.
- 12.24 (b) Upon approving an application for a credit that meets the requirements of this section,  
12.25 the commissioner shall issue allocation certificates that:
- 12.26 (1) verify eligibility for the credit;
- 12.27 (2) state the amount of credit anticipated for the eligible project, with the credit amount  
12.28 up to 25 percent of eligible project costs; and
- 12.29 (3) state the taxable year in which the credit is allocated.

13.1 The commissioner must consult with the Minnesota Film and TV Board prior to issuing an  
13.2 allocation certificate.

13.3 (c) The commissioner must not issue allocation certificates for more than ~~\$4,950,000~~  
13.4 \$24,950,000 of credits each year. If the entire amount is not allocated in that taxable year,  
13.5 any remaining amount is available for allocation for the four following taxable years until  
13.6 the entire allocation has been made. The commissioner must not award any credits for  
13.7 taxable years beginning after December 31, ~~2024~~ 2030, and any unallocated amounts cancel  
13.8 on that date.

13.9 (d) The commissioner must allocate credits on a first-come, first-served basis.

13.10 (e) Upon completion of a project, the taxpayer shall submit to the commissioner a report  
13.11 prepared by an independent certified public accountant licensed in the state of Minnesota  
13.12 to verify the amount of eligible production costs related to the project. The report must be  
13.13 prepared in accordance with generally accepted accounting principles. Upon receipt and  
13.14 ~~review~~ approval of the cost verification report and other documents required by the  
13.15 commissioner, the commissioner shall determine the final amount of eligible production  
13.16 costs and issue a credit certificate to the taxpayer. The credit may not exceed the anticipated  
13.17 credit amount on the allocation certificate. If the credit is less than the anticipated amount  
13.18 on the allocation credit, the difference is returned to the amount available for allocation  
13.19 under paragraph (c). To claim the credit under section 290.06, subdivision 39, or 297I.20,  
13.20 subdivision 4, a taxpayer must include a copy of the credit certificate as part of the taxpayer's  
13.21 return.

13.22 **EFFECTIVE DATE.** This section is effective for allocation certificates issued after  
13.23 December 31, 2022.

13.24 Sec. 10. Minnesota Statutes 2022, section 116U.27, subdivision 7, is amended to read:

13.25 Subd. 7. **Expiration.** Subdivisions 1 to 5 expire January 1, ~~2025~~ 2031, for taxable years  
13.26 beginning after December 31, ~~2024~~ 2030.

13.27 **EFFECTIVE DATE.** This section is effective for allocation certificates issued after  
13.28 December 31, 2022.

13.29 Sec. 11. **[181.141] SEXUAL HARASSMENT OR ABUSE SETTLEMENT; PAYMENT**  
13.30 **AS SEVERANCE OR WAGES PROHIBITED.**

13.31 In a sexual harassment or abuse settlement between an employer and an employee, when  
13.32 there is a financial settlement provided, the financial settlement cannot be provided as wages

14.1 or severance pay to the employee regardless of whether the settlement includes a  
14.2 nondisclosure agreement.

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

14.4 Sec. 12. Minnesota Statutes 2022, section 289A.08, subdivision 7, as amended by Laws  
14.5 2023, chapter 1, section 2, is amended to read:

14.6 Subd. 7. **Composite income tax returns for nonresident partners, shareholders, and**  
14.7 **beneficiaries.** (a) The commissioner may allow a partnership with nonresident partners to  
14.8 file a composite return and to pay the tax on behalf of nonresident partners who have no  
14.9 other Minnesota source income. This composite return must include the names, addresses,  
14.10 Social Security numbers, income allocation, and tax liability for the nonresident partners  
14.11 electing to be covered by the composite return.

14.12 (b) The computation of a partner's tax liability must be determined by multiplying the  
14.13 income allocated to that partner by the highest rate used to determine the tax liability for  
14.14 individuals under section 290.06, subdivision 2c. Nonbusiness deductions, standard  
14.15 deductions, or personal exemptions are not allowed.

14.16 (c) The partnership must submit a request to use this composite return filing method for  
14.17 nonresident partners. The requesting partnership must file a composite return in the form  
14.18 prescribed by the commissioner of revenue. The filing of a composite return is considered  
14.19 a request to use the composite return filing method.

14.20 (d) The electing partner must not have any Minnesota source income other than the  
14.21 income from the partnership, other electing partnerships, and other qualifying entities  
14.22 electing to file and pay the pass-through entity tax under subdivision 7a. If it is determined  
14.23 that the electing partner has other Minnesota source income, the inclusion of the income  
14.24 and tax liability for that partner under this provision will not constitute a return to satisfy  
14.25 the requirements of subdivision 1. The tax paid for the individual as part of the composite  
14.26 return is allowed as a payment of the tax by the individual on the date on which the composite  
14.27 return payment was made. If the electing nonresident partner has no other Minnesota source  
14.28 income, filing of the composite return is a return for purposes of subdivision 1.

14.29 (e) This subdivision does not negate the requirement that an individual pay estimated  
14.30 tax if the individual's liability would exceed the requirements set forth in section 289A.25.  
14.31 The individual's liability to pay estimated tax is, however, satisfied when the partnership  
14.32 pays composite estimated tax in the manner prescribed in section 289A.25.

15.1 (f) If an electing partner's share of the partnership's gross income from Minnesota sources  
15.2 is less than the filing requirements for a nonresident under this subdivision, the tax liability  
15.3 is zero. However, a statement showing the partner's share of gross income must be included  
15.4 as part of the composite return.

15.5 (g) The election provided in this subdivision is only available to a partner who has no  
15.6 other Minnesota source income and who is either (1) a full-year nonresident individual or  
15.7 (2) a trust or estate that does not claim a deduction under either section 651 or 661 of the  
15.8 Internal Revenue Code.

15.9 (h) A corporation defined in section 290.9725 and its nonresident shareholders may  
15.10 make an election under this paragraph. The provisions covering the partnership apply to  
15.11 the corporation and the provisions applying to the partner apply to the shareholder.

15.12 (i) Estates and trusts distributing current income only and the nonresident individual  
15.13 beneficiaries of the estates or trusts may make an election under this paragraph. The  
15.14 provisions covering the partnership apply to the estate or trust. The provisions applying to  
15.15 the partner apply to the beneficiary.

15.16 (j) For the purposes of this subdivision, "income" ~~means the partner's share of federal~~  
15.17 ~~adjusted gross income from the partnership modified by the additions provided in section~~  
15.18 ~~290.0131, subdivisions 8 to 10, 16, and 17, and the subtractions provided in: (1) section~~  
15.19 ~~290.0132, subdivisions 9, 27, 28, and 31, to the extent the amount is assignable or allocable~~  
15.20 ~~to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The subtraction~~  
15.21 ~~allowed under section 290.0132, subdivision 9, is only allowed on the composite tax~~  
15.22 ~~computation to the extent the electing partner would have been allowed the subtraction. has~~  
15.23 the meaning given in section 290.01, subdivision 19, paragraph (h).

15.24 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
15.25 31, 2022.

15.26 Sec. 13. Minnesota Statutes 2022, section 289A.08, subdivision 7, as amended by Laws  
15.27 2023, chapter 1, section 2, is amended to read:

15.28 **Subd. 7. Composite income tax returns for nonresident partners, shareholders, and**  
15.29 **beneficiaries.** (a) The commissioner may allow a partnership with nonresident partners to  
15.30 file a composite return and to pay the tax on behalf of nonresident partners who have no  
15.31 other Minnesota source income. This composite return must include the names, addresses,  
15.32 Social Security numbers, income allocation, and tax liability for the nonresident partners  
15.33 electing to be covered by the composite return.

16.1 (b) The computation of a partner's tax liability must be determined by multiplying the  
16.2 income allocated to that partner by the highest rate used to determine the tax liability for  
16.3 individuals under section 290.06, subdivision 2c. Nonbusiness deductions, standard  
16.4 deductions, or personal exemptions are not allowed. The computation of a partner's net  
16.5 investment income tax liability must be computed under section 290.033.

16.6 (c) The partnership must submit a request to use this composite return filing method for  
16.7 nonresident partners. The requesting partnership must file a composite return in the form  
16.8 prescribed by the commissioner of revenue. The filing of a composite return is considered  
16.9 a request to use the composite return filing method.

16.10 (d) The electing partner must not have any Minnesota source income other than the  
16.11 income from the partnership, other electing partnerships, and other qualifying entities  
16.12 electing to file and pay the pass-through entity tax under subdivision 7a. If it is determined  
16.13 that the electing partner has other Minnesota source income, the inclusion of the income  
16.14 and tax liability for that partner under this provision will not constitute a return to satisfy  
16.15 the requirements of subdivision 1. The tax paid for the individual as part of the composite  
16.16 return is allowed as a payment of the tax by the individual on the date on which the composite  
16.17 return payment was made. If the electing nonresident partner has no other Minnesota source  
16.18 income, filing of the composite return is a return for purposes of subdivision 1.

16.19 (e) This subdivision does not negate the requirement that an individual pay estimated  
16.20 tax if the individual's liability would exceed the requirements set forth in section 289A.25.  
16.21 The individual's liability to pay estimated tax is, however, satisfied when the partnership  
16.22 pays composite estimated tax in the manner prescribed in section 289A.25.

16.23 (f) If an electing partner's share of the partnership's gross income from Minnesota sources  
16.24 is less than the filing requirements for a nonresident under this subdivision, the tax liability  
16.25 is zero. However, a statement showing the partner's share of gross income must be included  
16.26 as part of the composite return.

16.27 (g) The election provided in this subdivision is only available to a partner who has no  
16.28 other Minnesota source income and who is either (1) a full-year nonresident individual or  
16.29 (2) a trust or estate that does not claim a deduction under either section 651 or 661 of the  
16.30 Internal Revenue Code.

16.31 (h) A corporation defined in section 290.9725 and its nonresident shareholders may  
16.32 make an election under this paragraph. The provisions covering the partnership apply to  
16.33 the corporation and the provisions applying to the partner apply to the shareholder.

17.1 (i) Estates and trusts distributing current income only and the nonresident individual  
 17.2 beneficiaries of the estates or trusts may make an election under this paragraph. The  
 17.3 provisions covering the partnership apply to the estate or trust. The provisions applying to  
 17.4 the partner apply to the beneficiary.

17.5 (j) For the purposes of this subdivision, "income" means the partner's share of federal  
 17.6 adjusted gross income from the partnership modified by the additions provided in section  
 17.7 290.0131, subdivisions 8 to 10, 16, and 17, and the subtractions provided in: (1) section  
 17.8 290.0132, subdivisions 9, 27, 28, and 31, to the extent the amount is assignable or allocable  
 17.9 to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The subtraction  
 17.10 allowed under section 290.0132, subdivision 9, is only allowed on the composite tax  
 17.11 computation to the extent the electing partner would have been allowed the subtraction.

17.12 **EFFECTIVE DATE.** Effective for taxable years beginning after December 31, 2023.

17.13 Sec. 14. Minnesota Statutes 2022, section 289A.08, subdivision 7a, as amended by Laws  
 17.14 2023, chapter 1, section 3, is amended to read:

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

17.17 (1) "income" has the meaning given in ~~subdivision 7, paragraph (j), modified by the~~  
 17.18 ~~addition provided in section 290.0131, subdivision 5, and the subtraction provided in section~~  
 17.19 ~~290.0132, subdivision 3, except that the provisions that apply to a partnership apply to a~~  
 17.20 ~~qualifying entity and the provisions that apply to a partner apply to a qualifying owner. The~~  
 17.21 ~~income of both a resident and nonresident qualifying owner is allocated and assigned to~~  
 17.22 ~~this state as provided for nonresident partners and shareholders under sections 290.17,~~  
 17.23 ~~290.191, and 290.20~~ section 290.01, subdivision 19, paragraph (i). The income of a resident  
 17.24 qualifying owner of a qualifying entity that is a partnership or limited liability company  
 17.25 taxed as a partnership under the Internal Revenue Code is not subject to allocation outside  
 17.26 this state as provided for resident individuals under section 290.17, subdivision 1, paragraph  
 17.27 (a). The income of a nonresident qualifying owner of a qualifying entity and the income of  
 17.28 a resident qualifying owner of a qualifying entity that is an S corporation, including a  
 17.29 qualified subchapter S subsidiary organized under section 1361(b)(3)(B) of the Internal  
 17.30 Revenue Code, are allocated and assigned to this state as provided for nonresident partners  
 17.31 and shareholders under sections 290.17, 290.191, and 290.20;

17.32 (2) "qualifying entity" means a partnership, limited liability company taxed as a  
 17.33 partnership or S corporation, or S corporation including a qualified subchapter S subsidiary  
 17.34 organized under section 1361(b)(3)(B) of the Internal Revenue Code that has at least one

18.1 qualifying owner. Qualifying entity does not include a ~~partnership, limited liability company,~~  
18.2 ~~or corporation that has a partnership, limited liability company other than a disregarded~~  
18.3 ~~entity, or corporation as a partner, member, or shareholder~~ publicly traded partnership, as  
18.4 defined in section 7704 of the Internal Revenue Code; and

18.5 (3) "qualifying owner" means:

18.6 (i) a resident or nonresident individual or estate that is a partner, member, or shareholder  
18.7 of a qualifying entity; ~~or~~

18.8 (ii) a resident or nonresident trust that is a shareholder of a qualifying entity that is an  
18.9 S corporation; or

18.10 (iii) a disregarded entity that has a qualifying owner as its single owner.

18.11 (b) For taxable years beginning after December 31, 2020, ~~in which the taxes of a~~  
18.12 ~~qualifying owner are limited under section 164(b)(6)(B) of the Internal Revenue Code,~~ a  
18.13 qualifying entity may elect to file a return and pay the pass-through entity tax imposed under  
18.14 paragraph (c). The election:

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

18.17 (2) must exclude partners, members, shareholders, or owners who are not qualifying  
18.18 owners;

18.19 ~~(2)~~ (3) may only be made by qualifying owners who collectively hold more than a 50  
18.20 percent of the ownership interest interests in the qualifying entity held by qualifying owners;

18.21 ~~(3)~~ (4) is binding on all qualifying owners who have an ownership interest in the  
18.22 qualifying entity; and

18.23 ~~(4)~~ (5) once made is irrevocable for the taxable year.

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

18.26 (d) The amount of a qualifying owner's tax liability under paragraph (c) is the amount  
18.27 of the qualifying owner's income multiplied by the highest tax rate for individuals under  
18.28 section 290.06, subdivision 2c. The computation of a qualifying owner's net investment  
18.29 income tax liability must be computed under section 290.033. When making this  
18.30 determination:

18.31 (1) nonbusiness deductions, standard deductions, or personal exemptions are not allowed;  
18.32 and

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

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

19.5 (f) This subdivision does not negate the requirement that a qualifying owner pay estimated  
19.6 tax if the qualifying owner's tax liability would exceed the requirements set forth in section  
19.7 289A.25. The qualifying owner's liability to pay estimated tax on the qualifying owner's  
19.8 tax liability as determined under paragraph (d) is, however, satisfied when the qualifying  
19.9 entity pays estimated tax in the manner prescribed in section 289A.25 for composite estimated  
19.10 tax.

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

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

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

19.20 (j) If a nonresident qualifying owner of a qualifying entity making the election to file  
19.21 and pay the tax under this subdivision has no other Minnesota source income, filing of the  
19.22 pass-through entity tax return is a return for purposes of subdivision 1, provided that the  
19.23 nonresident qualifying owner must not have any Minnesota source income other than the  
19.24 income from the qualifying entity, other electing qualifying entities, and other partnerships  
19.25 electing to file a composite return under subdivision 7. If it is determined that the nonresident  
19.26 qualifying owner has other Minnesota source income, the inclusion of the income and tax  
19.27 liability for that owner under this provision will not constitute a return to satisfy the  
19.28 requirements of subdivision 1. The tax paid for the qualifying owner as part of the  
19.29 pass-through entity tax return is allowed as a payment of the tax by the qualifying owner  
19.30 on the date on which the pass-through entity tax return payment was made.

19.31 (k) Once a credit is claimed by a qualifying owner under section 290.06, subdivision  
19.32 40, a qualifying entity cannot receive a refund for tax paid under this subdivision for any  
19.33 amounts claimed under that section by the qualifying owners. Once a credit is claimed under

20.1 section 290.06, subdivision 40, any refund must be claimed in conjunction with a return  
20.2 filed by the qualifying owner.

20.3 (l) This section expires at the same time and on the same terms as section 164(b)(6)(B)  
20.4 of the Internal Revenue Code, except that the expiration of this section does not affect the  
20.5 commissioner's authority to audit or power of examination and assessments for credits  
20.6 claimed under this section.

20.7 **EFFECTIVE DATE.** (a) Paragraphs (a), (b), and (l) are effective for taxable years  
20.8 beginning after December 31, 2022.

20.9 (b) Paragraph (d) is effective for taxable years beginning after December 31, 2023.

20.10 Sec. 15. Minnesota Statutes 2022, section 289A.382, subdivision 2, is amended to read:

20.11 **Subd. 2. Reporting and payment requirements for partnerships and tiered**  
20.12 **partners.** (a) Except for when an audited partnership makes the election in subdivision 3,  
20.13 and except for negative federal adjustments required under federal law taken into account  
20.14 by the partnership in the partnership return for the adjustment or other year, all final federal  
20.15 adjustments of an audited partnership must comply with paragraph (b) and each direct  
20.16 partner of the audited partnership, other than a tiered partner, must comply with paragraph  
20.17 (c).

20.18 (b) No later than 90 days after the final determination date, the audited partnership must:

20.19 (1) file a completed federal adjustments report, including all partner-level information  
20.20 required under section 289A.12, subdivision 3, with the commissioner;

20.21 (2) notify each of its direct partners of their distributive share of the final federal  
20.22 adjustments;

20.23 (3) file an amended composite report for all direct partners who were included in a  
20.24 composite return under section 289A.08, subdivision 7, in the reviewed year, and pay the  
20.25 additional amount that would have been due had the federal adjustments been reported  
20.26 properly as required; ~~and~~

20.27 (4) file amended withholding reports for all direct partners who were or should have  
20.28 been subject to nonresident withholding under section 290.92, subdivision 4b, in the reviewed  
20.29 year, and pay the additional amount that would have been due had the federal adjustments  
20.30 been reported properly as required; and

20.31 (5) file an amended pass-through entity tax report for all direct partners who were  
20.32 included in a pass-through entity tax return under section 289A.08, subdivision 7a, in the

21.1 reviewed year, and pay the additional amount that would have been due had the federal  
21.2 adjustments been reported properly as required.

21.3 (c) No later than 180 days after the final determination date, each direct partner, other  
21.4 than a tiered partner, that is subject to a tax administered under this chapter, other than the  
21.5 sales tax, must:

21.6 (1) file a federal adjustments report reporting their distributive share of the adjustments  
21.7 reported to them under paragraph (b), clause (2); and

21.8 (2) pay any additional amount of tax due as if the final federal adjustment had been  
21.9 properly reported, plus any penalty and interest due under this chapter, and less any credit  
21.10 for related amounts paid or withheld and remitted on behalf of the direct partner under  
21.11 paragraph (b), clauses (3) and (4).

21.12 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
21.13 after December 31, 2020.

21.14 Sec. 16. Minnesota Statutes 2022, section 290.01, subdivision 19, is amended to read:

21.15 Subd. 19. **Net income.** (a) For a trust or estate taxable under section 290.03, and a  
21.16 corporation taxable under section 290.02, the term "net income" means the federal taxable  
21.17 income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through  
21.18 the date named in this subdivision, incorporating the federal effective dates of changes to  
21.19 the Internal Revenue Code and any elections made by the taxpayer in accordance with the  
21.20 Internal Revenue Code in determining federal taxable income for federal income tax  
21.21 purposes, and with the modifications provided in sections 290.0131 to 290.0136.

21.22 (b) For an individual, the term "net income" means federal adjusted gross income with  
21.23 the modifications provided in sections 290.0131, 290.0132, and 290.0135 to 290.0137.

21.24 (c) In the case of a regulated investment company or a fund thereof, as defined in section  
21.25 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment  
21.26 company taxable income as defined in section 852(b)(2) of the Internal Revenue Code,  
21.27 except that:

21.28 (1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal  
21.29 Revenue Code does not apply;

21.30 (2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue  
21.31 Code must be applied by allowing a deduction for capital gain dividends and exempt-interest

22.1 dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code;  
22.2 and

22.3 (3) the deduction for dividends paid must also be applied in the amount of any  
22.4 undistributed capital gains which the regulated investment company elects to have treated  
22.5 as provided in section 852(b)(3)(D) of the Internal Revenue Code.

22.6 (d) The net income of a real estate investment trust as defined and limited by section  
22.7 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust  
22.8 taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

22.9 (e) The net income of a designated settlement fund as defined in section 468B(d) of the  
22.10 Internal Revenue Code means the gross income as defined in section 468B(b) of the Internal  
22.11 Revenue Code.

22.12 (f) The Internal Revenue Code of 1986, as amended through December 31, 2018, applies  
22.13 for taxable years beginning after December 31, 1996, except the sections of federal law in  
22.14 section 290.0111 shall also apply.

22.15 (g) Except as otherwise provided, references to the Internal Revenue Code in this  
22.16 subdivision and sections 290.0131 to 290.0136 mean the code in effect for purposes of  
22.17 determining net income for the applicable year.

22.18 (h) In the case of a partnership electing to file a composite return under section 289A.08,  
22.19 subdivision 7, "net income" means the partner's share of federal adjusted gross income from  
22.20 the partnership modified by the additions provided in section 290.0131, subdivisions 8 to  
22.21 10, 16, and 17, and the subtractions provided in: (1) section 290.0132, subdivisions 9, 27,  
22.22 and 28, to the extent the amount is assignable or allocable to Minnesota under section 290.17;  
22.23 and (2) section 290.0132, subdivision 14. The subtraction allowed under section 290.0132,  
22.24 subdivision 9, is only allowed on the composite tax computation to the extent the electing  
22.25 partner would have been allowed the subtraction.

22.26 (i) In the case of a qualifying entity electing to pay the pass-through entity tax under  
22.27 section 289A.08, subdivision 7a, "net income" means the qualifying owner's share of federal  
22.28 adjusted gross income from the qualifying entity modified by the additions provided in  
22.29 section 290.0131, subdivisions 5, 8 to 10, 16, and 17, and the subtractions provided in: (1)  
22.30 section 290.0132, subdivisions 3, 9, 27, and 28, to the extent the amount is assignable or  
22.31 allocable to Minnesota under section 290.17; and (2) section 290.0132, subdivision 14. The  
22.32 subtraction allowed under section 290.0132, subdivision 9, is only allowed on the  
22.33 pass-through entity tax computation to the extent the qualifying owners would have been  
22.34 allowed the subtraction. The income of both a resident and nonresident qualifying owner

23.1 is allocated and assigned to this state as provided for nonresident partners and shareholders  
23.2 under sections 290.17, 290.191, and 290.20.

23.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
23.4 31, 2022.

23.5 Sec. 17. Minnesota Statutes 2022, section 290.01, subdivision 21a, is amended to read:

23.6 Subd. 21a. **Adjusted gross income; federal adjusted gross income.** (a) The terms  
23.7 "adjusted gross income" and "federal adjusted gross income" mean adjusted gross income,  
23.8 as defined in section 62 of the Internal Revenue Code, as amended through the date named  
23.9 in subdivision 19, paragraph (f), incorporating the federal effective date of changes to the  
23.10 Internal Revenue Code and any elections made by the taxpayer under the Internal Revenue  
23.11 Code in determining federal adjusted gross income for federal income tax purposes.

23.12 (b) When computing federal adjusted gross income for purposes of credits and deductions,  
23.13 a taxpayer must calculate their federal adjusted gross income without any deduction for the  
23.14 specified income tax payments as defined in Internal Revenue Code Notice 2020-75. The  
23.15 taxpayer must provide detailed substantiation to support the computation.

23.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
23.17 31, 2022.

23.18 Sec. 18. Minnesota Statutes 2022, section 290.0122, subdivision 2, is amended to read:

23.19 Subd. 2. **Deductions limited; inflation adjustment.** (a) The itemized deductions of a  
23.20 taxpayer with adjusted gross income ~~in excess of the applicable amount~~ over \$220,650 are  
23.21 reduced by the lesser of:

23.22 (1) ~~three percent of the excess of the taxpayer's federal adjusted gross income over the~~  
23.23 ~~applicable amount~~ \$220,650 but not over \$304,970; plus ten percent of the taxpayer's  
23.24 adjusted gross income over \$304,970; or

23.25 (2) 80 percent of the amount of the taxpayer's itemized deductions.

23.26 ~~(b) "Applicable amount" means \$194,650, or \$97,325~~

23.27 (b) Notwithstanding paragraph (a), for a taxpayer with adjusted gross income over  
23.28 \$1,000,000, a taxpayer's itemized deductions are reduced by 80 percent.

23.29 (c) For a married individual filing a separate return, the reduction under paragraph (a)  
23.30 must be calculated using one-half of the adjusted gross income amounts specified in that  
23.31 paragraph.

24.1 (e) (d) For the purposes of this subdivision, "itemized deductions" means the itemized  
24.2 deductions otherwise allowable to the taxpayer under subdivision 1, except itemized  
24.3 deductions excludes:

24.4 (1) the portion of the deduction for interest under subdivision 5 that represents investment  
24.5 interest;

24.6 (2) the deduction for medical expenses under subdivision 6; and

24.7 (3) the deduction for losses under subdivision 8.

24.8 (d) (e) For taxable years beginning after December 31, ~~2019~~ 2023, the commissioner  
24.9 must adjust for inflation the ~~applicable~~ adjusted gross income amounts under ~~paragraph~~  
24.10 paragraphs (a) and (b) as provided in section 270C.22. The statutory year is taxable year  
24.11 ~~2019~~ 2023. The amounts as adjusted must be rounded down to the nearest \$50 amount. The  
24.12 threshold amount for married individuals filing separate returns must be one-half of the  
24.13 adjusted amount for married individuals filing joint returns.

24.14 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
24.15 31, 2022.

24.16 Sec. 19. Minnesota Statutes 2022, section 290.0123, subdivision 5, is amended to read:

24.17 Subd. 5. **Deduction limited.** (a) The standard deduction of a taxpayer with adjusted  
24.18 gross income ~~in excess of the applicable amount~~ over \$220,650 is reduced by the lesser of:

24.19 (1) three percent of the excess of the taxpayer's ~~federal~~ adjusted gross income over ~~the~~  
24.20 ~~applicable amount~~ \$220,650 but not over \$304,970; plus ten percent of the taxpayer's  
24.21 adjusted gross income over \$304,970; or

24.22 (2) 80 percent of the standard deduction otherwise allowable under this section.

24.23 (b) Notwithstanding paragraph (a), for a taxpayer with adjusted gross income over  
24.24 \$1,000,000, the standard deduction is reduced by 80 percent of the standard deduction  
24.25 otherwise allowable under this section.

24.26 (b) ~~"Applicable amount" means \$194,650, or \$97,325~~ (c) For a married individual filing  
24.27 a separate return, the reduction under paragraph (a) must be calculated using one-half of  
24.28 the adjusted gross income amounts specified in that paragraph.

24.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
24.30 31, 2022.

25.1 Sec. 20. Minnesota Statutes 2022, section 290.0123, subdivision 6, is amended to read:

25.2 Subd. 6. **Inflation adjustment.** For taxable years beginning after December 31, ~~2019~~  
25.3 2023, the commissioner must adjust for inflation the standard deduction amounts in  
25.4 subdivision 1, the additional amounts in subdivision 2, the amounts in subdivision 3, and  
25.5 the ~~applicable~~ adjusted gross income amounts in subdivision 5 as provided in section  
25.6 270C.22. The statutory year is taxable year ~~2019~~ 2023. The amounts as adjusted must be  
25.7 rounded down to the nearest \$50 amount. The standard deduction amount for married  
25.8 individuals filing separate returns is one-half of the adjusted amount for married individuals  
25.9 filing joint returns.

25.10 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
25.11 31, 2022.

25.12 Sec. 21. Minnesota Statutes 2022, section 290.0131, subdivision 17, is amended to read:

25.13 Subd. 17. **Foreign-derived intangible income.** To the extent deducted from net income,  
25.14 the amount of ~~foreign-derived intangible~~ income deducted under section 250 of the Internal  
25.15 Revenue Code for the taxable year is an addition.

25.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after  
25.17 December, 31, 2022.

25.18 Sec. 22. Minnesota Statutes 2022, section 290.0132, subdivision 4, is amended to read:

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

25.21 (1) education-related expenses; plus

25.22 (2) tuition and fees paid to attend a school described in section 290.0674, ~~subdivision 1~~  
25.23 subdivision 1a, paragraph (b), clause (4), that are not included in education-related expenses;  
25.24 less

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

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

25.27 (1) \$1,625 for each qualifying child in kindergarten through grade 6; and

25.28 (2) \$2,500 for each qualifying child in grades 7 through 12.

25.29 (c) The definitions in section 290.0674, ~~subdivision 1~~ subdivision 1a, apply to this  
25.30 subdivision.

26.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
26.2 31, 2022.

26.3 Sec. 23. Minnesota Statutes 2022, section 290.0132, subdivision 24, is amended to read:

26.4 Subd. 24. ~~Discharge of indebtedness; education loans~~ Student loan discharges. (a)

26.5 The ~~amount equal to the discharge of indebtedness of the~~ qualified student loan discharge  
26.6 of a taxpayer is a subtraction if:

26.7 (1) ~~the indebtedness discharged is a qualified education loan; and~~

26.8 (2) ~~the indebtedness was discharged under section 136A.1791, or following the taxpayer's~~  
26.9 ~~completion of an income-driven repayment plan.~~

26.10 (b) ~~For the purposes of this subdivision, "qualified education loan" has the meaning~~  
26.11 ~~given in section 221 of the Internal Revenue Code.~~

26.12 (c) ~~For purposes of this subdivision, "income-driven repayment plan" means a payment~~  
26.13 ~~plan established by the United States Department of Education that sets monthly student~~  
26.14 ~~loan payments based on income and family size under United States Code, title 20, section~~  
26.15 ~~1087e, or similar authority and specifically includes, but is not limited to:~~

26.16 (b) For the purposes of this subdivision, "qualified student loan discharge" means a  
26.17 discharge of indebtedness eligible for the exclusion from gross income under section 9675  
26.18 of Public Law 117-2. A discharge of indebtedness that occurred after December 31, 2025,  
26.19 but otherwise qualifies for the exclusion under that section is a qualified student loan  
26.20 discharge.

26.21 (c) "Qualified student loan discharge" includes but is not limited to a discharge of  
26.22 indebtedness under:

26.23 (1) the income-based repayment plan under United States Code, title 20, section 1098e;

26.24 (2) the income contingent repayment plan established under United States Code, title  
26.25 20, section 1087e, subsection (e); ~~and~~

26.26 (3) the PAYE program or REPAYE program established by the Department of Education  
26.27 under administrative regulations; and

26.28 (4) section 136A.1791.

26.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
26.30 31, 2022.

27.1 Sec. 24. Minnesota Statutes 2022, section 290.0132, subdivision 26, is amended to read:

27.2 Subd. 26. **Social Security benefits.** (a) ~~A portion of taxable Social Security benefits is~~  
 27.3 ~~allowed as a subtraction. The taxpayer is allowed a subtraction equals equal to the greater~~  
 27.4 ~~of the simplified subtraction allowed under paragraph (b) or the alternate subtraction~~  
 27.5 ~~determined under paragraph (e).~~

27.6 (b) A taxpayer's simplified subtraction equals the amount of taxable social security  
 27.7 benefits, as reduced under paragraphs (c) and (d).

27.8 (c) For a taxpayer other than a married taxpayer filing a separate return with adjusted  
 27.9 gross income above the phaseout threshold, the simplified subtraction is reduced by ten  
 27.10 percent for each \$4,000 of adjusted gross income, or fraction thereof, in excess of the  
 27.11 phaseout threshold. The phaseout threshold equals:

27.12 (1) \$100,000 for a married taxpayer filing a joint return or surviving spouse;

27.13 (2) \$78,000 for a single or head of household taxpayer; and

27.14 (3) for a married taxpayer filing a separate return, half the amount for a married taxpayer  
 27.15 filing a joint return.

27.16 (d) For a married taxpayer filing a separate return, the simplified subtraction is reduced  
 27.17 by ten percent for each \$2,000 of adjusted gross income, or fraction thereof, in excess of  
 27.18 the phaseout threshold.

27.19 (e) A taxpayer's alternate subtraction equals the lesser of taxable Social Security benefits  
 27.20 or a maximum subtraction subject to the limits under paragraphs ~~(b), (c), and (d)~~ (f), (g),  
 27.21 and (h).

27.22 ~~(b)~~ (f) For married taxpayers filing a joint return and surviving spouses, the maximum  
 27.23 subtraction under paragraph (c) equals ~~\$5,150~~ \$5,840. The maximum subtraction is reduced  
 27.24 by 20 percent of provisional income over ~~\$78,180~~ \$88,630. In no case is the subtraction  
 27.25 less than zero.

27.26 ~~(e)~~ (g) For single or head-of-household taxpayers, the maximum subtraction under  
 27.27 paragraph (c) equals ~~\$4,020~~ \$4,560. The maximum subtraction is reduced by 20 percent of  
 27.28 provisional income over ~~\$61,080~~ \$69,250. In no case is the subtraction less than zero.

27.29 ~~(d)~~ (h) For married taxpayers filing separate returns, the maximum subtraction under  
 27.30 paragraph (c) equals one-half the maximum subtraction for joint returns under paragraph  
 27.31 ~~(b)~~ (d). The maximum subtraction is reduced by 20 percent of provisional income over

28.1 one-half the threshold amount specified in paragraph ~~(b)~~ (d). In no case is the subtraction  
28.2 less than zero.

28.3 ~~(e)~~ (i) For purposes of this subdivision, "provisional income" means modified adjusted  
28.4 gross income as defined in section 86(b)(2) of the Internal Revenue Code, plus one-half of  
28.5 the taxable Social Security benefits received during the taxable year, and "Social Security  
28.6 benefits" has the meaning given in section 86(d)(1) of the Internal Revenue Code.

28.7 ~~(f)~~ (j) The commissioner shall adjust the ~~maximum subtraction and phaseout threshold~~  
28.8 amounts in paragraphs ~~(b) to (c)~~ (c) and (d) as provided in section 270C.22. The statutory year  
28.9 is taxable year ~~2019~~ 2023. The maximum subtraction and threshold amounts as adjusted  
28.10 must be rounded to the nearest \$10 amount. If the amount ends in \$5, the amount is rounded  
28.11 up to the nearest \$10 amount.

28.12 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
28.13 31, 2022.

28.14 Sec. 25. Minnesota Statutes 2022, section 290.0132, subdivision 27, is amended to read:

28.15 Subd. 27. **Deferred foreign income.** The amount of deferred foreign income ~~recognized~~  
28.16 ~~because of section 965 of the Internal Revenue Code~~ under section 965 of the Internal  
28.17 Revenue Code included in federal adjusted gross income or federal taxable income, is a  
28.18 subtraction.

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

28.20 Sec. 26. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision  
28.21 to read:

28.22 Subd. 34. **Qualified retirement benefits.** (a) The amount of qualified public pension  
28.23 income is a subtraction. The subtraction in this section is limited to:

28.24 (1) \$25,000 for a married taxpayer filing a joint return or surviving spouse; or

28.25 (2) \$12,500 for all other filers.

28.26 (b) For a taxpayer with adjusted gross income above the phaseout threshold, the  
28.27 subtraction is reduced by ten percent for each \$2,000 of adjusted gross income, or fraction  
28.28 thereof, in excess of the threshold. The phaseout threshold equals:

28.29 (1) \$100,000 for a married taxpayer filing a joint return or surviving spouse;

28.30 (2) \$78,000 for a single or head of household taxpayer; or

29.1 (3) for a married taxpayer filing a separate return, half the amount for a married taxpayer  
29.2 filing a joint return.

29.3 (c) For the purposes of this section, "qualified public pension income" means any amount  
29.4 received:

29.5 (1) by a former basic member or the survivor of a former basic member, as an annuity  
29.6 or survivor benefit, from a pension plan governed by chapter 353, 353E, 354, or 354A,  
29.7 provided that the annuity or benefit is based on service for which the member or survivor  
29.8 is not also receiving Social Security benefits;

29.9 (2) as an annuity or survivor benefit from the legislators plan under chapter 3A, the State  
29.10 Patrol retirement plan under chapter 352B, or the public employees police and fire plan  
29.11 under sections 353.63 to 353.666, provided that the annuity or benefit is based on service  
29.12 for which the member or survivor is not also receiving Social Security benefits;

29.13 (3) from any retirement system administered by the federal government that is based on  
29.14 service for which the recipient or the recipient's survivor is not also receiving Social Security  
29.15 benefits; or

29.16 (4) from a public retirement system of or created by another state or any of its political  
29.17 subdivisions, or the District of Columbia, if the income tax laws of the other state or district  
29.18 permit a similar deduction or exemption or a reciprocal deduction or exemption of a  
29.19 retirement or pension benefit received from a public retirement system of or created by this  
29.20 state or any political subdivision of this state.

29.21 (d) The commissioner must annually adjust the subtraction limits in paragraph (a) and  
29.22 the phaseout thresholds in paragraph (b), as provided in section 270C.22. The statutory year  
29.23 is taxable year 2023.

29.24 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
29.25 31, 2022.

29.26 Sec. 27. Minnesota Statutes 2022, section 290.0132, is amended by adding a subdivision  
29.27 to read:

29.28 Subd. 35. **Damages for sexual harassment or abuse.** The amount of damages received  
29.29 under a sexual harassment or abuse claim that is not excluded from gross income under  
29.30 section 104(a)(2) of the Internal Revenue Code because the damages are not received on  
29.31 account of personal physical injuries or physical sickness is a subtraction.

30.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
30.2 31, 2022.

30.3 Sec. 28. Minnesota Statutes 2022, section 290.0133, subdivision 6, is amended to read:

30.4 Subd. 6. **Special deductions.** The amount of any special deductions under sections 241  
30.5 to 247, and 250, and 965 of the Internal Revenue Code is an addition.

30.6 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
30.7 31, 2022.

30.8 Sec. 29. Minnesota Statutes 2022, section 290.0134, subdivision 18, is amended to read:

30.9 Subd. 18. **Deferred foreign income.** The amount of deferred foreign income ~~recognized~~  
30.10 ~~because of section 965 of the Internal Revenue Code~~ under section 965 of the Internal  
30.11 Revenue Code included in federal taxable income, is a subtraction.

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

30.13 Sec. 30. **[290.033] NET INVESTMENT INCOME TAX.**

30.14 (a) For purposes of this section, "net investment income" has the meaning given in  
30.15 section 1411(c) of the Internal Revenue Code, excluding the net gain attributable to the  
30.16 disposition of property classified as class 2a under section 273.13, subdivision 23.

30.17 (b) In addition to the tax computed under section 290.06, subdivision 2c, a tax is imposed  
30.18 on the net investment income of individuals, estates, and trusts in excess of \$1,000,000 at  
30.19 a rate of one percent.

30.20 (c) For an individual who is not a Minnesota resident for the entire taxable year, the tax  
30.21 under this subdivision must be calculated as if the individual is a Minnesota resident for the  
30.22 entire year, and that amount must be multiplied by a fraction in which:

30.23 (1) the numerator is net investment income allocable under section 290.17 to Minnesota;  
30.24 and

30.25 (2) the denominator is the total amount of net investment income for the taxable year.

30.26 (d) For an estate or trust, the tax on net investment income must be computed by  
30.27 multiplying the net investment income tax liability by a fraction, the numerator of which is  
30.28 the amount of the estate or trust's net investment income allocated to the state pursuant to  
30.29 the provisions of sections 290.17, 290.191, and 290.20, and the denominator of which is  
30.30 the taxpayer's total net investment income.

31.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
31.2 31, 2023.

31.3 Sec. 31. Minnesota Statutes 2022, section 290.06, subdivision 23, is amended to read:

31.4 Subd. 23. **Refund of contributions to political parties and candidates.** (a) A taxpayer  
31.5 may claim a refund equal to the amount of the taxpayer's contributions made in the calendar  
31.6 year to candidates and to a political party. The maximum refund for an individual must not  
31.7 exceed ~~\$50~~ \$75 and for a married couple, filing jointly, must not exceed ~~\$100~~ \$150. A  
31.8 refund of a contribution is allowed only if the taxpayer files a form required by the  
31.9 commissioner and attaches to the form a copy of an official refund receipt form issued by  
31.10 the candidate or party and signed by the candidate, the treasurer of the candidate's principal  
31.11 campaign committee, or the chair or treasurer of the party unit, after the contribution was  
31.12 received. The receipt forms must be numbered, and the data on the receipt that are not public  
31.13 must be made available to the campaign finance and public disclosure board upon its request.  
31.14 A claim must be filed with the commissioner no sooner than January 1 of the calendar year  
31.15 in which the contribution was made and no later than April 15 of the calendar year following  
31.16 the calendar year in which the contribution was made. A taxpayer may file only one claim  
31.17 per calendar year. Amounts paid by the commissioner after June 15 of the calendar year  
31.18 following the calendar year in which the contribution was made must include interest at the  
31.19 rate specified in section 270C.405.

31.20 (b) No refund is allowed under this subdivision for a contribution to a candidate unless  
31.21 the candidate:

31.22 (1) has signed an agreement to limit campaign expenditures as provided in section  
31.23 10A.322;

31.24 (2) is seeking an office for which voluntary spending limits are specified in section  
31.25 10A.25; and

31.26 (3) has designated a principal campaign committee.

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

31.30 (c) For purposes of this subdivision, "political party" means a major political party as  
31.31 defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion  
31.32 on the income tax or property tax refund form under section 10A.31, subdivision 3a.

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

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

32.6 "Contribution" means a gift of money.

32.7 (d) The commissioner shall make copies of the form available to the public and candidates  
32.8 upon request.

32.9 (e) The following data collected or maintained by the commissioner under this subdivision  
32.10 are private: the identities of individuals claiming a refund, the identities of candidates to  
32.11 whom those individuals have made contributions, and the amount of each contribution.

32.12 (f) The commissioner shall report to the campaign finance and public disclosure board  
32.13 by each August 1 a summary showing the total number and aggregate amount of political  
32.14 contribution refunds made on behalf of each candidate and each political party. These data  
32.15 are public.

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

32.18 (h) For a taxpayer who files a claim for refund via the Internet or other electronic means,  
32.19 the commissioner may accept the number on the official receipt as documentation that a  
32.20 contribution was made rather than the actual receipt as required by paragraph (a).

32.21 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to refunds  
32.22 for contributions made in calendar year 2024 and thereafter.

32.23 Sec. 32. Minnesota Statutes 2022, section 290.06, is amended by adding a subdivision to  
32.24 read:

32.25 **Subd. 23a. Pass-through entity tax paid to another state.** (a) A credit is allowed against  
32.26 the tax imposed on a qualifying entity under section 289A.08, subdivision 7a, for  
32.27 pass-through entity tax paid to another state. The credit under this subdivision is allowed  
32.28 as a credit for taxes paid to another state under subdivision 22, paragraph (a) and may only  
32.29 be claimed by a qualifying owner. The credit allowed under this subdivision must be claimed  
32.30 in a manner prescribed by the commissioner.

32.31 (b) This section expires at the same time and on the same terms as section 164(b)(6)(B)  
32.32 of the Internal Revenue Code, except that the expiration of this section does not affect the

33.1 commissioner's authority to audit or power of examination and assessments for credits  
33.2 claimed under this section.

33.3 (c) As used in this subdivision, the following terms have the meanings given:

33.4 (1) "income" has the meaning provided in section 290.01, subdivision 19, paragraph (i);

33.5 (2) "pass-through entity tax" means an entity-level tax imposed on the income of a  
33.6 partnership, limited liability corporation, or S corporation;

33.7 (3) "qualifying entity" has the meaning provided in section 289A.08, subdivision 7a,  
33.8 paragraph (a); and

33.9 (4) "qualifying owner" has the meaning provided in section 289A.08, subdivision 7a,  
33.10 paragraph (b).

33.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
33.12 31, 2022.

33.13 Sec. 33. Minnesota Statutes 2022, section 290.06, subdivision 39, is amended to read:

33.14 Subd. 39. **Film production credit.** (a) A taxpayer, including a taxpayer to whom a credit  
33.15 has been assigned under section 116U.27, subdivision 3, may claim a credit against the tax  
33.16 imposed by this chapter equal to the amount certified on a credit certificate under section  
33.17 116U.27, subject to the limitations in this subdivision.

33.18 (b) The credit is limited to the liability for tax, as computed under this chapter, for the  
33.19 taxable year. If the amount of the credit determined under this subdivision for any taxable  
33.20 year exceeds this limitation, the excess is a film production credit carryover to each of the  
33.21 five succeeding taxable years. The entire amount of the excess unused credit for the taxable  
33.22 year is carried first to the earliest of the taxable years to which the credit may be carried  
33.23 and then to each successive year to which the credit may be carried. The amount of the  
33.24 unused credit that may be added under this paragraph must not exceed the taxpayer's liability  
33.25 for tax, less any film production credit for the taxable year.

33.26 (c) Credits allowed to a partnership, a limited liability company taxed as a partnership,  
33.27 or an S corporation are passed through to the partners, members, shareholders, or owners,  
33.28 respectively, pro rata to each based on the partner's, member's, shareholder's, or owner's  
33.29 share of the entity's assets, or as specially allocated in the organizational documents or any  
33.30 other executed agreement, as of the last day of the taxable year.

33.31 (d) Notwithstanding the approval and certification by the commissioner of employment  
33.32 and economic development under section 116U.27, the commissioner may utilize any audit

34.1 and examination powers under chapter 270C or 289A to the extent necessary to verify that  
34.2 the taxpayer is eligible for the credit and to assess the amount of any improperly claimed  
34.3 credit. The commissioner may only assess the original recipient of the credit certificate for  
34.4 the amount of improperly claimed credits. The commissioner may not assess a credit  
34.5 certificate assignee for any amount of improperly claimed credits, and an assignee's claim  
34.6 for credit is not affected by the commissioner's assessment of improperly claimed credits  
34.7 against the assignor.

34.8 (e) This subdivision expires January 1, ~~2025~~ 2031, for taxable years beginning after  
34.9 December 31, ~~2024~~ 2030, except that the expiration of this section does not affect the  
34.10 commissioner of revenue's authority to audit or power of examination and assessment for  
34.11 credits claimed under this subdivision.

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

34.13 Sec. 34. **[290.0661] MINNESOTA CHILD TAX CREDIT.**

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

34.16 (1) excluding individuals who attained the age of 18 or greater in the taxable year; and

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

34.18 **Subd. 2. Credit allowed.** A taxpayer who is a resident of Minnesota is allowed a credit  
34.19 against the tax imposed by this chapter, as provided in this section. To be eligible for the  
34.20 credit under this section, the taxpayer must be eligible for the credit under section 290.0671,  
34.21 except a taxpayer whose earned income was insufficient to claim a credit under that section  
34.22 but who otherwise qualifies to claim the credit is eligible.

34.23 **Subd. 3. Credit amount.** The credit under this section equals \$1,750 per qualifying  
34.24 child.

34.25 **Subd. 4. Phaseout.** The credits under this section and section 290.0671 are phased down  
34.26 jointly. The combined amount of the credits is reduced by 12 percent of earned income or  
34.27 adjusted gross income, whichever is greater, in excess of the phaseout threshold. The  
34.28 phaseout threshold equals:

34.29 (1) \$35,000 for a married taxpayer filing a joint return; or

34.30 (2) \$29,500 for all other filers.

34.31 **Subd. 5. Part-year residents.** For a part-year resident, the combined amounts of the  
34.32 credit under this section and section 290.0671, after the phaseout in subdivision 4, must be

35.1 allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph  
35.2 (e).

35.3 Subd. 6. **Credit refundable; appropriation.** If the amount of credit which the claimant  
35.4 is eligible to receive under this section exceeds the claimant's tax liability under this chapter,  
35.5 the commissioner shall refund the excess to the claimant. An amount sufficient to pay the  
35.6 refunds required by this section is appropriated to the commissioner from the general fund.

35.7 Subd. 7. **Inflation adjustment.** (a) For taxable years beginning after December 31,  
35.8 2025, the commissioner of revenue must annually adjust for inflation the credit amount in  
35.9 subdivision 3 as provided in section 270C.22. The adjusted amounts must be rounded to  
35.10 the nearest \$60. The statutory year is taxable year 2025.

35.11 (b) For taxable years beginning after December 31, 2023, the commissioner of revenue  
35.12 must annually adjust for inflation the phaseout thresholds in subdivision 4, as provided in  
35.13 section 270C.22. The statutory year is taxable year 2023.

35.14 Subd. 8. **Advance payment of credits.** (a) The commissioner of revenue may establish  
35.15 a process to allow taxpayers to elect to receive one or more advance payments of the credit  
35.16 under this section. The amount of advance payments must be based on the taxpayer and  
35.17 commissioner's estimate of the amount of credits for which the taxpayer would be eligible  
35.18 in the taxable year beginning in the calendar year in which the payments were made. The  
35.19 commissioner must not distribute advance payments to a taxpayer who does not elect to  
35.20 receive advance payments.

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

35.26 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
35.27 31, 2022.

35.28 Sec. 35. Minnesota Statutes 2022, section 290.067, is amended to read:

35.29 **290.067 DEPENDENT CARE CREDIT.**

35.30 Subdivision 1. **Amount of credit.** (a) A taxpayer may take as a credit against the tax  
35.31 due from the taxpayer and a spouse, if any, under this chapter an amount equal to the  
35.32 dependent care credit for which the taxpayer is eligible pursuant to the provisions of section  
35.33 21 of the Internal Revenue Code except that in determining whether the child qualified as

36.1 a dependent, income received as a Minnesota family investment program grant or allowance  
36.2 to or on behalf of the child must not be taken into account in determining whether the child  
36.3 received more than half of the child's support from the taxpayer.

36.4 (b) If a child who has not attained the age of six years at the close of the taxable year is  
36.5 cared for at a licensed family day care home operated by the child's parent, the taxpayer is  
36.6 deemed to have paid employment-related expenses. If the child is 16 months old or younger  
36.7 at the close of the taxable year, the amount of expenses deemed to have been paid equals  
36.8 the maximum limit for one qualified individual under section 21(c) and (d) of the Internal  
36.9 Revenue Code. If the child is older than 16 months of age but has not attained the age of  
36.10 six years at the close of the taxable year, the amount of expenses deemed to have been paid  
36.11 equals the amount the licensee would charge for the care of a child of the same age for the  
36.12 same number of hours of care.

36.13 (c) If a ~~married couple~~ taxpayer:

36.14 (1) has a child who has not attained the age of one year at the close of the taxable year;  
36.15 and

36.16 ~~(2) files a joint tax return for the taxable year; and~~

36.17 ~~(3)~~ (2) does not participate in a dependent care assistance program as defined in section  
36.18 129 of the Internal Revenue Code, in lieu of the actual employment related expenses paid  
36.19 for that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of  
36.20 (i) the ~~combined~~ earned income of the ~~couple~~ taxpayer or (ii) the amount of the maximum  
36.21 limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code  
36.22 will be deemed to be the employment related expense paid for that child. The earned income  
36.23 limitation of section 21(d) of the Internal Revenue Code shall not apply to this deemed  
36.24 amount. These deemed amounts apply regardless of whether any employment-related  
36.25 expenses have been paid.

36.26 (d) If the taxpayer is not required and does not file a federal individual income tax return  
36.27 for the tax year, no credit is allowed for any amount paid to any person unless:

36.28 (1) the name, address, and taxpayer identification number of the person are included on  
36.29 the return claiming the credit; or

36.30 (2) if the person is an organization described in section 501(c)(3) of the Internal Revenue  
36.31 Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name  
36.32 and address of the person are included on the return claiming the credit.

37.1 In the case of a failure to provide the information required under the preceding sentence,  
37.2 the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence  
37.3 in attempting to provide the information required.

37.4 (e) In the case of a nonresident, part-year resident, ~~or a person who has earned income~~  
37.5 ~~not subject to tax under this chapter including earned income excluded pursuant to section~~  
37.6 ~~290.0132, subdivision 10,~~ the credit determined under section 21 of the Internal Revenue  
37.7 Code must be allocated based on the ratio by which the earned income of the claimant and  
37.8 the claimant's spouse from Minnesota sources bears to the total earned income of the claimant  
37.9 and the claimant's spouse.

37.10 (f) For residents of Minnesota, the subtractions for military pay under section 290.0132,  
37.11 subdivisions 11 and 12, are not considered "earned income not subject to tax under this  
37.12 chapter."

37.13 (g) For residents of Minnesota, the exclusion of combat pay under section 112 of the  
37.14 Internal Revenue Code is not considered "earned income not subject to tax under this  
37.15 chapter."

37.16 (h) For taxpayers with federal adjusted gross income in excess of \$52,230, the credit is  
37.17 equal to the lesser of the credit otherwise calculated under this subdivision, or the amount  
37.18 equal to \$600 minus five percent of federal adjusted gross income in excess of \$52,230 for  
37.19 taxpayers with one qualified individual, or \$1,200 minus five percent of federal adjusted  
37.20 gross income in excess of \$52,230 for taxpayers with two or more qualified individuals,  
37.21 but in no case is the credit less than zero.

37.22 Subd. 2b. **Inflation adjustment.** The commissioner shall annually adjust the dollar  
37.23 amount of the income threshold at which the maximum credit begins to be reduced under  
37.24 subdivision 1 as provided in section 270C.22. The statutory year is taxable year 2019.

37.25 Subd. 3. **Credit to be refundable.** If the amount of credit which a claimant would be  
37.26 eligible to receive pursuant to this subdivision exceeds the claimant's tax liability under  
37.27 chapter 290, the excess amount of the credit shall be refunded to the claimant by the  
37.28 commissioner of revenue. The amount needed to pay the refunds required by this section  
37.29 is appropriated to the commissioner from the general fund.

37.30 Subd. 4. **Right to file claim.** The right to file a claim under this section shall be personal  
37.31 to the claimant and shall not survive death, but such right may be exercised on behalf of a  
37.32 claimant by the claimant's legal guardian or attorney-in-fact. When a claimant dies after  
37.33 having filed a timely claim the amount thereof shall be disbursed to another member of the  
37.34 household as determined by the commissioner of revenue. If the claimant was the only

38.1 member of a household, the claim may be paid to the claimant's personal representative,  
38.2 but if neither is appointed and qualified within two years of the filing of the claim, the  
38.3 amount of the claim shall escheat to the state.

38.4 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
38.5 31, 2022.

38.6 Sec. 36. Minnesota Statutes 2022, section 290.0671, as amended by Laws 2023, chapter  
38.7 1, section 16, is amended to read:

38.8 **290.0671 MINNESOTA WORKING FAMILY CREDIT.**

38.9 Subdivision 1. **Credit allowed.** (a) An individual who is a resident of Minnesota is  
38.10 allowed a credit against the tax imposed by this chapter equal to a percentage of earned  
38.11 income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the  
38.12 Internal Revenue Code, except that:

38.13 (1) a taxpayer with no qualifying children who has attained the age of 19, but not attained  
38.14 age 65 before the close of the taxable year and is otherwise eligible for a credit under section  
38.15 32 of the Internal Revenue Code may also receive a credit; ~~and~~

38.16 (2) a taxpayer who is otherwise eligible for a credit under section 32 of the Internal  
38.17 Revenue Code remains eligible for the credit even if the taxpayer's earned income or adjusted  
38.18 gross income exceeds the income limitation under section 32 of the Internal Revenue Code;  
38.19 and

38.20 (3) section 32(m) of the Internal Revenue Code does not apply.

38.21 (b) A taxpayer's working family credit equals four percent of the first \$8,750 of earned  
38.22 income.

38.23 (c) The credit under this section is increased by:

38.24 (1) \$925 for a taxpayer with one qualifying older child;

38.25 (2) \$2,100 for a taxpayer with two qualifying older children; or

38.26 (3) \$2,500 for a taxpayer with three or more qualifying older children.

38.27 (d) The credit under this section is phased out jointly with the credit under section  
38.28 290.0661, subdivision 4. For a taxpayer with one or more qualifying older children who  
38.29 did not qualify for the credit under section 290.0661, the phaseout rate equals nine percent.

38.30 ~~(b) For individuals with no qualifying children, the credit equals 3.9 percent of the first~~  
38.31 ~~\$7,150 of earned income. The credit is reduced by 2.0 percent of earned income or adjusted~~

39.1 ~~gross income, whichever is greater, in excess of the phaseout threshold, but in no case is~~  
39.2 ~~the credit less than zero.~~

39.3 ~~(c) For individuals with one qualifying child, the credit equals 9.35 percent of the first~~  
39.4 ~~\$11,950 of earned income. The credit is reduced by 6.0 percent of earned income or adjusted~~  
39.5 ~~gross income, whichever is greater, in excess of the phaseout threshold, but in no case is~~  
39.6 ~~the credit less than zero.~~

39.7 ~~(d) For individuals with two qualifying children, the credit equals 11 percent of the first~~  
39.8 ~~\$19,600 of earned income. The credit is reduced by 10.5 percent of earned income or adjusted~~  
39.9 ~~gross income, whichever is greater, in excess of the phaseout threshold, but in no case is~~  
39.10 ~~the credit less than zero.~~

39.11 ~~(e) For individuals with three or more qualifying children, the credit equals 12.5 percent~~  
39.12 ~~of the first \$20,000 of earned income. The credit is reduced by 10.5 percent of earned income~~  
39.13 ~~or adjusted gross income, whichever is greater, in excess of the phaseout threshold, but in~~  
39.14 ~~no case is the credit less than zero.~~

39.15 ~~(f) For a part-year resident, the credit must be allocated based on the percentage calculated~~  
39.16 ~~under section 290.06, subdivision 2c, paragraph (e).~~

39.17 ~~(g)~~ (e) For a person who was a resident for the entire tax year and has earned income  
39.18 not subject to tax under this chapter, ~~including income excluded under section 290.0132,~~  
39.19 ~~subdivision 10,~~ the credit must be allocated based on the ratio of federal adjusted gross  
39.20 income reduced by the earned income not subject to tax under this chapter over federal  
39.21 adjusted gross income. For purposes of this paragraph, the following clauses are not  
39.22 considered "earned income not subject to tax under this chapter":

39.23 (1) the subtractions for military pay under section 290.0132, subdivisions 11 and 12;

39.24 (2) the exclusion of combat pay under section 112 of the Internal Revenue Code; and

39.25 (3) income derived from an Indian reservation by an enrolled member of the reservation  
39.26 while living on the reservation.

39.27 (h) For the purposes of this section, the phaseout threshold equals:

39.28 (1) \$14,570 for married taxpayers filing joint returns with no qualifying children;

39.29 (2) \$8,730 for all other taxpayers with no qualifying children;

39.30 (3) \$28,610 for married taxpayers filing joint returns with one qualifying child;

39.31 (4) \$22,770 for all other taxpayers with one qualifying child;

40.1 ~~(5) \$32,840 for married taxpayers filing joint returns with two qualifying children;~~

40.2 ~~(6) \$27,000 for all other taxpayers with two qualifying children;~~

40.3 ~~(7) \$33,140 for married taxpayers filing joint returns with three or more qualifying~~  
40.4 ~~children; and~~

40.5 ~~(8) \$27,300 for all other taxpayers with three or more qualifying children.~~

40.6 ~~(i) The commissioner shall construct tables showing the amount of the credit at various~~  
40.7 ~~income levels and make them available to taxpayers. The tables shall follow the schedule~~  
40.8 ~~contained in this subdivision, except that the commissioner may graduate the transition~~  
40.9 ~~between income brackets.~~

40.10 Subd. 1a. **Definitions.** For purposes of this section, ~~the term "qualifying child " has the~~  
40.11 ~~meaning given~~ "qualifying older child" means a qualifying child, as defined in section 32(c)  
40.12 of the Internal Revenue Code."earned income of the lesser-earning spouse" has the meaning  
40.13 given in section 290.0675, subdivision 1, paragraph (d), that attained at least the age of 18  
40.14 in the taxable year. For the purposes of determining a qualifying older child, section 32(m)  
40.15 of the Internal Revenue Code does not apply.

40.16 Subd. 2. **Credit name.** The credit allowed by this section shall be known as the  
40.17 "Minnesota working family credit."

40.18 Subd. 4. **Credit refundable.** If the amount of credit which the claimant is eligible to  
40.19 receive under this section exceeds the claimant's tax liability under this chapter, the  
40.20 commissioner shall refund the excess to the claimant.

40.21 ~~Subd. 5. **Calculation assistance.** Upon request of the individual and submission of the~~  
40.22 ~~necessary information, in the form prescribed by the commissioner, the Department of~~  
40.23 ~~Revenue shall calculate the credit on behalf of the individual.~~

40.24 Subd. 6. **Appropriation.** An amount sufficient to pay the refunds required by this section  
40.25 is appropriated to the commissioner from the general fund.

40.26 Subd. 7. **Inflation adjustment.** The commissioner shall annually adjust the earned  
40.27 income amounts used to calculate the credit and the ~~phase-out thresholds~~ qualifying older  
40.28 child amounts in subdivision 1 as provided in section 270C.22. The statutory year is taxable  
40.29 year ~~2019~~ 2023.

40.30 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
40.31 31, 2022.

41.1 Sec. 37. Minnesota Statutes 2022, section 290.0674, is amended to read:

41.2 **290.0674 MINNESOTA EDUCATION CREDIT.**

41.3 Subdivision 1. ~~Credit allowed; definitions.~~ An individual is allowed a credit against  
41.4 the tax imposed by this chapter in an amount equal to 75 percent of the amount paid for  
41.5 education-related expenses for a qualifying child in kindergarten through grade 12.

41.6 Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the  
41.7 meanings given them.

41.8 (b) "Education-related expenses" means:

41.9 (1) qualifying instructional fees or tuition for instruction by an instructor under section  
41.10 120A.22, subdivision 10, clause (1), (2), (3), (4), or (5), or a member of the Minnesota  
41.11 Music Teachers Association, and who is not a lineal ancestor or sibling of the dependent  
41.12 for instruction outside the regular school day or school year, including tutoring, driver's  
41.13 education offered as part of school curriculum, regardless of whether it is taken from a  
41.14 public or private entity or summer camps, in grade or age appropriate curricula that  
41.15 supplement curricula and instruction available during the regular school year, that assists a  
41.16 dependent to improve knowledge of core curriculum areas or to expand knowledge and  
41.17 skills under the required academic standards under section 120B.021, subdivision 1, and  
41.18 the world languages standards under section 120B.022, subdivision 1, and that do not include  
41.19 the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such  
41.20 tenets, doctrines, or worship;

41.21 (2) expenses for textbooks, including books and other instructional materials and  
41.22 equipment purchased or leased for use in elementary and secondary schools in teaching  
41.23 only those subjects legally and commonly taught in public elementary and secondary schools  
41.24 in this state. "Textbooks" does not include instructional books and materials used in the  
41.25 teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such  
41.26 tenets, doctrines, or worship, nor does it include books or materials for extracurricular  
41.27 activities including sporting events, musical or dramatic events, speech activities, driver's  
41.28 education, or similar programs;

41.29 (3) a maximum expense of \$200 per family for personal computer hardware, excluding  
41.30 single purpose processors, and educational software that assists a dependent to improve  
41.31 knowledge of core curriculum areas or to expand knowledge and skills under the required  
41.32 academic standards under section 120B.021, subdivision 1, and the elective standard under  
41.33 section 120B.022, subdivision 1, clause (2), purchased for use in the taxpayer's home and

42.1 not used in a trade or business regardless of whether the computer is required by the  
42.2 dependent's school; and

42.3 (4) the amount paid to others for transportation of a qualifying child attending an  
42.4 elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa,  
42.5 or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory  
42.6 attendance laws, which is not operated for profit, and which adheres to the provisions of  
42.7 the Civil Rights Act of 1964 and chapter 363A. Amounts under this clause exclude any  
42.8 expense the taxpayer incurred in using the taxpayer's or the qualifying child's vehicle.

42.9 (c) "Qualified instructor" means an individual who is not a lineal ancestor or sibling of  
42.10 the dependent and who is:

42.11 (1) an instructor under section 120A.22, subdivision 10, clause (1), (2), (3), (4), or (5);  
42.12 or

42.13 (2) a member of the Minnesota Music Teachers Association.

42.14 ~~For purposes of this section,~~ (d) "Qualifying child" has the meaning given in section  
42.15 32(c)(3) of the Internal Revenue Code.

42.16 (e) "Qualifying instructional fees or tuition" means fees or tuition for instruction by a  
42.17 qualified instructor outside the regular school day or school year, and that does not include  
42.18 the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such  
42.19 tenets, doctrines, or worship, including:

42.20 (1) driver's education offered as part of school curriculum, regardless of whether it is  
42.21 taken from a public or private entity; or

42.22 (2) tutoring or summer camps that:

42.23 (i) are in grade or age appropriate curricula that supplement curricula and instruction  
42.24 available during the regular school year;

42.25 (ii) assist a dependent to improve knowledge of core curriculum areas; or

42.26 (iii) expand knowledge and skills under:

42.27 (A) the required academic standards under section 120B.021, subdivision 1; and

42.28 (B) the world languages standards under section 120B.022, subdivision 1.

42.29 Subd. 2. **Limitations.** (a) For claimants with adjusted gross income not greater than  
42.30 ~~\$33,500~~ \$70,000, the maximum credit allowed for a family is ~~\$1,000~~ \$1,500 multiplied by  
42.31 the number of qualifying children in kindergarten through grade 12 in the family. The

43.1 maximum credit for families with one qualifying child in kindergarten through grade 12 is  
43.2 reduced by \$1 for each \$4 of ~~household~~ adjusted gross income over ~~\$33,500~~ \$70,000, and  
43.3 the maximum credit for families with two or more qualifying children in kindergarten  
43.4 through grade 12 is reduced by \$2 for each \$4 of ~~household~~ adjusted gross income over  
43.5 ~~\$33,500~~ \$70,000, but in no case is the credit less than zero.

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

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

43.11 ~~Subd. 2a. Income.~~ (a) For purposes of this section, "income" means the sum of the  
43.12 following:

43.13 ~~(1) federal adjusted gross income as defined in section 62 of the Internal Revenue Code;~~  
43.14 ~~and~~

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

43.16 ~~(i) all nontaxable income;~~

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

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

43.23 ~~(iv) cash public assistance and relief;~~

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

43.29 ~~(vi) interest received from the federal or a state government or any instrumentality or~~  
43.30 ~~political subdivision thereof;~~

43.31 ~~(vii) workers' compensation;~~

43.32 ~~(viii) nontaxable strike benefits;~~

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

44.4 ~~(x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of~~  
44.5 ~~1986, as amended through December 31, 1995;~~

44.6 ~~(xi) contributions made by the claimant to an individual retirement account, including~~  
44.7 ~~a qualified voluntary employee contribution; simplified employee pension plan;~~  
44.8 ~~self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of~~  
44.9 ~~the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal~~  
44.10 ~~Revenue Code;~~

44.11 ~~(xii) nontaxable scholarship or fellowship grants;~~

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

44.13 ~~(xiv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue~~  
44.14 ~~Code;~~

44.15 ~~(xv) the amount deducted for tuition expenses under section 222 of the Internal Revenue~~  
44.16 ~~Code; and~~

44.17 ~~(xvi) the amount deducted for certain expenses of elementary and secondary school~~  
44.18 ~~teachers under section 62(a)(2)(D) of the Internal Revenue Code.~~

44.19 ~~In the case of an individual who files an income tax return on a fiscal year basis, the~~  
44.20 ~~term "federal adjusted gross income" means federal adjusted gross income reflected in the~~  
44.21 ~~fiscal year ending in the next calendar year. Federal adjusted gross income may not be~~  
44.22 ~~reduced by the amount of a net operating loss carryback or carryforward or a capital loss~~  
44.23 ~~carryback or carryforward allowed for the year.~~

44.24 ~~(b) "Income" does not include:~~

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

44.26 ~~(2) amounts of any pension or annuity that were exclusively funded by the claimant or~~  
44.27 ~~spouse if the funding payments were not excluded from federal adjusted gross income in~~  
44.28 ~~the years when the payments were made;~~

44.29 ~~(3) surplus food or other relief in kind supplied by a governmental agency;~~

44.30 ~~(4) relief granted under chapter 290A;~~

45.1 ~~(5) child support payments received under a temporary or final decree of dissolution or~~  
45.2 ~~legal separation; and~~

45.3 ~~(6) restitution payments received by eligible individuals and excludable interest as~~  
45.4 ~~defined in section 803 of the Economic Growth and Tax Relief Reconciliation Act of 2001,~~  
45.5 ~~Public Law 107-16.~~

45.6 Subd. 4. **Credit to be refundable.** If the amount of credit that the claimant is eligible  
45.7 to receive under this section exceeds the claimant's tax liability under this chapter, the  
45.8 commissioner shall refund the excess to the claimant.

45.9 Subd. 5. **Appropriation.** An amount sufficient to pay the refunds required by this section  
45.10 is appropriated to the commissioner from the general fund.

45.11 Subd. 6. **Inflation adjustment.** The commissioner shall annually adjust the adjusted  
45.12 gross income amounts in subdivision 2, as provided in section 270C.22. The statutory year  
45.13 is taxable year 2023.

45.14 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
45.15 31, 2022.

45.16 Sec. 38. Minnesota Statutes 2022, section 290.0677, subdivision 1, is amended to read:

45.17 Subdivision 1. **Credit allowed; current military service.** (a) An individual is allowed  
45.18 a credit against the tax due under this chapter equal to \$59 for each month or portion thereof  
45.19 that the individual was in active military service in a designated area after September 11,  
45.20 2001, and before January 1, 2009, while a Minnesota domiciliary.

45.21 (b) An individual is allowed a credit against the tax due under this chapter equal to \$120  
45.22 for each month or portion thereof that the individual was in active military service in a  
45.23 designated area after December 31, 2008, while a Minnesota domiciliary.

45.24 (c) For active service performed after September 11, 2001, and before December 31,  
45.25 2006, the individual may claim the credit in the taxable year beginning after December 31,  
45.26 2005, and before January 1, 2007.

45.27 (d) For active service performed after December 31, 2006, the individual may claim the  
45.28 credit for the ~~taxable~~ calendar year in which the active service was performed.

45.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
45.30 31, 2022.

46.1 Sec. 39. Minnesota Statutes 2022, section 290.0681, subdivision 10, is amended to read:

46.2 Subd. 10. **Sunset.** This section expires after fiscal year ~~2022~~ 2030, except that the office's  
46.3 authority to issue credit certificates under subdivision 4 based on allocation certificates that  
46.4 were issued before fiscal year ~~2023~~ 2031 remains in effect through ~~2025~~ 2034, and the  
46.5 reporting requirements in subdivision 9 remain in effect through the year following the year  
46.6 in which all allocation certificates have either been canceled or resulted in issuance of credit  
46.7 certificates, or ~~2026~~ 2035, whichever is earlier.

46.8 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2022.

46.9 Sec. 40. **[290.0694] CREDIT FOR SALES OF MANUFACTURED HOME PARKS**  
46.10 **TO COOPERATIVES.**

46.11 **Subdivision 1. Definitions.** (a) For purposes of this section, the following definitions  
46.12 have the meanings given.

46.13 (b) "Qualified property" means a manufactured home park in Minnesota classified as  
46.14 4c(5)(i) or 4c(5)(iii) under section 273.13, subdivision 25, paragraph (d).

46.15 (c) "Qualified seller" means a taxpayer, as defined under section 290.01, subdivision 6,  
46.16 who sells qualified property to: (1) a corporation or association organized under chapter  
46.17 308A or 308B, where each person who owns a share or shares in the corporation or  
46.18 association would be entitled to occupy a lot within the qualified property after the sale; (2)  
46.19 a charitable corporation, organized under the laws of Minnesota with no outstanding stock,  
46.20 and granted a ruling by the Internal Revenue Service for 501(c)(3) tax-exempt status, whose  
46.21 members hold residential participation warrants entitling the members to occupy the units  
46.22 in the manufactured home park; or (3) a nonprofit or a representative acting on behalf of  
46.23 residents, as defined by section 327C.015, subdivision 13, who purchases the property on  
46.24 behalf of residents who intend to form a corporation or association as described in clause  
46.25 (1) or (2).

46.26 **Subd. 2. Credit allowed; carryforward.** (a) A qualified seller is allowed a credit against  
46.27 the tax imposed under this chapter. The credit equals five percent of the amount of the sale  
46.28 price of the qualified property.

46.29 (b) If the amount of the credit under this section exceeds the taxpayer's liability for tax  
46.30 under this chapter, the excess is a credit carryover to each of the five succeeding taxable  
46.31 years. The entire amount of the excess unused credit for the taxable year must be carried  
46.32 first to the earliest of the taxable years to which the credit may be carried and then to each  
46.33 successive year to which the credit may be carried. The amount of the unused credit that

47.1 may be added under this paragraph may not exceed the taxpayer's liability for tax, less any  
47.2 credit for the current taxable year.

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

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

47.11 Subd. 4. **Sunset.** This section expires January 1, 2031, for taxable years beginning after  
47.12 December 31, 2030.

47.13 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
47.14 31, 2022.

47.15 Sec. 41. **[290.0695] SHORT LINE RAILROAD INFRASTRUCTURE**  
47.16 **MODERNIZATION CREDIT.**

47.17 Subdivision 1. **Definitions.** (a) For purpose of this section, the following terms have the  
47.18 meanings given them.

47.19 (b) "Eligible taxpayer" means any railroad that is classified by the United States Surface  
47.20 Transportation Board as a Class II or Class III railroad.

47.21 (c) "Eligible transferee" means any taxpayer subject to tax under this chapter or chapter  
47.22 297I.

47.23 (d) "Qualified railroad reconstruction or replacement expenditures" means gross  
47.24 expenditures in the taxable year for maintenance, reconstruction, or replacement of railroad  
47.25 infrastructure, including track, roadbed, bridges, industrial leads and sidings, and track-related  
47.26 structures owned or leased by a Class II or Class III railroad in Minnesota as of January 1,  
47.27 2021. Qualified railroad reconstruction or replacement expenditures also includes new  
47.28 construction of industrial leads, switches, spurs and sidings and extensions of existing sidings  
47.29 in Minnesota by a Class II or Class III railroad.

47.30 Subd. 2. **Credit allowed; limitation; carryover.** (a) An eligible taxpayer is allowed a  
47.31 credit against tax due under this chapter equal to 50 percent of eligible expenses, not to  
47.32 exceed \$3,000 per mile, multiplied by the number of miles of railroad track owned or leased

48.1 within the state by the eligible taxpayer for which the taxpayer made qualified railroad  
48.2 reconstruction or replacement expenditures as of the close of the taxable year for which the  
48.3 credit is claimed.

48.4 (b) If the amount of the credit determined under this section for any taxable year exceeds  
48.5 the liability for tax under this chapter, the excess is a credit carryover to each of the five  
48.6 succeeding taxable years. The entire amount of the excess unused credit for the taxable year  
48.7 must be carried first to the earliest of the taxable years to which the credit may be carried  
48.8 and then to each successive year to which the credit may be carried. The amount of the  
48.9 unused credit that may be added under this paragraph must not exceed the taxpayer's liability  
48.10 for tax less the credit for the taxable year.

48.11 (c) An eligible taxpayer claiming a credit under this section may not also claim the credit  
48.12 under section 297I.20, subdivision 6, for the same qualified railroad reconstruction or  
48.13 replacement expenditures.

48.14 Subd. 3. **Transferability; written agreement required; credit certificate.** (a) An  
48.15 eligible taxpayer may transfer the credit allowed under this section by written agreement  
48.16 to an eligible transferee. The amount of the transferred credit is limited to the unused,  
48.17 remaining portion of the credit.

48.18 (b) The eligible taxpayer and the eligible transferee must jointly file a copy of the written  
48.19 transfer agreement with the commissioner within 30 days of the transfer. The written  
48.20 agreement must contain the name, address, and taxpayer identification number of the parties  
48.21 to the transfer; the taxable year the eligible taxpayer incurred the qualified expenditures;  
48.22 the amount of credit being transferred; and the taxable year or years for which the transferred  
48.23 credit may be claimed.

48.24 (c) The commissioner must issue a credit certificate to the transferee within 30 days of  
48.25 the joint filing of a copy of the written transfer agreement with the commissioner.

48.26 (d) In the case of an audit or assessment, the transferee is liable for repayment of credits  
48.27 claimed in excess of the allowed amount.

48.28 Subd. 4. **Partnerships; multiple owners.** Credits granted or transferred to a partnership,  
48.29 a limited liability company taxed as a partnership, an S corporation, or multiple owners of  
48.30 property are passed through to the partners, members, shareholders, or owners, respectively,  
48.31 pro rata to each partner, member, shareholder, or owner based on their share of the entity's  
48.32 assets or as specially allocated in their organizational documents or any other executed  
48.33 agreement, as of the last day of the taxable year.

49.1 Subd. 5. Allocation for nonresidents and part-year residents. For a nonresident or  
49.2 part-year resident, the credit determined under this section must be allocated based on the  
49.3 percentage calculated under section 290.06, subdivision 2c, paragraph (e).

49.4 Subd. 6. Sunset. This section expires January 1, 2031, for taxable years beginning after  
49.5 December 31, 2030.

49.6 EFFECTIVE DATE. This section is effective for taxable years beginning after December  
49.7 31, 2022.

49.8 Sec. 42. Minnesota Statutes 2022, section 290.091, subdivision 2, as amended by Laws  
49.9 2023, chapter 1, section 18, is amended to read:

49.10 Subd. 2. **Definitions.** For purposes of the tax imposed by this section, the following  
49.11 terms have the meanings given.

49.12 (a) "Alternative minimum taxable income" means the sum of the following for the taxable  
49.13 year:

49.14 (1) the taxpayer's federal alternative minimum taxable income as defined in section  
49.15 55(b)(1)(D) of the Internal Revenue Code;

49.16 (2) the taxpayer's itemized deductions allowed in computing federal alternative minimum  
49.17 taxable income, but excluding:

49.18 (i) the charitable contribution deduction under section 170 of the Internal Revenue Code;

49.19 (ii) the medical expense deduction;

49.20 (iii) the casualty, theft, and disaster loss deduction; and

49.21 (iv) the impairment-related work expenses of a person with a disability;

49.22 (3) for depletion allowances computed under section 613A(c) of the Internal Revenue  
49.23 Code, with respect to each property (as defined in section 614 of the Internal Revenue Code),  
49.24 to the extent not included in federal alternative minimum taxable income, the excess of the  
49.25 deduction for depletion allowable under section 611 of the Internal Revenue Code for the  
49.26 taxable year over the adjusted basis of the property at the end of the taxable year (determined  
49.27 without regard to the depletion deduction for the taxable year);

49.28 (4) to the extent not included in federal alternative minimum taxable income, the amount  
49.29 of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue  
49.30 Code determined without regard to subparagraph (E);

50.1 (5) to the extent not included in federal alternative minimum taxable income, the amount  
50.2 of interest income as provided by section 290.0131, subdivision 2;

50.3 (6) the amount of addition required by section 290.0131, subdivisions 9, 10, and 16;

50.4 (7) the deduction allowed under section 199A of the Internal Revenue Code, to the extent  
50.5 not included in the addition required under clause (6); and

50.6 (8) to the extent not included in federal alternative minimum taxable income, the amount  
50.7 of foreign-derived intangible income deducted under section 250 of the Internal Revenue  
50.8 Code;

50.9 less the sum of the amounts determined under the following:

50.10 (i) interest income as defined in section 290.0132, subdivision 2;

50.11 (ii) an overpayment of state income tax as provided by section 290.0132, subdivision  
50.12 3, to the extent included in federal alternative minimum taxable income;

50.13 (iii) the amount of investment interest paid or accrued within the taxable year on  
50.14 indebtedness to the extent that the amount does not exceed net investment income, as defined  
50.15 in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted  
50.16 in computing federal adjusted gross income;

50.17 (iv) amounts subtracted from federal taxable or adjusted gross income as provided by  
50.18 section 290.0132, subdivisions 7, 9 to 15, 17, 21, 24, 26 to 29, ~~and~~ 31, 34, and 35;

50.19 (v) the amount of the net operating loss allowed under section 290.095, subdivision 11,  
50.20 paragraph (c); and

50.21 (vi) the amount allowable as a Minnesota itemized deduction under section 290.0122,  
50.22 subdivision 7.

50.23 In the case of an estate or trust, alternative minimum taxable income must be computed  
50.24 as provided in section 59(c) of the Internal Revenue Code, except alternative minimum  
50.25 taxable income must be increased by the addition in section 290.0131, subdivision 16.

50.26 (b) "Investment interest" means investment interest as defined in section 163(d)(3) of  
50.27 the Internal Revenue Code.

50.28 (c) "Net minimum tax" means the minimum tax imposed by this section.

50.29 (d) "Regular tax" means the tax that would be imposed under this chapter (without regard  
50.30 to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed  
50.31 under this chapter.

51.1 (e) "Tentative minimum tax" equals 6.75 percent of alternative minimum taxable income  
51.2 after subtracting the exemption amount determined under subdivision 3.

51.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
51.4 31, 2022.

51.5 Sec. 43. Minnesota Statutes 2022, section 290.091, subdivision 2, as amended by Laws  
51.6 2023, chapter 1, section 18, is amended to read:

51.7 Subd. 2. **Definitions.** For purposes of the tax imposed by this section, the following  
51.8 terms have the meanings given.

51.9 (a) "Alternative minimum taxable income" means the sum of the following for the taxable  
51.10 year:

51.11 (1) the taxpayer's federal alternative minimum taxable income as defined in section  
51.12 55(b)(1)(D) of the Internal Revenue Code;

51.13 (2) the taxpayer's itemized deductions allowed in computing federal alternative minimum  
51.14 taxable income, but excluding:

51.15 (i) the charitable contribution deduction under section 170 of the Internal Revenue Code;

51.16 (ii) the medical expense deduction;

51.17 (iii) the casualty, theft, and disaster loss deduction; and

51.18 (iv) the impairment-related work expenses of a person with a disability;

51.19 (3) for depletion allowances computed under section 613A(c) of the Internal Revenue  
51.20 Code, with respect to each property (as defined in section 614 of the Internal Revenue Code),  
51.21 to the extent not included in federal alternative minimum taxable income, the excess of the  
51.22 deduction for depletion allowable under section 611 of the Internal Revenue Code for the  
51.23 taxable year over the adjusted basis of the property at the end of the taxable year (determined  
51.24 without regard to the depletion deduction for the taxable year);

51.25 (4) to the extent not included in federal alternative minimum taxable income, the amount  
51.26 of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue  
51.27 Code determined without regard to subparagraph (E);

51.28 (5) to the extent not included in federal alternative minimum taxable income, the amount  
51.29 of interest income as provided by section 290.0131, subdivision 2;

51.30 (6) the amount of addition required by section 290.0131, subdivisions 9, 10, and 16;

52.1 (7) the deduction allowed under section 199A of the Internal Revenue Code, to the extent  
52.2 not included in the addition required under clause (6); and

52.3 (8) to the extent not included in federal alternative minimum taxable income, the amount  
52.4 of foreign-derived intangible income deducted under section 250 of the Internal Revenue  
52.5 Code;

52.6 less the sum of the amounts determined under the following:

52.7 (i) interest income as defined in section 290.0132, subdivision 2;

52.8 (ii) an overpayment of state income tax as provided by section 290.0132, subdivision  
52.9 3, to the extent included in federal alternative minimum taxable income;

52.10 (iii) the amount of investment interest paid or accrued within the taxable year on  
52.11 indebtedness to the extent that the amount does not exceed net investment income, as defined  
52.12 in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted  
52.13 in computing federal adjusted gross income;

52.14 (iv) amounts subtracted from federal taxable or adjusted gross income as provided by  
52.15 section 290.0132, subdivisions 7, 9 to 15, 17, 21, 24, 26 to 29, and 31;

52.16 (v) the amount of the net operating loss allowed under section 290.095, subdivision 11,  
52.17 paragraph (c); and

52.18 (vi) the amount allowable as a Minnesota itemized deduction under section 290.0122,  
52.19 subdivision 7.

52.20 In the case of an estate or trust, alternative minimum taxable income must be computed  
52.21 as provided in section 59(c) of the Internal Revenue Code, except alternative minimum  
52.22 taxable income must be increased by the addition in section 290.0131, subdivision 16.

52.23 (b) "Investment interest" means investment interest as defined in section 163(d)(3) of  
52.24 the Internal Revenue Code.

52.25 (c) "Net minimum tax" means the minimum tax imposed by this section.

52.26 (d) "Regular tax" means the tax that would be imposed under this chapter (without regard  
52.27 to this section, section 290.033 and section 290.032), reduced by the sum of the  
52.28 nonrefundable credits allowed under this chapter.

52.29 (e) "Tentative minimum tax" equals 6.75 percent of alternative minimum taxable income  
52.30 after subtracting the exemption amount determined under subdivision 3.

53.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
53.2 31, 2023.

53.3 Sec. 44. Minnesota Statutes 2022, section 290.095, subdivision 2, is amended to read:

53.4 Subd. 2. **Defined and limited.** (a) The term "net operating loss" as used in this section  
53.5 shall mean a net operating loss as defined in section 172(c) of the Internal Revenue Code,  
53.6 with the modifications specified in subdivision 4. The deductions provided in section 290.21  
53.7 cannot be used in the determination of a net operating loss.

53.8 (b) The term "net operating loss deduction" as used in this section means the aggregate  
53.9 of the net operating loss carryovers to the taxable year, computed in accordance with  
53.10 subdivision 3. The provisions of section 172(b) of the Internal Revenue Code relating to  
53.11 the carryback of net operating losses, do not apply.

53.12 (c) The amount of net operating loss deduction under this section must not exceed ~~80~~  
53.13 70 percent of taxable net income in a single taxable year.

53.14 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
53.15 31, 2022.

53.16 Sec. 45. Minnesota Statutes 2022, section 290.21, subdivision 4, is amended to read:

53.17 Subd. 4. **Dividends received from another corporation.** (a)(1) ~~Eighty~~ Fifty percent of  
53.18 dividends received by a corporation during the taxable year from another corporation, in  
53.19 which the recipient owns 20 percent or more of the stock, by vote and value, not including  
53.20 stock described in section 1504(a)(4) of the Internal Revenue Code when the corporate  
53.21 stock with respect to which dividends are paid does not constitute the stock in trade of the  
53.22 taxpayer or would not be included in the inventory of the taxpayer, or does not constitute  
53.23 property held by the taxpayer primarily for sale to customers in the ordinary course of the  
53.24 taxpayer's trade or business, or when the trade or business of the taxpayer does not consist  
53.25 principally of the holding of the stocks and the collection of the income and gains therefrom;  
53.26 and

53.27 (2)(i) the remaining ~~20~~ 50 percent of dividends if the dividends received are the stock  
53.28 in an affiliated company transferred in an overall plan of reorganization and the dividend  
53.29 is eliminated in consolidation under Treasury Department Regulation 1.1502-14(a), as  
53.30 amended through December 31, 1989;

53.31 (ii) the remaining ~~20~~ 50 percent of dividends if the dividends are received from a  
53.32 corporation which is subject to tax under section 290.36 and which is a member of an

54.1 affiliated group of corporations as defined by the Internal Revenue Code and the dividend  
54.2 is eliminated in consolidation under Treasury Department Regulation 1.1502-14(a), as  
54.3 amended through December 31, 1989, or is deducted under an election under section 243(b)  
54.4 of the Internal Revenue Code; or

54.5 (iii) the remaining ~~20~~ 50 percent of the dividends if the dividends are received from a  
54.6 property and casualty insurer as defined under section 60A.60, subdivision 8, which is a  
54.7 member of an affiliated group of corporations as defined by the Internal Revenue Code and  
54.8 either: (A) the dividend is eliminated in consolidation under Treasury Regulation  
54.9 1.1502-14(a), as amended through December 31, 1989; or (B) the dividend is deducted  
54.10 under an election under section 243(b) of the Internal Revenue Code.

54.11 (b) ~~Seventy~~ Forty percent of dividends received by a corporation during the taxable year  
54.12 from another corporation in which the recipient owns less than 20 percent of the stock, by  
54.13 vote or value, not including stock described in section 1504(a)(4) of the Internal Revenue  
54.14 Code when the corporate stock with respect to which dividends are paid does not constitute  
54.15 the stock in trade of the taxpayer, or does not constitute property held by the taxpayer  
54.16 primarily for sale to customers in the ordinary course of the taxpayer's trade or business, or  
54.17 when the trade or business of the taxpayer does not consist principally of the holding of the  
54.18 stocks and the collection of income and gain therefrom.

54.19 (c) The dividend deduction provided in this subdivision shall be allowed only with  
54.20 respect to dividends that are included in a corporation's Minnesota taxable net income for  
54.21 the taxable year.

54.22 The dividend deduction provided in this subdivision does not apply to a dividend from  
54.23 a corporation which, for the taxable year of the corporation in which the distribution is made  
54.24 or for the next preceding taxable year of the corporation, is a corporation exempt from tax  
54.25 under section 501 of the Internal Revenue Code.

54.26 The dividend deduction provided in this subdivision does not apply to a dividend received  
54.27 from a real estate investment trust as defined in section 856 of the Internal Revenue Code.

54.28 The dividend deduction provided in this subdivision applies to the amount of regulated  
54.29 investment company dividends only to the extent determined under section 854(b) of the  
54.30 Internal Revenue Code.

54.31 The dividend deduction provided in this subdivision shall not be allowed with respect  
54.32 to any dividend for which a deduction is not allowed under the provisions of section 246(c)  
54.33 or 246A of the Internal Revenue Code.

55.1 (d) If dividends received by a corporation that does not have nexus with Minnesota under  
55.2 the provisions of Public Law 86-272 are included as income on the return of an affiliated  
55.3 corporation permitted or required to file a combined report under section 290.17, subdivision  
55.4 4, or 290.34, subdivision 2, then for purposes of this subdivision the determination as to  
55.5 whether the trade or business of the corporation consists principally of the holding of stocks  
55.6 and the collection of income and gains therefrom shall be made with reference to the trade  
55.7 or business of the affiliated corporation having a nexus with Minnesota.

55.8 (e) The deduction provided by this subdivision does not apply if the dividends are paid  
55.9 by a FSC as defined in section 922 of the Internal Revenue Code.

55.10 (f) If one or more of the members of the unitary group whose income is included on the  
55.11 combined report received a dividend, the deduction under this subdivision for each member  
55.12 of the unitary business required to file a return under this chapter is the product of: (1) 100  
55.13 percent of the dividends received by members of the group; (2) the percentage allowed  
55.14 pursuant to paragraph (a) or (b); and (3) the percentage of the taxpayer's business income  
55.15 apportionable to this state for the taxable year under section 290.191 or 290.20.

55.16 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
55.17 31, 2022.

55.18 Sec. 46. Minnesota Statutes 2022, section 290.21, subdivision 9, is amended to read:

55.19 Subd. 9. **Controlled foreign corporations.** The net income of a ~~domestic~~ corporation  
55.20 that is included pursuant to section 951 of the Internal Revenue Code is dividend income.

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

55.22 Sec. 47. Minnesota Statutes 2022, section 290.21, is amended by adding a subdivision to  
55.23 read:

55.24 Subd. 10. **Global intangible low-taxed income.** Any amounts included in taxable income  
55.25 pursuant to section 951A of the Internal Revenue Code, are dividend income.

55.26 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
55.27 31, 2022.

55.28 Sec. 48. Minnesota Statutes 2022, section 297I.20, is amended by adding a subdivision  
55.29 to read:

55.30 Subd. 6. **Short line railroad infrastructure modernization credit.** A taxpayer may  
55.31 claim a credit against the premiums tax imposed under this chapter equal to the amount

56.1 indicated on the credit certificate statement issued to the company under section 290.0695,  
56.2 provided that the taxpayer is not also claiming a credit under that section for the same  
56.3 qualified railroad reconstruction or replacement expenditures. If the amount of the credit  
56.4 exceeds the taxpayer's liability for tax under this chapter, the excess is a credit carryover to  
56.5 each of the five succeeding taxable years. The entire amount of the excess unused credit  
56.6 for the taxable year must be carried first to the earliest of the taxable years to which the  
56.7 credit may be carried and then to each successive year to which the credit may be carried.  
56.8 This credit does not affect the calculation of fire state aid under section 477B.03 and police  
56.9 state aid under section 477C.03. This subdivision expires January 1, 2031, for taxable years  
56.10 beginning after December 31, 2030.

56.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
56.12 31, 2022.

56.13 Sec. 49. **ONETIME REFUNDABLE TAX CREDIT PAYMENT.**

56.14 Subdivision 1. **Credit allowed; eligibility.** (a) For taxable years beginning after December  
56.15 31, 2020, and before January 1, 2022, a taxpayer is allowed a credit against the individual  
56.16 income tax imposed under Minnesota Statutes, chapter 290. The credit equals \$520 for a  
56.17 married couple filing a joint return and \$260 for a single filer, head of household, or married  
56.18 taxpayer filing a separate return.

56.19 (b) For a taxpayer with a dependent as defined in sections 151 and 152 of the Internal  
56.20 Revenue Code, the credit is increased by \$260 per dependent up to an additional maximum  
56.21 credit of \$780.

56.22 (c) The credit is not available to a taxpayer who:

56.23 (1) was not a resident of Minnesota, as defined in Minnesota Statutes, section 290.01,  
56.24 subdivision 7, during any part of 2021;

56.25 (2) was a dependent, as defined in sections 151 and 152 of the Internal Revenue Code,  
56.26 for 2021;

56.27 (3) did not file a 2021 Minnesota individual income tax return, or a property tax refund  
56.28 return under Minnesota Statutes, chapter 290A, based on property taxes payable in 2022 or  
56.29 rent constituting property taxes paid in 2021, by December 31, 2022;

56.30 (4) had adjusted gross income, as defined in Minnesota Statutes, section 290.01,  
56.31 subdivision 21a, for taxable years beginning in 2021 greater than:

56.32 (i) \$150,000 for a married couple filing a joint return; and

57.1 (ii) \$75,000 for all other income tax filers; or

57.2 (5) died before January 1, 2023.

57.3 (d) For an individual who is a Minnesota resident for only part of 2021, or for a married  
57.4 couple filing a joint return where one or both spouses were not Minnesota residents for all  
57.5 of 2021, the credit equals the credit allowed under paragraphs (a) to (c) multiplied by the  
57.6 percentage calculated under Minnesota Statutes, section 290.06, subdivision 2c, paragraph  
57.7 (e).

57.8 (e) If the amount of the credit under this subdivision exceeds the taxpayer's liability for  
57.9 tax under Minnesota Statutes, chapter 290, the commissioner shall refund the excess to the  
57.10 taxpayer. The commissioner shall pay the credit based on information available in the  
57.11 commissioner's records on January 1, 2023, and taxpayers are not required to file a claim  
57.12 with the commissioner. The commissioner's determination is final and cannot be appealed.

57.13 (f) The commissioner may contract with a third party to implement all or part of the  
57.14 payment process of this section.

57.15 Subd. 2. **Adjustments.** (a) If the commissioner determines that a taxpayer who received  
57.16 a payment under subdivision 1 is not eligible for the credit, the commissioner may recover  
57.17 the overpayment.

57.18 (b) If, within the time for requesting a refund under Minnesota Statutes, section 289A.40,  
57.19 the commissioner determines that a taxpayer meets all requirements under subdivision 1  
57.20 but did not receive proper payment of the credit, the commissioner shall pay the credit to  
57.21 the taxpayer.

57.22 (c) All provisions not inconsistent with this section under Minnesota Statutes, chapters  
57.23 270C and 289A, relating to audit, assessment, penalties, interest, enforcement, collection  
57.24 remedies, appeal and administration of the 2021 individual income tax apply to this section.  
57.25 No interest is payable on any amounts paid under section.

57.26 Subd. 3. **Definitions.** The definitions in Minnesota Statutes, section 290.01, apply for  
57.27 this section.

57.28 Subd. 4. **Data classification.** Data classified as nonpublic or private data on individuals,  
57.29 including return information, as defined in Minnesota Statutes, section 270B.01, subdivision  
57.30 3, may be shared or disclosed between the commissioner of revenue and any third-party  
57.31 vendor contracted with under this section, to the extent necessary to administer this section.

58.1 Subd. 5. **Credit not subject to recapture.** The commissioner of revenue must not apply,  
58.2 and must not certify to another agency to apply, a refund based on a credit under this section  
58.3 to any unpaid tax or nontax debt.

58.4 Subd. 6. **Not income.** (a) The credit under this section is not considered income in  
58.5 determining Minnesota income tax, Minnesota income tax credits, the Minnesota property  
58.6 tax refund, or the Minnesota senior citizen property tax deferral.

58.7 (b) Notwithstanding any law to the contrary, the credit under this section must not be  
58.8 considered income, assets, or personal property for purposes of determining eligibility or  
58.9 recertifying eligibility for:

58.10 (1) child care assistance programs under Minnesota Statutes, chapter 199B;

58.11 (2) general assistance, Minnesota supplemental aid, and food support under Minnesota  
58.12 Statutes, chapter 256D;

58.13 (3) housing support under Minnesota Statutes, chapter 256I;

58.14 (4) the Minnesota family investment program and diversionary work programs under  
58.15 Minnesota Statutes, chapter 256J; and

58.16 (5) economic assistance programs under Minnesota Statutes, chapter 256P.

58.17 (c) The commissioner of human services must not consider a credit under this section  
58.18 as income or assets under Minnesota Statutes, section 256B.056, subdivision 1a, paragraph  
58.19 (a), 3, or 3c, or for persons with eligibility determined under Minnesota Statutes, section  
58.20 256B.057, subdivision 3, 3a, or 3b.

58.21 Subd. 7. **Contracting with private vendors.** (a) To the extent necessary to administer  
58.22 this section, the commissioner of revenue is exempt from the requirements of Minnesota  
58.23 Statutes, sections 16A.15, subdivision 3, 16C.05, and 16C.06, and any other state  
58.24 procurement laws, rules, and procedures.

58.25 (b) Notwithstanding Minnesota Statutes, sections 9.031 and 16B.49, Minnesota Statutes,  
58.26 chapter 16C, and any other law to the contrary, the commissioner of revenue may take  
58.27 whatever actions the commissioner deems necessary to make payments required by this  
58.28 section, and may, in consultation with the commissioner of management and budget, contract  
58.29 with a private vendor or vendors to process, print, mail or deliver the checks, warrants, or  
58.30 debit cards and notices required under this section and receive and disburse state funds to  
58.31 make the payments by check, warrant, electronic funds transfer, or debit card.

59.1 Subd. 8. **Appropriation.** (a) The amount necessary to make the refunds based on credits  
59.2 payable under this section is appropriated to the commissioner of revenue from the general  
59.3 fund.

59.4 (b) \$1,000,000 in fiscal year 2023 is appropriated from the general fund to the  
59.5 commissioner of revenue for administrative costs to implement the payments under this  
59.6 section. This appropriation does not lapse and is available until June 30, 2025. This  
59.7 appropriation is onetime.

59.8 (c) \$21,000,000 in fiscal year 2024 is appropriated from the general fund to the  
59.9 commissioner of revenue for administrative costs to implement the payments under this  
59.10 section. This appropriation is available until June 30, 2025.

59.11 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
59.12 after December 31, 2020, and before January 1, 2022.

59.13 Sec. 50. **HISTORIC STRUCTURE REHABILITATION CREDIT; SPECIAL**  
59.14 **PROVISION.**

59.15 For the purposes of the credit under Minnesota Statutes, section 290.0681, projects that  
59.16 have started rehabilitation work after June 30, 2022, and before July 1, 2023, that otherwise  
59.17 meet all other requirements of Minnesota Statutes, section 290.0681, subdivision 3, may  
59.18 be eligible for the credit if the application is received on or before August 30, 2023.

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

59.20 Sec. 51. **REVIVAL AND REENACTMENT OF EXPIRED PROVISIONS.**

59.21 (a) The expired provisions of Minnesota Statutes, section 116J.8737, subdivisions 1 to  
59.22 9, 11, and 12, as amended by Laws 2021, First Special Session chapter 14, article 1, sections  
59.23 1 and 2, and sections 6 and 7 of this article, are revived and reenacted.

59.24 (b) The expired provisions of Minnesota Statutes, section 290.0692, are revived and  
59.25 reenacted.

59.26 (c) The expired provisions of Minnesota Statutes, section 290.0681, subdivisions 1 to  
59.27 9, are revived and reenacted.

59.28 **EFFECTIVE DATE.** Paragraphs (a) and (b) are effective for taxable years beginning  
59.29 after December 31, 2022. Paragraph (c) is effective retroactively for applications for  
59.30 allocation certificates submitted after June 30, 2022.



61.1 the Internal Revenue Code and any elections made by the taxpayer in accordance with the  
61.2 Internal Revenue Code in determining federal taxable income for federal income tax  
61.3 purposes, and with the modifications provided in sections 290.0131 to 290.0136.

61.4 (b) For an individual, the term "net income" means federal adjusted gross income with  
61.5 the modifications provided in sections 290.0131, 290.0132, and 290.0135 to 290.0137.

61.6 (c) In the case of a regulated investment company or a fund thereof, as defined in section  
61.7 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment  
61.8 company taxable income as defined in section 852(b)(2) of the Internal Revenue Code,  
61.9 except that:

61.10 (1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal  
61.11 Revenue Code does not apply;

61.12 (2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue  
61.13 Code must be applied by allowing a deduction for capital gain dividends and exempt-interest  
61.14 dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code;  
61.15 and

61.16 (3) the deduction for dividends paid must also be applied in the amount of any  
61.17 undistributed capital gains which the regulated investment company elects to have treated  
61.18 as provided in section 852(b)(3)(D) of the Internal Revenue Code.

61.19 (d) The net income of a real estate investment trust as defined and limited by section  
61.20 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust  
61.21 taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

61.22 (e) The net income of a designated settlement fund as defined in section 468B(d) of the  
61.23 Internal Revenue Code means the gross income as defined in section 468B(b) of the Internal  
61.24 Revenue Code.

61.25 (f) The Internal Revenue Code of 1986, as amended through ~~December 15, 2022~~ May  
61.26 1, 2023, applies for taxable years beginning after December 31, 1996.

61.27 (g) Except as otherwise provided, references to the Internal Revenue Code in this  
61.28 subdivision and sections 290.0131 to 290.0136 mean the code in effect for purposes of  
61.29 determining net income for the applicable year.

61.30 **EFFECTIVE DATE.** This section is effective the day following final enactment, except  
61.31 the changes incorporated by federal changes are effective retroactively at the same time the  
61.32 changes were effective for federal purposes.

62.1 Sec. 3. Minnesota Statutes 2022, section 290.01, subdivision 31, as amended by Laws  
62.2 2023, chapter 1, section 5, is amended to read:

62.3 Subd. 31. **Internal Revenue Code.** Unless specifically defined otherwise, "Internal  
62.4 Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~December~~  
62.5 ~~15, 2022~~ May 1, 2023. Internal Revenue Code also includes any uncodified provision in  
62.6 federal law that relates to provisions of the Internal Revenue Code that are incorporated  
62.7 into Minnesota law.

62.8 **EFFECTIVE DATE.** This section is effective the day following final enactment, except  
62.9 the changes incorporated by federal changes are effective retroactively at the same time the  
62.10 changes were effective for federal purposes.

62.11 Sec. 4. Minnesota Statutes 2022, section 290.06, subdivision 2c, as amended by Laws  
62.12 2023, chapter 1, section 15, is amended to read:

62.13 Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes  
62.14 imposed by this chapter upon married individuals filing joint returns and surviving spouses  
62.15 as defined in section 2(a) of the Internal Revenue Code must be computed by applying to  
62.16 their taxable net income the following schedule of rates:

- 62.17 (1) On the first \$38,770, 5.35 percent;
- 62.18 (2) On all over \$38,770, but not over \$154,020, 6.8 percent;
- 62.19 (3) On all over \$154,020, but not over \$269,010, 7.85 percent;
- 62.20 (4) On all over \$269,010, 9.85 percent.

62.21 Married individuals filing separate returns, estates, and trusts must compute their income  
62.22 tax by applying the above rates to their taxable income, except that the income brackets  
62.23 will be one-half of the above amounts after the adjustment required in subdivision 2d.

62.24 (b) The income taxes imposed by this chapter upon unmarried individuals must be  
62.25 computed by applying to taxable net income the following schedule of rates:

- 62.26 (1) On the first \$26,520, 5.35 percent;
- 62.27 (2) On all over \$26,520, but not over \$87,110, 6.8 percent;
- 62.28 (3) On all over \$87,110, but not over \$161,720, 7.85 percent;
- 62.29 (4) On all over \$161,720, 9.85 percent.

63.1 (c) The income taxes imposed by this chapter upon unmarried individuals qualifying as  
63.2 a head of household as defined in section 2(b) of the Internal Revenue Code must be  
63.3 computed by applying to taxable net income the following schedule of rates:

63.4 (1) On the first \$32,650, 5.35 percent;

63.5 (2) On all over \$32,650, but not over \$131,190, 6.8 percent;

63.6 (3) On all over \$131,190, but not over \$214,980, 7.85 percent;

63.7 (4) On all over \$214,980, 9.85 percent.

63.8 (d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax  
63.9 of any individual taxpayer whose taxable net income for the taxable year is less than an  
63.10 amount determined by the commissioner must be computed in accordance with tables  
63.11 prepared and issued by the commissioner of revenue based on income brackets of not more  
63.12 than \$100. The amount of tax for each bracket shall be computed at the rates set forth in  
63.13 this subdivision, provided that the commissioner may disregard a fractional part of a dollar  
63.14 unless it amounts to 50 cents or more, in which case it may be increased to \$1.

63.15 (e) An individual who is not a Minnesota resident for the entire year must compute the  
63.16 individual's Minnesota income tax as provided in this subdivision. After the application of  
63.17 the nonrefundable credits provided in this chapter, the tax liability must then be multiplied  
63.18 by a fraction in which:

63.19 (1) the numerator is the individual's Minnesota source federal adjusted gross income as  
63.20 defined in section 62 of the Internal Revenue Code and increased by:

63.21 (i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, ~~and~~  
63.22 17, 19, and 20, and 290.0137, paragraph (a); and reduced by

63.23 (ii) the Minnesota assignable portion of the subtraction for United States government  
63.24 interest under section 290.0132, subdivision 2, the subtractions under sections 290.0132,  
63.25 subdivisions 9, 10, 14, 15, 17, 18, 27, ~~and 31, and 32~~, and 290.0137, paragraph (c), after  
63.26 applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17;  
63.27 and

63.28 (2) the denominator is the individual's federal adjusted gross income as defined in section  
63.29 62 of the Internal Revenue Code, increased by:

63.30 (i) the additions required under sections 290.0131, subdivisions 2, 6, 8 to 10, 16, ~~and~~  
63.31 17, 19, and 20, and 290.0137, paragraph (a); and reduced by

64.1 (ii) the subtractions under sections 290.0132, subdivisions 2, 9, 10, 14, 15, 17, 18, 27,  
64.2 ~~and 31, and 32,~~ and 290.0137, paragraph (c).

64.3 (f) If an individual who is not a Minnesota resident for the entire year is a qualifying  
64.4 owner of a qualifying entity that elects to pay tax as provided in section 289A.08, subdivision  
64.5 7a, paragraph (b), the individual must compute the individual's Minnesota income tax as  
64.6 provided in paragraph (e), and also must include, to the extent attributed to the electing  
64.7 qualifying entity:

64.8 (1) in paragraph (e), clause (1), item (i), and paragraph (e), clause (2), item (i), the  
64.9 addition under section 290.0131, subdivision 5; and

64.10 (2) in paragraph (e), clause (1), item (ii), and paragraph (e), clause (2), item (ii), the  
64.11 subtraction under section 290.0132, subdivision 3.

64.12 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
64.13 after December 31, 2018.

64.14 Sec. 5. Minnesota Statutes 2022, section 290A.03, subdivision 15, as amended by Laws  
64.15 2023, chapter 1, section 20, is amended to read:

64.16 Subd. 15. **Internal Revenue Code.** "Internal Revenue Code" means the Internal Revenue  
64.17 Code of 1986, as amended through ~~December 15, 2022~~ May 1, 2023.

64.18 **EFFECTIVE DATE.** This section is effective beginning with refunds based on rent  
64.19 paid in 2023 and property taxes payable in 2024.

64.20 Sec. 6. Minnesota Statutes 2022, section 291.005, subdivision 1, as amended by Laws  
64.21 2023, chapter 1, section 21, is amended to read:

64.22 Subdivision 1. **Scope.** Unless the context otherwise clearly requires, the following terms  
64.23 used in this chapter shall have the following meanings:

64.24 (1) "Commissioner" means the commissioner of revenue or any person to whom the  
64.25 commissioner has delegated functions under this chapter.

64.26 (2) "Federal gross estate" means the gross estate of a decedent as required to be valued  
64.27 and otherwise determined for federal estate tax purposes under the Internal Revenue Code,  
64.28 increased by the value of any property in which the decedent had a qualifying income interest  
64.29 for life and for which an election was made under section 291.03, subdivision 1d, for  
64.30 Minnesota estate tax purposes, but was not made for federal estate tax purposes.

65.1 (3) "Internal Revenue Code" means the United States Internal Revenue Code of 1986,  
65.2 as amended through ~~December 15, 2022~~ May 1, 2023.

65.3 (4) "Minnesota gross estate" means the federal gross estate of a decedent after (a)  
65.4 excluding therefrom any property included in the estate which has its situs outside Minnesota,  
65.5 and (b) including any property omitted from the federal gross estate which is includable in  
65.6 the estate, has its situs in Minnesota, and was not disclosed to federal taxing authorities.

65.7 (5) "Nonresident decedent" means an individual whose domicile at the time of death  
65.8 was not in Minnesota.

65.9 (6) "Personal representative" means the executor, administrator or other person appointed  
65.10 by the court to administer and dispose of the property of the decedent. If there is no executor,  
65.11 administrator or other person appointed, qualified, and acting within this state, then any  
65.12 person in actual or constructive possession of any property having a situs in this state which  
65.13 is included in the federal gross estate of the decedent shall be deemed to be a personal  
65.14 representative to the extent of the property and the Minnesota estate tax due with respect  
65.15 to the property.

65.16 (7) "Resident decedent" means an individual whose domicile at the time of death was  
65.17 in Minnesota. The provisions of section 290.01, subdivision 7, paragraphs (c) and (d), apply  
65.18 to determinations of domicile under this chapter.

65.19 (8) "Situs of property" means, with respect to:

65.20 (i) real property, the state or country in which it is located;

65.21 (ii) tangible personal property, the state or country in which it was normally kept or  
65.22 located at the time of the decedent's death or for a gift of tangible personal property within  
65.23 three years of death, the state or country in which it was normally kept or located when the  
65.24 gift was executed;

65.25 (iii) a qualified work of art, as defined in section 2503(g)(2) of the Internal Revenue  
65.26 Code, owned by a nonresident decedent and that is normally kept or located in this state  
65.27 because it is on loan to an organization, qualifying as exempt from taxation under section  
65.28 501(c)(3) of the Internal Revenue Code, that is located in Minnesota, the situs of the art is  
65.29 deemed to be outside of Minnesota, notwithstanding the provisions of item (ii); and

65.30 (iv) intangible personal property, the state or country in which the decedent was domiciled  
65.31 at death or for a gift of intangible personal property within three years of death, the state or  
65.32 country in which the decedent was domiciled when the gift was executed.

66.1 For a nonresident decedent with an ownership interest in a pass-through entity with  
66.2 assets that include real or tangible personal property, situs of the real or tangible personal  
66.3 property, including qualified works of art, is determined as if the pass-through entity does  
66.4 not exist and the real or tangible personal property is personally owned by the decedent. If  
66.5 the pass-through entity is owned by a person or persons in addition to the decedent, ownership  
66.6 of the property is attributed to the decedent in proportion to the decedent's capital ownership  
66.7 share of the pass-through entity.

66.8 (9) "Pass-through entity" includes the following:

66.9 (i) an entity electing S corporation status under section 1362 of the Internal Revenue  
66.10 Code;

66.11 (ii) an entity taxed as a partnership under subchapter K of the Internal Revenue Code;

66.12 (iii) a single-member limited liability company or similar entity, regardless of whether  
66.13 it is taxed as an association or is disregarded for federal income tax purposes under Code  
66.14 of Federal Regulations, title 26, section 301.7701-3; or

66.15 (iv) a trust to the extent the property is includable in the decedent's federal gross estate;  
66.16 but excludes

66.17 (v) an entity whose ownership interest securities are traded on an exchange regulated  
66.18 by the Securities and Exchange Commission as a national securities exchange under section  
66.19 6 of the Securities Exchange Act, United States Code, title 15, section 78f.

66.20 **EFFECTIVE DATE.** This section is effective the day following final enactment, except  
66.21 the changes incorporated by federal changes are effective retroactively at the same time the  
66.22 changes were effective for federal purposes.

66.23 Sec. 7. Laws 2023, chapter 1, section 15, the effective date, is amended to read:

66.24 **EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning  
66.25 after December 31, ~~2022~~ 2019.

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

66.27 Sec. 8. **REPEALER.**

66.28 Minnesota Statutes 2022, section 290.0132, subdivision 33, as added by Laws 2023,  
66.29 chapter 1, section 12, is repealed.

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

67.1 **ARTICLE 3**

67.2 **PROPERTY TAX**

67.3 Section 1. Minnesota Statutes 2022, section 103D.905, subdivision 3, is amended to read:

67.4 Subd. 3. **General fund.** A general fund, consisting of an ad valorem tax levy, may not  
67.5 exceed ~~0.048~~ 0.096 percent of estimated market value, or ~~\$250,000~~ \$500,000, whichever  
67.6 is less. The money in the fund shall be used for general administrative expenses and for the  
67.7 construction or implementation and maintenance of projects of common benefit to the  
67.8 watershed district. The managers may make an annual levy for the general fund as provided  
67.9 in section 103D.911. In addition to the annual general levy, the managers may annually  
67.10 levy a tax not to exceed 0.00798 percent of estimated market value for a period not to exceed  
67.11 15 consecutive years to pay the cost attributable to the basic water management features of  
67.12 projects initiated by petition of a political subdivision within the watershed district or by  
67.13 petition of at least 50 resident owners whose property is within the watershed district.

67.14 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024  
67.15 and thereafter.

67.16 Sec. 2. Minnesota Statutes 2022, section 272.02, subdivision 24, is amended to read:

67.17 Subd. 24. **Solar energy generating systems.** Personal property consisting of solar energy  
67.18 generating systems, as defined in section 272.0295, is exempt. If the real property upon  
67.19 which a solar energy generating system is located is used primarily for solar energy  
67.20 production subject to the production tax under section 272.0295, the real property shall be  
67.21 classified as class 3a. If the real property upon which a solar energy generating system is  
67.22 located is not used primarily for solar energy production subject to the production tax under  
67.23 section 272.0295, the real property shall be classified without regard to the system. If real  
67.24 property contains more than one solar energy generating system that cannot be combined  
67.25 with the nameplate capacity of another solar energy generating system for the purposes of  
67.26 the production tax under section 272.0295, but is in aggregate over one megawatt, then the  
67.27 real property upon which the systems are located shall be classified as class 3a.

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

67.29 Sec. 3. Minnesota Statutes 2022, section 272.02, subdivision 98, is amended to read:

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

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

68.1 (2) is located in a city of the first class with a population greater than 300,000 as of the  
68.2 2010 federal census;

68.3 (3) was on January 2, 2012, and is for the current assessment owned by a federally  
68.4 recognized Indian tribe, or its instrumentality, that is located within the state of Minnesota;  
68.5 and

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

68.8 (b) For purposes of this subdivision, a "tribal purpose" means a public purpose as defined  
68.9 in subdivision 8 and includes noncommercial tribal government activities. Property that  
68.10 qualifies for the exemption under this subdivision is limited to no more than two contiguous  
68.11 parcels and structures that do not exceed in the aggregate 20,000 square feet. Property  
68.12 acquired for single-family housing, market-rate apartments, agriculture, or forestry does  
68.13 not qualify for this exemption. ~~The exemption created by~~ This subdivision expires with  
68.14 taxes payable in ~~2024~~ 2034.

68.15 (c) Property exempt under this section is exempt from the requirements of section  
68.16 272.025. Upon the written request of an assessor, all books and records relating to the  
68.17 ownership or use of the property which are reasonably necessary to verify that the property  
68.18 qualifies for exemption shall be made available to the assessor.

68.19 **EFFECTIVE DATE.** This section is effective for property taxes payable in 2023 and  
68.20 thereafter.

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

68.23 Subd. 105. **Elderly living facility.** An elderly living facility is exempt from taxation if  
68.24 it meets all of the following requirements:

68.25 (1) the facility is located in a city of the first class with a population of fewer than  
68.26 110,000;

68.27 (2) the facility is owned and operated by a nonprofit organization with tax exempt status  
68.28 under section 501(c)(3) of the Internal Revenue Code;

68.29 (3) construction of the facility was completed between January 1, 1963, and January 1,  
68.30 1964;

68.31 (4) the facility is an assisted living facility licensed by the state of Minnesota;

68.32 (5) residents of the facility must be (i) at least 55 years of age, or (ii) disabled; and

69.1 (6) at least 30 percent of the units in the facility are occupied by persons whose annual  
69.2 income does not exceed 50 percent of the median family income for the area.

69.3 For assessment year 2022 only, an exemption application under this section must be filed  
69.4 with the county assessor by June 15, 2023.

69.5 **EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2023.

69.6 Sec. 5. Minnesota Statutes 2022, section 273.11, subdivision 12, is amended to read:

69.7 Subd. 12. **Community land trusts.** (a) A community land trust, as defined under chapter  
69.8 462A, is (i) a community-based nonprofit corporation organized under chapter 317A, which  
69.9 qualifies for tax exempt status under 501(c)(3), or (ii) a "city" as defined in section 462C.02,  
69.10 subdivision 6, which has received funding from the Minnesota housing finance agency for  
69.11 purposes of the community land trust program. The Minnesota Housing Finance Agency  
69.12 shall set the criteria for community land trusts.

69.13 (b) Before the community land trust can rent or sell a unit to an applicant, the community  
69.14 land trust shall verify to the satisfaction of the administering agency or the city that the  
69.15 family income of each person or family applying for a unit in the community land trust  
69.16 building is within the income criteria provided in section 462A.30, subdivision 9. The  
69.17 administering agency or the city shall verify to the satisfaction of the county assessor that  
69.18 the occupant meets the income criteria under section 462A.30, subdivision 9. The property  
69.19 tax benefits under paragraph (c) shall be granted only to property owned or rented by persons  
69.20 or families within the qualifying income limits. The family income criteria and verification  
69.21 is only necessary at the time of initial occupancy in the property.

69.22 (c) A unit which is owned by the occupant and used as a homestead by the occupant  
69.23 qualifies for homestead treatment as class 1a under section 273.13, subdivision 22, unless  
69.24 the unit meets the requirements of section 273.13, subdivision 25, paragraph (e), clause (2),  
69.25 in which case the unit shall be classified as 4d(2). A unit which is rented by the occupant  
69.26 and used as a homestead by the occupant shall be class 4a or 4b property, under section  
69.27 273.13, subdivision 25, whichever is applicable. Any remaining portion of the property not  
69.28 used for residential purposes shall be classified by the assessor in the appropriate class based  
69.29 upon the use of that portion of the property owned by the community land trust. The land  
69.30 upon which the building is located shall be assessed at the same classification rate as the  
69.31 units within the building, provided that if the building contains some units assessed as class  
69.32 1a or class 4d(2) and some units assessed as class 4a or 4b, the market value of the land  
69.33 will be assessed in the same proportions as the value of the building.

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

70.2 Sec. 6. Minnesota Statutes 2022, section 273.11, subdivision 23, is amended to read:

70.3 Subd. 23. **First tier valuation limit; agricultural homestead property.** (a) The  
70.4 commissioner of revenue shall annually certify the first tier limit for agricultural homestead  
70.5 property. For assessment year ~~2010~~ 2024, the limit is ~~\$1,140,000~~ \$3,500,000. Beginning  
70.6 with assessment year ~~2011~~ 2025, the limit is the product of (i) the first tier limit for the  
70.7 preceding assessment year, and (ii) the ratio of the statewide average taxable market value  
70.8 of agricultural property per acre of deeded farm land in the preceding assessment year to  
70.9 the statewide average taxable market value of agricultural property per acre of deeded farm  
70.10 land for the second preceding assessment year. The limit shall be rounded to the nearest  
70.11 \$10,000.

70.12 (b) For the purposes of this subdivision, "agricultural property" means all class 2a  
70.13 property under section 273.13, subdivision 23, except for property consisting of the house,  
70.14 garage, and immediately surrounding one acre of land of an agricultural homestead.

70.15 (c) The commissioner shall certify the limit by January 2 of each assessment year.

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

70.17 Sec. 7. Minnesota Statutes 2022, section 273.111, is amended by adding a subdivision to  
70.18 read:

70.19 Subd. 3b. **Property no longer eligible for deferment.** (a) Real estate that received the  
70.20 tax deferment under this section for assessment year 2012 and would have continued to  
70.21 qualify for tax deferment for assessment years from 2013 to 2023 but for an eminent domain  
70.22 action that reduced the real estate to less than ten acres, shall reapply as provided in paragraph  
70.23 (b) and, if determined eligible, shall qualify for the tax deferment under this section for  
70.24 assessment year 2024 and thereafter until:

70.25 (1) the property no longer qualifies for classification as class 2a under section 273.13;

70.26 (2) the property is voluntarily withdrawn from the program; or

70.27 (3) the property is sold, transferred, or subdivided.

70.28 (b) Application for deferment under this subdivision shall be filed by May 1 of the year  
70.29 prior to the year in which the taxes are payable. The application must be filed with the  
70.30 assessor of the taxing district in which the real property is located on the form prescribed

71.1 by the commissioner of revenue. The assessor may request additional information necessary  
71.2 to determine eligibility under this subdivision.

71.3 (c) Property assessed under this subdivision is subject to additional taxes, as provided  
71.4 in subdivision 9, when the property:

71.5 (1) no longer qualifies for classification as class 2a under section 273.13;

71.6 (2) is voluntarily withdrawn from the program; or

71.7 (3) is sold, transferred, or subdivided.

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

71.9 Sec. 8. Minnesota Statutes 2022, section 273.124, subdivision 6, is amended to read:

71.10 Subd. 6. **Leasehold cooperatives.** When one or more dwellings or one or more buildings  
71.11 which each contain several dwelling units is owned by a nonprofit corporation subject to  
71.12 the provisions of chapter 317A and qualifying under section 501(c)(3) or 501(c)(4) of the  
71.13 Internal Revenue Code, or a limited partnership which corporation or partnership operates  
71.14 the property in conjunction with a cooperative association, and has received public financing,  
71.15 homestead treatment may be claimed by the cooperative association on behalf of the members  
71.16 of the cooperative for each dwelling unit occupied by a member of the cooperative. The  
71.17 cooperative association must provide the assessor with the Social Security numbers or  
71.18 individual taxpayer identification numbers of those members. To qualify for the treatment  
71.19 provided by this subdivision, the following conditions must be met:

71.20 (a) the cooperative association must be organized under chapter 308A or 308B and all  
71.21 voting members of the board of directors must be resident tenants of the cooperative and  
71.22 must be elected by the resident tenants of the cooperative;

71.23 (b) the cooperative association must have a lease for occupancy of the property for a  
71.24 term of at least 20 years, which permits the cooperative association, while not in default on  
71.25 the lease, to participate materially in the management of the property, including material  
71.26 participation in establishing budgets, setting rent levels, and hiring and supervising a  
71.27 management agent;

71.28 (c) to the extent permitted under state or federal law, the cooperative association must  
71.29 have a right under a written agreement with the owner to purchase the property if the owner  
71.30 proposes to sell it; if the cooperative association does not purchase the property it is offered  
71.31 for sale, the owner may not subsequently sell the property to another purchaser at a price

72.1 lower than the price at which it was offered for sale to the cooperative association unless  
72.2 the cooperative association approves the sale;

72.3 (d) a minimum of 40 percent of the cooperative association's members must have incomes  
72.4 at or less than 60 percent of area median gross income as determined by the United States  
72.5 Secretary of Housing and Urban Development under section 142(d)(2)(B) of the Internal  
72.6 Revenue Code. For purposes of this clause, "member income" means the income of a member  
72.7 existing at the time the member acquires cooperative membership;

72.8 (e) if a limited partnership owns the property, it must include as the managing general  
72.9 partner a nonprofit organization operating under the provisions of chapter 317A and  
72.10 qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code and the limited  
72.11 partnership agreement must provide that the managing general partner have sufficient powers  
72.12 so that it materially participates in the management and control of the limited partnership;

72.13 (f) prior to becoming a member of a leasehold cooperative described in this subdivision,  
72.14 a person must have received notice that (1) describes leasehold cooperative property in plain  
72.15 language, including but not limited to the effects of classification under this subdivision on  
72.16 rents, property taxes and tax credits or refunds, and operating expenses, and (2) states that  
72.17 copies of the articles of incorporation and bylaws of the cooperative association, the lease  
72.18 between the owner and the cooperative association, a sample sublease between the  
72.19 cooperative association and a tenant, and, if the owner is a partnership, a copy of the limited  
72.20 partnership agreement, can be obtained upon written request at no charge from the owner,  
72.21 and the owner must send or deliver the materials within seven days after receiving any  
72.22 request;

72.23 (g) if a dwelling unit of a building was occupied on the 60th day prior to the date on  
72.24 which the unit became leasehold cooperative property described in this subdivision, the  
72.25 notice described in paragraph (f) must have been sent by first class mail to the occupant of  
72.26 the unit at least 60 days prior to the date on which the unit became leasehold cooperative  
72.27 property. For purposes of the notice under this paragraph, the copies of the documents  
72.28 referred to in paragraph (f) may be in proposed version, provided that any subsequent  
72.29 material alteration of those documents made after the occupant has requested a copy shall  
72.30 be disclosed to any occupant who has requested a copy of the document. Copies of the  
72.31 articles of incorporation and certificate of limited partnership shall be filed with the secretary  
72.32 of state after the expiration of the 60-day period unless the change to leasehold cooperative  
72.33 status does not proceed;

73.1 (h) the county attorney of the county in which the property is located must certify to the  
73.2 assessor that the property meets the requirements of this subdivision;

73.3 (i) the public financing received must be from at least one of the following sources:

73.4 (1) tax increment financing proceeds used for the acquisition or rehabilitation of the  
73.5 building or interest rate write-downs relating to the acquisition of the building;

73.6 (2) government issued bonds exempt from taxes under section 103 of the Internal Revenue  
73.7 Code, the proceeds of which are used for the acquisition or rehabilitation of the building;

73.8 (3) programs under section 221(d)(3), 202, or 236, of Title II of the National Housing  
73.9 Act;

73.10 (4) rental housing program funds under Section 8 of the United States Housing Act of  
73.11 1937, as amended, or the market rate family graduated payment mortgage program funds  
73.12 administered by the Minnesota Housing Finance Agency that are used for the acquisition  
73.13 or rehabilitation of the building;

73.14 (5) low-income housing credit under section 42 of the Internal Revenue Code;

73.15 (6) public financing provided by a local government used for the acquisition or  
73.16 rehabilitation of the building, including grants or loans from (i) federal community  
73.17 development block grants; (ii) HOME block grants; or (iii) residential rental bonds issued  
73.18 under chapter 474A; or

73.19 (7) other rental housing program funds provided by the Minnesota Housing Finance  
73.20 Agency for the acquisition or rehabilitation of the building;

73.21 (j) at the time of the initial request for homestead classification or of any transfer of  
73.22 ownership of the property, the governing body of the municipality in which the property is  
73.23 located must hold a public hearing and make the following findings:

73.24 (1) that the granting of the homestead treatment of the apartment's units will facilitate  
73.25 safe, clean, affordable housing for the cooperative members that would otherwise not be  
73.26 available absent the homestead designation;

73.27 (2) that the owner has presented information satisfactory to the governing body showing  
73.28 that the savings garnered from the homestead designation of the units will be used to reduce  
73.29 tenant's rents or provide a level of furnishing or maintenance not possible absent the  
73.30 designation; and

73.31 (3) that the requirements of paragraphs (b), (d), and (i) have been met.

74.1 Homestead treatment must be afforded to units occupied by members of the cooperative  
 74.2 association and the units must be assessed as provided in subdivision 3, provided that any  
 74.3 unit not so occupied shall be classified and assessed pursuant to the appropriate class. No  
 74.4 more than three acres of land may, for assessment purposes, be included with each dwelling  
 74.5 unit that qualifies for homestead treatment under this subdivision.

74.6 When dwelling units no longer qualify under this subdivision, the current owner must  
 74.7 notify the assessor within 60 days. Failure to notify the assessor within 60 days shall result  
 74.8 in the loss of benefits under this subdivision for taxes payable in the year that the failure is  
 74.9 discovered. For these purposes, "benefits under this subdivision" means the difference in  
 74.10 the net tax capacity of the units which no longer qualify as computed under this subdivision  
 74.11 and as computed under the otherwise applicable law, times the local tax rate applicable to  
 74.12 the building for that taxes payable year. Upon discovery of a failure to notify, the assessor  
 74.13 shall inform the auditor of the difference in net tax capacity for the building or buildings in  
 74.14 which units no longer qualify, and the auditor shall calculate the benefits under this  
 74.15 subdivision. Such amount, plus a penalty equal to 100 percent of that amount, shall then be  
 74.16 demanded of the building's owner. The property owner may appeal the county's determination  
 74.17 by serving copies of a petition for review with county officials as provided in section 278.01  
 74.18 and filing a proof of service as provided in section 278.01 with the Minnesota Tax Court  
 74.19 within 60 days of the date of the notice from the county. The appeal shall be governed by  
 74.20 the Tax Court procedures provided in chapter 271, for cases relating to the tax laws as  
 74.21 defined in section 271.01, subdivision 5; disregarding sections 273.125, subdivision 5, and  
 74.22 278.03, but including section 278.05, subdivision 2. If the amount of the benefits under this  
 74.23 subdivision and penalty are not paid within 60 days, and if no appeal has been filed, the  
 74.24 county auditor shall certify the amount of the benefit and penalty to the succeeding year's  
 74.25 tax list to be collected as part of the property taxes on the affected buildings.

74.26 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications  
 74.27 filed in 2023 and thereafter.

74.28 Sec. 9. Minnesota Statutes 2022, section 273.124, subdivision 13, is amended to read:

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

74.32 (b) The commissioner shall prescribe the content, format, and manner of the homestead  
 74.33 application required to be filed under this chapter pursuant to section 270C.30. The  
 74.34 application must clearly inform the taxpayer that this application must be signed by all

75.1 owners who occupy the property or by the qualifying relative and returned to the county  
 75.2 assessor in order for the property to receive homestead treatment.

75.3 (c) Every property owner applying for homestead classification must furnish to the  
 75.4 county assessor the Social Security number or individual taxpayer identification number of  
 75.5 each occupant who is listed as an owner of the property on the deed of record, the name  
 75.6 and address of each owner who does not occupy the property, and the name and Social  
 75.7 Security number or individual taxpayer identification number of the spouse of each occupying  
 75.8 owner. The application must be signed by each owner who occupies the property and by  
 75.9 each owner's spouse who occupies the property, or, in the case of property that qualifies as  
 75.10 a homestead under subdivision 1, paragraph (c), by the qualifying relative.

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

75.15 Owners or spouses occupying residences owned by their spouses and previously occupied  
 75.16 with the other spouse, either of whom fail to include the other spouse's name and Social  
 75.17 Security number or individual taxpayer identification number on the homestead application  
 75.18 or provide the affidavits or other proof requested, will be deemed to have elected to receive  
 75.19 only partial homestead treatment of their residence. The remainder of the residence will be  
 75.20 classified as nonhomestead residential. When an owner or spouse's name and Social Security  
 75.21 number or individual taxpayer identification number appear on homestead applications for  
 75.22 two separate residences and only one application is signed, the owner or spouse will be  
 75.23 deemed to have elected to homestead the residence for which the application was signed.

75.24 (d) If residential real estate is occupied and used for purposes of a homestead by a relative  
 75.25 of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for  
 75.26 the property to receive homestead status, a homestead application must be filed with the  
 75.27 assessor. The Social Security number or individual taxpayer identification number of each  
 75.28 relative occupying the property and the name and Social Security number or individual  
 75.29 taxpayer identification number of the spouse of a relative occupying the property shall be  
 75.30 required on the homestead application filed under this subdivision. If a different relative of  
 75.31 the owner subsequently occupies the property, the owner of the property must notify the  
 75.32 assessor within 30 days of the change in occupancy. The Social Security number or individual  
 75.33 taxpayer identification number of a relative occupying the property or the spouse of a relative  
 75.34 occupying the property is private data on individuals as defined by section 13.02, subdivision  
 75.35 12, but may be disclosed to the commissioner of revenue, or, for the purposes of proceeding

76.1 under the Revenue Recapture Act to recover personal property taxes owing, to the county  
76.2 treasurer.

76.3 (e) The homestead application shall also notify the property owners that if the property  
76.4 is granted homestead status for any assessment year, that same property shall remain  
76.5 classified as homestead until the property is sold or transferred to another person, or the  
76.6 owners, the spouse of the owner, or the relatives no longer use the property as their  
76.7 homestead. Upon the sale or transfer of the homestead property, a certificate of value must  
76.8 be timely filed with the county auditor as provided under section 272.115. Failure to notify  
76.9 the assessor within 30 days that the property has been sold, transferred, or that the owner,  
76.10 the spouse of the owner, or the relative is no longer occupying the property as a homestead,  
76.11 shall result in the penalty provided under this subdivision and the property will lose its  
76.12 current homestead status.

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

76.17 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications  
76.18 filed in 2023 and thereafter.

76.19 Sec. 10. Minnesota Statutes 2022, section 273.124, subdivision 13a, is amended to read:

76.20 Subd. 13a. **Occupant list.** At the request of the commissioner, each county must give  
76.21 the commissioner a list that includes the name and Social Security number or individual  
76.22 taxpayer identification number of each occupant of homestead property who is the property  
76.23 owner, property owner's spouse, qualifying relative of a property owner, or a spouse of a  
76.24 qualifying relative. The commissioner shall use the information provided on the lists as  
76.25 appropriate under the law, including for the detection of improper claims by owners, or  
76.26 relatives of owners, under chapter 290A.

76.27 **EFFECTIVE DATE.** This section is effective for homestead data provided to the  
76.28 commissioner in 2024 and thereafter.

76.29 Sec. 11. Minnesota Statutes 2022, section 273.124, subdivision 13c, is amended to read:

76.30 Subd. 13c. **Property lists.** In addition to lists of homestead properties, the commissioner  
76.31 may ask the counties to furnish lists of all properties and the record owners. The Social  
76.32 Security numbers, individual taxpayer identification numbers, and federal identification

77.1 numbers that are maintained by a county or city assessor for property tax administration  
77.2 purposes, and that may appear on the lists retain their classification as private or nonpublic  
77.3 data; but may be viewed, accessed, and used by the county auditor or treasurer of the same  
77.4 county for the limited purpose of assisting the commissioner in the preparation of microdata  
77.5 samples under section 270C.12. The commissioner shall use the information provided on  
77.6 the lists as appropriate under the law, including for the detection of improper claims by  
77.7 owners, or relatives of owners, under chapter 290A.

77.8 **EFFECTIVE DATE.** This section is effective for homestead data provided to the  
77.9 commissioner in 2024 and thereafter.

77.10 Sec. 12. Minnesota Statutes 2022, section 273.124, subdivision 13d, is amended to read:

77.11 Subd. 13d. **Homestead data.** On or before April 30 each year beginning in 2007, each  
77.12 county must provide the commissioner with the following data for each parcel of homestead  
77.13 property by electronic means as defined in section 289A.02, subdivision 8:

77.14 (1) the property identification number assigned to the parcel for purposes of taxes payable  
77.15 in the current year;

77.16 (2) the name and Social Security number or individual taxpayer identification number  
77.17 of each occupant of homestead property who is the property owner or qualifying relative  
77.18 of a property owner, and the spouse of the property owner who occupies homestead property  
77.19 or spouse of a qualifying relative of a property owner who occupies homestead property;

77.20 (3) the classification of the property under section 273.13 for taxes payable in the current  
77.21 year and in the prior year;

77.22 (4) an indication of whether the property was classified as a homestead for taxes payable  
77.23 in the current year because of occupancy by a relative of the owner or by a spouse of a  
77.24 relative;

77.25 (5) the property taxes payable as defined in section 290A.03, subdivision 13, for the  
77.26 current year and the prior year;

77.27 (6) the market value of improvements to the property first assessed for tax purposes for  
77.28 taxes payable in the current year;

77.29 (7) the assessor's estimated market value assigned to the property for taxes payable in  
77.30 the current year and the prior year;

77.31 (8) the taxable market value assigned to the property for taxes payable in the current  
77.32 year and the prior year;

78.1 (9) whether there are delinquent property taxes owing on the homestead;

78.2 (10) the unique taxing district in which the property is located; and

78.3 (11) such other information as the commissioner decides is necessary.

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

78.7 EFFECTIVE DATE. This section is effective for homestead data provided to the  
78.8 commissioner in 2024 and thereafter.

78.9 Sec. 13. Minnesota Statutes 2022, section 273.124, subdivision 14, is amended to read:

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

78.13 (1) the parcel on which the house is located is contiguous on at least two sides to (i)  
78.14 agricultural land, (ii) land owned or administered by the United States Fish and Wildlife  
78.15 Service, or (iii) land administered by the Department of Natural Resources on which in lieu  
78.16 taxes are paid under sections 477A.11 to 477A.14 or section 477A.17;

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

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

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

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

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

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

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

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

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

79.12 (5) neither the owner nor the person actively farming the agricultural property lives  
79.13 farther than four townships or cities, or a combination of four townships or cities, from the  
79.14 agricultural property, except that if the owner or the owner's spouse is required to live in  
79.15 employer-provided housing, the owner or owner's spouse, whichever is actively farming  
79.16 the agricultural property, may live more than four townships or cities, or combination of  
79.17 four townships or cities from the agricultural property.

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

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

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

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

79.31 (d) Agricultural land used for purposes of a homestead and actively farmed by a person  
79.32 holding a vested remainder interest in it must be classified as a homestead under section  
79.33 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other

80.1 dwellings on the land used for purposes of a homestead by persons holding vested remainder  
80.2 interests who are actively engaged in farming the property, and up to one acre of the land  
80.3 surrounding each homestead and reasonably necessary for the use of the dwelling as a home,  
80.4 must also be assessed class 2a.

80.5 (e) Agricultural land and buildings that were class 2a homestead property under section  
80.6 273.13, subdivision 23, paragraph (a), for the 1997 assessment shall remain classified as  
80.7 agricultural homesteads for subsequent assessments if:

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

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

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

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

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

80.22 (f) Agricultural land and buildings that were class 2a homestead property under section  
80.23 273.13, subdivision 23, paragraph (a), for the 1998 assessment shall remain classified  
80.24 agricultural homesteads for subsequent assessments if:

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

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

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

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

81.1 (5) the owner notifies the county assessor that the relocation was due to a March 29,  
81.2 1998, tornado, and the owner furnishes the assessor any information deemed necessary by  
81.3 the assessor in verifying the change in homestead dwelling. For taxes payable in 1999, the  
81.4 owner must notify the assessor by December 1, 1998. Further notifications to the assessor  
81.5 are not required if the property continues to meet all the requirements in this paragraph and  
81.6 any dwellings on the agricultural land remain uninhabited.

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

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

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

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

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

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

81.21 Homestead treatment applies under this paragraph even if:

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

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

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

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

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

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

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

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

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

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

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

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

82.22 The owners and any persons who are actively farming the property must include the  
82.23 appropriate Social Security numbers or individual taxpayer identification numbers, and sign  
82.24 and date the application. If any of the specified information has changed since the full  
82.25 application was filed, the owner must notify the assessor, and must complete a new  
82.26 application to determine if the property continues to qualify for the special agricultural  
82.27 homestead. The commissioner of revenue shall prepare a standard reapplication form for  
82.28 use by the assessors.

82.29 (i) Agricultural land and buildings that were class 2a homestead property under section  
82.30 273.13, subdivision 23, paragraph (a), for the 2007 assessment shall remain classified  
82.31 agricultural homesteads for subsequent assessments if:

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

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

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

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

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

83.15 (j) Agricultural land and buildings that were class 2a homestead property under section  
83.16 273.13, subdivision 23, paragraph (a), for the 2008 assessment shall remain classified as  
83.17 agricultural homesteads for subsequent assessments if:

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

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

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

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

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

83.31 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications  
83.32 filed in 2023 and thereafter.

84.1 Sec. 14. Minnesota Statutes 2022, section 273.1245, subdivision 1, is amended to read:

84.2 Subdivision 1. **Private or nonpublic data.** The following data are private or nonpublic  
84.3 data as defined in section 13.02, subdivisions 9 and 12, when they are submitted to a county  
84.4 or local assessor under section 273.124, 273.13, or another section, to support a claim for  
84.5 the property tax homestead classification under section 273.13, or other property tax  
84.6 classification or benefit:

84.7 (1) Social Security numbers;

84.8 (2) individual taxpayer identification numbers;

84.9 ~~(2)~~ (3) copies of state or federal income tax returns; and

84.10 ~~(3)~~ (4) state or federal income tax return information, including the federal income tax  
84.11 schedule F.

84.12 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications  
84.13 filed in 2023 and thereafter.

84.14 Sec. 15. Minnesota Statutes 2022, section 273.128, subdivision 1, is amended to read:

84.15 Subdivision 1. **Requirement.** (a) Low-income rental property classified as class ~~4d~~  
84.16 4d(1) under section 273.13, subdivision 25, is entitled to valuation under this section if at  
84.17 least 20 percent of the units in the rental housing property meet any of the following  
84.18 qualifications:

84.19 (1) the units are subject to a housing assistance payments contract under Section 8 of  
84.20 the United States Housing Act of 1937, as amended;

84.21 (2) the units are rent-restricted and income-restricted units of a qualified low-income  
84.22 housing project receiving tax credits under section 42(g) of the Internal Revenue Code;

84.23 (3) the units are financed by the Rural Housing Service of the United States Department  
84.24 of Agriculture and receive payments under the rental assistance program pursuant to section  
84.25 521(a) of the Housing Act of 1949, as amended; or

84.26 (4) the units are subject to rent and income restrictions under the terms of financial  
84.27 assistance provided to the rental housing property by the federal government or the state of  
84.28 Minnesota, or a local unit of government, as evidenced by a document recorded against the  
84.29 property.

84.30 The restrictions must require assisted units to be occupied by residents whose household  
84.31 income at the time of initial occupancy does not exceed 60 percent of the greater of area or

85.1 state median income, adjusted for family size, as determined by the United States Department  
85.2 of Housing and Urban Development. The restriction must also require the rents for assisted  
85.3 units to not exceed 30 percent of 60 percent of the greater of area or state median income,  
85.4 adjusted for family size, as determined by the United States Department of Housing and  
85.5 Urban Development.

85.6 (b) The owner of a property certified as class 4d(1) under this section must use the  
85.7 property tax savings received from the 4d(1) classification for one or more of the following  
85.8 eligible uses: property maintenance, property security, improvements to the property, rent  
85.9 stabilization, or increases to the property's replacement reserve account. To maintain the  
85.10 class 4d(1) classification, the property owner must annually reapply and certify to the  
85.11 Housing Finance Agency that the property tax savings were used for one or more eligible  
85.12 uses.

85.13 (c) In order to meet the requirements of this section, property which received the 4d(1)  
85.14 classification in the prior year must demonstrate compliance with paragraph (b).

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

85.16 Sec. 16. Minnesota Statutes 2022, section 273.128, is amended by adding a subdivision  
85.17 to read:

85.18 Subd. 1a. **Approval.** A property owner must receive approval by resolution of the  
85.19 governing body of the city or town where the property is located before submitting an initial  
85.20 application to the Housing Finance Agency, as required under subdivision 2, for property  
85.21 that has not, in whole or in part, been classified as class 4d(1) under section 273.13,  
85.22 subdivision 25, prior to assessment year 2024. A property owner that receives approval as  
85.23 required under this subdivision, and the certification made under subdivision 3, shall not  
85.24 be required to seek approval under this subdivision prior to submitting an application under  
85.25 subdivision 2 in each subsequent year. If the property is located in a city or town in which  
85.26 the net tax capacity of 4d(1) property did not exceed two percent of the total net tax capacity  
85.27 in the city or town in the prior assessment year, the property owner does not need to receive  
85.28 approval under this subdivision. The commissioner of revenue must annually certify to the  
85.29 Housing Finance Agency a list of the cities and towns in which the net tax capacity of 4d(1)  
85.30 property exceeded two percent of the total net tax capacity in the prior assessment year.

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

86.1 Sec. 17. Minnesota Statutes 2022, section 273.128, subdivision 2, is amended to read:

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

86.7 (b) Each application must include:

86.8 (1) the property tax identification number; and

86.9 (2) evidence that the property meets the requirements of ~~subdivision~~ subdivisions 1 and  
86.10 1a.

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

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

86.16 Sec. 18. Minnesota Statutes 2022, section 273.13, subdivision 25, is amended to read:

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

86.24 (b) Class 4b includes:

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

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

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

87.1 (4) unimproved property that is classified residential as determined under subdivision  
87.2 33.

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

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

87.6 (c) Class 4bb includes:

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

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

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

87.13 Class 4bb property has the same classification rates as class 1a property under subdivision  
87.14 22.

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

87.18 (d) Class 4c property includes:

87.19 (1) except as provided in subdivision 22, paragraph (c), real and personal property  
87.20 devoted to commercial temporary and seasonal residential occupancy for recreation purposes,  
87.21 for not more than 250 days in the year preceding the year of assessment. For purposes of  
87.22 this clause, property is devoted to a commercial purpose on a specific day if any portion of  
87.23 the property is used for residential occupancy, and a fee is charged for residential occupancy.  
87.24 Class 4c property under this clause must contain three or more rental units. A "rental unit"  
87.25 is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site  
87.26 equipped with water and electrical hookups for recreational vehicles. A camping pad offered  
87.27 for rent by a property that otherwise qualifies for class 4c under this clause is also class 4c  
87.28 under this clause regardless of the term of the rental agreement, as long as the use of the  
87.29 camping pad does not exceed 250 days. In order for a property to be classified under this  
87.30 clause, either (i) the business located on the property must provide recreational activities,  
87.31 at least 40 percent of the annual gross lodging receipts related to the property must be from  
87.32 business conducted during 90 consecutive days, and either (A) at least 60 percent of all paid  
87.33 bookings by lodging guests during the year must be for periods of at least two consecutive

88.1 nights; or (B) at least 20 percent of the annual gross receipts must be from charges for  
 88.2 providing recreational activities, or (ii) the business must contain 20 or fewer rental units,  
 88.3 and must be located in a township or a city with a population of 2,500 or less located outside  
 88.4 the metropolitan area, as defined under section 473.121, subdivision 2, that contains a portion  
 88.5 of a state trail administered by the Department of Natural Resources. For purposes of item  
 88.6 (i)(A), a paid booking of five or more nights shall be counted as two bookings. Class 4c  
 88.7 property also includes commercial use real property used exclusively for recreational  
 88.8 purposes in conjunction with other class 4c property classified under this clause and devoted  
 88.9 to temporary and seasonal residential occupancy for recreational purposes, up to a total of  
 88.10 two acres, provided the property is not devoted to commercial recreational use for more  
 88.11 than 250 days in the year preceding the year of assessment and is located within two miles  
 88.12 of the class 4c property with which it is used. In order for a property to qualify for  
 88.13 classification under this clause, the owner must submit a declaration to the assessor  
 88.14 designating the cabins or units occupied for 250 days or less in the year preceding the year  
 88.15 of assessment by January 15 of the assessment year. Those cabins or units and a proportionate  
 88.16 share of the land on which they are located must be designated class 4c under this clause  
 88.17 as otherwise provided. The remainder of the cabins or units and a proportionate share of  
 88.18 the land on which they are located will be designated as class 3a. The owner of property  
 88.19 desiring designation as class 4c property under this clause must provide guest registers or  
 88.20 other records demonstrating that the units for which class 4c designation is sought were not  
 88.21 occupied for more than 250 days in the year preceding the assessment if so requested. The  
 88.22 portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center  
 88.23 or meeting room, and (5) other nonresidential facility operated on a commercial basis not  
 88.24 directly related to temporary and seasonal residential occupancy for recreation purposes  
 88.25 does not qualify for class 4c. For the purposes of this paragraph, "recreational activities"  
 88.26 means renting ice fishing houses, boats and motors, snowmobiles, downhill or cross-country  
 88.27 ski equipment; providing marina services, launch services, or guide services; or selling bait  
 88.28 and fishing tackle;

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

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

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

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

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

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

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

89.12 For purposes of this clause:

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

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

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

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

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

89.32 The organization shall maintain records of its charitable contributions and donations  
89.33 and of public meetings and events held on the property and make them available upon

90.1 request any time to the assessor to ensure eligibility. An organization meeting the requirement  
90.2 under item (ii) must file an application by May 1 with the assessor for eligibility for the  
90.3 current year's assessment. The commissioner shall prescribe a uniform application form  
90.4 and instructions;

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

90.9 (5)(i) manufactured home parks as defined in section 327.14, subdivision 3, excluding  
90.10 manufactured home parks described in items (ii) and (iii), (ii) manufactured home parks as  
90.11 defined in section 327.14, subdivision 3, that are described in section 273.124, subdivision  
90.12 3a, and (iii) class I manufactured home parks as defined in section 327C.015, subdivision  
90.13 2;

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

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

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

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

90.23 If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be  
90.24 filed by the new owner with the assessor of the county where the property is located within  
90.25 60 days of the sale;

90.26 (8) a privately owned noncommercial aircraft storage hangar not exempt under section  
90.27 272.01, subdivision 2, and the land on which it is located, provided that:

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

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

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

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

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

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

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

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

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

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

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

92.3 Class 4c property has a classification rate of 1.5 percent of market value, except that (i)  
 92.4 each parcel of noncommercial seasonal residential recreational property under clause (12)  
 92.5 has the same classification rates as class 4bb property, (ii) manufactured home parks assessed  
 92.6 under clause (5), item (i), have the same classification rate as class 4b property, the market  
 92.7 value of manufactured home parks assessed under clause (5), item (ii), have a classification  
 92.8 rate of 0.75 percent if more than 50 percent of the lots in the park are occupied by  
 92.9 shareholders in the cooperative corporation or association and a classification rate of one  
 92.10 percent if 50 percent or less of the lots are so occupied, and class I manufactured home  
 92.11 parks as defined in section 327C.015, subdivision 2, have a classification rate of 1.0 percent,  
 92.12 (iii) commercial-use seasonal residential recreational property and marina recreational land  
 92.13 as described in clause (11), has a classification rate of one percent for the first \$500,000 of  
 92.14 market value, and 1.25 percent for the remaining market value, (iv) the market value of  
 92.15 property described in clause (4) has a classification rate of one percent, (v) the market value  
 92.16 of property described in clauses (2), (6), and (10) has a classification rate of 1.25 percent,  
 92.17 (vi) that portion of the market value of property in clause (9) qualifying for class 4c property  
 92.18 has a classification rate of 1.25 percent, and (vii) property qualifying for classification under  
 92.19 clause (3) that is owned or operated by a congressionally chartered veterans organization  
 92.20 has a classification rate of one percent. The commissioner of veterans affairs must provide  
 92.21 a list of congressionally chartered veterans organizations to the commissioner of revenue  
 92.22 by June 30, 2017, and by January 1, 2018, and each year thereafter.

92.23 (e) Class 4d property is includes:

92.24 (1) qualifying low-income rental housing certified to the assessor by the Housing Finance  
 92.25 Agency under section 273.128, subdivision 3. If only a portion of the units in the building  
 92.26 qualify as low-income rental housing units as certified under section 273.128, subdivision  
 92.27 3, only the proportion of qualifying units to the total number of units in the building qualify  
 92.28 for class 4d ~~4d(1)~~. The remaining portion of the building shall be classified by the assessor  
 92.29 based upon its use. Class 4d ~~4d(1)~~ also includes the same proportion of land as the qualifying  
 92.30 low-income rental housing units are to the total units in the building. For all properties  
 92.31 qualifying as class 4d ~~4d(1)~~, the market value determined by the assessor must be based on  
 92.32 the normal approach to value using normal unrestricted rents; and

92.33 (2) a unit that is owned by the occupant and used as a homestead by the occupant, and  
 92.34 otherwise meets all the requirements for community land trust property under section 273.11,  
 92.35 subdivision 12, provided that by December 31 of each assessment year, the community land

93.1 trust certifies to the assessor that (i) the community land trust owns the real property on  
93.2 which the unit is located, and (ii) the unit owner is a member in good standing of the  
93.3 community land trust. For all units qualifying as class 4d(2), the market value determined  
93.4 by the assessor must be based on the normal approach to value without regard to any  
93.5 restrictions that apply because the unit is a community land trust property.

93.6 ~~(f) The first tier of market value of class 4d property has a classification rate of 0.75~~  
93.7 ~~percent. The remaining value of class 4d property has a classification rate of 0.25 percent.~~  
93.8 ~~For the purposes of this paragraph, the "first tier of market value of class 4d property" means~~  
93.9 ~~the market value of each housing unit up to the first tier limit. For the purposes of this~~  
93.10 ~~paragraph, all class 4d property value must be assigned to individual housing units. The~~  
93.11 ~~first tier limit is \$100,000 for assessment years 2022 and 2023. For subsequent assessment~~  
93.12 ~~years, the limit is adjusted each year by the average statewide change in estimated market~~  
93.13 ~~value of property classified as class 4a and 4d under this section for the previous assessment~~  
93.14 ~~year, excluding valuation change due to new construction, rounded to the nearest \$1,000,~~  
93.15 ~~provided, however, that the limit may never be less than \$100,000. Beginning with~~  
93.16 ~~assessment year 2015, the commissioner of revenue must certify the limit for each assessment~~  
93.17 ~~year by November 1 of the previous year. Class 4d(1) property has a classification rate of~~  
93.18 ~~0.25 percent. Class 4d(2) property has a classification rate of 0.75 percent.~~

93.19 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2024  
93.20 and thereafter.

93.21 Sec. 19. Minnesota Statutes 2022, section 273.13, subdivision 34, is amended to read:

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

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

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

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

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

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

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

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

94.26 (h) To qualify for a valuation exclusion under this subdivision a property owner must  
94.27 apply to the assessor by December 31 of the first assessment year for which the exclusion  
94.28 is sought. Except as provided in paragraph (c), the owner of a property that has been accepted  
94.29 for a valuation exclusion must notify the assessor if there is a change in ownership of the  
94.30 property or in the use of the property as a homestead.

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

94.33 (j) For purposes of this subdivision:

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

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

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

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

95.8 (k) If a veteran ~~dying after December 31, 2011~~, did not apply for or receive the exclusion  
95.9 under paragraph (b), clause (2), before dying, or the exclusion under paragraph (b), clause  
95.10 (2), did not exist at the time of the veterans death, the veteran's spouse is entitled to the  
95.11 benefit under paragraph (b), clause (2), until the spouse remarries or sells, transfers, or  
95.12 otherwise disposes of the property, except as otherwise provided in paragraph (n), if:

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

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

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

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

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

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

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

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

95.28 (n) A spouse who received the benefit in paragraph (c), (d), or (k) but no longer holds  
95.29 the legal or beneficial title to the property may continue to receive the exclusion for a  
95.30 property other than the property for which the exclusion was initially granted until the spouse  
95.31 remarries or sells, transfers, or otherwise disposes of the property, provided that:

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

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

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

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

96.11 (o) If a spouse had previously received the exclusion under paragraph (c) or (d) and the  
96.12 exclusion expired prior to taxes payable in 2020, the spouse may reapply under this section  
96.13 for the exclusion under paragraph (c) or (d).

96.14 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

96.15 Sec. 20. Minnesota Statutes 2022, section 273.13, subdivision 35, is amended to read:

96.16 Subd. 35. **Homestead market value exclusion.** (a) Prior to determining a property's  
96.17 net tax capacity under this section, property classified as 4d(2) under subdivision 25,  
96.18 paragraph (e), clause (2), class 1a<sub>2</sub> or 1b under subdivision 22, and the portion of property  
96.19 classified as class 2a under subdivision 23 consisting of the house, garage, and surrounding  
96.20 one acre of land, shall be eligible for a market value exclusion as determined under paragraph  
96.21 (b).

96.22 (b) For a homestead valued at ~~\$76,000~~ \$95,000 or less, the exclusion is 40 percent of  
96.23 market value. For a homestead valued between ~~\$76,000~~ \$95,000 and ~~\$413,800~~ \$517,200,  
96.24 the exclusion is ~~\$30,400~~ \$38,000 minus nine percent of the valuation over ~~\$76,000~~ \$95,000.  
96.25 For a homestead valued at ~~\$413,800~~ \$517,200 or more, there is no valuation exclusion. The  
96.26 valuation exclusion shall be rounded to the nearest whole dollar, and may not be less than  
96.27 zero.

96.28 (c) Any valuation exclusions or adjustments under section 273.11 shall be applied prior  
96.29 to determining the amount of the valuation exclusion under this subdivision.

96.30 (d) In the case of a property that is classified as part homestead and part nonhomestead,  
96.31 (i) the exclusion shall apply only to the homestead portion of the property, but (ii) if a portion  
96.32 of a property is classified as nonhomestead solely because not all the owners occupy the

97.1 property, not all the owners have qualifying relatives occupying the property, or solely  
97.2 because not all the spouses of owners occupy the property, the exclusion amount shall be  
97.3 initially computed as if that nonhomestead portion were also in the homestead class and  
97.4 then prorated to the owner-occupant's percentage of ownership. For the purpose of this  
97.5 section, when an owner-occupant's spouse does not occupy the property, the percentage of  
97.6 ownership for the owner-occupant spouse is one-half of the couple's ownership percentage.

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

97.8 Sec. 21. Minnesota Statutes 2022, section 273.1315, subdivision 2, is amended to read:

97.9 Subd. 2. **Class 1b homestead declaration 2009 and thereafter.** (a) Any property owner  
97.10 seeking classification and assessment of the owner's homestead as class 1b property pursuant  
97.11 to section 273.13, subdivision 22, paragraph (b), after October 1, 2008, shall file with the  
97.12 county assessor a class 1b homestead declaration, on a form prescribed by the commissioner  
97.13 of revenue. The declaration must contain the following information:

97.14 (1) the information necessary to verify that, on or before June 30 of the filing year, the  
97.15 property owner or the owner's spouse satisfies the requirements of section 273.13, subdivision  
97.16 22, paragraph (b), for class 1b classification; and

97.17 (2) any additional information prescribed by the commissioner.

97.18 (b) The declaration must be filed on or before October 1 to be effective for property  
97.19 taxes payable during the succeeding calendar year. The Social Security numbers, individual  
97.20 taxpayer identification numbers, and income and medical information received from the  
97.21 property owner pursuant to this subdivision are private data on individuals as defined in  
97.22 section 13.02. If approved by the assessor, the declaration remains in effect until the property  
97.23 no longer qualifies under section 273.13, subdivision 22, paragraph (b). Failure to notify  
97.24 the assessor within 30 days that the property no longer qualifies under that paragraph because  
97.25 of a sale, change in occupancy, or change in the status or condition of an occupant shall  
97.26 result in the penalty provided in section 273.124, subdivision 13b, computed on the basis  
97.27 of the class 1b benefits for the property, and the property shall lose its current class 1b  
97.28 classification.

97.29 **EFFECTIVE DATE.** This section is effective retroactively for homestead applications  
97.30 filed in 2023 and thereafter.

98.1 Sec. 22. Minnesota Statutes 2022, section 275.065, subdivision 3, is amended to read:

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

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

98.9 (c) The notice must inform taxpayers that it contains the amount of property taxes each  
98.10 taxing authority proposes to collect for taxes payable the following year. In the case of a  
98.11 town, or in the case of the state general tax, the final tax amount will be its proposed tax.  
98.12 The notice must clearly state for each city that has a population over 500, county, school  
98.13 district, regional library authority established under section 134.201, metropolitan taxing  
98.14 districts as defined in paragraph (i), and fire protection and emergency medical services  
98.15 special taxing districts established under section 144F.01, the time and place of a meeting  
98.16 for each taxing authority in which the budget and levy will be discussed and public input  
98.17 allowed, prior to the final budget and levy determination. The taxing authorities must provide  
98.18 the county auditor with the information to be included in the notice on or before the time it  
98.19 certifies its proposed levy under subdivision 1. The public must be allowed to speak at that  
98.20 meeting, which must occur after November 24 and must not be held before 6:00 p.m. It  
98.21 must provide a website address and a telephone number for the taxing authority that taxpayers  
98.22 may call if they have questions related to the notice and an address where comments will  
98.23 be received by mail, except that no notice required under this section shall be interpreted  
98.24 as requiring the printing of a personal telephone number or address as the contact information  
98.25 for a taxing authority. If a taxing authority does not maintain a website or public offices  
98.26 where telephone calls can be received by the authority, the authority may inform the county  
98.27 of the lack of a public website or telephone number and the county shall not list a website  
98.28 or telephone number for that taxing authority.

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

98.30 (1) the market value of the property as determined under section 273.11, and used for  
98.31 computing property taxes payable in the following year and for taxes payable in the current  
98.32 year as each appears in the records of the county assessor on November 1 of the current  
98.33 year; and, in the case of residential property, whether the property is classified as homestead

99.1 or nonhomestead. The notice must clearly inform taxpayers of the years to which the market  
99.2 values apply and that the values are final values;

99.3 (2) the items listed below, shown separately by county, city or town, and state general  
99.4 tax, agricultural homestead credit under section 273.1384, school building bond agricultural  
99.5 credit under section 273.1387, voter approved school levy, other local school levy, and the  
99.6 sum of the special taxing districts, and as a total of all taxing authorities:

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

99.8 (ii) the proposed tax amount.

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

99.12 In the case of a town or the state general tax, the final tax shall also be its proposed tax  
99.13 unless the town changes its levy at a special town meeting under section 365.52. If a school  
99.14 district has certified under section 126C.17, subdivision 9, that a referendum will be held  
99.15 in the school district at the November general election, the county auditor must note next  
99.16 to the school district's proposed amount that a referendum is pending and that, if approved  
99.17 by the voters, the tax amount may be higher than shown on the notice. In the case of the  
99.18 city of Minneapolis, the levy for Minneapolis Park and Recreation shall be listed separately  
99.19 from the remaining amount of the city's levy. In the case of the city of St. Paul, the levy for  
99.20 the St. Paul Library Agency must be listed separately from the remaining amount of the  
99.21 city's levy. In the case of Ramsey County, any amount levied under section 134.07 may be  
99.22 listed separately from the remaining amount of the county's levy. In the case of a parcel  
99.23 where tax increment or the fiscal disparities areawide tax under chapter 276A or 473F  
99.24 applies, the proposed tax levy on the captured value or the proposed tax levy on the tax  
99.25 capacity subject to the areawide tax must each be stated separately and not included in the  
99.26 sum of the special taxing districts; and

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

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

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

- 100.1 (1) special assessments;
- 100.2 (2) levies approved by the voters after the date the proposed taxes are certified, including  
100.3 bond referenda and school district levy referenda;
- 100.4 (3) a levy limit increase approved by the voters by the first Tuesday after the first Monday  
100.5 in November of the levy year as provided under section 275.73;
- 100.6 (4) amounts necessary to pay cleanup or other costs due to a natural disaster occurring  
100.7 after the date the proposed taxes are certified;
- 100.8 (5) amounts necessary to pay tort judgments against the taxing authority that become  
100.9 final after the date the proposed taxes are certified; and
- 100.10 (6) the contamination tax imposed on properties which received market value reductions  
100.11 for contamination.
- 100.12 (f) Except as provided in subdivision 7, failure of the county auditor to prepare or the  
100.13 county treasurer to deliver the notice as required in this section does not invalidate the  
100.14 proposed or final tax levy or the taxes payable pursuant to the tax levy.
- 100.15 (g) If the notice the taxpayer receives under this section lists the property as  
100.16 nonhomestead, and satisfactory documentation is provided to the county assessor by the  
100.17 applicable deadline, and the property qualifies for the homestead classification in that  
100.18 assessment year, the assessor shall reclassify the property to homestead for taxes payable  
100.19 in the following year.
- 100.20 (h) In the case of class 4 residential property used as a residence for lease or rental  
100.21 periods of 30 days or more, the taxpayer must either:
- 100.22 (1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter,  
100.23 or lessee; or
- 100.24 (2) post a copy of the notice in a conspicuous place on the premises of the property.
- 100.25 The notice must be mailed or posted by the taxpayer by November 27 or within three  
100.26 days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer  
100.27 of the address of the taxpayer, agent, caretaker, or manager of the premises to which the  
100.28 notice must be mailed in order to fulfill the requirements of this paragraph.
- 100.29 (i) For purposes of this subdivision and subdivision 6, "metropolitan special taxing  
100.30 districts" means the following taxing districts in the seven-county metropolitan area that  
100.31 levy a property tax for any of the specified purposes listed below:

101.1 (1) Metropolitan Council under section 473.132, 473.167, 473.249, 473.325, 473.446,  
101.2 473.521, 473.547, or 473.834;

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

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

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

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

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

101.17 (2) population growth and decline;

101.18 (3) state or federal government action; and

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

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

101.25 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
101.26 in 2024.

101.27 Sec. 23. Minnesota Statutes 2022, section 275.065, subdivision 3b, is amended to read:

101.28 Subd. 3b. **Notice of proposed property taxes required supplemental information.** (a)  
101.29 The county auditor must prepare ~~a separate statement~~ supplemental information to be  
101.30 delivered with the notice of proposed taxes described in subdivision 3. The ~~statement~~  
101.31 information must fit on one sheet of paper and contain ~~for each parcel:~~

102.1 ~~(1) for the county, city or township, all home rule charter or statutory cities and school~~  
102.2 ~~district in which the parcel lies~~ districts within the county, the certified levy for the current  
102.3 taxes payable year, the proposed levy for taxes payable in the following year, and the increase  
102.4 or decrease between these two amounts, expressed as a percentage; and each listed separately.

102.5 ~~(2) summary budget information listed in paragraph (b).~~

102.6 ~~(b) Summary budget information must contain budget data from the county, city, and~~  
102.7 ~~school district that proposes a property tax levy on the parcel for taxes payable the following~~  
102.8 ~~year. For the school district, the summary budget data must include the information provided~~  
102.9 ~~to the public under section 123B.10, subdivision 1, paragraph (b), for the current year and~~  
102.10 ~~prior year. For the county and city, the reported summary budget data must contain the same~~  
102.11 ~~information, in the same categories, and in the same format as provided to the Office of the~~  
102.12 ~~State Auditor as required by section 6.745. The statement must provide the governmental~~  
102.13 ~~revenues and current expenditures information in clauses (1) and (2) for the taxing authority's~~  
102.14 ~~budget for taxes payable the following year and the taxing authority's budget from taxes~~  
102.15 ~~payable in the current year, as well as the percent change between the two years. The city~~  
102.16 ~~must provide the county auditor with the summary budget data at the same time as the~~  
102.17 ~~information required under subdivision 3. Only cities with a population of at least 500 are~~  
102.18 ~~required to report the data described in this paragraph. If a city with a population over 500~~  
102.19 ~~fails to report the required information to the county auditor, the county auditor must list~~  
102.20 ~~the city as "budget information not reported" on the portion of the statement dedicated to~~  
102.21 ~~the city's budget information. The statement may take the same format as the annual summary~~  
102.22 ~~budget report for cities and counties issued by the Office of the State Auditor. The summary~~  
102.23 ~~budget data must include:~~

102.24 ~~(1) a governmental revenues category, including and separately stating:~~

102.25 ~~(i) "property taxes" defined as property taxes levied on an assessed valuation of real~~  
102.26 ~~property and personal property, if applicable, by the city and county, including fiscal~~  
102.27 ~~disparities;~~

102.28 ~~(ii) "special assessments" defined as levies made against certain properties to defray all~~  
102.29 ~~or part of the costs of a specific improvement, such as new sewer and water mains, deemed~~  
102.30 ~~to benefit primarily those properties;~~

102.31 ~~(iii) "state general purpose aid" defined as aid received from the state that has no~~  
102.32 ~~restrictions on its use, including local government aid, county program aid, and market~~  
102.33 ~~value credits; and~~

- 103.1 ~~(iv) "state categorical aid" defined as revenues received for a specific purpose, such as~~  
103.2 ~~streets and highways, fire relief, and flood control, including but not limited to police and~~  
103.3 ~~fire state aid and out-of-home placement aid; and~~
- 103.4 ~~(2) a current expenditures category, including and separately stating:~~
- 103.5 ~~(i) "general government" defined as administration costs of city or county governments,~~  
103.6 ~~including salaries of officials and maintenance of buildings;~~
- 103.7 ~~(ii) "public safety" defined as costs related to the protection of persons and property,~~  
103.8 ~~such as police, fire, ambulance services, building inspections, animal control, and flood~~  
103.9 ~~control;~~
- 103.10 ~~(iii) "streets and highways" defined as costs associated with the maintenance and repair~~  
103.11 ~~of local highways, streets, bridges, and street equipment, such as patching, seal coating,~~  
103.12 ~~street lighting, street cleaning, and snow removal;~~
- 103.13 ~~(iv) "sanitation" defined as costs of refuse collection and disposal, recycling, and weed~~  
103.14 ~~and pest control;~~
- 103.15 ~~(v) "human services" defined as activities designed to provide public assistance and~~  
103.16 ~~institutional care for individuals economically unable to provide for themselves;~~
- 103.17 ~~(vi) "health" defined as costs of the maintenance of vital statistics, restaurant inspection,~~  
103.18 ~~communicable disease control, and various health services and clinics;~~
- 103.19 ~~(vii) "culture and recreation" defined as costs of libraries, park maintenance, mowing,~~  
103.20 ~~planting, removal of trees, festivals, bands, museums, community centers, cable television,~~  
103.21 ~~baseball fields, and organized recreation activities;~~
- 103.22 ~~(viii) "conservation of natural resources" defined as the conservation and development~~  
103.23 ~~of natural resources, including agricultural and forestry programs and services, weed~~  
103.24 ~~inspection services, and soil and water conservation services;~~
- 103.25 ~~(ix) "economic development and housing" defined as costs for development and~~  
103.26 ~~redevelopment activities in blighted or otherwise economically disadvantaged areas, including~~  
103.27 ~~low-interest loans, cleanup of hazardous sites, rehabilitation of substandard housing and~~  
103.28 ~~other physical facilities, and other assistance to those wanting to provide housing and~~  
103.29 ~~economic opportunity within a disadvantaged area; and~~
- 103.30 ~~(x) "all other current expenditures" defined as costs not classified elsewhere, such as~~  
103.31 ~~airport expenditures, cemeteries, unallocated insurance costs, unallocated pension costs,~~  
103.32 ~~and public transportation costs.~~

104.1 ~~(e) If a taxing authority reporting this data does not have revenues or expenditures in a~~  
104.2 ~~category listed in paragraph (b), then the taxing authority must designate the amount as "0"~~  
104.3 ~~for that specific category.~~

104.4 ~~(d)~~ The supplemental ~~statement~~ information provided under this subdivision must be  
104.5 sent in electronic form or by email if the taxpayer requests an electronic version of the notice  
104.6 of proposed property taxes under subdivision 3, paragraph (a).

104.7 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
104.8 in 2024.

104.9 Sec. 24. Minnesota Statutes 2022, section 275.065, subdivision 4, is amended to read:

104.10 Subd. 4. **Costs.** If the reasonable cost of the county auditor's services and the cost of  
104.11 preparing and mailing the notice required in this section exceed the amount distributed to  
104.12 the county by the commissioner of revenue to administer this section, the county may require  
104.13 the taxing authority ~~must~~ to reimburse the county for the excess cost. The excess cost must  
104.14 be apportioned between taxing jurisdictions as follows:

104.15 (1) one-third is allocated to the county;

104.16 (2) one-third is allocated to cities and towns within the county; and

104.17 (3) one-third is allocated to school districts within the county.

104.18 The amounts in clause (2) must be further apportioned among the cities and towns in  
104.19 the proportion that the number of parcels in the city and town bears to the number of parcels  
104.20 in all the cities and towns within the county. The amount in clause (3) must be further  
104.21 apportioned among the school districts in the proportion that the number of parcels in the  
104.22 school district bears to the number of parcels in all school districts within the county.

104.23 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable  
104.24 in 2024.

104.25 Sec. 25. Minnesota Statutes 2022, section 290A.03, subdivision 6, is amended to read:

104.26 Subd. 6. **Homestead.** "Homestead" means the dwelling occupied as the claimant's  
104.27 principal residence and so much of the land surrounding it, not exceeding ten acres, as is  
104.28 reasonably necessary for use of the dwelling as a home and any other property used for  
104.29 purposes of a homestead as defined in section 273.13, subdivision 22, ~~except~~ or section  
104.30 273.13, subdivision 25, paragraph (e), clause (2). For agricultural land assessed as part of  
104.31 a homestead pursuant to section 273.13, subdivision 23, "homestead" is limited to the house

105.1 and garage and immediately surrounding one acre of land. The homestead may be owned  
105.2 or rented and may be a part of a multidwelling or multipurpose building and the land on  
105.3 which it is built. A manufactured home, as defined in section 273.125, subdivision 8, or a  
105.4 park trailer taxed as a manufactured home under section 168.012, subdivision 9, assessed  
105.5 as personal property may be a dwelling for purposes of this subdivision.

105.6 **EFFECTIVE DATE.** This section is effective for refund claims based on taxes payable  
105.7 in 2025 and thereafter.

105.8 Sec. 26. Minnesota Statutes 2022, section 290B.03, subdivision 1, is amended to read:

105.9 Subdivision 1. **Program qualifications.** The qualifications for the senior citizens'  
105.10 property tax deferral program are as follows:

105.11 (1) the property must be owned and occupied as a homestead by a person 65 years of  
105.12 age or older. In the case of a married couple, at least one of the spouses must be at least 65  
105.13 years old at the time the first property tax deferral is granted, regardless of whether the  
105.14 property is titled in the name of one spouse or both spouses, or titled in another way that  
105.15 permits the property to have homestead status, and the other spouse must be at least 62 years  
105.16 of age;

105.17 (2) the total household income of the qualifying homeowners, as defined in section  
105.18 290A.03, subdivision 5, for the calendar year preceding the year of the initial application  
105.19 may not exceed ~~\$60,000~~ \$96,000;

105.20 (3) the homestead must have been owned and occupied as the homestead of at least one  
105.21 of the qualifying homeowners for at least ~~15~~ five years prior to the year the initial application  
105.22 is filed;

105.23 (4) there are no state or federal tax liens or judgment liens on the homesteaded property;

105.24 (5) there are no mortgages or other liens on the property that secure future advances,  
105.25 except for those subject to credit limits that result in compliance with clause (6); and

105.26 (6) the total unpaid balances of debts secured by mortgages and other liens on the  
105.27 property, including unpaid and delinquent special assessments and interest and any delinquent  
105.28 property taxes, penalties, and interest, but not including property taxes payable during the  
105.29 year or debts secured by a residential PACE lien, as defined in section 216C.435, subdivision  
105.30 10d, does not exceed 75 percent of the assessor's estimated market value for the year.

105.31 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes  
105.32 payable in 2024 and thereafter.

106.1 Sec. 27. Minnesota Statutes 2022, section 290B.04, subdivision 3, is amended to read:

106.2 Subd. 3. **Excess-income certification by taxpayer.** A taxpayer whose initial application  
106.3 has been approved under subdivision 2 shall notify the commissioner of revenue in writing  
106.4 by July 1 if the taxpayer's household income for the preceding calendar year exceeded  
106.5 ~~\$60,000~~ \$96,000. The certification must state the homeowner's total household income for  
106.6 the previous calendar year. No property taxes may be deferred under this chapter in any  
106.7 year following the year in which a program participant filed or should have filed an  
106.8 excess-income certification under this subdivision, unless the participant has filed a  
106.9 resumption of eligibility certification as described in subdivision 4.

106.10 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes  
106.11 payable in 2024 and thereafter.

106.12 Sec. 28. Minnesota Statutes 2022, section 290B.04, subdivision 4, is amended to read:

106.13 Subd. 4. **Resumption of eligibility certification by taxpayer.** A taxpayer who has  
106.14 previously filed an excess-income certification under subdivision 3 may resume program  
106.15 participation if the taxpayer's household income for a subsequent year is ~~\$60,000~~ \$96,000  
106.16 or less. If the taxpayer chooses to resume program participation, the taxpayer must notify  
106.17 the commissioner of revenue in writing by July 1 of the year following a calendar year in  
106.18 which the taxpayer's household income is ~~\$60,000~~ \$96,000 or less. The certification must  
106.19 state the taxpayer's total household income for the previous calendar year. Once a taxpayer  
106.20 resumes participation in the program under this subdivision, participation will continue until  
106.21 the taxpayer files a subsequent excess-income certification under subdivision 3 or until  
106.22 participation is terminated under section 290B.08, subdivision 1.

106.23 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes  
106.24 payable in 2024 and thereafter.

106.25 Sec. 29. Minnesota Statutes 2022, section 290B.05, subdivision 1, is amended to read:

106.26 Subdivision 1. **Determination by commissioner.** The commissioner shall determine  
106.27 each qualifying homeowner's "annual maximum property tax amount" following approval  
106.28 of the homeowner's initial application and following the receipt of a resumption of eligibility  
106.29 certification. The "annual maximum property tax amount" equals three percent of the  
106.30 homeowner's total household income for the year preceding either the initial application or  
106.31 the resumption of eligibility certification, whichever is applicable. Following approval of  
106.32 the initial application, the commissioner shall determine the qualifying homeowner's  
106.33 "maximum allowable deferral." No tax may be deferred relative to the appropriate assessment

107.1 year for any homeowner whose total household income for the previous year exceeds  
107.2 ~~\$60,000~~ \$96,000. No tax shall be deferred in any year in which the homeowner does not  
107.3 meet the program qualifications in section 290B.03. The maximum allowable total deferral  
107.4 is equal to 75 percent of the assessor's estimated market value for the year, less the balance  
107.5 of any mortgage loans and other amounts secured by liens against the property at the time  
107.6 of application, including any unpaid and delinquent special assessments and interest and  
107.7 any delinquent property taxes, penalties, and interest, but not including property taxes  
107.8 payable during the year.

107.9 **EFFECTIVE DATE.** This section is effective for applications for deferral of taxes  
107.10 payable in 2024 and thereafter.

107.11 Sec. 30. Minnesota Statutes 2022, section 383E.21, is amended to read:

107.12 **383E.21 COUNTYWIDE PUBLIC SAFETY IMPROVEMENTS AND**  
107.13 **EQUIPMENT; BONDING AND TAX LEVIES.**

107.14 Subdivision 1. **Authority to levy property taxes and incur debt.** (a) To finance the  
107.15 cost of designing, constructing, and acquiring countywide public safety improvements and  
107.16 equipment, including personal property, benefiting both Anoka County and the municipalities  
107.17 located within Anoka County, the governing body of Anoka County may levy property  
107.18 taxes for public safety improvements and equipment, and issue:

107.19 (1) capital improvement bonds under the provisions of section 373.40 as if the  
107.20 infrastructure and equipment qualified as a "capital improvement" within the meaning of  
107.21 section 373.40, subdivision 1, paragraph (b); and

107.22 (2) capital notes under the provisions of section 373.01, subdivision 3, as if the equipment  
107.23 qualified as "capital equipment" within the meaning of section 373.01, subdivision 3.  
107.24 Personal property acquired with the proceeds of the bonds or capital notes issued under this  
107.25 section must have an expected useful life at least as long as the term of debt.

107.26 (b) The outstanding principal amount of the bonds and the capital notes issued under  
107.27 this section may not exceed \$8,000,000 at any time. Any bonds or notes issued pursuant to  
107.28 this section must only be issued after approval by a majority vote of the Anoka County Joint  
107.29 Law Enforcement Council, a joint powers board.

107.30 Subd. 2. **Treatment of levy.** (a) Anoka County shall not include any taxes levied under  
107.31 this section in its levy certified under section 275.07, subdivision 1, paragraph (a). Anoka  
107.32 County shall separately certify taxes levied under this section to the county auditor.

108.1 (b) Notwithstanding sections 275.065, subdivision 3, and 276.04, the county may report  
 108.2 the tax attributable to any levy to fund public safety capital improvements or equipment  
 108.3 projects approved by the Anoka County Joint Law Enforcement Council or pay principal  
 108.4 and interest on bonds or notes issued under this section as a separate line item on the proposed  
 108.5 property tax notice and the property tax statement.

108.6 Subd. 3. **Expiration.** This section expires on December 31, ~~2023~~ 2033. The county may  
 108.7 not issue a bond or note under this section with a maturity or payment date after the expiration  
 108.8 date of this section. No property tax may be levied under this section for taxes payable in  
 108.9 a calendar year after the calendar year in which this section expires. Expiration of this section  
 108.10 does not affect the obligation to pay or the authority to collect taxes levied under this section  
 108.11 before its expiration.

108.12 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
 108.13 Anoka County and its chief clerical officer comply with the requirements of Minnesota  
 108.14 Statutes, section 645.021, subdivisions 2 and 3.

108.15 Sec. 31. Minnesota Statutes 2022, section 473F.02, subdivision 2, is amended to read:

108.16 Subd. 2. **Area.** "Area" means the territory included within the ~~boundaries of Anoka,~~  
 108.17 ~~Carver, Dakota excluding the city of Northfield, Hennepin, Ramsey, Scott excluding the~~  
 108.18 ~~city of New Prague, and Washington Counties~~ metropolitan area as defined in section  
 108.19 473.121, subdivision 2, excluding lands constituting a major or an intermediate airport as  
 108.20 defined under section 473.625.

108.21 **EFFECTIVE DATE; APPLICATION.** This section is effective for taxes payable in  
 108.22 2024 and thereafter and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
 108.23 Scott, and Washington.

108.24 Sec. 32. Minnesota Statutes 2022, section 473F.02, subdivision 8, is amended to read:

108.25 Subd. 8. **Municipality.** "Municipality" means a city, town, or township located in whole  
 108.26 or part within the area, ~~but not the cities of New Prague or Northfield~~ as defined in  
 108.27 subdivision 2. If a municipality is located partly within and partly without the area, the  
 108.28 references in sections 473F.01 to 473F.13 to property or any portion thereof subject to  
 108.29 taxation or taxing jurisdiction within the municipality are to such property or portion thereof  
 108.30 as is located in that portion of the municipality within the area, except that the fiscal capacity  
 108.31 of such a municipality shall be computed upon the basis of the valuation and population of  
 108.32 the entire municipality.

109.1 A municipality shall be excluded from the area if its municipal comprehensive zoning  
109.2 and planning policies conscientiously exclude most commercial-industrial development,  
109.3 for reasons other than preserving an agricultural use. The Metropolitan Council and the  
109.4 commissioner of revenue shall jointly make this determination annually and shall notify  
109.5 those municipalities that are ineligible to participate in the tax base sharing program provided  
109.6 in this chapter for the following year.

109.7 **EFFECTIVE DATE; APPLICATION.** This section is effective for taxes payable in  
109.8 2024 and thereafter and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,  
109.9 Scott, and Washington.

109.10 Sec. 33. **NORTHWEST MINNESOTA MULTI-COUNTY HOUSING AND**  
109.11 **REDEVELOPMENT AUTHORITY; LEVY AUTHORITY.**

109.12 Notwithstanding any law to the contrary, Laws 2008, chapter 366, article 5, section 33,  
109.13 the effective date, as amended by Laws 2013, chapter 143, article 4, section 35, and Laws  
109.14 2019, First Special Session chapter 6, article 4, section 31, is effective for taxes levied in  
109.15 2008, payable in 2009, and is repealed effective for taxes levied in 2033, payable in 2034,  
109.16 and thereafter.

109.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
109.18 Northwest Minnesota Multi-County Housing and Redevelopment Authority and its chief  
109.19 clerical officer comply with the requirements of Minnesota Statutes, section 645.021,  
109.20 subdivisions 2 and 3.

109.21 Sec. 34. **PROPERTY TAX EXEMPTION; INDEPENDENT SCHOOL DISTRICT**  
109.22 **NO. 745, ALBANY.**

109.23 (a) Notwithstanding Minnesota Statutes, section 272.02, subdivision 38, paragraph (b),  
109.24 and any other law to the contrary, certain hospital property acquired by Independent School  
109.25 District No. 745 in September 2022 is exempt from property taxes payable in 2023. The  
109.26 county assessor must provide the school district with an exemption application for assessment  
109.27 year 2022 and the school district must file the application with the county assessor by August  
109.28 1, 2023, to qualify for the exemption under this section. An amount necessary to make a  
109.29 payment to the county for the property taxes attributable to the exemption is appropriated  
109.30 from the general fund to the commissioner of revenue in fiscal year 2023.

109.31 (b) By August 1, 2023, the auditor of the county in which the property is located must  
109.32 certify to the commissioner of revenue the amount to be paid by the commissioner of revenue  
109.33 to the county under paragraph (a). The commissioner of revenue must make this payment

110.1 by August 15, 2023. The county auditor must distribute the payment to local jurisdictions  
 110.2 in proportion to the amount of tax levied on the property in paragraph (a) by each jurisdiction  
 110.3 for property taxes payable in 2023.

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

110.5 **ARTICLE 4**  
 110.6 **PROPERTY TAX AIDS**

110.7 Section 1. Minnesota Statutes 2022, section 273.1392, is amended to read:

110.8 **273.1392 PAYMENT; SCHOOL DISTRICTS.**

110.9 The amounts of bovine tuberculosis credit reimbursements under section 273.113;  
 110.10 conservation tax credits under section 273.119; disaster or emergency reimbursement under  
 110.11 sections 273.1231 to 273.1235; agricultural credits under sections 273.1384 and 273.1387;  
 110.12 aids and credits under section 273.1398; enterprise zone property credit payments under  
 110.13 section 469.171; ~~and~~ metropolitan agricultural preserve reduction under section 473H.10;  
 110.14 and electric generation transition aid under section 477A.24 for school districts, shall be  
 110.15 certified to the Department of Education by the Department of Revenue. The amounts so  
 110.16 certified shall be paid according to section 127A.45, subdivisions 9, 10, and 13.

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

110.18 Sec. 2. Minnesota Statutes 2022, section 290A.04, subdivision 2, is amended to read:

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

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
<del>\$0 to 1,739</del>	1.0 percent	<del>15 percent</del>	<del>2,770</del>
<u>\$0 to 2,079</u>		<u>12 percent</u>	<u>\$ 3,310</u>
<del>1,740 to 3,459</del>	1.1 percent	<del>15 percent</del>	<del>2,770</del>
<u>2,080 to 4,139</u>		<u>12 percent</u>	<u>\$ 3,310</u>
<del>3,460 to 5,239</del>	1.2 percent	<del>15 percent</del>	<del>2,770</del>
<u>4,140 to 6,269</u>		<u>12 percent</u>	<u>\$ 3,310</u>
<del>5,240 to 6,989</del>	1.3 percent	<del>20 percent</del>	<del>2,770</del>
<u>6,270 to 8,369</u>		<u>17 percent</u>	<u>\$ 3,310</u>

111.1	<del>6,990 to 8,719</del>		<del>20 percent</del>	<del>2,770</del>
111.2	<u>8,370 to 10,439</u>	1.4 percent	<u>17 percent</u>	\$ <u>3,310</u>
111.3	<del>8,720 to 12,219</del>		<del>20 percent</del>	<del>2,770</del>
111.4	<u>10,440 to 14,619</u>	1.5 percent	<u>17 percent</u>	\$ <u>3,310</u>
111.5	<del>12,220 to 13,949</del>		<del>20 percent</del>	<del>2,770</del>
111.6	<u>14,620 to 16,689</u>	1.6 percent	<u>17 percent</u>	\$ <u>3,310</u>
111.7	<del>13,950 to 15,709</del>		<del>20 percent</del>	<del>2,770</del>
111.8	<u>16,690 to 18,799</u>	1.7 percent	<u>17 percent</u>	\$ <u>3,310</u>
111.9	<del>15,710 to 17,449</del>		<del>20 percent</del>	<del>2,770</del>
111.10	<u>18,800 to 20,879</u>	1.8 percent	<u>17 percent</u>	\$ <u>3,310</u>
111.11	<del>17,450 to 19,179</del>		<del>25 percent</del>	<del>2,770</del>
111.12	<u>20,880 to 22,949</u>	1.9 percent	<u>22 percent</u>	\$ <u>3,310</u>
111.13	<del>19,180 to 24,429</del>		<del>25 percent</del>	<del>2,770</del>
111.14	<u>22,950 to 29,239</u>	2.0 percent	<u>22 percent</u>	\$ <u>3,310</u>
111.15	<del>24,430 to 26,169</del>		<del>30 percent</del>	<del>2,770</del>
111.16	<u>29,240 to 31,319</u>	2.0 percent	<u>27 percent</u>	\$ <u>3,310</u>
111.17	<del>26,170 to 29,669</del>		<del>30 percent</del>	<del>2,770</del>
111.18	<u>31,320 to 35,509</u>	2.0 percent	<u>27 percent</u>	\$ <u>3,310</u>
111.19	<del>29,670 to 41,859</del>		<del>35 percent</del>	<del>2,770</del>
111.20	<u>35,510 to 50,099</u>	2.0 percent	<u>32 percent</u>	\$ <u>3,310</u>
111.21	<del>41,860 to 61,049</del>		<del>35 percent</del>	<del>2,240</del>
111.22	<u>50,100 to 73,059</u>	2.0 percent	<u>32 percent</u>	\$ <u>2,680</u>
111.23	<del>61,050 to 69,769</del>		<del>40 percent</del>	<del>1,960</del>
111.24	<u>73,060 to 83,499</u>	2.0 percent	<u>37 percent</u>	\$ <u>2,350</u>
111.25	<del>69,770 to 78,499</del>		<del>40 percent</del>	<del>1,620</del>
111.26	<u>83,500 to 93,939</u>	2.1 percent	<u>37 percent</u>	\$ <u>1,940</u>
111.27	<del>78,500 to 87,219</del>		<del>40 percent</del>	<del>1,450</del>
111.28	<u>93,940 to 104,379</u>	2.2 percent	<u>37 percent</u>	\$ <u>1,740</u>
111.29	<del>87,220 to 95,939</del>		<del>40 percent</del>	<del>1,270</del>
111.30	<u>104,380 to 114,819</u>	2.3 percent	<u>37 percent</u>	\$ <u>1,520</u>
111.31	<del>95,940 to 101,179</del>		<del>45 percent</del>	<del>1,070</del>
111.32	<u>114,820 to 121,089</u>	2.4 percent	<u>42 percent</u>	\$ <u>1,280</u>
111.33	<del>101,180 to 104,689</del>		<del>45 percent</del>	<del>890</del>
111.34	<u>121,090 to 125,289</u>	2.5 percent	<u>42 percent</u>	\$ <u>1,070</u>
111.35	<del>104,690 to 108,919</del>		<del>50 percent</del>	<del>730</del>
111.36	<u>125,290 to 130,349</u>	2.5 percent	<u>47 percent</u>	\$ <u>870</u>
111.37	<del>108,920 to 113,149</del>		<del>50 percent</del>	<del>540</del>
111.38	<u>130,350 to 135,409</u>	2.5 percent	<u>47 percent</u>	\$ <u>650</u>

111.39 The payment made to a claimant shall be the amount of the state refund calculated under  
 111.40 this subdivision. No payment is allowed if the claimant's household income is ~~\$113,150~~  
 111.41 \$135,410 or more.

111.42 **EFFECTIVE DATE.** This section is effective for claims based on property taxes payable  
 111.43 in 2024 and following years.

112.1 Sec. 3. Minnesota Statutes 2022, section 290A.04, subdivision 4, is amended to read:

112.2 Subd. 4. **Inflation adjustment.** The commissioner shall annually adjust the dollar  
112.3 amounts of the income thresholds and the maximum refunds under ~~subdivisions~~ subdivision  
112.4 ~~2 and 2a~~ as provided in section 270C.22. The statutory year is ~~2018~~ 2023.

112.5 **EFFECTIVE DATE.** This section is effective for claims based on property taxes payable  
112.6 in 2025 and thereafter.

112.7 Sec. 4. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision  
112.8 to read:

112.9 **Subd. 3b. Population age 65 and over.** "Population age 65 and over" means the  
112.10 population age 65 and over established as of July 15 in an aid calculation year by the most  
112.11 recent federal census, by a special census conducted under contract with the United States  
112.12 Bureau of the Census, by a population estimate made by the Metropolitan Council, or by a  
112.13 population estimate of the state demographer made pursuant to section 4A.02, whichever  
112.14 is the most recent as to the stated date of the count or estimate for the preceding calendar  
112.15 year and which has been certified to the commissioner of revenue on or before July 15 of  
112.16 the aid calculation year. A revision to an estimate or count is effective for these purposes  
112.17 only if certified to the commissioner on or before July 15 of the aid calculation year. Clerical  
112.18 errors in the certification or use of estimates and counts established as of July 15 in the aid  
112.19 calculation year are subject to correction within the time periods allowed under section  
112.20 477A.014.

112.21 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
112.22 and thereafter.

112.23 Sec. 5. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision  
112.24 to read:

112.25 **Subd. 3c. Transformed population.** "Transformed population" means the logarithm to  
112.26 the base 10 of the population.

112.27 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
112.28 and thereafter.

112.29 Sec. 6. Minnesota Statutes 2022, section 477A.011, subdivision 34, is amended to read:

112.30 Subd. 34. **City revenue need.** (a) For a city with a population equal to or greater than  
112.31 10,000, "city revenue need" is 1.15 times the sum of (1) ~~4.59~~ 8.572 times the pre-1940

113.1 housing percentage; plus (2) ~~0.622 times the percent of housing built between 1940 and~~  
 113.2 ~~1970~~ 11.494 times the city age index; plus (3) ~~169.415 times the jobs per capita~~ 5.719 times  
 113.3 the commercial industrial utility percentage; plus (4) ~~the sparsity adjustment~~ 9.484 times  
 113.4 peak population decline; plus (5) ~~307.664~~ 293.056.

113.5 (b) For a city with a population equal to or greater than 2,500 and less than 10,000, "city  
 113.6 revenue need" is 1.15 times the sum of (1) ~~572.62~~ 497.308; plus (2) ~~5.026~~ 6.667 times the  
 113.7 pre-1940 housing percentage; ~~minus~~ plus (3) ~~53.768 times household size~~ 9.215 times the  
 113.8 commercial industrial utility percentage; plus (4) ~~14.022~~ 16.081 times peak population  
 113.9 decline; ~~plus (5) the sparsity adjustment~~.

113.10 (c) For a city with a population less than 2,500, "city revenue need" is the sum of (1)  
 113.11 ~~410~~ 196.487; plus (2) ~~0.367~~ 220.877 times the city's transformed population over 100; ~~plus~~  
 113.12 ~~(3) the sparsity adjustment. The city revenue need for a city under this paragraph shall not~~  
 113.13 ~~exceed 630 plus the city's sparsity adjustment.~~

113.14 (d) For a city with a population of at least 2,500 but less than 3,000, the "city revenue  
 113.15 need" equals (1) the transition factor times the city's revenue need calculated in paragraph  
 113.16 (b); plus (2) ~~630~~ the city's revenue need calculated under the formula in paragraph (c) times  
 113.17 the difference between one and the transition factor. For a city with a population of at least  
 113.18 10,000 but less than 11,000, the "city revenue need" equals (1) the transition factor times  
 113.19 the city's revenue need calculated in paragraph (a); plus (2) the city's revenue need calculated  
 113.20 under the formula in paragraph (b) times the difference between one and the transition  
 113.21 factor. For purposes of the first sentence of this paragraph "transition factor" is 0.2 percent  
 113.22 times the amount that the city's population exceeds the minimum threshold. For purposes  
 113.23 of the second sentence of this paragraph, "transition factor" is 0.1 percent times the amount  
 113.24 that the city's population exceeds the minimum threshold.

113.25 (e) The city revenue need cannot be less than zero.

113.26 (f) For calendar year ~~2015~~ 2024 and subsequent years, the city revenue need for a city,  
 113.27 as determined in paragraphs (a) to (e), is multiplied by the ratio of the annual implicit price  
 113.28 deflator for government consumption expenditures and gross investment for state and local  
 113.29 governments as prepared by the United States Department of Commerce, for the most  
 113.30 recently available year to the ~~2013~~ 2022 implicit price deflator for state and local government  
 113.31 purchases.

113.32 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 113.33 and thereafter.

114.1 Sec. 7. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision  
114.2 to read:

114.3 Subd. 46. **City age index.** "City age index" means 100 times the ratio of (1) the population  
114.4 age 65 and over within the city, to (2) the population of the city.

114.5 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
114.6 and thereafter.

114.7 Sec. 8. Minnesota Statutes 2022, section 477A.011, is amended by adding a subdivision  
114.8 to read:

114.9 Subd. 47. **Commercial industrial utility percentage.** The "commercial industrial utility  
114.10 percentage" for a city is 100 times the ratio of (1) the sum of the estimated market values  
114.11 of all real and personal property in the city classified as class 3 under section 273.13,  
114.12 subdivision 24, to (2) the total market value of all taxable real and personal property in the  
114.13 city. The market values are the amounts computed before any adjustments for fiscal  
114.14 disparities under section 276A.06 or 473F.08. The market values used for this subdivision  
114.15 are not equalized.

114.16 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
114.17 and thereafter.

114.18 Sec. 9. Minnesota Statutes 2022, section 477A.0124, subdivision 2, is amended to read:

114.19 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the  
114.20 meanings given them.

114.21 (b) "County program aid" means the sum of "county need aid," "county tax base  
114.22 equalization aid," and "county transition aid."

114.23 (c) "Age-adjusted population" means a county's population multiplied by the county age  
114.24 index.

114.25 (d) "County age index" means the percentage of the population age 65 and over within  
114.26 the county divided by the percentage of the population age 65 and over within the state,  
114.27 except that the age index for any county may not be greater than 1.8 nor less than 0.8.

114.28 (e) "Population age 65 and over" ~~means the population age 65 and over established as~~  
114.29 ~~of July 15 in an aid calculation year by the most recent federal census, by a special census~~  
114.30 ~~conducted under contract with the United States Bureau of the Census, by a population~~  
114.31 ~~estimate made by the Metropolitan Council, or by a population estimate of the state~~

115.1 ~~demographer made pursuant to section 4A.02, whichever is the most recent as to the stated~~  
115.2 ~~date of the count or estimate for the preceding calendar year and which has been certified~~  
115.3 ~~to the commissioner of revenue on or before July 15 of the aid calculation year. A revision~~  
115.4 ~~to an estimate or count is effective for these purposes only if certified to the commissioner~~  
115.5 ~~on or before July 15 of the aid calculation year. Clerical errors in the certification or use of~~  
115.6 ~~estimates and counts established as of July 15 in the aid calculation year are subject to~~  
115.7 ~~correction within the time periods allowed under section 477A.014~~ has the meaning given  
115.8 in section 477A.011, subdivision 3b.

115.9 (f) "Part I crimes" means the ~~three-year average~~ annual number of Part I crimes reported  
115.10 for each county by the Department of Public Safety ~~for the most recent years available~~. By  
115.11 July 1 of each year, the commissioner of public safety shall certify to the commissioner of  
115.12 revenue the number of Part I crimes reported for each county for the three most recent  
115.13 calendar years available.

115.14 (g) "Households receiving Supplemental Nutrition Assistance Program (SNAP) benefits"  
115.15 means the average monthly number of households receiving SNAP benefits for the three  
115.16 most recent years for which data is available. By July 1 of each year, the commissioner of  
115.17 human services must certify to the commissioner of revenue the average monthly number  
115.18 of households in the state and in each county that receive SNAP benefits, for the three most  
115.19 recent calendar years available.

115.20 (h) "County net tax capacity" means the county's adjusted net tax capacity under section  
115.21 273.1325.

115.22 (i) "Group A offenses" means the annual number of Group A offenses under the National  
115.23 Incident-Based Reporting System reported for each county by the Department of Public  
115.24 Safety. By July 1 of each year, the commissioner of public safety shall certify to the  
115.25 commissioner of revenue the number of Group A offenses reported for each county for the  
115.26 three most recent full calendar years available.

115.27 (j) "Adjusted offenses" means the county's average annual number of Group A offenses  
115.28 for the three-year period ending with the second prior calendar year to the year in which  
115.29 the aid is certified. For aids payable in 2024 and 2025 only, for the purpose of the three-year  
115.30 average calculated under this paragraph, the commissioner must substitute the annual number  
115.31 of Part I crimes for any year in which the annual number of Group A offenses is not available.

115.32 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
115.33 and thereafter.

116.1 Sec. 10. Minnesota Statutes 2022, section 477A.0124, subdivision 3, is amended to read:

116.2 Subd. 3. **County need aid.** ~~For 2005 and subsequent years,~~ The money appropriated to  
116.3 county need aid each calendar year shall be allocated as follows: 40 percent based on each  
116.4 county's share of age-adjusted population, 40 percent based on each county's share of the  
116.5 state total of households receiving SNAP benefits, and 20 percent based on each county's  
116.6 share of the state total of ~~Part I crimes~~ adjusted offenses.

116.7 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
116.8 and thereafter.

116.9 Sec. 11. Minnesota Statutes 2022, section 477A.013, subdivision 8, is amended to read:

116.10 Subd. 8. **City formula aid.** (a) For aids payable in ~~2018~~ 2024 and thereafter, the formula  
116.11 aid for a city is equal to the product of (1) the difference between its unmet need and its  
116.12 certified aid in the previous year ~~and before any aid adjustment under subdivision 13,~~ and  
116.13 (2) the aid gap percentage.

116.14 (b) The applicable aid gap percentage must be calculated by the Department of Revenue  
116.15 so that the total of the aid under subdivision 9 equals the total amount available for aid under  
116.16 section 477A.03. The aid gap percentage must be the same for all cities subject to paragraph  
116.17 (a). Data used in calculating aids to cities under sections 477A.011 to 477A.013 shall be  
116.18 the most recently available data as of January 1 in the year in which the aid is calculated.

116.19 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
116.20 and thereafter.

116.21 Sec. 12. Minnesota Statutes 2022, section 477A.013, subdivision 9, is amended to read:

116.22 Subd. 9. **City aid distribution.** (a) In calendar year ~~2018~~ 2024 and thereafter, if a city's  
116.23 certified aid ~~before any aid adjustment under subdivision 13~~ for the previous year is less  
116.24 than its current unmet need, the city shall receive an aid distribution equal to the sum of (1)  
116.25 its certified aid in the previous year ~~before any aid adjustment under subdivision 13,~~ and  
116.26 (2) the city formula aid under subdivision 8, ~~and (3) its aid adjustment under subdivision~~  
116.27 ~~13.~~

116.28 (b) ~~For aids payable in 2020 only, no city's aid amount before any adjustment under~~  
116.29 ~~subdivision 13 may be less than its pay 2019 certified aid amount, less any aid adjustment~~  
116.30 ~~under subdivision 13 for that year.~~ For aids payable in ~~2020~~ 2024 and thereafter, if a city's  
116.31 certified aid ~~before any aid adjustment under subdivision 13~~ for the previous year is equal  
116.32 to or greater than its current unmet need, the total aid for a city is equal to the greater of (1)

117.1 its unmet need ~~plus any aid adjustment under subdivision 13~~, or (2) the amount it was  
 117.2 certified to receive in the previous year minus the ~~sum of (i) any adjustment under subdivision~~  
 117.3 ~~13 that was paid in the previous year but has expired, and (ii) the lesser of (i) \$10 multiplied~~  
 117.4 by its population, or (ii) five percent of its net levy in the year prior to the aid distribution.  
 117.5 No city may have a total aid amount less than \$0.

117.6 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 117.7 and thereafter.

117.8 Sec. 13. Minnesota Statutes 2022, section 477A.014, subdivision 1, is amended to read:

117.9 Subdivision 1. **Calculations and payments.** (a) The commissioner of revenue shall  
 117.10 make all necessary calculations and make payments ~~pursuant to sections 477A.013 and~~  
 117.11 ~~477A.03~~ under this chapter directly to the affected ~~taxing authorities~~ political subdivisions  
 117.12 annually. ~~In addition,~~ The commissioner shall notify the ~~authorities~~ political subdivisions  
 117.13 of their aid amounts, ~~as well as the computational factors used in making the calculations~~  
 117.14 ~~for their authority,~~ and those statewide total figures that are pertinent, before August 1 of  
 117.15 the year preceding the aid distribution year, unless a different date is specified.

117.16 (b) For the purposes of this subdivision, aid is determined for a city or town based on  
 117.17 its city or town status as of June 30 of the year preceding the aid distribution year. If the  
 117.18 effective date for a municipal incorporation, consolidation, annexation, detachment,  
 117.19 dissolution, or township organization is on or before June 30 of the year preceding the aid  
 117.20 distribution year, such change in boundaries or form of government shall be recognized for  
 117.21 aid determinations for the aid distribution year. If the effective date for a municipal  
 117.22 incorporation, consolidation, annexation, detachment, dissolution, or township organization  
 117.23 is after June 30 of the year preceding the aid distribution year, such change in boundaries  
 117.24 or form of government shall not be recognized for aid determinations until the following  
 117.25 year.

117.26 Subd. 1a. **Adjustments to computational factors.** (e) (a) Changes in boundaries or  
 117.27 form of government ~~will~~ may only be recognized for the purposes of this subdivision, to  
 117.28 the extent that, on or before July 15 of the aid calculation year: (1) changes in ~~market values~~  
 117.29 ~~are included in market values reported by assessors to the commissioner, and changes in~~  
 117.30 ~~population and household size are included in their respective certifications to the~~  
 117.31 ~~commissioner as referenced in section 477A.011~~ computational factors have been recertified  
 117.32 or otherwise reported in reliable form to the commissioner, or (2) an annexation information  
 117.33 report as provided in paragraph ~~(d)~~ (b) is received by the commissioner ~~on or before July~~  
 117.34 ~~15 of the aid calculation year.~~ Revisions to estimates or data for use in recognizing changes

118.1 in boundaries or form of government are not effective for purposes of this subdivision unless  
 118.2 received by the commissioner on or before July 15 of the aid calculation year. Clerical errors  
 118.3 in the certification or use of estimates and data established as of July 15 in the aid calculation  
 118.4 year are subject to correction within the time periods allowed under subdivision 3.

118.5 ~~(d)~~ (b) In the case of an annexation, an annexation information report may be completed  
 118.6 by the annexing jurisdiction and submitted to the commissioner for purposes of this  
 118.7 subdivision if the net tax capacity of annexed area for the assessment year preceding the  
 118.8 effective date of the annexation exceeds five percent of the city's net tax capacity for the  
 118.9 same year. The form and contents of the annexation information report shall be prescribed  
 118.10 by the commissioner. The commissioner shall ~~change the net tax capacity, the population,~~  
 118.11 ~~the population decline, the commercial industrial percentage, and the transformed population~~  
 118.12 adjust the computational factors used to calculate aid under section 477A.013, subdivision  
 118.13 9, for the annexing jurisdiction only if the annexation information report provides data the  
 118.14 commissioner determines to be reliable for ~~all of these factors used to compute city revenue~~  
 118.15 ~~need for the annexing jurisdiction. The commissioner shall adjust the pre-1940 housing~~  
 118.16 ~~percentage and household size only if the entire area of an existing city or town is annexed~~  
 118.17 ~~or consolidated and only if reliable data is available for all of these factors used to compute~~  
 118.18 ~~city revenue need for the annexing jurisdiction~~ the entire annexed area.

118.19 **EFFECTIVE DATE.** This section is effective July 1, 2023.

118.20 Sec. 14. Minnesota Statutes 2022, section 477A.015, is amended to read:

118.21 **477A.015 PAYMENT DATES.**

118.22 (a) The commissioner of revenue shall make the payments of local government aid to  
 118.23 affected taxing authorities in two installments on July 20 and December 26 annually.

118.24 (b) Notwithstanding paragraph (a), for aids payable in ~~2019~~ 2025 only, the commissioner  
 118.25 of revenue shall make payments of the aid payable under section 477A.013, subdivision 9,  
 118.26 in three installments as follows: (1) ~~14.6~~ 9.402 percent of the aid shall be paid on ~~June 15,~~  
 118.27 ~~2019~~ March 20, 2025; (2) ~~35.4~~ 40.598 percent of the aid shall be paid on July 20, ~~2019~~  
 118.28 2025; and (3) 50 percent of the aid shall be paid on December 26, ~~2019~~ 2025.

118.29 (c) When the commissioner of public safety determines that a local government has  
 118.30 suffered financial hardship due to a natural disaster, the commissioner of public safety shall  
 118.31 notify the commissioner of revenue, who shall make payments of aids under sections  
 118.32 477A.011 to 477A.014, which are otherwise due on December 26, as soon as is practical  
 118.33 after the determination is made but not before July 20.

119.1 (d) The commissioner may pay all or part of the payments of aids under sections  
119.2 477A.011 to 477A.014, which are due on December 26 at any time after August 15 if a  
119.3 local government requests such payment as being necessary for meeting its cash flow needs.

119.4 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
119.5 and thereafter.

119.6 Sec. 15. Minnesota Statutes 2022, section 477A.03, subdivision 2a, is amended to read:

119.7 Subd. 2a. **Cities.** ~~For aids payable in 2016 and 2017, the total aid paid under section~~  
119.8 ~~477A.013, subdivision 9, is \$519,398,012. For aids payable in 2018 and 2019, the total aid~~  
119.9 ~~paid under section 477A.013, subdivision 9, is \$534,398,012. For aids payable in 2020, the~~  
119.10 ~~total aid paid under section 477A.013, subdivision 9, is \$560,398,012. For aids payable in~~  
119.11 ~~2021 and thereafter through 2023, the total aid payable under section 477A.013, subdivision~~  
119.12 ~~9, is \$564,398,012. For aids payable in 2024 and thereafter, the total aid payable under~~  
119.13 section 477A.013, subdivision 9, is \$644,398,012.

119.14 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
119.15 and thereafter.

119.16 Sec. 16. Minnesota Statutes 2022, section 477A.03, subdivision 2b, is amended to read:

119.17 Subd. 2b. **Counties.** (a) ~~For aids payable in 2018 and 2019, the total aid payable under~~  
119.18 ~~section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be allocated~~  
119.19 ~~as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2020,~~  
119.20 ~~the total aid payable under section 477A.0124, subdivision 3, is \$116,795,000, of which~~  
119.21 ~~\$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section~~  
119.22 ~~6. For aids payable in 2021 through 2024 2023, the total aid payable under section~~  
119.23 ~~477A.0124, subdivision 3, is \$118,795,000, of which \$3,000,000 shall be allocated as~~  
119.24 ~~required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2024, the~~  
119.25 total aid payable under section 477A.0124, subdivision 3, is \$154,197,053, of which  
119.26 \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section  
119.27 6. For aids payable in 2025 and thereafter, the total aid payable under section 477A.0124,  
119.28 subdivision 3, is ~~\$115,795,000~~ \$151,197,053. On or before the first installment date provided  
119.29 in section 477A.015, paragraph (a), \$500,000 of this appropriation shall be transferred each  
119.30 year by the commissioner of revenue to the Board of Public Defense for the payment of  
119.31 services under section 611.27. Any transferred amounts not expended or encumbered in a  
119.32 fiscal year shall be certified by the Board of Public Defense to the commissioner of revenue  
119.33 on or before October 1 and shall be included in the next certification of county need aid.

120.1 (b) ~~For aids payable in 2018 and 2019, the total aid under section 477A.0124, subdivision~~  
 120.2 ~~4, is \$130,873,444. For aids payable in 2020, the total aid under section 477A.0124,~~  
 120.3 ~~subdivision 4, is \$143,873,444.~~ For aids payable in 2021 ~~and thereafter~~ through 2023, the  
 120.4 total aid under section 477A.0124, subdivision 4, is \$145,873,444. For aids payable in 2024  
 120.5 and thereafter, the total aid under section 477A.0124, subdivision 4, is \$190,471,391. The  
 120.6 commissioner of revenue shall transfer to the Legislative Budget Office \$207,000 annually  
 120.7 for the cost of preparation of local impact notes as required by section 3.987, and other local  
 120.8 government activities. The commissioner of revenue shall transfer to the commissioner of  
 120.9 education \$7,000 annually for the cost of preparation of local impact notes for school districts  
 120.10 as required by section 3.987. The commissioner of revenue shall deduct the amounts  
 120.11 transferred under this paragraph from the appropriation under this paragraph. The amounts  
 120.12 transferred are appropriated to the Legislative Coordinating Commission and the  
 120.13 commissioner of education respectively.

120.14 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 120.15 and thereafter.

120.16 Sec. 17. Minnesota Statutes 2022, section 477A.12, subdivision 1, is amended to read:

120.17 Subdivision 1. **Types of land; payments.** The following amounts are annually  
 120.18 appropriated to the commissioner of natural resources from the general fund for transfer to  
 120.19 the commissioner of revenue. The commissioner of revenue shall pay the transferred funds  
 120.20 to counties as required by sections 477A.11 to 477A.14. The amounts, based on the acreage  
 120.21 as of July 1 of each year prior to the payment year, are:

120.22 (1) \$5.133 multiplied by the total number of acres of acquired natural resources land or,  
 120.23 at the county's option three-fourths of one percent of the appraised value of all acquired  
 120.24 natural resources land in the county, whichever is greater;

120.25 (2) \$5.133, multiplied by the total number of acres of transportation wetland or, at the  
 120.26 county's option, three-fourths of one percent of the appraised value of all transportation  
 120.27 wetland in the county, whichever is greater;

120.28 (3) \$5.133, multiplied by the total number of acres of wildlife management land, or, at  
 120.29 the county's option, three-fourths of one percent of the appraised value of all wildlife  
 120.30 management land in the county, whichever is greater;

120.31 (4) 50 percent of the dollar amount as determined under clause (1), multiplied by the  
 120.32 number of acres of military refuge land in the county;

121.1 (5) ~~\$2~~ \$3, multiplied by the number of acres of county-administered other natural  
121.2 resources land in the county;

121.3 (6) \$5.133, multiplied by the total number of acres of land utilization project land in the  
121.4 county;

121.5 (7) ~~\$2~~ \$3, multiplied by the number of acres of commissioner-administered other natural  
121.6 resources land in the county; ~~and~~

121.7 (8) \$0.18, multiplied by the total number of acres in the county eligible for payment  
121.8 under clauses (1) to (7), provided that the total number of acres in the county eligible for  
121.9 payment under clauses (1) to (7) is equal to or greater than 25 percent of the total acreage  
121.10 in the county;

121.11 (9) \$0.08, multiplied by the total number of acres in the county eligible for payment  
121.12 under clauses (1) to (7), provided that the total number of acres in the county eligible for  
121.13 payment under clauses (1) to (7) is equal to or greater than ten percent, but less than 25  
121.14 percent of the total acreage in the county; and

121.15 (10) without regard to acreage, and notwithstanding the rules adopted under section  
121.16 84A.55, \$300,000 for local assessments under section 84A.55, subdivision 9, that shall be  
121.17 divided and distributed to the counties containing state-owned lands within a conservation  
121.18 area in proportion to each county's percentage of the total annual ditch assessments.

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

121.20 Sec. 18. Minnesota Statutes 2022, section 477A.12, subdivision 3, is amended to read:

121.21 Subd. 3. **Determination of appraised value.** For the purposes of this section, the  
121.22 appraised value of acquired natural resources land is the purchase price until the next six-year  
121.23 appraisal required under this subdivision. The appraised value of acquired natural resources  
121.24 land received as a donation is the value determined for the commissioner of natural resources  
121.25 by a licensed appraiser, or the county assessor's estimated market value if no appraisal is  
121.26 done. The appraised value must be determined by the county assessor every six years, except  
121.27 that the appraised value shall not be less than the 2022 or subsequent appraised value, if it  
121.28 is higher. All reappraisals shall be done in the same year as county assessors are required  
121.29 to assess exempt land under section 273.18.

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

122.1 Sec. 19. Minnesota Statutes 2022, section 477A.12, is amended by adding a subdivision  
122.2 to read:

122.3 Subd. 4. **Adjustment.** The commissioner of revenue shall annually adjust the amounts  
122.4 in subdivision 1, clauses (1) to (10), as provided in section 270C.22, subdivision 1, except  
122.5 as provided in this subdivision. To determine the dollar amounts for payments in calendar  
122.6 year 2025, the commissioner shall determine the percentage change in the index for the  
122.7 12-month period ending on August 31, 2024, and increase each of the unrounded dollar  
122.8 amounts in section 477A.12, subdivision 1, by that percentage change. For each subsequent  
122.9 year, the commissioner shall increase the dollar amounts by the percentage change in the  
122.10 index from August 31 of the year preceding the statutory year, to August 31 of the year  
122.11 preceding the taxable year. The commissioner shall round the amounts as adjusted to the  
122.12 nearest tenth of a cent.

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

122.14 Sec. 20. **[477A.23] SOIL AND WATER CONSERVATION DISTRICT AID.**

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

122.17 (1) "nonpublic lands" means "real property" as defined by section 272.03 that is not  
122.18 owned by the federal government, the state, or a local government unit;

122.19 (2) "population" means the population estimated as of June 1 in an aid calculation year  
122.20 by the most recent federal census;

122.21 (3) "transformed population" means the cube root of population; and

122.22 (4) "soil and water conservation district" means a district under chapter 103C that is  
122.23 implementing the duties under that chapter as determined by the Board of Water and Soil  
122.24 Resources as of the date the board provides the certification to the commissioner of revenue  
122.25 required by subdivision 3. For purposes of this section, soil and water conservation district  
122.26 includes a county exercising the duties and authorities of a soil and water conservation  
122.27 district under section 383A.606 or 383B.761.

122.28 Subd. 2. **Distribution.** The Board of Water and Soil Resources must calculate the amount  
122.29 of aid to be distributed to the certified soil and water conservation districts from the  
122.30 appropriation in subdivision 6 as follows:

122.31 (1) 80 percent of the appropriation must be distributed equally among the districts;

123.1 (2) 10 percent of the appropriation must be distributed proportionally among the districts  
123.2 according to the amount of nonpublic land located in a district as compared to the amount  
123.3 of nonpublic land in all districts; and

123.4 (3) ten percent of the appropriation must be distributed proportionally among the districts  
123.5 according to the transformed population of the district as compared to the total transformed  
123.6 population of all districts.

123.7 Subd. 3. **Certification to commissioner.** On or before June 1 each year, the Board of  
123.8 Water and Soil Resources must certify to the commissioner of revenue the soil and water  
123.9 conservation districts that will receive a payment under this section and the amount of each  
123.10 payment.

123.11 Subd. 4. **Use of proceeds.** (a) Notwithstanding section 103C.401, subdivision 2, a soil  
123.12 and water conservation district that receives a distribution under this section must use the  
123.13 proceeds to implement chapter 103C and other duties and services prescribed by statute.

123.14 (b) The board of each soil and water conservation district must establish, by resolution,  
123.15 annual guidelines for using payments received under this section. Current year guidelines  
123.16 and guidelines from the year immediately prior must be posted on the district website.

123.17 (c) A soil and water conservation district that receives a payment under this section may  
123.18 appropriate any portion of the payment to a governmental unit with which the district has  
123.19 a cooperative agreement under section 103C.231. Any payment received under this section  
123.20 and appropriated by the district must be used as required by this section.

123.21 Subd. 5. **Payments.** The commissioner of revenue must distribute soil and water  
123.22 conservation district aid in the same manner and at the same times as aid payments provided  
123.23 under section 477A.015.

123.24 Subd. 6. **Appropriation.** For aids payable in 2023 and 2024, \$15,000,000 is appropriated  
123.25 in each year from the general fund to the commissioner of revenue to make the payments  
123.26 required under this section. For aids payable in 2025 and thereafter, \$12,000,000 is annually  
123.27 appropriated from the general fund to the commissioner of revenue to make the payments  
123.28 required under this section.

123.29 Subd. 7. **Aid amount corrections.** If, due to a clerical error, the amount certified by the  
123.30 Board of Water and Soil Resources to the commissioner of revenue is less than the amount  
123.31 to which the district is entitled under this section, the Board of Water and Soil Resources  
123.32 shall recertify the correct amount to the commissioner of revenue and communicate the

124.1 error and the corrected amount to the affected soil and water conservation district as soon  
124.2 as practical after the error is discovered.

124.3 **EFFECTIVE DATE.** This section is effective beginning with aids payable in calendar  
124.4 year 2023 and thereafter.

124.5 Sec. 21. **[477A.24] ELECTRIC GENERATION TRANSITION AID.**

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

124.8 (b) "Electric generating unit" means a single generating unit at an electric generating  
124.9 plant powered by coal, nuclear, or natural gas.

124.10 (c) "Electric generation property" means taxable property of an electric generating plant  
124.11 owned by a public utility, as defined in section 216B.02, subdivision 4, that is powered by  
124.12 coal, nuclear, or natural gas and located in an eligible taxing jurisdiction.

124.13 (d) "Eligible taxing jurisdiction" means a county, home rule charter or statutory city,  
124.14 town, or school district.

124.15 (e) "Unit base year" means the assessment year in which the assessed value of electric  
124.16 generation property is reduced due to the retirement of the electric generating unit.

124.17 (f) "Unit differential" means (1) the tax capacity of electric generation property in the  
124.18 assessment year preceding the unit base year, minus (2) the tax capacity of electric generation  
124.19 property in the unit base year. The unit differential may not be less than zero. The unit  
124.20 differential equals zero if the tax capacity of electric generation property in the eligible  
124.21 taxing jurisdiction in the assessment year preceding the unit base year is less than four  
124.22 percent of the total net tax capacity of the eligible taxing jurisdiction in that year, as adjusted  
124.23 under section 473F.08, subdivision 2, or 276A.06, subdivision 2, as applicable, except that,  
124.24 in an eligible taxing jurisdiction with multiple electric generating units, only the unit  
124.25 differential calculated upon the first retirement of an electric generating unit in that  
124.26 jurisdiction following the effective date of this section is subject to the reduction under this  
124.27 sentence.

124.28 Subd. 2. **Required notification.** Notwithstanding the requirements of Minnesota Rules,  
124.29 chapter 8100, a public utility must notify the commissioner when the public utility expects  
124.30 to retire an electric generating unit and remove that unit from the property tax base. The  
124.31 notification must be in the form and manner determined by the commissioner, include  
124.32 information required by the commissioner to calculate transition aid under this section, and  
124.33 be filed together with the reports required under section 273.371.

125.1 Subd. 3. **Unit transition amount.** (a) The initial unit transition amount equals the product  
125.2 of (1) the unit differential, times (2) the jurisdiction's tax rate for taxes payable in the unit  
125.3 base year.

125.4 (b) The unit transition amount for the year following the unit base year, or in the year  
125.5 as provided under subdivision 7, equals the initial unit transition amount. Unit transition  
125.6 amounts in subsequent years must be reduced each year by an amount equal to five percent  
125.7 of the initial unit transition amount. If the unit transition amount attributable to any unit is  
125.8 less than \$5,000 in any year, the unit transition amount for that unit equals zero.

125.9 Subd. 4. **Electric generation transition aid.** Electric generation transition aid for an  
125.10 eligible taxing jurisdiction equals the sum of the unit transition amounts for that jurisdiction.

125.11 Subd. 5. **Aid elimination.** (a) Notwithstanding subdivision 4, beginning for aid in the  
125.12 year after the year in which the jurisdiction first qualified for aid, aid for an eligible taxing  
125.13 jurisdiction equals zero if the commissioner determines that the eligible taxing jurisdiction's  
125.14 total net tax capacity in the assessment year preceding the aid calculation year is greater  
125.15 than the product of:

125.16 (1) 90 percent of the jurisdiction's total net tax capacity in the assessment year preceding  
125.17 the aid calculation year in which the jurisdiction first qualified for aid under this section;  
125.18 times

125.19 (2) the greater of one or the ratio of (i) the statewide total net tax capacity of real and  
125.20 personal property in the assessment year preceding the aid calculation year to (ii) the  
125.21 statewide total net tax capacity of real and personal property in the assessment year preceding  
125.22 the aid calculation year in which the jurisdiction first qualified for aid under this section.

125.23 (b) For the purposes of this subdivision, "net tax capacity" means net tax capacity as  
125.24 adjusted under section 473F.08, subdivision 2, or 276A.06, subdivision 2, as applicable.

125.25 (c) If aid to a jurisdiction attributable to a previous unit retirement has been eliminated  
125.26 under this subdivision, the jurisdiction may qualify for aid under this section for subsequent  
125.27 unit retirements.

125.28 Subd. 6. **Commissioner's duties; payment schedule.** (a) The commissioner of revenue  
125.29 shall compute the amount of electric generation transition aid payable to each jurisdiction  
125.30 under this section. The portion of aid to an eligible taxing jurisdiction that consists of the  
125.31 initial unit transition amount under subdivision 3, paragraph (a), must be certified on or  
125.32 before May 1 in the year the aid is payable. The portion of aid to an eligible taxing  
125.33 jurisdiction that consists of the unit transition amount under subdivision 3, paragraph (b),

126.1 must be certified by August 1 of each year for aids payable in the following calendar year.  
126.2 The commissioner shall pay aid to each jurisdiction other than school districts annually at  
126.3 the times provided in section 477A.015. Aids to school districts must be certified to the  
126.4 commissioner of education and paid under section 273.1392.

126.5 (b) The commissioner of revenue may require counties to provide any data that the  
126.6 commissioner deems necessary to administer this section.

126.7 Subd. 7. **Aid for prior unit retirements.** An electric generating unit with a unit base  
126.8 year after 2016 but before 2023 must be counted for the purpose of calculating aid under  
126.9 this section. For a unit eligible to be counted under this subdivision and for the purpose of  
126.10 the schedule of amounts under subdivision 3, paragraph (b), the unit base year is 2023.

126.11 Subd. 8. **Appropriation.** An amount sufficient to make the aid payments required by  
126.12 this section to eligible taxing jurisdictions other than school districts is annually appropriated  
126.13 from the general fund to the commissioner of revenue. An amount sufficient to make the  
126.14 aid payments required by this section for school districts is annually appropriated from the  
126.15 general fund to the commissioner of education.

126.16 **EFFECTIVE DATE.** This section is effective for aids payable in 2024 and thereafter.

126.17 Sec. 22. Minnesota Statutes 2022, section 477A.30, is amended to read:

126.18 **477A.30 LOCAL HOMELESS PREVENTION AID.**

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

126.21 (1) "city" means a statutory or home rule charter city;

126.22 (2) "distribution factor" means the total number of students experiencing homelessness  
126.23 in a county in the current school year and the previous two school years divided by the total  
126.24 number of students experiencing homelessness in all counties in the current school year and  
126.25 the previous two school years; ~~and~~

126.26 (3) "families" means families and persons 24 years of age or younger; and

126.27 (4) "Tribal government" means any of the 11 federally recognized Indian Tribes located  
126.28 in Minnesota.

126.29 Subd. 2. **Purpose.** The purpose of this section is to help local governments and Tribal  
126.30 governments ensure no child is homeless within a local jurisdiction by keeping families  
126.31 from losing housing and helping those experiencing homelessness find housing.

127.1 Subd. 3. **County distribution.** (a) A county's initial local homeless prevention aid  
 127.2 amount equals the greater of: (1) \$5,000; or (2)(i) five percent of the money appropriated  
 127.3 ~~to local homeless prevention aid under this section~~ subdivision 6, paragraph (a), times (ii)  
 127.4 the ratio of the population of the county to the population of all counties. For the purpose  
 127.5 of this paragraph, "population" means the population estimate used to calculate aid under  
 127.6 section 477A.0124 for the same aid payable year.

127.7 (b) The amount of the appropriation in subdivision 6, paragraph (a), remaining after the  
 127.8 allocation under paragraph (a) must be allocated to counties by multiplying each county's  
 127.9 distribution factor by the total distribution available under this paragraph. Distribution  
 127.10 factors must be based on the most recent counts of students experiencing homelessness in  
 127.11 each county, as certified by the commissioner of education to the commissioner of revenue  
 127.12 by July 1 of the year the aid is certified to the counties under subdivision 5.

127.13 (c) A county's total local homeless prevention aid equals the sum of the amounts under  
 127.14 paragraphs (a) and (b).

127.15 **Subd. 3a. Tribal governments distribution.** (a) A Tribal government may choose to  
 127.16 receive an aid distribution under this section by submitting an application under this  
 127.17 subdivision. The application must be in the manner and form prescribed by the commissioner  
 127.18 of revenue and must be annually submitted by July 1 in the year prior to the year the aid is  
 127.19 paid. For aid payable in 2023 only, the application must be submitted by July 15, 2023.

127.20 (b) The total local homeless prevention aid distributed to Tribal governments equals the  
 127.21 amount appropriated under subdivision 6, paragraph (b). Each Tribal government which,  
 127.22 pursuant to this subdivision, chooses to receive a distribution under this section must receive  
 127.23 an equal share of the amount available under subdivision 6, paragraph (b).

127.24 Subd. 4. **Use of proceeds.** (a) Counties and Tribal governments that receive a distribution  
 127.25 under this section must use the proceeds to fund new or existing family homeless prevention  
 127.26 and assistance projects or programs. These projects or programs may be administered by a  
 127.27 county, a group of contiguous counties jointly acting together, a city, a group of contiguous  
 127.28 cities jointly acting together, a ~~Tribe~~ Tribal government, a group of ~~Tribes~~ Tribal  
 127.29 governments, or a community-based nonprofit organization. Each project or program must  
 127.30 include plans for:

127.31 (1) targeting families with children who are eligible for a prekindergarten through grade  
 127.32 12 academic program and are:

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

- 128.1 (ii) paying more than 50 percent of their income for rent; or
- 128.2 (iii) lacking a fixed, regular, and adequate nighttime residence;
- 128.3 (2) targeting unaccompanied youth in need of an alternative residential setting;
- 128.4 (3) connecting families with the social services necessary to maintain the families'
- 128.5 stability in their homes, including but not limited to housing navigation, legal representation,
- 128.6 and family outreach; and
- 128.7 (4) one or more of the following:
- 128.8 (i) providing rental assistance for a specified period of time which may exceed 24 months;
- 128.9 or
- 128.10 (ii) providing support and case management services to improve housing stability,
- 128.11 including but not limited to housing navigation and family outreach.
- 128.12 (b) Counties may choose not to spend all or a portion of the distribution under this
- 128.13 section. Any unspent funds must be returned to the commissioner of revenue by December
- 128.14 31 of the year following the year that the aid was received. Any funds returned to the
- 128.15 commissioner under this paragraph must be added to the overall distribution of aids certified
- 128.16 under this section in the following year. Any unspent funds returned to the commissioner
- 128.17 after the expiration under subdivision 8 are canceled to the general fund.
- 128.18 **Subd. 5. Payments.** The commissioner of revenue must compute the amount of local
- 128.19 homeless prevention aid payable to each county and Tribal government under this section.
- 128.20 On or before August 1 of each year, the commissioner shall certify the amount to be paid
- 128.21 to each county and Tribal government in the following year. The commissioner shall pay
- 128.22 local homeless prevention aid annually at the times provided in section 477A.015. For aids
- 128.23 payable in 2023 only, the commissioner must recalculate and recertify the aid under this
- 128.24 section by July 15, 2023.
- 128.25 **Subd. 6. Appropriation.** ~~\$20,000,000~~ (a) \$17,600,000 is annually appropriated from
- 128.26 the general fund to the commissioner of revenue to make payments to counties required
- 128.27 under this section.
- 128.28 (b) \$2,400,000 is annually appropriated from the general fund to the commissioner of
- 128.29 revenue to make payments to Tribal governments required under this section.
- 128.30 **Subd. 7. Report.** (a) No later than January 15, 2025, the commissioner of revenue must
- 128.31 produce a report on projects and programs funded by counties and Tribal governments under
- 128.32 this section. The report must include a list of the projects and programs, the number of

129.1 people served by each, and an assessment of how each project and program impacts people  
129.2 who are currently experiencing homelessness or who are at risk of experiencing  
129.3 homelessness, as reported by the counties and Tribal governments to the commissioner by  
129.4 December 31 each year on a form prescribed by the commissioner. The commissioner must  
129.5 provide a copy of the report to the chairs and ranking minority members of the legislative  
129.6 committees with jurisdiction over property taxes and services for persons experiencing  
129.7 homelessness.

129.8 (b) The report in paragraph (a) must be updated every two years and the commissioner  
129.9 of revenue must provide copies of the updated reports to the chairs and ranking minority  
129.10 members of the legislative committees with jurisdiction over property taxes and services  
129.11 for persons experiencing homelessness by January 15 of the year the report is due. Report  
129.12 requirements under this subdivision expire following the report which includes the final  
129.13 distribution preceding the expiration in subdivision 8.

129.14 Subd. 8. **Expiration.** Distributions under this section expire after aids payable in 2028  
129.15 have been distributed.

129.16 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2023 and  
129.17 thereafter.

129.18 Sec. 23. **[477A.31] MAHNOMEN PROPERTY TAX REIMBURSEMENT AID.**

129.19 Subdivision 1. **Aid amounts.** (a) The commissioner of revenue shall make reimbursement  
129.20 aid payments to compensate for the loss of property tax revenue related to the trust conversion  
129.21 application of the Shooting Star Casino. The commissioner shall pay the county of  
129.22 Mahnomen, \$1,010,000; the city of Mahnomen, \$210,000; and Independent School District  
129.23 No. 432, Mahnomen, \$140,000.

129.24 (b) The payments shall be made annually on July 20.

129.25 Subd. 2. **Appropriation.** An amount sufficient to pay reimbursement aid under this  
129.26 section is annually appropriated from the general fund to the commissioner of revenue.

129.27 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
129.28 and thereafter.

129.29 Sec. 24. **[477A.36] STATEWIDE LOCAL HOUSING AID.**

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

130.1 (1) "city distribution factor" means the number of households in a tier I city that are  
130.2 cost-burdened divided by the total number of households that are cost-burdened in Minnesota  
130.3 tier I cities. The number of cost-burdened households shall be determined using the most  
130.4 recent estimates or experimental estimates provided by the American Community Survey  
130.5 of the United States Census Bureau as of May 1 of the aid calculation year;

130.6 (2) "cost-burdened household" means a household in which gross rent is 30 percent or  
130.7 more of household income or in which homeownership costs are 30 percent or more of  
130.8 household income;

130.9 (3) "county distribution factor" means the number of households in a county that are  
130.10 cost-burdened divided by the total number of households in Minnesota that are cost-burdened.  
130.11 The number of cost-burdened households shall be determined using the most recent estimates  
130.12 or experimental estimates provided by the American Community Survey of the United  
130.13 States Census Bureau as of May 1 of the aid calculation year;

130.14 (4) "eligible Tribal Nation" means the following federally recognized Indian Tribes  
130.15 located in Minnesota: Bois Forte Band; Fond du Lac Band; Grand Portage Band; Leech  
130.16 Lake Band; Mille Lacs Band; White Earth Band; and Red Lake Nation;

130.17 (5) "population" has the meaning given in section 477A.011, subdivision 3;

130.18 (6) "tier I city" means a statutory or home rule charter city that is a city of the first,  
130.19 second, or third class and is not located in a metropolitan county, as defined by section  
130.20 473.121, subdivision 4; and

130.21 (7) "tier II city" means a statutory or home rule charter city that is a city of the fourth  
130.22 class and is not located in a metropolitan county, as defined by section 473.121, subdivision  
130.23 4.

130.24 Subd. 2. **Distribution.** (a) Each county shall receive the sum of:

130.25 (1) 0.6 percent of the total amount available to counties under this section; plus

130.26 (2) the product of:

130.27 (i) the county distribution factor; multiplied by

130.28 (ii) the total amount available to counties under this section minus the product of clause

130.29 (1) multiplied by the number of Minnesota counties.

130.30 (b) The commissioner of revenue shall determine the amount of funding available to a  
130.31 tier I city under this section by multiplying the city's city distribution factor and the amount  
130.32 of funding available to tier I cities under this section.

131.1 (c) The commissioner of revenue shall determine the amount of funding available to an  
131.2 eligible Tribal Nation by dividing the amount of money available for aid to Tribal Nations  
131.3 under this section by the number of eligible Tribal Nations that have applied to receive an  
131.4 aid distribution under this section.

131.5 Subd. 3. **Grants to tier II cities.** (a) The commissioner of the Minnesota Housing Finance  
131.6 Agency shall establish a program to award grants of at least \$25,000 to tier II cities. The  
131.7 agency shall develop program guidelines and criteria in consultation with the League of  
131.8 Minnesota Cities. Notwithstanding section 16C.06, the commissioner may use a formula  
131.9 to determine the amounts of awards to tier II cities applying for funding under this section.  
131.10 Awards may be made in conjunction with funding awards under other agency programs  
131.11 that serve tier II cities.

131.12 (b) Among comparable proposals, the agency shall prioritize grants to tier II cities that  
131.13 have a higher proportion of cost-burdened households.

131.14 (c) A grantee must use its grant on a qualifying project.

131.15 (d) In making grants, the agency shall determine the circumstances, terms, and conditions  
131.16 under which all or any portion thereof will be repaid and shall determine the appropriate  
131.17 security should repayment be required. Any repaid funds shall be returned to the account  
131.18 or accounts established pursuant to paragraph (e).

131.19 (e) The agency shall establish a bookkeeping account or accounts in the housing  
131.20 development fund for money distributed to the agency for grants under this subdivision. By  
131.21 May 1 of each year, the Minnesota Housing Finance Agency shall report to the Department  
131.22 of Revenue on the amount in the account or accounts.

131.23 Subd. 4. **Qualifying projects.** (a) Qualifying projects shall include: (1) emergency rental  
131.24 assistance for households earning less than 80 percent of area median income as determined  
131.25 by the United States Department of Housing and Urban Development; (2) financial support  
131.26 to nonprofit affordable housing providers in their mission to provide safe, dignified,  
131.27 affordable and supportive housing; (3) outside the metropolitan counties as defined in section  
131.28 473.121, subdivision 4, development of market rate residential rental properties, as defined  
131.29 in section 462A.39, subdivision 2, paragraph (d), if the relevant unit of government submits  
131.30 with the report required under subdivision 6 a resolution and supporting documentation  
131.31 showing that the area meets the requirements of section 462A.39, subdivision 4, paragraph  
131.32 (a); and (4) projects designed for the purpose of construction, acquisition, rehabilitation,  
131.33 demolition or removal of existing structures, construction financing, permanent financing,  
131.34 interest rate reduction, refinancing, and gap financing of housing to provide affordable

132.1 housing to households that have incomes which do not exceed, for homeownership projects,  
132.2 115 percent of the greater of state or area median income as determined by the United States  
132.3 Department of Housing and Urban Development and, for rental housing projects, 80 percent  
132.4 of the greater of state or area median income as determined by the United States Department  
132.5 of Housing and Urban Development, except that the housing developed or rehabilitated  
132.6 with funds under this section must be affordable to the local work force.

132.7 Projects shall be prioritized that provide affordable housing to households that have incomes  
132.8 that do not exceed, for homeownership projects, 80 percent of the greater of state or area  
132.9 median income as determined by the United States Department of Housing and Urban  
132.10 Development, and for rental housing projects, 50 percent of the greater of state or area  
132.11 median income as determined by the United States Department of Housing and Urban  
132.12 Development. Priority may be given to projects that: reduce disparities in home ownership;  
132.13 reduce housing cost burden, housing instability, or homelessness; improve the habitability  
132.14 of homes; create accessible housing; or create more energy- or water-efficient homes.

132.15 (b) Gap financing is either:

132.16 (1) the difference between the costs of the property, including acquisition, demolition,  
132.17 rehabilitation, and construction, and the market value of the property upon sale; or

132.18 (2) the difference between the cost of the property and the amount the targeted household  
132.19 can afford for housing, based on industry standards and practices.

132.20 (c) If aid under this section is used for demolition or removal of existing structures, the  
132.21 cleared land must be used for the construction of housing to be owned or rented by persons  
132.22 who meet the income limits of paragraph (a).

132.23 (d) If an aid recipient uses the aid on new construction or substantial rehabilitation of a  
132.24 building containing more than four units, the loan recipient must construct, convert, or  
132.25 otherwise adapt the building to include:

132.26 (1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are  
132.27 accessible units, as defined by section 1002 of the current State Building Code Accessibility  
132.28 Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower; and

132.29 (2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are  
132.30 sensory-accessible units that include:

132.31 (A) soundproofing between shared walls for first and second floor units;

132.32 (B) no florescent lighting in units and common areas;

133.1 (C) low-fume paint;

133.2 (D) low-chemical carpet; and

133.3 (E) low-chemical carpet glue in units and common areas.

133.4 Nothing in this paragraph relieves a project funded by this section from meeting other

133.5 applicable accessibility requirements.

133.6 Subd. 5. Use of proceeds. (a) Any funds distributed under this section must be spent on

133.7 a qualifying project. If a tier I city or county demonstrates to the Minnesota Housing Finance

133.8 Agency that the tier I city or county cannot expend funds on a qualifying project by the

133.9 deadline imposed by paragraph (b) due to factors outside the control of the tier I city or

133.10 county, funds shall be considered spent on a qualifying project if the funds are transferred

133.11 to a local housing trust fund. Funds transferred to a local housing trust fund must be spent

133.12 on a project or household that meets the affordability requirements of subdivision 4,

133.13 paragraph (a).

133.14 (b) Any funds must be returned to the commissioner of revenue if the funds are not spent

133.15 by December 31 in the third year following the year after the aid was received.

133.16 Subd. 6. Administration. (a) The commissioner of revenue must compute the amount

133.17 of aid payable to each aid recipient under this section. Beginning with aids payable in

133.18 calendar year 2024, before computing the amount of aid for counties and after receiving

133.19 the report required by subdivision 3, paragraph (e), the commissioner shall compute the

133.20 amount necessary to increase the amount in the account or accounts established under that

133.21 paragraph to \$1,250,000. The amount calculated under the preceding sentence shall be

133.22 deducted from the amount available to counties for the purposes of certifying the amount

133.23 of aid to be paid to counties in the following year. By August 1 of each year, the

133.24 commissioner must certify the amount to be paid to each aid recipient in the following year.

133.25 The commissioner must pay statewide local housing aid annually at the times provided in

133.26 section 477A.015. Before paying the first installment of aid annually, the commissioner of

133.27 revenue shall transfer to the Minnesota Housing Finance Agency from the funds available

133.28 for counties, for deposit in the account or accounts established under subdivision 3, paragraph

133.29 (e), the amount computed in the prior year to be necessary to increase the amount in the

133.30 account or accounts established under that paragraph to \$1,250,000.

133.31 (b) Beginning in 2025, aid recipients shall submit a report annually, no later than

133.32 December 1 of each year, to the Minnesota Housing Finance Agency. The report shall

133.33 include documentation of the location of any unspent funds distributed under this section

133.34 and of qualifying projects completed or planned with funds under this section. If an aid

134.1 recipient fails to submit a report, fails to spend funds within the timeline imposed under  
134.2 subdivision 5, paragraph (b), or uses funds for a project that does not qualify under this  
134.3 section, the Minnesota Housing Finance Agency shall notify the Department of Revenue  
134.4 and the aid recipient must repay funds under paragraph (c) by February 15 of the following  
134.5 year.

134.6 (c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, an  
134.7 aid recipient must pay to the Minnesota Housing Finance Agency funds the aid recipient  
134.8 received under this section if the aid recipient:

134.9 (1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);

134.10 (2) spends the funds on anything other than a qualifying project; or

134.11 (3) fails to submit a report documenting use of the funds.

134.12 (d) The commissioner of revenue must stop distributing funds to an aid recipient that  
134.13 the Minnesota Housing Finance Agency reports to have, in three consecutive years, failed  
134.14 to use funds, misused funds, or failed to report on its use of funds.

134.15 (e) The commissioner may resume distributing funds to an aid recipient to which the  
134.16 commissioner has stopped payments in the year following the August 1 after the Minnesota  
134.17 Housing Finance Agency certifies that the city or county has submitted documentation of  
134.18 plans for a qualifying project.

134.19 (f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph  
134.20 (c) must be deposited in the housing development fund. Funds deposited under this paragraph  
134.21 are appropriated to the commissioner of the Minnesota Housing Finance Agency for use  
134.22 on the family homeless prevention and assistance program under section 462A.204, the  
134.23 economic development and housing challenge program under section 462A.33, and the  
134.24 workforce and affordable homeownership development program under section 462A.38.

134.25 (g) An eligible Tribal Nation may choose to receive an aid distribution under this section  
134.26 by submitting an application under this subdivision. An eligible Tribal Nation which has  
134.27 not received a distribution in a prior aids payable year may elect to begin participation in  
134.28 the program by submitting an application in the manner and form prescribed by the  
134.29 commissioner of revenue by January 15 of the aids payable year. In order to receive a  
134.30 distribution, an eligible Tribal Nation must certify to the commissioner of revenue the most  
134.31 recent estimate of the total number of enrolled members of the eligible Tribal Nation. The  
134.32 information must be annually certified by March 1 in the form prescribed by the

135.1 commissioner of revenue. The commissioner of revenue must annually calculate and certify  
135.2 the amount of aid payable to each eligible Tribal Nation on or before August 1.

135.3 Subd. 7. **County consultation with cities.** A county that receives funding under this  
135.4 section shall regularly consult with the cities in the jurisdictions of which its qualifying  
135.5 projects are planned or located.

135.6 Subd. 8. **Appropriations.** (a) \$6,800,000 is annually appropriated from the general fund  
135.7 to the commissioner of revenue to make payments to counties as required under this section.

135.8 (b) \$2,000,000 is annually appropriated from the general fund to the commissioner of  
135.9 revenue to make payments to tier I cities as required under this section.

135.10 (c) \$1,200,000 is annually appropriated from the general fund to the commissioner of  
135.11 revenue to make payments to eligible Tribal Nations as required under this section.

135.12 (d) In fiscal years 2024 and 2025 only, an additional \$8,500,000 is annually appropriated  
135.13 from the general fund to the commissioner of revenue to make payments to counties as  
135.14 required under this section. In fiscal years 2024 and 2025 only, an additional \$2,500,000 is  
135.15 annually appropriated from the general fund to the commissioner of revenue to make  
135.16 payments to tier I cities as required under this section. In fiscal years 2024 and 2025 only,  
135.17 an additional \$1,500,000 is annually appropriated from the general fund to the commissioner  
135.18 of revenue to make payments to eligible Tribal Nations as required under this section. In  
135.19 fiscal years 2024 and 2025 only, the commissioner shall transfer from the funds available  
135.20 to counties to the Minnesota Housing Finance Agency a sum sufficient to increase the  
135.21 amount in the account or accounts established under subdivision 3, paragraph (e), to  
135.22 \$2,250,000. For aids payable in 2023 only, the commissioner may compute the amount of  
135.23 aid to be paid to aid recipients as late as August 1, 2023, and may make payments of aid  
135.24 under this section in one installment on December 26.

135.25 **EFFECTIVE DATE.** This section is effective beginning with aids payable in calendar  
135.26 year 2023.

135.27 Sec. 25. **[477A.40] TRIBAL NATION AID.**

135.28 Subdivision 1. **Aid not to be considered reparations.** Aid distributions under this  
135.29 section are not a substitute for reparations to eligible Tribal Nations, their members, or their  
135.30 members' descendants.

135.31 Subd. 2. **Definitions.** For the purposes of this section, the following terms have the  
135.32 meanings given:

136.1 (1) "distribution share" means the number of enrolled members in an eligible Tribal  
136.2 Nation divided by the total number of enrolled members for all eligible Tribal Nations  
136.3 certified under this section; and

136.4 (2) "eligible Tribal Nation" means any of the 11 federally recognized Indian Tribes  
136.5 located in Minnesota which submit an application under subdivision 4.

136.6 Subd. 3. **Distribution.** An eligible Tribal Nation's annual aid amount is equal to the sum  
136.7 of:

136.8 (1) the quotient of:

136.9 (i) 0.5 times the amount appropriated under this section; divided by

136.10 (ii) the number of eligible Tribal Nations; plus

136.11 (2) the product of:

136.12 (i) the eligible Tribal Nation's distribution share; multiplied by

136.13 (ii) 0.5 times the amount appropriated under this section.

136.14 Subd. 4. **Application.** An eligible Tribal Nation may choose to receive an aid distribution  
136.15 under this section by submitting an application under this subdivision. An eligible Tribal  
136.16 Nation which has not received a distribution in a prior aids payable year may elect to begin  
136.17 participation in the program by submitting an application in the manner and form prescribed  
136.18 by the commissioner of revenue by January 15 of the aids payable year. In order to receive  
136.19 a distribution, an eligible Tribal Nation must certify to the commissioner of revenue the  
136.20 most recent estimate of the total number of enrolled members of the eligible Tribal Nation.  
136.21 The information must be annually certified by March 1 in the form prescribed by the  
136.22 commissioner of revenue. The commissioner of revenue must annually calculate and certify  
136.23 the amount of aid payable to each eligible Tribal Nation on or before August 1.

136.24 Subd. 5. **Payments.** The commissioner of revenue must pay Tribal Nation aid annually  
136.25 by December 27 of the year the aid is certified.

136.26 Subd. 6. **Appropriation.** \$35,000,000 is annually appropriated from the general fund  
136.27 to the commissioner of revenue to make payments under this section.

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

137.1 Sec. 26. Laws 2006, chapter 259, article 11, section 3, as amended by Laws 2008, chapter  
137.2 154, article 1, section 4, and Laws 2013, chapter 143, article 2, section 33, is amended to  
137.3 read:

137.4 Sec. 3. **MAHNOMEN COUNTY; COUNTY, CITY, SCHOOL DISTRICT,**  
137.5 **PROPERTY TAX REIMBURSEMENT.**

137.6 Subdivision 1. **Aid appropriation.** (a) \$1,200,000 is appropriated annually from the  
137.7 general fund to the commissioner of revenue to be used to make payments to compensate  
137.8 for the loss of property tax revenue related to the trust conversion application of the Shooting  
137.9 Star Casino. The commissioner shall pay the county of Mahnomen, \$900,000; the city of  
137.10 Mahnomen, \$160,000; and Independent School District No. 432, Mahnomen, \$140,000.  
137.11 The payments shall be made on July 20, of 2013 and each subsequent year.

137.12 (b) This section expires after aids payable year 2023.

137.13 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
137.14 and thereafter.

137.15 Sec. 27. **2023 PUBLIC SAFETY AID.**

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

137.18 (1) "commissioner" means the commissioner of revenue;

137.19 (2) "local unit" means (i) a town with a population of at least 10,000, or (ii) a statutory  
137.20 or home rule charter city;

137.21 (3) "population" means population estimates made or conducted by the United States  
137.22 Bureau of the Census; the Metropolitan Council pursuant to Minnesota Statutes, section  
137.23 473.24; or by the state demographer pursuant to Minnesota Statutes, section 4A.02, paragraph  
137.24 (d), whichever is the most recent estimate and available as of January 1, 2023;

137.25 (4) "Tribal governments" has the meaning given to "Minnesota Tribal governments" in  
137.26 Minnesota Statutes, section 10.65, subdivision 2, paragraph (a), clause (4); and

137.27 (5) "Tribal population" means population estimates made or conducted by the United  
137.28 States Bureau of the Census of the federally recognized American Indian reservations and  
137.29 off-reservation trust lands in Minnesota, whichever is the most recent estimate and available  
137.30 as of January 1, 2023.

137.31 Subd. 2. **County aid.** A county's public safety aid equals the sum of:

138.1 (1) the product of (i) the county's population, and (ii) the county basic allowance; plus  
138.2 (2) the product of (i) the county's population minus the total population of every local  
138.3 unit located in that county, and (ii) the county additional allowance.

138.4 Subd. 3. **Tribal government aid.** A Tribal government's public safety aid equals the  
138.5 sum of:

138.6 (1) the product of (i) the Tribe's population, and (ii) the county basic allowance; plus  
138.7 (2) the product of (i) the Tribe's population, and (ii) the county additional allowance.

138.8 Subd. 4. **Local unit aid.** A local unit's public safety aid equals the product of (1) the  
138.9 local unit's population, and (2) the local unit allowance.

138.10 Subd. 5. **Commissioner to calculate allowances.** (a) The commissioner must calculate  
138.11 the county basic allowance so that the total amount of aid distributed under subdivisions 2,  
138.12 clause (1), and 3, clause (1), equals 70 percent of the amount appropriated for aid to counties  
138.13 and Tribal governments.

138.14 (b) The commissioner must calculate the county additional allowance so that the total  
138.15 amount of aid distributed under subdivisions 2, clause (2), and 3, clause (2), equals 30  
138.16 percent of the amount appropriated for aid to counties and Tribal governments.

138.17 (c) The commissioner must calculate the local unit allowance so that the total amount  
138.18 of aid distributed under subdivision 4 equals the amount appropriated for aid to local units.

138.19 Subd. 6. **Eligible uses.** (a) A county, Tribal government, or local unit must use the aid  
138.20 under this section to provide public safety, including community violence prevention and  
138.21 intervention programs; community engagement; mental health crisis responses; victim  
138.22 services; training programs; first responder wellness; equipment related to fire, rescue, and  
138.23 emergency services; or to pay other personnel or equipment costs.

138.24 (b) Notwithstanding paragraph (a), a county, Tribal government, or local unit may not  
138.25 apply the aid under this section toward:

138.26 (1) its employer contribution to the public employees police and fire fund if the county,  
138.27 Tribal government, or local unit received police state aid under Minnesota Statutes, chapter  
138.28 477C, in calendar year 2022;

138.29 (2) any costs associated with alleged wrongdoing or misconduct;

138.30 (3) the purchase of an armored or tactical vehicle or substantially similar vehicle;

138.31 (4) the purchase of tear gas, chemical munitions, or substantially similar items; or

139.1 (5) the costs of construction, reconstruction, remodeling, expansion, or improvement of  
139.2 a police station, including related facilities. For purposes of this clause, "related facilities"  
139.3 includes access roads, lighting, sidewalks, and utility components on or adjacent to the  
139.4 property on which the police station is located that are necessary for safe access to and use  
139.5 of the building.

139.6 Subd. 7. **Certification; payment date.** The commissioner must certify the aid amount  
139.7 to be paid in 2023 to each county, Tribal government, and local unit by September 1, 2023.  
139.8 The commissioner must make the full 2023 payment to each county, Tribal government,  
139.9 and local unit by December 26, 2023.

139.10 Subd. 8. **Appropriation.** (a) \$300,000,000 is appropriated in fiscal year 2024 from the  
139.11 general fund to the commissioner of revenue for public safety aid under this section.

139.12 (b) Of the amount in paragraph (a), 30 percent is for aid to counties and Tribal  
139.13 governments and 70 percent is for aid to local units.

139.14 (c) This is a onetime appropriation.

139.15 **EFFECTIVE DATE.** This section is effective for aids payable in 2023.

139.16 Sec. 28. **2021 AID PENALTY FORGIVENESS.**

139.17 Subdivision 1. **City of Echo.** Notwithstanding Minnesota Statutes, section 477A.017,  
139.18 subdivision 3, the city of Echo is eligible to receive its aid payment for calendar year 2021  
139.19 under Minnesota Statutes, section 477A.013, that was withheld under Minnesota Statutes,  
139.20 section 477A.017, subdivision 3, and its small city assistance payment for calendar year  
139.21 2021 under Minnesota Statutes, section 162.145, that was withheld under Minnesota Statutes,  
139.22 section 162.145, subdivision 3, paragraph (c). If the state auditor certifies to the commissioner  
139.23 of revenue that it received the annual financial reporting form for 2020 from the city by  
139.24 June 1, 2023, the commissioner of revenue must make a payment of \$46,060 to the city by  
139.25 June 30, 2023.

139.26 Subd. 2. **City of Morton.** Notwithstanding Minnesota Statutes, section 477A.017,  
139.27 subdivision 3, the city of Morton is eligible to receive its aid payment for calendar year  
139.28 2021 under Minnesota Statutes, section 477A.013, that was withheld under Minnesota  
139.29 Statutes, section 477A.017, subdivision 3, and its small city assistance payment for calendar  
139.30 year 2021 under Minnesota Statutes, section 162.145, that was withheld under Minnesota  
139.31 Statutes, section 162.145, subdivision 3, paragraph (c). If the state auditor certifies to the  
139.32 commissioner of revenue that it received the annual financial reporting form for 2020 from

140.1 the city by June 1, 2023, the commissioner of revenue must make a payment of \$79,476 to  
140.2 the city by June 30, 2023.

140.3 Subd. 3. **Appropriation.** The amounts necessary to make the payments required under  
140.4 this section are appropriated in fiscal year 2023 from the general fund to the commissioner  
140.5 of revenue. This is a onetime appropriation.

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

140.7 Sec. 29. **STUDY OF STATE-OWNED LAKESHORE.**

140.8 No later than January 31, 2025, the commissioner of revenue, in consultation with the  
140.9 Department of Natural Resources and counties, must produce a report on valuation methods  
140.10 used to value the acreage and shoreline areas within all commissioner-administered and  
140.11 county-administered other natural resources land, as defined in Minnesota Statutes, section  
140.12 477A.11, subdivision 4. The report must comply with the requirements of Minnesota Statutes,  
140.13 sections 3.195 and 3.197. The report must include, by county, the most recent assessed  
140.14 value and acreage, as required under Minnesota Statutes, section 273.18, paragraph (b),  
140.15 aggregated by parcels abutting lakes identified by a Department of Natural Resources  
140.16 Division of Waters Lake Number and by parcels not abutting lakes identified by a Department  
140.17 of Natural Resources Division of Waters Lake Number. Counties must report to the  
140.18 commissioner of revenue any necessary data by December 30, 2023. The commissioner  
140.19 must provide a copy of the report to the chairs and ranking minority members of the  
140.20 legislative committees with jurisdiction over taxes and property taxation by January 31,  
140.21 2025.

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

140.23 Sec. 30. **ONETIME INCREASE IN THE RENTER'S CREDIT AND HOMESTEAD**  
140.24 **CREDIT STATE REFUND.**

140.25 Subdivision 1. **Homestead credit refund.** For claims filed based on taxes payable in  
140.26 2023, the commissioner shall increase by 20.572 percent the refund otherwise payable under  
140.27 Minnesota Statutes, section 290A.04, subdivision 2.

140.28 Subd. 2. **Renter's credit increase.** For claims filed based on rent paid in 2022, the  
140.29 commissioner shall increase by 20.572 percent the refund otherwise payable under Minnesota  
140.30 Statutes, section 290A.04, subdivision 2a.

140.31 Subd. 3. **No notification of appeal rights.** In adjusting homestead credit refunds and  
140.32 renter property tax refunds under this section, the commissioner is not required to provide

141.1 information concerning appeal rights that ordinarily must be provided whenever the  
141.2 commissioner adjusts refunds payable under Minnesota Statutes, chapter 290. Taxpayers  
141.3 retain all rights to appeal adjustments under this section.

141.4 Subd. 4. **Appropriation.** The amount necessary to make the payments required under  
141.5 this section is appropriated from the general fund to the commissioner of revenue.

141.6 **EFFECTIVE DATE.** This section is effective only for refunds based on rent paid in  
141.7 2022 and property taxes payable in 2023.

141.8 Sec. 31. **TARGETING PROPERTY TAX REFUND; TEMPORARY INCREASE**  
141.9 **FOR PROPERTY TAXES PAYABLE IN 2023.**

141.10 Notwithstanding any law to the contrary, for refunds based on property taxes payable  
141.11 in 2023, the refund calculated under Minnesota Statutes, section 290A.04, subdivision 2h,  
141.12 must be calculated by substituting:

141.13 (1) six percent for 12 percent; and

141.14 (2) \$2,500 for \$1,000.

141.15 **EFFECTIVE DATE.** This section is effective for refunds based on property taxes  
141.16 payable in 2023 only.

141.17 Sec. 32. **APPROPRIATION; CLASS 4D(1) LOW-INCOME RENTAL PROPERTY**  
141.18 **2025 AND 2026 TRANSITION AID.**

141.19 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this  
141.20 subdivision have the meanings given.

141.21 (b) "4d(1) property" means class 4d(1) low-income rental property under Minnesota  
141.22 Statutes, section 273.13, subdivision 25.

141.23 (c) "Base assessment year" means assessment year 2023.

141.24 (d) "City" means a home rule charter or statutory city.

141.25 (e) "Modified transition tax capacity" means the product of (1) one minus the transition  
141.26 ratio for the city, times (2) the transition tax capacity for the city.

141.27 (f) "Transition ratio" means the ratio of (1) the net tax capacity of 4d(1) property for the  
141.28 city in the base assessment year calculated using the classification rates and first-tier limit  
141.29 in effect for 4d(1) property for taxes payable in 2025, to (2) the net tax capacity of 4d(1)

142.1 property for the city in the base assessment year calculated using the classification rates  
142.2 and first-tier limit in effect for 4d(1) property for taxes payable in 2024.

142.3 (g) "Transition tax capacity" means the greater of zero or the difference between (1) the  
142.4 net tax capacity of 4d(1) property for the city in the base assessment year, minus (2) two  
142.5 percent of the total net tax capacity for the city in the base assessment year.

142.6 Subd. 2. **Aid amount.** In 2025 and 2026 only, transition aid for a city equals the product  
142.7 of (1) the city's tax rate for taxes payable in 2024, times (2) the modified transition tax  
142.8 capacity for the city.

142.9 Subd. 3. **Administration; payment schedule.** (a) For purposes of this section, net tax  
142.10 capacity must be determined by the commissioner of revenue based on information available  
142.11 to the commissioner as of July 15, 2024.

142.12 (b) The commissioner of revenue must certify the aid amount to be paid to each city  
142.13 before August 1 of the year preceding the aid distribution year and must pay the aid in two  
142.14 installments on the dates specified in Minnesota Statutes, section 477A.015.

142.15 Subd. 4. **Appropriation.** An amount sufficient to pay transition aid under this section  
142.16 is annually appropriated from the general fund to the commissioner of revenue.

142.17 **EFFECTIVE DATE.** This section is effective for aid payable in calendar year 2025  
142.18 and 2026 only.

142.19 Sec. 33. **REPEALER.**

142.20 Minnesota Statutes 2022, sections 477A.011, subdivisions 30a, 38, 42, and 45; 477A.013,  
142.21 subdivision 13; and 477A.16, subdivisions 1, 2, and 3, are repealed.

142.22 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
142.23 and thereafter.

142.24 **ARTICLE 5**  
142.25 **SALES AND USE TAXES**

142.26 Section 1. Minnesota Statutes 2022, section 38.27, subdivision 4, is amended to read:

142.27 Subd. 4. **Use of a portion of county fair revenues.** A county agricultural society must  
142.28 annually determine the amount of sales tax savings attributable to section 297A.70,  
142.29 subdivision 21. ~~If the county agricultural society owns its own fairgrounds, it, and~~ must use  
142.30 the amount equal to the sales tax savings to maintain, improve, or expand society-owned  
142.31 buildings and facilities on the fairgrounds; ~~otherwise it must transfer this amount to the~~

143.1 ~~owner of the fairgrounds. An owner that receives a transfer of money under this subdivision~~  
143.2 ~~must use the transferred amount to maintain, improve, and expand entity-owned buildings~~  
143.3 ~~and facilities on the county fairgrounds.~~

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

143.5 Sec. 2. Minnesota Statutes 2022, section 297A.61, subdivision 4, is amended to read:

143.6 Subd. 4. **Retail sale.** (a) A "retail sale" means:

143.7 (1) any sale, lease, or rental of tangible personal property for any purpose, other than  
143.8 resale, sublease, or subrent of items by the purchaser in the normal course of business as  
143.9 defined in subdivision 21; and

143.10 (2) any sale of a service enumerated in subdivision 3, for any purpose other than resale  
143.11 by the purchaser in the normal course of business as defined in subdivision 21.

143.12 (b) A sale of property used by the owner only by leasing it to others or by holding it in  
143.13 an effort to lease it, and put to no use by the owner other than resale after the lease or effort  
143.14 to lease, is a sale of property for resale.

143.15 (c) A sale of master computer software that is purchased and used to make copies for  
143.16 sale or lease is a sale of property for resale.

143.17 (d) A sale of building materials, supplies, and equipment to owners, contractors,  
143.18 subcontractors, or builders for the erection of buildings or the alteration, repair, or  
143.19 improvement of real property is a retail sale in whatever quantity sold, whether the sale is  
143.20 for purposes of resale in the form of real property or otherwise.

143.21 (e) A sale of carpeting, linoleum, or similar floor covering to a person who provides for  
143.22 installation of the floor covering is a retail sale and not a sale for resale since a sale of floor  
143.23 covering which includes installation is a contract for the improvement of real property.

143.24 (f) A sale of shrubbery, plants, sod, trees, and similar items to a person who provides  
143.25 for installation of the items is a retail sale and not a sale for resale since a sale of shrubbery,  
143.26 plants, sod, trees, and similar items that includes installation is a contract for the improvement  
143.27 of real property.

143.28 (g) A sale of tangible personal property that is awarded as prizes is a retail sale and is  
143.29 not considered a sale of property for resale.

143.30 (h) A sale of tangible personal property utilized or employed in the furnishing or  
143.31 providing of services under subdivision 3, paragraph (g), clause (1), including, but not

144.1 limited to, property given as promotional items, is a retail sale and is not considered a sale  
144.2 of property for resale.

144.3 (i) A sale of tangible personal property used in conducting lawful gambling under chapter  
144.4 349 or the State Lottery under chapter 349A, including, but not limited to, property given  
144.5 as promotional items, is a retail sale and is not considered a sale of property for resale.

144.6 (j) a sale of machines, equipment, or devices that are used to furnish, provide, or dispense  
144.7 goods or services, including, but not limited to, coin-operated devices, is a retail sale and  
144.8 is not considered a sale of property for resale.

144.9 (k) In the case of a lease, a retail sale occurs (1) when an obligation to make a lease  
144.10 payment becomes due under the terms of the agreement or the trade practices of the lessor  
144.11 or (2) in the case of a lease of a motor vehicle, as defined in section 297B.01, subdivision  
144.12 11, but excluding vehicles with a manufacturer's gross vehicle weight rating greater than  
144.13 10,000 pounds and rentals of vehicles for not more than 28 days, at the time the lease is  
144.14 executed.

144.15 (l) In the case of a conditional sales contract, a retail sale occurs upon the transfer of  
144.16 title or possession of the tangible personal property.

144.17 (m) A sale of a bundled transaction in which one or more of the products included in  
144.18 the bundle is a taxable product is a retail sale, except that if one of the products is a  
144.19 telecommunication service, ancillary service, Internet access, ~~or~~ audio or video programming  
144.20 service, a suite license exempt under section 297A.67, subdivision 35, or a right to purchase  
144.21 season tickets to collegiate events exempt under section 297A.67, subdivision 38, and the  
144.22 seller has maintained books and records identifying through reasonable and verifiable  
144.23 standards the portions of the price that are attributable to the distinct and separately  
144.24 identifiable products, then the products are not considered part of a bundled transaction.  
144.25 For purposes of this paragraph:

144.26 (1) the books and records maintained by the seller must be maintained in the regular  
144.27 course of business, and do not include books and records created and maintained by the  
144.28 seller primarily for tax purposes;

144.29 (2) books and records maintained in the regular course of business include, but are not  
144.30 limited to, financial statements, general ledgers, invoicing and billing systems and reports,  
144.31 and reports for regulatory tariffs and other regulatory matters; and

144.32 (3) books and records are maintained primarily for tax purposes when the books and  
144.33 records identify taxable and nontaxable portions of the price, but the seller maintains other

145.1 books and records that identify different prices attributable to the distinct products included  
145.2 in the same bundled transaction.

145.3 (n) A sale of motor vehicle repair paint and materials by a motor vehicle repair or body  
145.4 shop business is a retail sale and the sales tax is imposed on the gross receipts from the retail  
145.5 sale of the paint and materials. The motor vehicle repair or body shop that purchases motor  
145.6 vehicle repair paint and motor vehicle repair materials for resale must either:

145.7 (1) separately state each item of paint and each item of materials, and the sales price of  
145.8 each, on the invoice to the purchaser; or

145.9 (2) in order to calculate the sales price of the paint and materials, use a method which  
145.10 estimates the amount and monetary value of the paint and materials used in the repair of  
145.11 the motor vehicle by multiplying the number of labor hours by a rate of consideration for  
145.12 the paint and materials used in the repair of the motor vehicle following industry standard  
145.13 practices that fairly calculate the gross receipts from the retail sale of the motor vehicle  
145.14 repair paint and motor vehicle repair materials. An industry standard practice fairly calculates  
145.15 the gross receipts if the sales price of the paint and materials used or consumed in the repair  
145.16 of a motor vehicle equals or exceeds the purchase price paid by the motor vehicle repair or  
145.17 body shop business. Under this clause, the invoice must either separately state the "paint  
145.18 and materials" as a single taxable item, or separately state "paint" as a taxable item and  
145.19 "materials" as a taxable item. This clause does not apply to wholesale transactions at an  
145.20 auto auction facility.

145.21 (o) A sale of specified digital products or other digital products to an end user with or  
145.22 without rights of permanent use and regardless of whether rights of use are conditioned  
145.23 upon payment by the purchaser is a retail sale. When a digital code has been purchased that  
145.24 relates to specified digital products or other digital products, the subsequent receipt of or  
145.25 access to the related specified digital products or other digital products is not a retail sale.

145.26 (p) A payment made to a cooperative electric association or public utility as a contribution  
145.27 in aid of construction is a contract for improvement to real property and is not a retail sale.

145.28 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
145.29 made after June 30, 2022.

145.30 Sec. 3. Minnesota Statutes 2022, section 297A.67, subdivision 35, is amended to read:

145.31 Subd. 35. **Suite licenses.** The sale of the privilege of admission under section 297A.61,  
145.32 subdivision 3, paragraph (g), clause (1), to a place of amusement or athletic event does not  
145.33 include consideration paid for a license to use a private suite, private skybox, or private box

146.1 seat, and the sale of the license is exempt provided that: (1) the lessee may use the private  
146.2 suite, private skybox, or private box seat by mutual arrangement with the lessor on days  
146.3 when there is no amusement or athletic event; and (2) the sales price for the privilege of  
146.4 admission is ~~separately stated and~~ is equal to or greater than the highest priced general  
146.5 admission ticket for the closest seat not in the private suite, private skybox, or private box  
146.6 seat.

146.7 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
146.8 made after June 30, 2022.

146.9 Sec. 4. Minnesota Statutes 2022, section 297A.67, subdivision 38, is amended to read:

146.10 Subd. 38. **Season ticket purchasing rights to collegiate events.** The sale of a right to  
146.11 purchase the privilege of admission to a college or university athletic event in a preferred  
146.12 viewing location for a season of a particular athletic event is exempt provided that:

146.13 (1) the consideration paid for the right to purchase is used entirely to support student  
146.14 scholarships, wellness, and academic costs; and

146.15 ~~(2) the consideration paid for the right to purchase is separately stated from the admission~~  
146.16 ~~price; and~~

146.17 ~~(3)~~ (2) the admission price is equal to or greater than the highest priced general admission  
146.18 ticket for the closest seat not in the preferred viewing location.

146.19 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
146.20 made after June 30, 2022.

146.21 Sec. 5. Minnesota Statutes 2022, section 297A.67, is amended by adding a subdivision to  
146.22 read:

146.23 Subd. 39. **Firearm storage units.** (a) Secure firearm storage units are exempt. For the  
146.24 purposes of this subdivision:

146.25 (1) "secure firearm storage unit" means a container that is fully enclosed and locked by  
146.26 a padlock, keylock, combination lock, or similar locking device, and is either specifically  
146.27 designed for the safe storage of firearms or sold for that purpose by a federally licensed  
146.28 firearms dealer; and

146.29 (2) "firearm" has the meaning provided in section 97A.015, subdivision 19.

147.1 (b) The seller of a secure firearm storage unit must neither collect, nor transmit to any  
147.2 private or public entity, any personal data of or information about a purchaser resulting  
147.3 from a sale eligible for the exemption under this subdivision.

147.4 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
147.5 30, 2023.

147.6 Sec. 6. Minnesota Statutes 2022, section 297A.68, subdivision 25, is amended to read:

147.7 **Subd. 25. Sale of property used in a trade or business.** (a) The sale of tangible personal  
147.8 property primarily used in a trade or business is exempt if the sale is not made in the normal  
147.9 course of business of selling that kind of property and if one of the following conditions is  
147.10 satisfied:

147.11 (1) the sale occurs in a transaction subject to or described in section 118, 331, 332, 336,  
147.12 337, 338, 351, 355, 368, 721, 731, 1031, or 1033 of the Internal Revenue Code, as amended  
147.13 through December 16, 2016;

147.14 (2) the sale is between members of a controlled group as defined in section 1563(a) of  
147.15 the Internal Revenue Code;

147.16 (3) the sale is between a sole member of a disregarded limited liability company and the  
147.17 disregarded limited liability company;

147.18 ~~(3)~~ (4) the sale is a sale of farm machinery;

147.19 ~~(4)~~ (5) the sale is a farm auction sale;

147.20 ~~(5)~~ (6) the sale is a sale of substantially all of the assets of a trade or business; or

147.21 ~~(6)~~ (7) the total amount of gross receipts from the sale of trade or business property made  
147.22 during the calendar month of the sale and the preceding 11 calendar months does not exceed  
147.23 \$1,000.

147.24 The use, storage, distribution, or consumption of tangible personal property acquired as  
147.25 a result of a sale exempt under this subdivision is also exempt.

147.26 (b) For purposes of this subdivision, the following terms have the meanings given.

147.27 (1) "Disregarded limited liability company" means a limited liability company that is  
147.28 disregarded as an entity separate from its owner under the Internal Revenue Code.

147.29 ~~(1)~~ (2) A "farm auction" is a public auction conducted by a licensed auctioneer if  
147.30 substantially all of the property sold consists of property used in the trade or business of  
147.31 farming and property not used primarily in a trade or business.

148.1 ~~(2)~~ (3) "Trade or business" includes the assets of a separate division, branch, or  
148.2 identifiable segment of a trade or business if, before the sale, the income and expenses  
148.3 attributable to the separate division, branch, or identifiable segment could be separately  
148.4 ascertained from the books of account or record (the lease or rental of an identifiable segment  
148.5 does not qualify for the exemption).

148.6 ~~(3)~~ (4) A "sale of substantially all of the assets of a trade or business" must occur as a  
148.7 single transaction or a series of related transactions within the 12-month period beginning  
148.8 on the date of the first sale of assets intended to qualify for the exemption provided in  
148.9 paragraph (a), clause (5).

148.10 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
148.11 30, 2023.

148.12 Sec. 7. Minnesota Statutes 2022, section 297A.68, is amended by adding a subdivision to  
148.13 read:

148.14 **Subd. 46. Amenities included with the privilege of admission.** (a) The sale of amenities,  
148.15 including but not limited to food and beverages, parking services, and promotional items,  
148.16 that are included in the sales price of the privilege of admission to athletic events and places  
148.17 of amusement under section 297A.61, subdivision 3, paragraph (m), are exempt when sold  
148.18 by a seller of the privilege of admission that is a professional sports team competing in  
148.19 Major League Baseball, Major League Soccer, the National Basketball Association, the  
148.20 Women's National Basketball Association, the National Football League, or the National  
148.21 Hockey League.

148.22 (b) Under this subdivision, the exempt portion of the sale of the privilege of admission  
148.23 is equal to the purchase price of the amenity if sales or use tax was paid on the amenity  
148.24 when purchased by the seller.

148.25 (c) The seller must retain records documenting the price and tax paid by the seller when  
148.26 purchasing the amenities and the price and tax collected when the seller sells the privilege  
148.27 of admission.

148.28 (d) This subdivision expires July 1, 2030.

148.29 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
148.30 made after June 30, 2022, and before July 1, 2030.

149.1 Sec. 8. Minnesota Statutes 2022, section 297A.70, subdivision 7, is amended to read:

149.2 Subd. 7. **Hospitals, outpatient surgical centers, ~~and~~ critical access dental providers,**  
 149.3 **and blood centers.** (a) Sales, except for those listed in paragraph ~~(d)~~ (f), to a hospital are  
 149.4 exempt, if the items purchased are used in providing hospital services. For purposes of this  
 149.5 subdivision, "hospital" means a hospital organized and operated for charitable purposes  
 149.6 within the meaning of section 501(c)(3) of the Internal Revenue Code, and licensed under  
 149.7 chapter 144 or by any other jurisdiction, and "hospital services" are services authorized or  
 149.8 required to be performed by a "hospital" under chapter 144.

149.9 (b) Sales, except for those listed in paragraph ~~(d)~~ (f), to an outpatient surgical center are  
 149.10 exempt, if the items purchased are used in providing outpatient surgical services. For purposes  
 149.11 of this subdivision, "outpatient surgical center" means an outpatient surgical center organized  
 149.12 and operated for charitable purposes within the meaning of section 501(c)(3) of the Internal  
 149.13 Revenue Code, and licensed under chapter 144 or by any other jurisdiction. For the purposes  
 149.14 of this subdivision, "outpatient surgical services" means: (1) services authorized or required  
 149.15 to be performed by an outpatient surgical center under chapter 144; and (2) urgent care. For  
 149.16 purposes of this subdivision, "urgent care" means health services furnished to a person  
 149.17 whose medical condition is sufficiently acute to require treatment unavailable through, or  
 149.18 inappropriate to be provided by, a clinic or physician's office, but not so acute as to require  
 149.19 treatment in a hospital emergency room.

149.20 (c) Sales, except for those listed in paragraph ~~(d)~~ (f), to a critical access dental provider  
 149.21 are exempt, if the items purchased are used in providing critical access dental care services.  
 149.22 For the purposes of this subdivision, "critical access dental provider" means a dentist or  
 149.23 dental clinic that qualifies under section 256B.76, subdivision 4, paragraph (b), and, in the  
 149.24 previous calendar year, had no more than 15 percent of its patients covered by private dental  
 149.25 insurance.

149.26 (d) Sales, except for those listed in paragraph (f), to a blood center are exempt, if the  
 149.27 items purchased are used in providing blood collection and distribution services.  
 149.28 Notwithstanding paragraph (f), leases by a blood center of a truck, as defined in section  
 149.29 168.002; a bus, as defined in section 168.002; or a passenger automobile, as defined in  
 149.30 section 168.002, if the truck, bus, or automobile is used for carrying out the purposes of the  
 149.31 blood center, including the collection of blood from donors, setting up of blood drives, and  
 149.32 delivering blood to hospitals are exempt. For purposes of this subdivision, "blood center"  
 149.33 means an entity organized and operated for charitable purposes under section 501(c)(3) of  
 149.34 the Internal Revenue Code that is:

150.1 (1) registered as a blood establishment pursuant to Code of Federal Regulations, title  
150.2 21, part 607;

150.3 (2) a human cells, tissues, and cellular and tissue-based products establishment under  
150.4 Code of Federal Regulations, title 21, part 1271, subpart B; or

150.5 (3) a clinical lab that performs infectious disease testing, blood typing, and other  
150.6 laboratory testing services in connection with blood processing for transfusion into humans  
150.7 under Code of Federal Regulations, title 42, part 493.

150.8 (e) The exemption provided under paragraph (d) expires January 1, 2028.

150.9 (f) This exemption does not apply to the following products and services:

150.10 (1) purchases made by a clinic, physician's office, or any other medical facility not  
150.11 operating as a hospital, outpatient surgical center, ~~or~~ critical access dental provider, or blood  
150.12 center, even though the clinic, office, or facility may be owned and operated by a hospital,  
150.13 outpatient surgical center, ~~or~~ critical access dental provider, or blood center;

150.14 (2) sales under section 297A.61, subdivision 3, paragraph (g), clause (2), and prepared  
150.15 food, candy, and soft drinks;

150.16 (3) building and construction materials used in constructing buildings or facilities that  
150.17 will not be used principally by the hospital, outpatient surgical center, ~~or~~ critical access  
150.18 dental provider, or blood center;

150.19 (4) building, construction, or reconstruction materials purchased by a contractor or a  
150.20 subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed  
150.21 maximum price covering both labor and materials for use in the construction, alteration, or  
150.22 repair of a hospital, outpatient surgical center, ~~or~~ critical access dental provider, or blood  
150.23 center; or

150.24 (5) the leasing of a motor vehicle as defined in section 297B.01, subdivision 11.

150.25 ~~(e)~~ (g) A limited liability company also qualifies for exemption under this subdivision  
150.26 if (1) it consists of a sole member that would qualify for the exemption, and (2) the items  
150.27 purchased qualify for the exemption.

150.28 ~~(f)~~ (h) An entity that contains both a hospital and a nonprofit unit may claim this  
150.29 exemption on purchases made for both the hospital and nonprofit unit provided that:

150.30 (1) the nonprofit unit would have qualified for exemption under subdivision 4; and

150.31 (2) the items purchased would have qualified for the exemption.

151.1 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
151.2 made after December 31, 2019, and before January 1, 2028.

151.3 Sec. 9. Minnesota Statutes 2022, section 297A.70, subdivision 21, is amended to read:

151.4 Subd. 21. **County agricultural society sales at county fairs.** (a) The following sales  
151.5 by a county agricultural society during a regularly scheduled county fair are exempt. For  
151.6 purposes of this subdivision, sales include are exempt:

151.7 (1) admissions to and parking at the county fairgrounds;

151.8 (2) admissions to separately ticketed events run by the county agricultural society; and

151.9 (3) concessions and other sales made by employees or volunteers of the county  
151.10 agricultural society on the county fairgrounds.

151.11 ~~This~~ (b) The exemption under paragraph (a) does not apply to sales or for events by a  
151.12 ~~county agricultural society~~ held at a time other than at the time of the regularly scheduled  
151.13 county fair, or events not held on the county fairgrounds.

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

151.15 Sec. 10. Minnesota Statutes 2022, section 297A.71, subdivision 51, is amended to read:

151.16 Subd. 51. **Properties destroyed by fire.** (a) Building materials and supplies used or  
151.17 consumed in, and equipment incorporated into, the construction or replacement of real  
151.18 property affected by, and capital equipment to replace equipment destroyed in, the fire on  
151.19 March 11, 2018, in the city of Mazeppa are exempt. The tax must be imposed and collected  
151.20 as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner  
151.21 provided in section 297A.75. For purposes of this subdivision, "capital equipment" includes  
151.22 durable equipment used in a restaurant for food storage, preparation, and serving.

151.23 (b) The exemption under this subdivision applies to sales and purchases made after  
151.24 March 11, 2018, and before January 1, ~~2022~~ 2025. Notwithstanding section 289A.40, a  
151.25 claim for refund may be filed until June 1, 2028.

151.26 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
151.27 made after March 11, 2018, and before January 1, 2025.

151.28 Sec. 11. **SALES AND USE TAX EXEMPTION; CERTAIN NATURAL GAS FEES.**

151.29 Subdivision 1. **Exemption.** Fees related to natural gas sold for residential use to customers  
151.30 who were metered and billed as residential users and who used natural gas for their primary

152.1 source of residential heat are exempt from sales and use tax imposed under Minnesota  
152.2 Statutes, chapter 297A, for purposes of the billing periods May to October, provided that:

152.3 (1) the fee for the natural gas is subject to a cost recovery plan for the price increase in  
152.4 natural gas during the period from February 13, 2021, to February 17, 2021, identified in  
152.5 docket G-999/CI-21-135 before the Minnesota Public Utilities Commission; and

152.6 (2) the fee is separately stated and labeled as a fee pursuant to a cost recovery plan under  
152.7 clause (1).

152.8 Subd. 2. **Application; refund.** (a) By October 1, 2023, each utility must apply to the  
152.9 commissioner of revenue for a refund of sales taxes collected and remitted pursuant to  
152.10 Minnesota Statutes, section 297A.77, on fees for sales and purchases of natural gas subject  
152.11 to a cost recovery plan under subdivision 1, clause (1), that were added to residential  
152.12 customers' bills for the period beginning September 1, 2021, and ending June 30, 2023.

152.13 (b) The provisions of Minnesota Statutes, section 289A.50, subdivision 2, paragraphs  
152.14 (a), (b), and (d), apply to refunds issued under this subdivision. For purposes of this  
152.15 subdivision, "utility" means a utility subject to the cost recovery plan under subdivision 1,  
152.16 clause (1). Within 90 days after the date the commissioner issues the refund under Minnesota  
152.17 Statutes, section 289A.50, subdivision 2, paragraph (a), to the utility, the utility must provide  
152.18 a plan to the Minnesota Public Utilities Commission for crediting taxes exempt under  
152.19 subdivision 1 to residential customers.

152.20 (c) The plan must be approved by the Minnesota Public Utilities Commission. Any  
152.21 amount not refunded or credited to a residential customer by a utility within 60 days of  
152.22 approval of the plan must be returned to the commissioner by the utility.

152.23 **EFFECTIVE DATE.** This section is effective retroactively for fees applied to sales  
152.24 and purchases of natural gas that are billed from September 1, 2021, to December 31, 2026.

152.25 Sec. 12. **CITY OF CHANHASSEN; SALES TAX EXEMPTION FOR**  
152.26 **CONSTRUCTION MATERIALS.**

152.27 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
152.28 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
152.29 or remodeling of a new city hall and senior center, council chambers, and park amenities  
152.30 in the city of Chanhassen are exempt from sales and use tax under Minnesota Statutes,  
152.31 chapter 297A, provided that the materials, supplies, and equipment are purchased after  
152.32 January 31, 2024, and before February 1, 2027.

153.1 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
153.2 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
153.3 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

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

153.6 **EFFECTIVE DATE.** This section is effective for sales and purchases made after January  
153.7 31, 2024, and before February 1, 2027.

153.8 Sec. 13. **CHISHOLM PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**  
153.9 **CONSTRUCTION MATERIALS.**

153.10 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
153.11 incorporated into the construction and renovation projects for Chisholm Elementary School,  
153.12 Chisholm High School, and Vaughan Steffensrud School in Independent School District  
153.13 No. 695, Chisholm Public Schools, are exempt from sales and use tax imposed under  
153.14 Minnesota Statutes, chapter 297A. The exemption under this subdivision only applies if  
153.15 materials, supplies, and equipment are purchased after December 31, 2021, and before  
153.16 January 1, 2025.

153.17 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
153.18 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
153.19 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
153.20 purchases must not be issued until after June 30, 2023.

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

153.23 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
153.24 made after December 31, 2021, and before January 1, 2025.

153.25 Sec. 14. **DULUTH PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**  
153.26 **CONSTRUCTION MATERIALS.**

153.27 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
153.28 incorporated into the construction of an administrative building and a transportation facility  
153.29 in Independent School District No. 709, Duluth Public Schools, are exempt from sales and  
153.30 use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and  
153.31 equipment are purchased after June 30, 2021, and before January 1, 2025.

154.1 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
154.2 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
154.3 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
154.4 purchases must not be issued until after June 30, 2023.

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

154.7 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
154.8 made after June 30, 2021, and before January 1, 2025.

154.9 Sec. 15. **CITY OF EDINA; SALES TAX EXEMPTION FOR CONSTRUCTION**  
154.10 **MATERIALS.**

154.11 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
154.12 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
154.13 or remodeling of a community health and safety center in the city of Edina are exempt from  
154.14 sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials,  
154.15 supplies, and equipment are purchased after December 31, 2023, and before January 1,  
154.16 2026.

154.17 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
154.18 297A.62, subdivision 1, applied and then refunded in the same manner provided in Minnesota  
154.19 Statutes, section 297A.75, subdivision 1, clause (17).

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

154.22 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
154.23 December 31, 2023, and before January 1, 2026.

154.24 Sec. 16. **ELY PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**  
154.25 **CONSTRUCTION MATERIALS.**

154.26 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
154.27 incorporated into the following projects in Independent School District No. 696, Ely Public  
154.28 Schools, are exempt from sales and use tax imposed under Minnesota Statutes, chapter  
154.29 297A, if materials, supplies, and equipment are purchased after May 1, 2019, and before  
154.30 January 1, 2024:

154.31 (1) renovations to the elementary school building and high school building; and

155.1 (2) construction of a building that connects the elementary school and high school  
155.2 buildings containing classrooms, a common area, a gymnasium, and administrative offices.

155.3 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
155.4 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
155.5 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
155.6 purchases must not be issued until after June 30, 2023. Notwithstanding Minnesota Statutes,  
155.7 section 289A.40, a claim for refund may be filed until June 1, 2027.

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

155.10 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
155.11 made after May 1, 2019, and before January 1, 2024.

155.12 Sec. 17. **HIBBING PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**  
155.13 **CONSTRUCTION MATERIALS.**

155.14 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
155.15 incorporated into the following projects in the city of Hibbing are exempt from sales and  
155.16 use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and  
155.17 equipment are purchased after May 1, 2019, and before January 1, 2025:

155.18 (1) the addition of an Early Childhood Family Education Center to an existing elementary  
155.19 school;

155.20 (2) improvements to an existing athletic facility in Independent School District No. 701,  
155.21 Hibbing Public Schools;

155.22 (3) a reroofing project at Hibbing Washington Elementary School; and

155.23 (4) a Hibbing High School restroom remodel project.

155.24 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
155.25 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
155.26 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
155.27 purchases must not be issued until after June 30, 2023. Notwithstanding Minnesota Statutes,  
155.28 section 289A.40, a claim for refund may be filed until June 1, 2028.

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

155.31 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
155.32 made after May 1, 2019, and before January 1, 2025.

156.1     Sec. 18. CITY OF MAPLE GROVE; SALES TAX EXEMPTION FOR  
156.2     CONSTRUCTION MATERIALS.

156.3         Subdivision 1. Exemption; refund. (a) Materials and supplies used in and equipment  
156.4     incorporated into the construction, reconstruction, upgrade, expansion, or remodeling of  
156.5     the North Metro Regional Public Safety Training Facility in the city of Maple Grove are  
156.6     exempt, if materials, supplies, and equipment are purchased after August 31, 2021, and  
156.7     before December 31, 2023.

156.8         (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
156.9     297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
156.10    under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
156.11    purchases must not be issued until after June 30, 2023.

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

156.14        EFFECTIVE DATE. This section is effective retroactively for sales and purchases  
156.15    made after August 31, 2021, and before January 1, 2024.

156.16     Sec. 19. MINNEAPOLIS-ST. PAUL INTERNATIONAL AIRPORT; SALES TAX  
156.17     EXEMPTION FOR CONSTRUCTION MATERIALS.

156.18        Subdivision 1. Exemption; refund. (a) Materials and supplies used in and equipment  
156.19    incorporated into the construction, reconstruction, repair, maintenance, or improvement of  
156.20    public infrastructure at the Minneapolis-St. Paul International Airport purchased by a  
156.21    contractor or subcontractor are exempt from sales and use tax imposed under Minnesota  
156.22    Statutes, chapter 297A, if materials, supplies, and equipment are purchased after June 30,  
156.23    2023, and before July 1, 2024.

156.24        (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
156.25    297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
156.26    under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

156.27        (c) The total amount of refunds issued for the exemption under paragraph (a) must not  
156.28    exceed \$8,000,000.

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

156.31        EFFECTIVE DATE. This section is effective for sales and purchases made after June  
156.32    30, 2023, and before July 1, 2024.

157.1     Sec. 20. **CITY OF MOORHEAD; SALES TAX EXEMPTION FOR**  
157.2 **CONSTRUCTION MATERIALS.**

157.3         Subdivision 1. Exemption; refund. (a) Materials and supplies used or consumed in and  
157.4 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
157.5 or remodeling of a regional library and community center in the city of Moorhead are exempt  
157.6 from sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials,  
157.7 supplies, and equipment are purchased after February 29, 2024, and before April 1, 2027.

157.8         (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
157.9 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
157.10 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

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

157.13         EFFECTIVE DATE. This section is effective for sales and purchases made after  
157.14 February 29, 2024, and before April 1, 2027.

157.15     Sec. 21. **NASHWAUK-KEEWATIN PUBLIC SCHOOLS; SALES TAX EXEMPTION**  
157.16 **FOR CONSTRUCTION MATERIALS.**

157.17         Subdivision 1. Exemption; refund. (a) Materials and supplies used in and equipment  
157.18 incorporated into the construction of a new school building and attached community wellness  
157.19 center to replace Keewatin Elementary School and the Nashwauk High School in Independent  
157.20 School District No. 319, Nashwauk-Keewatin Public Schools, are exempt from sales and  
157.21 use tax imposed under Minnesota Statutes, chapter 297A, if materials, supplies, and  
157.22 equipment are purchased after December 31, 2021, and before January 1, 2025.

157.23         (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
157.24 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
157.25 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
157.26 purchases must not be issued until after June 30, 2023.

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

157.29         EFFECTIVE DATE. This section is effective retroactively for sales and purchases  
157.30 made after December 31, 2021, and before January 1, 2025.

158.1 Sec. 22. NORTHERN LIGHTS ACADEMY; SALES TAX EXEMPTION FOR  
158.2 CONSTRUCTION MATERIALS.

158.3 Subdivision 1. Exemption; refund. (a) Materials and supplies used in and equipment  
158.4 incorporated into the following projects at Northern Lights Academy Cooperative No. 6096  
158.5 are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if  
158.6 materials, supplies, and equipment are purchased after December 31, 2021, and before  
158.7 January 1, 2025:

158.8 (1) the construction of a new addition to the existing facility; and

158.9 (2) renovations and improvements to the existing facility.

158.10 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
158.11 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
158.12 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
158.13 purchases must not be issued until after June 30, 2023.

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

158.16 EFFECTIVE DATE. This section is effective retroactively for sales and purchases  
158.17 made after December 31, 2021, and before January 1, 2025.

158.18 Sec. 23. NORTHLAND LEARNING CENTER; SALES TAX EXEMPTION FOR  
158.19 CONSTRUCTION MATERIALS.

158.20 Subdivision 1. Exemption; refund. (a) Materials and supplies used in and equipment  
158.21 incorporated into the following projects at Independent School District No. 6076 are exempt  
158.22 from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials,  
158.23 supplies, and equipment are purchased after December 31, 2021, and before January 1,  
158.24 2025:

158.25 (1) the construction of a new addition to the James Madison Building for Northland  
158.26 Learning Center; and

158.27 (2) renovations and improvements to the existing facility.

158.28 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
158.29 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
158.30 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
158.31 purchases must not be issued until after June 30, 2023.

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

159.3 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
159.4 made after December 31, 2021, and before January 1, 2025.

159.5 Sec. 24. **CITY OF OAKDALE; SALES TAX EXEMPTION FOR CONSTRUCTION**  
159.6 **MATERIALS.**

159.7 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
159.8 equipment incorporated into the construction of a new public works facility in the city of  
159.9 Oakdale are exempt from sales and use tax under Minnesota Statutes, chapter 297A, provided  
159.10 that the materials, supplies, and equipment are purchased after August 31, 2023, and before  
159.11 January 1, 2027.

159.12 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
159.13 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
159.14 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
159.15 purchases must not be issued until after June 30, 2023.

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

159.18 **EFFECTIVE DATE.** This section is effective for sales and purchases made after August  
159.19 31, 2023, and before January 1, 2027.

159.20 Sec. 25. **CITY OF RAMSEY; SALES TAX EXEMPTION FOR CONSTRUCTION**  
159.21 **MATERIALS.**

159.22 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
159.23 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
159.24 or remodeling of a new water treatment plant in the city of Ramsey are exempt from sales  
159.25 and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies,  
159.26 and equipment are purchased after December 31, 2022, and before July 1, 2027.

159.27 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
159.28 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
159.29 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
159.30 purchases must not be issued until after June 30, 2023, and before July 1, 2027.

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

160.1 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
160.2 made after December 31, 2022.

160.3 Sec. 26. **RED LAKE COUNTY SCHOOL DISTRICT; SALES TAX EXEMPTION**  
160.4 **FOR CONSTRUCTION MATERIALS.**

160.5 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
160.6 incorporated into the construction of a new school in Independent School District No. 2906,  
160.7 Red Lake County School District, are exempt from sales and use tax imposed under  
160.8 Minnesota Statutes, chapter 297A, if materials, supplies, and equipment are purchased after  
160.9 December 31, 2020, and before January 1, 2026.

160.10 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
160.11 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
160.12 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
160.13 purchases must not be issued until after June 30, 2023.

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

160.16 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
160.17 made after December 31, 2020, and before January 1, 2026.

160.18 Sec. 27. **RED ROCK CENTRAL SCHOOL DISTRICT; SALES TAX EXEMPTION**  
160.19 **FOR CONSTRUCTION MATERIALS.**

160.20 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
160.21 incorporated into the construction of a new prekindergarten through grade 12 learning  
160.22 facility in Independent School District No. 2884, Red Rock Central School District, are  
160.23 exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials,  
160.24 supplies, and equipment are purchased after December 31, 2021, and before July 1, 2025.

160.25 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
160.26 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
160.27 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
160.28 purchases must not be issued until after June 30, 2023.

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

160.31 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
160.32 made after December 31, 2021, and before July 1, 2025.

161.1     Sec. 28. **ROCK RIDGE PUBLIC SCHOOLS; SALES TAX EXEMPTION FOR**  
161.2 **CONSTRUCTION MATERIALS.**

161.3         Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
161.4 incorporated into the construction of two new elementary school buildings and a new high  
161.5 school building in Independent School District No. 2909, Rock Ridge Public Schools, are  
161.6 exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if materials,  
161.7 supplies, and equipment are purchased after May 1, 2019, and before January 1, 2024.

161.8         (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
161.9 297A.62, subdivision 1, applied, and then refunded in the same manner provided for projects  
161.10 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
161.11 purchases must not be issued until after June 30, 2023. Notwithstanding Minnesota Statutes,  
161.12 section 289A.40, a claim for refund may be filed until June 1, 2027.

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

161.15         **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
161.16 made after May 1, 2019, and before January 1, 2024.

161.17     Sec. 29. **CITY OF SPRING GROVE; SALES TAX EXEMPTION FOR**  
161.18 **CONSTRUCTION MATERIALS AND CAPITAL EQUIPMENT.**

161.19         Subdivision 1. **Exemption; refund.** (a) The sale and purchase of the following items  
161.20 are exempt from sales and use tax imposed under Minnesota Statutes, chapter 297A, if the  
161.21 items are used to repair, replace, or otherwise recover from real and personal property  
161.22 damage that occurred during the fire on December 22, 2022, in the city of Spring Grove:

161.23         (1) building materials and supplies used or consumed in, and equipment incorporated  
161.24 into, the construction, replacement, or repair of real property; and

161.25         (2) capital equipment to replace equipment destroyed in the fire.

161.26         (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
161.27 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
161.28 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). The exemption under  
161.29 paragraph (a) applies to sales and purchases made after December 22, 2022, and before  
161.30 January 1, 2028. Refunds for eligible purchases must not be issued until after June 30, 2023.

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

162.1 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
162.2 made after December 22, 2022, and before January 1, 2028.

162.3 Sec. 30. **SPRINGFIELD SCHOOL DISTRICT; SALES TAX EXEMPTION FOR**  
162.4 **CONSTRUCTION MATERIALS.**

162.5 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used in and equipment  
162.6 incorporated into the following projects for Independent School District No. 85, Springfield  
162.7 School District, are exempt from sales and use tax imposed under Minnesota Statutes,  
162.8 chapter 297A, if materials, supplies, and equipment are purchased after December 31, 2021,  
162.9 and before July 1, 2025:

162.10 (1) construction of a main secure entrance;

162.11 (2) construction of a required tornado storm shelter and related safety, security, and  
162.12 accessibility improvements;

162.13 (3) installation of HVAC improvements;

162.14 (4) renovation and interior modifications necessary to convert the existing elementary  
162.15 school gymnasium for use for career and technical education trades and an auto shop; and

162.16 (5) addition of a new school gymnasium, including the construction and improvement  
162.17 of new locker rooms, and the renovation and repurposing of existing locker rooms for use  
162.18 for cafeteria improvements and school programming needs.

162.19 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
162.20 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
162.21 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
162.22 purchases must not be issued until after June 30, 2023.

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

162.25 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
162.26 made after December 31, 2021, and before July 1, 2025.

162.27 Sec. 31. **CITY OF WAYZATA; SALES TAX EXEMPTION FOR CONSTRUCTION**  
162.28 **MATERIALS.**

162.29 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
162.30 equipment incorporated into the following projects in the city of Wayzata are exempt from

163.1 sales and use tax under Minnesota Statutes, chapter 297A, provided that the materials,  
163.2 supplies, and equipment are purchased after March 31, 2020, and before July 1, 2025:

163.3 (1) expansion and remodeling of Depot Park;

163.4 (2) construction of community docks for purposes of access from Lake Minnetonka;

163.5 (3) construction of a lakeside boardwalk of approximately 1,500 lineal feet;

163.6 (4) shoreline restoration, including installation of native plants, trees, and natural habitat;

163.7 (5) restoration of Section Foreman House, including installation of a learning center to  
163.8 provide indoor and outdoor classroom and community space;

163.9 (6) construction of Eco Park, including shoreline restoration and marsh and water quality  
163.10 improvement, a pier extension of the lakeside boardwalk, and creation of eco-living  
163.11 classrooms;

163.12 (7) construction of a public plaza with a restroom, 9/11 memorial, interactive water  
163.13 display, and gathering space;

163.14 (8) construction of a regional multiuse trail; and

163.15 (9) construction of railroad crossings.

163.16 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
163.17 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
163.18 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17). Refunds for eligible  
163.19 purchases must not be issued until after June 30, 2023.

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

163.22 **EFFECTIVE DATE.** This section is effective retroactively for sales and purchases  
163.23 made after March 31, 2020, and before January 1, 2025.

163.24 Sec. 32. **CITY OF WOODBURY; SALES TAX EXEMPTION FOR**  
163.25 **CONSTRUCTION MATERIALS.**

163.26 Subdivision 1. **Exemption; refund.** (a) Materials and supplies used or consumed in and  
163.27 equipment incorporated into the construction, reconstruction, upgrade, expansion, renovation,  
163.28 or remodeling of the Central Park project in the city of Woodbury are exempt from sales  
163.29 and use tax under Minnesota Statutes, chapter 297A, provided that the materials, supplies,  
163.30 and equipment are purchased after June 30, 2023, and before January 1, 2026.

164.1 (b) The tax must be imposed and collected as if the rate under Minnesota Statutes, section  
164.2 297A.62, subdivision 1, applied and then refunded in the same manner provided for projects  
164.3 under Minnesota Statutes, section 297A.75, subdivision 1, clause (17).

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

164.6 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
164.7 30, 2023, and before January 1, 2026.

## ARTICLE 6

### MINERALS TAXES

164.10 Section 1. Minnesota Statutes 2022, section 272.02, subdivision 73, is amended to read:

164.11 Subd. 73. **Property subject to taconite production tax or ~~net~~ gross proceeds tax.** (a)  
164.12 Real and personal property described in section 298.25 is exempt to the extent the tax on  
164.13 taconite and iron sulphides under section 298.24 is described in section 298.25 as being in  
164.14 lieu of other taxes on such property. This exemption applies for taxes payable in each year  
164.15 that the tax under section 298.24 is payable with respect to such property.

164.16 (b) Deposits of mineral, metal, or energy resources the mining of which is subject to  
164.17 taxation or the minimum payment under section 298.015 are exempt.

164.18 **EFFECTIVE DATE.** This section is effective beginning with assessment year 2023.

164.19 Sec. 2. Minnesota Statutes 2022, section 273.1341, is amended to read:

#### 273.1341 TACONITE ASSISTANCE AREA.

164.21 A "taconite assistance area" means the geographic area that falls within the boundaries  
164.22 of a school district that contains:

164.23 (1) a municipality in which the assessed valuation of unmined iron ore on May 1, 1941,  
164.24 was not less than 40 percent of the assessed valuation of all real property; ~~or~~

164.25 (2) a municipality in which on January 1, 1977, or the applicable assessment date, there  
164.26 is a taconite concentrating plant or where taconite is mined or quarried or where there is  
164.27 located an electric generating plant which qualifies as a taconite facility; or

164.28 (3) a municipality:

164.29 (i) that is located in a county that contains a school district described in clause (1) or  
164.30 (2); and

165.1 (ii) where active mining of materials subject to the tax under section 298.015, subdivision  
165.2 1, is occurring, or where a mine subject to the minimum payment under section 298.015,  
165.3 subdivision 3, is located.

165.4 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
165.5 31, 2022.

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

165.7 Subd. 4. **Taconite, other ores, metals, or minerals; production materials.** Mill liners,  
165.8 grinding rods, and grinding balls that are substantially consumed in the production of taconite  
165.9 or other ores, metals, or minerals are exempt when sold to or stored, used, or consumed by  
165.10 persons taxed under the in-lieu or ~~net gross~~ proceeds provisions of chapter 298.

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

165.12 Sec. 4. Minnesota Statutes 2022, section 298.015, is amended to read:

165.13 **298.015 ~~NET GROSS PROCEEDS TAX ON MINING.~~**

165.14 Subdivision 1. **Tax imposed.** A person engaged in the business of mining shall pay to  
165.15 the state of Minnesota for distribution as provided in section 298.018 a ~~net gross~~ proceeds  
165.16 tax equal to ~~two~~ 0.4 percent of the ~~net gross~~ proceeds from mining in Minnesota. The tax  
165.17 applies to all ores, metals, and minerals mined, extracted, produced, or refined within the  
165.18 state of Minnesota except for sand, silica sand, gravel, building stone, crushed rock,  
165.19 limestone, granite, dimension granite, dimension stone, horticultural peat, clay, soil, iron  
165.20 ore, and taconite concentrates. The tax is in addition to all other taxes provided for by law.

165.21 Subd. 2. **Net Gross proceeds.** For purposes of this section, the term "~~net proceeds~~"  
165.22 "gross proceeds" means the gross proceeds from mining, as defined in section 298.016, ~~less~~  
165.23 ~~the deductions for purposes of determining taxable income under section 298.01, subdivision~~  
165.24 ~~3b, applied to the mining, production, processing, beneficiation, smelting, or refining of~~  
165.25 ~~metal or mineral products. No other credits or deductions shall apply to this tax.~~

165.26 Subd. 3. **Minimum payment.** (a) A person who has obtained all required permits to  
165.27 mine all ores and metals, except for sand, silica sand, gravel, building stone, crushed rock,  
165.28 limestone, granite, dimension granite, dimension stone, horticultural peat, clay, soil, iron  
165.29 ore, and iron concentrates, is annually subject to the minimum payment under this  
165.30 subdivision, unless:

165.31 (1) the tax imposed on the person under subdivision 1 in a given year is greater than  
165.32 zero;

166.1 (2) the person demonstrates to the commissioner of revenue that it is legally prohibited  
166.2 from engaging in the business of mining under a permit it has obtained; or

166.3 (3) the mine is in the process of closure, as defined Minnesota Rules, part 6132.0100,  
166.4 subpart 6, and the commissioner of the natural resources determines that the person will no  
166.5 longer engage in mining at the mine.

166.6 (b) The annual minimum payment under this subdivision is (1) \$2,000,000, multiplied  
166.7 by (2) the number of months in a calendar year the individual is subject to the minimum  
166.8 payment under this subdivision, as determined under paragraph (a), divided by 12.

166.9 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
166.10 31, 2022.

166.11 Sec. 5. Minnesota Statutes 2022, section 298.018, subdivision 1, is amended to read:

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

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

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

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

166.30 (4) 20 percent to a group of school districts comprised of those school districts wherein  
166.31 the mineral or energy resource was mined or extracted or in which there is a qualifying  
166.32 municipality as defined by section 273.134, paragraph (b), in direct proportion to school  
166.33 district indexes as follows: for each school district, its pupil units determined under section

167.1 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted  
 167.2 net tax capacity per pupil unit for school districts receiving aid under this clause as calculated  
 167.3 pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution  
 167.4 to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that  
 167.5 portion of the distribution which its index bears to the sum of the indices for all school  
 167.6 districts that receive the distributions;

167.7 (5) ~~20~~ ten percent to the county within which the minerals or energy resources are mined  
 167.8 or extracted, or within which the concentrate was produced. If the mining and concentration,  
 167.9 or different steps in either process, are carried on in more than one county, distribution  
 167.10 among the counties must be based on the apportionment formula prescribed in clause (1),  
 167.11 provided that any county receiving distributions under this clause shall pay one percent of  
 167.12 its proceeds to the Range Association of Municipalities and Schools;

167.13 (6) ~~20~~ five percent to St. Louis County acting as the counties' fiscal agent to be distributed  
 167.14 as provided in sections 273.134 to 273.136;

167.15 (7) ~~five~~ 20 percent to the commissioner of Iron Range resources and rehabilitation for  
 167.16 the purposes of section 298.22;

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

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

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

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

167.26 (c) For the first five years that tax paid under section 298.015, subdivisions 1 and 2, is  
 167.27 distributed under this subdivision, ten percent of the total proceeds distributed in each year  
 167.28 must first be distributed pursuant to this paragraph. The remaining 90 percent of the total  
 167.29 proceeds distributed in each of those years must be distributed as outlined in paragraph (a).  
 167.30 Of the amount available under this paragraph, the cities of Aurora, Babbitt, Ely, and Hoyt  
 167.31 Lakes must each receive 20 percent. Of the amount available under this paragraph, the city  
 167.32 of Biwabik and Embarrass Township must each receive ten percent.

168.1 **EFFECTIVE DATE.** This section is effective for distributions beginning after December  
168.2 31, 2022.

168.3 Sec. 6. Minnesota Statutes 2022, section 298.018, subdivision 1a, is amended to read:

168.4 Subd. 1a. **Distribution date.** The proceeds of the tax allocated under subdivision 1 shall  
168.5 be distributed on December 15 each year. Any payment of proceeds received after December  
168.6 15 shall be distributed on the next ~~net~~ gross proceeds tax distribution date.

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

168.8 Sec. 7. Minnesota Statutes 2022, section 298.28, subdivision 5, is amended to read:

168.9 Subd. 5. **Counties.** (a) 21.05 cents per taxable ton ~~for distributions in 2015 through 2023,~~  
168.10 ~~and 26.05 cents per taxable ton for distributions beginning in 2024,~~ is allocated to counties  
168.11 to be distributed, based upon certification by the commissioner of revenue, under paragraphs  
168.12 (b) to (d).

168.13 (b) 10.525 cents per taxable ton shall be distributed to the county in which the taconite  
168.14 is mined or quarried or in which the concentrate is produced, less any amount which is to  
168.15 be distributed pursuant to paragraph (c). The apportionment formula prescribed in subdivision  
168.16 2 is the basis for the distribution.

168.17 (c) 1.0 cent per taxable ton of the tax distributed to the counties under paragraph (b)  
168.18 shall be paid to a county that received a distribution under this section in 2000 because there  
168.19 was located in the county an electric power plant owned by and providing the primary source  
168.20 of power for a taxpayer mining and concentrating taconite in a different county.

168.21 (d) 10.525 cents per taxable ton ~~for distributions in 2015 through 2023, and 15.525 cents~~  
168.22 ~~per taxable ton for distributions beginning in 2024,~~ shall be paid to the county from which  
168.23 the taconite was mined, quarried or concentrated to be deposited in the county road and  
168.24 bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those  
168.25 processes are carried on in more than one county, the commissioner shall follow the  
168.26 apportionment formula prescribed in subdivision 2.

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

168.28 Sec. 8. Minnesota Statutes 2022, section 298.28, subdivision 7a, is amended to read:

168.29 Subd. 7a. **Iron Range school consolidation and cooperatively operated school**  
168.30 **account.** (a) The following amounts must be allocated to the commissioner of Iron Range

169.1 resources and rehabilitation to be deposited in the Iron Range school consolidation and  
169.2 cooperatively operated school account that is hereby created:

169.3 (1)(i) for distributions beginning in 2015 ~~through 2023~~, ten cents per taxable ton of the  
169.4 tax imposed under section 298.24; ~~and~~

169.5 ~~(ii) for distributions beginning in 2024, five cents per taxable ton of the tax imposed~~  
169.6 ~~under section 298.24;~~

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

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

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

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

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

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

169.26 Sec. 9. Minnesota Statutes 2022, section 298.28, is amended by adding a subdivision to  
169.27 read:

169.28 Subd. 16. **Transfer.** Of the amount annually distributed to the Douglas J. Johnson  
169.29 Economic Protection Trust Fund under this section, \$3,500,000 shall be transferred to the  
169.30 Iron Range school consolidation and cooperatively operated school account under subdivision  
169.31 7a. Any remaining amount of the amount annually distributed to the Douglas J. Johnson  
169.32 Economic Protection Trust Fund shall be transferred to the Iron Range resources and

170.1 rehabilitation account under subdivision 7. The transfers under this subdivision must be  
170.2 made within ten days of the August payment.

170.3 **EFFECTIVE DATE.** This section is effective beginning with production year 2023.

170.4 Sec. 10. Minnesota Statutes 2022, section 298.296, subdivision 4, is amended to read:

170.5 Subd. 4. **Temporary loan authority.** (a) After consultation with the advisory board,  
170.6 the commissioner may use up to \$7,500,000 from the corpus of the trust for loans, loan  
170.7 guarantees, grants, or equity investments as provided in this subdivision. The money would  
170.8 be available for loans for construction and equipping of facilities constituting (1) a value  
170.9 added iron products plant, which may be either a new plant or a facility incorporated into  
170.10 an existing plant that produces iron upgraded to a minimum of 75 percent iron content or  
170.11 any iron alloy with a total minimum metallic content of 90 percent; or (2) a new mine or  
170.12 minerals processing plant for any mineral subject to the ~~net~~ gross proceeds tax imposed  
170.13 under section 298.015. A loan or loan guarantee under this paragraph may not exceed  
170.14 \$5,000,000 for any facility.

170.15 (b) Additionally, the commissioner, after consultation with the advisory board, may use  
170.16 up to \$5,500,000 from the corpus of the trust for additional grants, loans, loan guarantees,  
170.17 or equity investments for the purposes set forth in paragraph (a).

170.18 (c) The commissioner, after consultation with the advisory board, may require that the  
170.19 fund receive an equity percentage in any project to which it contributes under this section.

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

170.21 Sec. 11. **TRANSFER 2023 DISTRIBUTION ONLY; PROPERTY TAX RELIEF**  
170.22 **ACCOUNT.**

170.23 (a) The fund established under Minnesota Statutes, section 298.28, subdivision 7, shall  
170.24 receive the excess balance remaining in the fund established under Minnesota Statutes,  
170.25 section 298.28, subdivision 6, after the distribution of amounts required under Minnesota  
170.26 Statutes, section 298.28, subdivision 6, for the 2023 distribution. The transfer amount under  
170.27 this section must not exceed \$6,000,000 and must be made within ten days of the August  
170.28 2023 payment. The commissioner of Iron Range resources and rehabilitation must distribute  
170.29 these transferred funds as outlined in this section. The uses listed are not subject to review  
170.30 or recommendation by the Iron Range Resources and Rehabilitation Board. The commissioner  
170.31 must distribute the funds for the following uses:

- 171.1 (1) \$250,000 to St. Louis County for a grant to the St. Louis County Agricultural Society  
171.2 for construction and furnishing of a facility to house a food booth and equipment for the  
171.3 St. Louis County 4-H Club;
- 171.4 (2) \$100,000 to Alborn Snow Devils Inc. for trail grooming costs and equipment;
- 171.5 (3) \$300,000 to School District No. 2142, St. Louis County Schools, for the purchase  
171.6 and installation of lights at the Cherry School baseball and softball fields;
- 171.7 (4) \$150,000 to the Seitaniemi Housebarn and Sisu Heritage Site for facility upgrades;
- 171.8 (5) \$600,000 to the city of Aurora for downtown beautification projects, as outlined in  
171.9 paragraph (c);
- 171.10 (6) \$500,000 to School District No. 2142, St. Louis County Schools, for wastewater  
171.11 upgrades at the South Ridge School;
- 171.12 (7) \$500,000 to the city of Mountain Iron for the Outdoor Recreation Center;
- 171.13 (8) \$100,000 to the city of Buhl for capital improvements to the city hall;
- 171.14 (9) \$150,000 to School District No. 712, Mountain Iron-Buhl Public School, for fitness  
171.15 equipment and capital upgrades to the fitness center;
- 171.16 (10) \$100,000 to the Mesabi Sno Voyageurs Snowmobile Club for trail grooming costs  
171.17 and equipment;
- 171.18 (11) \$100,000 to the PathBlazers Snowmobile Club for trail grooming costs and  
171.19 equipment;
- 171.20 (12) \$100,000 to the Ely Igloo Snowmobile Club for trail grooming costs and equipment;
- 171.21 (13) \$100,000 to the Voyageur Trail Society, Inc. for trail grooming costs and equipment;
- 171.22 (14) \$200,000 to Veterans On The Lake Resort for cabin accessibility upgrades, a  
171.23 handicap dock, tennis court repaving, and replacement of an underground power cable;
- 171.24 (15) \$650,000 to School District No. 2142, St. Louis County Schools, for wastewater  
171.25 upgrades at the North Woods School;
- 171.26 (16) \$200,000 to the City of Babbitt for capital improvements to city-owned buildings;
- 171.27 (17) \$750,000 to the Boundary Waters Care Center for capital equipment purchases;
- 171.28 (18) \$700,000 to the Cook County Historical Society to predesign, design, construct,  
171.29 furnish, and equip the renovation of the following Historic Cook County sites: (i) the Cook  
171.30 County History Museum; (ii) the Johnson Heritage Post Art Gallery; (iii) the Bally

172.1 Blacksmith Shop; (iv) the St. Francis Xavier Church, also known as the Chippewa City  
172.2 Church; and (v) 1930s Nee-Gee Fishing Tug and Fish House; and to complete design for  
172.3 and to construct, furnish, and equip a new collections storage facility in Cook County;

172.4 (19) \$100,000 to the Virginia Community Foundation for the Mesabi Fit Coalition to  
172.5 rehabilitate the former Mesabi Family YMCA building;

172.6 (20) \$50,000 to the United States Hockey Hall of Fame Museum Inc. for capital  
172.7 improvements;

172.8 (21) \$100,000 to the Ranger Snowmobile and ATV Club for trail grooming costs and  
172.9 equipment;

172.10 (22) \$100,000 to the Crane Lake Voyageurs Snowmobile Club for trail grooming costs  
172.11 and equipment; and

172.12 (23) \$100,000 to the Babbitt ATV and Snowmobile Club for trail grooming costs and  
172.13 equipment.

172.14 (b) If the amount of the transfer under paragraph (a) is less than \$6,000,000, each of the  
172.15 uses in paragraph (a), clauses (1) to (23), must be proportionally reduced so that the total  
172.16 amount distributed under those clauses does not exceed the amount of the transfer.

172.17 (c) The city of Aurora must use the funds received under this section for improvements  
172.18 to city-owned property in the downtown area and to establish a grant program to businesses  
172.19 for front entrance enhancements and exterior storefront improvements. The grants may  
172.20 award no more than \$25,000 to a business. All improvements under this paragraph must be  
172.21 made along St. Louis County State-Aid Highway 100 (3rd Avenue North and Main Street),  
172.22 from marked Trunk Highway 135 to St. Louis County State-Aid Highway 110.

172.23 (d) The funds under paragraph (a), clause (19), must only be distributed if the Virginia  
172.24 Community Foundation purchases the former Mesabi Family YMCA building.

172.25 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
172.26 applies only to the 2023 distribution.

172.27 Sec. 12. **TRANSFER 2023 DISTRIBUTION ONLY; DOUGLAS J. JOHNSON**  
172.28 **ECONOMIC PROTECTION TRUST FUND.**

172.29 Of the funds distributed to the Douglas J. Johnson Economic Protection Trust Fund  
172.30 under Minnesota Statutes, section 298.28, for the 2023 distribution only, an amount equal  
172.31 to \$3,500,000 shall be transferred from the Douglas J. Johnson Economic Protection Trust  
172.32 Fund to the Iron Range school consolidation and cooperatively operated school account

173.1 under Minnesota Statutes, section 298.28, subdivision 7a. The transfer must be made within  
173.2 ten days of the August 2023 payment.

173.3 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
173.4 applies only to the 2023 distribution.

173.5 Sec. 13. **IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER;**  
173.6 **BONDS AUTHORIZED.**

173.7 Subdivision 1. **Issuance; purpose.** Notwithstanding any provision of Minnesota Statutes,  
173.8 chapter 298, to the contrary, the commissioner of Iron Range resources and rehabilitation  
173.9 shall issue revenue bonds in a principal amount of up to \$42,000,000 plus an amount  
173.10 sufficient to pay costs of issuance in one or more series, and thereafter may issue bonds to  
173.11 refund those bonds. The proceeds of the bonds must be used to pay costs of issuance and  
173.12 to make grants to the following school districts located in the taconite assistance area as  
173.13 defined in Minnesota Statutes, section 273.1341: Independent School District No. 381, Lake  
173.14 Superior; Independent School District No. 695, Chisholm; Independent School District No.  
173.15 696, Ely; Independent School District No. 701, Hibbing; Independent School District No.  
173.16 2909, Rock Ridge; and Cooperative District No. 6076, Northland Learning Center. Grants  
173.17 must be used by the districts to pay for building projects, such as energy efficiency,  
173.18 technology, infrastructure, health, safety, and maintenance improvements.

173.19 Subd. 2. **Appropriation.** (a) There is annually appropriated from the distribution of  
173.20 taconite production tax revenues under Minnesota Statutes, section 298.28, prior to the  
173.21 calculation of the amount of the remainder under Minnesota Statutes, section 298.28,  
173.22 subdivision 11, an amount sufficient to pay when due the principal and interest on the bonds  
173.23 issued pursuant to subdivision 1.

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

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

173.29 Subd. 3. **Credit enhancement.** The bonds issued under this section are "debt obligations"  
173.30 and the commissioner of Iron Range resources and rehabilitation is a "district" for purposes  
173.31 of Minnesota Statutes, section 126C.55, except that payments made under Minnesota  
173.32 Statutes, section 126C.55, subdivision 2, are not subject to Minnesota Statutes, section  
173.33 126C.55, subdivisions 4 to 7.

174.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
174.2 applies beginning with the 2023 distribution under Minnesota Statutes, section 298.28.

174.3 **ARTICLE 7**

174.4 **RENTER'S CREDIT**

174.5 Section 1. Minnesota Statutes 2022, section 13.46, subdivision 2, is amended to read:

174.6 Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated  
174.7 by the welfare system are private data on individuals, and shall not be disclosed except:

174.8 (1) according to section 13.05;

174.9 (2) according to court order;

174.10 (3) according to a statute specifically authorizing access to the private data;

174.11 (4) to an agent of the welfare system and an investigator acting on behalf of a county,  
174.12 the state, or the federal government, including a law enforcement person or attorney in the  
174.13 investigation or prosecution of a criminal, civil, or administrative proceeding relating to the  
174.14 administration of a program;

174.15 (5) to personnel of the welfare system who require the data to verify an individual's  
174.16 identity; determine eligibility, amount of assistance, and the need to provide services to an  
174.17 individual or family across programs; coordinate services for an individual or family;  
174.18 evaluate the effectiveness of programs; assess parental contribution amounts; and investigate  
174.19 suspected fraud;

174.20 (6) to administer federal funds or programs;

174.21 (7) between personnel of the welfare system working in the same program;

174.22 (8) to the Department of Revenue to assess parental contribution amounts for purposes  
174.23 of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit programs  
174.24 and to identify individuals who may benefit from these programs. The following information  
174.25 may be disclosed under this paragraph: an individual's and their dependent's names, dates  
174.26 of birth, Social Security or individual taxpayer identification numbers, income, addresses,  
174.27 and other data as required, upon request by the Department of Revenue. Disclosures by the  
174.28 commissioner of revenue to the commissioner of human services for the purposes described  
174.29 in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit  
174.30 programs include, but are not limited to, the dependent care credit under section 290.067,  
174.31 the Minnesota working family credit under section 290.0671, the property tax refund ~~and~~

175.1 ~~rental credit~~ under section 290A.04, and the Minnesota education credit under section  
175.2 290.0674;

175.3 (9) between the Department of Human Services, the Department of Employment and  
175.4 Economic Development, and when applicable, the Department of Education, for the following  
175.5 purposes:

175.6 (i) to monitor the eligibility of the data subject for unemployment benefits, for any  
175.7 employment or training program administered, supervised, or certified by that agency;

175.8 (ii) to administer any rehabilitation program or child care assistance program, whether  
175.9 alone or in conjunction with the welfare system;

175.10 (iii) to monitor and evaluate the Minnesota family investment program or the child care  
175.11 assistance program by exchanging data on recipients and former recipients of Supplemental  
175.12 Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D,  
175.13 256J, or 256K, child care assistance under chapter 119B, medical programs under chapter  
175.14 256B or 256L, or a medical program formerly codified under chapter 256D; and

175.15 (iv) to analyze public assistance employment services and program utilization, cost,  
175.16 effectiveness, and outcomes as implemented under the authority established in Title II,  
175.17 Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999.  
175.18 Health records governed by sections 144.291 to 144.298 and "protected health information"  
175.19 as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code  
175.20 of Federal Regulations, title 45, parts 160-164, including health care claims utilization  
175.21 information, must not be exchanged under this clause;

175.22 (10) to appropriate parties in connection with an emergency if knowledge of the  
175.23 information is necessary to protect the health or safety of the individual or other individuals  
175.24 or persons;

175.25 (11) data maintained by residential programs as defined in section 245A.02 may be  
175.26 disclosed to the protection and advocacy system established in this state according to Part  
175.27 C of Public Law 98-527 to protect the legal and human rights of persons with developmental  
175.28 disabilities or other related conditions who live in residential facilities for these persons if  
175.29 the protection and advocacy system receives a complaint by or on behalf of that person and  
175.30 the person does not have a legal guardian or the state or a designee of the state is the legal  
175.31 guardian of the person;

175.32 (12) to the county medical examiner or the county coroner for identifying or locating  
175.33 relatives or friends of a deceased person;

176.1 (13) data on a child support obligor who makes payments to the public agency may be  
176.2 disclosed to the Minnesota Office of Higher Education to the extent necessary to determine  
176.3 eligibility under section 136A.121, subdivision 2, clause (5);

176.4 (14) participant Social Security or individual taxpayer identification numbers and names  
176.5 collected by the telephone assistance program may be disclosed to the Department of  
176.6 Revenue to conduct an electronic data match with the property tax refund database to  
176.7 determine eligibility under section 237.70, subdivision 4a;

176.8 (15) the current address of a Minnesota family investment program participant may be  
176.9 disclosed to law enforcement officers who provide the name of the participant and notify  
176.10 the agency that:

176.11 (i) the participant:

176.12 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after  
176.13 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the  
176.14 jurisdiction from which the individual is fleeing; or

176.15 (B) is violating a condition of probation or parole imposed under state or federal law;

176.16 (ii) the location or apprehension of the felon is within the law enforcement officer's  
176.17 official duties; and

176.18 (iii) the request is made in writing and in the proper exercise of those duties;

176.19 (16) the current address of a recipient of general assistance may be disclosed to probation  
176.20 officers and corrections agents who are supervising the recipient and to law enforcement  
176.21 officers who are investigating the recipient in connection with a felony level offense;

176.22 (17) information obtained from a SNAP applicant or recipient households may be  
176.23 disclosed to local, state, or federal law enforcement officials, upon their written request, for  
176.24 the purpose of investigating an alleged violation of the Food and Nutrition Act, according  
176.25 to Code of Federal Regulations, title 7, section 272.1(c);

176.26 (18) the address, Social Security or individual taxpayer identification number, and, if  
176.27 available, photograph of any member of a household receiving SNAP benefits shall be made  
176.28 available, on request, to a local, state, or federal law enforcement officer if the officer  
176.29 furnishes the agency with the name of the member and notifies the agency that:

176.30 (i) the member:

176.31 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a  
176.32 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

177.1 (B) is violating a condition of probation or parole imposed under state or federal law;  
177.2 or

177.3 (C) has information that is necessary for the officer to conduct an official duty related  
177.4 to conduct described in subitem (A) or (B);

177.5 (ii) locating or apprehending the member is within the officer's official duties; and

177.6 (iii) the request is made in writing and in the proper exercise of the officer's official duty;

177.7 (19) the current address of a recipient of Minnesota family investment program, general  
177.8 assistance, or SNAP benefits may be disclosed to law enforcement officers who, in writing,  
177.9 provide the name of the recipient and notify the agency that the recipient is a person required  
177.10 to register under section 243.166, but is not residing at the address at which the recipient is  
177.11 registered under section 243.166;

177.12 (20) certain information regarding child support obligors who are in arrears may be  
177.13 made public according to section 518A.74;

177.14 (21) data on child support payments made by a child support obligor and data on the  
177.15 distribution of those payments excluding identifying information on obligees may be  
177.16 disclosed to all obligees to whom the obligor owes support, and data on the enforcement  
177.17 actions undertaken by the public authority, the status of those actions, and data on the income  
177.18 of the obligor or obligee may be disclosed to the other party;

177.19 (22) data in the work reporting system may be disclosed under section 256.998,  
177.20 subdivision 7;

177.21 (23) to the Department of Education for the purpose of matching Department of Education  
177.22 student data with public assistance data to determine students eligible for free and  
177.23 reduced-price meals, meal supplements, and free milk according to United States Code,  
177.24 title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state  
177.25 funds that are distributed based on income of the student's family; and to verify receipt of  
177.26 energy assistance for the telephone assistance plan;

177.27 (24) the current address and telephone number of program recipients and emergency  
177.28 contacts may be released to the commissioner of health or a community health board as  
177.29 defined in section 145A.02, subdivision 5, when the commissioner or community health  
177.30 board has reason to believe that a program recipient is a disease case, carrier, suspect case,  
177.31 or at risk of illness, and the data are necessary to locate the person;

177.32 (25) to other state agencies, statewide systems, and political subdivisions of this state,  
177.33 including the attorney general, and agencies of other states, interstate information networks,

178.1 federal agencies, and other entities as required by federal regulation or law for the  
178.2 administration of the child support enforcement program;

178.3 (26) to personnel of public assistance programs as defined in section 256.741, for access  
178.4 to the child support system database for the purpose of administration, including monitoring  
178.5 and evaluation of those public assistance programs;

178.6 (27) to monitor and evaluate the Minnesota family investment program by exchanging  
178.7 data between the Departments of Human Services and Education, on recipients and former  
178.8 recipients of SNAP benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child  
178.9 care assistance under chapter 119B, medical programs under chapter 256B or 256L, or a  
178.10 medical program formerly codified under chapter 256D;

178.11 (28) to evaluate child support program performance and to identify and prevent fraud  
178.12 in the child support program by exchanging data between the Department of Human Services,  
178.13 Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b),  
178.14 without regard to the limitation of use in paragraph (c), Department of Health, Department  
178.15 of Employment and Economic Development, and other state agencies as is reasonably  
178.16 necessary to perform these functions;

178.17 (29) counties and the Department of Human Services operating child care assistance  
178.18 programs under chapter 119B may disseminate data on program participants, applicants,  
178.19 and providers to the commissioner of education;

178.20 (30) child support data on the child, the parents, and relatives of the child may be  
178.21 disclosed to agencies administering programs under titles IV-B and IV-E of the Social  
178.22 Security Act, as authorized by federal law;

178.23 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent  
178.24 necessary to coordinate services;

178.25 (32) to the chief administrative officer of a school to coordinate services for a student  
178.26 and family; data that may be disclosed under this clause are limited to name, date of birth,  
178.27 gender, and address;

178.28 (33) to county correctional agencies to the extent necessary to coordinate services and  
178.29 diversion programs; data that may be disclosed under this clause are limited to name, client  
178.30 demographics, program, case status, and county worker information; or

178.31 (34) between the Department of Human Services and the Metropolitan Council for the  
178.32 following purposes:

179.1 (i) to coordinate special transportation service provided under section 473.386 with  
179.2 services for people with disabilities and elderly individuals funded by or through the  
179.3 Department of Human Services; and

179.4 (ii) to provide for reimbursement of special transportation service provided under section  
179.5 473.386.

179.6 The data that may be shared under this clause are limited to the individual's first, last, and  
179.7 middle names; date of birth; residential address; and program eligibility status with expiration  
179.8 date for the purposes of informing the other party of program eligibility.

179.9 (b) Information on persons who have been treated for drug or alcohol abuse may only  
179.10 be disclosed according to the requirements of Code of Federal Regulations, title 42, sections  
179.11 2.1 to 2.67.

179.12 (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),  
179.13 (17), or (18), or paragraph (b), are investigative data and are confidential or protected  
179.14 nonpublic while the investigation is active. The data are private after the investigation  
179.15 becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

179.16 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are  
179.17 not subject to the access provisions of subdivision 10, paragraph (b).

179.18 For the purposes of this subdivision, a request will be deemed to be made in writing if  
179.19 made through a computer interface system.

179.20 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
179.21 31, 2023.

179.22 Sec. 2. Minnesota Statutes 2022, section 270B.12, subdivision 8, is amended to read:

179.23 Subd. 8. **County assessors; homestead classification and ~~renter~~ renter's credit.** The  
179.24 commissioner may disclose names and Social Security or individual taxpayer identification  
179.25 numbers of individuals who have applied for both homestead classification under section  
179.26 273.13 and a ~~property tax refund as a renter under chapter 290A~~ renter's credit under section  
179.27 290.0693 for the purpose of and to the extent necessary to administer section 290A.25.

179.28 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
179.29 and following years.

180.1 Sec. 3. Minnesota Statutes 2022, section 270B.14, subdivision 1, is amended to read:

180.2 Subdivision 1. **Disclosure to commissioner of human services.** (a) On the request of  
180.3 the commissioner of human services, the commissioner shall disclose return information  
180.4 regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to the  
180.5 extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

180.6 (b) Data that may be disclosed are limited to data relating to the identity, whereabouts,  
180.7 employment, income, and property of a person owing or alleged to be owing an obligation  
180.8 of child support.

180.9 (c) The commissioner of human services may request data only for the purposes of  
180.10 carrying out the child support enforcement program and to assist in the location of parents  
180.11 who have, or appear to have, deserted their children. Data received may be used only as set  
180.12 forth in section 256.978.

180.13 (d) The commissioner shall provide the records and information necessary to administer  
180.14 the supplemental housing allowance to the commissioner of human services.

180.15 (e) At the request of the commissioner of human services, the commissioner of revenue  
180.16 shall electronically match the Social Security or individual taxpayer identification numbers  
180.17 and names of participants in the telephone assistance plan operated under sections 237.69  
180.18 to 237.71, with those of property tax refund filers under chapter 290A or renter's credit filers  
180.19 under section 290.0693, and determine whether each participant's household income is  
180.20 within the eligibility standards for the telephone assistance plan.

180.21 (f) The commissioner may provide records and information collected under sections  
180.22 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid  
180.23 Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law  
180.24 102-234. Upon the written agreement by the United States Department of Health and Human  
180.25 Services to maintain the confidentiality of the data, the commissioner may provide records  
180.26 and information collected under sections 295.50 to 295.59 to the Centers for Medicare and  
180.27 Medicaid Services section of the United States Department of Health and Human Services  
180.28 for purposes of meeting federal reporting requirements.

180.29 (g) The commissioner may provide records and information to the commissioner of  
180.30 human services as necessary to administer the early refund of refundable tax credits.

180.31 (h) The commissioner may disclose information to the commissioner of human services  
180.32 as necessary for income verification for eligibility and premium payment under the

181.1 MinnesotaCare program, under section 256L.05, subdivision 2, as well as the medical  
181.2 assistance program under chapter 256B.

181.3 (i) The commissioner may disclose information to the commissioner of human services  
181.4 necessary to verify whether applicants or recipients for the Minnesota family investment  
181.5 program, general assistance, the Supplemental Nutrition Assistance Program (SNAP),  
181.6 Minnesota supplemental aid program, and child care assistance have claimed refundable  
181.7 tax credits under chapter 290 and the property tax refund under chapter 290A, and the  
181.8 amounts of the credits.

181.9 (j) The commissioner may disclose information to the commissioner of human services  
181.10 necessary to verify income for purposes of calculating parental contribution amounts under  
181.11 section 252.27, subdivision 2a.

181.12 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
181.13 31, 2023.

181.14 Sec. 4. Minnesota Statutes 2022, section 289A.18, subdivision 5, is amended to read:

181.15 Subd. 5. **Property tax refund claims.** A claim for a refund based on property taxes  
181.16 payable must be filed with the commissioner on or before August 15 of the year in which  
181.17 the property taxes are due and payable. ~~Any claim for refund based on rent paid must be~~  
181.18 ~~filed on or before August 15 of the year following the year in which the rent was paid.~~

181.19 **EFFECTIVE DATE.** This section is effective for property taxes payable in 2025 and  
181.20 thereafter.

181.21 Sec. 5. Minnesota Statutes 2022, section 289A.38, subdivision 4, is amended to read:

181.22 Subd. 4. **Property tax refund.** For purposes of computing the limitation under this  
181.23 section, the due date of the property tax refund return as provided for in chapter 290A is  
181.24 the due date for an income tax return covering ~~the year in which the rent was paid or the~~  
181.25 year preceding the year in which the property taxes are payable.

181.26 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
181.27 and following years.

181.28 Sec. 6. Minnesota Statutes 2022, section 289A.56, subdivision 6, is amended to read:

181.29 Subd. 6. **Property tax refunds under chapter 290A.** ~~(a) When a renter is owed a~~  
181.30 ~~property tax refund, an unpaid refund bears interest after August 14, or 60 days after the~~  
181.31 ~~refund claim was made, whichever is later, until the date the refund is paid.~~

182.1 (b) When ~~any other~~ a claimant is owed a property tax refund under chapter 290A, the  
182.2 unpaid refund bears interest after September 29, or 60 days after the refund claim was made,  
182.3 whichever is later, until the date the refund is paid.

182.4 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
182.5 and following years.

182.6 Sec. 7. Minnesota Statutes 2022, section 289A.60, subdivision 12, is amended to read:

182.7 Subd. 12. **Penalties relating to property tax refunds.** (a) If it is determined that a  
182.8 property tax refund claim is excessive and was negligently prepared, a claimant is liable  
182.9 for a penalty of ten percent of the disallowed claim. If the claim has been paid, the amount  
182.10 disallowed must be recovered by assessment and collection.

182.11 (b) An owner who without reasonable cause fails to give a certificate of rent ~~constituting~~  
182.12 ~~property tax~~ paid to a renter, as required by ~~section~~ sections 290.0693, subdivision 4, and  
182.13 290A.19, paragraph (a), is liable to the commissioner for a penalty of \$100 for each failure.

182.14 (c) If the owner or managing agent knowingly gives rent certificates that report total  
182.15 rent constituting property taxes in excess of the amount of actual rent constituting property  
182.16 taxes paid on the rented part of a property, the owner or managing agent is liable for a  
182.17 penalty equal to the greater of (1) \$100 or (2) 50 percent of the excess that is reported. An  
182.18 overstatement of rent constituting property taxes is presumed to be knowingly made if it  
182.19 exceeds by ten percent or more the actual rent constituting property taxes.

182.20 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
182.21 and following years.

182.22 Sec. 8. Minnesota Statutes 2022, section 289A.60, subdivision 13, is amended to read:

182.23 Subd. 13. **Penalties for tax preparers.** (a) If an understatement of liability with respect  
182.24 to a return or claim for refund is due to a reckless disregard of laws and rules or willful  
182.25 attempt in any manner to understate the liability for a tax by a person who is a tax preparer  
182.26 with respect to the return or claim, the person shall pay to the commissioner a penalty of  
182.27 \$500. If a part of a claim filed under section 290.0677, subdivision 1; 290.0693; or chapter  
182.28 290A is excessive due to a reckless disregard or willful attempt in any manner to overstate  
182.29 the claim allowed by a person who is a tax preparer, the tax preparer shall pay to the  
182.30 commissioner a penalty of \$500 with respect to the claim. These penalties may not be  
182.31 assessed against the employer of a tax preparer unless the employer was actively involved  
182.32 in the reckless disregard or willful attempt to understate the liability for a tax or to overstate

183.1 the claim for refund. These penalties are income tax liabilities and may be assessed at any  
183.2 time as provided in section 289A.38, subdivision 5.

183.3 (b) A civil action in the name of the state of Minnesota may be commenced to enjoin  
183.4 any person who is a tax preparer doing business in this state as provided in section 270C.447.

183.5 (c) The commissioner may terminate or suspend a tax preparer's authority to transmit  
183.6 returns electronically to the state, if the commissioner determines that the tax preparer has  
183.7 engaged in a pattern and practice of conduct in violation of paragraph (a) of this subdivision  
183.8 or has been convicted under section 289A.63.

183.9 (d) For purposes of this subdivision, the term "understatement of liability" means an  
183.10 understatement of the net amount payable with respect to a tax imposed by state tax law,  
183.11 or an overstatement of the net amount creditable or refundable with respect to a tax. The  
183.12 determination of whether or not there is an understatement of liability must be made without  
183.13 regard to any administrative or judicial action involving the taxpayer. For purposes of this  
183.14 subdivision, the amount determined for underpayment of estimated tax under either section  
183.15 289A.25 or 289A.26 is not considered an understatement of liability.

183.16 (e) For purposes of this subdivision, the term "overstatement of claim" means an  
183.17 overstatement of the net amount refundable with respect to a claim filed under section  
183.18 290.0677, subdivision 1, or chapter 290A. The determination of whether or not there is an  
183.19 overstatement of a claim must be made without regard to administrative or judicial action  
183.20 involving the claimant.

183.21 (f) For purposes of this section, the term "tax preparer" or "preparer" has the meaning  
183.22 given in section 270C.445, subdivision 2, paragraph (h).

183.23 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
183.24 31, 2023.

183.25 Sec. 9. **[290.0693] RENTER'S CREDIT.**

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

183.28 (b) "Dependent" means any individual who is considered a dependent under sections  
183.29 151 and 152 of the Internal Revenue Code.

183.30 (c) "Disability" has the meaning given in section 290A.03, subdivision 10.

183.31 (d) "Exemption amount" means the exemption amount under section 290.0121,  
183.32 subdivision 1, paragraph (b).

184.1 (e) "Gross rent" means rent paid for the right of occupancy, at arm's length, of a  
184.2 homestead, exclusive of charges for any medical services furnished by the landlord as a  
184.3 part of the rental agreement, whether expressly set out in the rental agreement or not. The  
184.4 gross rent of a resident of a nursing home or intermediate care facility is \$600 per month.  
184.5 The gross rent of a resident of an adult foster care home is \$930 per month. The commissioner  
184.6 shall annually adjust the amounts in this paragraph as provided in section 270C.22. The  
184.7 statutory year is 2023. If the landlord and tenant have not dealt with each other at arm's  
184.8 length and the commissioner determines that the gross rent charged was excessive, the  
184.9 commissioner may adjust the gross rent to a reasonable amount for purposes of this section.

184.10 (f) "Homestead" has the meaning given in section 290A.03, subdivision 6.

184.11 (g) "Household" has the meaning given in section 290A.03, subdivision 4.

184.12 (h) "Household income" means all income received by all persons of a household in a  
184.13 taxable year while members of the household, other than income of a dependent.

184.14 (i) "Income" means adjusted gross income, minus:

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

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

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

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

184.19 (5) for the taxpayer's fifth dependent, the exemption amount; and

184.20 (6) if the taxpayer or taxpayer's spouse had a disability or attained the age of 65 on or  
184.21 before the close of the taxable year, the exemption amount.

184.22 (j) "Rent constituting property taxes" means 17 percent of the gross rent actually paid  
184.23 in cash, or its equivalent, or the portion of rent paid in lieu of property taxes, in any taxable  
184.24 year by a claimant for the right of occupancy of the claimant's Minnesota homestead in the  
184.25 taxable year, and which rent constitutes the basis, in the succeeding taxable year of a claim  
184.26 for a credit under this section by the claimant. If an individual occupies a homestead with  
184.27 another person or persons not related to the individual as the individual's spouse or as  
184.28 dependents, and the other person or persons are residing at the homestead under a rental or  
184.29 lease agreement with the individual, the amount of rent constituting property tax for the  
184.30 individual equals that portion not covered by the rental agreement.

184.31 Subd. 2. **Credit allowed; refundable.** (a) An individual is allowed a credit against the  
184.32 tax due under this chapter equal to the amount that rent constituting property taxes exceeds

185.1 the percentage of the household income of the claimant specified in subdivision 3 in the  
 185.2 taxable year in which the rent was paid as specified in that subdivision.

185.3 (b) If the amount of credit which a taxpayer is eligible to receive under this section  
 185.4 exceeds the taxpayer's liability for tax under this chapter, the commissioner shall refund the  
 185.5 excess to the taxpayer.

185.6 Subd. 3. Renters. (a) A taxpayer whose rent constituting property taxes exceeds the  
 185.7 percentage of the household income stated below must pay an amount equal to the percent  
 185.8 of income shown for the appropriate household income level along with the percent paid  
 185.9 by claimant of the remaining amount of rent constituting property taxes. The credit under  
 185.10 subdivision 2 equals the amount of rent constituting property taxes that remain, up to the  
 185.11 maximum credit amount shown below.

	<u>Household Income</u>	<u>Percent of Income</u>	<u>Percent paid by claimant</u>	<u>Maximum Credit</u>
185.12				
185.13				
185.14	<u>\$0 to 6,479</u>	<u>1.0 percent</u>	<u>5 percent</u>	<u>\$ 2,640</u>
185.15	<u>6,480 to 8,609</u>	<u>1.0 percent</u>	<u>10 percent</u>	<u>\$ 2,640</u>
185.16	<u>8,610 to 10,759</u>	<u>1.1 percent</u>	<u>10 percent</u>	<u>\$ 2,570</u>
185.17	<u>10,760 to 15,089</u>	<u>1.2 percent</u>	<u>10 percent</u>	<u>\$ 2,510</u>
185.18	<u>15,090 to 19,399</u>	<u>1.3 percent</u>	<u>15 percent</u>	<u>\$ 2,430</u>
185.19	<u>19,400 to 21,539</u>	<u>1.4 percent</u>	<u>15 percent</u>	<u>\$ 2,370</u>
185.20	<u>21,540 to 23,679</u>	<u>1.4 percent</u>	<u>20 percent</u>	<u>\$ 2,310</u>
185.21	<u>23,680 to 28,009</u>	<u>1.5 percent</u>	<u>20 percent</u>	<u>\$ 2,240</u>
185.22	<u>28,010 to 30,159</u>	<u>1.6 percent</u>	<u>20 percent</u>	<u>\$ 2,180</u>
185.23	<u>30,160 to 32,309</u>	<u>1.7 percent</u>	<u>25 percent</u>	<u>\$ 2,180</u>
185.24	<u>32,310 to 36,629</u>	<u>1.8 percent</u>	<u>25 percent</u>	<u>\$ 2,180</u>
185.25	<u>36,630 to 38,769</u>	<u>1.9 percent</u>	<u>30 percent</u>	<u>\$ 2,180</u>
185.26	<u>38,770 to 45,229</u>	<u>2.0 percent</u>	<u>30 percent</u>	<u>\$ 2,180</u>
185.27	<u>45,230 to 51,689</u>	<u>2.0 percent</u>	<u>35 percent</u>	<u>\$ 2,180</u>
185.28	<u>51,690 to 60,319</u>	<u>2.0 percent</u>	<u>40 percent</u>	<u>\$ 2,180</u>
185.29	<u>60,320 to 62,459</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,980</u>
185.30	<u>62,460 to 64,619</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,780</u>
185.31	<u>64,620 to 66,789</u>	<u>2.0 percent</u>	<u>45 percent</u>	<u>\$ 1,510</u>
185.32	<u>66,790 to 68,929</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 1,320</u>
185.33	<u>68,930 to 71,089</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 1,190</u>
185.34	<u>71,090 to 73,239</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 660</u>
185.35	<u>73,240 to 75,389</u>	<u>2.0 percent</u>	<u>50 percent</u>	<u>\$ 260</u>

186.1 The credit is the amount calculated under this subdivision. No credit is allowed if the  
186.2 taxpayer's household income is \$75,389 or more.

186.3 (b) The commissioner must annually adjust the dollar amounts of the income thresholds  
186.4 and the maximum refunds in paragraph (a), as provided in section 270C.22. The statutory  
186.5 year is 2024.

186.6 (c) The commissioner shall construct and make available to taxpayers a comprehensive  
186.7 table showing the rent constituting property taxes to be paid and refund allowed at various  
186.8 levels of income and assessment. The table shall follow the schedule of income percentages,  
186.9 maximums, and other provisions specified in paragraph (a), except that the commissioner  
186.10 may graduate the transition between income brackets. All refunds shall be computed in  
186.11 accordance with tables prepared and issued by the commissioner.

186.12 Subd. 4. **Owner or managing agent to furnish rent certificate.** (a) The owner or  
186.13 managing agent of any property for which rent is paid for occupancy as a homestead must  
186.14 furnish a certificate of rent paid to a person who is a renter on December 31, in the form  
186.15 prescribed by the commissioner. If the renter moves before December 31, the owner or  
186.16 managing agent may give the certificate to the renter at the time of moving, or mail the  
186.17 certificate to the forwarding address if an address has been provided by the renter. The  
186.18 certificate must be made available to the renter before February 1 of the year following the  
186.19 year in which the rent was paid. The owner or managing agent must retain a duplicate of  
186.20 each certificate or an equivalent record showing the same information for a period of four  
186.21 years. The duplicate or other record must be made available to the commissioner upon  
186.22 request.

186.23 (b) The commissioner may require the owner or managing agent, through a simple  
186.24 process, to furnish to the commissioner on or before January 31 a copy of each certificate  
186.25 of rent paid furnished to a renter for rent paid in the prior year. The commissioner shall  
186.26 prescribe the content, format, and manner of the form pursuant to section 270C.30. The  
186.27 commissioner may require the Social Security number, individual taxpayer identification  
186.28 number, federal employer identification number, or Minnesota taxpayer identification  
186.29 number of the owner or managing agent who is required to furnish a certificate of rent paid  
186.30 under this paragraph. Before implementation, the commissioner, after consulting with  
186.31 representatives of owners or managing agents, shall develop an implementation and  
186.32 administration plan for the requirements of this paragraph that attempts to minimize financial  
186.33 burdens, administration and compliance costs, and takes into consideration existing systems  
186.34 of owners and managing agents.

187.1 Subd. 5. **Eligibility; residency.** (a) A taxpayer is eligible for the credit under this section  
 187.2 if the taxpayer is an individual, other than a dependent, as defined under sections 151 and  
 187.3 152 of the Internal Revenue Code, disregarding section 152(b)(3) of the Internal Revenue  
 187.4 Code, who filed for a credit and who was a resident of this state during the taxable year for  
 187.5 which the credit was claimed.

187.6 (b) In the case of a credit for rent constituting property taxes of a part-year Minnesota  
 187.7 resident, the household income and rent constituting property taxes reflected in this  
 187.8 computation shall be for the period of Minnesota residency only. Any rental expenses paid  
 187.9 that may be reflected in arriving at federal adjusted gross income cannot be utilized for this  
 187.10 computation.

187.11 (c) When two individuals of a household are able to meet the qualifications to claim a  
 187.12 credit under this section, the individuals may determine among them as to which individual  
 187.13 may claim the credit. If the individuals are unable to agree, the matter shall be referred to  
 187.14 the commissioner of revenue whose decision shall be final.

187.15 (d) To claim a credit under this section, the taxpayer must have resided in a rented or  
 187.16 leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes,  
 187.17 including payments of special assessments imposed in lieu of ad valorem taxes, are payable  
 187.18 at some time during the taxable year for which the taxpayer claimed the credit.

187.19 Subd. 6. **Residents of nursing homes, intermediate care facilities, long-term care**  
 187.20 **facilities, or facilities accepting housing support payments.** (a) A taxpayer must not claim  
 187.21 a credit under this section if the taxpayer is a resident of a nursing home, intermediate care  
 187.22 facility, long-term residential facility, or a facility that accepts housing support payments  
 187.23 whose rent constituting property taxes is paid pursuant to the Supplemental Security Income  
 187.24 program under title XVI of the Social Security Act, the Minnesota supplemental aid program  
 187.25 under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX  
 187.26 of the Social Security Act, or the housing support program under chapter 256I.

187.27 (b) If only a portion of the rent constituting property taxes is paid by these programs,  
 187.28 the resident is eligible for a credit, but the credit calculated must be multiplied by a fraction,  
 187.29 the numerator of which is adjusted gross income, reduced by the total amount of income  
 187.30 from the above sources other than vendor payments under the medical assistance program  
 187.31 and the denominator of which is adjusted gross income, plus vendor payments under the  
 187.32 medical assistance program, to determine the allowable credit.

187.33 (c) Notwithstanding paragraphs (a) and (b), if the taxpayer was a resident of the nursing  
 187.34 home, intermediate care facility, long-term residential facility, or facility for which the rent

188.1 was paid for the claimant by the housing support program for only a portion of the taxable  
 188.2 year covered by the claim, the taxpayer may compute rent constituting property taxes by  
 188.3 disregarding the rent constituting property taxes from the nursing home or facility and may  
 188.4 use only that amount of rent constituting property taxes or property taxes payable relating  
 188.5 to that portion of the year when the taxpayer was not in the facility. The taxpayer's household  
 188.6 income is the income for the entire taxable year covered by the claim.

188.7 Subd. 7. **Credit for unmarried taxpayers residing in the same household.** If a  
 188.8 homestead is occupied by two or more renters who are not married to each other, the rent  
 188.9 shall be deemed to be paid equally by each renter, and separate claims shall be filed by each  
 188.10 renter. The income of each renter shall be each renter's household income for purposes of  
 188.11 computing the amount of credit to be allowed.

188.12 Subd. 8. **One claimant per household.** Only one taxpayer per household per year is  
 188.13 entitled to claim a credit under this section. In the case of a married taxpayer filing a separate  
 188.14 return, only one spouse may claim the credit under this section. The credit amount for the  
 188.15 spouse that claims the credit must be calculated based on household income and not solely  
 188.16 on the income of the spouse.

188.17 Subd. 9. **Proof of claim.** (a) Every taxpayer claiming a credit under this section shall  
 188.18 supply to the commissioner of revenue, in support of the claim, proof of eligibility under  
 188.19 this section, including but not limited to amount of rent paid, name and address of owner  
 188.20 or managing agent of property rented, changes in household membership, and household  
 188.21 income.

188.22 (b) Taxpayers with a disability shall submit proof of disability in the form and manner  
 188.23 as the commissioner prescribes. The department may require examination and certification  
 188.24 by the taxpayer's physician or by a physician designated by the commissioner. The cost of  
 188.25 any examination shall be borne by the taxpayer, unless the examination proves the disability,  
 188.26 in which case the cost of the examination shall be borne by the commissioner.

188.27 (c) A determination of disability of a taxpayer by the Social Security Administration  
 188.28 under Title II or Title XVI of the Social Security Act shall constitute presumptive proof of  
 188.29 disability.

188.30 Subd. 10. **No relief allowed in certain cases.** No claim for a credit under this section  
 188.31 shall be allowed if the commissioner determines that the claimant received tenancy to the  
 188.32 homestead primarily for the purpose of receiving a credit under this section and not for bona  
 188.33 fide residence purposes.

189.1 Subd. 11. **Appropriation.** The amount necessary to pay the refunds under this section  
189.2 is appropriated from the general fund to the commissioner.

189.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
189.4 31, 2023.

189.5 Sec. 10. Minnesota Statutes 2022, section 290A.02, is amended to read:

189.6 **290A.02 PURPOSE.**

189.7 The purpose of this chapter is to provide property tax relief to certain persons who own  
189.8 ~~or rent~~ their homesteads.

189.9 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
189.10 and following years.

189.11 Sec. 11. Minnesota Statutes 2022, section 290A.03, subdivision 3, is amended to read:

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

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

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

189.15 (i) all nontaxable income;

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

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

189.22 (iv) cash public assistance and relief;

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

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

189.30 (vii) workers' compensation;

- 190.1 (viii) nontaxable strike benefits;
- 190.2 (ix) the gross amounts of payments received in the nature of disability income or sick  
190.3 pay as a result of accident, sickness, or other disability, whether funded through insurance  
190.4 or otherwise;
- 190.5 (x) a lump-sum distribution under section 402(e)(3) of the Internal Revenue Code of  
190.6 1986, as amended through December 31, 1995;
- 190.7 (xi) contributions made by the claimant to an individual retirement account, including  
190.8 a qualified voluntary employee contribution; simplified employee pension plan;  
190.9 self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of  
190.10 the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal  
190.11 Revenue Code, to the extent the sum of amounts exceeds the retirement base amount for  
190.12 the claimant and spouse;
- 190.13 (xii) to the extent not included in federal adjusted gross income, distributions received  
190.14 by the claimant or spouse from a traditional or Roth style retirement account or plan;
- 190.15 (xiii) nontaxable scholarship or fellowship grants;
- 190.16 (xiv) alimony received to the extent not included in the recipient's income;
- 190.17 (xv) the amount of deduction allowed under section 220 or 223 of the Internal Revenue  
190.18 Code;
- 190.19 (xvi) the amount deducted for tuition expenses under section 222 of the Internal Revenue  
190.20 Code; and
- 190.21 (xvii) the amount deducted for certain expenses of elementary and secondary school  
190.22 teachers under section 62(a)(2)(D) of the Internal Revenue Code.
- 190.23 In the case of an individual who files an income tax return on a fiscal year basis, the  
190.24 term "federal adjusted gross income" shall mean federal adjusted gross income reflected in  
190.25 the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced  
190.26 by the amount of a net operating loss carryback or carryforward or a capital loss carryback  
190.27 or carryforward allowed for the year.
- 190.28 (b) "Income" does not include:
- 190.29 (1) amounts excluded pursuant to the Internal Revenue Code, sections 101(a) and 102;
- 190.30 (2) amounts of any pension or annuity which was exclusively funded by the claimant  
190.31 or spouse and which funding payments were not excluded from federal adjusted gross  
190.32 income in the years when the payments were made;

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

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

191.6 (5) relief granted under this chapter;

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

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

191.12 (8) alimony paid; or

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

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

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

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

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

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

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

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

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

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

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

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

192.3 EFFECTIVE DATE. This section is effective for claims based on rent paid in 2024  
192.4 and following years.

192.5 Sec. 12. Minnesota Statutes 2022, section 290A.03, subdivision 6, is amended to read:

192.6 Subd. 6. **Homestead.** "Homestead" means the dwelling occupied as the claimant's  
192.7 principal residence and so much of the land surrounding it, not exceeding ten acres, as is  
192.8 reasonably necessary for use of the dwelling as a home and any other property used for  
192.9 purposes of a homestead as defined in section 273.13, subdivision 22, except for agricultural  
192.10 land assessed as part of a homestead pursuant to section 273.13, subdivision 23, "homestead"  
192.11 is limited to the house and garage and immediately surrounding one acre of land. The  
192.12 homestead may be owned ~~or rented and may be~~ as a part of a multidwelling or multipurpose  
192.13 building and the land on which it is built. A manufactured home, as defined in section  
192.14 273.125, subdivision 8, or a park trailer taxed as a manufactured home under section 168.012,  
192.15 subdivision 9, assessed as personal property may be a dwelling for purposes of this  
192.16 subdivision.

192.17 EFFECTIVE DATE. This section is effective for claims based on rent paid in 2024  
192.18 and following years.

192.19 Sec. 13. Minnesota Statutes 2022, section 290A.03, subdivision 8, is amended to read:

192.20 Subd. 8. **Claimant.** ~~(a)~~ "Claimant" means a person, other than a dependent, as defined  
192.21 under sections 151 and 152 of the Internal Revenue Code disregarding section 152(b)(3)  
192.22 of the Internal Revenue Code, who filed a claim authorized by this chapter and who was a  
192.23 resident of this state as provided in chapter 290 during the calendar year for which the claim  
192.24 for relief was filed.

192.25 ~~(b) In the case of a claim relating to rent constituting property taxes, the claimant shall~~  
192.26 ~~have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu~~  
192.27 ~~of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem~~  
192.28 ~~taxes, are payable at some time during the calendar year covered by the claim.~~

192.29 ~~(c) "Claimant" shall not include a resident of a nursing home, intermediate care facility,~~  
192.30 ~~long-term residential facility, or a facility that accepts housing support payments whose~~  
192.31 ~~rent constituting property taxes is paid pursuant to the Supplemental Security Income~~  
192.32 ~~program under title XVI of the Social Security Act, the Minnesota supplemental aid program~~

193.1 ~~under sections 256D.35 to 256D.54, the medical assistance program pursuant to title XIX~~  
 193.2 ~~of the Social Security Act, or the housing support program under chapter 256I.~~

193.3 ~~If only a portion of the rent constituting property taxes is paid by these programs, the~~  
 193.4 ~~resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant~~  
 193.5 ~~to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as~~  
 193.6 ~~defined in subdivision 3, paragraphs (a) and (b), reduced by the total amount of income~~  
 193.7 ~~from the above sources other than vendor payments under the medical assistance program~~  
 193.8 ~~and the denominator of which is income as defined in subdivision 3, paragraphs (a) and (b),~~  
 193.9 ~~plus vendor payments under the medical assistance program, to determine the allowable~~  
 193.10 ~~refund pursuant to this chapter.~~

193.11 ~~(d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home,~~  
 193.12 ~~intermediate care facility, long-term residential facility, or facility for which the rent was~~  
 193.13 ~~paid for the claimant by the housing support program for only a portion of the calendar year~~  
 193.14 ~~covered by the claim, the claimant may compute rent constituting property taxes by~~  
 193.15 ~~disregarding the rent constituting property taxes from the nursing home or facility and use~~  
 193.16 ~~only that amount of rent constituting property taxes or property taxes payable relating to~~  
 193.17 ~~that portion of the year when the claimant was not in the facility. The claimant's household~~  
 193.18 ~~income is the income for the entire calendar year covered by the claim.~~

193.19 ~~(e) In the case of a claim for rent constituting property taxes of a part-year Minnesota~~  
 193.20 ~~resident, the income and rent reflected in this computation shall be for the period of~~  
 193.21 ~~Minnesota residency only. Any rental expenses paid which may be reflected in arriving at~~  
 193.22 ~~federal adjusted gross income cannot be utilized for this computation. When two individuals~~  
 193.23 ~~of a household are able to meet the qualifications for a claimant, they may determine among~~  
 193.24 ~~them as to who the claimant shall be. If they are unable to agree, the matter shall be referred~~  
 193.25 ~~to the commissioner of revenue whose decision shall be final. If a homestead property owner~~  
 193.26 ~~was a part-year Minnesota resident, the income reflected in the computation made pursuant~~  
 193.27 ~~to section 290A.04 shall be for the entire calendar year, including income not assignable to~~  
 193.28 ~~Minnesota.~~

193.29 ~~(f) If a homestead is occupied by two or more renters, who are not married to each other,~~  
 193.30 ~~the rent shall be deemed to be paid equally by each, and separate claims shall be filed by~~  
 193.31 ~~each. The income of each shall be each renter's household income for purposes of computing~~  
 193.32 ~~the amount of credit to be allowed.~~

193.33 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
 193.34 and following years.

194.1 Sec. 14. Minnesota Statutes 2022, section 290A.03, subdivision 12, is amended to read:

194.2 Subd. 12. **Gross rent.** (a) "Gross rent" means rent paid for the right of occupancy, at  
194.3 arm's length, of a site on which a homestead, ~~exclusive of charges for any medical services~~  
194.4 ~~furnished by the landlord as a part of the rental agreement, whether expressly set out in the~~  
194.5 ~~rental agreement or not~~ which is a manufactured home is located.

194.6 ~~(b) The gross rent of a resident of a nursing home or intermediate care facility is \$500~~  
194.7 ~~per month. The gross rent of a resident of an adult foster care home is \$780 per month. The~~  
194.8 ~~commissioner shall annually adjust the amounts in this paragraph as provided in section~~  
194.9 ~~270C.22. The statutory year is 2018.~~

194.10 ~~(e)~~ (b) If the landlord and tenant have not dealt with each other at arm's length and the  
194.11 commissioner determines that the gross rent charged was excessive, the commissioner may  
194.12 adjust the gross rent to a reasonable amount for purposes of this chapter.

194.13 ~~(d)~~ (c) Any amount paid by a claimant residing in property assessed pursuant to section  
194.14 273.124, subdivision 3, 4, 5, or 6 for occupancy in that property ~~shall be excluded from~~  
194.15 ~~gross rent for purposes of this chapter. However, property taxes imputed to the homestead~~  
194.16 ~~of the claimant or the dwelling unit occupied by the claimant that qualifies for homestead~~  
194.17 ~~treatment pursuant to section 273.124, subdivision 3, 4, 5, or 6 shall be included within the~~  
194.18 term "property taxes payable" as defined in subdivision 13, to the extent allowed,  
194.19 notwithstanding the fact that ownership is not in the name of the claimant.

194.20 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
194.21 and following years.

194.22 Sec. 15. Minnesota Statutes 2022, section 290A.03, subdivision 13, is amended to read:

194.23 Subd. 13. **Property taxes payable.** "Property taxes payable" means the property tax  
194.24 exclusive of special assessments, penalties, and interest payable on a claimant's homestead  
194.25 after deductions made under sections 273.135, 273.1384, 273.1391, 273.42, subdivision 2,  
194.26 and any other state paid property tax credits in any calendar year, and after any refund  
194.27 claimed and allowable under section 290A.04, subdivision 2h, that is first payable in the  
194.28 year that the property tax is payable. In the case of a claimant who makes ground lease  
194.29 payments, "property taxes payable" includes the amount of the payments directly attributable  
194.30 to the property taxes assessed against the parcel on which the house is located. Regardless  
194.31 of the limitations in section 280A(c)(5) of the Internal Revenue Code, "property taxes  
194.32 payable" must be apportioned or reduced for the use of a portion of the claimant's homestead  
194.33 for a business purpose if the claimant deducts any business depreciation expenses for the

195.1 use of a portion of the homestead or deducts expenses under section 280A of the Internal  
 195.2 Revenue Code for a business operated in the claimant's homestead. For ~~homesteads which~~  
 195.3 ~~are manufactured homes as defined in section 273.125, subdivision 8, including~~ manufactured  
 195.4 homes located in a manufactured home community owned by a cooperative organized under  
 195.5 ~~chapter 308A or 308B, and park trailers taxed as manufactured homes under section 168.012,~~  
 195.6 ~~subdivision 9,~~ "property taxes payable" shall also include 17 percent of the gross rent paid  
 195.7 in the preceding year for the site on which the homestead is located. When a homestead is  
 195.8 owned by two or more persons as joint tenants or tenants in common, such tenants shall  
 195.9 determine between them which tenant may claim the property taxes payable on the  
 195.10 homestead. If they are unable to agree, the matter shall be referred to the commissioner of  
 195.11 revenue whose decision shall be final. Property taxes are considered payable in the year  
 195.12 prescribed by law for payment of the taxes.

195.13 In the case of a claim relating to "property taxes payable," the claimant must have owned  
 195.14 and occupied the homestead on January 2 of the year in which the tax is payable and (i) the  
 195.15 property must have been classified as homestead property pursuant to section 273.124, on  
 195.16 or before December 15 of the assessment year to which the "property taxes payable" relate;  
 195.17 or (ii) the claimant must provide documentation from the local assessor that application for  
 195.18 homestead classification has been made on or before December 15 of the year in which the  
 195.19 "property taxes payable" were payable and that the assessor has approved the application.

195.20 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
 195.21 and following years.

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

195.24 Subd. 16. **Manufactured home.** "Manufactured home" means homesteads that are  
 195.25 manufactured homes as defined in section 273.125, subdivision 8, including manufactured  
 195.26 homes located in a manufactured home community owned by a cooperative organized under  
 195.27 chapter 308A or 308B, and park trailers taxed as manufactured homes under section 168.012,  
 195.28 subdivision 9.

195.29 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
 195.30 and following years.

195.31 Sec. 17. Minnesota Statutes 2022, section 290A.04, subdivision 1, is amended to read:

195.32 Subdivision 1. **Refund.** A refund shall be allowed each claimant in the amount that  
 195.33 property taxes payable ~~or rent constituting property taxes~~ exceed the percentage of the

196.1 household income of the claimant specified in subdivision 2 ~~or 2a~~ in the year for which the  
196.2 taxes were levied ~~or in the year in which the rent was paid~~ as specified in subdivision 2 ~~or~~  
196.3 ~~2a~~. If the amount of property taxes payable ~~or rent constituting property taxes~~ is equal to  
196.4 or less than the percentage of the household income of the claimant specified in subdivision  
196.5 2 ~~or 2a~~ in the year for which the taxes were levied ~~or in the year in which the rent was paid~~,  
196.6 the claimant shall not be eligible for a state refund pursuant to this section.

196.7 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
196.8 and following years.

196.9 Sec. 18. Minnesota Statutes 2022, section 290A.04, subdivision 2h, is amended to read:

196.10 Subd. 2h. **Additional refund.** (a) If the gross property taxes payable on a homestead  
196.11 increase more than 12 percent over the property taxes payable in the prior year on the same  
196.12 property that is owned and occupied by the same owner on January 2 of both years, and the  
196.13 amount of that increase is \$100 or more, a claimant who is a homeowner shall be allowed  
196.14 an additional refund equal to 60 percent of the amount of the increase over the greater of  
196.15 12 percent of the prior year's property taxes payable or \$100. This subdivision shall not  
196.16 apply to any increase in the gross property taxes payable attributable to improvements made  
196.17 to the homestead after the assessment date for the prior year's taxes. This subdivision shall  
196.18 not apply to any increase in the gross property taxes payable attributable to the termination  
196.19 of valuation exclusions under section 273.11, subdivision 16.

196.20 The maximum refund allowed under this subdivision is \$1,000.

196.21 (b) For purposes of this subdivision "gross property taxes payable" means property taxes  
196.22 payable determined without regard to the refund allowed under this subdivision.

196.23 (c) In addition to the other proofs required by this chapter, each claimant under this  
196.24 subdivision shall file with the property tax refund return a copy of the property tax statement  
196.25 for taxes payable in the preceding year or other documents required by the commissioner.

196.26 (d) Upon request, the appropriate county official shall make available the names and  
196.27 addresses of the property taxpayers who may be eligible for the additional property tax  
196.28 refund under this section. The information shall be provided ~~on a magnetic computer disk~~  
196.29 electronically. The county may recover its costs by charging the person requesting the  
196.30 information the reasonable cost for preparing the data. The information may not be used  
196.31 for any purpose other than for notifying the homeowner of potential eligibility and assisting  
196.32 the homeowner, without charge, in preparing a refund claim.

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

197.1 Sec. 19. Minnesota Statutes 2022, section 290A.04, subdivision 5, is amended to read:

197.2 Subd. 5. ~~Combined renter and homeowner refund~~ Homeowner refund and renter's  
197.3 credit. ~~In the case of a claimant who is entitled to a refund in a calendar year for claims~~  
197.4 ~~based both on rent constituting property taxes and property taxes payable, the refund~~  
197.5 ~~allowable equals the sum of the refunds allowable.~~ A claimant is allowed to make a claim  
197.6 for refund under this chapter in addition to any credit the claimant is eligible for under  
197.7 section 290.0693.

197.8 EFFECTIVE DATE. This section is effective for claims based on rent paid in 2024  
197.9 and following years.

197.10 Sec. 20. Minnesota Statutes 2022, section 290A.05, is amended to read:

197.11 290A.05 COMBINED HOUSEHOLD INCOME; RENTAL AGREEMENTS AND  
197.12 REDUCTION OF PROPERTY TAXES PAYABLE.

197.13 (a) If a person occupies a homestead with another person not related to the person as  
197.14 the person's spouse, excluding dependents, roomers or boarders on contract, and has property  
197.15 tax payable with respect to the homestead, the household income of the claimant or claimants  
197.16 for the purpose of computing the refund allowed by section 290A.04 shall include the total  
197.17 income received by the other persons residing in the homestead. For purposes of this section,  
197.18 "dependent" includes a parent of the claimant or spouse who lives in the claimant's homestead  
197.19 and does not have an ownership interest in the homestead.

197.20 (b) If a person occupies a homestead with another person or persons not related to the  
197.21 person as the person's spouse or as dependents, ~~the property tax payable or rent constituting~~  
197.22 ~~property tax shall be reduced as follows.~~

197.23 ~~If and~~ the other person or persons are residing at the homestead under a rental or lease  
197.24 agreement with the homeowner, the amount of property tax payable ~~or rent constituting~~  
197.25 ~~property tax shall be~~ equals that portion not covered by the rental agreement.

197.26 EFFECTIVE DATE. This section is effective for claims based on rent paid in 2024  
197.27 and property taxes payable in 2024, and following years.

197.28 Sec. 21. Minnesota Statutes 2022, section 290A.07, subdivision 2a, is amended to read:

197.29 Subd. 2a. **Time of payment to renter or manufactured home homeowner.** A claimant  
197.30 who is ~~a renter or~~ a homeowner who occupies a manufactured home, as defined in section  
197.31 273.125, subdivision 8, paragraph (c), or a park trailer taxed as a manufactured home under

198.1 section 168.012, subdivision 9, shall receive full payment after August 1 and before August  
198.2 15 or 60 days after receipt of the application, whichever is later.

198.3 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
198.4 and following years.

198.5 Sec. 22. Minnesota Statutes 2022, section 290A.08, is amended to read:

198.6 **290A.08 ONE CLAIMANT PER HOUSEHOLD.**

198.7 Only one claimant per household per year is entitled to relief under this chapter. Payment  
198.8 of the claim for relief may be made payable to the spouses as one claimant. The  
198.9 commissioner, upon written request, may issue separate checks, to the spouses for one-half  
198.10 of the relief provided the original check has not been issued or has been returned. Individuals  
198.11 related as spouses who were married during the year may elect to file a joint claim which  
198.12 shall include each spouse's income, ~~rent constituting property taxes~~, and property taxes  
198.13 payable. Spouses who were married for the entire year and were domiciled in the same  
198.14 household for the entire year must file a joint claim. The maximum dollar amount allowable  
198.15 for a joint claim shall not exceed the amount that one person could receive.

198.16 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
198.17 and following years.

198.18 Sec. 23. Minnesota Statutes 2022, section 290A.09, is amended to read:

198.19 **290A.09 PROOF OF CLAIM.**

198.20 (a) Every claimant shall supply to the commissioner of revenue, in support of the claim,  
198.21 proof of eligibility under this chapter, including but not limited to amount of ~~rent paid or~~  
198.22 ~~property taxes accrued, name and address of owner or managing agent of property rented,~~  
198.23 changes in homestead, household membership, household income, size and nature of property  
198.24 claimed as a homestead.

198.25 (b) For manufactured homes, every claimant shall supply to the commissioner of revenue  
198.26 the name and address of the owner or managing agent of the property rented.

198.27 (c) Persons with a disability filing claims shall submit proof of disability in the form  
198.28 and manner as the commissioner may prescribe. The department may require examination  
198.29 and certification by the claimant's physician or by a physician designated by the  
198.30 commissioner. The cost of any examination shall be borne by the claimant, unless the  
198.31 examination proves the disability, in which case the cost of the examination shall be borne  
198.32 by the commissioner.

199.1 (d) A determination of disability of a claimant by the Social Security Administration  
199.2 under Title II or Title XVI of the Social Security Act shall constitute presumptive proof of  
199.3 disability.

199.4 EFFECTIVE DATE. This section is effective for claims based on rent paid in 2024  
199.5 and following years.

199.6 Sec. 24. Minnesota Statutes 2022, section 290A.091, is amended to read:

199.7 **290A.091 CLAIMS OF TENANTS IN LEASEHOLD COOPERATIVES.**

199.8 The cooperative manager of a leasehold cooperative shall furnish a statement to each  
199.9 tenant by March 31 of the year in which the property tax is payable showing each unit's  
199.10 share of the gross property tax and each unit's share of any property tax credits. Each tenant  
199.11 may apply for a property tax refund under this chapter as a homeowner based on each  
199.12 tenant's share of property taxes. The tenant may not ~~include any rent constituting property~~  
199.13 ~~taxes paid on that unit~~ claim the renter's credit under section 290.0693. For the purposes of  
199.14 this section, a leasehold cooperative is formed on the day that leasehold cooperative status  
199.15 is granted by the appropriate county official.

199.16 EFFECTIVE DATE. This section is effective for claims based on rent paid in 2024  
199.17 and following years.

199.18 Sec. 25. Minnesota Statutes 2022, section 290A.13, is amended to read:

199.19 **290A.13 NO RELIEF ALLOWED IN CERTAIN CASES.**

199.20 No claim for relief under this chapter shall be allowed if the commissioner determines  
199.21 that the claimant received title ~~or tenancy~~ to the homestead primarily for the purpose of  
199.22 receiving benefits under this chapter and not for bona fide residence purposes.

199.23 EFFECTIVE DATE. This section is effective for claims based on rent paid in 2024  
199.24 and following years.

199.25 Sec. 26. Minnesota Statutes 2022, section 290A.19, is amended to read:

199.26 **290A.19 OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE.**

199.27 (a) The park owner ~~or managing agent of any~~ of a property for which rent is paid for  
199.28 occupancy as a homestead must furnish a certificate of rent paid to a person who is a renter  
199.29 on December 31, in the form prescribed by the commissioner. If the renter moves before  
199.30 December 31, the park owner ~~or managing agent~~ may give the certificate to the renter at  
199.31 the time of moving, or mail the certificate to the forwarding address if an address has been

200.1 provided by the renter. The certificate must be made available to the renter before February  
 200.2 1 of the year following the year in which the rent was paid. The park owner ~~or managing~~  
 200.3 ~~agent~~ must retain a duplicate of each certificate or an equivalent record showing the same  
 200.4 information for a period of three years. The duplicate or other record must be made available  
 200.5 to the commissioner upon request.

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

200.18 (c) For the purposes of this section, ~~"owner" includes~~ "park owner" means a park owner  
 200.19 as defined under section 327C.015, subdivision 9, and "property" includes a lot as defined  
 200.20 under section 327C.015, subdivision 6.

200.21 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
 200.22 and following years.

200.23 Sec. 27. Minnesota Statutes 2022, section 290A.25, is amended to read:

200.24 **290A.25 VERIFICATION OF SOCIAL SECURITY OR INDIVIDUAL TAXPAYER**  
 200.25 **IDENTIFICATION NUMBERS.**

200.26 Annually, the commissioner of revenue shall furnish a list to the county assessor  
 200.27 containing the names and Social Security or individual taxpayer identification numbers of  
 200.28 persons who have applied for both homestead classification under section 273.13 and a  
 200.29 ~~property tax refund as a renter under this chapter~~ renter's credit under section 290.0693.

200.30 Within 90 days of the notification, the county assessor shall investigate to determine if  
 200.31 the homestead classification was improperly claimed. If the property owner does not qualify,  
 200.32 the county assessor shall notify the county auditor who will determine the amount of  
 200.33 homestead benefits that has been improperly allowed. For the purpose of this section,

201.1 "homestead benefits" has the meaning given in section 273.124, subdivision 13b. The county  
 201.2 auditor shall send a notice to persons who owned the affected property at the time the  
 201.3 homestead application related to the improper homestead was filed, demanding  
 201.4 reimbursement of the homestead benefits plus a penalty equal to 100 percent of the homestead  
 201.5 benefits. The person notified may appeal the county's determination with the Minnesota  
 201.6 Tax Court within 60 days of the date of the notice from the county as provided in section  
 201.7 273.124, subdivision 13b.

201.8 If the amount of homestead benefits and penalty is not paid within 60 days, and if no  
 201.9 appeal has been filed, the county auditor shall certify the amount of taxes and penalty to  
 201.10 the county treasurer. The county treasurer will add interest to the unpaid homestead benefits  
 201.11 and penalty amounts at the rate provided for delinquent personal property taxes for the  
 201.12 period beginning 60 days after demand for payment was made until payment. If the person  
 201.13 notified is the current owner of the property, the treasurer may add the total amount of  
 201.14 benefits, penalty, interest, and costs to the real estate taxes otherwise payable on the property  
 201.15 in the following year. If the person notified is not the current owner of the property, the  
 201.16 treasurer may collect the amounts due under the Revenue Recapture Act in chapter 270A,  
 201.17 or use any of the powers granted in sections 277.20 and 277.21 without exclusion, to enforce  
 201.18 payment of the benefits, penalty, interest, and costs, as if those amounts were delinquent  
 201.19 tax obligations of the person who owned the property at the time the application related to  
 201.20 the improperly allowed homestead was filed. The treasurer may relieve a prior owner of  
 201.21 personal liability for the benefits, penalty, interest, and costs, and instead extend those  
 201.22 amounts on the tax lists against the property for taxes payable in the following year to the  
 201.23 extent that the current owner agrees in writing.

201.24 Any amount of homestead benefits recovered by the county from the property owner  
 201.25 shall be distributed to the county, city or town, and school district where the property is  
 201.26 located in the same proportion that each taxing district's levy was to the total of the three  
 201.27 taxing districts' levy for the current year. Any amount recovered attributable to taconite  
 201.28 homestead credit shall be transmitted to the St. Louis County auditor to be deposited in the  
 201.29 taconite property tax relief account. Any amount recovered that is attributable to supplemental  
 201.30 homestead credit is to be transmitted to the commissioner of revenue for deposit in the  
 201.31 general fund of the state treasury. The total amount of penalty collected must be deposited  
 201.32 in the county general fund.

201.33 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
 201.34 and following years.

202.1 Sec. 28. Minnesota Statutes 2022, section 327C.02, subdivision 5, is amended to read:

202.2 Subd. 5. **Written notice required.** A prospective resident, before being asked to sign  
202.3 a rental agreement, must be given the following notice printed verbatim in boldface type  
202.4 of a minimum size of ten points. The notice must be provided with the park residency  
202.5 application. The notice must be posted in a conspicuous and public location in the park:

202.6 "IMPORTANT NOTICE

202.7 State law provides special rules for the owners, residents, and prospective residents of  
202.8 manufactured home parks.

202.9 You may keep your home in the park as long as the park is in operation and you meet  
202.10 your financial obligations, obey state and local laws which apply to the park, obey reasonable  
202.11 park rules, do not substantially annoy or endanger the other residents or substantially  
202.12 endanger park personnel and do not substantially damage the park premises. You may not  
202.13 be evicted or have your rent increased or your services cut for complaining to the park owner  
202.14 or to a governmental official.

202.15 If you receive an eviction notice and do not leave the park, the park owner may take you  
202.16 to court. If you lose in court, a sheriff may remove you and your home from the park within  
202.17 seven days. Or, the court may require you to leave the park within seven days but give you  
202.18 60 days to sell the home within the park.

202.19 If you receive an eviction notice for a new or amended rule and the court finds the rule  
202.20 to be reasonable and not a substantial modification of your original agreement, the court  
202.21 will not order you to leave but will order you to comply with the rule within ten days. If  
202.22 you do not comply within the time given or if you violate the rule at a later time, you will  
202.23 be subject to eviction.

202.24 All park rules and policies must be reasonable. Your rent may not be increased more  
202.25 than twice a year. Changes made in park rules after you become a park resident will not  
202.26 apply to you if they substantially change your original agreement.

202.27 The park may not charge you an entrance fee.

202.28 The park may require a security deposit, but the deposit must not amount to more than  
202.29 two months rent.

202.30 You have a right to sell the home in the park. But the sale is not final until the park  
202.31 owner approves the buyer as a new resident, and you must advise in writing anyone who  
202.32 wants to buy your home that the sale is subject to final approval by the park owner.

203.1 The park must provide to you, in writing, the procedures and criteria used to evaluate a  
203.2 prospective resident. If your application is denied, you can request, in writing, the reason  
203.3 why.

203.4 You must also disclose in writing certain safety information about your home to anyone  
203.5 who wants to buy it in the park. You must give this information to the buyer before the sale,  
203.6 in writing, on the form that is attached to this notice. You must completely and accurately  
203.7 fill out the form and you and the buyer should each keep a copy.

203.8 Your rental agreement and the park rules contain important information about your rights  
203.9 and duties. Read them carefully and keep a copy.

203.10 You must be given a copy of the shelter or evacuation plan for the park. This document  
203.11 contains information on where to seek shelter in times of severe weather conditions. You  
203.12 should carefully review the plan and keep a copy.

203.13 By February 1 of each year, the park must give you a certificate of rent ~~constituting~~  
203.14 property taxes paid as required by ~~Minnesota Statutes, section~~ sections 290.0693, subdivision  
203.15 4, and 290A.19.

203.16 For further information concerning your rights, consult a private attorney. The state law  
203.17 governing the rental of lots in manufactured home parks may also be enforced by the  
203.18 Minnesota Attorney General."

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

203.20 Sec. 29. Minnesota Statutes 2022, section 462A.05, subdivision 24, is amended to read:

203.21 Subd. 24. **Housing for elderly, persons with physical or developmental disabilities,**  
203.22 **and single parent families.** (a) It may engage in housing programs for low- and  
203.23 moderate-income elderly, persons with physical or developmental disabilities, or single  
203.24 parent families in the case of home sharing programs, as defined by the agency, to provide  
203.25 grants or loans, with or without interest, for:

203.26 (1) accessibility improvements to residences occupied by elderly persons;

203.27 (2) housing sponsors, as defined by the agency, of home sharing programs to match  
203.28 existing homeowners with prospective tenants who will contribute either rent or services  
203.29 to the homeowner, where either the homeowner or the prospective tenant is elderly, a person  
203.30 with physical or developmental disabilities, or the head of a single parent family;

204.1 (3) the construction of or conversion of existing buildings into structures for occupancy  
204.2 by the elderly that contain from three to 12 private sleeping rooms with shared cooking  
204.3 facilities and common space; and

204.4 (4) housing sponsors, as defined by the agency, to demonstrate the potential for home  
204.5 equity conversion in Minnesota for the elderly, in both rural and urban areas, and to determine  
204.6 the need in those equity conversions for consumer safeguards.

204.7 (b) In making the grants or loans, the agency shall determine the terms and conditions  
204.8 of repayment and the appropriate security, if any, should repayment be required. The agency  
204.9 may provide technical assistance to sponsors of home sharing programs or may contract or  
204.10 delegate the provision of the technical assistance in accordance with section 462A.07,  
204.11 subdivision 12.

204.12 (c) Housing sponsors who receive funding through these programs shall provide  
204.13 homeowners and tenants participating in a home sharing program with information regarding  
204.14 their rights and obligations as they relate to federal and state tax law including, but not  
204.15 limited to, taxable rental income, homestead classification under chapter 273, the renter's  
204.16 credit under section 290.0693, and the property tax refund act under chapter 290A.

204.17 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
204.18 and following years.

204.19 **Sec. 30. TAX CREDIT OUTREACH; APPROPRIATION.**

204.20 (a) \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are appropriated  
204.21 from the general fund to the commissioner of revenue to make grants to one or more eligible  
204.22 organizations. An eligible organization receiving a grant must use the funds to:

204.23 (1) publicize and promote the availability of eligible credits to taxpayers likely to be  
204.24 eligible for those credits; or

204.25 (2) provide taxpayer assistance services.

204.26 (b) For the purposes of this section the following terms have the meanings given:

204.27 (1) "eligible credit" means a credit targeting low-income taxpayers, including but not  
204.28 limited to the credits under sections 290.0661, 290.0693, and 290.0671 and chapter 290A;

204.29 (2) "eligible organization" means a nonprofit organization or federally recognized Indian  
204.30 Tribe with experience serving demographic groups or geographic regions that have  
204.31 historically had low rates of participation in eligible credits. Eligible organization includes

205.1 but is not limited to organizations qualifying under section 7526A(e)(2)(B) of the Internal  
205.2 Revenue Code; and

205.3 (3) "taxpayer assistance services" means accounting and tax preparation services provided  
205.4 by volunteers to low-income, elderly, and disadvantaged Minnesota residents to help them  
205.5 file federal and state income tax returns and Minnesota property tax refund claims and to  
205.6 provide personal representation before the Department of Revenue and Internal Revenue  
205.7 Service.

205.8 Sec. 31. **REPEALER.**

205.9 Minnesota Statutes 2022, sections 290A.03, subdivisions 9 and 11; 290A.04, subdivision  
205.10 2a; and 290A.23, subdivision 1, are repealed.

205.11 **EFFECTIVE DATE.** This section is effective for claims based on rent paid in 2024  
205.12 and following years.

## 205.13 **ARTICLE 8**

### 205.14 **TAX INCREMENT FINANCING**

205.15 Section 1. Minnesota Statutes 2022, section 469.174, subdivision 27, is amended to read:

205.16 Subd. 27. **Small city.** "Small city" means any home rule charter or statutory city that  
205.17 has a population of 5,000 or less and that is located ~~ten~~ five miles or more from a home rule  
205.18 charter or statutory city, located in this state, with a population of 10,000 or more. For  
205.19 purposes of this definition, the distance between cities is measured by drawing a straight  
205.20 line from the nearest boundaries of the two cities.

205.21 **EFFECTIVE DATE.** This section is effective for districts for which the request for  
205.22 certification was made after July 1, 2023.

205.23 Sec. 2. Laws 2003, chapter 127, article 10, section 31, subdivision 1, as amended by Laws  
205.24 2008, chapter 366, article 5, section 21, and Laws 2019, First Special Session chapter 6,  
205.25 article 7, section 1, is amended to read:

205.26 Subdivision 1. **District extension.** (a) The governing body of the city of Hopkins may  
205.27 elect to extend the duration of its redevelopment tax increment financing district 2-11 by  
205.28 up to four additional years.

205.29 (b) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, effective upon  
205.30 approval of this subdivision, no increments may be spent on activities located outside of  
205.31 the area of the district, other than:

206.1 (1) to pay administrative expenses, not to exceed ten percent of the total tax increments  
206.2 from the district; or

206.3 (2) to pay the costs of housing or redevelopment activities that are consistent with  
206.4 Minnesota Statutes, section 469.176, subdivision 4j, provided that expenditures under this  
206.5 clause may not exceed ~~20~~ 25 percent of the total tax increments from the district.

206.6 The total amount of increment that may be spent on activities located outside the area of  
206.7 the district under this section shall be limited to ~~25~~ 28 percent.

206.8 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
206.9 city of Hopkins and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
206.10 subdivisions 2 and 3.

206.11 Sec. 3. Laws 2008, chapter 366, article 5, section 26, as amended by Laws 2013, chapter  
206.12 143, article 9, section 11, and Laws 2019, First Special Session chapter 6, article 7, section  
206.13 2, is amended to read:

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

206.15 (a) The requirements of Minnesota Statutes, section 469.1763, subdivision 3, that  
206.16 activities must be undertaken within a five-year period from the date of certification of a  
206.17 tax increment financing district, are increased to a ~~21-year~~ 26-year period for the Port  
206.18 Authority of the City of Bloomington's Tax Increment Financing District No. 1-I,  
206.19 Bloomington Central Station. The requirements of Minnesota Statutes, section 469.1763,  
206.20 subdivision 4, relating to the use of increment after the expiration of the five-year rule, is  
206.21 extended to the 27th year.

206.22 (b) Notwithstanding the provisions of Minnesota Statutes, section 469.176, or any other  
206.23 law to the contrary, the city of Bloomington and its port authority may extend the duration  
206.24 limits of the district for a period through December 31, ~~2039~~ 2044.

206.25 (c) Effective for taxes payable in 2014, tax increment for the district must be computed  
206.26 using the current local tax rate, notwithstanding the provisions of Minnesota Statutes, section  
206.27 469.177, subdivision 1a.

206.28 **EFFECTIVE DATE.** This section is effective upon compliance by the city of  
206.29 Bloomington, Hennepin County, and Independent School District No. 271 with the  
206.30 requirements of Minnesota Statutes, section 469.1782, subdivision 2.

207.1 Sec. 4. Laws 2008, chapter 366, article 5, section 36, subdivision 1, is amended to read:

207.2 Subdivision 1. **Authorization.** Notwithstanding the provisions of any other law, upon  
207.3 approval of the governing body of the city of St. Paul, the Housing and Redevelopment  
207.4 Authority of the city of St. Paul may establish a redevelopment tax increment financing  
207.5 district comprised of the properties included in the existing downtown and Seventh Place  
207.6 tax increment district (County #82). Notwithstanding Minnesota Statutes, section 469.177,  
207.7 subdivision 6, if certification of the district is requested by July 31, 2008, the certification  
207.8 will be recognized by the county auditor in determining local tax rates for taxes payable in  
207.9 2009 and subsequent years. The district created under this section terminates December 31,  
207.10 ~~2023~~ 2033. The city may create the district under this section only if it enters into an  
207.11 agreement with Ramsey County to pay the county annually out of the increment from this  
207.12 district an amount equal to the tax that would have been payable to the county on the captured  
207.13 tax capacity of the district had the district not been created.

207.14 **EFFECTIVE DATE.** This section is effective the day after the governing bodies of St.  
207.15 Paul, Ramsey County, and Independent School District No. 625 comply with the requirements  
207.16 of Minnesota Statutes, sections 469.1782, subdivision 2, and 645.021, subdivisions 2 and  
207.17 3.

207.18 Sec. 5. Laws 2008, chapter 366, article 5, section 36, subdivision 3, as amended by Laws  
207.19 2014, chapter 150, article 5, section 5, is amended to read:

207.20 Subd. 3. **Authorized expenditures.** Tax increment from the district may be expended  
207.21 only to pay principal and interest on bond obligations issued by the city of St. Paul in 2009  
207.22 for the RiverCentre Arena, including payment of principal and interest on any bonds issued  
207.23 to repay the bonds or loans, as amended in 2014, but only through taxes payable year 2023.  
207.24 Commencing with taxes payable year 2024, tax increments from the district may be expended  
207.25 to facilitate capital improvements within the city's RiverCentre complex, including but not  
207.26 limited to the St. Paul RiverCentre, Xcel Energy Center, Roy Wilkins Auditorium, and St.  
207.27 Paul RiverCentre Parking Ramp and adjacent areas controlled by the city. All such  
207.28 expenditures are deemed to be activities within the district under Minnesota Statutes, section  
207.29 469.1763, subdivisions 2, 3, and 4.

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

208.1 Sec. 6. Laws 2014, chapter 308, article 6, section 12, subdivision 2, is amended to read:

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

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

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

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

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

208.15 (4) quarries or similar resource extraction sites;

208.16 (5) floodway; and

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

208.19 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the  
208.20 relevant condition if at least 70 percent of the area of the parcel contains the relevant  
208.21 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by  
208.22 substandard buildings if substandard buildings occupy at least 30 percent of the area of the  
208.23 parcel.

208.24 (d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is  
208.25 extended to ~~eight~~ 12 years for any district; the five-year rule under Minnesota Statutes,  
208.26 section 469.175, subdivision 4, paragraph (f), is extended to nine years for any district; and  
208.27 Minnesota Statutes, section 469.1763, subdivision 4, does not apply to any district.

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

208.32 (f) For a soil deficiency district:

209.1 (1) increments may be collected through 20 years after the receipt by the authority of  
209.2 the first increment from the district;

209.3 (2) increments may be used only to:

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

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

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

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

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

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

209.15 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
209.16 city of Savage and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
209.17 subdivisions 2 and 3.

209.18 Sec. 7. Laws 2019, First Special Session chapter 6, article 7, section 7, is amended to read:

209.19 Sec. 7. **CITY OF DULUTH; TAX INCREMENT FINANCING DISTRICT; SPECIAL**  
209.20 **RULES AUTHORIZATION.**

209.21 Subdivision 1. **Establishment.** The city of Duluth or the Duluth Economic Development  
209.22 Authority may establish, by resolution, ~~one~~ not more than two redevelopment tax increment  
209.23 financing ~~district~~ districts located in the city of Duluth, St. Louis County, Minnesota, within  
209.24 the area bordered on the northeast by Slip 3 and the Pier B Resort property line extended  
209.25 northwest to Interstate 35, on the southeast by the Duluth Harbor, on the southwest by the  
209.26 Compass Minerals property line extended northwest to Interstate 35, and on the northwest  
209.27 by Interstate 35, together with adjacent roads and rights-of-way; and such property is deemed  
209.28 to meet the requirements of Minnesota Statutes, section 469.174, subdivision 10.

209.29 Subd. 2. **Eligible expenditures.** Expenditures incurred in connection with the  
209.30 development of the property described in subdivision 1 are deemed to meet the requirements  
209.31 of Minnesota Statutes, section 469.176, subdivision 4j. Eligible expenditures for any tax

210.1 increment financing district established in the area described in subdivision 1 include,  
210.2 without limitation, seawalls and pier facings adjacent to the boundaries of such district.

210.3 Subd. 3. **Duration.** Notwithstanding Minnesota Statutes, section 469.176, subdivision  
210.4 1b, or any other law to the contrary, the city of Duluth or its economic development authority  
210.5 may extend the duration limit of a district established under subdivision 1 by five years.

210.6 **EFFECTIVE DATE.** (a) The amendment to subdivision 1 is effective the day after the  
210.7 governing body of the city of Duluth and its chief clerical officer comply with Minnesota  
210.8 Statutes, section 645.021, subdivisions 2 and 3.

210.9 (b) Subdivision 3 is effective upon compliance by the city of Duluth, St. Louis County,  
210.10 and Independent School District No. 709 with the requirements of Minnesota Statutes,  
210.11 section 469.1782, subdivision 2.

210.12 Sec. 8. Laws 2021, First Special Session chapter 14, article 9, section 10, is amended to  
210.13 read:

210.14 Sec. 10. **CITY OF RAMSEY; TAX INCREMENT FINANCING DISTRICT NO.**  
210.15 **14; FIVE-YEAR RULE EXTENSION.**

210.16 (a) The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that activities  
210.17 must be undertaken within a five-year period from the date of certification of a tax increment  
210.18 financing district, is extended by a ~~two-year~~ five-year period to November 28, ~~2023~~ 2026,  
210.19 for Tax Increment Financing District No. 14 administered by the city of Ramsey.

210.20 (b) The requirements of Minnesota Statutes, section 469.1763, subdivision 4, relating  
210.21 to the use of increment after the expiration of the five-year period under Minnesota Statutes,  
210.22 section 469.1763, subdivision 3, is extended to the ~~13th~~ 16th year for Tax Increment  
210.23 Financing District No. 14.

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

210.27 Sec. 9. **CITY OF CHATFIELD; TIF AUTHORITY; ECONOMIC DEVELOPMENT**  
210.28 **AUTHORIZATION.**

210.29 Notwithstanding Minnesota Statutes, section 469.176, subdivision 4c, paragraph (b), or  
210.30 any other law to the contrary, the city of Chatfield or its economic development authority  
210.31 may establish an economic development district to construct a multilevel hotel on Mill

211.1 Creek Road and Division Street NW, south of Trunk Highway 30, in the city of Chatfield,  
211.2 Olmsted County, provided that the first floor of the hotel does not exceed 15,000 square  
211.3 feet. For purposes of this section, "first floor" means the floor at street level where the public  
211.4 is permitted to enter and exit.

211.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
211.6 city of Chatfield and its chief clerical officer comply with the requirements of Minnesota  
211.7 Statutes, section 645.021, subdivisions 2 and 3.

211.8 Sec. 10. **CITY OF DULUTH; TAX INCREMENT FINANCING DISTRICT;**  
211.9 **SPECIAL RULES.**

211.10 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
211.11 economic development authority of the city of Duluth or the city of Duluth may establish  
211.12 one or more redevelopment districts located wholly within the area of the city of Duluth,  
211.13 St. Louis County, Minnesota, limited to the area classified as the Medical Regional Exchange  
211.14 District and East 1st Street Corridor as bounded by: East 6th Street from North 3rd Avenue  
211.15 East to North 7th Avenue East; North 7th Avenue East from East 6th Street to East 3rd  
211.16 Street; East 3rd Street from North 7th Avenue East to North 12th Avenue East; North 12th  
211.17 Avenue East from East 3rd Street straight through the Duluth Rose Garden to the Lake  
211.18 Superior Waterfront; the Lake Superior waterfront from the Duluth Rose Garden at North  
211.19 12th Avenue East to Lake Place Park at North 3rd Avenue East; North 3rd Avenue East  
211.20 from Lake Place Park at the Lake Superior waterfront to East Superior Street; East Superior  
211.21 Street from North 3rd Avenue East to North Lake Avenue; North Lake Avenue from East  
211.22 Superior Street to East 2nd Street; East 2nd Street from North Lake Avenue to North 3rd  
211.23 Avenue East; North 3rd Ave East from East 2nd Street to East 6th Street.

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

211.26 (1) the district is deemed to meet all the requirements of Minnesota Statutes, section  
211.27 469.174, subdivision 10; and

211.28 (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.

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

211.31 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
211.32 city of Duluth and its chief clerical officer comply with the requirements of Minnesota  
211.33 Statutes, section 645.021, subdivisions 2 and 3.

212.1 Sec. 11. **CITY OF FRIDLEY; TAX INCREMENT FINANCING DISTRICT;**  
212.2 **SPECIAL RULES.**

212.3 **Subdivision 1. Transfer of increment.** Notwithstanding Minnesota Statutes, section  
212.4 469.176, subdivision 4j, the city of Fridley or its economic development authority may  
212.5 transfer tax increment accumulated from Fridley Tax Increment Financing District No. 20  
212.6 to the Fridley Housing and Redevelopment Authority for the purposes authorized in  
212.7 subdivision 2. Only increment allowed to be expended outside of the district pursuant to  
212.8 Minnesota Statutes, section 469.1763, subdivision 2, may be transferred under this section.

212.9 **Subd. 2. Allowable use.** Tax increment transferred under subdivision 1 must be used  
212.10 only to:

212.11 (1) make grants, loans, and loan guarantees for the development, rehabilitation, or  
212.12 financing of housing; or

212.13 (2) match other funds from federal, state, or private resources for housing projects.

212.14 **Subd. 3. Annual financial reporting.** Tax increment transferred under this section is  
212.15 subject to the annual reporting requirements under Minnesota Statutes, section 469.175,  
212.16 subdivision 6.

212.17 **Subd. 4. Legislative reports.** By February 1, 2025, and February 1, 2027, the city of  
212.18 Fridley must issue a report to the chairs and ranking minority members of the legislative  
212.19 committees with jurisdiction over taxes and property taxes. Each report must include detailed  
212.20 information relating to each program financed with increment transferred under this section.

212.21 **Subd. 5. Expiration.** The authority to make transfers under subdivision 1 expires  
212.22 December 31, 2027.

212.23 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
212.24 city of Fridley and its chief clerical officer comply with the requirements of Minnesota  
212.25 Statutes, section 645.021, subdivisions 2 and 3.

212.26 Sec. 12. **CITY OF PLYMOUTH; TIF AUTHORITY.**

212.27 **Subdivision 1. Establishment.** Under the special rules established in subdivision 2, the  
212.28 city of Plymouth may establish not more than two redevelopment districts located wholly  
212.29 within the city of Plymouth, Hennepin County, Minnesota, limited to the following parcels  
212.30 identified by tax identification numbers: 34-119-22-44-0002, 03-118-22-12-0002,  
212.31 03-118-22-11-0007, 02-118-22-22-0005, and 03-118-22-14-0032, together with adjacent  
212.32 roads and rights-of-way.

213.1 Subd. 2. **Special rules.** If the city establishes a tax increment financing district under  
213.2 this section, the following special rules apply:

213.3 (1) the district is deemed to meet the requirements of Minnesota Statutes, section 469.174,  
213.4 subdivision 10;

213.5 (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district;  
213.6 and

213.7 (3) not more than 75 percent of increments generated from the district may be expended  
213.8 on improvements to Chankahda Trail, formerly known as Hennepin County Road 47, outside  
213.9 the project area, and all such expenditures are deemed expended on activities within the  
213.10 district for the purposes of Minnesota Statutes, section 469.1763.

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

213.13 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
213.14 city of Plymouth and its chief clerical officer comply with Minnesota Statutes, section  
213.15 645.021, subdivisions 2 and 3.

213.16 **Sec. 13. CITY OF SHAKOPEE; TAX INCREMENT FINANCING DISTRICT.**

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

213.19 (b) "City" means the city of Shakopee.

213.20 (c) "Project area" means the following parcels, identified by parcel identification numbers:  
213.21 279160102, 279160110, 279170020, and 279160120.

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

213.25 (1) unusual terrain or soil deficiencies that occurred over 70 percent of the acreage in  
213.26 the district require substantial filling, grading, or other physical preparation for use; and

213.27 (2) the estimated cost of the physical preparation under clause (1), excluding costs  
213.28 directly related to roads as defined in Minnesota Statutes, section 160.01, and local  
213.29 improvements as described in Minnesota Statutes, sections 429.021, subdivision 1, clauses  
213.30 (1) to (7) and (11) to (22), and 430.01, exceeds the fair market value of the land before  
213.31 completion of the preparation.

214.1 Subd. 2. Special rules. (a) If the city elects, upon the adoption of the tax increment  
214.2 financing plan for a district, the rules under this section apply to a redevelopment district,  
214.3 renewal and renovation district, soil condition district, or soil deficiency district established  
214.4 by the city or a development authority of the city in the project area. The city, or a  
214.5 development authority acting on its behalf, may establish one or more soil deficiency districts  
214.6 within the project area.

214.7 (b) Prior to or upon the adoption of the first tax increment plan subject to the special  
214.8 rules under this subdivision, the city must find by resolution that parcels consisting of at  
214.9 least 70 percent of the acreage of the project area, excluding street and railroad rights-of-way,  
214.10 are characterized by one or more of the following conditions:

214.11 (1) peat or other soils with geotechnical deficiencies that impair development of  
214.12 residential or commercial buildings or infrastructure;

214.13 (2) soils or terrain that requires substantial filling in order to permit the development of  
214.14 residential or commercial buildings or infrastructure;

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

214.16 (4) quarries or similar resource extraction sites;

214.17 (5) floodways; and

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

214.20 (c) For the purposes of paragraph (b), clauses (1) to (5), a parcel is characterized by the  
214.21 relevant condition if at least 60 percent of the area of the parcel contains the relevant  
214.22 condition. For the purposes of paragraph (b), clause (6), a parcel is characterized by  
214.23 substandard buildings if substandard buildings occupy at least 30 percent of the area of the  
214.24 parcel.

214.25 (d) The five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, is  
214.26 extended to ten years for any district, and the period under Minnesota Statutes, section  
214.27 469.1763, subdivision 4, is extended to 11 years.

214.28 (e) Notwithstanding any provision to the contrary in Minnesota Statutes, section 469.1763,  
214.29 subdivision 2, paragraph (a), not more than 80 percent of the total revenue derived from tax  
214.30 increments paid by properties in any district, measured over the life of the district, may be  
214.31 expended on activities outside the district but within the project area.

214.32 (f) For a soil deficiency district:

215.1 (1) increments may be collected through 20 years after the receipt by the authority of  
215.2 the first increment from the district; and

215.3 (2) except as otherwise provided in this subdivision, increments may be used only to:

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

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

215.7 (iii) pay for the administrative expenses of the authority allocable to the district.

215.8 (g) The authority to approve tax increment financing plans to establish tax increment  
215.9 financing districts under this section expires December 31, 2026.

215.10 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
215.11 city of Shakopee and its chief clerical officer comply with the requirements of Minnesota  
215.12 Statutes, section 645.021, subdivisions 2 and 3.

215.13 Sec. 14. **CITY OF WEST ST. PAUL; TIF AUTHORITY.**

215.14 Subdivision 1. **Establishment.** Under the special rules established in subdivision 2, the  
215.15 economic development authority of the city of West St. Paul or the city of West St. Paul  
215.16 may establish one or more redevelopment tax increment financing districts consisting of  
215.17 the parcels in the city of West St. Paul, Dakota County, Minnesota, currently identified with  
215.18 the following parcel identification numbers: 42-83680-01-011, 42-11561-00-010,  
215.19 42-11561-01-010, 42-11560-01-021, 42-11561-00-020, and 42-11560-01-022, as the same  
215.20 may be replatted or reconfigured, together with adjacent roads and rights-of-way.

215.21 Subd. 2. **Special rules.** If the city or authority establishes one or more tax increment  
215.22 financing districts under this section, the following special rules apply:

215.23 (1) the districts are deemed to meet all the requirements of Minnesota Statutes, section  
215.24 469.174, subdivision 10; and

215.25 (2) Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.

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

215.28 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
215.29 city of West St. Paul and its chief clerical officer comply with Minnesota Statutes, section  
215.30 645.021, subdivisions 2 and 3.



217.1 (5) amounts allocated or paid to prepare a development action response plan for a soils  
217.2 condition district or hazardous substance subdistrict; and

217.3 (6) amounts used to pay bonds, interfund loans, or other financial obligations to the  
217.4 extent those obligations were used to finance costs described in clauses (1) to (5).

217.5 (b) Administrative expenses and administrative costs do not include:

217.6 (1) amounts paid for the purchase of land or buildings;

217.7 (2) amounts paid to contractors or others providing materials and services, ~~including~~  
217.8 ~~architectural and engineering services,~~ directly connected with the physical development  
217.9 of the real property in the project, including architectural and engineering services and  
217.10 materials and services for demolition, soil correction, and the construction or installation  
217.11 of public improvements;

217.12 (3) relocation benefits paid to or services provided for persons residing or businesses  
217.13 located in the project;

217.14 ~~(4) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount~~  
217.15 ~~bonds issued pursuant to section 469.178; or~~

217.16 ~~(5)~~ (4) amounts paid for property taxes or payments in lieu of taxes; and

217.17 (5) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount  
217.18 bonds issued pursuant to section 469.178 or other financial obligations to the extent those  
217.19 obligations were used to finance costs described in clauses (1) to (3) (4).

217.20 ~~For districts for which the requests for certifications were made before August 1, 1979,~~  
217.21 ~~or after June 30, 1982, "administrative expenses" includes amounts paid for services provided~~  
217.22 ~~by bond counsel, fiscal consultants, and planning or economic development consultants.~~

217.23 This definition does not apply to administrative expenses or administrative costs referenced  
217.24 under section 469.176, subdivision 4h.

217.25 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
217.26 applies to all districts, regardless of when the request for certification was made.

217.27 Sec. 2. Minnesota Statutes 2022, section 469.174, is amended by adding a subdivision to  
217.28 read:

217.29 Subd. 30. **Pay-as-you-go contract and note.** "Pay-as-you-go contract and note" means  
217.30 a written note or contractual obligation under which all of the following apply:

218.1 (1) the note or contractual obligation evidences an authority's commitment to reimburse  
218.2 a developer, property owner, or note holder for the payment of costs of activities, including  
218.3 any interest on unreimbursed costs;

218.4 (2) the reimbursement is made from tax increment revenues identified in the note or  
218.5 contractual obligation as received by a municipality or authority as taxes are paid; and

218.6 (3) the risk that available tax increments may be insufficient to fully reimburse the costs  
218.7 is borne by the developer, property owner, or note holder.

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

218.9 Sec. 3. Minnesota Statutes 2022, section 469.175, subdivision 6, is amended to read:

218.10 **Subd. 6. Annual financial reporting.** (a) The state auditor shall develop a uniform  
218.11 system of accounting and financial reporting for tax increment financing districts. The  
218.12 system of accounting and financial reporting shall, as nearly as possible:

218.13 (1) provide for full disclosure of the sources and uses of tax increments of the district;

218.14 (2) permit comparison and reconciliation with the affected local government's accounts  
218.15 and financial reports;

218.16 (3) permit auditing of the funds expended on behalf of a district, including a single  
218.17 district that is part of a multidistrict project or that is funded in part or whole through the  
218.18 use of a development account funded with tax increments from other districts or with other  
218.19 public money;

218.20 (4) be consistent with generally accepted accounting principles.

218.21 (b) The authority must annually submit to the state auditor a financial report in compliance  
218.22 with paragraph (a). Copies of the report must also be provided to the county auditor and to  
218.23 the governing body of the municipality, if the authority is not the municipality. To the extent  
218.24 necessary to permit compliance with the requirement of financial reporting, the county and  
218.25 any other appropriate local government unit or private entity must provide the necessary  
218.26 records or information to the authority or the state auditor as provided by the system of  
218.27 accounting and financial reporting developed pursuant to paragraph (a). The authority must  
218.28 submit the annual report for a year on or before August 1 of the next year.

218.29 (c) The annual financial report must also include the following items:

218.30 (1) the original net tax capacity of the district and any subdistrict under section 469.177,  
218.31 subdivision 1;

- 219.1 (2) the net tax capacity for the reporting period of the district and any subdistrict;
- 219.2 (3) the captured net tax capacity of the district;
- 219.3 (4) any fiscal disparity deduction from the captured net tax capacity under section  
219.4 469.177, subdivision 3;
- 219.5 (5) the captured net tax capacity retained for tax increment financing under section  
219.6 469.177, subdivision 2, paragraph (b), clause (1);
- 219.7 (6) any captured net tax capacity distributed among affected taxing districts under section  
219.8 469.177, subdivision 2, paragraph (b), clause (2);
- 219.9 (7) the type of district;
- 219.10 (8) the date the municipality approved the tax increment financing plan and the date of  
219.11 approval of any modification of the tax increment financing plan, the approval of which  
219.12 requires notice, discussion, a public hearing, and findings under subdivision 4, paragraph  
219.13 (a);
- 219.14 (9) the date the authority first requested certification of the original net tax capacity of  
219.15 the district and the date of the request for certification regarding any parcel added to the  
219.16 district;
- 219.17 (10) the date the county auditor first certified the original net tax capacity of the district  
219.18 and the date of certification of the original net tax capacity of any parcel added to the district;
- 219.19 (11) the ~~month~~ and year in which the authority has received or anticipates it will receive  
219.20 the first increment from the district;
- 219.21 (12) the date the district must be decertified;
- 219.22 (13) for the reporting period and prior years of the district, the actual amount received  
219.23 from, at least, the following categories:
- 219.24 (i) tax increments paid by the captured net tax capacity retained for tax increment  
219.25 financing under section 469.177, subdivision 2, paragraph (b), clause (1), but excluding any  
219.26 excess taxes;
- 219.27 (ii) tax increments that are interest or other investment earnings on or from tax increments;
- 219.28 (iii) tax increments that are proceeds from the sale or lease of property, tangible or  
219.29 intangible, purchased by the authority with tax increments;
- 219.30 (iv) tax increments that are repayments of loans or other advances made by the authority  
219.31 with tax increments;

- 220.1 (v) bond proceeds; and
- 220.2 (vi) the agricultural homestead market value credit paid to the authority under section  
220.3 273.1384;
- 220.4 (14) for the reporting period and for the prior years of the district, the actual amount  
220.5 expended for, at least, the following categories:
- 220.6 (i) acquisition of land and buildings through condemnation or purchase;
- 220.7 (ii) site improvements or preparation costs;
- 220.8 (iii) installation of public utilities, parking facilities, streets, roads, sidewalks, or other  
220.9 similar public improvements;
- 220.10 (iv) administrative costs, including the allocated cost of the authority; and
- 220.11 (v) for housing districts, construction of affordable housing;
- 220.12 (15) the amount of any payments for activities and improvements located outside of the  
220.13 district that are paid for or financed with tax increments;
- 220.14 (16) the amount of payments of principal and interest that are made during the reporting  
220.15 period on any nondefeased:
- 220.16 (i) general obligation tax increment financing bonds; and
- 220.17 (ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;
- 220.18 (17) the principal amount, at the end of the reporting period, of any nondefeased:
- 220.19 (i) general obligation tax increment financing bonds; and
- 220.20 (ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;
- 220.21 (18) the amount of principal and interest payments that are due for the current calendar  
220.22 year on any nondefeased:
- 220.23 (i) general obligation tax increment financing bonds; and
- 220.24 (ii) other tax increment financing bonds, including pay-as-you-go contracts and notes;
- 220.25 (19) if the fiscal disparities contribution under chapter 276A or 473F for the district is  
220.26 computed under section 469.177, subdivision 3, paragraph (a), the amount of total increased  
220.27 property taxes to be paid from outside the tax increment financing district; and
- 220.28 (20) any additional information the state auditor may require.

221.1 (d) The reporting requirements imposed by this subdivision apply to districts certified  
221.2 before, on, and after August 1, 1979.

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

221.4 Sec. 4. Minnesota Statutes 2022, section 469.176, subdivision 3, is amended to read:

221.5 Subd. 3. **Limitation on administrative expenses.** (a) For districts for which certification  
221.6 was requested before August 1, 2001, no tax increment shall be used to pay any  
221.7 administrative expenses for a project which exceed ten percent of the total estimated tax  
221.8 increment expenditures authorized by the tax increment financing plan or ten percent of the  
221.9 total tax increment expenditures for the project net of any amounts returned to the county  
221.10 auditor as excess increment; as returned increment under section 469.1763, subdivision 4,  
221.11 paragraph (g); or as remedies under section 469.1771, subdivision 2, whichever is less.

221.12 (b) For districts for which certification was requested after July 31, 2001, no tax increment  
221.13 may be used to pay any administrative expenses for a project which exceed ten percent of  
221.14 total estimated tax increment expenditures authorized by the tax increment financing plan  
221.15 or ten percent of the total tax increments, as defined in section 469.174, subdivision 25,  
221.16 clause (1), from received for the district net of any amounts returned to the county auditor  
221.17 as excess increment; as returned increment under section 469.1763, subdivision 4, paragraph  
221.18 (g); or as remedies under section 469.1771, subdivision 2, whichever is less.

221.19 (c) Increments used to pay the county's administrative expenses under subdivision 4h  
221.20 are not subject to the percentage limits in this subdivision.

221.21 (d) Increments defined under section 469.174, subdivision 25, clause (2), used for  
221.22 administrative expenses described under section 469.174, subdivision 14, paragraph (a),  
221.23 clause (4), are not subject to the percentage limits in this subdivision.

221.24 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
221.25 applies to all districts, regardless of when the request for certification was made.

221.26 Sec. 5. Minnesota Statutes 2022, section 469.176, subdivision 4, is amended to read:

221.27 Subd. 4. **Limitation on use of tax increment; general rule.** All revenues derived from  
221.28 tax increment shall be used in accordance with the tax increment financing plan. The revenues  
221.29 shall be used solely for the following purposes: (1) to pay the principal of and interest on  
221.30 bonds issued to finance a project; (2) by a rural development financing authority for the  
221.31 purposes stated in section 469.142<sub>2</sub>; by a port authority or municipality exercising the powers  
221.32 of a port authority to finance or otherwise pay the cost of redevelopment pursuant to sections

222.1 469.048 to 469.068<sub>2</sub>; by an economic development authority to finance or otherwise pay  
 222.2 the cost of redevelopment pursuant to sections 469.090 to 469.108<sub>2</sub>; by a housing and  
 222.3 redevelopment authority or economic development authority to finance or otherwise pay  
 222.4 public redevelopment costs pursuant to sections 469.001 to 469.047<sub>2</sub>; by a municipality or  
 222.5 economic development authority to finance or otherwise pay the capital and administration  
 222.6 costs of a development district pursuant to sections 469.124 to 469.133<sub>2</sub>; by a municipality  
 222.7 or authority to finance or otherwise pay the costs of developing and implementing a  
 222.8 development action response plan<sub>2</sub>; by a municipality or redevelopment agency to finance  
 222.9 or otherwise pay premiums for insurance or other security guaranteeing the payment when  
 222.10 due of principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to  
 222.11 469.165, or both, or to accumulate and maintain a reserve securing the payment when due  
 222.12 of the principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to  
 222.13 469.165, or both, which revenues in the reserve shall not exceed, subsequent to the fifth  
 222.14 anniversary of the date of issue of the first bond issue secured by the reserve, an amount  
 222.15 equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased  
 222.16 bonds secured by the reserve; and (3) to pay administrative expenses.

222.17 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 222.18 applies to all districts, regardless of when the request for certification was made.

222.19 Sec. 6. Minnesota Statutes 2022, section 469.1763, subdivision 2, is amended to read:

222.20 Subd. 2. **Expenditures outside district.** (a) For each tax increment financing district,  
 222.21 an amount equal to at least 75 percent of the total revenue derived from tax increments paid  
 222.22 by properties in the district must be expended on activities in the district or to pay bonds,  
 222.23 to the extent that the proceeds of the bonds were used to finance activities in the district or  
 222.24 to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other  
 222.25 than redevelopment districts for which the request for certification was made after June 30,  
 222.26 1995, the in-district percentage for purposes of the preceding sentence is 80 percent. Not  
 222.27 more than 25 percent of the total revenue derived from tax increments paid by properties  
 222.28 in the district may be expended, through a development fund or otherwise, on activities  
 222.29 outside of the district but within the defined geographic area of the project except to pay,  
 222.30 or secure payment of, debt service on credit enhanced bonds. For districts, other than  
 222.31 redevelopment districts for which the request for certification was made after June 30, 1995,  
 222.32 the pooling percentage for purposes of the preceding sentence is 20 percent. The revenues  
 222.33 derived from tax increments paid by properties in the district that are expended on costs  
 222.34 under section 469.176, subdivision 4h, ~~paragraph (b)~~, may be deducted first before calculating  
 222.35 the percentages that must be expended within and without the district.

223.1 (b) In the case of a housing district, a housing project, as defined in section 469.174,  
223.2 subdivision 11, is an activity in the district.

223.3 (c) All administrative expenses are considered to be expenditures for activities outside  
223.4 of the district, except that if the only expenses for activities outside of the district under this  
223.5 subdivision are for the purposes described in paragraph (d), administrative expenses will  
223.6 be considered as expenditures for activities in the district.

223.7 (d) The authority may elect, in the tax increment financing plan for the district, to increase  
223.8 by up to ten percentage points the permitted amount of expenditures for activities located  
223.9 outside the geographic area of the district under paragraph (a). As permitted by section  
223.10 469.176, subdivision 4k, the expenditures, including the permitted expenditures under  
223.11 paragraph (a), need not be made within the geographic area of the project. Expenditures  
223.12 that meet the requirements of this paragraph are legally permitted expenditures of the district,  
223.13 notwithstanding section 469.176, subdivisions 4b, 4c, and 4j. To qualify for the increase  
223.14 under this paragraph, the expenditures must:

223.15 (1) be used exclusively to assist housing that meets the requirement for a qualified  
223.16 low-income building, as that term is used in section 42 of the Internal Revenue Code; and

223.17 (2) not exceed the qualified basis of the housing, as defined under section 42(c) of the  
223.18 Internal Revenue Code, less the amount of any credit allowed under section 42 of the Internal  
223.19 Revenue Code; and

223.20 (3) be used to:

223.21 (i) acquire and prepare the site of the housing;

223.22 (ii) acquire, construct, or rehabilitate the housing; or

223.23 (iii) make public improvements directly related to the housing; or

223.24 (4) be used to develop housing:

223.25 (i) if the market value of the housing does not exceed the lesser of:

223.26 (A) 150 percent of the average market value of single-family homes in that municipality;

223.27 or

223.28 (B) \$200,000 for municipalities located in the metropolitan area, as defined in section  
223.29 473.121, or \$125,000 for all other municipalities; and

223.30 (ii) if the expenditures are used to pay the cost of site acquisition, relocation, demolition  
223.31 of existing structures, site preparation, and pollution abatement on one or more parcels, if  
223.32 the parcel contains a residence containing one to four family dwelling units that has been

224.1 vacant for six or more months and is in foreclosure as defined in section 325N.10, subdivision  
224.2 7, but without regard to whether the residence is the owner's principal residence, and only  
224.3 after the redemption period has expired; or

224.4 (5) to assist owner-occupied housing that meets the requirements of section 469.1761,  
224.5 subdivision 2.

224.6 (e) The authority under paragraph (d), clause (4), expires on December 31, 2016.  
224.7 Increments may continue to be expended under this authority after that date, if they are used  
224.8 to pay bonds or binding contracts that would qualify under subdivision 3, paragraph (a), if  
224.9 December 31, 2016, is considered to be the last date of the five-year period after certification  
224.10 under that provision.

224.11 (f) For purposes of determining whether the minimum percentage of expenditures for  
224.12 activities in the district and maximum percentages of expenditures allowed on activities  
224.13 outside the district have been met under this subdivision, any amounts returned to the county  
224.14 auditor as excess increment, as returned increment under subdivision 4, paragraph (g), or  
224.15 as remedies under section 469.1771, subdivision 2, shall first be subtracted from the total  
224.16 revenues derived from tax increments paid by properties in the district. Any other amounts  
224.17 returned to the county auditor for purposes other than a remedy under section 469.1771,  
224.18 subdivision 3, are considered to be expenditures for activities in the district.

224.19 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
224.20 applies to all districts with a request for certification date after April 30, 1990, except that  
224.21 paragraph (f) shall apply to districts decertifying after December 31, 2023.

224.22 Sec. 7. Minnesota Statutes 2022, section 469.1763, subdivision 3, is amended to read:

224.23 Subd. 3. **Five-year rule.** (a) Revenues derived from tax increments paid by properties  
224.24 in the district ~~that are considered to have been~~ expended on an activity within the district  
224.25 ~~under~~ will instead be considered to have been expended on an activity outside the district  
224.26 for purposes of subdivision 2 only if one of the following occurs unless:

224.27 (1) before or within five years after certification of the district, the revenues are actually  
224.28 paid to a third party with respect to the activity;

224.29 (2) bonds, the proceeds of which must be used to finance the activity, are issued and  
224.30 sold to a third party before or within five years after certification of the district, the revenues  
224.31 are spent to repay the bonds, and the proceeds of the bonds either are, on the date of issuance,  
224.32 reasonably expected to be spent before the end of the later of (i) the five-year period, or (ii)  
224.33 a reasonable temporary period within the meaning of the use of that term under section

225.1 148(c)(1) of the Internal Revenue Code, or are deposited in a reasonably required reserve  
225.2 or replacement fund;

225.3 (3) binding contracts with a third party are entered into for performance of the activity  
225.4 before or within five years after certification of the district and the revenues are spent under  
225.5 the contractual obligation;

225.6 (4) costs with respect to the activity are paid before or within five years after certification  
225.7 of the district and the revenues are spent to reimburse a party for payment of the costs,  
225.8 including interest on unreimbursed costs; or

225.9 (5) ~~expenditures are made~~ revenues are spent for housing purposes as permitted described  
225.10 by subdivision 2, paragraphs paragraph (b) and (d), or for public infrastructure purposes  
225.11 within a zone as permitted by subdivision 2, paragraph (e).

225.12 (b) For purposes of this subdivision, bonds include subsequent refunding bonds if the  
225.13 original refunded bonds meet the requirements of paragraph (a), clause (2).

225.14 (c) For a redevelopment district or a renewal and renovation district certified after June  
225.15 30, 2003, and before April 20, 2009, the five-year periods described in paragraph (a) are  
225.16 extended to ten years after certification of the district. For a redevelopment district certified  
225.17 after April 20, 2009, and before June 30, 2012, the five-year periods described in paragraph  
225.18 (a) are extended to eight years after certification of the district. This extension is provided  
225.19 primarily to accommodate delays in development activities due to unanticipated economic  
225.20 circumstances.

225.21 (d) For a redevelopment district that was certified after December 31, 2017, and before  
225.22 June 30, 2020, the five-year periods described in paragraph (a) are extended to eight years  
225.23 after certification of the district.

225.24 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
225.25 applies to all districts with a request for certification date after April 30, 1990.

225.26 Sec. 8. Minnesota Statutes 2022, section 469.1763, subdivision 4, is amended to read:

225.27 Subd. 4. **Use of revenues for decertification.** ~~(a) In each year beginning with the sixth~~  
225.28 ~~year following certification of the district, or beginning with the ninth year following~~  
225.29 ~~certification of the district for districts whose five-year rule is extended to eight years under~~  
225.30 ~~subdivision 3, paragraph (d), if the applicable in-district percent of the revenues derived~~  
225.31 ~~from tax increments paid by properties in the district exceeds the amount of expenditures~~  
225.32 ~~that have been made for costs permitted under subdivision 3, an amount equal to the~~  
225.33 ~~difference between the in-district percent of the revenues derived from tax increments paid~~

226.1 ~~by properties in the district and the amount of expenditures that have been made for costs~~  
226.2 ~~permitted under subdivision 3 must be used and only used to pay or defease the following~~  
226.3 ~~or be set aside to pay the following:~~

226.4 ~~(1) outstanding bonds, as defined in subdivision 3, paragraphs (a), clause (2), and (b);~~

226.5 ~~(2) contracts, as defined in subdivision 3, paragraph (a), clauses (3) and (4);~~

226.6 ~~(3) credit enhanced bonds to which the revenues derived from tax increments are pledged,~~  
226.7 ~~but only to the extent that revenues of the district for which the credit enhanced bonds were~~  
226.8 ~~issued are insufficient to pay the bonds and to the extent that the increments from the~~  
226.9 ~~applicable pooling percent share for the district are insufficient; or~~

226.10 ~~(4) the amount provided by the tax increment financing plan to be paid under subdivision~~  
226.11 ~~2, paragraphs (b), (d), and (e).~~

226.12 ~~(b) The~~ (a) Beginning with the sixth year following certification of the district, or  
226.13 beginning with the year following the extended period for districts whose five-year period  
226.14 is extended under subdivision 3, paragraphs (c) and (d), a district must be decertified and  
226.15 the pledge of tax increment discharged when the outstanding bonds have been defeased and  
226.16 when sufficient money has been set aside to pay, based on the product of the applicable  
226.17 in-district percentage multiplied by the increment to be cumulative revenues derived from  
226.18 tax increments paid by properties in the district that have been collected through the end of  
226.19 the calendar year, equals or exceeds an amount sufficient to pay the following amounts:

226.20 ~~(1) contractual~~ any costs and obligations as defined described in subdivision 3, paragraph  
226.21 paragraphs (a), clauses (3) and (4); and (b), excluding those under a qualifying pay-as-you-go  
226.22 contract and note;

226.23 ~~(2) the amount specified in the tax increment financing plan for activities qualifying~~  
226.24 ~~under subdivision 2, paragraph (b), that have not been funded with the proceeds of bonds~~  
226.25 ~~qualifying under paragraph (a), clause (1); and~~

226.26 ~~(3) the additional expenditures permitted by the tax increment financing plan for housing~~  
226.27 ~~activities under an election under subdivision 2, paragraph (d), that have not been funded~~  
226.28 ~~with the proceeds of bonds qualifying under paragraph (a), clause (1).~~

226.29 (2) any accrued interest on the costs and obligations in clause (1), payable in accordance  
226.30 with the terms thereof; and

226.31 (3) any administrative expenses falling within the exception in subdivision 2, paragraph  
226.32 (c).

227.1 (b) For districts with an outstanding qualifying pay-as-you-go contract and note, the  
227.2 required decertification under paragraph (a) is deferred until the end of the remaining term  
227.3 of the last outstanding qualifying pay-as-you-go contract and note, and the applicable  
227.4 in-district percentage of cumulative revenues derived from tax increments paid by properties  
227.5 in the district are sufficient to pay the obligations identified in subdivision 3, paragraphs  
227.6 (a) and (b), provided that the deferral shall not exceed the district's duration limit under  
227.7 section 469.176. During the deferral, beginning at the time paragraph (a) would otherwise  
227.8 require decertification, the authority must annually either:

227.9 (1) remove from the district, by the end of the year, all parcels that will no longer have  
227.10 their tax increment revenue pledged or subject to a qualifying pay-as-you-go contract and  
227.11 note or other costs and obligations described in subdivision 3, paragraphs (a) and (b), after  
227.12 the end of the year; or

227.13 (2) use the applicable in-district percentage of revenues derived from tax increments  
227.14 paid by those parcels to prepay an outstanding qualifying pay-as-you-go contract and note  
227.15 of the district or other costs and obligations described in subdivision 3, paragraphs (a) and  
227.16 (b), or to accumulate and use revenues derived from tax increments paid by those parcels  
227.17 as permitted under paragraph (i).

227.18 The authority must remove any parcels as required by this paragraph by modification  
227.19 of the tax increment financing plan and notify the county auditor of the removed parcels by  
227.20 the end of the same calendar year. Notwithstanding section 469.175, subdivision 4,  
227.21 paragraphs (b), clause (1), and (e), the notice, discussion, public hearing, and findings  
227.22 required for approval of the original plan are not required for such a modification.

227.23 (c) Notwithstanding paragraph (a) or (b), if tax increment was pledged prior to August  
227.24 1, 2023, to a bond other than a pay-as-you-go contract and note or interfund loan, and the  
227.25 proceeds of the bond were used solely or in part to pay authorized costs for activities outside  
227.26 the district, the requirement to decertify under paragraph (a) or remove parcels under  
227.27 paragraph (b) shall not apply prior to the bond being fully paid or defeased.

227.28 (d) For purposes of this subdivision, "applicable in-district percentage" means the  
227.29 percentage of tax increment revenue that is restricted for expenditures within the district,  
227.30 as determined under subdivision 2, paragraphs (a) and (d), for the district.

227.31 (e) For purposes of this subdivision, "qualifying pay-as-you-go contract and note" means  
227.32 a pay-as-you-go contract and note that is considered to be for activities within the district  
227.33 under subdivision 3, paragraph (a).

228.1 (f) For purposes of this subdivision, the reference in paragraph (a) to cumulative revenues  
228.2 derived from tax increments paid by properties in the district through the end of the calendar  
228.3 year shall include any final settlement distributions made in the following January. For  
228.4 purposes of the calculation in paragraph (a), any amounts returned to the county auditor as  
228.5 excess increment or as remedies under section 469.1771, subdivision 2, shall first be  
228.6 subtracted from the cumulative revenues derived from tax increments paid by properties in  
228.7 the district.

228.8 (g) The timing and implementation of a decertification pursuant to paragraphs (a) and  
228.9 (b) shall be subject to the following:

228.10 (1) when a decertification is required under paragraph (a) and not deferred under  
228.11 paragraph (b), the authority must, as soon as practical and no later than the final settlement  
228.12 distribution date of January 25 as identified in section 276.111 for the property taxes payable  
228.13 in the calendar year identified in paragraph (a), make the decertification by resolution  
228.14 effective for the end of the calendar year identified in paragraph (a), and communicate the  
228.15 decertification to the county auditor;

228.16 (2) when a decertification is deferred under paragraph (b), the authority must, by  
228.17 December 31 of the year in which the last qualifying pay-as-you-go contract and note reaches  
228.18 termination, make the decertification by resolution effective for the end of that calendar  
228.19 year and communicate the decertification to the county auditor;

228.20 (3) if the county auditor is unable to prevent tax increments from being calculated for  
228.21 taxes payable in the year following the year for which the decertification is made effective,  
228.22 the county auditor may redistribute the tax increments in the same manner as excess  
228.23 increments under section 469.176, subdivision 2, paragraph (c), clause (4), without first  
228.24 distributing them to the authority; and

228.25 (4) if tax increments are distributed to an authority for a taxes payable year after the year  
228.26 for which the decertification was required to be effective, the authority must return the  
228.27 amount of the distributions to the county auditor for redistribution in the same manner as  
228.28 excess increments under section 469.176, subdivision 2, paragraph (c), clause (4).

228.29 (h) The provisions of this subdivision do not apply to a housing district.

228.30 (i) Notwithstanding anything to the contrary in paragraph (a) or (b), if an authority has  
228.31 made the election in the tax increment financing plan for the district under subdivision 2,  
228.32 paragraph (d), then the requirement to decertify under paragraph (a) or remove parcels under  
228.33 paragraph (b) shall not apply prior to such time that the accumulated revenues derived from  
228.34 tax increments paid by properties in the district that are eligible to be expended for housing

229.1 purposes described under subdivision 2, paragraph (d), equals the lesser of the amount the  
 229.2 authority is permitted to expend for housing purposes described under subdivision 2,  
 229.3 paragraph (d), or the amount authorized for such purposes in the tax increment financing  
 229.4 plan. Increment revenues collected after the district would have decertified under paragraph  
 229.5 (a) or from parcels which otherwise would be subject to removal under paragraph (b), absent  
 229.6 the exception of this paragraph, shall be used solely for housing purposes as described in  
 229.7 subdivision 2, paragraph (d).

229.8 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
 229.9 applies to all districts with a request for certification after April 30, 1990, except that the  
 229.10 requirements under paragraph (b) to remove parcels or use revenues from such parcels as  
 229.11 prescribed in paragraph (b) apply only to districts for which the request for certification  
 229.12 was made after the day following final enactment.

229.13 Sec. 9. Minnesota Statutes 2022, section 469.1763, subdivision 6, is amended to read:

229.14 Subd. 6. **Pooling permitted for deficits.** (a) This subdivision applies only to districts  
 229.15 for which the request for certification was made before August 1, 2001, and without regard  
 229.16 to whether the request for certification was made prior to August 1, 1979.

229.17 (b) The municipality for the district may transfer available increments from another tax  
 229.18 increment financing district located in the municipality, if the transfer is necessary to  
 229.19 eliminate a deficit in the district to which the increments are transferred. The municipality  
 229.20 may transfer increments as provided by this subdivision without regard to whether the  
 229.21 transfer or expenditure is authorized by the tax increment financing plan for the district  
 229.22 from which the transfer is made. A deficit in the district for purposes of this subdivision  
 229.23 means the lesser of the following two amounts:

229.24 (1) ~~(i)~~ the amount due during the calendar year to pay preexisting obligations of the  
 229.25 district; minus the sum of

229.26 ~~(ii)~~ (i) the total increments collected or to be collected from properties located within  
 229.27 the district that are available for the calendar year including amounts collected in prior years  
 229.28 that are currently available; plus

229.29 ~~(iii)~~ (ii) total increments from properties located in other districts in the municipality  
 229.30 including amounts collected in prior years that are available to be used to meet the district's  
 229.31 obligations under this section, excluding this subdivision, or other provisions of law; or

229.32 (2) the reduction in increments collected from properties located in the district for the  
 229.33 calendar year as a result of the changes in classification rates in Laws 1997, chapter 231,

230.1 article 1; Laws 1998, chapter 389, article 2; and Laws 1999, chapter 243, and Laws 2001,  
230.2 First Special Session chapter 5, or the elimination of the general education tax levy under  
230.3 Laws 2001, First Special Session chapter 5.

230.4 The authority may compute the deficit amount under clause (1) only (without regard to  
230.5 the limit under clause (2)) if the authority makes an irrevocable commitment, by resolution,  
230.6 to use increments from the district to which increments are to be transferred and any  
230.7 transferred increments are only used to pay preexisting obligations and administrative  
230.8 expenses for the district that are required to be paid under section 469.176, subdivision 4h,  
230.9 paragraph (a).

230.10 (c) A preexisting obligation means:

230.11 (1) bonds issued and sold before August 1, 2001, or bonds issued pursuant to a binding  
230.12 contract requiring the issuance of bonds entered into before July 1, 2001, and bonds issued  
230.13 to refund such bonds or to reimburse expenditures made in conjunction with a signed  
230.14 contractual agreement entered into before August 1, 2001, to the extent that the bonds are  
230.15 secured by a pledge of increments from the tax increment financing district; and

230.16 (2) binding contracts entered into before August 1, 2001, to the extent that the contracts  
230.17 require payments secured by a pledge of increments from the tax increment financing district.

230.18 (d) The municipality may require a development authority, other than a seaway port  
230.19 authority, to transfer available increments including amounts collected in prior years that  
230.20 are currently available for any of its tax increment financing districts in the municipality to  
230.21 make up an insufficiency in another district in the municipality, regardless of whether the  
230.22 district was established by the development authority or another development authority.

230.23 This authority applies notwithstanding any law to the contrary, but applies only to a  
230.24 development authority that:

230.25 (1) was established by the municipality; or

230.26 (2) the governing body of which is appointed, in whole or part, by the municipality or  
230.27 an officer of the municipality or which consists, in whole or part, of members of the  
230.28 governing body of the municipality. The municipality may use this authority only after it  
230.29 has first used all available increments of the receiving development authority to eliminate  
230.30 the insufficiency and exercised any permitted action under section 469.1792, subdivision  
230.31 3, for preexisting districts of the receiving development authority to eliminate the  
230.32 insufficiency.

231.1 (e) The authority under this subdivision to spend tax increments outside of the area of  
231.2 the district from which the tax increments were collected:

231.3 (1) is an exception to the restrictions under section 469.176, subdivisions 4b, 4c, 4d, 4e,  
231.4 4i, and 4j; the expenditure limits under section 469.176, subdivision 1c; and the other  
231.5 provisions of this section; and the percentage restrictions under subdivision 2 must be  
231.6 calculated after deducting increments spent under this subdivision from the total increments  
231.7 for the district; and

231.8 (2) applies notwithstanding the provisions of the Tax Increment Financing Act in effect  
231.9 for districts for which the request for certification was made before June 30, 1982, or any  
231.10 other law to the contrary.

231.11 (f) If a preexisting obligation requires the development authority to pay an amount that  
231.12 is limited to the increment from the district or a specific development within the district and  
231.13 if the obligation requires paying a higher amount to the extent that increments are available,  
231.14 the municipality may determine that the amount due under the preexisting obligation equals  
231.15 the higher amount and may authorize the transfer of increments under this subdivision to  
231.16 pay up to the higher amount. The existence of a guarantee of obligations by the individual  
231.17 or entity that would receive the payment under this paragraph is disregarded in the  
231.18 determination of eligibility to pool under this subdivision. The authority to transfer increments  
231.19 under this paragraph may only be used to the extent that the payment of all other preexisting  
231.20 obligations in the municipality due during the calendar year have been satisfied.

231.21 (g) For transfers of increments made in calendar year 2005 and later, the reduction in  
231.22 increments as a result of the elimination of the general education tax levy for purposes of  
231.23 paragraph (b), clause (2), for a taxes payable year equals the general education tax rate for  
231.24 the school district under Minnesota Statutes 2000, section 273.1382, subdivision 1, for taxes  
231.25 payable in 2001, multiplied by the captured tax capacity of the district for the current taxes  
231.26 payable year.

231.27 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
231.28 applies only to districts for which the request for certification was made before August 1,  
231.29 2001, and without regard to whether the request for certification was made prior to August  
231.30 1, 1979.

231.31 Sec. 10. Minnesota Statutes 2022, section 469.1771, subdivision 2, is amended to read:

231.32 Subd. 2. **Collection of increment.** If an authority includes or retains a parcel of property  
231.33 in a tax increment financing district that does not qualify for inclusion or retention within

232.1 the district, the authority must pay to the county auditor an amount of money equal to the  
232.2 increment collected from the property for the year or years. The property must be eliminated  
232.3 from the original and captured tax capacity of the district effective for the current property  
232.4 tax assessment year. ~~This subdivision does not apply to a failure to decertify a district at~~  
232.5 ~~the end of the duration limit specified in the tax increment financing plan.~~

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

232.7 Sec. 11. Minnesota Statutes 2022, section 469.1771, subdivision 2a, is amended to read:

232.8 Subd. 2a. **Suspension of distribution of tax increment.** (a) If an authority fails to make  
232.9 a disclosure or to submit a report containing the information required by section 469.175,  
232.10 subdivisions 5 and 6, regarding a tax increment financing district within the time provided  
232.11 in section 469.175, subdivisions 5 and 6, the state auditor shall mail to the authority a written  
232.12 notice that it or the municipality has failed to make the required disclosure or to submit a  
232.13 required report with respect to a particular district. The state auditor shall mail the notice  
232.14 on or before the third Tuesday of August of the year in which the disclosure or report was  
232.15 required to be made or submitted. The notice must describe the consequences of failing to  
232.16 disclose or submit a report as provided in paragraph (b). If the state auditor has not received  
232.17 a copy of a disclosure or a report described in this paragraph on or before the first day of  
232.18 October of the year in which the disclosure or report was required to be made or submitted,  
232.19 the state auditor shall mail a written notice to the county auditor to hold the distribution of  
232.20 tax increment from a particular district.

232.21 (b) Upon receiving written notice from the state auditor to hold the distribution of tax  
232.22 increment, the county auditor shall hold all tax increment that otherwise would be distributed  
232.23 after receipt of the notice, until further notified under paragraph (c).

232.24 ~~(1) 100 percent of the amount of tax increment that otherwise would be distributed, if~~  
232.25 ~~the distribution is made after the first day of October but during the year in which the~~  
232.26 ~~disclosure or report was required to be made or submitted; or~~

232.27 ~~(2) 100 percent of the amount of tax increment that otherwise would be distributed, if~~  
232.28 ~~the distribution is made after December 31 of the year in which the disclosure or report was~~  
232.29 ~~required to be made or submitted.~~

232.30 (c) Upon receiving the copy of the disclosure and all of the reports described in paragraph  
232.31 (a) with respect to a district regarding which the state auditor has mailed to the county  
232.32 auditor a written notice to hold distribution of tax increment, the state auditor shall mail to  
232.33 the county auditor a written notice lifting the hold and authorizing the county auditor to

233.1 distribute to the authority or municipality any tax increment that the county auditor had held  
233.2 pursuant to paragraph (b). The state auditor shall mail the written notice required by this  
233.3 paragraph within five working days after receiving the last outstanding item. The county  
233.4 auditor shall distribute the tax increment to the authority or municipality within 15 working  
233.5 days after receiving the written notice required by this paragraph.

233.6 (d) Notwithstanding any law to the contrary, any interest that accrues on tax increment  
233.7 while it is being held by the county auditor pursuant to paragraph (b) is not tax increment  
233.8 and may be retained by the county.

233.9 (e) For purposes of sections 469.176, subdivisions 1a to 1g, and 469.177, subdivision  
233.10 11, tax increment being held by the county auditor pursuant to paragraph (b) is considered  
233.11 distributed to or received by the authority or municipality as of the time that it would have  
233.12 been distributed or received but for paragraph (b).

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

233.14 Sec. 12. Minnesota Statutes 2022, section 469.1771, subdivision 3, is amended to read:

233.15 Subd. 3. **Expenditure of increment.** If an authority expends revenues derived from tax  
233.16 increments, including the proceeds of tax increment bonds, (1) for a purpose that is not a  
233.17 permitted project under ~~section 469.176~~ sections 469.174 to 469.1794, (2) for a purpose  
233.18 that is not permitted under ~~section 469.176~~ sections 469.174 to 469.1794 for the district  
233.19 from which the increment was received, or (3) on activities outside of the geographic area  
233.20 in which the revenues may be expended under this chapter, the authority must pay to the  
233.21 county auditor an amount equal to the expenditures made in violation of the law.

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

233.23 **ARTICLE 10**  
233.24 **LOCAL SALES AND USE TAXES**

233.25 Section 1. Minnesota Statutes 2022, section 297A.99, is amended by adding a subdivision  
233.26 to read:

233.27 Subd. 3a. **Temporary moratorium.** (a) Notwithstanding subdivisions 1, 2, and 3, until  
233.28 after May 31, 2025, a political subdivision may not engage in any of the following activities  
233.29 in connection with imposing a new local sales and use tax or modifying an existing local  
233.30 sales and use tax:

233.31 (1) any activity described in subdivision 1, paragraph (d);

234.1 (2) adopt a resolution; or

234.2 (3) seek voter approval.

234.3 (b) Paragraph (a) does not apply to new local sales and use taxes or modifications to  
234.4 existing local sales and use taxes authorized in May, 2023.

234.5 (c) This subdivision expires June 1, 2025.

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

234.7 Sec. 2. Laws 1993, chapter 375, article 9, section 46, as amended by Laws 1997, chapter  
234.8 231, article 7, section 40, Laws 1998, chapter 389, article 8, sections 30, 31, and 32, Laws  
234.9 2003, First Special Session chapter 21, article 8, section 13, Laws 2005, First Special Session  
234.10 chapter 3, article 5, sections 26 and 27, Laws 2009, chapter 88, article 4, sections 15 and  
234.11 16, and Laws 2013, chapter 143, article 8, sections 44 and 45, is amended by adding a  
234.12 subdivision to read:

234.13 Subd. 1a. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes, section  
234.14 477A.016, or any other law, ordinance, or city charter, and if approved by the voters at an  
234.15 election as required under Minnesota Statutes, section 297A.99, subdivision 3, the city of  
234.16 St. Paul may impose by ordinance a sales and use tax of one percent for the purposes specified  
234.17 in subdivision 2b. Notwithstanding Minnesota Statutes, section 297A.99, subdivision 3,  
234.18 paragraph (a), the city may, but is not required to, present one question on the ballot for all  
234.19 projects authorized under subdivision 3a. If all projects are presented in one question, the  
234.20 question must state each project proposed to be funded with the tax, the amount for each  
234.21 project proposed to be funded with the tax, and the estimated length of time the tax will be  
234.22 in effect for each project. Except as otherwise provided in this section, the provisions of  
234.23 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and  
234.24 enforcement of the tax authorized under this subdivision. The tax imposed under this  
234.25 subdivision is in addition to any other local sales and use tax imposed by the city of St. Paul  
234.26 under any other special law.

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

234.30 Sec. 3. Laws 1993, chapter 375, article 9, section 46, as amended by Laws 1997, chapter  
234.31 231, article 7, section 40, Laws 1998, chapter 389, article 8, sections 30, 31, and 32, Laws  
234.32 2003, First Special Session chapter 21, article 8, section 13, Laws 2005, First Special Session

235.1 chapter 3, article 5, sections 26 and 27, Laws 2009, chapter 88, article 4, sections 15 and  
235.2 16, and Laws 2013, chapter 143, article 8, sections 44 and 45, is amended by adding a  
235.3 subdivision to read:

235.4 Subd. 2b. Use of revenues. (a) The revenues derived from the tax authorized under  
235.5 subdivision 1a must be used by the city of St. Paul to pay the costs of collecting and  
235.6 administering the tax and to finance all or part of the following projects in the city, including  
235.7 securing and paying debt service on bonds issued under subdivision 3a:

235.8 (1) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraphs (a),  
235.9 clause (2), and (d), \$738,000,000, plus associated bonding costs for improvements to:

235.10 (i) streets; and

235.11 (ii) bridges; and

235.12 (2) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),  
235.13 \$246,000,000, plus associated bonding costs for capital improvements to St. Paul parks and  
235.14 recreation facilities.

235.15 (b) The city must adopt an amended resolution authorizing use of the revenues from the  
235.16 tax authorized under subdivision 1a for the use listed in paragraph (a), clause (1), item (ii).  
235.17 The city must submit the resolution to the state auditor no later than August 31 of the year  
235.18 the city presents the tax for voter approval as required under Minnesota Statutes, section  
235.19 297A.99, subdivision 3, paragraph (a). The question to approve the tax as required under  
235.20 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a), must indicate the purposes  
235.21 for which the revenues must be used as included in the amended resolution.

235.22 (c) If the city does not adopt and submit the amended resolution under paragraph (b),  
235.23 the question presented to the voters under Minnesota Statutes, section 297A.99, subdivision  
235.24 3, paragraph (a), must not include, and revenues from the tax authorized under subdivision  
235.25 1a must not be used for, the purpose specified in paragraph (a), clause (1), item (ii).

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

235.29 Sec. 4. Laws 1993, chapter 375, article 9, section 46, as amended by Laws 1997, chapter  
235.30 231, article 7, section 40, Laws 1998, chapter 389, article 8, sections 30, 31, and 32, Laws  
235.31 2003, First Special Session chapter 21, article 8, section 13, Laws 2005, First Special Session  
235.32 chapter 3, article 5, sections 26 and 27, Laws 2009, chapter 88, article 4, sections 15 and

236.1 16, and Laws 2013, chapter 143, article 8, sections 44 and 45, is amended by adding a  
236.2 subdivision to read:

236.3 Subd. 3a. **Bonding authority.** (a) The city of St. Paul may issue bonds under Minnesota  
236.4 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in  
236.5 subdivision 2b and approved by the voters as required under Minnesota Statutes, section  
236.6 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued  
236.7 under this subdivision may not exceed \$984,000,000 for the projects listed in subdivision  
236.8 2b, plus an amount to be applied to the payment of the costs of issuing the bonds.

236.9 (b) The bonds may be paid from or secured by any funds available to the city of St. Paul,  
236.10 including the tax authorized under subdivision 1a. The issuance of bonds under this  
236.11 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

236.12 (c) The bonds are not included in computing any debt limitation applicable to the city  
236.13 of St. Paul, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
236.14 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
236.15 the bonds under Minnesota Statutes, section 475.58, is not required.

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

236.19 Sec. 5. Laws 1993, chapter 375, article 9, section 46, subdivision 5, as amended by Laws  
236.20 1998, chapter 389, article 8, section 32, and Laws 2013, chapter 143, article 8, section 45,  
236.21 is amended to read:

236.22 Subd. 5. **Expiration of taxing authority.** (a) The authority granted by subdivision 1 to  
236.23 the city to impose a sales tax shall expire on December 31, 2042, or at an earlier time as the  
236.24 city shall, by ordinance, determine. Any funds remaining after completion of projects  
236.25 approved under subdivision 2, paragraph (a) and retirement or redemption of any bonds or  
236.26 other obligations may be placed in the general fund of the city.

236.27 (b) The tax imposed under subdivision 1a expires at the earlier of (1) 20 years after the  
236.28 tax is first imposed, or (2) when the city council determines that the amount of revenues  
236.29 received from the tax is sufficient to pay for the project costs authorized under subdivision  
236.30 2b for projects approved by the voters as required under Minnesota Statutes, section 297A.99,  
236.31 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
236.32 of the bonds under subdivision 3a, including interest on the bonds. Except as otherwise  
236.33 provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds

237.1 remaining after payment of the allowed costs due to the timing of the termination of the tax  
237.2 under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general  
237.3 fund of the city. The tax imposed under subdivision 1a may expire at an earlier time if the  
237.4 city so determines by ordinance.

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

237.8 Sec. 6. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First  
237.9 Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session  
237.10 chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections  
237.11 11, 12, and 13, is amended by adding a subdivision to read:

237.12 Subd. 1a. **Authorization; extension.** Notwithstanding Minnesota Statutes, section  
237.13 477A.016, or any other law, ordinance, or city charter, and notwithstanding Minnesota  
237.14 Statutes, section 297A.99, subdivision 3, paragraph (d), if approved by the voters at an  
237.15 election held in 2023, the city of Rochester may extend the sales and use tax of one-half of  
237.16 one percent authorized under subdivision 1, paragraph (a), for the purposes specified in  
237.17 subdivision 3a. Notwithstanding Minnesota Statutes, section 297A.99, subdivision 3,  
237.18 paragraph (a), the city may, but is not required to, present one question on the ballot for all  
237.19 projects authorized under subdivision 3a. If all projects are presented in one question, the  
237.20 question must state each project proposed to be funded with the tax, the amount for each  
237.21 project proposed to be funded with the tax, and the estimated length of time the tax will be  
237.22 in effect for each project. Except as otherwise provided in this section, the provisions of  
237.23 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and  
237.24 enforcement of the tax authorized under this subdivision. The tax imposed under this  
237.25 subdivision is in addition to any local sales and use tax imposed under any other special  
237.26 law.

237.27 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
237.28 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section  
237.29 645.021, subdivisions 2 and 3.

237.30 Sec. 7. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First  
237.31 Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session

238.1 chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections  
238.2 11, 12, and 13, is amended by adding a subdivision to read:

238.3 Subd. 3a. Use of sales and use tax revenues; additional projects. The revenues derived  
238.4 from the extension of the tax authorized under subdivision 1a must be used by the city of  
238.5 Rochester to pay the costs of collecting and administering the tax and paying for the following  
238.6 projects in the city, including securing and paying debt service on bonds issued to finance  
238.7 all or part of the following projects, plus associated bonding costs:

238.8 (1) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),  
238.9 \$50,000,000 for an economic vitality fund and expenses eligible to be paid from the fund;

238.10 (2) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),  
238.11 \$50,000,000 for street reconstruction;

238.12 (3) notwithstanding Minnesota Statutes, section 297A.99, subdivision 2, paragraph (d),  
238.13 \$40,000,000 for flood control and water quality, excluding removal of the MN00515 dam;  
238.14 and

238.15 (4) \$65,000,000 for a sports and recreation complex.

238.16 EFFECTIVE DATE. This section is effective the day after the governing body of the  
238.17 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section  
238.18 645.021, subdivisions 2 and 3.

238.19 Sec. 8. Laws 1998, chapter 389, article 8, section 43, as amended by Laws 2005, First  
238.20 Special Session chapter 3, article 5, sections 28, 29, and 30, Laws 2011, First Special Session  
238.21 chapter 7, article 4, sections 5, 6, and 7, and Laws 2013, chapter 143, article 10, sections  
238.22 11, 12, and 13, is amended by adding a subdivision to read:

238.23 Subd. 4a. Bonding authority; additional projects and extension of tax. (a) The city  
238.24 of Rochester may issue bonds under Minnesota Statutes, chapter 475, to finance all or a  
238.25 portion of the costs of the projects authorized in subdivision 3a and approved by the voters  
238.26 as required under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (a). The  
238.27 aggregate principal amount of bonds issued under this subdivision may not exceed  
238.28 \$205,000,000 for the projects described in subdivision 3a, clauses (1) to (4), plus an amount  
238.29 to be applied to the payment of the costs of issuing the bonds.

238.30 (b) The bonds may be paid from or secured by any funds available to the city of  
238.31 Rochester, including the tax authorized under subdivision 1a and the full faith and credit  
238.32 of the city. The issuance of bonds under this subdivision is not subject to Minnesota Statutes,  
238.33 sections 275.60 and 275.61.

239.1 (c) The bonds are not included in computing any debt limitation applicable to the city  
 239.2 of Rochester, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
 239.3 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
 239.4 the bonds under Minnesota Statutes, section 475.58, is not required.

239.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 239.6 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section  
 239.7 645.021, subdivisions 2 and 3.

239.8 Sec. 9. Laws 1998, chapter 389, article 8, section 43, subdivision 5, as amended by Laws  
 239.9 2005, First Special Session chapter 3, article 5, section 30, Laws 2011, First Special Session  
 239.10 chapter 7, article 4, section 7, and Laws 2013, chapter 143, article 10, section 13, is amended  
 239.11 to read:

239.12 **Subd. 5. Termination of taxes.** (a) The taxes imposed under subdivisions 1 and 2 expire  
 239.13 at the later of (1) December 31, 2009, or (2) when the city council determines that sufficient  
 239.14 funds have been received from the taxes to finance the first \$71,500,000 of capital  
 239.15 expenditures and bonds for the projects authorized in subdivision 3, including the amount  
 239.16 to prepay or retire at maturity the principal, interest, and premium due on any bonds issued  
 239.17 for the projects under subdivision 4, unless the taxes are extended as allowed in paragraph  
 239.18 (b). Any funds remaining after completion of the project and retirement or redemption of  
 239.19 the bonds shall also be used to fund the projects under subdivision 3. The taxes imposed  
 239.20 under subdivisions 1 and 2 may expire at an earlier time if the city so determines by  
 239.21 ordinance.

239.22 (b) Notwithstanding Minnesota Statutes, sections 297A.99 and 477A.016, or any other  
 239.23 contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance,  
 239.24 extend the taxes authorized in subdivisions 1 and 2 beyond December 31, 2009, if approved  
 239.25 by the voters of the city at a special election in 2005 or the general election in 2006. The  
 239.26 question put to the voters must indicate that an affirmative vote would allow up to an  
 239.27 additional \$40,000,000 of sales tax revenues be raised and up to \$40,000,000 of bonds to  
 239.28 be issued above the amount authorized in the June 23, 1998, referendum for the projects  
 239.29 specified in subdivision 3. If the taxes authorized in subdivisions 1 and 2 are extended under  
 239.30 this paragraph, the taxes expire when the city council determines that sufficient funds have  
 239.31 been received from the taxes to finance the projects and to prepay or retire at maturity the  
 239.32 principal, interest, and premium due on any bonds issued for the projects under subdivision  
 239.33 4. Any funds remaining after completion of the project and retirement or redemption of the  
 239.34 bonds may be placed in the general fund of the city.

240.1 (c) Notwithstanding Minnesota Statutes, sections 297A.99 and 477A.016, or any other  
 240.2 contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance,  
 240.3 extend the taxes authorized in subdivisions 1, paragraph (a), and 2, up to December 31,  
 240.4 2049, provided that all additional revenues above those necessary to fund the projects and  
 240.5 associated financing costs listed in subdivision 3, paragraphs (a) to (e), are committed to  
 240.6 fund public infrastructure projects contained in the development plan adopted under  
 240.7 Minnesota Statutes, section 469.43, including all financing costs; otherwise the taxes  
 240.8 terminate when the city council determines that sufficient funds have been received from  
 240.9 the taxes to finance expenditures and bonds for the projects authorized in subdivision 3,  
 240.10 paragraphs (a) to (e), plus an amount equal to the costs of issuance of the bonds and including  
 240.11 the amount to prepay or retire at maturity the principal, interest, and premiums due on any  
 240.12 bonds issued for the projects under subdivision 4.

240.13 (d) The tax imposed under subdivision 1, paragraph (b), expires at the earlier of December  
 240.14 31, 2049, or when the city council determines that sufficient funds have been raised from  
 240.15 the tax plus all other city funding sources authorized in this article to meet the city obligation  
 240.16 for financing the public infrastructure projects contained in the development plan adopted  
 240.17 under Minnesota Statutes, section 469.43, including all financing costs.

240.18 (e) The tax imposed under subdivision 1a expires at the earlier of (1) 24 years after first  
 240.19 imposed, or (2) when the city council determines that the amount of revenues received from  
 240.20 the tax is sufficient to pay for the project costs authorized under subdivision 3a for projects  
 240.21 approved by the voters as required under Minnesota Statutes, section 297A.99, subdivision  
 240.22 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance of the bonds  
 240.23 under subdivision 4a, including interest on the bonds. Except as otherwise provided in  
 240.24 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining  
 240.25 after payment of the allowed costs due to the timing of the termination of the tax under  
 240.26 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of  
 240.27 the city. The tax imposed under subdivision 1a may expire at an earlier time if the city so  
 240.28 determines by ordinance.

240.29 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 240.30 city of Rochester and its chief clerical officer comply with Minnesota Statutes, section  
 240.31 645.021, subdivisions 2 and 3.

241.1 Sec. 10. Laws 2008, chapter 366, article 7, section 20, as amended by Laws 2017, First  
241.2 Special Session chapter 1, article 5, section 17, is amended to read:

241.3 Sec. 20. **CITY OF NORTH MANKATO; TAXES AUTHORIZED.**

241.4 Subdivision 1. **Sales and use tax authorized.** Notwithstanding Minnesota Statutes,  
241.5 section 477A.016, or any other provision of law, ordinance, or city charter, pursuant to the  
241.6 approval of the voters on November 7, 2006, the city of North Mankato may impose by  
241.7 ordinance a sales and use tax of one-half of one percent for the purposes specified in  
241.8 subdivision 2. The provisions of Minnesota Statutes, section 297A.99, govern the imposition,  
241.9 administration, collection, and enforcement of the taxes authorized under this subdivision.

241.10 Subd. 2. **Use of revenues.** Revenues received from the tax authorized by subdivision 1  
241.11 must be used to pay all or part of the capital costs of the following projects:

241.12 (1) the local share of the Trunk Highway 14/County State-Aid Highway 41 interchange  
241.13 project;

241.14 (2) development of regional parks and hiking and biking trails, including construction  
241.15 of indoor regional athletic facilities;

241.16 (3) expansion of the North Mankato Taylor Library;

241.17 (4) riverfront redevelopment; and

241.18 (5) lake improvement projects.

241.19 The total amount of revenues from the tax in subdivision 1 that may be used to fund  
241.20 these projects is \$15,000,000 plus any associated bond costs.

241.21 Subd. 2a. **Authorization to extend the tax.** Notwithstanding Minnesota Statutes, section  
241.22 297A.99, subdivision 3, the North Mankato city council may, by resolution, extend the tax  
241.23 authorized under subdivision 1 to cover an additional ~~\$9,000,000~~ \$15,000,000 in bonds,  
241.24 plus associated bond costs, to fund the projects in subdivision 2 pursuant to voter approval  
241.25 to extend the tax at the November 8, 2016, general election.

241.26 Subd. 3. **Bonds.** (a) The city of North Mankato, pursuant to the approval of the voters  
241.27 at the November 7, 2006 referendum authorizing the imposition of the taxes in this section,  
241.28 may issue bonds under Minnesota Statutes, chapter 475, to pay capital and administrative  
241.29 expenses for the projects described in subdivision 2, in an amount that does not exceed  
241.30 \$6,000,000. A separate election to approve the bonds under Minnesota Statutes, section  
241.31 475.58, is not required.

242.1 (b) The city of North Mankato, pursuant to approval of the voters at the November 8,  
242.2 2016, referendum extending the tax to provide additional revenue to be spent for the projects  
242.3 in subdivision 2, may issue additional bonds under Minnesota Statutes, chapter 475, to pay  
242.4 capital and administrative expenses for those projects in an amount that does not exceed  
242.5 ~~\$9,000,000~~ \$15,000,000. A separate election to approve the bonds under Minnesota Statutes,  
242.6 section 475.58, is not required.

242.7 (c) The debt represented by the bonds is not included in computing any debt limitation  
242.8 applicable to the city, and any levy of taxes under Minnesota Statutes, section 475.61, to  
242.9 pay principal and interest on the bonds is not subject to any levy limitation.

242.10 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the  
242.11 earlier of December 31, ~~2038~~ 2044, or when revenues from the taxes first equal or exceed  
242.12 ~~\$15,000,000~~ \$21,000,000 plus the additional amount needed to pay costs related to issuance  
242.13 of bonds under subdivision 3, including interest. Any funds remaining after completion of  
242.14 the projects and retirement or redemption of the bonds shall be placed in a capital facilities  
242.15 and equipment replacement fund of the city. The tax imposed under subdivision 1 may  
242.16 expire at an earlier time if the city so determines by ordinance.

242.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
242.18 city of North Mankato and its chief clerical officer comply with Minnesota Statutes, section  
242.19 645.021, subdivisions 2 and 3.

242.20 Sec. 11. Laws 2011, First Special Session chapter 7, article 4, section 14, is amended to  
242.21 read:

242.22 Sec. 14. **CITY OF MARSHALL; SALES AND USE TAX.**

242.23 Subdivision 1. **Authorization.** Notwithstanding Minnesota Statutes, section 297A.99,  
242.24 subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city charter, the city of  
242.25 Marshall, if approved by the voters at a general election held within two years of the date  
242.26 of final enactment of this section, may impose the tax authorized under subdivision 2. Two  
242.27 separate ballot questions must be presented to the voters, one for each of the two facility  
242.28 projects named in subdivision 3.

242.29 Subd. 2. **Sales and use tax authorized.** The city of Marshall may impose by ordinance  
242.30 a sales and use tax of up to one-half of one percent for the purposes specified in subdivision  
242.31 3. The provisions of Minnesota Statutes, section 297A.99, except subdivisions 1 and 2,  
242.32 govern the imposition, administration, collection, and enforcement of the tax authorized  
242.33 under this subdivision.

243.1 Subd. 2a. **Authorization; extension.** (a) Notwithstanding Minnesota Statutes, section  
 243.2 297A.99, subdivision 3, paragraph (d), or 477A.016, or any other law, ordinance, or city  
 243.3 charter, after payment of the bonds authorized under subdivision 4, and if approved by the  
 243.4 voters at an election held on November 7, 2023, the city of Marshall may extend the sales  
 243.5 and use tax of one-half of one percent authorized under subdivision 2 for the purposes  
 243.6 specified in subdivision 3a.

243.7 (b) Except as otherwise provided in this section, the provisions of Minnesota Statutes,  
 243.8 section 297A.99, govern the imposition, administration, collection, and enforcement of the  
 243.9 tax authorized under this subdivision. The tax imposed under this subdivision is in addition  
 243.10 to any local sales and use tax imposed under any other special law.

243.11 **Subd. 3. Use of sales and use tax revenues.** The revenues derived from the tax authorized  
 243.12 under subdivision 2 must be used by the city of Marshall to pay the costs of collecting and  
 243.13 administering the sales and use tax and to pay all or part of the costs of the new and existing  
 243.14 facilities of the Minnesota Emergency Response and Industry Training Center and all or  
 243.15 part of the costs of the new facilities of the Southwest Minnesota Regional Amateur Sports  
 243.16 Center. Authorized expenses include, but are not limited to, acquiring property, predesign,  
 243.17 design, and paying construction, furnishing, and equipment costs related to these facilities  
 243.18 and paying debt service on bonds or other obligations issued by the city of Marshall under  
 243.19 subdivision 4 to finance the capital costs of these facilities.

243.20 Subd. 3a. **Use of sales and use tax revenues; aquatic center.** The revenues derived  
 243.21 from the extension of the tax authorized under subdivision 2a must be used by the city of  
 243.22 Marshall to pay the costs of collecting and administering the tax and paying for \$18,370,000  
 243.23 plus associated bonding costs for the construction of a new municipal aquatic center in the  
 243.24 city, including securing and paying debt service on bonds issued to finance the project.

243.25 **Subd. 4. Bonds.** (a) If the imposition of a sales and use tax is approved by the voters,  
 243.26 the city of Marshall may issue bonds under Minnesota Statutes, chapter 475, to finance all  
 243.27 or a portion of the costs of the facilities authorized in subdivision 3, and may issue bonds  
 243.28 to refund bonds previously issued. The aggregate principal amount of bonds issued under  
 243.29 this subdivision may not exceed \$17,290,000, plus an amount to be applied to the payment  
 243.30 of the costs of issuing the bonds. The bonds may be paid from or secured by any funds  
 243.31 available to the city of Marshall, including the tax authorized under subdivision 2.

243.32 (b) The bonds are not included in computing any debt limitation applicable to the city  
 243.33 of Marshall, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal

244.1 and interest on the bonds, is not subject to any levy limitation. A separate election to approve  
244.2 the bonds under Minnesota Statutes, section 475.58, is not required.

244.3 Subd. 4a. **Bonds; additional use and extension of tax.** (a) After payment of the bonds  
244.4 authorized under subdivision 4, the city of Marshall may issue bonds under Minnesota  
244.5 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in  
244.6 subdivision 2a. The aggregate principal amount of bonds issued under this subdivision may  
244.7 not exceed \$18,370,000, plus an amount to be applied to the payment of the costs of issuing  
244.8 the bonds. The bonds may be paid from or secured by any funds available to the city of  
244.9 Marshall, including the tax authorized under subdivision 2a. The issuance of bonds under  
244.10 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

244.11 (b) The bonds are not included in computing any debt limitation applicable to the city  
244.12 of Marshall, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
244.13 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
244.14 the bonds under Minnesota Statutes, section 475.58, is not required.

244.15 Subd. 5. **Termination of taxes.** (a) The tax imposed under subdivision 2 expires at the  
244.16 earlier of (1) 15 years after the tax is first imposed, or (2) when the city council determines  
244.17 that the amount of revenues received from the tax to pay for the capital and administrative  
244.18 costs of the facilities under subdivision 3 first equals or exceeds the amount authorized to  
244.19 be spent for the facilities plus the additional amount needed to pay the costs related to  
244.20 issuance of the bonds under subdivision 4, including interest on the bonds. Any funds  
244.21 remaining after payment of all such costs and retirement or redemption of the bonds shall  
244.22 be placed in the general fund of the city. The tax imposed under subdivision 2 may expire  
244.23 at an earlier time if the city so determines by ordinance.

244.24 (b) The tax imposed under subdivision 2a expires at the earlier of (1) 35 years after the  
244.25 tax under subdivision 2 is first imposed, or (2) when the city council determines that the  
244.26 amount of revenues received from the tax is sufficient to pay for the project costs authorized  
244.27 under subdivision 3a, plus an amount sufficient to pay the costs related to issuance of the  
244.28 bonds under subdivision 4a, including interest on the bonds. Except as otherwise provided  
244.29 in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining  
244.30 after payment of the allowed costs due to the timing of the termination of the tax under  
244.31 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of  
244.32 the city. The tax imposed under subdivision 2a may expire at an earlier time if the city so  
244.33 determines by ordinance.

245.1 **EFFECTIVE DATE.** This section is effective the day after compliance by the governing  
245.2 body of the city of Marshall and its chief clerical officer with Minnesota Statutes, section  
245.3 645.021, subdivisions 2 and 3.

245.4 Sec. 12. Laws 2019, First Special Session chapter 6, article 6, section 13, is amended by  
245.5 adding a subdivision to read:

245.6 Subd. 1a. **Sales and use tax authorization; modification.** Notwithstanding Minnesota  
245.7 Statutes, section 477A.016, or any other law, ordinance, or city charter, the modifications  
245.8 to bonding authority in subdivision 3 and the amount of tax that may be collected before  
245.9 the termination of taxes in subdivision 5 are effective if approved by the voters at an election  
245.10 as required under Minnesota Statutes, section 297A.99, subdivision 3.

245.11 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
245.12 city of Avon and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
245.13 subdivisions 2 and 3.

245.14 Sec. 13. Laws 2019, First Special Session chapter 6, article 6, section 13, subdivision 3,  
245.15 is amended to read:

245.16 Subd. 3. **Bonding authority.** (a) The city may issue bonds under Minnesota Statutes,  
245.17 chapter 475, to pay the costs of the projects authorized in subdivision 2. The aggregate  
245.18 principal amount of bonds issued under this subdivision may not exceed ~~\$1,500,000~~  
245.19 \$8,135,000 plus an amount to be applied to the payment of the costs of issuing the bonds.  
245.20 The bonds may be paid from or secured by any funds available to the city, including the  
245.21 tax authorized under subdivision 1. The issuance of bonds under this subdivision is not  
245.22 subject to Minnesota Statutes, sections 275.60 and 275.61.

245.23 (b) The bonds are not included in computing any debt limitation applicable to the city,  
245.24 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest  
245.25 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
245.26 under Minnesota Statutes, section 475.58, is not required.

245.27 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
245.28 city of Avon and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
245.29 subdivisions 2 and 3.

246.1 Sec. 14. Laws 2019, First Special Session chapter 6, article 6, section 13, subdivision 4,  
246.2 is amended to read:

246.3 Subd. 4. **Termination of taxes.** (a) The tax imposed under subdivision 1 expires at the  
246.4 earlier of: (1) December 31, 2045; or (2) when the city council determines that ~~\$1,500,000~~  
246.5 \$8,135,000 has been received from the tax to pay for the cost of the projects authorized  
246.6 under subdivision 2, plus an amount sufficient to pay the costs related to issuance of the  
246.7 bonds authorized under subdivision 3, including interest on the bonds.

246.8 (b) Any funds remaining after payment of all such costs and retirement or redemption  
246.9 of the bonds shall be placed in the general fund of the city. The tax imposed under subdivision  
246.10 1 may expire at an earlier time if the city so determines by ordinance.

246.11 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
246.12 city of Avon and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
246.13 subdivisions 2 and 3.

246.14 Sec. 15. Laws 2019, First Special Session chapter 6, article 6, section 18, is amended to  
246.15 read:

246.16 Sec. 18. **CITY OF EXCELSIOR; LOCAL SALES AND USE TAX AUTHORIZED.**

246.17 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
246.18 section 297A.99, subdivisions 1 and 2, or 477A.016, or any other law, ordinance, or city  
246.19 charter, the city of Excelsior may impose, by ordinance, a sales and use tax of up to one-half  
246.20 of one percent for the purposes specified in subdivision 2, as approved by the voters at the  
246.21 November 4, 2014, general election. Except as otherwise provided in this section, the  
246.22 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,  
246.23 collection, and enforcement of the tax authorized under this subdivision.

246.24 Subd. 1a. **Authorization; additional revenues allowed.** Notwithstanding Minnesota  
246.25 Statutes, section 477A.016, or any other law, ordinance, or city charter, and if approved by  
246.26 the voters at an election as required under Minnesota Statutes, section 297A.99, subdivision  
246.27 3, the city of Excelsior may collect additional revenue from the sales and use tax authorized  
246.28 under subdivision 1, for the purpose specified in subdivision 2a. Except as otherwise provided  
246.29 in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,  
246.30 administration, collection, and enforcement of the tax authorized under this subdivision.  
246.31 The tax imposed under this subdivision is in addition to any local sales and use tax imposed  
246.32 under any other special law.

247.1 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
 247.2 under subdivision 1 must be used by the city of Excelsior to pay the costs of collecting and  
 247.3 administering the tax and to finance the capital and administrative costs of improvements  
 247.4 to the commons as indicated in the Commons Master Plan as adopted by the city council  
 247.5 on November 20, 2017. Authorized expenses include, but are not limited to, improvements  
 247.6 for walkability and accessibility, enhancement of beach area and facilities, prevention and  
 247.7 management of shoreline erosion, redesign of the port and band shell, improvement of  
 247.8 playground equipment, and securing and paying debt service on bonds issued under  
 247.9 subdivision 3 or other obligations issued to the improvements listed in this subdivision in  
 247.10 the city of Excelsior.

247.11 Subd. 2a. **Use of sales and use tax revenues; expanded.** The revenues derived from  
 247.12 the additional authorization granted under subdivision 1a must be used by the city of  
 247.13 Excelsior to pay the costs of collecting and administering the tax and paying for \$23,000,000,  
 247.14 plus associated bonding costs, for the costs of improvements to the commons as indicated  
 247.15 in the Commons Master Plan as adopted by the city council on January 9, 2023, including  
 247.16 securing and paying debt service on bonds issued to finance the project.

247.17 Subd. 3. **Bonding authority.** (a) If the imposition of the tax is approved by the voters  
 247.18 under subdivision 1, the city of Excelsior may issue bonds under Minnesota Statutes, chapter  
 247.19 475, to finance all or a portion of the costs of the projects authorized in subdivision 2,  
 247.20 without a second vote. The aggregate principal amount of bonds issued under this subdivision  
 247.21 may not exceed \$7,000,000, plus an amount to be applied to the payment of the costs of  
 247.22 issuing the bonds. The bonds may be paid from or secured by any funds available to the  
 247.23 city of Excelsior, including the tax authorized under subdivision 1. The issuance of bonds  
 247.24 under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

247.25 (b) The bonds are not included in computing any debt limitation applicable to the city  
 247.26 of Excelsior, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
 247.27 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
 247.28 the bonds under Minnesota Statutes, section 475.58, is not required.

247.29 Subd. 3a. **Bonding authority; additional use of tax.** (a) After payment of the bonds  
 247.30 authorized under subdivision 3, the city of Excelsior may issue bonds under Minnesota  
 247.31 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in  
 247.32 subdivision 2a. The aggregate principal amount of bonds issued under this subdivision may  
 247.33 not exceed \$23,000,000, plus an amount to be applied to the payment of the costs of issuing  
 247.34 the bonds.

248.1 (b) The bonds may be paid from or secured by any funds available to the city of Excelsior,  
248.2 including the tax authorized under subdivision 1a. The issuance of bonds under this  
248.3 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

248.4 (c) The bonds are not included in computing any debt limitation applicable to the city  
248.5 of Excelsior, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
248.6 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
248.7 the bonds under Minnesota Statutes, section 475.58, is not required.

248.8 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 and subdivision  
248.9 1a expires at the earlier of: (1) 25 years after the tax is first imposed; or (2) when the city  
248.10 council determines that ~~\$7,000,000~~ \$30,000,000 has been received from the tax to pay for  
248.11 the cost of the projects authorized under subdivision 2 and subdivision 2a, plus an amount  
248.12 sufficient to pay the costs related to issuance of the bonds authorized under subdivision 3  
248.13 and subdivision 3a, including interest on the bonds. Any funds remaining after payment of  
248.14 all such costs and retirement or redemption of the bonds shall be placed in the general fund  
248.15 of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so  
248.16 determines by ordinance.

248.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
248.18 city of Excelsior and its chief clerical officer comply with Minnesota Statutes, section  
248.19 645.021, subdivisions 2 and 3.

248.20 Sec. 16. Laws 2019, First Special Session chapter 6, article 6, section 26, is amended to  
248.21 read:

248.22 **Sec. 26. CITY OF ROGERS; LOCAL TAXES AUTHORIZED.**

248.23 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
248.24 sections 297A.99 and 477A.016, or any other law or ordinance, and as approved by the  
248.25 voters at the general election of November 6, 2018, the city of Rogers may impose, by  
248.26 ordinance, a sales and use tax of one-quarter of one percent for the purposes specified in  
248.27 subdivision 3. Except as otherwise provided in this section, the provisions of Minnesota  
248.28 Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement  
248.29 of the taxes authorized under this subdivision.

248.30 Subd. 2. **Excise tax authorized.** Notwithstanding Minnesota Statutes, section 477A.016,  
248.31 or any other contrary provision of law, or ordinance, the city of Rogers may impose by  
248.32 ordinance, for the purposes specified in subdivision 3, an excise tax of up to \$20 per motor

249.1 vehicle, as defined by ordinance, purchased or acquired from any person engaged within  
249.2 the city of Rogers in the business of selling motor vehicles at retail.

249.3 Subd. 3. **Use of sales and use tax and excise tax revenues.** (a) The revenues derived  
249.4 from the taxes authorized under subdivisions 1 and 2 must be used by the city of Rogers to  
249.5 pay the costs of collecting and administering the taxes and the capital and administrative  
249.6 costs of any or all of the following projects:

249.7 (1) trail and pedestrian facilities including an I-94 pedestrian crossing, a County Road  
249.8 144 pedestrian tunnel, and other new trails and trail connections;

249.9 (2) aquatics facilities consisting of either or both of a splash pad and any contribution  
249.10 toward the community portion of a school pool; and

249.11 (3) community athletic facilities including construction of South Community park, site  
249.12 improvements for future recreation facilities, and a multipurpose indoor turf facility.

249.13 (b) The total that may be raised from the taxes to pay for these projects is limited to  
249.14 ~~\$16,500,000~~ \$25,000,000, plus the costs related to the issuance and paying debt service on  
249.15 bonds for these projects.

249.16 Subd. 4. **Bonding authority.** (a) The city of Rogers may issue bonds under Minnesota  
249.17 Statutes, chapter 475, pursuant to approval by the voters at the general election of November  
249.18 6, 2018, to finance all or a portion of the costs of the projects authorized in subdivision 3.  
249.19 The aggregate principal amount of bonds issued under this subdivision may not exceed  
249.20 ~~\$16,500,000~~ \$25,000,000, minus an amount equal to any state grant authorized before  
249.21 October 1, 2019, to fund any of the projects listed in subdivision 3, and plus an amount  
249.22 equal to interest on and the costs of issuing the bonds. The bonds may be paid from or  
249.23 secured by any funds available to the city of Rogers, including the taxes authorized under  
249.24 subdivisions 1 and 2.

249.25 (b) The bonds are not included in computing any debt limitation applicable to the city  
249.26 of Rogers, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
249.27 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
249.28 the bonds under Minnesota Statutes, section 475.58, is not required.

249.29 Subd. 5. **Termination of taxes.** The taxes imposed under subdivisions 1 and 2 expire  
249.30 at the earlier of: (1) 20 years after the taxes are first imposed; or (2) when the city council  
249.31 determines that ~~\$16,500,000~~ \$25,000,000, minus an amount equal to any state grant  
249.32 authorized before October 1, 2019, to fund any of the projects listed in subdivision 3, and  
249.33 plus an amount sufficient to pay interest on and the costs of issuing the bonds authorized

250.1 under subdivision 4, has been received from the taxes to pay for the cost of the projects  
250.2 authorized under subdivision 3. Any funds remaining after payment of all such costs and  
250.3 payment of the bonds in full shall be placed in the general fund of the city. The taxes imposed  
250.4 under subdivisions 1 and 2 may expire at an earlier time if the city so determines by  
250.5 ordinance.

250.6 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
250.7 city of Rogers and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
250.8 subdivisions 2 and 3.

250.9 Sec. 17. Laws 2021, First Special Session chapter 14, article 8, section 5, is amended to  
250.10 read:

250.11 **Sec. 5. CITY OF EDINA; TAXES AUTHORIZED.**

250.12 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
250.13 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,  
250.14 and if approved by the voters at a general election as required under Minnesota Statutes,  
250.15 section 297A.99, subdivision 3, the city of Edina may impose by ordinance a sales and use  
250.16 tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise  
250.17 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the  
250.18 imposition, administration, collection, and enforcement of the tax authorized under this  
250.19 subdivision. The tax imposed under this subdivision is in addition to any local sales and  
250.20 use tax imposed under any other special law.

250.21 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
250.22 under subdivision 1 must be used by the city of Edina to pay the costs of collecting and  
250.23 administering the tax and paying for the following projects in the city, including securing  
250.24 and paying debt service on bonds issued to finance all or part of the following projects:

250.25 (1) \$17,700,000 plus associated bonding costs for development of Fred Richards Park  
250.26 as identified in the Fred Richards Park Master Plan; and

250.27 (2) ~~\$21,600,000~~ \$53,300,000 plus associated bonding costs for improvements to Braemar  
250.28 Park as identified in the Braemar Park Master Plan.

250.29 Subd. 3. **Bonding authority.** (a) The city of Edina may issue bonds under Minnesota  
250.30 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in  
250.31 subdivision 2 and approved by the voters as required under Minnesota Statutes, section  
250.32 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued

251.1 under this subdivision may not exceed: (1) \$17,700,000 for the project listed in subdivision  
 251.2 2, clause (1), plus an amount to be applied to the payment of the costs of issuing the bonds;  
 251.3 and (2) ~~\$21,600,000~~ \$53,300,000 for the project listed in subdivision 2, clause (2), plus an  
 251.4 amount to be applied to the payment of the costs of issuing the bonds. The bonds may be  
 251.5 paid from or secured by any funds available to the city of Edina, including the tax authorized  
 251.6 under subdivision 1. The issuance of bonds under this subdivision is not subject to Minnesota  
 251.7 Statutes, sections 275.60 and 275.61.

251.8 (b) The bonds are not included in computing any debt limitation applicable to the city  
 251.9 of Edina, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
 251.10 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
 251.11 the bonds under Minnesota Statutes, section 475.58, is not required.

251.12 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
 251.13 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 19 years  
 251.14 after the tax is first imposed, or (2) when the city council determines that the amount received  
 251.15 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
 251.16 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
 251.17 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
 251.18 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
 251.19 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
 251.20 any funds remaining after payment of the allowed costs due to the timing of the termination  
 251.21 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the  
 251.22 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
 251.23 if the city so determines by ordinance.

251.24 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 251.25 city of Edina and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
 251.26 subdivisions 2 and 3.

251.27 Sec. 18. Laws 2021, First Special Session chapter 14, article 8, section 6, subdivision 2,  
 251.28 is amended to read:

251.29 Subd. 2. **Use of sales and use tax revenues.** (a) The revenues derived from the tax  
 251.30 authorized under subdivision 1 must be used by the city of Fergus Falls to pay the costs of  
 251.31 collecting and administering the tax and for the following projects in the city, including  
 251.32 securing and paying debt service, on bonds issued to finance all or part of the following  
 251.33 projects:

251.34 (1) \$7,800,000 for an aquatics center; and

252.1 (2) \$5,200,000 for the DeLagoon Improvement Project.

252.2 (b) Notwithstanding Minnesota Statutes, section 297A.99, subdivision 3, and as approved  
252.3 by the voters at the November 8, 2022, general election, the city of Fergus Falls may by  
252.4 ordinance increase the cost for the project in paragraph (a), clause (1), by up to \$3,000,000,  
252.5 without holding another local election.

252.6 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
252.7 city of Fergus Falls and its chief clerical officer comply with Minnesota Statutes, section  
252.8 645.021, subdivisions 2 and 3.

252.9 Sec. 19. Laws 2021, First Special Session chapter 14, article 8, section 6, subdivision 3,  
252.10 is amended to read:

252.11 Subd. 3. **Bonding authority.** (a) The city of Fergus Falls may issue bonds under  
252.12 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities  
252.13 authorized in subdivision 2, and approved by the voters as required under Minnesota Statutes,  
252.14 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds  
252.15 issued under this subdivision may not exceed:

252.16 (1) \$7,800,000 for the project listed in subdivision 2, clause (1), plus an amount needed  
252.17 to pay capitalized interest and an amount to be applied to the payment of the costs of issuing  
252.18 the bonds; and

252.19 (2) \$5,200,000 for the project listed in subdivision 2, clause (2), plus an amount needed  
252.20 to pay capitalized interest and an amount to be applied to the payment of the costs of issuing  
252.21 the bonds.

252.22 (b) The bonds may be paid from or secured by any funds available to the city of Fergus  
252.23 Falls, including the tax authorized under subdivision 1. The issuance of bonds under this  
252.24 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

252.25 (c) The bonds are not included in computing any debt limitation applicable to the city  
252.26 of Fergus Falls, and any levy of taxes under Minnesota Statutes, section 475.61, to pay  
252.27 principal and interest on the bonds is not subject to any levy limitation. A separate election  
252.28 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

252.29 (d) Notwithstanding Minnesota Statutes, section 297A.99, subdivision 3, and as approved  
252.30 by the voters at the November 8, 2022, general election, the city of Fergus Falls may by  
252.31 ordinance increase the amount of bonding for the project in paragraph (a), clause (1), by up  
252.32 to \$3,000,000, without holding another local election.

253.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
253.2 city of Fergus Falls and its chief clerical officer comply with Minnesota Statutes, section  
253.3 645.021, subdivisions 2 and 3.

253.4 Sec. 20. Laws 2021, First Special Session chapter 14, article 8, section 15, subdivision 2,  
253.5 is amended to read:

253.6 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
253.7 under subdivision 1 must be used by the city of Oakdale to pay the costs of collecting and  
253.8 administering the tax and paying for the following projects in the city, including securing  
253.9 and paying debt service on bonds issued to finance all or part of the following projects:

253.10 (1) ~~\$22,000,000~~ \$28,000,000 plus associated bonding costs for construction of a new  
253.11 public works facility; and

253.12 (2) ~~\$15,000,000~~ \$18,000,000 plus associated bonding costs for construction and  
253.13 rehabilitation, and associated building costs of the police department facility.

253.14 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
253.15 city of Oakdale and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
253.16 subdivisions 2 and 3.

253.17 Sec. 21. Laws 2021, First Special Session chapter 14, article 8, section 15, subdivision 3,  
253.18 is amended to read:

253.19 Subd. 3. **Bonding authority.** (a) The city of Oakdale may issue bonds under Minnesota  
253.20 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in  
253.21 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may  
253.22 not exceed: (1) ~~\$22,000,000~~ \$28,000,000 for the project listed in subdivision 2, clause (1),  
253.23 plus an amount applied to the payment of costs of issuing the bonds; and (2) ~~\$15,000,000~~  
253.24 \$18,000,000 for the projects listed in subdivision 2, clause (2), plus an amount applied to  
253.25 the payment of costs of issuing the bonds. The bonds may be paid from or secured by any  
253.26 funds available to the city of Oakdale, including the tax authorized under subdivision 1.  
253.27 The issuance of bonds under this subdivision is not subject to Minnesota Statutes, sections  
253.28 275.60 and 275.61.

253.29 (b) The bonds are not included in computing any debt limitation applicable to the city.  
253.30 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest  
253.31 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
253.32 under Minnesota Statutes, section 475.58, is not required.

254.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
254.2 city of Oakdale and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
254.3 subdivisions 2 and 3.

254.4 Sec. 22. Laws 2021, First Special Session chapter 14, article 8, section 15, subdivision 4,  
254.5 is amended to read:

254.6 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the  
254.7 earlier of: (1) ~~25~~ 30 years after the tax is first imposed; or (2) when the city council  
254.8 determines that the city has received from this tax ~~\$37,000,000~~ \$46,000,000 to fund the  
254.9 projects listed in subdivision 2, plus an amount sufficient to pay costs related to issuance  
254.10 of any bonds authorized in subdivision 3, including interest on the bonds. Except as otherwise  
254.11 provided under Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds  
254.12 remaining after payment of the allowed costs due to timing of the termination under  
254.13 Minnesota Statutes, section 297A.99, shall be placed in the city's general fund. The tax  
254.14 imposed under subdivision 1 may expire at an earlier time if the city so determines by  
254.15 ordinance.

254.16 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
254.17 city of Oakdale and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
254.18 subdivisions 2 and 3.

254.19 Sec. 23. Laws 2021, First Special Session chapter 14, article 8, section 15, is amended by  
254.20 adding a subdivision to read:

254.21 Subd. 5. **Requirements.** (a) The city of Oakdale must adopt a resolution that includes  
254.22 the requirements of Minnesota Statutes, section 297A.99, subdivision 2, paragraph (a), and  
254.23 reflects the increases in project costs and bond issuance in subdivisions 2 and 3 and the  
254.24 increase in the duration of the tax in subdivision 4, and submit the resolution to the state  
254.25 auditor no later than September 1, 2023.

254.26 (b) The modifications in subdivisions 2 to 4 are subject to approval by the voters of the  
254.27 city of Oakdale at an election conducted on the first Tuesday after the first Monday in  
254.28 November within the two-year period after the governing body of the city has received  
254.29 authority to modify the tax. Notwithstanding the authorizing legislation, a modification that  
254.30 is not approved by the voters may not be funded with the local sales tax revenue and the  
254.31 termination date of the tax set in subdivision 4 must be reduced proportionately based on  
254.32 the share of that project's cost to the total costs of all projects included in the authorizing  
254.33 legislation.

255.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
255.2 city of Oakdale and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
255.3 subdivisions 2 and 3.

255.4 Sec. 24. Laws 2021, First Special Session chapter 14, article 8, section 20, subdivision 4,  
255.5 is amended to read:

255.6 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
255.7 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) ~~19~~ 20 years  
255.8 after the tax is first imposed, or (2) when the city council determines that the amount received  
255.9 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
255.10 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
255.11 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
255.12 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
255.13 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
255.14 any funds remaining after payment of the allowed costs due to the timing of the termination  
255.15 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the  
255.16 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
255.17 if the city so determines by ordinance.

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

255.19 Sec. 25. **BELTRAMI COUNTY; TAXES AUTHORIZED.**

255.20 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
255.21 section 297A.99, subdivision 1, or 477A.016, or any other law or ordinance, and if approved  
255.22 by the voters at an election as required under Minnesota Statutes, section 297A.99,  
255.23 subdivision 3, Beltrami County may impose by ordinance a sales and use tax of five-eighths  
255.24 of one percent for the purpose specified in subdivision 2. Except as otherwise provided in  
255.25 this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,  
255.26 administration, collection, and enforcement of the tax authorized under this subdivision.  
255.27 The tax imposed under this subdivision is in addition to any local sales and use tax imposed  
255.28 under any other special law.

255.29 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
255.30 under subdivision 1 must be used by Beltrami County to pay the costs of collecting and  
255.31 administering the tax, and to finance up to \$80,000,000, plus associated bonding costs, for  
255.32 the construction of a new county jail.

256.1 Subd. 3. **Bonding authority.** (a) Beltrami County may issue bonds under Minnesota  
 256.2 Statutes, chapter 475, to finance the costs of the facility authorized in subdivision 2. The  
 256.3 aggregate principal amount of bonds issued under this subdivision may not exceed  
 256.4 \$80,000,000 for the project listed in subdivision 2, plus an amount to be applied to the  
 256.5 payment of the costs of issuing the bonds. The bonds may be paid from or secured by any  
 256.6 funds available to the county, including the tax authorized under subdivision 1. The issuance  
 256.7 of bonds under this subdivision is not subject to Minnesota Statutes, sections 275.60 and  
 256.8 275.61.

256.9 (b) The bonds are not included in computing any debt limitation applicable to the county,  
 256.10 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest  
 256.11 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
 256.12 under Minnesota Statutes, section 475.58, is not required.

256.13 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
 256.14 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 30 years  
 256.15 after the tax is first imposed; or (2) when the county board determines that the amount  
 256.16 received from the tax is sufficient to pay \$80,000,000 in project costs authorized under  
 256.17 subdivision 2, plus an amount sufficient to pay the costs related to issuance of any bonds  
 256.18 authorized under subdivision 3, including interest on the bonds. Except as otherwise provided  
 256.19 in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining  
 256.20 after payment of the allowed costs due to the timing of the termination of the tax under  
 256.21 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of  
 256.22 the county. The tax imposed under subdivision 1 may expire at an earlier time if the county  
 256.23 so determines by ordinance.

256.24 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
 256.25 Beltrami County and its chief clerical officer comply with Minnesota Statutes, section  
 256.26 645.021, subdivisions 2 and 3.

256.27 Sec. 26. **CITY OF BLACKDUCK; TAXES AUTHORIZED.**

256.28 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
 256.29 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
 256.30 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
 256.31 city of Blackduck may impose, by ordinance, a sales and use tax of up to one-half of one  
 256.32 percent for the purposes specified in subdivision 2. Except as otherwise provided in this  
 256.33 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,  
 256.34 administration, collection, and enforcement of the tax authorized under this subdivision.

257.1 The tax imposed under this subdivision is in addition to any local sales and use tax imposed  
257.2 under any other special law.

257.3 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
257.4 under subdivision 1 must be used by the city of Blackduck to pay the costs of collecting  
257.5 and administering the tax, including associated bond costs on bonds issued under subdivision  
257.6 3, and securing and paying debt service on the bonds, and to finance all or part of the  
257.7 following projects:

257.8 (1) \$200,000 for electricity and utility improvements at the city campground;

257.9 (2) \$250,000 for construction of a playground and ADA-compliant restroom at the city  
257.10 wayside rest;

257.11 (3) \$300,000 for trail extensions and improvements adjacent to Wayside Rest Park;

257.12 (4) \$150,000 for irrigation improvements at the city golf course; and

257.13 (5) \$100,000 for rehabilitation of the Blackduck Community Library.

257.14 Subd. 3. **Bonding authority.** (a) The city of Blackduck may issue bonds under Minnesota  
257.15 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in  
257.16 subdivision 2 and approved by the voters as required under Minnesota Statutes, section  
257.17 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued  
257.18 under this subdivision may not exceed:

257.19 (1) \$200,000 for the project listed in subdivision 2, clause (1), plus an amount to be  
257.20 applied to the payment of the costs of issuing the bonds;

257.21 (2) \$250,000 for the project listed in subdivision 2, clause (2), plus an amount to be  
257.22 applied to the payment of the costs of issuing the bonds;

257.23 (3) \$300,000 for the project listed in subdivision 2, clause (3), plus an amount to be  
257.24 applied to the payment of the costs of issuing the bonds;

257.25 (4) \$150,000 for the project listed in subdivision 2, clause (4), plus an amount to be  
257.26 applied to the payment of the costs of issuing the bonds; and

257.27 (5) \$100,000 for the project listed in subdivision 2, clause (5), plus an amount to be  
257.28 applied to the payment of the costs of issuing the bonds.

257.29 (b) The bonds may be paid from or secured by any funds available to the city, including  
257.30 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not  
257.31 subject to Minnesota Statutes, sections 275.60 and 275.61.

258.1 (c) The bonds are not included in computing any debt limitation applicable to the city.  
258.2 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest  
258.3 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
258.4 under Minnesota Statutes, section 475.58, is not required.

258.5 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the  
258.6 earlier of: (1) 20 years after the tax is first imposed; or (2) when the city determines that  
258.7 the amount it has received from this tax is sufficient to pay for the project costs authorized  
258.8 under subdivision 2 for projects approved by voters as required under Minnesota Statutes,  
258.9 section 297A.99, subdivision 3, paragraph (a), plus an amount sufficient to pay the costs  
258.10 related to issuance of any bonds authorized under subdivision 3, including interest on the  
258.11 bonds. Except as otherwise provided in Minnesota Statutes, section 297A.99, subdivision  
258.12 3, paragraph (f), any funds remaining after payment of the allowed costs due to timing of  
258.13 the termination of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall  
258.14 be placed in the city's general fund. The tax imposed under subdivision 1 may expire at an  
258.15 earlier time if the city determines by ordinance.

258.16 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
258.17 city of Blackduck and its chief clerical officer comply with Minnesota Statutes, section  
258.18 645.021, subdivisions 2 and 3.

258.19 Sec. 27. **CITY OF BLOOMINGTON; TAXES AUTHORIZED.**

258.20 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
258.21 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,  
258.22 and if approved by the voters at an election as required under Minnesota Statutes, section  
258.23 297A.99, subdivision 3, the city of Bloomington may impose by ordinance a sales and use  
258.24 tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise  
258.25 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the  
258.26 imposition, administration, collection, and enforcement of the tax authorized under this  
258.27 subdivision. The tax imposed under this subdivision is in addition to any local sales and  
258.28 use tax imposed under any other special law.

258.29 Subd. 2. **Use of sales and use tax revenues.** (a) The revenues derived from the tax  
258.30 authorized under subdivision 1 must be used by the city of Bloomington to pay the costs of  
258.31 collecting and administering the tax and paying for the following projects in the city,  
258.32 including securing and paying debt service on bonds issued to finance all or part of the  
258.33 following projects:

259.1 (1) \$35,000,000 for new construction and rehabilitation of the Bloomington Ice Garden  
259.2 and associated infrastructure;

259.3 (2) \$100,000,000 for construction of a new Community Health and Wellness Center  
259.4 and associated infrastructure; and

259.5 (3) \$20,000,000 for new construction and restoration of the Nine Mile Creek Corridor  
259.6 Renewal and associated infrastructure.

259.7 (b) For purposes of this subdivision, "associated infrastructure" includes but is not limited  
259.8 to any or all of the following items required for the safe access or use of the capital projects:  
259.9 facilities, roads, lighting, sidewalks, parking, landscaping, and utilities.

259.10 Subd. 3. **Bonding authority.** (a) The city of Bloomington may issue bonds under  
259.11 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects  
259.12 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,  
259.13 section 297A.99, subdivision 3, paragraph (a).The aggregate principal amount of bonds  
259.14 issued under this subdivision may not exceed:

259.15 (1) \$35,000,000 for the project listed in subdivision 2, paragraph (a), clause (1), plus an  
259.16 amount to be applied to the payment of the costs of issuing the bonds;

259.17 (2) \$100,000,000 for the project listed in subdivision 2, paragraph (a), clause (2), plus  
259.18 an amount to be applied to the payment of the costs of issuing the bonds; and

259.19 (3) \$20,000,000 for the project listed in subdivision 2, paragraph (a), clause (3), plus an  
259.20 amount to be applied to the payment of the costs of issuing the bonds.

259.21 (b) The bonds may be paid from or secured by any funds available to the city of  
259.22 Bloomington, including the tax authorized under subdivision 1. The issuance of bonds under  
259.23 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

259.24 (c) The bonds are not included in computing any debt limitation applicable to the city  
259.25 of Bloomington, and any levy of taxes under Minnesota Statutes, section 475.61, to pay  
259.26 principal and interest on the bonds is not subject to any levy limitation. A separate election  
259.27 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

259.28 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
259.29 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
259.30 after the tax is first imposed, or (2) when the city council determines that the amount received  
259.31 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
259.32 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
259.33 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance

260.1 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
 260.2 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
 260.3 any funds remaining after payment of the allowed costs due to the timing of the termination  
 260.4 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the  
 260.5 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
 260.6 if the city so determines by ordinance.

260.7 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 260.8 city of Bloomington and its chief clerical officer comply with Minnesota Statutes, section  
 260.9 645.021, subdivisions 2 and 3.

260.10 **Sec. 28. CITY OF BROOKLYN CENTER; TAXES AUTHORIZED.**

260.11 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
 260.12 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,  
 260.13 and if approved by the voters at a general election as required under Minnesota Statutes,  
 260.14 section 297A.99, subdivision 3, the city of Brooklyn Center may impose by ordinance a  
 260.15 sales and use tax of one-half of one percent for the purposes specified in subdivision 2.  
 260.16 Except as otherwise provided in this section, the provisions of Minnesota Statutes, section  
 260.17 297A.99, govern the imposition, administration, collection, and enforcement of the tax  
 260.18 authorized under this subdivision. The tax imposed under this subdivision is in addition to  
 260.19 any local sales and use tax imposed under any other special law.

260.20 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
 260.21 under subdivision 1 must be used by the city of Brooklyn Center to pay the costs of collecting  
 260.22 and administering the tax, and to finance \$44,000,000, plus associated bonding costs, for  
 260.23 the renovation and expansion of the Brooklyn Center Community Center.

260.24 Subd. 3. **Bonding authority.** (a) The city of Brooklyn Center may issue bonds under  
 260.25 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities  
 260.26 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,  
 260.27 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds  
 260.28 issued under this subdivision may not exceed \$44,000,000 for the projects listed in  
 260.29 subdivision 2 plus an amount to be applied to the payment of the costs of issuing the bonds.

260.30 (b) The bonds may be paid from or secured by any funds available to the city of Brooklyn  
 260.31 Center, including the tax authorized under subdivision 1 and the full faith and credit of the  
 260.32 city. The issuance of bonds under this subdivision is not subject to Minnesota Statutes,  
 260.33 sections 275.60 and 275.61.

261.1 (c) The bonds are not included in computing any debt limitation applicable to the city  
 261.2 of Brooklyn Center and any levy of taxes under Minnesota Statutes, section 475.61, to pay  
 261.3 principal and interest on the bonds is not subject to any levy limitation. A separate election  
 261.4 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

261.5 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
 261.6 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
 261.7 after being first imposed, or (2) when the city council determines that the amount received  
 261.8 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
 261.9 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
 261.10 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
 261.11 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
 261.12 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
 261.13 any funds remaining after payment of the allowed costs due to the timing of the termination  
 261.14 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the  
 261.15 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
 261.16 if the city so determines by ordinance.

261.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 261.18 city of Brooklyn Center and its chief clerical officer comply with Minnesota Statutes, section  
 261.19 645.021, subdivisions 2 and 3.

261.20 Sec. 29. **CITY OF CHANHASSEN; TAXES AUTHORIZED.**

261.21 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
 261.22 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,  
 261.23 and if approved by the voters at an election as required under Minnesota Statutes, section  
 261.24 297A.99, subdivision 3, the city of Chanhassen may impose by ordinance a sales and use  
 261.25 tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as  
 261.26 otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99,  
 261.27 govern the imposition, administration, collection, and enforcement of the tax authorized  
 261.28 under this subdivision. The tax imposed under this subdivision is in addition to any local  
 261.29 sales and use tax imposed under any other special law.

261.30 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
 261.31 under subdivision 1 must be used by the city of Chanhassen to pay the costs of collecting  
 261.32 and administering the tax and paying for up to \$40,000,000 for construction costs of the  
 261.33 Avienda Recreational Facility, including securing and paying debt service on bonds issued  
 261.34 to finance all or part of the project.

262.1 Subd. 3. **Bonding authority.** (a) The city of Chanhassen may issue bonds under  
262.2 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects  
262.3 authorized in subdivision 2. The aggregate principal amount of bonds issued under this  
262.4 subdivision may not exceed \$40,000,000, plus an amount to be applied to the payment of  
262.5 the costs of issuing the bonds.

262.6 (b) The bonds may be paid from or secured by any funds available to the city of  
262.7 Chanhassen, including the tax authorized under subdivision 1. The issuance of bonds under  
262.8 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

262.9 (c) The bonds are not included in computing any debt limitation applicable to the city  
262.10 of Chanhassen, and any levy of taxes under Minnesota Statutes, section 475.61, to pay  
262.11 principal and interest on the bonds is not subject to any levy limitation. A separate election  
262.12 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

262.13 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
262.14 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
262.15 after the tax is first imposed, or (2) when the city council determines that the amount received  
262.16 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus  
262.17 an amount sufficient to pay the costs related to issuance of any bonds authorized under  
262.18 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota  
262.19 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment  
262.20 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,  
262.21 section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax  
262.22 imposed under subdivision 1 may expire at an earlier time if the city so determines by  
262.23 ordinance.

262.24 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
262.25 city of Chanhassen and its chief clerical officer comply with Minnesota Statutes, section  
262.26 645.021, subdivisions 2 and 3.

262.27 Sec. 30. **CITY OF COTTAGE GROVE; TAXES AUTHORIZED.**

262.28 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
262.29 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
262.30 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
262.31 city of Cottage Grove may impose by ordinance a sales and use tax of one-half of one  
262.32 percent for the purposes specified in subdivision 2. Except as otherwise provided in this  
262.33 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,  
262.34 administration, collection, and enforcement of the tax authorized under this subdivision.

263.1 The tax imposed under this subdivision is in addition to any local sales and use tax imposed  
263.2 under any other special law.

263.3 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
263.4 under subdivision 1 must be used by the city of Cottage Grove to pay the costs of collecting  
263.5 and administering the tax and paying for the following projects in the city, including securing  
263.6 and paying debt service on bonds issued to finance all or part of the following projects:

263.7 (1) \$17,000,000 for construction of improvements to Hamlet Park;

263.8 (2) \$6,000,000 for construction of improvements to River Oaks Golf Course; and

263.9 (3) \$13,000,000 for construction of improvements to the Mississippi Dunes Park project.

263.10 Subd. 3. **Bonding authority.** (a) The city of Cottage Grove may issue bonds under  
263.11 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects  
263.12 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,  
263.13 section 297A.99, subdivision 3, paragraph (a).The aggregate principal amount of bonds  
263.14 issued under this subdivision may not exceed:

263.15 (1) \$17,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be  
263.16 applied to the payment of the costs of issuing the bonds;

263.17 (2) \$6,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be  
263.18 applied to the payment of the costs of issuing the bonds; and

263.19 (3) \$13,000,000 for the project listed in subdivision 2, clause (3), plus an amount to be  
263.20 applied to the payment of the costs of issuing the bonds.

263.21 (b) The bonds may be paid from or secured by any funds available to the city of Cottage  
263.22 Grove, including the tax authorized under subdivision 1. The issuance of bonds under this  
263.23 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

263.24 (c) The bonds are not included in computing any debt limitation applicable to the city  
263.25 of Cottage Grove, and any levy of taxes under Minnesota Statutes, section 475.61, to pay  
263.26 principal and interest on the bonds is not subject to any levy limitation. A separate election  
263.27 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

263.28 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
263.29 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 25 years  
263.30 after the tax is first imposed, or (2) when the city council determines that the amount received  
263.31 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
263.32 projects approved by voters as required under Minnesota Statutes, section 297A.99,

264.1 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
 264.2 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
 264.3 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
 264.4 any funds remaining after payment of the allowed costs due to the timing of the termination  
 264.5 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the  
 264.6 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
 264.7 if the city so determines by ordinance.

264.8 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 264.9 city of Cottage Grove and its chief clerical officer comply with Minnesota Statutes, section  
 264.10 645.021, subdivisions 2 and 3.

264.11 Sec. 31. **CITY OF DETROIT LAKES; TAXES AUTHORIZED.**

264.12 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
 264.13 section 297A.99, subdivision 3, paragraphs (a) and (d), and section 477A.016, or any other  
 264.14 law, ordinance, or city charter, and if approved by the voters at an election held on either  
 264.15 November 7, 2023, or as otherwise required under Minnesota Statutes, section 297A.99,  
 264.16 subdivision 3, the city of Detroit Lakes may impose by ordinance a sales and use tax of  
 264.17 one-half of one percent for the purpose specified in subdivision 2. Except as otherwise  
 264.18 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the  
 264.19 imposition, administration, collection, and enforcement of the tax authorized under this  
 264.20 subdivision. The tax imposed under this subdivision is in addition to any local sales and  
 264.21 use tax imposed under any other special law.

264.22 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
 264.23 under subdivision 1 must be used by the city of Detroit Lakes to pay the costs of collecting  
 264.24 and administering the tax, and to finance up to \$17,300,000, plus associated bond costs, for  
 264.25 the construction and renovation of the Detroit Lakes Pavilion, including park improvements,  
 264.26 beachfront improvements, and parking improvements.

264.27 Subd. 3. **Bonding authority.** (a) The city of Detroit Lakes may issue bonds under  
 264.28 Minnesota Statutes, chapter 475, to finance all or a portion of the project costs authorized  
 264.29 in subdivision 2. The aggregate principal amount of bonds issued under this subdivision  
 264.30 may not exceed \$17,300,000, plus an amount to be applied to the payment of the costs of  
 264.31 issuing the bonds.

264.32 (b) The bonds may be paid from or secured by any funds available to the city of Detroit  
 264.33 Lakes, including the tax authorized under subdivision 1. The issuance of bonds under this  
 264.34 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

265.1 (c) The bonds are not included in computing any debt limitation applicable to the city  
265.2 of Detroit Lakes, and any levy of taxes under Minnesota Statutes, section 475.61, to pay  
265.3 principal and interest on the bonds is not subject to any levy limitation. A separate election  
265.4 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

265.5 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
265.6 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 12 years  
265.7 after the tax is first imposed, or (2) when the city council determines that the amount received  
265.8 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus  
265.9 an amount sufficient to pay the costs related to issuance of any bonds authorized under  
265.10 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota  
265.11 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment  
265.12 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,  
265.13 section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax  
265.14 imposed under subdivision 1 may expire at an earlier time if the city so determines by  
265.15 ordinance.

265.16 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
265.17 city of Detroit Lakes and its chief clerical officer comply with Minnesota Statutes, section  
265.18 645.021, subdivisions 2 and 3.

265.19 Sec. 32. **CITY OF DILWORTH; TAXES AUTHORIZED.**

265.20 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
265.21 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
265.22 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
265.23 city of Dilworth may impose by ordinance a sales and use tax of one-half of one percent  
265.24 for the purpose specified in subdivision 2. Except as otherwise provided in this section, the  
265.25 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,  
265.26 collection, and enforcement of the tax authorized under this subdivision. The tax imposed  
265.27 under this subdivision is in addition to any local sales and use tax imposed under any other  
265.28 special law.

265.29 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
265.30 under subdivision 1 must be used by the city of Dilworth to pay the costs of collecting and  
265.31 administering the tax, and to finance up to \$5,400,000, plus associated bonding costs, for  
265.32 the construction of a community and recreational center.

265.33 Subd. 3. **Bonding authority.** (a) The city of Dilworth may issue bonds under Minnesota  
265.34 Statutes, chapter 475, to finance the costs of the facility authorized in subdivision 2. The

266.1 aggregate principal amount of bonds issued under this subdivision may not exceed \$5,400,000  
266.2 for the project listed in subdivision 2, plus an amount to be applied to the payment of the  
266.3 costs of issuing the bonds.

266.4 (b) The bonds may be paid from or secured by any funds available to the city, including  
266.5 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not  
266.6 subject to Minnesota Statutes, sections 275.60 and 275.61.

266.7 (c) The bonds are not included in computing any debt limitation applicable to the city,  
266.8 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest  
266.9 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
266.10 under Minnesota Statutes, section 475.58, is not required.

266.11 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
266.12 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 25 years  
266.13 after the tax is first imposed; or (2) when the city council determines that the amount received  
266.14 from the tax is sufficient to pay \$5,400,000 in project costs authorized under subdivision  
266.15 2, plus an amount sufficient to pay the costs related to issuance of any bonds authorized  
266.16 under subdivision 3, including interest on the bonds. Except as otherwise provided in  
266.17 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining  
266.18 after payment of the allowed costs due to the timing of the termination of the tax under  
266.19 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of  
266.20 the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so  
266.21 determines by ordinance.

266.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
266.23 city of Dilworth and its chief clerical officer comply with Minnesota Statutes, section  
266.24 645.021, subdivisions 2 and 3.

266.25 Sec. 33. **CITY OF EAST GRAND FORKS; TAXES AUTHORIZED.**

266.26 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
266.27 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
266.28 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
266.29 city of East Grand Forks may impose by ordinance a sales and use tax of up to one percent  
266.30 for the purposes specified in subdivision 2. Except as otherwise provided in this section,  
266.31 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,  
266.32 collection, and enforcement of the tax authorized under this subdivision. The tax imposed  
266.33 under this subdivision is in addition to any local sales and use tax imposed under any other  
266.34 special law.

267.1 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized  
267.2 under subdivision 1 must be used by the city of East Grand Forks to pay the costs of  
267.3 collecting and administering the tax and paying for the following projects in the city,  
267.4 including securing and paying debt service on bonds issued to finance all or part of the  
267.5 following projects:

267.6 (1) \$6,745,000 plus associated bonding costs for reconstruction and remodeling of, and  
267.7 upgrades and additions to, the Civic Center Sports Complex; and

267.8 (2) \$8,000,000 plus associated bonding costs for reconstruction and remodeling of, and  
267.9 upgrades and additions to, the VFW Memorial Arena and Blue Line Arena.

267.10 Subd. 3. Bonding authority. (a) The city of East Grand Forks may issue bonds under  
267.11 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the facilities  
267.12 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,  
267.13 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds  
267.14 issued under this subdivision may not exceed:

267.15 (1) \$6,745,000 for the project listed in subdivision 2, clause (1), plus an amount to be  
267.16 applied to the payment of the costs of issuing the bonds; and

267.17 (2) \$8,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be  
267.18 applied to the payment of the costs of issuing the bonds.

267.19 (b) The bonds may be paid from or secured by any funds available to the city, including  
267.20 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not  
267.21 subject to Minnesota Statutes, sections 275.60 and 275.61.

267.22 (c) The bonds are not included in computing any debt limitation applicable to the city  
267.23 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest  
267.24 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
267.25 under Minnesota Statutes, section 475.58, is not required.

267.26 Subd. 4. Termination of taxes. Subject to Minnesota Statutes, section 297A.99,  
267.27 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
267.28 after being first imposed, or (2) when the city council determines that the amount received  
267.29 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
267.30 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
267.31 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
267.32 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
267.33 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),

268.1 any funds remaining after payment of the allowed costs due to the timing of the termination  
268.2 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the  
268.3 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
268.4 if the city so determines by ordinance.

268.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
268.6 city of East Grand Forks and its chief clerical officer comply with Minnesota Statutes,  
268.7 section 645.021, subdivisions 2 and 3.

268.8 **Sec. 34. CITY OF FAIRMONT; TAXES AUTHORIZED.**

268.9 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
268.10 section 297A.99, subdivisions 1 and 3, paragraph (d), or 477A.016, or any other law,  
268.11 ordinance, or city charter, and if approved by the voters at an election as required under  
268.12 Minnesota Statutes, section 297A.99, subdivision 3, the city of Fairmont may impose by  
268.13 ordinance a sales and use tax of one-half of one percent for the purpose specified in  
268.14 subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota  
268.15 Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement  
268.16 of the tax authorized under this subdivision. The tax imposed under this subdivision is in  
268.17 addition to any local sales and use tax imposed under any other special law.

268.18 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
268.19 under subdivision 1 must be used by the city of Fairmont to pay the costs of collecting and  
268.20 administering the tax and to finance up to \$20,000,000, plus associated bonding costs, for  
268.21 construction of a community center and ice arena.

268.22 Subd. 3. **Bonding authority.** (a) The city of Fairmont may issue bonds under Minnesota  
268.23 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in  
268.24 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may  
268.25 not exceed \$20,000,000, plus an amount to be applied to the payment of the costs of issuing  
268.26 the bonds.

268.27 (b) The bonds may be paid from or secured by any funds available to the city of Fairmont,  
268.28 including the tax authorized under subdivision 1. The issuance of bonds under this  
268.29 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

268.30 (c) The bonds are not included in computing any debt limitation applicable to the city  
268.31 of Fairmont, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
268.32 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
268.33 the bonds under Minnesota Statutes, section 475.58, is not required.

269.1 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
 269.2 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 25 years  
 269.3 after the tax is first imposed, or (2) when the city council determines that the amount received  
 269.4 from the tax is sufficient to pay, plus an amount sufficient to pay the costs related to issuance  
 269.5 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
 269.6 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
 269.7 any funds remaining after payment of the allowed costs due to the timing of the termination  
 269.8 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the  
 269.9 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
 269.10 if the city so determines by ordinance.

269.11 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 269.12 city of Fairmont and its chief clerical officer comply with Minnesota Statutes, section  
 269.13 645.021, subdivisions 2 and 3.

269.14 Sec. 35. **CITY OF HENDERSON; TAXES AUTHORIZED.**

269.15 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
 269.16 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
 269.17 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
 269.18 city of Henderson may impose by ordinance a sales and use tax of one-half of one percent  
 269.19 for the purposes specified in subdivision 2. Except as otherwise provided in this section,  
 269.20 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,  
 269.21 collection, and enforcement of the tax authorized under this subdivision. The tax imposed  
 269.22 under this subdivision is in addition to any local sales and use tax imposed under any other  
 269.23 special law.

269.24 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
 269.25 under subdivision 1 must be used by the city of Henderson to pay the costs of collecting  
 269.26 and administering the tax, and to finance up to \$250,000 for the Allanson's Park Campground  
 269.27 and Trail project. Authorized project costs include improvements to trails, improvements  
 269.28 to the park campground and related facilities, utility improvements, handicap access  
 269.29 improvements, and other improvements related to linkage to other local trails, as well as  
 269.30 the associated bond costs for any bonds issued under subdivision 3.

269.31 Subd. 3. **Bonding authority.** (a) The city of Henderson may issue bonds under Minnesota  
 269.32 Statutes, chapter 475, to finance up to \$250,000 of the portion of the costs of the project  
 269.33 authorized in subdivision 2, and approved by the voters as required under Minnesota Statutes,  
 269.34 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds

270.1 issued under this subdivision may not exceed \$250,000 plus an amount to be applied to the  
270.2 payment of the costs of issuing the bonds.

270.3 (b) The bonds may be paid from or secured by any funds available to the city of  
270.4 Henderson, including the tax authorized under subdivision 1. The issuance of bonds under  
270.5 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

270.6 (c) The bonds are not included in computing any debt limitation applicable to the city  
270.7 of Henderson, and any levy of taxes under Minnesota Statutes, section 475.61, to pay  
270.8 principal and interest on the bonds is not subject to any levy limitation. A separate election  
270.9 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

270.10 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
270.11 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 15 years  
270.12 after the tax is first imposed; or (2) when the city council determines that the amount received  
270.13 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
270.14 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
270.15 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
270.16 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
270.17 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
270.18 any funds remaining after payment of the allowed costs due to the timing of the termination  
270.19 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the  
270.20 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
270.21 if the city so determines by ordinance.

270.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
270.23 city of Henderson and its chief clerical officer comply with Minnesota Statutes, section  
270.24 645.021, subdivisions 2 and 3.

270.25 Sec. 36. **CITY OF HIBBING; TAXES AUTHORIZED.**

270.26 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
270.27 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,  
270.28 and if approved by the voters at an election as required under Minnesota Statutes, section  
270.29 297A.99, subdivision 3, the city of Hibbing may impose by ordinance a sales and use tax  
270.30 of one-half of one percent for the purpose specified in subdivision 2. Except as otherwise  
270.31 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the  
270.32 imposition, administration, collection, and enforcement of the tax authorized under this  
270.33 subdivision. The tax imposed under this subdivision is in addition to any local sales and  
270.34 use tax imposed under any other special law.

271.1 Subd. 2. Use of sales and use tax revenues. The revenues derived from the tax authorized  
271.2 under subdivision 1 must be used by the city of Hibbing to pay the costs of collecting and  
271.3 administering the tax, and to finance up to \$19,600,000 for the construction of a regional  
271.4 public safety center. Authorized costs include the associated bond costs for any bonds issued  
271.5 under subdivision 3.

271.6 Subd. 3. Bonding authority. (a) The city of Hibbing may issue bonds under Minnesota  
271.7 Statutes, chapter 475, to finance the costs of the facility authorized in subdivision 2. The  
271.8 aggregate principal amount of bonds issued under this subdivision may not exceed  
271.9 \$19,600,000 for the project listed in subdivision 2, plus an amount to be applied to the  
271.10 payment of the costs of issuing the bonds.

271.11 (b) The bonds may be paid from or secured by any funds available to the city, including  
271.12 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not  
271.13 subject to Minnesota Statutes, sections 275.60 and 275.61.

271.14 (c) The bonds are not included in computing any debt limitation applicable to the city,  
271.15 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest  
271.16 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
271.17 under Minnesota Statutes, section 475.58, is not required.

271.18 Subd. 4. Termination of taxes. Subject to Minnesota Statutes, section 297A.99,  
271.19 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 20 years  
271.20 after the tax is first imposed; or (2) when the city council determines that the amount received  
271.21 from the tax is sufficient to pay \$19,600,000 in project costs authorized under subdivision  
271.22 2, plus an amount sufficient to pay the costs related to issuance of any bonds authorized  
271.23 under subdivision 3, including interest on the bonds. Except as otherwise provided in  
271.24 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining  
271.25 after payment of the allowed costs due to the timing of the termination of the tax under  
271.26 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of  
271.27 the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so  
271.28 determines by ordinance.

271.29 EFFECTIVE DATE. This section is effective the day after the governing body of the  
271.30 city of Hibbing and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
271.31 subdivisions 2 and 3.

272.1 **Sec. 37. CITY OF GOLDEN VALLEY; TAXES AUTHORIZED.**

272.2 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
272.3 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,  
272.4 and if approved by the voters at an election as required under Minnesota Statutes, section  
272.5 297A.99, subdivision 3, the city of Golden Valley may impose by ordinance a sales and  
272.6 use tax of 1.25 percent for the purposes specified in subdivision 2. Except as otherwise  
272.7 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the  
272.8 imposition, administration, collection, and enforcement of the tax authorized under this  
272.9 subdivision. The tax imposed under this subdivision is in addition to any local sales and  
272.10 use tax imposed under any other special law.

272.11 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized  
272.12 under subdivision 1 must be used by the city of Golden Valley to pay the costs of collecting  
272.13 and administering the tax and paying for the following projects in the city, including securing  
272.14 and paying debt service on bonds issued to finance all or part of the following projects:

272.15 (1) \$45,000,000 plus associated bonding costs for construction of a new public works  
272.16 facility;

272.17 (2) \$15,000,000 plus associated bonding costs for the purchase of land for a new public  
272.18 works facility; and

272.19 (3) \$45,000,000 plus associated bonding costs for construction of a new public safety  
272.20 facility.

272.21 **Subd. 3. Bonding authority.** (a) The city of Golden Valley may issue bonds under  
272.22 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the projects  
272.23 authorized in subdivision 2 and approved by the voters as required under Minnesota Statutes,  
272.24 section 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds  
272.25 issued under this subdivision may not exceed:

272.26 (1) \$45,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be  
272.27 applied to the payment of the costs of issuing the bonds;

272.28 (2) \$15,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be  
272.29 applied to the payment of the costs of issuing the bonds; and

272.30 (3) \$45,000,000 for the project listed in subdivision 2, clause (3), plus an amount to be  
272.31 applied to the payment of the costs of issuing the bonds.

273.1 (b) The bonds may be paid from or secured by any funds available to the city of Golden  
 273.2 Valley, including the tax authorized under subdivision 1. The issuance of bonds under this  
 273.3 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

273.4 (c) The bonds are not included in computing any debt limitation applicable to the city  
 273.5 of Golden Valley, and any levy of taxes under Minnesota Statutes, section 475.61, to pay  
 273.6 principal and interest on the bonds is not subject to any levy limitation. A separate election  
 273.7 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

273.8 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
 273.9 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years  
 273.10 after the tax is first imposed, or (2) when the city council determines that the amount received  
 273.11 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
 273.12 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
 273.13 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
 273.14 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
 273.15 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
 273.16 any funds remaining after payment of the allowed costs due to the timing of the termination  
 273.17 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the  
 273.18 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
 273.19 if the city so determines by ordinance.

273.20 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 273.21 city of Golden Valley and its chief clerical officer comply with Minnesota Statutes, section  
 273.22 645.021, subdivisions 2 and 3.

273.23 Sec. 38. **CITY OF JACKSON; TAXES AUTHORIZED.**

273.24 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
 273.25 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
 273.26 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
 273.27 city of Jackson may impose by ordinance a sales and use tax of one percent for the purpose  
 273.28 specified in subdivision 2. Except as otherwise provided in this section, the provisions of  
 273.29 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and  
 273.30 enforcement of the tax authorized under this subdivision. The tax imposed under this  
 273.31 subdivision is in addition to any local sales and use tax imposed under any other special  
 273.32 law.

273.33 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
 273.34 under subdivision 1 must be used by the city of Jackson to pay the costs of collecting and

274.1 administering the tax, and to finance up to \$5,750,000 for construction, renovation, and  
274.2 improvements to a new outdoor athletic complex, including securing and paying debt service  
274.3 on bonds issued under subdivision 3.

274.4 Subd. 3. **Bonding authority.** (a) The city of Jackson may issue bonds under Minnesota  
274.5 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in  
274.6 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may  
274.7 not exceed \$5,750,000, plus an amount to be applied to the payment of the costs of issuing  
274.8 the bonds.

274.9 (b) The bonds may be paid from or secured by any funds available to the city of Jackson,  
274.10 including the tax authorized under subdivision 1. The issuance of bonds under this  
274.11 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

274.12 (c) The bonds are not included in computing any debt limitation applicable to the city  
274.13 of Jackson, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
274.14 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
274.15 the bonds under Minnesota Statutes, section 475.58, is not required.

274.16 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
274.17 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years  
274.18 after the tax is first imposed, or (2) when the city council determines that the amount received  
274.19 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus  
274.20 an amount sufficient to pay the costs related to issuance of any bonds authorized under  
274.21 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota  
274.22 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment  
274.23 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,  
274.24 section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax  
274.25 imposed under subdivision 1 may expire at an earlier time if the city so determines by  
274.26 ordinance.

274.27 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
274.28 city of Jackson and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
274.29 subdivisions 2 and 3.

274.30 Sec. 39. **JACKSON COUNTY; TAXES AUTHORIZED.**

274.31 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
274.32 section 477A.016, or any other law or ordinance, and if approved by the voters at an election  
274.33 as required under Minnesota Statutes, section 297A.99, subdivision 3, Jackson County may

275.1 impose by ordinance a sales and use tax of one percent for the purposes specified in  
275.2 subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota  
275.3 Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement  
275.4 of the tax authorized under this subdivision. The tax imposed under this subdivision is in  
275.5 addition to any local sales and use tax imposed under any other special law.

275.6 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
275.7 under subdivision 1 must be used by Jackson County to pay the costs of collecting and  
275.8 administering the tax and paying for up to \$39,000,000 for construction of a law enforcement  
275.9 center and government center in the county, including associated bond costs for any bonds  
275.10 issued under subdivision 3.

275.11 Subd. 3. **Bonding authority.** (a) Jackson County may issue bonds under Minnesota  
275.12 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in  
275.13 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may  
275.14 not exceed \$39,000,000, plus an amount to be applied to the payment of the costs of issuing  
275.15 the bonds.

275.16 (b) The bonds may be paid from or secured by any funds available to Jackson County,  
275.17 including the tax authorized under subdivision 1. The issuance of bonds under this  
275.18 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

275.19 (c) The bonds are not included in computing any debt limitation applicable to Jackson  
275.20 County, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
275.21 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
275.22 the bonds under Minnesota Statutes, section 475.58, is not required.

275.23 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
275.24 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years  
275.25 after the tax is first imposed, or (2) when the county board of commissioners determines  
275.26 that the amount received from the tax is sufficient to pay for the project costs authorized  
275.27 under subdivision 2, plus an amount sufficient to pay the costs related to issuance of any  
275.28 bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise  
275.29 provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds  
275.30 remaining after payment of the allowed costs due to the timing of the termination of the tax  
275.31 under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general  
275.32 fund of the county. The tax imposed under subdivision 1 may expire at an earlier time if  
275.33 the county so determines by ordinance.

276.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
276.2 Jackson County and its chief clerical officer comply with Minnesota Statutes, section  
276.3 645.021, subdivisions 2 and 3.

276.4 Sec. 40. **CITY OF MONTICELLO; TAXES AUTHORIZED.**

276.5 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
276.6 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,  
276.7 and if approved by the voters at an election as required under Minnesota Statutes, section  
276.8 297A.99, subdivision 3, the city of Monticello may impose by ordinance a sales and use  
276.9 tax of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise  
276.10 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the  
276.11 imposition, administration, collection, and enforcement of the tax authorized under this  
276.12 subdivision. The tax imposed under this subdivision is in addition to any local sales and  
276.13 use tax imposed under any other special law.

276.14 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
276.15 under subdivision 1 must be used by the city of Monticello to pay the costs of collecting  
276.16 and administering the tax and paying for the following projects in the city, including securing  
276.17 and paying debt service on bonds issued to finance all or part of the following projects:

276.18 (1) \$15,000,000 for new construction and rehabilitation of the Bertram Chain of Lakes  
276.19 Regional Athletic Park; and

276.20 (2) \$15,000,000 for new construction and improvements to the Pointes at Cedar  
276.21 Recreation Area.

276.22 Subd. 3. **Bonding authority.** (a) The city of Monticello may issue bonds under Minnesota  
276.23 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in  
276.24 subdivision 2 and approved by the voters as required under Minnesota Statutes, section  
276.25 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued  
276.26 under this subdivision may not exceed:

276.27 (1) \$15,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be  
276.28 applied to the payment of the costs of issuing the bonds; and

276.29 (2) \$15,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be  
276.30 applied to the payment of the costs of issuing the bonds.

276.31 (b) The bonds may be paid from or secured by any funds available to the city of  
276.32 Monticello, including the tax authorized under subdivision 1. The issuance of bonds under  
276.33 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

277.1 (c) The bonds are not included in computing any debt limitation applicable to the city  
 277.2 of Monticello, and any levy of taxes under Minnesota Statutes, section 475.61, to pay  
 277.3 principal and interest on the bonds is not subject to any levy limitation. A separate election  
 277.4 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

277.5 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
 277.6 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
 277.7 after the tax is first imposed, or (2) when the city council determines that the amount received  
 277.8 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
 277.9 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
 277.10 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
 277.11 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
 277.12 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
 277.13 any funds remaining after payment of the allowed costs due to the timing of the termination  
 277.14 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the  
 277.15 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
 277.16 if the city so determines by ordinance.

277.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 277.18 city of Monticello and its chief clerical officer comply with Minnesota Statutes, section  
 277.19 645.021, subdivisions 2 and 3.

277.20 Sec. 41. **CITY OF MOUNDS VIEW; TAXES AUTHORIZED.**

277.21 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
 277.22 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
 277.23 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
 277.24 city of Mounds View may impose, by ordinance, a sales and use tax of up to one and one-half  
 277.25 percent for the purposes specified in subdivision 2. Except as otherwise provided in this  
 277.26 section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,  
 277.27 administration, collection, and enforcement of the tax authorized under this subdivision.  
 277.28 The tax imposed under this subdivision is in addition to any local sales and use tax imposed  
 277.29 under any other special law.

277.30 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
 277.31 under subdivision 1 must be used by the city of Mounds View to pay the costs of collecting  
 277.32 and administering the tax, including associated bond costs on bonds issued under subdivision  
 277.33 3, and securing and paying debt service on the bonds, and to finance up to \$16,500,000, for

278.1 construction of an expanded community center into a regional amateur sports and recreational  
278.2 facility.

278.3 Subd. 3. **Bonding authority.** (a) The city of Mounds View may issue bonds under  
278.4 Minnesota Statutes, chapter 475, to finance all or a portion of the costs of the project  
278.5 authorized in subdivision 2. The aggregate principal amount of bonds issued under this  
278.6 subdivision may not exceed \$16,500,000, plus an amount applied to the payment of costs  
278.7 of issuing the bonds.

278.8 (b) The bonds may be paid from or secured by any funds available to the city, including  
278.9 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not  
278.10 subject to Minnesota Statutes, sections 275.60 and 275.61.

278.11 (c) The bonds are not included in computing any debt limitation applicable to the city.  
278.12 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest  
278.13 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
278.14 under Minnesota Statutes, section 475.58, is not required.

278.15 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the  
278.16 earlier of: (1) 20 years after the tax is first imposed; or (2) when the city determines that it  
278.17 has received from this tax \$16,500,000 to fund the project listed in subdivision 2, plus an  
278.18 amount sufficient to pay costs related to issuance of any bonds authorized under subdivision  
278.19 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes,  
278.20 section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the  
278.21 allowed costs due to the timing of the termination of the tax under Minnesota Statutes,  
278.22 section 297A.99, subdivision 12, shall be placed in the city's general fund. The tax imposed  
278.23 under subdivision 1 may expire at an earlier time if the city determines by ordinance.

278.24 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
278.25 city of Mounds View and its chief clerical officer comply with Minnesota Statutes, section  
278.26 645.021, subdivisions 2 and 3.

278.27 Sec. 42. **CITY OF PROCTOR; TAXES AUTHORIZED.**

278.28 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
278.29 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
278.30 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
278.31 city of Proctor may impose by ordinance a sales and use tax of one-half of one percent for  
278.32 the purposes specified in subdivision 2. Except as otherwise provided in this section, the  
278.33 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,

279.1 collection, and enforcement of the tax authorized under this subdivision. The tax imposed  
279.2 under this subdivision is in addition to any local sales and use tax imposed under any other  
279.3 special law.

279.4 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
279.5 under subdivision 1 must be used by the city of Proctor to pay the costs of collecting and  
279.6 administering the tax and to finance up to \$6,900,000 plus associated bonding costs for  
279.7 construction of a new regional and statewide trail spur in the city, including securing and  
279.8 paying debt service on bonds issued to finance all or part of the project.

279.9 Subd. 3. **Bonding authority.** (a) The city of Proctor may issue bonds under Minnesota  
279.10 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in  
279.11 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may  
279.12 not exceed \$6,900,000, plus an amount to be applied to the payment of the costs of issuing  
279.13 the bonds.

279.14 (b) The bonds may be paid from or secured by any funds available to the city of Proctor,  
279.15 including the tax authorized under subdivision 1. The issuance of bonds under this  
279.16 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

279.17 (c) The bonds are not included in computing any debt limitation applicable to the city  
279.18 of Proctor, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
279.19 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
279.20 the bonds under Minnesota Statutes, section 475.58, is not required.

279.21 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
279.22 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
279.23 after the tax is first imposed, or (2) when the city council determines that the amount received  
279.24 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus  
279.25 an amount sufficient to pay the costs related to issuance of any bonds authorized under  
279.26 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota  
279.27 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment  
279.28 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,  
279.29 section 297A.99, subdivision 12, shall be placed in the general fund of the city. The tax  
279.30 imposed under subdivision 1 may expire at an earlier time if the city so determines by  
279.31 ordinance.

279.32 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
279.33 city of Proctor and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
279.34 subdivisions 2 and 3.

280.1 **Sec. 43. RICE COUNTY; TAXES AUTHORIZED.**

280.2 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
 280.3 section 477A.016, or any other law or ordinance, and if approved by the voters at an election  
 280.4 as required under Minnesota Statutes, section 297A.99, subdivision 3, Rice County may  
 280.5 impose by ordinance a sales and use tax of three-eighths of one percent for the purpose  
 280.6 specified in subdivision 2. Except as otherwise provided in this section, the provisions of  
 280.7 Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and  
 280.8 enforcement of the tax authorized under this subdivision. The tax imposed under this  
 280.9 subdivision is in addition to any local sales and use tax imposed under any other special  
 280.10 law.

280.11 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized  
 280.12 under subdivision 1 must be used by Rice County to pay the costs of collecting and  
 280.13 administering the tax and paying for up to \$48,000,000 for the construction of a public  
 280.14 safety facility in the county, including associated bond costs for any bonds issued under  
 280.15 subdivision 3.

280.16 **Subd. 3. Bonding authority.** (a) Rice County may issue bonds under Minnesota Statutes,  
 280.17 chapter 475, to finance all or a portion of the costs of the project authorized in subdivision  
 280.18 2. The aggregate principal amount of bonds issued under this subdivision may not exceed  
 280.19 \$48,000,000, plus an amount to be applied to the payment of the costs of issuing the bonds.

280.20 (b) The bonds may be paid from or secured by any funds available to Rice County,  
 280.21 including the tax authorized under subdivision 1. The issuance of bonds under this  
 280.22 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

280.23 (c) The bonds are not included in computing any debt limitation applicable to Rice  
 280.24 County, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
 280.25 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
 280.26 the bonds under Minnesota Statutes, section 475.58, is not required.

280.27 **Subd. 4. Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
 280.28 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 30 years  
 280.29 after the tax is first imposed, or (2) when the county board of commissioners determines  
 280.30 that the amount received from the tax is sufficient to pay for the project costs authorized  
 280.31 under subdivision 2, plus an amount sufficient to pay the costs related to issuance of any  
 280.32 bonds authorized under subdivision 3, including interest on the bonds. Except as otherwise  
 280.33 provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds  
 280.34 remaining after payment of the allowed costs due to the timing of the termination of the tax

281.1 under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general  
281.2 fund of the county. The tax imposed under subdivision 1 may expire at an earlier time if  
281.3 the county so determines by ordinance.

281.4 **EFFECTIVE DATE.** This section is effective the day after the governing body of Rice  
281.5 County and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
281.6 subdivisions 2 and 3.

281.7 Sec. 44. **CITY OF RICHFIELD; TAXES AUTHORIZED.**

281.8 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
281.9 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
281.10 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
281.11 city of Richfield may impose, by ordinance, a sales and use tax of one-half of one percent  
281.12 for the purposes specified in subdivision 2. Except as otherwise provided in this section,  
281.13 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,  
281.14 collection, and enforcement of the tax authorized under this subdivision.

281.15 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
281.16 under subdivision 1 must be used by the city of Richfield to pay the costs of collecting and  
281.17 administering the tax and paying for the following projects in the city, including securing  
281.18 and paying debt service on bonds issued to finance all or part of the following regional  
281.19 projects:

281.20 (1) \$11,000,000 plus associated bonding costs for construction of the Wood Lake Nature  
281.21 Center building;

281.22 (2) \$9,000,000 plus associated bonding costs for construction of the Veterans Park  
281.23 Complex; and

281.24 (3) \$45,000,000 plus associated bonding costs for construction of the Richfield  
281.25 Community Center Project.

281.26 Subd. 3. **Bonding authority.** (a) The city of Richfield may issue bonds under Minnesota  
281.27 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in  
281.28 subdivision 2 and approved by voters as required under Minnesota Statutes, section 297A.99,  
281.29 subdivision 3, paragraph (a). The aggregate principal amount of bonds issued under this  
281.30 subdivision may not exceed \$65,000,000, plus an amount applied to the payment of costs  
281.31 of issuing the bonds. The bonds may be paid from or secured by any funds available to the  
281.32 city of Richfield, including the tax authorized under subdivision 1. The issuance of bonds  
281.33 under this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

282.1 (b) The bonds are not included in computing any debt limitation applicable to the city.  
282.2 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest  
282.3 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
282.4 under Minnesota Statutes, section 475.58, is not required.

282.5 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
282.6 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
282.7 after being first imposed, or (2) when the city council determines that the amount received  
282.8 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
282.9 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
282.10 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
282.11 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
282.12 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
282.13 any funds remaining after payment of the allowed costs due to the timing of the termination  
282.14 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the  
282.15 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
282.16 if the city so determines by ordinance.

282.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
282.18 city of Richfield and its chief clerical officer comply with Minnesota Statutes, section  
282.19 645.021, subdivisions 2 and 3.

282.20 Sec. 45. **CITY OF ROSEVILLE; TAXES AUTHORIZED.**

282.21 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
282.22 section 297A.99, subdivision 1, or 477A.016, or any other law, ordinance, or city charter,  
282.23 and if approved by the voters at an election as required under Minnesota Statutes, section  
282.24 297A.99, subdivision 3, the city of Roseville may impose by ordinance a sales and use tax  
282.25 of one-half of one percent for the purposes specified in subdivision 2. Except as otherwise  
282.26 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the  
282.27 imposition, administration, collection, and enforcement of the tax authorized under this  
282.28 subdivision. The tax imposed under this subdivision is in addition to any local sales and  
282.29 use tax imposed under any other special law.

282.30 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
282.31 under subdivision 1 must be used by the city of Roseville to pay the costs of collecting and  
282.32 administering the tax and paying for the following projects in the city, including securing  
282.33 and paying debt service on bonds issued to finance all or part of the following projects:  
282.34 (1) \$64,200,000 for construction of a new maintenance facility; and

283.1 (2) \$12,700,000 for construction of a new license and passport center.

283.2 Subd. 3. **Bonding authority.** (a) The city of Roseville may issue bonds under Minnesota  
283.3 Statutes, chapter 475, to finance all or a portion of the costs of the facilities authorized in  
283.4 subdivision 2 and approved by the voters as required under Minnesota Statutes, section  
283.5 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued  
283.6 under this subdivision may not exceed:

283.7 (1) \$64,200,000 for the project listed in subdivision 2, clause (1), plus an amount to be  
283.8 applied to the payment of the costs of issuing the bonds; and

283.9 (2) \$12,700,000 for the project listed in subdivision 2, clause (2), plus an amount to be  
283.10 applied to the payment of the costs of issuing the bonds.

283.11 (b) The bonds may be paid from or secured by any funds available to the city of Roseville,  
283.12 including the tax authorized under subdivision 1. The issuance of bonds under this  
283.13 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

283.14 (c) The bonds are not included in computing any debt limitation applicable to the city  
283.15 of Roseville, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
283.16 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
283.17 the bonds under Minnesota Statutes, section 475.58, is not required.

283.18 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
283.19 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
283.20 after the tax is first imposed, or (2) when the city council determines that the amount received  
283.21 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
283.22 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
283.23 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
283.24 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
283.25 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
283.26 any funds remaining after payment of the allowed costs due to the timing of the termination  
283.27 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the  
283.28 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
283.29 if the city so determines by ordinance.

283.30 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
283.31 city of Roseville and its chief clerical officer comply with Minnesota Statutes, section  
283.32 645.021, subdivisions 2 and 3.

284.1 **Sec. 46. CITY OF ST. JOSEPH; TAXES AUTHORIZED.**

284.2 **Subdivision 1. Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
284.3 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
284.4 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
284.5 city of St. Joseph may impose by ordinance a sales and use tax of one-half of one percent  
284.6 for the purposes specified in subdivision 2. Except as otherwise provided in this section,  
284.7 the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,  
284.8 collection, and enforcement of the tax authorized under this subdivision. The tax imposed  
284.9 under this subdivision is in addition to any local sales and use tax imposed under any other  
284.10 special law.

284.11 **Subd. 2. Use of sales and use tax revenues.** The revenues derived from the tax authorized  
284.12 under subdivision 1 must be used by the city of St. Joseph to pay the costs of collecting and  
284.13 administering the tax and paying for the following projects in the city, including securing  
284.14 and paying debt service on bonds issued to finance all or part of the following projects:

284.15 (1) \$11,000,000 for construction of Phase II of the St. Joseph community center  
284.16 expansion; and

284.17 (2) \$6,000,000 for Phases II and III of the improvements to East Park along the Sauk  
284.18 River in the city of St. Joseph.

284.19 **Subd. 3. Bonding authority.** (a) The city of St. Joseph may issue bonds under Minnesota  
284.20 Statutes, chapter 475, to finance all or a portion of the costs of the projects authorized in  
284.21 subdivision 2 and approved by the voters as required under Minnesota Statutes, section  
284.22 297A.99, subdivision 3, paragraph (a). The aggregate principal amount of bonds issued  
284.23 under this subdivision may not exceed:

284.24 (1) \$11,000,000 for the project listed in subdivision 2, clause (1), plus an amount to be  
284.25 applied to the payment of the costs of issuing the bonds; and

284.26 (2) \$6,000,000 for the project listed in subdivision 2, clause (2), plus an amount to be  
284.27 applied to the payment of the costs of issuing the bonds.

284.28 (b) The bonds may be paid from or secured by any funds available to the city of St.  
284.29 Joseph, including the tax authorized under subdivision 1. The issuance of bonds under this  
284.30 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

284.31 (c) The bonds are not included in computing any debt limitation applicable to the city  
284.32 of St. Joseph, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal

285.1 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
 285.2 the bonds under Minnesota Statutes, section 475.58, is not required.

285.3 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
 285.4 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 17 years  
 285.5 after the tax is first imposed, or (2) when the city council determines that the amount received  
 285.6 from the tax is sufficient to pay for the project costs authorized under subdivision 2 for  
 285.7 projects approved by voters as required under Minnesota Statutes, section 297A.99,  
 285.8 subdivision 3, paragraph (a), plus an amount sufficient to pay the costs related to issuance  
 285.9 of any bonds authorized under subdivision 3, including interest on the bonds. Except as  
 285.10 otherwise provided in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f),  
 285.11 any funds remaining after payment of the allowed costs due to the timing of the termination  
 285.12 of the tax under Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the  
 285.13 general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time  
 285.14 if the city so determines by ordinance.

285.15 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 285.16 city of St. Joseph and its chief clerical officer comply with Minnesota Statutes, section  
 285.17 645.021, subdivisions 2 and 3.

285.18 **Sec. 47. STEARNS COUNTY; TAXES AUTHORIZED.**

285.19 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
 285.20 section 297A.99, subdivision 1, or 477A.016, or any other law or ordinance, and if approved  
 285.21 by the voters at an election as required under Minnesota Statutes, section 297A.99,  
 285.22 subdivision 3, Stearns County may impose by ordinance a sales and use tax of three-eighths  
 285.23 of one percent for the purpose specified in subdivision 2. Except as otherwise provided in  
 285.24 this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition,  
 285.25 administration, collection, and enforcement of the tax authorized under this subdivision.  
 285.26 The tax imposed under this subdivision is in addition to any local sales and use tax imposed  
 285.27 under any other special law.

285.28 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
 285.29 under subdivision 1 must be used by Stearns County to pay the costs of collecting and  
 285.30 administering the tax, and to finance up to \$325,000,000, plus associated bonding costs, for  
 285.31 the construction of a new Stearns County Justice Center consisting of a law enforcement  
 285.32 center, judicial center, and jail.

285.33 Subd. 3. **Bonding authority.** (a) Stearns County may issue bonds under Minnesota  
 285.34 Statutes, chapter 475, to finance the costs of the facility authorized in subdivision 2. The

286.1 aggregate principal amount of bonds issued under this subdivision may not exceed  
286.2 \$325,000,000 for the project listed in subdivision 2, plus an amount to be applied to the  
286.3 payment of the costs of issuing the bonds.

286.4 (b) The bonds may be paid from or secured by any funds available to the county, including  
286.5 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not  
286.6 subject to Minnesota Statutes, sections 275.60 and 275.61.

286.7 (c) The bonds are not included in computing any debt limitation applicable to the county,  
286.8 and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal and interest  
286.9 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
286.10 under Minnesota Statutes, section 475.58, is not required.

286.11 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
286.12 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of: (1) 30 years  
286.13 after the tax is first imposed; or (2) when the county board determines that the amount  
286.14 received from the tax is sufficient to pay \$325,000,000 in project costs authorized under  
286.15 subdivision 2, plus an amount sufficient to pay the costs related to issuance of any bonds  
286.16 authorized under subdivision 3, including interest on the bonds. Except as otherwise provided  
286.17 in Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining  
286.18 after payment of the allowed costs due to the timing of the termination of the tax under  
286.19 Minnesota Statutes, section 297A.99, subdivision 12, shall be placed in the general fund of  
286.20 the county. The tax imposed under subdivision 1 may expire at an earlier time if the county  
286.21 so determines by ordinance.

286.22 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
286.23 Stearns County and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
286.24 subdivisions 2 and 3.

286.25 Sec. 48. **CITY OF STILLWATER; TAXES AUTHORIZED.**

286.26 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
286.27 section 477A.016, or any other law, ordinance, or city charter, and if approved by the voters  
286.28 at an election as required under Minnesota Statutes, section 297A.99, subdivision 3, the  
286.29 city of Stillwater may impose by ordinance a sales and use tax of one-half of one percent  
286.30 for the purpose specified in subdivision 2. Except as otherwise provided in this section, the  
286.31 provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration,  
286.32 collection, and enforcement of the tax authorized under this subdivision. The tax imposed  
286.33 under this subdivision is in addition to any local sales and use tax imposed under any other  
286.34 special law.

287.1 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
287.2 under subdivision 1 must be used by the city of Stillwater to pay the costs of collecting and  
287.3 administering the tax, and to finance up to \$12,500,000 for the construction, renovation,  
287.4 and improvements to the Riverfront Improvement Project.

287.5 Subd. 3. **Bonding authority.** (a) The city of Stillwater may issue bonds under Minnesota  
287.6 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in  
287.7 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may  
287.8 not exceed \$12,500,000.

287.9 (b) The bonds may be paid from or secured by any funds available to the city of Stillwater,  
287.10 including the tax authorized under subdivision 1. The issuance of bonds under this  
287.11 subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

287.12 (c) The bonds are not included in computing any debt limitation applicable to the city  
287.13 of Stillwater, and any levy of taxes under Minnesota Statutes, section 475.61, to pay principal  
287.14 and interest on the bonds is not subject to any levy limitation. A separate election to approve  
287.15 the bonds under Minnesota Statutes, section 475.58, is not required.

287.16 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
287.17 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
287.18 after the tax is first imposed, or (2) when the city council determines that the amount received  
287.19 from the tax is sufficient to pay for the project costs authorized under subdivision 2, plus  
287.20 an amount sufficient to pay the costs related to issuance of any bonds authorized under  
287.21 subdivision 3, including interest on the bonds. Except as otherwise provided in Minnesota  
287.22 Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment  
287.23 of the allowed costs due to the timing of the termination of the tax under Minnesota Statutes,  
287.24 section 297A.99, subdivision 12, must be placed in the general fund of the city. The tax  
287.25 imposed under subdivision 1 may expire at an earlier time if the city so determines by  
287.26 ordinance.

287.27 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
287.28 city of Stillwater and its chief clerical officer comply with Minnesota Statutes, section  
287.29 645.021, subdivisions 2 and 3.

287.30 Sec. 49. **WINONA COUNTY; TAXES AUTHORIZED.**

287.31 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
287.32 sections 297A.99, subdivision 1, and 477A.016, or any other law, ordinance, or city charter,  
287.33 and if approved by the voters at an election as required under Minnesota Statutes, section

288.1 297A.99, subdivision 3, Winona County may impose, by ordinance, a sales and use tax of  
 288.2 one-quarter of one percent for the purposes specified in subdivision 2. Except as otherwise  
 288.3 provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the  
 288.4 imposition, administration, collection, and enforcement of the tax authorized under this  
 288.5 subdivision. The tax imposed under this subdivision is in addition to any local sales and  
 288.6 use tax imposed under any other special law.

288.7 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
 288.8 under subdivision 1 must be used by Winona County to pay the costs of collecting and  
 288.9 administering the tax, and to finance up to \$28,000,000 for construction of a new correctional  
 288.10 facility or upgrades to an existing correctional facility, as well as the associated bond costs  
 288.11 for any bonds issued under subdivision 3.

288.12 Subd. 3. **Bonding authority.** (a) Winona County may issue bonds under Minnesota  
 288.13 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in  
 288.14 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may  
 288.15 not exceed \$28,000,000, plus an amount applied to the payment of costs of issuing the  
 288.16 bonds.

288.17 (b) The bonds may be paid from or secured by any funds available to the county, including  
 288.18 the tax authorized under subdivision 1. The issuance of bonds under this subdivision is not  
 288.19 subject to Minnesota Statutes, sections 275.60 and 275.61.

288.20 (c) The bonds are not included in computing any debt limitation applicable to the county.  
 288.21 Any levy of taxes under Minnesota Statutes, section 475.61, to pay principal of and interest  
 288.22 on the bonds is not subject to any levy limitation. A separate election to approve the bonds  
 288.23 under Minnesota Statutes, section 475.58, is not required.

288.24 Subd. 4. **Termination of taxes.** The tax imposed under subdivision 1 expires at the  
 288.25 earlier of: (1) 25 years after the tax is first imposed; or (2) when the county determines that  
 288.26 it has received from this tax \$28,000,000 to fund the project listed in subdivision 2, plus an  
 288.27 amount sufficient to pay costs related to issuance of any bonds authorized under subdivision  
 288.28 3, including interest on the bonds. Except as otherwise provided in Minnesota Statutes,  
 288.29 section 297A.99, subdivision 3, paragraph (f), any funds remaining after payment of the  
 288.30 allowed costs due to timing of the termination of the tax under Minnesota Statutes, section  
 288.31 297A.99, subdivision 12, shall be placed in the county's general fund. The tax imposed  
 288.32 under subdivision 1 may expire at an earlier time if the county determines by ordinance.

289.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
289.2 Winona County and its chief clerical officer comply with Minnesota Statutes, section  
289.3 645.021, subdivisions 2 and 3.

289.4 Sec. 50. **CITY OF WOODBURY; TAXES AUTHORIZED.**

289.5 Subdivision 1. **Sales and use tax authorization.** Notwithstanding Minnesota Statutes,  
289.6 section 297A.99, subdivision 3, paragraph (d), or 477A.016, or any other law, ordinance,  
289.7 or city charter, and if approved by the voters at an election as required under Minnesota  
289.8 Statutes, section 297A.99, subdivision 3, the city of Woodbury may impose by ordinance  
289.9 a sales and use tax of one-half of one percent for the purpose specified in subdivision 2.  
289.10 Except as otherwise provided in this section, the provisions of Minnesota Statutes, section  
289.11 297A.99, govern the imposition, administration, collection, and enforcement of the tax  
289.12 authorized under this subdivision. The tax imposed under this subdivision is in addition to  
289.13 any local sales and use tax imposed under any other special law.

289.14 Subd. 2. **Use of sales and use tax revenues.** The revenues derived from the tax authorized  
289.15 under subdivision 1 must be used by the city of Woodbury to pay the costs of collecting  
289.16 and administering the tax and to finance up to \$50,000,000, plus associated bonding costs,  
289.17 for the construction of a new public safety campus.

289.18 Subd. 3. **Bonding authority.** (a) The city of Woodbury may issue bonds under Minnesota  
289.19 Statutes, chapter 475, to finance all or a portion of the costs of the project authorized in  
289.20 subdivision 2. The aggregate principal amount of bonds issued under this subdivision may  
289.21 not exceed \$50,000,000, plus an amount to be applied to the payment of the costs of issuing  
289.22 the bonds.

289.23 (b) The bonds may be paid from or secured by any funds available to the city of  
289.24 Woodbury, including the tax authorized under subdivision 1. The issuance of bonds under  
289.25 this subdivision is not subject to Minnesota Statutes, sections 275.60 and 275.61.

289.26 (c) The bonds are not included in computing any debt limitation applicable to the city  
289.27 of Woodbury, and any levy of taxes under Minnesota Statutes, section 475.61, to pay  
289.28 principal and interest on the bonds is not subject to any levy limitation. A separate election  
289.29 to approve the bonds under Minnesota Statutes, section 475.58, is not required.

289.30 Subd. 4. **Termination of taxes.** Subject to Minnesota Statutes, section 297A.99,  
289.31 subdivision 12, the tax imposed under subdivision 1 expires at the earlier of (1) 20 years  
289.32 after the tax is first imposed, or (2) when the city council determines that the amount received  
289.33 from the tax is sufficient to pay \$50,000,000 in project costs authorized under subdivision

290.1 2, plus an amount sufficient to pay the costs related to issuance of any bonds authorized  
290.2 under subdivision 3, including interest on the bonds. Except as otherwise provided in  
290.3 Minnesota Statutes, section 297A.99, subdivision 3, paragraph (f), any funds remaining  
290.4 after payment of the allowed costs due to the timing of the termination of the tax under  
290.5 Minnesota Statutes, section 297A.99, subdivision 12, must be placed in the general fund of  
290.6 the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so  
290.7 determines by ordinance.

290.8 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
290.9 city of Woodbury and its chief clerical officer comply with Minnesota Statutes, section  
290.10 645.021, subdivisions 2 and 3.

290.11 Sec. 51. **LOCAL TAXES ADVISORY TASK FORCE.**

290.12 Subdivision 1. **Establishment.** The Local Taxes Advisory Task Force is established.  
290.13 The purpose of the task force is to examine the use of local taxes as a funding mechanism  
290.14 for cities and counties to fund capital projects and other improvement projects.

290.15 Subd. 2. **Membership.** (a) The task force consists of the following members:

290.16 (1) the commissioner of revenue or the commissioner's designee;

290.17 (2) four members of the public appointed by the commissioner of revenue;

290.18 (3) one member from the League of Minnesota Cities; and

290.19 (4) one member from the Association of Minnesota Counties.

290.20 (b) The task force must not include legislators.

290.21 (c) Appointments to the task force must be made no later than July 1, 2023.

290.22 Subd. 3. **Meetings.** (a) The commissioner of revenue shall convene the first meeting to  
290.23 be held no later than July 15, 2023. The commissioner of revenue must convene all  
290.24 subsequent meetings in a manner and frequency as prescribed by this subdivision.

290.25 (b) The task force shall meet twice monthly, at a time and space designated by the  
290.26 commissioner of revenue. All meetings must be open to the public.

290.27 (c) After September 15, 2023, the commissioner of revenue may increase or decrease  
290.28 the frequency of the meetings as necessary for the task force to accomplish the duties  
290.29 specified in subdivision 4.

290.30 Subd. 4. **Duties; considerations.** (a) The task force shall examine the role of local taxes  
290.31 as a funding mechanism for local governments and must determine:

- 291.1 (1) objective evaluation criteria for general local sales tax proposals;
- 291.2 (2) objective evaluation criteria for food and beverage tax proposals;
- 291.3 (3) objective evaluation criteria for lodging tax proposals seeking accommodations  
291.4 beyond the restrictions of Minnesota Statutes, section 469.190;
- 291.5 (4) the appropriate entity or entities to evaluate local tax proposals based on the  
291.6 established criteria in an objective manner prior to legislation on these taxes being heard in  
291.7 the legislative committees with jurisdiction over local sales taxes;
- 291.8 (5) the appropriate process for enacting special laws authorizing new or modifying  
291.9 existing general and special local taxes; and
- 291.10 (6) the necessary changes to current law to accommodate the determinations made  
291.11 regarding clauses (1) to (5).
- 291.12 (b) In making determinations regarding paragraph (a), clause (1), the task force must  
291.13 consider:
- 291.14 (1) the current requirement of demonstrating regional significance and what, if any,  
291.15 measures should be in place to define regional significance;
- 291.16 (2) the role of a local government's receipt of general purpose state aid and the amount  
291.17 of aid received;
- 291.18 (3) the role of a local government's ability to levy for all or a portion of project costs  
291.19 through property taxes as demonstrated by the local government's net tax capacity tax rate  
291.20 compared to the statewide and countywide averages; and
- 291.21 (4) any other considerations identified by the task force.
- 291.22 (c) The task force must make recommendations to the legislature regarding its  
291.23 determinations from paragraphs (a) and (b) in a report pursuant to subdivision 5.
- 291.24 **Subd. 5. Report; expiration.** (a) The task force shall make recommendations regarding  
291.25 the objectives specified in subdivision 4 that reflect the recommendations held by a majority  
291.26 of the members of the task force in a report to the legislature. The commissioner of revenue  
291.27 must draft and compile the report and send it to the legislative committees with jurisdiction  
291.28 over local taxes no later than January 15, 2024. The report may include any additional  
291.29 information the task force deems relevant.
- 291.30 (b) The task force expires upon submission of its report.

292.1 Subd. 6. **Hearing required.** The legislative committees with jurisdiction over local taxes  
292.2 must hold a public hearing on the report during the regular legislative session in the year  
292.3 in which the report is submitted.

292.4 Subd. 7. **Officer; support.** The commissioner of revenue or the commissioner's designee  
292.5 must act as the chair of the task force. The commissioner of revenue must provide  
292.6 professional, technical, and administrative support to the task force.

292.7 Subd. 8. **Expenses.** The members of the task force shall be reimbursed for all travel  
292.8 expenses actually and necessarily incurred in the performance of the members' duties in  
292.9 accordance with the reimbursement policies established in Minnesota Statutes, section  
292.10 15.059, subdivision 6.

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

## ARTICLE 11

### LOCAL SPECIAL TAXES

292.14 Section 1. Laws 1980, chapter 511, section 1, subdivision 2, as amended by Laws 1991,  
292.15 chapter 291, article 8, section 22, Laws 1998, chapter 389, article 8, section 25, Laws 2003,  
292.16 First Special Session chapter 21, article 8, section 11, Laws 2008, chapter 154, article 5,  
292.17 section 2, Laws 2014, chapter 308, article 3, section 21, and Laws 2017, First Special Session  
292.18 chapter 1, article 5, section 1, is amended to read:

292.19 Subd. 2. (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other law,  
292.20 ordinance, or city charter provision to the contrary, the city of Duluth may, by ordinance,  
292.21 impose an additional sales tax of up to one and three-quarter percent on sales transactions  
292.22 which are described in Minnesota Statutes 2000, section 297A.01, subdivision 3, clause (c).  
292.23 The imposition of this tax shall not be subject to voter referendum under either state law or  
292.24 city charter provisions. When the city council determines that the taxes imposed under this  
292.25 paragraph at a rate of three-quarters of one percent and other sources of revenue produce  
292.26 revenue sufficient to pay debt service on bonds in the principal amount of \$40,285,000 plus  
292.27 issuance and discount costs, issued for capital improvements at the Duluth Entertainment  
292.28 and Convention Center, which include a new arena, the rate of tax under this subdivision  
292.29 must be reduced by three-quarters of one percent.

292.30 (b) In addition to the tax in paragraph (a) and notwithstanding Minnesota Statutes, section  
292.31 477A.016, or any other law, ordinance, or city charter provision to the contrary, the city of  
292.32 Duluth may, by ordinance, impose an additional sales tax of up to one-half of one percent  
292.33 on sales transactions which are described in Minnesota Statutes 2000, section 297A.01,

293.1 subdivision 3, clause (c). This tax expires when the city council determines that the tax  
 293.2 imposed under this paragraph, along with the tax imposed under section 22, paragraph (b),  
 293.3 has produced revenues sufficient to pay the debt service on bonds in a principal amount of  
 293.4 no more than ~~\$18,000,000~~ \$54,000,000, plus issuance and discount costs, to finance capital  
 293.5 improvements to public facilities to support tourism and recreational activities in that portion  
 293.6 of the city west of 14th Avenue West and the area south of and including Skyline Parkway,  
 293.7 and capital improvements to parks-based public athletic facilities to support sports tourism.

293.8 (c) The city of Duluth may sell and issue up to ~~\$18,000,000~~ \$54,000,000 in general  
 293.9 obligation bonds under Minnesota Statutes, chapter 475, plus an additional amount to pay  
 293.10 for the costs of issuance and any premiums. The proceeds may be used to finance capital  
 293.11 improvements to public facilities that support tourism and recreational activities in the  
 293.12 portion of the city west of 14th Avenue West and the area south of and including Skyline  
 293.13 Parkway and capital improvements to parks-based public athletic facilities to support sports  
 293.14 tourism, as described in paragraph (b). The issuance of the bonds is subject to the provisions  
 293.15 of Minnesota Statutes, chapter 475, except no election shall be required unless required by  
 293.16 the city charter. The bonds shall not be included in computing net debt. The revenues from  
 293.17 the taxes that the city of Duluth may impose under paragraph (b) and under section 22,  
 293.18 paragraph (b), may be pledged to pay principal of and interest on such bonds.

293.19 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 293.20 city of Duluth and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
 293.21 subdivisions 2 and 3.

293.22 Sec. 2. Laws 1980, chapter 511, section 2, as amended by Laws 1998, chapter 389, article  
 293.23 8, section 26, Laws 2003, First Special Session chapter 21, article 8, section 12, Laws 2014,  
 293.24 chapter 308, article 3, section 22, and Laws 2017, First Special Session chapter 1, article  
 293.25 5, section 2, is amended to read:

293.26 **Sec. 2. CITY OF DULUTH; TAX ON RECEIPTS BY HOTELS AND MOTELS.**

293.27 (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other law, or ordinance,  
 293.28 or city charter provision to the contrary, the city of Duluth may, by ordinance, impose an  
 293.29 additional tax of one percent upon the gross receipts from the sale of lodging for periods of  
 293.30 less than 30 days in hotels and motels located in the city. The tax shall be collected in the  
 293.31 same manner as the tax set forth in the Duluth city charter, section 54(d), paragraph one.  
 293.32 The imposition of this tax shall not be subject to voter referendum under either state law or  
 293.33 city charter provisions.

294.1 (b) In addition to the tax in paragraph (a) and notwithstanding Minnesota Statutes, section  
 294.2 477A.016, or any other law, ordinance, or city charter provision to the contrary, the city of  
 294.3 Duluth may, by ordinance, impose an additional sales tax of up to one-half of one percent  
 294.4 on the gross receipts from the sale of lodging for periods of less than 30 days in hotels and  
 294.5 motels located in the city. This tax expires when the city council first determines that the  
 294.6 tax imposed under this paragraph, along with the tax imposed under section 21, paragraph  
 294.7 (b), has produced revenues sufficient to pay the debt service on bonds in a principal amount  
 294.8 of no more than ~~\$18,000,000~~ \$54,000,000, plus issuance and discount costs, to finance  
 294.9 capital improvements to public facilities to support tourism and recreational activities in  
 294.10 that portion of the city west of 14th Avenue West and the area south of and including Skyline  
 294.11 Parkway, and capital improvements to parks-based public athletic facilities to support sports  
 294.12 tourism.

294.13 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
 294.14 city of Duluth and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
 294.15 subdivisions 2 and 3.

294.16 Sec. 3. Laws 2008, chapter 366, article 7, section 17, is amended to read:

294.17 Sec. 17. **COOK COUNTY; LODGING AND ADMISSIONS TAXES TAX.**

294.18 Subdivision 1. **Lodging tax.** Notwithstanding Minnesota Statutes, section 477A.016,  
 294.19 or any other provision of law, ordinance, or city charter, the Board of Commissioners of  
 294.20 Cook County may impose, by ordinance, a tax of up to one percent on the gross receipts  
 294.21 subject to the lodging tax under Minnesota Statutes, section 469.190. This tax is in addition  
 294.22 to any tax imposed under Minnesota Statutes, section 469.190, and the total tax imposed  
 294.23 under that section and this provision must not exceed four percent.

294.24 ~~Subd. 2. **Admissions and recreation tax.** Notwithstanding Minnesota Statutes, section~~  
 294.25 ~~477A.016, or any other provision of law, ordinance, or city charter, the Board of~~  
 294.26 ~~Commissioners of Cook County may impose, by ordinance, a tax of up to three percent on~~  
 294.27 ~~admissions to entertainment and recreational facilities and rental of recreation equipment.~~

294.28 Subd. 3. **Use of taxes.** The ~~taxes~~ tax imposed in ~~subdivisions~~ subdivision ~~1 and 2~~ must  
 294.29 be used to fund a new Cook County Event and Visitors Bureau as established by the Board  
 294.30 of Commissioners of Cook County. The Board of Commissioners of Cook County must  
 294.31 annually review the budget of the Cook County Event and Visitors Bureau. The event and  
 294.32 visitors bureau may not receive revenues raised from the ~~taxes~~ tax imposed in ~~subdivisions~~  
 294.33 subdivision ~~1 and 2~~ until the board of commissioners approves the annual budget.

295.1 Subd. 4. **Termination.** The ~~taxes tax~~ imposed in ~~subdivisions subdivision~~ 1 and 2  
295.2 ~~terminate 15~~ terminates 30 years after ~~they are~~ it is first imposed.

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

295.4 Sec. 4. **LAKE OF THE WOODS COUNTY LODGING TAX AUTHORIZED.**

295.5 (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of  
295.6 law, ordinance, or city charter, and subject to the limitation in paragraph (b), the Board of  
295.7 Commissioners of Lake of the Woods County may impose, by ordinance, a tax of up to  
295.8 three percent on gross receipts in Lake of the Woods County subject to the lodging tax  
295.9 provisions under Minnesota Statutes, section 469.190.

295.10 (b) The provisions of paragraph (a) do not apply to any statutory or home rule city or  
295.11 town located in Lake of the Woods County that imposes a lodging tax under Minnesota  
295.12 Statutes, section 469.190, or the city of Baudette. The total tax imposed under Minnesota  
295.13 Statutes, section 469.190, and this section must not exceed three percent.

295.14 (c) To the extent not inconsistent with Minnesota Statutes, section 469.190, this section  
295.15 is governed by Minnesota Statutes, section 469.190.

295.16 (d) Revenues derived from taxes imposed under this section must be used to fund a new  
295.17 Lake of the Woods County Event and Visitors Bureau, as established by the Board of  
295.18 Commissioners of Lake of the Woods County, for purposes of marketing Lake of the Woods  
295.19 County. The Board of Commissioners must annually review the budget of the Event and  
295.20 Visitors Bureau. The Event and Visitors Bureau may receive revenues raised from the taxes  
295.21 imposed under this section only upon annual approval by the Board of Commissioners of  
295.22 the Event and Visitors Bureau budget.

295.23 **EFFECTIVE DATE.** This section is effective the day after the governing body of Lake  
295.24 of the Woods County and its chief clerical officer comply with Minnesota Statutes, section  
295.25 645.021, subdivisions 2 and 3.

295.26 **ARTICLE 12**

295.27 **PUBLIC FINANCE**

295.28 Section 1. Minnesota Statutes 2022, section 118A.04, subdivision 5, is amended to read:

295.29 Subd. 5. **Time deposits.** Funds may be invested in time deposits that are fully insured  
295.30 by the Federal Deposit Insurance Corporation, the National Credit Union Administration,  
295.31 or bankers acceptances of United States banks.

296.1 Sec. 2. Minnesota Statutes 2022, section 123B.61, is amended to read:

296.2 **123B.61 PURCHASE OF CERTAIN EQUIPMENT.**

296.3 The board of a district may issue general obligation certificates of indebtedness or capital  
 296.4 notes subject to the district debt limits to: (a) purchase vehicles, computers, telephone  
 296.5 systems, cable equipment, photocopy and office equipment, technological equipment for  
 296.6 instruction, and other capital equipment having an expected useful life at least as long as  
 296.7 the terms of the certificates or notes; (b) purchase computer hardware and software, without  
 296.8 regard to its expected useful life, whether bundled with machinery or equipment or  
 296.9 unbundled, together with application development services and training related to the use  
 296.10 of the computer; and (c) prepay special assessments. The certificates or notes must be  
 296.11 payable in not more than ~~ten~~ 20 years and must be issued on the terms and in the manner  
 296.12 determined by the board, ~~except that certificates or notes issued to prepay special assessments~~  
 296.13 ~~must be payable in not more than 20 years.~~ The certificates or notes may be issued by  
 296.14 resolution and without the requirement for an election. The certificates or notes are general  
 296.15 obligation bonds for purposes of section 126C.55. A tax levy must be made for the payment  
 296.16 of the principal and interest on the certificates or notes, in accordance with section 475.61,  
 296.17 as in the case of bonds. The sum of the tax levies under this section and section 123B.62  
 296.18 for each year must not exceed the lesser of the amount of the district's total operating capital  
 296.19 revenue or the sum of the district's levy in the general and community service funds excluding  
 296.20 the adjustments under this section for the year preceding the year the initial debt service  
 296.21 levies are certified. The district's general fund levy for each year must be reduced by the  
 296.22 sum of (1) the amount of the tax levies for debt service certified for each year for payment  
 296.23 of the principal and interest on the certificates or notes issued under this section as required  
 296.24 by section 475.61, (2) the amount of the tax levies for debt service certified for each year  
 296.25 for payment of the principal and interest on bonds issued under section 123B.62, and (3)  
 296.26 any excess amount in the debt redemption fund used to retire bonds, certificates, or notes  
 296.27 issued under this section or section 123B.62 after April 1, 1997, other than amounts used  
 296.28 to pay capitalized interest. If the district's general fund levy is less than the amount of the  
 296.29 reduction, the balance shall be deducted first from the district's community service fund  
 296.30 levy, and next from the district's general fund or community service fund levies for the  
 296.31 following year. A district using an excess amount in the debt redemption fund to retire the  
 296.32 certificates or notes shall report the amount used for this purpose to the commissioner by  
 296.33 July 15 of the following fiscal year. A district having an outstanding capital loan under  
 296.34 section 126C.69 must not use an excess amount in the debt redemption fund to retire the  
 296.35 certificates or notes.

297.1 Sec. 3. Minnesota Statutes 2022, section 366.095, subdivision 1, is amended to read:

297.2 Subdivision 1. **Certificates of indebtedness.** The town board may issue certificates of  
 297.3 indebtedness within the debt limits for a town purpose otherwise authorized by law, including  
 297.4 projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause (2). The  
 297.5 certificates shall be payable in not more than ~~ten~~ 20 years and be issued on the terms and  
 297.6 in the manner as determined by the board ~~may determine, provided that notes issued for~~  
 297.7 ~~projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause (2), must~~  
 297.8 ~~be payable in not more than 20 years.~~ If the amount of the certificates to be issued exceeds  
 297.9 0.25 percent of the estimated market value of the town, they shall not be issued for at least  
 297.10 ten days after publication in a newspaper of general circulation in the town of the board's  
 297.11 resolution determining to issue them. If within that time, a petition asking for an election  
 297.12 on the proposition signed by voters equal to ten percent of the number of voters at the last  
 297.13 regular town election is filed with the clerk, the certificates shall not be issued until their  
 297.14 issuance has been approved by a majority of the votes cast on the question at a regular or  
 297.15 special election. A tax levy shall be made to pay the principal and interest on the certificates  
 297.16 as in the case of bonds.

297.17 Sec. 4. Minnesota Statutes 2022, section 373.01, subdivision 3, is amended to read:

297.18 Subd. 3. **Capital notes.** (a) A county board may, by resolution and without referendum,  
 297.19 issue capital notes subject to the county debt limit to purchase capital equipment useful for  
 297.20 county purposes that has an expected useful life at least equal to the term of the notes. The  
 297.21 notes shall be payable in not more than ~~ten~~ 20 years and shall be issued on the terms and in  
 297.22 a the manner determined by the board ~~determines~~. A tax levy shall be made for payment of  
 297.23 the principal and interest on the notes, in accordance with section 475.61, as in the case of  
 297.24 bonds.

297.25 (b) For purposes of this subdivision, "capital equipment" means:

297.26 (1) public safety, ambulance, road construction or maintenance, and medical equipment;  
 297.27 ~~and~~

297.28 (2) computer hardware and software, whether bundled with machinery or equipment or  
 297.29 unbundled, together with application development services and training related to the use  
 297.30 of the computer hardware or software; and

297.31 (3) projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause  
 297.32 (2).

298.1 Sec. 5. Minnesota Statutes 2022, section 383B.117, subdivision 2, is amended to read:

298.2 Subd. 2. **Equipment acquisition; capital notes.** The board may, by resolution and  
 298.3 without public referendum, issue capital notes within existing debt limits for the purpose  
 298.4 of purchasing ambulance and other medical equipment, road construction or maintenance  
 298.5 equipment, public safety equipment, including projects that eliminate R-22, as defined in  
 298.6 section 240A.09, paragraph (b), clause (2), and other capital equipment having an expected  
 298.7 useful life at least equal to the term of the notes issued. The notes shall be payable in not  
 298.8 more than ~~ten~~ 20 years and shall be issued on the terms and in a the manner as determined  
 298.9 by the board ~~determines, provided that notes issued for projects that eliminate R-22, as~~  
 298.10 ~~defined in section 240A.09, paragraph (b), clause (2), must be payable in not more than 20~~  
 298.11 ~~years.~~ The total principal amount of the notes issued for any fiscal year shall not exceed  
 298.12 one percent of the total annual budget for that year and shall be issued solely for the purchases  
 298.13 authorized in this subdivision. A tax levy shall be made for the payment of the principal  
 298.14 and interest on such notes as in the case of bonds. For purposes of this subdivision,  
 298.15 "equipment" includes computer hardware and software, whether bundled with machinery  
 298.16 or equipment or unbundled. For purposes of this subdivision, the term "medical equipment"  
 298.17 includes computer hardware and software and other intellectual property for use in medical  
 298.18 diagnosis, medical procedures, research, record keeping, billing, and other hospital  
 298.19 applications, together with application development services and training related to the use  
 298.20 of the computer hardware and software and other intellectual property, all without regard  
 298.21 to their useful life. For purposes of determining the amount of capital notes which the county  
 298.22 may issue in any year, the budget of the county and Hennepin Healthcare System, Inc. shall  
 298.23 be combined and the notes issuable under this subdivision shall be in addition to obligations  
 298.24 issuable under section 373.01, subdivision 3.

298.25 Sec. 6. Minnesota Statutes 2022, section 410.32, is amended to read:

298.26 **410.32 CITIES MAY ISSUE CAPITAL NOTES FOR CAPITAL EQUIPMENT.**

298.27 (a) Notwithstanding any contrary provision of other law or charter, a home rule charter  
 298.28 city may, by resolution and without public referendum, issue capital notes subject to the  
 298.29 city debt limit to purchase capital equipment.

298.30 (b) For purposes of this section, "capital equipment" means:

298.31 (1) public safety equipment, ambulance and other medical equipment, road construction  
 298.32 and maintenance equipment, and other capital equipment; ~~and~~

299.1 (2) computer hardware and software, whether bundled with machinery or equipment or  
299.2 unbundled, together with application development services and training related to the use  
299.3 of the computer hardware and software; and

299.4 (3) projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause  
299.5 (2).

299.6 (c) The equipment or software must have an expected useful life at least as long as the  
299.7 term of the notes.

299.8 (d) The notes shall be payable in not more than ~~ten~~ 20 years and be issued on the terms  
299.9 and in the manner determined by the city determines, ~~provided that notes issued for projects~~  
299.10 ~~that eliminate R-22, as defined in section 240A.09, paragraph (b), clause (2), must be payable~~  
299.11 ~~in not more than 20 years~~. The total principal amount of the capital notes issued in a fiscal  
299.12 year shall not exceed 0.03 percent of the estimated market value of taxable property in the  
299.13 city for that year.

299.14 (e) A tax levy shall be made for the payment of the principal and interest on the notes,  
299.15 in accordance with section 475.61, as in the case of bonds.

299.16 (f) Notes issued under this section shall require an affirmative vote of two-thirds of the  
299.17 governing body of the city.

299.18 (g) Notwithstanding a contrary provision of other law or charter, a home rule charter  
299.19 city may also issue capital notes subject to its debt limit in the manner and subject to the  
299.20 limitations applicable to statutory cities pursuant to section 412.301.

299.21 Sec. 7. Minnesota Statutes 2022, section 412.301, is amended to read:

299.22 **412.301 FINANCING PURCHASE OF CERTAIN EQUIPMENT.**

299.23 (a) The council may issue certificates of indebtedness or capital notes subject to the city  
299.24 debt limits to purchase capital equipment.

299.25 (b) For purposes of this section, "capital equipment" means:

299.26 (1) public safety equipment, ambulance and other medical equipment, road construction  
299.27 and maintenance equipment, and other capital equipment; ~~and~~

299.28 (2) computer hardware and software, whether bundled with machinery or equipment or  
299.29 unbundled, together with application development services and training related to the use  
299.30 of the computer hardware or software; and

300.1 (3) projects that eliminate R-22, as defined in section 240A.09, paragraph (b), clause  
300.2 (2).

300.3 (c) The equipment or software must have an expected useful life at least as long as the  
300.4 terms of the certificates or notes.

300.5 (d) Such certificates or notes shall be payable in not more than ~~ten~~ 20 years and shall  
300.6 be issued on ~~such~~ the terms and in ~~such~~ the manner as determined by the council may  
300.7 ~~determine, provided, however, that notes issued for projects that eliminate R-22, as defined~~  
300.8 ~~in section 240A.09, paragraph (b), clause (2), must be payable in not more than 20 years.~~

300.9 (e) If the amount of the certificates or notes to be issued to finance any such purchase  
300.10 exceeds 0.25 percent of the estimated market value of taxable property in the city, they shall  
300.11 not be issued for at least ten days after publication in the official newspaper of a council  
300.12 resolution determining to issue them; and if before the end of that time, a petition asking  
300.13 for an election on the proposition signed by voters equal to ten percent of the number of  
300.14 voters at the last regular municipal election is filed with the clerk, such certificates or notes  
300.15 shall not be issued until the proposition of their issuance has been approved by a majority  
300.16 of the votes cast on the question at a regular or special election.

300.17 (f) A tax levy shall be made for the payment of the principal and interest on such  
300.18 certificates or notes, in accordance with section 475.61, as in the case of bonds.

300.19 Sec. 8. Minnesota Statutes 2022, section 469.033, subdivision 6, is amended to read:

300.20 Subd. 6. **Operation area as taxing district, special tax.** All of the territory included  
300.21 within the area of operation of any authority shall constitute a taxing district for the purpose  
300.22 of levying and collecting special benefit taxes as provided in this subdivision. All of the  
300.23 taxable property, both real and personal, within that taxing district shall be deemed to be  
300.24 benefited by projects to the extent of the special taxes levied under this subdivision. Subject  
300.25 to the consent by resolution of the governing body of the city in and for which it was created,  
300.26 an authority may levy a tax upon all taxable property within that taxing district. The tax  
300.27 shall be extended, spread, and included with and as a part of the general taxes for state,  
300.28 county, and municipal purposes by the county auditor, to be collected and enforced therewith,  
300.29 together with the penalty, interest, and costs. As the tax, including any penalties, interest,  
300.30 and costs, is collected by the county treasurer it shall be accumulated and kept in a separate  
300.31 fund to be known as the "housing and redevelopment project fund." The money in the fund  
300.32 shall be turned over to the authority at the same time and in the same manner that the tax  
300.33 collections for the city are turned over to the city, and shall be expended only for the purposes  
300.34 of sections 469.001 to 469.047. It shall be paid out upon vouchers signed by the chair of

301.1 the authority or an authorized representative. The amount of the levy shall be an amount  
301.2 approved by the governing body of the city, but shall not exceed 0.0185 percent of estimated  
301.3 market value. The authority shall each year formulate and file a budget in accordance with  
301.4 the budget procedure of the city in the same manner as required of executive departments  
301.5 of the city or, if no budgets are required to be filed, by August 1. The amount of the tax  
301.6 levy for the following year shall be based on that budget. The requirements of section  
301.7 275.067 apply to a housing and redevelopment authority that has not previously certified a  
301.8 levy.

301.9 Sec. 9. Minnesota Statutes 2022, section 469.053, subdivision 4, is amended to read:

301.10 Subd. 4. **Mandatory city levy.** A city shall, at the request of the port authority, levy a  
301.11 tax in any year for the benefit of the port authority. The tax must not exceed 0.01813 percent  
301.12 of estimated market value. The amount levied must be paid by the city treasurer to the  
301.13 treasurer of the port authority, to be spent by the authority. The requirements of section  
301.14 275.067 apply to a port authority that has not previously certified a levy.

301.15 Sec. 10. Minnesota Statutes 2022, section 469.053, subdivision 6, is amended to read:

301.16 Subd. 6. **Discretionary city levy.** Upon request of a port authority, the port authority's  
301.17 city may levy a tax to be spent by and for its port authority. The tax must enable the port  
301.18 authority to carry out efficiently and in the public interest sections 469.048 to 469.068 to  
301.19 create and develop industrial development districts. The levy must not be more than 0.00282  
301.20 percent of estimated market value. The county treasurer shall pay the proceeds of the tax  
301.21 to the port authority treasurer. The money may be spent by the authority in performance of  
301.22 its duties to create and develop industrial development districts. In spending the money the  
301.23 authority must judge what best serves the public interest. The levy in this subdivision is in  
301.24 addition to the levy in subdivision 4. The requirements of section 275.067 apply to a port  
301.25 authority that has not previously certified a levy.

301.26 Sec. 11. Minnesota Statutes 2022, section 469.107, subdivision 1, is amended to read:

301.27 Subdivision 1. **City tax levy.** A city may, at the request of the authority, levy a tax in  
301.28 any year for the benefit of the authority. The tax must be not more than 0.01813 percent of  
301.29 estimated market value. The amount levied must be paid by the city treasurer to the treasurer  
301.30 of the authority, to be spent by the authority. The requirements of section 275.067 apply to  
301.31 an economic development authority that has not previously certified a levy.

302.1 Sec. 12. Minnesota Statutes 2022, section 474A.02, subdivision 22b, is amended to read:

302.2 Subd. 22b. **Public facilities project.** "Public facilities project" means ~~any publicly owned~~  
302.3 ~~facility, or a facility that is used for district heating or cooling,~~ whether publicly or privately  
302.4 owned, that is eligible to be financed with the proceeds of public facilities bonds as defined  
302.5 under section 474A.02, subdivision 23a.

302.6 Sec. 13. Minnesota Statutes 2022, section 474A.02, subdivision 23a, is amended to read:

302.7 Subd. 23a. **Qualified bonds.** "Qualified bonds" means the specific type or types of  
302.8 obligations that are subject to the annual volume cap. Qualified bonds include the following  
302.9 types of obligations as defined in federal tax law:

302.10 (a) "public facility bonds" means "exempt facility bonds" as defined in federal tax law,  
302.11 ~~except for residential rental project bonds, which are those obligations issued to finance~~  
302.12 ~~airports, docks and wharves, mass commuting facilities, facilities for the furnishing of water,~~  
302.13 ~~sewage facilities, solid waste disposal facilities, facilities for the local furnishing of electric~~  
302.14 ~~energy or gas, local district heating or cooling facilities, and qualified hazardous waste~~  
302.15 ~~facilities.~~ New bonds and other obligations are ineligible to receive state allocations or  
302.16 entitlement authority for public facility projects under this section if they have been issued:

302.17 (1) for the purpose of refinancing, refunding, or otherwise defeasing existing debt; and

302.18 (2) more than one calendar year prior to the date of application;

302.19 (b) "residential rental project bonds" which are those obligations issued to finance  
302.20 qualified residential rental projects;

302.21 (c) "mortgage bonds";

302.22 (d) "small issue bonds" issued to finance manufacturing projects and the acquisition or  
302.23 improvement of agricultural real or personal property under sections 41C.01 to 41C.13;

302.24 (e) "student loan bonds" issued by or on behalf of the Minnesota Office of Higher  
302.25 Education;

302.26 (f) "redevelopment bonds";

302.27 (g) "governmental bonds" with a nonqualified amount in excess of \$15,000,000 as set  
302.28 forth in section 141(b)5 of federal tax law; and

302.29 (h) "enterprise zone facility bonds" issued to finance facilities located within  
302.30 empowerment zones or enterprise communities, as authorized under Public Law 103-66,  
302.31 section 13301.

303.1 Sec. 14. Minnesota Statutes 2022, section 475.54, subdivision 1, is amended to read:

303.2 Subdivision 1. **In installments; exception; annual limit.** Except as provided in  
303.3 subdivision 3, 5a, 15, or 17, or as expressly authorized in another law, all obligations of  
303.4 each issue shall mature or be subject to mandatory sinking fund redemption in installments,  
303.5 the first not later than three years and the last not later than 30 years from the date of the  
303.6 issue; or 40 years or the useful life of the asset, whichever is less, for ~~municipal water and~~  
303.7 ~~wastewater treatment systems and~~ essential community facilities financed or guaranteed by  
303.8 the United States Department of Agriculture and municipal water and wastewater treatment  
303.9 systems. No amount of principal of the issue payable in any calendar year shall exceed an  
303.10 amount equal to the smallest amount payable in any preceding calendar year ending three  
303.11 years or more after the issue date multiplied:

303.12 (1) by five, in the case of obligations maturing not later than 25 years from the date of  
303.13 issue; and

303.14 (2) by six, in the case of obligations maturing 25 years or later from the date of issue.

303.15 Sec. 15. Laws 1971, chapter 773, section 1, subdivision 2, as amended by Laws 1974,  
303.16 chapter 351, section 5, Laws 1976, chapter 234, sections 1 and 7, Laws 1978, chapter 788,  
303.17 section 1, Laws 1981, chapter 369, section 1, Laws 1983, chapter 302, section 1, Laws 1988,  
303.18 chapter 513, section 1, Laws 1992, chapter 511, article 9, section 23, Laws 1998, chapter  
303.19 389, article 3, section 27, Laws 2002, chapter 390, section 23, and Laws 2013, chapter 143,  
303.20 article 12, section 18, is amended to read:

303.21 Subd. 2. For each of the years ~~2013 to 2024~~ 2023 to 2035, the city of St. Paul is authorized  
303.22 to issue bonds in the aggregate principal amount of ~~\$20,000,000~~ \$30,000,000 for each year.

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

303.26 Sec. 16. **CITY OF VIRGINIA; NET DEBT LIMIT EXEMPTION.**

303.27 The city of Virginia may finance the construction of a public safety building in the city  
303.28 of Virginia by obtaining a loan from the United States Department of Agriculture secured  
303.29 by its general obligation pledge. Any bonds issued relating to this construction project or  
303.30 repayment of the loan must not be included in the computation of the city's limit on net debt  
303.31 under Minnesota Statutes, section 475.53, subdivision 1.

304.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of the  
304.2 city of Virginia and its chief clerical officer comply with Minnesota Statutes, section 645.021,  
304.3 subdivisions 2 and 3.

304.4 **ARTICLE 13**

304.5 **STADIUM PAYOFF; ELECTRONIC PULL-TABS; GAMBLING TAXES**

304.6 Section 1. Minnesota Statutes 2022, section 16A.726, is amended to read:

304.7 **16A.726 SPORTS FACILITIES TRANSFERS; APPROPRIATIONS.**

304.8 ~~(a) If state appropriation bonds have not been issued under section 16A.965, amounts~~  
304.9 ~~not to exceed the increased revenues estimated by the commissioner of management and~~  
304.10 ~~budget under section 297E.021, subdivision 2, are appropriated from the general fund to~~  
304.11 ~~the commissioner of management and budget to make transfers to the Minnesota Sports~~  
304.12 ~~Facilities Authority for stadium costs as defined under section 473J.03, subdivision 9.~~

304.13 ~~(b)~~ (a) The commissioner shall make transfers to the Minnesota Sports Facilities Authority  
304.14 required to make the state payments under section 473J.13, subdivisions 2 and 4, and for  
304.15 the amount of Minneapolis taxes withheld under section 297A.994, subdivision 4, paragraph  
304.16 (a), clause ~~(5)~~ (4). Amounts sufficient to make the transfers are appropriated to the  
304.17 commissioner from the general fund.

304.18 ~~(e)~~ (b) \$2,700,000 is annually appropriated from the general fund from fiscal year 2014  
304.19 through fiscal year 2033 to the commissioner of management and budget for a grant to the  
304.20 city of St. Paul for the operating or capital costs of new or existing sports facilities.

304.21 **EFFECTIVE DATE; APPLICATION.** This section is effective July 1, 2023. This  
304.22 section does not affect amounts retained for recapture of state advances through June 30,  
304.23 2023.

304.24 Sec. 2. Minnesota Statutes 2022, section 297A.994, subdivision 4, is amended to read:

304.25 Subd. 4. **General fund allocations.** (a) The commissioner must retain and deposit to  
304.26 the general fund the following amounts, as required by subdivision 3, clause (3):

304.27 (1) for state bond debt service support beginning in calendar year 2021, and for each  
304.28 calendar year thereafter through calendar year 2046, periodic amounts so that not later than  
304.29 December 31, 2046, an aggregate amount equal to a present value of \$150,000,000 has been  
304.30 deposited in the general fund. To determine aggregate present value, the commissioner must  
304.31 consult with the commissioner of management and budget regarding the present value dates,  
304.32 discount rate or rates, and schedules of annual amounts. The present value date or dates

305.1 must be based on the date or dates bonds are sold under section 16A.965, or the date or  
 305.2 dates other state funds, if any, are deposited into the construction fund. The discount rate  
 305.3 or rates must be based on the true interest cost of the bonds issued under section 16A.965,  
 305.4 or an equivalent 30-year bond index, as determined by the commissioner of management  
 305.5 and budget. The schedule of annual amounts must be certified to the commissioner by the  
 305.6 commissioner of management and budget and the finance officer of the city;

305.7 (2) for the capital improvement reserve appropriation to the Minnesota Sports Facilities  
 305.8 Authority beginning in calendar year 2021, and for each calendar year thereafter through  
 305.9 calendar year 2046, an aggregate annual amount equal to the amount paid by the state for  
 305.10 this purpose in that calendar year under section 473J.13, subdivision 4;

305.11 (3) for the operating expense appropriation to the Minnesota Sports Facilities Authority  
 305.12 beginning in calendar year 2021, and for each calendar year thereafter through calendar  
 305.13 year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose  
 305.14 in that calendar year under section 473J.13, subdivision 2;

305.15 ~~(4) for recapture of state advances for capital improvements and operating expenses for~~  
 305.16 ~~calendar years 2016 through 2020 beginning in calendar year 2021, and for each calendar~~  
 305.17 ~~year thereafter until all amounts under this clause have been paid, proportionate amounts~~  
 305.18 ~~periodically until an aggregate amount equal to the present value of all amounts paid by the~~  
 305.19 ~~state have been deposited in the general fund. To determine the present value of the amounts~~  
 305.20 ~~paid by the state to the authority and the present value of amounts deposited to the general~~  
 305.21 ~~fund under this clause, the commissioner shall consult with the commissioner of management~~  
 305.22 ~~and budget regarding the present value dates, discount rate or rates, and schedule of annual~~  
 305.23 ~~amounts. The present value dates must be based on the dates state funds are paid to the~~  
 305.24 ~~authority, or the dates the commissioner of revenue deposits taxes for purposes of this clause~~  
 305.25 ~~to the general fund. The discount rates must be based on the reasonably equivalent cost of~~  
 305.26 ~~state funds as determined by the commissioner of management and budget. The schedule~~  
 305.27 ~~of annual amounts must be revised to reflect amounts paid under section 473J.13, subdivision~~  
 305.28 ~~2, paragraph (b), for 2016 to 2020, and subdivision 4, paragraph (c), for 2016 to 2020, and~~  
 305.29 ~~taxes deposited to the general fund from time to time under this clause, and the schedule~~  
 305.30 ~~and revised schedules must be certified to the commissioner by the commissioner of~~  
 305.31 ~~management and budget and the finance officer of the city, and are transferred as accrued~~  
 305.32 ~~from the general fund for repayment of advances made by the state to the authority; and~~

305.33 ~~(5)~~ (4) to capture increases in taxes imposed under the special law, for the benefit of the  
 305.34 Minnesota Sports Facilities Authority, beginning in calendar year 2013 and for each calendar

306.1 year thereafter through 2046, there shall be deposited to the general fund in proportionate  
306.2 periodic payments in the following year, an amount equal to the ~~following~~ lesser of:

306.3 (i)~~(A)~~ (A) 50 percent of the difference, if any, by which the amount of the net annual taxes  
306.4 for the previous year exceeds the sum of the net actual taxes in calendar year 2011 plus  
306.5 \$1,000,000, inflated at two percent per year since 2011, minus

306.6 ~~(ii)~~ (B) 25 percent of the difference, if any, by which the amount of the net annual taxes  
306.7 for the preceding year exceeds the sum of the net actual taxes in calendar year 2011 plus  
306.8 \$3,000,000, inflated at two percent per year since 2011; or

306.9 (ii) the amount of the net annual taxes for the preceding year multiplied by three percent;  
306.10 and

306.11 (5) if the bonds under section 16A.965 are defeased, redeemed, or paid in full, the  
306.12 commissioner of management and budget and finance officer of the city must agree to a  
306.13 revised schedule of annual amounts under clause (1). The revised schedule of annual amounts  
306.14 must factor in a discount rate equal to zero percent and otherwise consistent with the  
306.15 methodology previously agreed upon by the parties.

306.16 (b) The Minnesota Sports Facility Authority must use the amounts available from the  
306.17 deposits under paragraph (a), clause (4), for capital repairs, replacements, and improvements  
306.18 for the stadium and stadium infrastructure.

306.19 **EFFECTIVE DATE; APPLICATION.** This section is effective July 1, 2023. This  
306.20 section does not affect amounts retained for recapture of state advances through June 30,  
306.21 2023.

306.22 Sec. 3. Minnesota Statutes 2022, section 297E.02, subdivision 6, is amended to read:

306.23 Subd. 6. **Combined net receipts tax.** (a) In addition to the taxes imposed under  
306.24 subdivision 1, a tax is imposed on the combined net receipts of the organization. As used  
306.25 in this section, "combined net receipts" is the sum of the organization's gross receipts from  
306.26 lawful gambling less gross receipts directly derived from the conduct of paper bingo, raffles,  
306.27 and paddlewheels, as defined in section 297E.01, subdivision 8, and less the net prizes  
306.28 actually paid, other than prizes actually paid for paper bingo, raffles, and paddlewheels, for  
306.29 the fiscal year. The combined net receipts of an organization are subject to a tax computed  
306.30 according to the following schedule:

306.31	If the combined net receipts	The tax is:
306.32	for the fiscal year are:	
306.33	Not over \$87,500	<del>nine</del> <u>eight</u> percent

307.1	Over \$87,500, but not over	<del>\$7,875</del> <u>\$7,000</u> plus <del>18</del> <u>17</u> percent of
307.2	\$122,500	the amount over \$87,500, but not over
307.3		\$122,500
307.4	Over \$122,500, but not	<del>\$14,175</del> <u>\$12,950</u> plus <del>27</del> <u>25</u> percent
307.5	over \$157,500	of the amount over \$122,500, but not
307.6		over \$157,500
307.7	Over \$157,500	<del>\$23,625</del> <u>\$21,700</u> plus <del>36</del> <u>33.5</u> percent
307.8		of the amount over \$157,500

307.9 (b) Gross receipts derived from sports-themed tipboards are exempt from taxation under  
 307.10 this section. For purposes of this paragraph, a sports-themed tipboard means a sports-themed  
 307.11 tipboard as defined in section 349.12, subdivision 34, under which the winning numbers  
 307.12 are determined by the numerical outcome of a professional sporting event.

307.13 **EFFECTIVE DATE.** This section is effective for games reported as played after June  
 307.14 30, 2023.

307.15 Sec. 4. Minnesota Statutes 2022, section 297E.06, subdivision 4, is amended to read:

307.16 Subd. 4. **Annual audit, certified inventory, and cash count.** (a) An organization  
 307.17 licensed under chapter 349 with gross receipts from lawful gambling of more than \$750,000  
 307.18 in any year must have an annual financial audit of its lawful gambling activities and funds  
 307.19 for that year. For the purposes of this subdivision, "gross receipts" does not include a licensed  
 307.20 organization's receipts from electronic pull-tabs regulated under chapter 349 provided the  
 307.21 electronic pull-tab manufacturer has completed an annual system and organization controls  
 307.22 audit, containing standards that must incorporate and be consistent with standards prescribed  
 307.23 by the American Institute of Certified Public Accountants.

307.24 (b) The commissioner may require a financial audit of the lawful gambling activities  
 307.25 and funds of an organization licensed under chapter 349, with gross receipts less than  
 307.26 \$750,000 annually, when an organization has:

- 307.27 (1) failed to timely file required gambling tax returns;
- 307.28 (2) failed to timely pay the gambling tax or regulatory fee;
- 307.29 (3) filed fraudulent gambling tax returns;
- 307.30 (4) failed to take corrective actions required by the commissioner; or
- 307.31 (5) failed to otherwise comply with this chapter.

307.32 (c) Audits under this subdivision must be performed by an independent accountant firm  
 307.33 licensed in accordance with chapter 326A.

308.1 (d) An organization licensed under chapter 349 must perform an annual certified inventory  
308.2 and cash count at the end of its fiscal year and submit the report to the commissioner within  
308.3 30 days after the end of its fiscal year. The report shall be on a form prescribed by the  
308.4 commissioner.

308.5 (e) The commissioner of revenue shall prescribe standards for the audits, certified  
308.6 inventory, and cash count reports required under this subdivision. The standards may vary  
308.7 based on the gross receipts of the organization. The standards must incorporate and be  
308.8 consistent with standards prescribed by the American Institute of Certified Public  
308.9 Accountants. A complete, true, and correct copy of the audits, certified inventory, and cash  
308.10 count report must be filed as prescribed by the commissioner.

308.11 **EFFECTIVE DATE.** This section is effective for audits conducted after June 30, 2024.

308.12 Sec. 5. Minnesota Statutes 2022, section 349.11, is amended to read:

308.13 **349.11 PURPOSE.**

308.14 The purpose of sections 349.11 to 349.22 is to regulate lawful gambling, to ~~insure~~ ensure  
308.15 integrity of operations, ~~and~~ to provide for the use of net profits only for lawful purposes,  
308.16 and to authorize only those games or game features discussed in this chapter.

308.17 **EFFECTIVE DATE.** This section is effective for games approved after August 1, 2023.

308.18 Sec. 6. Minnesota Statutes 2022, section 349.12, subdivision 12a, is amended to read:

308.19 Subd. 12a. **Electronic bingo device.** "Electronic bingo device" means a handheld and  
308.20 portable electronic device that:

308.21 (1) is used by a bingo player to:

308.22 (i) monitor bingo paper sheets or a facsimile of a bingo paper sheet purchased and played  
308.23 at the time and place of an organization's bingo occasion, or to play an electronic bingo  
308.24 game that is linked with other permitted premises;

308.25 (ii) activate numbers announced or displayed, and to compare the numbers to the bingo  
308.26 faces previously stored in the memory of the device;

308.27 (iii) identify a winning bingo pattern or game requirement; and

308.28 (iv) play against other bingo players;

308.29 (2) limits the play of bingo faces to 36 faces per game;

309.1 (3) requires coded entry to activate play but does not allow the use of a coin, currency,  
309.2 or tokens to be inserted to activate play;

309.3 (4) may only be used for play against other bingo players in a bingo game;

309.4 (5) has no additional function as an amusement or gambling device other than as an  
309.5 electronic pull-tab game defined under section 349.12, subdivision 12c;

309.6 (6) has the capability to ensure adequate levels of security internal controls;

309.7 (7) has the capability to permit the board to electronically monitor the operation of the  
309.8 device and the internal accounting systems; ~~and~~

309.9 (8) has the capability to allow use by a player who is visually impaired; and

309.10 (9) contains no spinning reels or other representations that mimic a video slot machine,  
309.11 including but not limited to free plays, bonus games, screens, or game features that are  
309.12 triggered after the initial symbols are revealed that display the results of the game.

309.13 **EFFECTIVE DATE.** This section is effective for games approved after August 1, 2023.

309.14 Sec. 7. Minnesota Statutes 2022, section 349.12, subdivision 12b, is amended to read:

309.15 Subd. 12b. **Electronic pull-tab device.** "Electronic pull-tab device" means a handheld  
309.16 and portable electronic device that:

309.17 (1) is used to play one or more electronic pull-tab games;

309.18 (2) requires coded entry to activate play but does not allow the use of coin, currency, or  
309.19 tokens to be inserted to activate play;

309.20 (3) requires that a player must individually activate or individually open each electronic  
309.21 pull-tab ticket and each individual line, row, or column of each electronic pull-tab ticket;

309.22 (4) maintains information pertaining to accumulated win credits that may be applied to  
309.23 games in play or redeemed upon termination of play;

309.24 (5) has no spinning reels or other representations that mimic a video slot machine;

309.25 (6) has no additional function as a gambling device other than as an electronic-linked  
309.26 bingo game played on a device defined under section 349.12, subdivision 12a;

309.27 (7) may incorporate an amusement game feature as part of the pull-tab game but may  
309.28 not require additional consideration for that feature or award any prize, or other benefit for  
309.29 that feature;

310.1 (8) may have auditory or visual enhancements to promote or provide information about  
310.2 the game being played, provided the component does not affect the outcome of a game or  
310.3 display the results of a game;

310.4 (9) maintains, on nonresettable meters, a printable, permanent record of all transactions  
310.5 involving each device and electronic pull-tab games played on the device;

310.6 (10) is not a pull-tab dispensing device as defined under subdivision 32a; and

310.7 (11) has the capability to allow use by a player who is visually impaired.

310.8 (b) An electronic pull-tab device must not include representations that mimic the display  
310.9 or user interface of a video slot machine by requiring a player to manually activate the reveal  
310.10 or result of each single row of symbols with a separate and distinct action for each electronic  
310.11 pull-tab ticket.

310.12 **EFFECTIVE DATE.** This section is effective for games approved after August 1, 2023.

310.13 Sec. 8. Minnesota Statutes 2022, section 349.12, subdivision 12c, is amended to read:

310.14 Subd. 12c. **Electronic pull-tab game.** (a) "Electronic pull-tab game" means a pull-tab  
310.15 game containing:

310.16 (1) facsimiles of pull-tab tickets that are played on an electronic pull-tab device;

310.17 (2) a predetermined, finite number of winning and losing tickets, not to exceed 7,500  
310.18 tickets;

310.19 (3) the same price for each ticket in the game;

310.20 (4) a price paid by the player of not less than 25 cents per ticket;

310.21 (5) tickets that are in conformance with applicable board rules for pull-tabs;

310.22 (6) winning tickets that comply with prize limits under section 349.211;

310.23 (7) a unique serial number that may not be regenerated;

310.24 (8) an electronic flare that displays the game name; form number; predetermined, finite  
310.25 number of tickets in the game; and prize tier; ~~and~~

310.26 (9) no spinning reels or other representations that mimic a video slot machine-, including  
310.27 but not limited to free plays, bonus games, screens, or game features that are triggered after  
310.28 the initial symbols are revealed that display the results of the game;

310.29 (10) a mechanism requiring a player to manually activate each electronic pull-tab ticket  
310.30 to be opened; and

311.1 (11) a mechanism requiring a player to manually activate the reveal of each single row  
311.2 of symbols with a separate and distinct action.

311.3 (b) Each electronic pull-tab game shall include a certification from a board-approved  
311.4 testing laboratory that the game and device meets the standards and requirements established  
311.5 in Minnesota Statutes and Minnesota Rules and is in conformance with game procedures  
311.6 provided by the manufacturer.

311.7 **EFFECTIVE DATE.** This section is effective for games approved after August 1, 2023.

311.8 Sec. 9. Minnesota Statutes 2022, section 349.12, is amended by adding a subdivision to  
311.9 read:

311.10 Subd. 25e. **Manually activate.** For purposes of this section, "manually activate" means  
311.11 that a person must either touch an icon on the electronic pull-tab device screen or press a  
311.12 button located elsewhere on the electronic pull-tab device, or, exclusively for purposes of  
311.13 accommodating use by a player who is visually impaired, perform some other action that  
311.14 initiates activity on an electronic pull-tab device.

311.15 **EFFECTIVE DATE.** This section is effective for games approved after August 1, 2023.

311.16 Sec. 10. Minnesota Statutes 2022, section 349.151, subdivision 4d, is amended to read:

311.17 Subd. 4d. **Electronic pull-tab devices and electronic pull-tab game system.** (a) The  
311.18 board may adopt rules it deems necessary to ensure the integrity of electronic pull-tab  
311.19 devices, the electronic pull-tab games played on the devices, and the electronic pull-tab  
311.20 game system necessary to operate them.

311.21 (b) The board may not require an organization to use electronic pull-tab devices.

311.22 (c) Before authorizing the lease or sale of electronic pull-tab devices and the electronic  
311.23 pull-tab game system, the board shall examine electronic pull-tab devices allowed under  
311.24 section 349.12, subdivision 12b. The board may contract for the examination of the game  
311.25 system and electronic pull-tab devices and may require a working model to be transported  
311.26 to locations the board designates for testing, examination, and analysis. The manufacturer  
311.27 must pay all costs of any testing, examination, analysis, and transportation of the model.  
311.28 The system must be approved by the board before its use in the state and must have the  
311.29 capability to permit the board to electronically monitor its operation and internal accounting  
311.30 systems.

311.31 (d) The board may require a manufacturer to submit a certificate from an independent  
311.32 testing laboratory approved by the board to perform testing services, stating that the

312.1 equipment has been tested, analyzed, and meets the standards required in this chapter and  
312.2 any applicable board rules.

312.3 (e) The board, or the director if authorized by the board, may require the deactivation  
312.4 of an electronic pull-tab device for violation of a law or rule and to implement any other  
312.5 controls deemed necessary to ensure and maintain the integrity of electronic pull-tab devices  
312.6 and the electronic pull-tab games played on the devices.

312.7 (f) The board, or the director if authorized by the board, may remove any electronic  
312.8 pull-tab device that does not conform to the requirements of section 349.12, subdivision  
312.9 12b, and any electronic pull-tab device containing games that do not conform to the  
312.10 requirements of section 349.12, subdivision 12c, from the inventories of distributors and  
312.11 organizations.

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

312.13 Sec. 11. Minnesota Statutes 2022, section 349.163, is amended by adding a subdivision  
312.14 to read:

312.15 Subd. 11. **Electronic pull-tab distributor fees.** (a) Beginning July 1, 2024, a licensed  
312.16 distributor may not charge a licensed organization more than 25 percent of gross profits  
312.17 derived from electronic pull-tab games supplied by the licensed distributor.

312.18 (b) A licensed distributor may request a hearing before the board to seek to impose a  
312.19 fee in excess of the limitations established in paragraph (a). Unless otherwise agreed between  
312.20 the licensee and the board, the licensee must submit its request no later than 20 days prior  
312.21 to a scheduled board meeting. The board must grant or deny the licensee's request within  
312.22 20 days after the hearing is held.

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

312.24 Sec. 12. Minnesota Statutes 2022, section 349.163, is amended by adding a subdivision  
312.25 to read:

312.26 Subd. 12. **Electronic pull-tab manufacturer audit required.** A manufacturer of  
312.27 electronic pull-tabs licensed under this section must complete and submit an annual system  
312.28 and organization controls audit. The standards of the audit must incorporate and be consistent  
312.29 with standards prescribed by the American Institute of Certified Public Accountants. Audits  
312.30 conducted under this subdivision must be performed by an independent accountant firm  
312.31 licensed in accordance with chapter 326A.

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

313.1 Sec. 13. Minnesota Statutes 2022, section 473J.13, subdivision 2, is amended to read:

313.2 Subd. 2. **Operating expenses.** (a) The authority must pay or cause to be paid all operating  
313.3 expenses of the stadium. The authority must require in the lease or use agreement with the  
313.4 NFL team that the NFL team pay the authority, beginning January 1, 2016, or other date as  
313.5 mutually agreed upon by the parties, toward operating costs of the stadium, \$8,500,000  
313.6 each year, increased by a three percent annual inflation rate.

313.7 (b) Beginning January 1, 2016, or other date as mutually agreed upon by the parties,  
313.8 and continuing through 2020, the state shall pay the authority operating expenses, \$6,000,000  
313.9 each year, increased by an annual adjustment factor. ~~The payment of \$6,000,000 per year~~  
313.10 ~~beginning in 2016 is a payment by the state, which shall be repaid to the state, using funds~~  
313.11 ~~as provided under section 297A.994, subdivision 4, clause (4).~~ After 2020, the state shall  
313.12 assume this payment, using funds generated in accordance with the city of Minneapolis as  
313.13 specified under section 297A.994, subdivision 4, clause (3).

313.14 (c) The authority may establish an operating reserve to cover operating expense shortfalls  
313.15 and may accept funds from any source for deposit in the operating reserve. The establishment  
313.16 or funding of an authority operating reserve must not decrease the amounts required to be  
313.17 paid to the authority toward operating costs under this subdivision unless agreed to by the  
313.18 authority.

313.19 (d) The authority will be responsible for operating cost overruns.

313.20 (e) After the joint selection of the third-party manager or program manager, the authority  
313.21 may agree with a program manager or other third-party manager of the stadium on a fixed  
313.22 cost operating, management, or employment agreement with operating cost protections  
313.23 under which the program manager or third-party manager assumes responsibility for stadium  
313.24 operating costs and shortfalls. The agreement with the manager must require the manager  
313.25 to prepare an initial and ongoing operating plan and operating budgets for approval by the  
313.26 authority in consultation with the NFL team. The manager must agree to operate the stadium  
313.27 in accordance with the approved operating plan and operating budget.

313.28 **EFFECTIVE DATE; APPLICATION.** This section is effective July 1, 2023. This  
313.29 section does not affect amounts retained for recapture of state advances through June 30,  
313.30 2023.

313.31 Sec. 14. Minnesota Statutes 2022, section 473J.13, subdivision 4, is amended to read:

313.32 Subd. 4. **Capital improvements.** (a) The authority shall establish a capital reserve fund.  
313.33 The authority shall be responsible for making, or for causing others to make, all capital

314.1 repairs, replacements, and improvements for the stadium and stadium infrastructure. The  
314.2 authority shall maintain, or cause others to maintain, the stadium and stadium infrastructure  
314.3 in a safe, clean, attractive, and first-class manner so as to cause them to remain in a condition  
314.4 comparable to that of other comparable NFL facilities of similar design and age. The authority  
314.5 shall make, or cause others to make, all necessary or appropriate repairs, renewals, and  
314.6 replacements, whether structural or nonstructural, interior or exterior, ordinary or  
314.7 extraordinary, foreseen or unforeseen, in a prompt and timely manner. In addition, the  
314.8 authority, with approval of the NFL team, may enter into an agreement with a program  
314.9 manager to perform some or all of the responsibilities of the authority in this subdivision  
314.10 and to assume and accept financial liability for the cost of performing the responsibilities.

314.11 (b) The NFL team must contribute \$1,500,000 each year, beginning in 2016 or as  
314.12 otherwise determined for the term of the lease or use agreement to the capital reserve fund,  
314.13 increased by a three percent annual inflation rate.

314.14 (c) The state shall contribute \$1,500,000 each year, beginning in 2016 or as otherwise  
314.15 determined for the term of the lease to the capital reserve fund. The contributions of the  
314.16 state are subject to increase by an annual adjustment factor. ~~The contribution under this~~  
314.17 ~~paragraph by the state from 2016 through 2020 shall be repaid to the state using funds in~~  
314.18 ~~accordance with section 297A.994, subdivision 4, clause (4).~~

314.19 (d) The authority with input from the NFL team shall develop short-term and long-term  
314.20 capital funding plans and shall use those plans to guide the future capital needs of the stadium  
314.21 and stadium infrastructure. The authority shall make the final determination with respect  
314.22 to funding capital needs. Any capital improvement proposed by the NFL team intended  
314.23 primarily to provide revenue enhancements to the NFL team shall be paid for by the NFL  
314.24 team, unless otherwise agreed to with the authority.

314.25 (e) The NFL team has authority to determine the design of a retractable roof feature for  
314.26 the stadium. The NFL team must cooperate with the authority in designing the feature to  
314.27 minimize any additional operating cost. The design must not result in a material marginal  
314.28 increase in the operating or capital costs of the stadium, considering current collections and  
314.29 reserves.

314.30 **EFFECTIVE DATE; APPLICATION.** This section is effective July 1, 2023. This  
314.31 section does not affect amounts retained for recapture of state advances through June 30,  
314.32 2023.

315.1 Sec. 15. **LAWFUL GAMBLING; REMOVAL OF INVENTORIES.**

315.2 The Gambling Control Board must remove games not meeting the requirements of this  
315.3 article from the inventories of licensed distributors and licensed organizations by December  
315.4 31, 2024.

315.5 Sec. 16. **APPROPRIATION; SECURE PERIMETER.**

315.6 \$15,700,000 is appropriated in fiscal year 2023 from the general fund to the commissioner  
315.7 of management and budget to provide for a secure perimeter around the professional football  
315.8 stadium in Minneapolis. The commissioner must allocate these funds to the Minnesota  
315.9 Sports Facilities Authority after notifying the chairs and ranking minority members of the  
315.10 house of representatives Ways and Means Committee and the senate Finance Committee.  
315.11 This is a onetime appropriation.

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

315.13 Sec. 17. **APPROPRIATION; OPTIONAL DEBT PAYOFF.**

315.14 (a) If the commissioner of management and budget elects to apply an amount from the  
315.15 general reserve account established in Minnesota Statutes, section 297E.021, subdivision  
315.16 4, to prepay the debt issued under Minnesota Statutes, section 16A.965, during fiscal year  
315.17 2023, then the commissioner may also use the appropriation in paragraph (b) for the same  
315.18 purpose.

315.19 (b) The amount necessary, when added to the amount in the general reserve account  
315.20 established in Minnesota Statutes, section 297E.021, to prepay in fiscal year 2023 the entire  
315.21 debt issued under Minnesota Statutes, section 16A.965, including any accrued interest and  
315.22 associated financing costs, is appropriated from the general fund to the commissioner of  
315.23 management and budget in fiscal year 2023.

315.24 (c) This appropriation is only effective to the extent available and to the extent the amount  
315.25 in the general reserve account established in Minnesota Statutes, section 297E.021, is not  
315.26 sufficient to prepay the debt in full in fiscal year 2023, including any accrued interest and  
315.27 associated financing costs.

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

315.29 Sec. 18. **REPEALER.**

315.30 Minnesota Statutes 2022, sections 16A.965; and 297E.021, are repealed.

316.1 **EFFECTIVE DATE; NOTIFICATION TO REVISOR.** (a) This section is effective  
316.2 60 days after the commissioner of management and budget certifies that the bonds authorized  
316.3 under Minnesota Statutes, section 16A.965, are no longer outstanding.

316.4 (b) The commissioner of management and budget must notify the revisor of statutes  
316.5 within 30 days of the certification under paragraph (a).

316.6 **ARTICLE 14**  
316.7 **TEACHERS RETIREMENT ASSOCIATION; ST. PAUL TEACHERS RETIREMENT**  
316.8 **FUND ASSOCIATION; NORMAL RETIREMENT AGE**

316.9 Section 1. Minnesota Statutes 2022, section 126C.10, subdivision 37, is amended to read:

316.10 Subd. 37. **Pension adjustment revenue.** (a) A school district's pension adjustment  
316.11 revenue equals the sum of:

316.12 (1) the greater of zero or the product of:

316.13 (i) the difference between the district's adjustment under Minnesota Statutes 2012, section  
316.14 127A.50, subdivision 1, for fiscal year 2014 per adjusted pupil unit and the state average  
316.15 adjustment under Minnesota Statutes 2012, section 127A.50, subdivision 1, for fiscal year  
316.16 2014 per adjusted pupil unit; and

316.17 (ii) the district's adjusted pupil units for the fiscal year; and

316.18 (2) the product of the salaries paid to district employees who were members of the  
316.19 Teachers Retirement Association and the St. Paul Teachers' Retirement Fund Association  
316.20 for the prior fiscal year and the district's pension adjustment rate for the fiscal year. The  
316.21 pension adjustment rate for Independent School District No. 625, St. Paul, equals ~~0.84~~  
316.22 ~~percent for fiscal year 2019, 1.67 percent for fiscal year 2020, 1.88 percent for fiscal year~~  
316.23 ~~2021, 2.09 percent for fiscal year 2022, 2.3 percent for fiscal year 2023, and 2.5 percent for~~  
316.24 ~~fiscal year 2024 and~~ fiscal year 2025, and 3.25 percent for fiscal year 2026 and later. The  
316.25 pension adjustment rate for all other districts equals ~~0.21 percent for fiscal year 2019, 0.42~~  
316.26 ~~percent for fiscal year 2020, 0.63 percent for fiscal year 2021, 0.84 percent for fiscal year~~  
316.27 ~~2022, 1.05 percent for fiscal year 2023, and 1.25 percent for fiscal year 2024 and later~~ fiscal  
316.28 year 2025, and 2.0 percent for fiscal year 2026 and later.

316.29 (b) For fiscal year 2025 ~~and later~~, the state total pension adjustment revenue under  
316.30 paragraph (a), clause (2), must not exceed the amount calculated under paragraph (a), clause  
316.31 (2), for fiscal year 2024. The commissioner must prorate the pension adjustment revenue  
316.32 under paragraph (a), clause (2), so as not to exceed the maximum.

317.1 (c) For fiscal year 2026 and fiscal year 2027, the state total pension adjustment revenue  
 317.2 under paragraph (a), clause (2), must not be prorated.

317.3 (d) For fiscal year 2028 and later, the state total pension adjustment revenue under  
 317.4 paragraph (a), clause (2), must not exceed the amount calculated under paragraph (a), clause  
 317.5 (2) for fiscal year 2027. The commissioner must prorate the pension adjustment revenue  
 317.6 under paragraph (a), clause (2), so as not to exceed the maximum.

317.7 (e) Notwithstanding section 123A.26, subdivision 1, a cooperative unit, as defined in  
 317.8 section 123A.24, subdivision 2, qualifies for pension adjustment revenue under paragraph  
 317.9 (a), clause (2), as if it was a district, and the aid generated by the cooperative unit shall be  
 317.10 paid to the cooperative unit.

317.11 Sec. 2. Minnesota Statutes 2022, section 354.05, subdivision 38, is amended to read:

317.12 Subd. 38. **Normal retirement age.** "Normal retirement age" means age 65 for a person  
 317.13 who first became a member of the association or a member of a pension fund listed in section  
 317.14 356.30, subdivision 3, before July 1, 1989. Through June 30, 2025, for a person who first  
 317.15 becomes a member of the association after June 30, 1989, normal retirement age means the  
 317.16 higher of age 65 or "retirement age," as defined in United States Code, title 42, section  
 317.17 416(l), as amended, but not to exceed age 66. Beginning July 1, 2025, normal retirement  
 317.18 age for all members means age 65.

317.19 Sec. 3. Minnesota Statutes 2022, section 354.42, subdivision 2, is amended to read:

317.20 Subd. 2. **Employee contribution.** (a) The employee contribution to the fund is the  
 317.21 following percentage of the member's salary:

317.22	Period	Basic Program	Coordinated Program
317.23	from July 1, 2014, through June 30, 2023	11 percent	7.5 percent
317.24	<del>after June 30</del> <u>from July 1, 2023, through</u>		
317.25	<u>June 30, 2025</u>	11.25 percent	7.75 percent
317.26	<u>after June 30, 2025</u>	<u>11.5 percent</u>	<u>8.0 percent</u>

317.27 (b) When an employee contribution rate changes for a fiscal year, the new contribution  
 317.28 rate is effective for the entire salary paid for each employer unit with the first payroll cycle  
 317.29 reported.

317.30 (c) This contribution must be made by deduction from salary. Where any portion of a  
 317.31 member's salary is paid from other than public funds, the member's employee contribution  
 317.32 must be based on the entire salary received.

318.1 Sec. 4. Minnesota Statutes 2022, section 354.42, subdivision 3, is amended to read:

318.2 Subd. 3. **Employer.** (a) The regular employer contribution to the fund by Special School  
 318.3 District No. 1, Minneapolis, is an amount equal to the applicable following percentage of  
 318.4 salary of each coordinated member and the applicable percentage of salary of each basic  
 318.5 member specified in paragraph (c).

318.6 The additional employer contribution to the fund by Special School District No. 1,  
 318.7 Minneapolis, is an amount equal to 3.64 percent of the salary of each teacher who is a  
 318.8 coordinated member or who is a basic member.

318.9 (b) The regular employer contribution to the fund by Independent School District No.  
 318.10 709, Duluth, is an amount equal to the applicable percentage of salary of each old law or  
 318.11 new law coordinated member specified for the coordinated program in paragraph (c).

318.12 (c) The employer contribution to the fund for every other employer is an amount equal  
 318.13 to the applicable following percentage of the salary of each coordinated member and the  
 318.14 applicable following percentage of the salary of each basic member:

318.15	Period	Coordinated Member	Basic Member
318.16	<del>from July 1, 2014, through June 30, 2018</del>	<del>7.5 percent</del>	<del>11.5 percent</del>
318.17	<del>from July 1, 2018, through June 30, 2019</del>	<del>7.71 percent</del>	<del>11.71 percent</del>
318.18	<del>from July 1, 2019, through June 30, 2020</del>	<del>7.92 percent</del>	<del>11.92 percent</del>
318.19	<del>from July 1, 2020, through June 30, 2021</del>	<del>8.13 percent</del>	<del>12.13 percent</del>
318.20	<del>from July 1, 2021, through June 30, 2022</del>	<del>8.34 percent</del>	<del>12.34 percent</del>
318.21	from July 1, 2022, through June 30, 2023	8.55 percent	12.55 percent
318.22	<del>after June 30</del> <u>from July 1, 2023, through</u>		
318.23	<u>June 30, 2025</u>	8.75 percent	12.75 percent
318.24	<u>after June 30, 2025</u>	<u>9.5 percent</u>	<u>13.5 percent</u>

318.25 (d) When an employer contribution rate changes for a fiscal year, the new contribution  
 318.26 rate is effective for the entire salary paid for each employer unit with the first payroll cycle  
 318.27 reported.

318.28 Sec. 5. Minnesota Statutes 2022, section 354A.011, subdivision 15a, is amended to read:

318.29 Subd. 15a. **Normal retirement age.** (a) "Normal retirement age" means age 65 for a  
 318.30 person who first became a member of the coordinated program of the St. Paul Teachers  
 318.31 Retirement Fund Association or a member of a pension fund listed in section 356.30,  
 318.32 subdivision 3, before July 1, 1989. Through June 30, 2025, for a person who first became  
 318.33 a member of the coordinated program of the St. Paul Teachers Retirement Fund Association  
 318.34 after June 30, 1989, normal retirement age means the higher of age 65 or retirement age,

319.1 as defined in United States Code, title 42, section 416(l), as amended, but not to exceed age  
 319.2 66. Beginning July 1, 2025, for all members of the coordinated program of the St. Paul  
 319.3 Teachers Retirement Fund Association, normal retirement age means age 65.

319.4 (b) For a person who is a member of the basic program of the St. Paul Teachers  
 319.5 Retirement Fund Association, normal retirement age means the age at which a teacher  
 319.6 becomes eligible for a normal retirement annuity computed upon meeting the age and service  
 319.7 requirements specified in the applicable provisions of the articles of incorporation or bylaws  
 319.8 of the teachers retirement fund association.

319.9 Sec. 6. Minnesota Statutes 2022, section 354A.12, subdivision 1, as amended by Laws  
 319.10 2023, chapter 45, article 5, section 1, is amended to read:

319.11 Subdivision 1. **Employee contributions.** (a) The contribution required to be paid by  
 319.12 each member is the percentage of total salary specified below for the applicable program:

319.13 Program	Percentage of Total Salary
319.14 basic program after June 30, 2016, through June 30, 2023	10 percent
319.15 basic program after June 30, 2023, through June 30, 2025	10.25 percent
319.16 basic program after June 30, 2025	<del>11.25</del> <u>11.5</u> percent
319.17 coordinated program after June 30, 2016, through June 30, 319.18 2023	7.5 percent
319.19 coordinated program after June 30, 2023, through June 30, 319.20 2025	7.75 percent
319.21 coordinated program after June 30, 2025	<del>8.75</del> <u>9</u> percent

319.22 (b) Contributions must be made by deduction from salary and must be remitted directly  
 319.23 to the St. Paul Teachers Retirement Fund Association at least once each month.

319.24 (c) When an employee contribution rate changes for a fiscal year, the new contribution  
 319.25 rate is effective for the entire salary paid by the employer with the first payroll cycle reported.

319.26 Sec. 7. Minnesota Statutes 2022, section 354A.12, subdivision 2a, is amended to read:

319.27 Subd. 2a. **Employer regular and additional contributions.** (a) The employing units  
 319.28 shall make the following employer contributions to the teachers retirement fund association:

319.29 (1) for each coordinated member of the St. Paul Teachers Retirement Fund Association,  
 319.30 the employing unit shall make a regular employer contribution to the retirement fund  
 319.31 association in an amount equal to the designated percentage of the salary of the coordinated  
 319.32 member as provided below:

320.1	<del>after June 30, 2016</del>	<del>6.25 percent</del>
320.2	<del>after June 30, 2017</del>	<del>6.5 percent</del>
320.3	<del>after June 30, 2018</del>	<del>7.335 percent</del>
320.4	<del>after June 30, 2019</del>	<del>8.17 percent</del>
320.5	<del>after June 30, 2020</del>	<del>8.38 percent</del>
320.6	<del>after June 30, 2021</del>	<del>8.59 percent</del>
320.7	after June 30, 2022	8.8 percent
320.8	after June 30, 2023	9 percent
320.9	<u>after June 30, 2025</u>	<u>9.75 percent</u>

320.10 (2) for each basic member of the St. Paul Teachers Retirement Fund Association, the  
 320.11 employing unit shall make a regular employer contribution to the respective retirement fund  
 320.12 in an amount according to the schedule below:

320.13	<del>after June 30, 2016</del>	<del>9.75 percent of salary</del>
320.14	<del>after June 30, 2017</del>	<del>10 percent of salary</del>
320.15	<del>after June 30, 2018</del>	<del>10.835 percent of salary</del>
320.16	<del>after June 30, 2019</del>	<del>11.67 percent of salary</del>
320.17	<del>after June 30, 2020</del>	<del>11.88 percent of salary</del>
320.18	<del>after June 30, 2021</del>	<del>12.09 percent of salary</del>
320.19	after June 30, 2022	12.3 percent of salary
320.20	after June 30, 2023	12.5 percent of salary
320.21	<u>after June 30, 2025</u>	<u>13.25 percent of salary</u>

320.22 (3) for each basic member of the St. Paul Teachers Retirement Fund Association, the  
 320.23 employing unit shall make an additional employer contribution to the respective fund in an  
 320.24 amount equal to 3.64 percent of the salary of the basic member;

320.25 (4) for each coordinated member of the St. Paul Teachers Retirement Fund Association,  
 320.26 the employing unit shall make an additional employer contribution to the respective fund  
 320.27 in an amount equal to 3.84 percent of the coordinated member's salary.

320.28 (b) The regular and additional employer contributions must be remitted directly to the  
 320.29 St. Paul Teachers Retirement Fund Association at least once each month. Delinquent amounts  
 320.30 are payable with interest under the procedure in subdivision 1a.

320.31 (c) Payments of regular and additional employer contributions for school district or  
 320.32 technical college employees who are paid from normal operating funds must be made from  
 320.33 the appropriate fund of the district or technical college.

320.34 (d) When an employer contribution rate changes for a fiscal year, the new contribution  
 320.35 rate is effective for the entire salary paid by the employer with the first payroll cycle reported.

321.1 Sec. 8. Minnesota Statutes 2022, section 356.215, subdivision 11, is amended to read:

321.2 Subd. 11. **Amortization contributions.** (a) In addition to the exhibit indicating the level  
321.3 normal cost, the actuarial valuation of the retirement plan must contain an exhibit for financial  
321.4 reporting purposes indicating the additional annual contribution sufficient to amortize the  
321.5 unfunded actuarial accrued liability and must contain an exhibit indicating the additional  
321.6 contribution sufficient to amortize the unfunded actuarial accrued liability. For the retirement  
321.7 plans listed in subdivision 8, paragraph (a), but excluding the legislators retirement plan,  
321.8 the Bloomington Fire Department Relief Association, and the local monthly benefit volunteer  
321.9 firefighter relief associations, the additional contribution must be calculated on a level  
321.10 percentage of covered payroll basis by the established date for full funding in effect when  
321.11 the valuation is prepared, assuming annual payroll growth at the applicable percentage rate  
321.12 set forth in the appendix described in subdivision 8, paragraph (c). For the legislators  
321.13 retirement plan, the additional annual contribution must be calculated on a level annual  
321.14 dollar amount basis.

321.15 (b) For any retirement plan other than a retirement plan governed by paragraph (d), (e),  
321.16 (f), (g), (h), (i), or (j), if there has not been a change in the actuarial assumptions used for  
321.17 calculating the actuarial accrued liability of the fund, a change in the benefit plan governing  
321.18 annuities and benefits payable from the fund, a change in the actuarial cost method used in  
321.19 calculating the actuarial accrued liability of all or a portion of the fund, or a combination  
321.20 of the three, which change or changes by itself or by themselves without inclusion of any  
321.21 other items of increase or decrease produce a net increase in the unfunded actuarial accrued  
321.22 liability of the fund, the established date for full funding is the first actuarial valuation date  
321.23 occurring after June 1, 2020.

321.24 (c) For any retirement plan, if there has been a change in any or all of the actuarial  
321.25 assumptions used for calculating the actuarial accrued liability of the fund, a change in the  
321.26 benefit plan governing annuities and benefits payable from the fund, a change in the actuarial  
321.27 cost method used in calculating the actuarial accrued liability of all or a portion of the fund,  
321.28 or a combination of the three, and the change or changes, by itself or by themselves and  
321.29 without inclusion of any other items of increase or decrease, produce a net increase in the  
321.30 unfunded actuarial accrued liability in the fund, the established date for full funding must  
321.31 be determined using the following procedure:

321.32 (i) the unfunded actuarial accrued liability of the fund must be determined in accordance  
321.33 with the plan provisions governing annuities and retirement benefits and the actuarial  
321.34 assumptions in effect before an applicable change;

322.1 (ii) the level annual dollar contribution or level percentage, whichever is applicable,  
322.2 needed to amortize the unfunded actuarial accrued liability amount determined under item  
322.3 (i) by the established date for full funding in effect before the change must be calculated  
322.4 using the investment return assumption specified in subdivision 8 in effect before the change;

322.5 (iii) the unfunded actuarial accrued liability of the fund must be determined in accordance  
322.6 with any new plan provisions governing annuities and benefits payable from the fund and  
322.7 any new actuarial assumptions and the remaining plan provisions governing annuities and  
322.8 benefits payable from the fund and actuarial assumptions in effect before the change;

322.9 (iv) the level annual dollar contribution or level percentage, whichever is applicable,  
322.10 needed to amortize the difference between the unfunded actuarial accrued liability amount  
322.11 calculated under item (i) and the unfunded actuarial accrued liability amount calculated  
322.12 under item (iii) over a period of 30 years from the end of the plan year in which the applicable  
322.13 change is effective must be calculated using the applicable investment return assumption  
322.14 specified in subdivision 8 in effect after any applicable change;

322.15 (v) the level annual dollar or level percentage amortization contribution under item (iv)  
322.16 must be added to the level annual dollar amortization contribution or level percentage  
322.17 calculated under item (ii);

322.18 (vi) the period in which the unfunded actuarial accrued liability amount determined in  
322.19 item (iii) is amortized by the total level annual dollar or level percentage amortization  
322.20 contribution computed under item (v) must be calculated using the investment return  
322.21 assumption specified in subdivision 8 in effect after any applicable change, rounded to the  
322.22 nearest integral number of years, but not to exceed 30 years from the end of the plan year  
322.23 in which the determination of the established date for full funding using the procedure set  
322.24 forth in this clause is made and not to be less than the period of years beginning in the plan  
322.25 year in which the determination of the established date for full funding using the procedure  
322.26 set forth in this clause is made and ending by the date for full funding in effect before the  
322.27 change; and

322.28 (vii) the period determined under item (vi) must be added to the date as of which the  
322.29 actuarial valuation was prepared and the date obtained is the new established date for full  
322.30 funding.

322.31 (d) For the general employees retirement plan of the Public Employees Retirement  
322.32 Association, the established date for full funding is June 30, 2048.

323.1 (e) For the Teachers Retirement Association, the established date for full funding is June  
323.2 30, 2048, through June 30, 2025. Beginning July 1, 2025, the established date for full funding  
323.3 is June 30, 2053.

323.4 (f) For the correctional state employees retirement plan and the State Patrol retirement  
323.5 plan of the Minnesota State Retirement System, the established date for full funding is June  
323.6 30, 2048.

323.7 (g) For the judges retirement plan, the established date for full funding is June 30, 2048.

323.8 (h) For the local government correctional service retirement plan and the public employees  
323.9 police and fire retirement plan, the established date for full funding is June 30, 2048.

323.10 (i) For the St. Paul Teachers Retirement Fund Association, the established date for full  
323.11 funding is June 30, 2048.

323.12 (j) For the general state employees retirement plan of the Minnesota State Retirement  
323.13 System, the established date for full funding is June 30, 2048.

323.14 (k) For the retirement plans for which the annual actuarial valuation indicates an excess  
323.15 of valuation assets over the actuarial accrued liability, the valuation assets in excess of the  
323.16 actuarial accrued liability must be recognized as a reduction in the current contribution  
323.17 requirements by an amount equal to the amortization of the excess expressed as a level  
323.18 percentage of pay over a 30-year period beginning anew with each annual actuarial valuation  
323.19 of the plan.

323.20 Sec. 9. **BASE ADJUSTMENT.**

323.21 (a) The commissioner of management and budget shall increase the total operations and  
323.22 maintenance base for the Board of Trustees of the Minnesota State Colleges and Universities  
323.23 established in law for fiscal year 2026 and later by \$1,446,000 for increased employer  
323.24 pension contributions to the Teachers Retirement Association.

323.25 (b) The commissioner of management and budget shall increase the budget base for the  
323.26 Minnesota State Academies established in law for fiscal year for 2026 and later by \$44,000  
323.27 for increased employer pension contributions to the Teachers Retirement Association.

323.28 (c) The commissioner of management and budget shall increase the total budget base  
323.29 for the Perpich Center for Arts Education established in law for fiscal year 2026 and later  
323.30 by \$12,000 for increased employer pension contributions to the Teachers Retirement  
323.31 Association.

324.1 **ARTICLE 15**

324.2 **MISCELLANEOUS**

324.3 Section 1. Minnesota Statutes 2022, section 3.8855, subdivision 4, is amended to read:

324.4 Subd. 4. **Duties.** (a) ~~In the first~~ For not more than three years after the commission is  
324.5 established, the commission must complete an initial review of the state's tax expenditures.  
324.6 The initial review must identify the purpose of each of the state's tax expenditures, if none  
324.7 was identified in the enacting legislation in accordance with section 3.192. The commission  
324.8 may also identify metrics for evaluating the effectiveness of an expenditure.

324.9 (b) ~~In each year following the initial review under paragraph (a),~~ The commission must  
324.10 review and evaluate Minnesota's tax expenditures on a regular, rotating basis. The  
324.11 commission must establish a review schedule that ensures each tax expenditure will be  
324.12 reviewed by the commission at least once every ten years. The commission may review  
324.13 expenditures affecting similar constituencies or policy areas in the same year, but the  
324.14 commission must review a subset of the tax expenditures within each tax type each year.  
324.15 To the extent possible, the commission must review a similar number of tax expenditures  
324.16 within each tax type each year. The commission may decide not to review a tax expenditure  
324.17 that is adopted by reference to federal law.

324.18 (c) Before December 1 of the year a tax expenditure is included in a commission report,  
324.19 the commission must hold a public hearing on the expenditure, including but not limited to  
324.20 a presentation of the review components in subdivision 5.

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

324.22 Sec. 2. Minnesota Statutes 2022, section 3.8855, subdivision 7, is amended to read:

324.23 Subd. 7. **Report to legislature.** (a) By December 15 of each year, the commission must  
324.24 submit a written report to the legislative committees with jurisdiction over tax policy. The  
324.25 report must detail the results of the commission's review of tax expenditures ~~in~~ for the  
324.26 ~~previous calendar~~ year, including the review components detailed in subdivision 5.

324.27 (b) Notwithstanding paragraph (a), during the period of initial review under subdivision  
324.28 4, the report may be limited to the purpose statements and metrics for evaluating the  
324.29 effectiveness of expenditures, as identified by the commission. The report may also include  
324.30 relevant publicly available data on an expenditure.

324.31 (c) The report may include any additional information the commission deems relevant  
324.32 to the review of an expenditure.

325.1 (d) The legislative committees with jurisdiction over tax policy must hold a public  
325.2 hearing on the report during the regular legislative session in the year following the year in  
325.3 which the report was submitted.

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

325.5 Sec. 3. **[16A.067] TAXPAYER RECEIPT.**

325.6 (a) The commissioner, in consultation with the commissioner of revenue, must develop  
325.7 and publish on the Department of Management and Budget's website an interactive taxpayer  
325.8 receipt in accordance with this section. The receipt must describe the share of state general  
325.9 fund expenditures represented by major expenditure categories in the most recent fiscal  
325.10 year for which data is available. The receipt must show the approximate allocation of motor  
325.11 vehicle fuel taxes among eligible transportation purposes.

325.12 (b) For each expenditure category, the receipt must include select data on the performance  
325.13 goals and outcomes for the category, based on the goals and outcomes data required under  
325.14 section 16A.10, subdivision 1b.

325.15 (c) The website must allow a user to input an income amount, and must estimate the  
325.16 amount of major state taxes paid by the user. The website must allocate the user's estimated  
325.17 state tax liability to each major expenditure category based on the category's percentage  
325.18 share of total state general fund spending. For the purposes of this section, "major state  
325.19 taxes" means income, sales, alcohol, tobacco, and motor vehicle fuels taxes.

325.20 (d) Using the income amount entered by the user, the website must estimate the amount  
325.21 of income and direct sales taxes paid based upon the taxpayer's income. The website must  
325.22 allow a user to indicate whether the user used tobacco, consumed alcohol, or purchased  
325.23 motor vehicle fuel in the previous year, and provide a corresponding estimate of the cigarette,  
325.24 alcohol, and motor vehicle fuel taxes paid by the user.

325.25 (e) The commissioner of management and budget, in consultation with the commissioner  
325.26 of revenue, must update the receipt by December 31 of each year, and must annually promote  
325.27 to the public the availability of the website.

325.28 Sec. 4. Minnesota Statutes 2022, section 270A.03, subdivision 2, is amended to read:

325.29 Subd. 2. **Claimant agency.** "Claimant agency" means any state agency, as defined by  
325.30 section 14.02, subdivision 2, the regents of the University of Minnesota, any district court  
325.31 of the state, any county, any statutory or home rule charter city, including a city that is  
325.32 presenting a claim for a municipal hospital or a public library or a municipal ambulance

326.1 service, a hospital district, ~~a private nonprofit hospital that leases its building from the county~~  
326.2 ~~or city in which it is located~~, any ambulance service licensed under chapter 144E, any public  
326.3 agency responsible for child support enforcement, any public agency responsible for the  
326.4 collection of court-ordered restitution, and any public agency established by general or  
326.5 special law that is responsible for the administration of a low-income housing program.

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

326.7 Sec. 5. Minnesota Statutes 2022, section 270C.19, subdivision 1, is amended to read:

326.8 Subdivision 1. **Taxes paid by Indians.** (a) Notwithstanding any other law which limits  
326.9 the refund of tax, the commissioner is authorized to enter into a tax refund agreement with  
326.10 the governing body of any federally recognized Indian ~~reservation~~ Tribe in Minnesota.

326.11 (b) The agreement may provide for:

326.12 (1) a mutually agreed-upon amount as a refund to the governing body of an estimate of  
326.13 any sales or excise tax paid by the total resident Indian population on or adjacent to a  
326.14 reservation into the state treasury, Tribal members on transactions occurring on the  
326.15 reservation or on transactions that would occur on the reservation if there was no agreement;  
326.16 or

326.17 (2) for an amount which measures the economic value of an agreement by the Tribal  
326.18 government to pay the equivalent of the state sales tax on items included in the sales tax  
326.19 base but exempt on the reservation, notwithstanding any other law which limits the  
326.20 refundment of taxes. The total resident Indian population on or adjacent to a reservation  
326.21 shall be defined according to the United States Department of the Interior, Bureau of Indian  
326.22 Affairs, as determined and stated in its Report on Service Population and Labor Force.

326.23 (c) For purposes of this section, "Tribal members" means the number of enrolled members  
326.24 of the Tribe who live on or adjacent to the reservation as defined in the agreement.

326.25 (d) In arriving at the refund amount, the commissioner must consider the number of  
326.26 Tribal members as most recently submitted by the Tribe to the commissioner, estimates  
326.27 contained in the tax incidence report under section 270C.13, and any other information  
326.28 available to the commissioner.

326.29 **EFFECTIVE DATE.** This section is effective retroactively for agreements entered into  
326.30 or amended after December 31, 2022.

327.1 Sec. 6. Minnesota Statutes 2022, section 270C.52, subdivision 2, is amended to read:

327.2 Subd. 2. **Payment agreements.** (a) When any portion of any tax payable to the  
 327.3 commissioner together with interest and penalty thereon, if any, has not been paid, the  
 327.4 commissioner may extend the time for payment for a further period. When the authority of  
 327.5 this section is invoked, the extension shall be evidenced by written agreement signed by  
 327.6 the taxpayer and the commissioner, stating the amount of the tax with penalty and interest,  
 327.7 if any, and providing for the payment of the amount in installments.

327.8 (b) The agreement may contain a confession of judgment for the amount and for any  
 327.9 unpaid portion thereof. If the agreement contains a confession of judgment, the confession  
 327.10 of judgment must provide that the commissioner may enter judgment against the taxpayer  
 327.11 in the district court of the county of residence as shown upon the taxpayer's tax return for  
 327.12 the unpaid portion of the amount specified in the extension agreement.

327.13 (c) The agreement shall provide that it can be terminated, after notice by the  
 327.14 commissioner, if information provided by the taxpayer prior to the agreement was inaccurate  
 327.15 or incomplete, collection of the tax covered by the agreement is in jeopardy, there is a  
 327.16 subsequent change in the taxpayer's financial condition, the taxpayer has failed to make a  
 327.17 payment due under the agreement, or the taxpayer has failed to pay any other tax or file a  
 327.18 tax return coming due after the agreement.

327.19 (d) The notice must be given at least 14 calendar days prior to termination, and shall  
 327.20 advise the taxpayer of the right to request a reconsideration from the commissioner of  
 327.21 whether termination is reasonable and appropriate under the circumstances. A request for  
 327.22 reconsideration does not stay collection action beyond the 14-day notice period. If the  
 327.23 commissioner has reason to believe that collection of the tax covered by the agreement is  
 327.24 in jeopardy, the commissioner may proceed under section 270C.36 and terminate the  
 327.25 agreement without regard to the 14-day period.

327.26 (e) The commissioner may accept other collateral the commissioner considers appropriate  
 327.27 to secure satisfaction of the tax liability. The principal sum specified in the agreement shall  
 327.28 bear interest at the rate specified in section 270C.40 on all unpaid portions thereof until the  
 327.29 same has been fully paid or the unpaid portion thereof has been entered as a judgment. The  
 327.30 judgment shall bear interest at the rate specified in section 270C.40.

327.31 (f) If it appears to the commissioner that the tax reported by the taxpayer is in excess of  
 327.32 the amount actually owing by the taxpayer, the extension agreement or the judgment entered  
 327.33 pursuant thereto shall be corrected. If after making the extension agreement or entering  
 327.34 judgment with respect thereto, the commissioner determines that the tax as reported by the

328.1 taxpayer is less than the amount actually due, the commissioner shall assess a further tax  
328.2 in accordance with the provisions of law applicable to the tax.

328.3 (g) The authority granted to the commissioner by this section is in addition to any other  
328.4 authority granted to the commissioner by law to extend the time of payment or the time for  
328.5 filing a return and shall not be construed in limitation thereof.

328.6 ~~(h) The commissioner shall charge a fee for entering into payment agreements. The fee~~  
328.7 ~~is set at \$50 and is charged for entering into a payment agreement, for entering into a new~~  
328.8 ~~payment agreement after the taxpayer has defaulted on a prior agreement, and for entering~~  
328.9 ~~into a new payment agreement as a result of renegotiation of the terms of an existing~~  
328.10 ~~agreement. The fee is paid to the commissioner before the payment agreement becomes~~  
328.11 ~~effective and does not reduce the amount of the liability.~~

328.12 **EFFECTIVE DATE; APPLICATION.** This section is effective for payment plans  
328.13 entered into beginning 30 days after the day following final enactment.

328.14 Sec. 7. Minnesota Statutes 2022, section 278.01, subdivision 1, is amended to read:

328.15 Subdivision 1. **Determination of validity.** (a) Any person having personal property, or  
328.16 any estate, right, title, or interest in or lien upon any parcel of land, who claims that such  
328.17 property has been partially, unfairly, or unequally assessed in comparison with other property  
328.18 in the (1) city, or (2) county, or (3) in the case of a county containing a city of the first class,  
328.19 the portion of the county excluding the first class city, or that the parcel has been assessed  
328.20 at a valuation greater than its real or actual value, or that the tax levied against the same is  
328.21 illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so  
328.22 levied, may have the validity of the claim, defense, or objection determined by the district  
328.23 court of the county in which the tax is levied or by the Tax Court by personally serving one  
328.24 copy of a petition for such determination upon the county auditor, ~~one copy on the county~~  
328.25 ~~attorney, one copy on the county treasurer, and three copies on the county assessor. The~~  
328.26 ~~county assessor shall immediately forward one copy of the petition to the appropriate~~  
328.27 ~~governmental authority in a home rule charter or statutory city or town in which the property~~  
328.28 ~~is located if that city or town employs its own certified assessor. A copy of the petition shall~~  
328.29 ~~also be forwarded by the assessor to the school board of the school district in which the~~  
328.30 ~~property is located. The county auditor may waive personal service of a petition by: (i)~~  
328.31 agreeing to accept service through an alternative service method; (ii) designating an  
328.32 alternative service method on the county website; or (iii) acknowledging receipt of a petition  
328.33 served through an alternative service method. An alternative service method includes but

329.1 is not limited to service by email or by an electronic upload to a website designated by the  
 329.2 county. Service may be made by any person, including a party to the action.

329.3 ~~(b) In counties where the office of county treasurer has been combined with the office~~  
 329.4 ~~of county auditor, the county may elect to require the petitioner to serve the number of~~  
 329.5 ~~copies as determined by the county. Within 30 days after a petition is served and filed, the~~  
 329.6 ~~county auditor must provide a copy of the petition, if a copy has not already been provided,~~  
 329.7 ~~to the county assessor, county treasurer, and the county attorney. The county assessor shall~~  
 329.8 immediately forward one copy of the petition to the appropriate governmental authority in  
 329.9 a home rule charter or statutory city or town in which the property is located if that city or  
 329.10 town employs its own certified assessor. On or before the first day of July, the county auditor  
 329.11 must send a list of petitioned properties, including to the school board of the school district  
 329.12 in which the property is located. The list must include the name of the petitioner, the  
 329.13 identification number of the property, and the estimated market value, shall be sent on or  
 329.14 before the first day of July by the county auditor/treasurer to the school board of the school  
 329.15 district in which the property is located of the property.

329.16 (c) For all counties, the petitioner must file ~~the copies with~~ a copy of the petition and  
 329.17 proof of service, of the petition in the office of the court administrator of the district court  
 329.18 on or before April 30 of the year in which the tax becomes payable. A petition for  
 329.19 determination under this section may be transferred by the district court to the Tax Court.  
 329.20 An appeal may also be taken to the Tax Court under chapter 271 at any time following  
 329.21 receipt of the valuation notice that county assessors or city assessors having the powers of  
 329.22 a county assessor are required by section 273.121 to send to persons whose property is to  
 329.23 be included on the assessment roll that year, but prior to May 1 of the year in which the  
 329.24 taxes are payable.

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

329.26 Sec. 8. Minnesota Statutes 2022, section 279.03, subdivision 1a, is amended to read:

329.27 Subd. 1a. **Rate.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), interest on  
 329.28 delinquent property taxes, penalties, and costs unpaid on or after January 1 is payable at the  
 329.29 per annum rate determined in section 270C.40, subdivision 5. ~~If the rate so determined is~~  
 329.30 ~~less than ten percent, the rate of interest is ten percent.~~ The maximum per annum rate is 14  
 329.31 percent if the rate specified under section 270C.40, subdivision 5, exceeds 14 percent. The  
 329.32 rate is subject to change on January 1 of each year.

329.33 (b) If a person is the owner of one or more parcels of property on which taxes are  
 329.34 delinquent, and the delinquent taxes are more than 25 percent of the prior year's school

330.1 district levy, interest on the delinquent property taxes, penalties, and costs unpaid is payable  
330.2 at twice the rate determined under paragraph (a) for the year.

330.3 (c) A county board, by resolution, may establish an interest rate lower than the interest  
330.4 rate determined under paragraph (a).

330.5 **EFFECTIVE DATE.** This section is effective for property taxes, penalties, and costs  
330.6 determined to be delinquent on or after January 1, 2024.

330.7 Sec. 9. Minnesota Statutes 2022, section 282.261, subdivision 2, is amended to read:

330.8 Subd. 2. **Interest rate.** (a) Except as provided under paragraph (b), the unpaid balance  
330.9 on any repurchase contract approved by the county board is subject to interest at the rate  
330.10 determined in section 279.03, subdivision 1a. The interest rate is subject to change each  
330.11 year on the unpaid balance in the manner provided for rate changes in section 279.03,  
330.12 subdivision 1a.

330.13 (b) A county board, by resolution, or a county auditor, if delegated the responsibility to  
330.14 administer tax-forfeited land assigned to the county board as provided under section 282.135,  
330.15 may establish an interest rate lower than the interest rate determined under paragraph (a).

330.16 **EFFECTIVE DATE.** This section is effective January 1, 2024.

330.17 Sec. 10. Minnesota Statutes 2022, section 289A.08, is amended by adding a subdivision  
330.18 to read:

330.19 Subd. 18. **Taxpayer receipt.** (a) The commissioner must offer all individual income  
330.20 taxpayers the opportunity to elect to receive information about a taxpayer receipt via email  
330.21 or United States mail. In the manner selected by the taxpayer, the commissioner must provide  
330.22 the taxpayer with information about how to access the taxpayer receipt website established  
330.23 under section 16A.067. The commissioner must allow a taxpayer to elect not to receive  
330.24 information about the receipt.

330.25 (b) Both the long and short forms described in subdivision 13 must include the  
330.26 opportunity to elect to receive information about the receipt.

330.27 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
330.28 31, 2022.

331.1 Sec. 11. Minnesota Statutes 2022, section 297H.13, subdivision 2, is amended to read:

331.2 Subd. 2. **Allocation of revenues.** (a) ~~\$33,760,000, or 70 percent, whichever is greater,~~  
331.3 Of the amounts remitted under this chapter, 70 percent must be credited to the environmental  
331.4 fund established in section 16A.531, subdivision 1.

331.5 (b) In addition to the amounts credited to the environmental fund in paragraph (a), in  
331.6 fiscal year 2024 and later, three percent of the amounts remitted under this chapter shall be  
331.7 deposited into the resource management account in the environmental fund.

331.8 (c) The remainder must be deposited into the general fund.

331.9 (d) Beginning in fiscal year 2024 and annually thereafter, the money deposited in the  
331.10 resource management account in the environmental fund under paragraph (b) is appropriated  
331.11 to the commissioner of the Pollution Control Agency for distribution to counties under  
331.12 section 115A.557, subdivision 2, paragraph (a), clauses (1) to (7) and (9) to (11).

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

331.14 Sec. 12. **[428B.01] DEFINITIONS.**

331.15 Subdivision 1. **Applicability.** As used in sections 428B.01 to 428B.09, the terms in this  
331.16 section have the meanings given them.

331.17 Subd. 2. **Activity.** "Activity" means but is not limited to all of the following:

331.18 (1) promotion of tourism within the district;

331.19 (2) promotion of business activity, including but not limited to tourism, of businesses  
331.20 subject to the service charge within the tourism improvement district;

331.21 (3) marketing, sales, and economic development; and

331.22 (4) other services provided for the purpose of conferring benefits upon businesses located  
331.23 in the tourism improvement district that are subject to the tourism improvement district  
331.24 service charge.

331.25 Subd. 3. **Business.** "Business" means a lodging business as defined by municipal  
331.26 ordinance.

331.27 Subd. 4. **Business owner.** "Business owner" means a person recognized by a municipality  
331.28 as the owner of a business.

331.29 Subd. 5. **City.** "City" means a home rule charter or statutory city.

331.30 Subd. 6. **Clerk.** "Clerk" means the chief clerical officer of the municipality.

332.1 Subd. 7. **Governing body.** "Governing body" means, with respect to a city, a city council  
332.2 or other governing body of a city. With respect to a town, governing body means a town  
332.3 board or other governing body of a town. With respect to a county, governing body means  
332.4 a board of commissioners or other governing body of a county.

332.5 Subd. 8. **Impacted business owners.** "Impacted business owners" means a majority of  
332.6 business owners located within a proposed or established tourism improvement district.

332.7 Subd. 9. **Municipality.** "Municipality" means a county, city, or town.

332.8 Subd. 10. **Tourism improvement association.** "Tourism improvement association"  
332.9 means a new or existing and tax-exempt nonprofit corporation, entity, or agency charged  
332.10 with promoting tourism within the tourism improvement district and that is under contract  
332.11 with the municipality to administer the tourism improvement district and implement the  
332.12 activities and improvements listed in the municipality's ordinance.

332.13 Subd. 11. **Tourism improvement district.** "Tourism improvement district" means a  
332.14 tourism improvement district established under this chapter.

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

332.16 Sec. 13. **[428B.02] ESTABLISHMENT OF TOURISM IMPROVEMENT DISTRICT.**

332.17 Subdivision 1. **Ordinance.** (a) Upon a petition by impacted business owners, a governing  
332.18 body of a municipality may adopt an ordinance establishing a tourism improvement district  
332.19 after holding a public hearing on the district. The ordinance must include:

332.20 (1) a map that identifies the tourism improvement district boundaries in sufficient detail  
332.21 to allow a business owner to determine whether a business is located within the tourism  
332.22 improvement district boundaries;

332.23 (2) the name of the tourism improvement association designated to administer the tourism  
332.24 improvement district and implement the approved activities and improvements;

332.25 (3) a list of the proposed activities and improvements in the tourism improvement district;

332.26 (4) the time and manner of collecting the service charge and any interest and penalties  
332.27 for nonpayment;

332.28 (5) a definition describing the type or class of businesses to be included in the tourism  
332.29 improvement district and subject to the service charge;

333.1 (6) the rate, method, and basis of the service charge with intent, and penalties on  
333.2 delinquent payments for the district, including the portion dedicated to covering expenses  
333.3 listed in subdivision 4, paragraph (b); and

333.4 (7) the number of years the service charge will be in effect.

333.5 (b) If the boundaries of a proposed tourism improvement district overlap with the  
333.6 boundaries of an existing special service district, the tourism improvement district ordinance  
333.7 may list measures to avoid any impediments on the ability of the special service district to  
333.8 continue to provide its services to benefit its property owners.

333.9 Subd. 2. **Notice.** A municipality must provide notice of the hearing by publication in at  
333.10 least two issues of the official newspaper of the municipality. The two publications must  
333.11 be two weeks apart and the municipality must hold the hearing at least three days after the  
333.12 last publication. Not less than ten days before the hearing, the municipality must mail, or  
333.13 deliver by electronic means, notice to the business owner of each business subject to the  
333.14 proposed service charge by the tourism improvement district. The notice must include:

333.15 (1) a map showing the boundaries of the proposed district;

333.16 (2) the time and place of the hearing;

333.17 (3) a statement that all interested persons will be given an opportunity to be heard at the  
333.18 hearing regarding the proposed service charge; and

333.19 (4) a brief description of the proposed activities, improvements, and service charge.

333.20 Subd. 3. **Business owner determination.** A business must provide ownership information  
333.21 to the municipality. A municipality has no obligation to obtain other information regarding  
333.22 the ownership of businesses, and its determination of ownership shall be final for the purposes  
333.23 of this chapter. If this chapter requires the signature of a business owner, the signature of  
333.24 the authorized representative of a business owner is sufficient.

333.25 Subd. 4. **Service charges; relationship to services.** (a) A municipality may impose a  
333.26 service charge on a business pursuant to this chapter for the purpose of providing activities  
333.27 and improvements that will provide benefits to a business that is located within the tourism  
333.28 improvement district and subject to the tourism improvement district service charge. Each  
333.29 business paying a service charge within a district must benefit directly or indirectly from  
333.30 improvements provided by a tourism improvement association, provided, however, the  
333.31 business need not benefit equally. Service charges must be based on a percent of gross  
333.32 business revenue, a fixed dollar amount per transaction, or any other reasonable method  
333.33 based upon benefit and approved by the municipality.

334.1 (b) Service charges may be used to cover the costs of collections, as well as other  
334.2 administrative costs associated with operating, forming, or maintaining the district.

334.3 Subd. 5. **Public hearing.** At the hearing regarding the adoption of the ordinance  
334.4 establishing a tourism improvement district, business owners and persons affected by the  
334.5 proposed district may testify on issues relevant to the proposed district. The hearing may  
334.6 be adjourned from time to time. The ordinance establishing the district may be adopted at  
334.7 any time within six months after the date of the conclusion of the hearing by a vote of the  
334.8 majority of the governing body of the municipality.

334.9 Subd. 6. **Appeal to district court.** Within 45 days after the adoption of the ordinance  
334.10 establishing a tourism improvement district, a person aggrieved, who is not precluded by  
334.11 failure to object before or at the hearing, may appeal to the district court by serving a notice  
334.12 on the clerk of the municipality or governing body. The validity of the tourism improvement  
334.13 district and the service charge imposed under this chapter shall not be contested in an action  
334.14 or proceeding unless the action or proceeding is commenced within 45 days after the adoption  
334.15 of the ordinance establishing a tourism improvement district. The petitioner must file notice  
334.16 with the court administrator of the district court within ten days after its service. The clerk  
334.17 of the municipality must provide the petitioner with a certified copy of the findings and  
334.18 determination of the governing body. The court may affirm the action objected to or, if the  
334.19 petitioner's objections have merit, modify or cancel it. If the petitioner does not prevail on  
334.20 the appeal, the costs incurred shall be charged to the petitioner by the court and judgment  
334.21 entered for them. All objections shall be deemed waived unless presented on appeal.

334.22 Subd. 7. **Notice to the commissioner of revenue.** Within 30 days of adoption of the  
334.23 ordinance, the governing body must send a copy of the ordinance to the commissioner of  
334.24 revenue.

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

334.26 Sec. 14. **[428B.03] SERVICE CHARGE AUTHORITY; NOTICE; HEARING**  
334.27 **REQUIREMENT.**

334.28 Subdivision 1. **Authority.** A municipality may impose service charges authorized under  
334.29 section 428B.02, subdivision 4, to finance an activity or improvement in the tourism  
334.30 improvement district that is provided by the municipality if the activity or improvement is  
334.31 provided in the tourism improvement district at an increased level of service. The service  
334.32 charges may be imposed in the amount needed to pay for the increased level of service  
334.33 provided by the activity or improvement.

335.1 Subd. 2. Annual hearing requirement; notice. Beginning one year after the  
335.2 establishment of the tourism improvement district, the municipality must hold an annual  
335.3 public hearing regarding continuation of the service charges in the tourism improvement  
335.4 district. The municipality must provide notice of the hearing by publication in the official  
335.5 newspaper at least seven days before the hearing. The municipality must mail, or deliver  
335.6 by electronic means, notice of the hearing to business owners subject to the service charge  
335.7 at least seven days before the hearing. At the hearing, a person affected by the proposed  
335.8 district may testify on issues relevant to the proposed district. Within six months of the  
335.9 hearing, the municipality may adopt a resolution to continue imposing service charges within  
335.10 the district not exceeding the amount or rate expressed in the notice. For purposes of this  
335.11 section, the notice must include:

335.12 (1) a map showing the boundaries of the district;

335.13 (2) the time and place of the hearing;

335.14 (3) a statement that all interested persons will be given an opportunity to be heard at the  
335.15 hearing regarding the proposed service charge;

335.16 (4) a brief description of the proposed activities and improvements;

335.17 (5) the estimated annual amount of proposed expenditures for activities and  
335.18 improvements;

335.19 (6) the rate of the service charge for the district during the year and the nature and  
335.20 character of the proposed activities and improvements for the district during the year in  
335.21 which service charges are collected;

335.22 (7) the number of years the service charge will be in effect; and

335.23 (8) a statement that the petition requirement of section 428B.07 has either been met or  
335.24 does not apply to the proposed service charge.

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

335.26 Sec. 15. **[428B.04] MODIFICATION OF ORDINANCE.**

335.27 Subdivision 1. **Adoption of ordinance; request for modification.** Upon written request  
335.28 of the tourism improvement association, the governing body of a municipality may adopt  
335.29 an ordinance to modify the district after conducting a public hearing on the proposed  
335.30 modifications. If the modification includes a change to the rate, method, and basis of  
335.31 imposing the service charge or the expansion of the tourism improvement district's geographic

336.1 boundaries, a petition as described in section 428B.07 must be submitted by impacted  
336.2 business owners to initiate proceedings for modification.

336.3 Subd. 2. **Notice of modification.** A municipality must provide notice of the hearing by  
336.4 publication in at least two issues of the municipality's official newspaper. The two  
336.5 publications must be two weeks apart and the municipality must hold a hearing at least three  
336.6 days after the last publication. Not less than ten days before the hearing, the municipality  
336.7 must mail, or deliver by electronic means, notice to the business owner of each business  
336.8 subject to the service charge by the tourism improvement district. The notice must include:

336.9 (1) a map showing the boundaries of the district and any proposed changes to the  
336.10 boundaries of the district;

336.11 (2) the time and place of the hearing;

336.12 (3) a statement that all interested persons will be given an opportunity to be heard at the  
336.13 hearing regarding the proposed service charge; and

336.14 (4) a brief description of the proposed modification to the ordinance.

336.15 Subd. 3. **Hearing on modification.** At the hearing regarding modification to the  
336.16 ordinance, business owners and persons affected by the proposed modification may testify  
336.17 on issues relevant to the proposed modification. Within six months after the conclusion of  
336.18 the hearing, the municipality may adopt the ordinance modifying the district by a vote of  
336.19 the majority of the governing body in accordance with the request for modification by the  
336.20 tourism improvement association and as described in the notice.

336.21 Subd. 4. **Objection.** If the modification of the ordinance includes the expansion of the  
336.22 tourism improvement district's geographic boundaries, the ordinance modifying the district  
336.23 may be adopted after following the notice and veto requirements in section 428B.08;  
336.24 however, a successful objection will be determined based on a majority of business owners  
336.25 who will pay the service charge in the expanded area of the district. For all other  
336.26 modifications, the ordinance modifying the district may be adopted following the notice  
336.27 and veto requirements in section 428B.08.

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

336.29 Sec. 16. **[428B.05] COLLECTION OF SERVICE CHARGES; PENALTIES.**

336.30 The service charges imposed under this chapter may be collected by the municipality,  
336.31 tourism improvement association, or other designated agency or entity. Collection of the  
336.32 service charges must be made at the time and in the manner set forth in the ordinance. The

337.1 entity collecting the service charges may charge interest and penalties on delinquent payments  
337.2 for service charges imposed under this chapter as set forth in the municipality's ordinance.

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

337.4 Sec. 17. **[428B.06] TOURISM IMPROVEMENT ASSOCIATION.**

337.5 Subdivision 1. **Composition and duties.** The tourism improvement association must  
337.6 be designated in the municipality's ordinance. The tourism improvement association shall  
337.7 appoint a governing board or committee composed of a majority of business owners who  
337.8 pay the tourism improvement district service charge, or the representatives of those business  
337.9 owners. The governing board or committee must manage the funds raised by the tourism  
337.10 improvement district and fulfill the obligations of the tourism improvement district. A  
337.11 tourism improvement association has full discretion to select the specific activities and  
337.12 improvements that are funded with tourism improvement district service charges within the  
337.13 authorized activities and improvements described in the ordinance.

337.14 Subd. 2. **Annual report.** The tourism improvement association must submit to the  
337.15 municipality an annual report for each year in which a service charge is imposed. The report  
337.16 must include a financial statement of revenue raised by the district. The municipality may  
337.17 also, as part of the enabling ordinance, require the submission of other relevant information  
337.18 related to the association.

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

337.20 Sec. 18. **[428B.07] PETITION REQUIRED.**

337.21 A municipality may not establish a tourism improvement district under section 428B.02  
337.22 unless impacted business owners file a petition requesting a public hearing on the proposed  
337.23 action with the clerk of the municipality.

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

337.25 Sec. 19. **[428B.08] VETO POWER OF OWNERS.**

337.26 Subdivision 1. **Notice of right to file objections.** The effective date of an ordinance or  
337.27 resolution adopted under this chapter must be at least 45 days after it is adopted by the  
337.28 municipality. Within five days after the municipality adopts the ordinance or resolution,  
337.29 the municipality must mail a summary of the ordinance or resolution to each business owner  
337.30 subject to the service charge within the tourism improvement district in the same manner  
337.31 that notice is mailed, or delivered by electronic means, under section 428B.02. The mailing

338.1 must include a notice that business owners subject to the service charge have the right to  
338.2 veto, by a simple majority, the ordinance or resolution by filing the required number of  
338.3 objections with the clerk of the municipality before the effective date of the ordinance or  
338.4 resolution and include notice that a copy of the ordinance or resolution is available for public  
338.5 inspection with the clerk of the municipality.

338.6 Subd. 2. **Requirements for veto.** If impacted business owners file an objection to the  
338.7 ordinance or resolution before the effective date of the ordinance or resolution, the ordinance  
338.8 or resolution does not become effective.

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

338.10 Sec. 20. **[428B.09] DISESTABLISHMENT.**

338.11 Subdivision 1. **Procedure for disestablishment.** An ordinance adopted under this chapter  
338.12 must provide a 30-day period each year in which business owners subject to the service  
338.13 charge may request disestablishment of the district. Beginning one year after establishment  
338.14 of the tourism improvement district, an annual 30-day period of disestablishment begins  
338.15 with the anniversary of the date of establishment. Upon submission of a petition from  
338.16 impacted business owners, the municipality may disestablish a tourism improvement district  
338.17 by adopting an ordinance after holding a public hearing on the disestablishment. Prior to  
338.18 the hearing, the municipality must publish notice of the hearing on disestablishment in at  
338.19 least two issues of the municipality's official newspaper. The two publications must be two  
338.20 weeks apart and the municipality must hold the hearing at least three days after the last  
338.21 publication. Not less than ten days before the hearing, the municipality must mail, or deliver  
338.22 by electronic means, notice to the business owner of each business subject to the service  
338.23 charge. The notice must include:

338.24 (1) the time and place of the hearing;

338.25 (2) a statement that all interested persons will be given an opportunity to be heard at the  
338.26 hearing regarding disestablishment;

338.27 (3) the reason for disestablishment; and

338.28 (4) a proposal to dispose of any assets acquired with the revenues of the service charge  
338.29 imposed under the tourism improvement district.

338.30 Subd. 2. **Objection.** An ordinance disestablishing the tourism improvement district  
338.31 becomes effective following the notice and veto requirements in section 428B.08.

339.1 Subd. 3. Refund to business owners. (a) Upon the disestablishment of a tourism  
339.2 improvement district, any remaining revenues derived from the service charge, or any  
339.3 revenues derived from the sale of assets acquired with the service charge revenues, shall  
339.4 be refunded to business owners located and operating within the tourism improvement  
339.5 district in which service charges were imposed by applying the same method and basis that  
339.6 was used to calculate the service charges levied in the fiscal year in which the district is  
339.7 disestablished.

339.8 (b) If the disestablishment occurs before the service charge is imposed for the fiscal  
339.9 year, the method and basis that was used to calculate the service charge imposed in the  
339.10 immediate prior fiscal year shall be used to calculate the amount of a refund, if any.

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

339.12 **Sec. 21. [428B.10] COORDINATION OF DISTRICTS.**

339.13 If a county establishes a tourism improvement district in a city or town under this chapter,  
339.14 a city or town may not establish a tourism improvement district in the part of the city or  
339.15 town located in the county-established district. If a city or town establishes a tourism  
339.16 improvement district under this chapter, a county may not establish a tourism improvement  
339.17 district in the part of the city or town located in the city- or town-established district.

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

339.19 Sec. 22. Minnesota Statutes 2022, section 462A.38, is amended to read:

339.20 **462A.38 WORKFORCE AND AFFORDABLE HOMEOWNERSHIP**  
339.21 **DEVELOPMENT PROGRAM.**

339.22 **Subdivision 1. Establishment.** A workforce and affordable homeownership development  
339.23 program is established to award homeownership development grants and loans to cities,  
339.24 tribal governments, nonprofit organizations, cooperatives created under chapter 308A or  
339.25 308B, and community land trusts created for the purposes outlined in section 462A.31,  
339.26 subdivision 1, for development of workforce and affordable homeownership projects. The  
339.27 purpose of the program is to increase the supply of workforce and affordable, owner-occupied  
339.28 multifamily or single-family housing throughout Minnesota.

339.29 **Subd. 2. Use of funds.** (a) Grant funds and loans awarded under this program may be  
339.30 used for:

339.31 (1) development costs;

340.1 (2) rehabilitation;

340.2 (3) land development; and

340.3 (4) residential housing, including storm shelters and related community facilities.

340.4 (b) A project funded through ~~the grant~~ this program shall serve households that meet  
340.5 the income limits as provided in section 462A.33, subdivision 5, unless a project is intended  
340.6 for the purpose outlined in section 462A.02, subdivision 6.

340.7 Subd. 3. **Application.** The commissioner shall develop forms and procedures for soliciting  
340.8 and reviewing applications for grants and loans under this section. The commissioner shall  
340.9 consult with interested stakeholders when developing the guidelines and procedures for the  
340.10 program. In making grants and loans, the commissioner shall establish semiannual application  
340.11 deadlines in which grants and loans will be authorized from all or part of the available  
340.12 appropriations.

340.13 Subd. 4. **Awarding grants and loans.** Among comparable proposals, preference must  
340.14 be given to proposals that include contributions from nonstate resources for the greatest  
340.15 portion of the total development cost.

340.16 Subd. 5. **Statewide program.** The agency shall attempt to make grants and loans in  
340.17 approximately equal amounts to applicants outside and within the metropolitan area, as  
340.18 defined under section 473.121, subdivision 2.

340.19 Subd. 6. **Report.** Beginning January 15, ~~2018~~ 2024, the commissioner must annually  
340.20 submit a report to the chairs and ranking minority members of the senate and house of  
340.21 representatives committees having jurisdiction over housing and workforce development  
340.22 specifying the projects that received grants and loans under this section and the specific  
340.23 purposes for which the grant or loan funds were used.

340.24 Subd. 7. **Workforce and affordable homeownership development account.** A  
340.25 workforce and affordable homeownership development account is established in the housing  
340.26 development fund. Money in the account, including interest, is appropriated to the  
340.27 commissioner of the Housing Finance Agency for the purposes of this section. The amount  
340.28 appropriated under this section must supplement traditional sources of funding for this  
340.29 purpose and must not be used as a substitute for traditional sources of funding or to pay  
340.30 debt service on bonds. All loan repayments received under this section are to be deposited  
340.31 into the workforce and affordable homeownership development account in the housing  
340.32 development fund. A borrower under this section may, instead of repaying its loan, spend  
340.33 the money on a qualifying project under subdivision 2.

341.1 **EFFECTIVE DATE.** This section is effective July 1, 2023.

341.2 Sec. 23. **DEPARTMENT OF REVENUE FREE FILING REPORT.**

341.3 Subdivision 1. **Department of Revenue free filing report.** (a) By January 15, 2024,  
341.4 the commissioner of revenue must provide a written report to the chairs and ranking minority  
341.5 members of the legislative committees with jurisdiction over taxes. The report must comply  
341.6 with the requirements of Minnesota Statutes, sections 3.195 and 3.197, and must also provide  
341.7 information on free electronic filing options for preparing and filing Minnesota individual  
341.8 income tax returns.

341.9 (b) The commissioner must survey tax preparation software vendors for information on  
341.10 a free electronic preparation and filing option for taxpayers to file Minnesota individual  
341.11 income tax returns. The survey must request information from vendors that addresses the  
341.12 following concerns:

341.13 (1) system development, capability, security, and costs for consumer-based tax filing  
341.14 software;

341.15 (2) costs per return that would be charged to the state of Minnesota to provide an  
341.16 electronic individual income tax return preparation, submission, and payment remittance  
341.17 process;

341.18 (3) providing customer service and issue resolution to taxpayers using the software;

341.19 (4) providing and maintaining an appropriate link between the Department of Revenue  
341.20 and the Internal Revenue Service Modernized Electronic Filing Program;

341.21 (5) ensuring that taxpayer return information is maintained and protected as required by  
341.22 Minnesota Statutes, chapters 13 and 270B, Internal Revenue Service Publication 1075, and  
341.23 any other applicable requirements; and

341.24 (6) current availability of products for the free filing and submitting of both Minnesota  
341.25 and federal returns offered to customers and the income thresholds for using those products.

341.26 (c) The report by the commissioner must include at a minimum:

341.27 (1) a review of options that other states use for state electronic filing;

341.28 (2) an assessment of taxpayer needs for electronic filing, including current filing practices;

341.29 (3) an analysis of alternative options to provide free filing, such as tax credits, vendor  
341.30 incentives, or other benefits; and

341.31 (4) an analysis of the Internal Revenue Service Free File Program usage.

342.1 Subd. 2. **Appropriation; Department of Revenue free filing report.** \$175,000 in fiscal  
342.2 year 2024 is appropriated from the general fund to the commissioner of revenue for the free  
342.3 filing report required under this section. This is a onetime appropriation.

342.4 Sec. 24. **TAX FILING MODERNIZATION.**

342.5 Subdivision 1. **Account established; appropriation.** A tax filing modernization account  
342.6 is established in the special revenue fund. All funds in the tax filing modernization account  
342.7 are appropriated to the commissioner of revenue for the purposes specified in subdivision  
342.8 3.

342.9 Subd. 2. **Transfer.** \$5,000,000 in fiscal year 2024 is transferred to the tax filing  
342.10 modernization account from the general fund. This is a onetime transfer.

342.11 Subd. 3. **Eligible uses.** (a) The commissioner of revenue may use funds in the tax filing  
342.12 modernization account to modernize the state process for filing individual income tax returns,  
342.13 including:

342.14 (1) updating and reviewing changes to individual income tax forms resulting from this  
342.15 act;

342.16 (2) coordinating the process for filing state individual income tax returns with free filing  
342.17 options for the federal income tax; and

342.18 (3) development and implementation of state free filing options for the individual income  
342.19 tax.

342.20 (b) Beginning July 1, 2026, the commissioner of revenue may use any unspent funds in  
342.21 the tax filing modernization account to make taxpayer assistance grants to eligible  
342.22 organizations qualifying under section 7526A(e)(2)(B) of the Internal Revenue Code.

342.23 Subd. 4. **Unspent funds.** Any unspent funds in the tax filing modernization account  
342.24 cancel to the general fund on June 30, 2027.

342.25 Sec. 25. **RAMSEY COUNTY; EXTENDING REDEMPTION PERIODS OF**  
342.26 **PROPERTIES IN TARGETED COMMUNITIES.**

342.27 The period of redemption under Minnesota Statutes, chapter 281, shall be three years  
342.28 for all lands in Ramsey County that are located in a targeted community as defined in  
342.29 Minnesota Statutes, section 469.201, subdivision 10, and that are sold to the state in a tax  
342.30 judgment sale as a result of delinquency in paying taxes for taxes payable year 2023 or later.

343.1 **EFFECTIVE DATE.** This section is effective the day after the governing body of  
343.2 Ramsey County and its chief clerical officer comply with the requirements of Minnesota  
343.3 Statutes, section 645.021, subdivisions 2 and 3, but any compliance with these requirements  
343.4 must be completed no later than December 31, 2023.

343.5 Sec. 26. **FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY**  
343.6 **RECIPIENTS.**

343.7 Subdivision 1. **Definitions.** The definitions in Minnesota Statutes, section 16B.981,  
343.8 apply to this section.

343.9 Subd. 2. **Financial review.** A grant funded by an appropriation in this act is subject to  
343.10 the financial review requirements of Minnesota Statutes, section 16B.981, as applicable,  
343.11 notwithstanding the effective date for enactment of Minnesota Statutes, section 16B.981.

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

343.13 Sec. 27. **APPROPRIATION; TAXPAYER RECEIPT.**

343.14 \$144,000 in fiscal year 2024 and \$47,000 in fiscal year 2025 are appropriated from the  
343.15 general fund to the commissioner of management and budget to develop and publish the  
343.16 taxpayer receipt under Minnesota Statutes, section 16A.067.

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

343.18 Sec. 28. **APPROPRIATION; WORKFORCE AND AFFORDABLE**  
343.19 **HOMEOWNERSHIP DEVELOPMENT PROGRAM.**

343.20 \$40,000,000 in fiscal year 2024 is appropriated from the general fund to the Minnesota  
343.21 Housing Finance Agency for deposit in the workforce and affordable homeownership  
343.22 development account for the purposes of the workforce and affordable homeownership  
343.23 development program under Minnesota Statutes, section 462A.38.

343.24 Sec. 29. **APPROPRIATION; CRANE LAKE WATER AND SANITARY DISTRICT**  
343.25 **DEBT RELIEF.**

343.26 (a) \$1,294,000 in fiscal year 2024 is appropriated from the general fund to the Public  
343.27 Facilities Authority for a grant to the Crane Lake Water and Sanitary District to retire debt  
343.28 of the district in order to bring the district's monthly wastewater rates in line with those of  
343.29 similarly situated facilities across the state. This is a onetime appropriation.

344.1 (b) If the appropriation in this section is enacted more than once during the 2023 regular  
344.2 session for substantially similar purposes, the appropriation is to be given effect only once.

344.3 **Sec. 30. APPROPRIATION; CITY OF MINNEAPOLIS; GRANT.**

344.4 (a) \$10,000,000 in fiscal year 2024 is appropriated from the general fund to the  
344.5 commissioner of employment and economic development for a grant to the city of  
344.6 Minneapolis. This is a onetime appropriation. The grant must be paid by July 15, 2023. The  
344.7 city of Minneapolis may use up to one percent of the grant for administrative costs.

344.8 (b) Of the amount granted to the city of Minneapolis under paragraph (a), \$8,000,000  
344.9 must be used for a grant to a foundation that provides business advising, branding and  
344.10 marketing support, and real estate consulting to businesses located on Lake Street in  
344.11 Minneapolis, between 30th Avenue South and Nicollet Avenue. The organization must use  
344.12 the funds for direct business support or direct corridor support, including assistance with  
344.13 marketing, placemaking, and public relations services.

344.14 (c) Of the amount granted to the city of Minneapolis under paragraph (a), \$2,000,000  
344.15 must be used for property acquisition in the city of Minneapolis at 1860 28th Street East  
344.16 and 2717 Longfellow Avenue.

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

344.18 **Sec. 31. APPROPRIATION; CITY OF NORTHFIELD; GRANT.**

344.19 (a) \$300,000 in fiscal year 2024 is appropriated from the general fund to the commissioner  
344.20 of revenue for a grant to the city of Northfield. This is a onetime appropriation. The grant  
344.21 must be paid by July 15, 2023.

344.22 (b) The grant under this section must be used by the city of Northfield to pay for  
344.23 infrastructure related to a cooperatively owned manufactured home park.

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

344.25 **Sec. 32. APPROPRIATION; CITY OF SPRING GROVE FIRE REMEDIATION**  
344.26 **GRANT.**

344.27 \$250,000 in fiscal year 2024 is appropriated from the general fund to the commissioner  
344.28 of revenue for a grant to the city of Spring Grove to remediate the effects of the fire in the  
344.29 city on December 22, 2022. The grant recipient must use the money appropriated under this  
344.30 section for remediation costs incurred by public or private entities as a result of the fire,  
344.31 including disaster recovery, infrastructure, reimbursement for emergency personnel costs,

345.1 reimbursement for equipment costs, and reimbursement for property tax abatements. This  
345.2 appropriation is onetime and is available until June 30, 2025.

345.3 **EFFECTIVE DATE.** This section is effective July 1, 2023.

345.4 Sec. 33. **APPROPRIATION; CITY OF WINDOM.**

345.5 (a) \$13,000,000 in fiscal year 2023 is appropriated from the general fund to the  
345.6 commissioner of employment and economic development for a grant to the city of Windom  
345.7 to be allocated as provided under paragraph (b). This appropriation is onetime and is available  
345.8 until June 30, 2025.

345.9 (b) Of the amount appropriated under paragraph (a):

345.10 (1) \$10,000,000 must be used by the city to facilitate completion of the Windom HyLife  
345.11 Affordable Housing Development;

345.12 (2) \$2,000,000 must be used by the city for repayment of loans issued to the city from  
345.13 the Public Facilities Authority for wastewater improvements related to the HyLife Foods  
345.14 Windom processing plant; and

345.15 (3) \$1,000,000 must be used by the city for recruitment efforts including locating and  
345.16 securing a purchaser of the HyLife Foods Windom processing plant.

345.17 (c) The appropriations under paragraph (b), clauses (1) and (2), are contingent upon  
345.18 certification from the city that Hylife Foods has not entered into a contract to transfer  
345.19 ownership of the Hylife Foods Windom processing plant. Certification from the city to the  
345.20 commissioner of revenue must be made on or before July 1, 2023.

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

345.22 Sec. 34. **APPROPRIATION; WINDOM SCHOOL DISTRICT.**

345.23 Subdivision 1. **Department of Education.** The sum indicated in this section is  
345.24 appropriated from the general fund to the Department of Education for the fiscal year  
345.25 designated.

345.26 Subd. 2. **Windom School District onetime supplemental aid.** (a) For aid to Independent  
345.27 School District No. 177, Windom:

345.28     \$        1,000,000    .....    2024

345.29 (b) For fiscal year 2024 only, Windom School District's onetime supplemental aid equals  
345.30 the greater of zero or the product of: (1) \$10,000, and (2) the difference between the October

346.1 1, 2022, pupil enrollment count and the October 1, 2023, pupil enrollment count. The amount  
346.2 calculated under this paragraph must not exceed \$1,000,000.

346.3 (c) 100 percent of the aid must be paid in the current year.

346.4 (d) This is a onetime appropriation.

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

346.6 Sec. 35. **ADMINISTRATIVE APPROPRIATION; DEPARTMENT OF REVENUE.**

346.7 \$3,000,000 in fiscal year 2024 is appropriated from the general fund to the commissioner  
346.8 of revenue to administer this act. The base for this appropriation in fiscal year 2026 is  
346.9 \$3,000,000.

346.10 Sec. 36. **REPEALER.**

346.11 Minnesota Statutes 2022, section 270A.04, subdivision 5, is repealed.

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

346.13

## ARTICLE 16

346.14

### DEPARTMENT OF REVENUE: INDIVIDUAL INCOME AND CORPORATE FRANCHISE TAXES

346.15

346.16 Section 1. Minnesota Statutes 2022, section 289A.50, is amended by adding a subdivision  
346.17 to read:

346.18 Subd. 3a. **Nonresident withholding tax refunds.** When there is an overpayment of  
346.19 nonresident withholding tax by a partnership or S corporation, a refund allowable under  
346.20 this section to the payor is limited to the amount of the overpayment that was not deducted  
346.21 and withheld from the shares of the payor's partners or shareholders.

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

346.23 Sec. 2. Minnesota Statutes 2022, section 290.06, subdivision 22, is amended to read:

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

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

347.8 (c) If the taxpayer is an athletic team that apportions all of its income under section  
347.9 290.17, subdivision 5, the credit is determined by multiplying the tax payable under this  
347.10 chapter by the ratio derived from dividing the total net income subject to tax in the other  
347.11 state by the taxpayer's Minnesota taxable income.

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

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

347.18 (e) In the case of the tax assessed on a lump-sum distribution under section 290.032, the  
347.19 credit allowed under paragraph (a) is the tax assessed by the other state on the lump-sum  
347.20 distribution that is also subject to tax under section 290.032, and shall not exceed the tax  
347.21 assessed under section 290.032. To the extent the total lump-sum distribution defined in  
347.22 section 290.032, subdivision 1, includes lump-sum distributions received in prior years or  
347.23 is all or in part an annuity contract, the reduction to the tax on the lump-sum distribution  
347.24 allowed under section 290.032, subdivision 2, includes tax paid to another state that is  
347.25 properly apportioned to that distribution.

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

347.32 (g) For the purposes of this subdivision, a resident shareholder of a corporation treated  
347.33 as an "S" corporation under section 290.9725, must be considered to have paid a tax imposed  
347.34 on the shareholder in an amount equal to the shareholder's pro rata share of any net income

348.1 tax paid by the S corporation to another state. For the purposes of the preceding sentence,  
348.2 the term "net income tax" means any tax imposed on or measured by a corporation's net  
348.3 income.

348.4 (h) For the purposes of this subdivision, a resident partner of an entity taxed as a  
348.5 partnership under the Internal Revenue Code must be considered to have paid a tax imposed  
348.6 on the partner in an amount equal to the partner's pro rata share of any net income tax paid  
348.7 by the partnership to another state. For purposes of the preceding sentence, the term "net  
348.8 income" tax means any tax imposed on or measured by a partnership's net income. For  
348.9 purposes of this paragraph, "partnership" includes a limited liability company and "partner"  
348.10 includes a member of a limited liability company.

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

348.12 (1) includes:

348.13 (i) the District of Columbia; and

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

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

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

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

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

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

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

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

349.6 (3) For purposes of this paragraph, "preliminary credit" means the credit that a qualifying  
349.7 individual is eligible to receive under paragraphs (b) and (d) for tax paid to a qualifying  
349.8 state without regard to the limitation in paragraph (d), clause (2); "qualifying individual"  
349.9 means a Minnesota resident under section 290.01, subdivision 7, paragraph (a), who received  
349.10 compensation during the taxable year for the performance of personal or professional services  
349.11 within a qualifying state; and "qualifying state" means a state with which an agreement  
349.12 under section 290.081 is not in effect for the taxable year but was in effect for a taxable  
349.13 year beginning before January 1, 2010.

349.14 (m) For purposes of this subdivision, a resident sole member of a disregarded limited  
349.15 liability company must be considered to have paid a tax imposed on the sole member in an  
349.16 amount equal to the net income tax paid by the disregarded limited liability company to  
349.17 another state. For the purposes of this paragraph, the term "disregarded limited liability  
349.18 company" means a limited liability company that is disregarded as an entity separate from  
349.19 its owner as defined in Code of Federal Regulations, title 26, section 301.7701, and "net  
349.20 income tax" means any tax imposed on or measured by a disregarded limited liability  
349.21 company's net income.

349.22 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
349.23 31, 2022.

349.24 Sec. 3. Minnesota Statutes 2022, section 290.92, subdivision 20, is amended to read:

349.25 Subd. 20. **Miscellaneous withholding arrangements.** (a) For purposes of this  
349.26 subdivision:

349.27 (1) "periodic payment" means a payment as defined under section 3405(e)(2) of the  
349.28 Internal Revenue Code;

349.29 (2) "nonperiodic distribution" means a distribution as defined under section 3405(e)(3)  
349.30 of the Internal Revenue Code; and

349.31 (3) "sick pay" means any amount which:

349.32 (i) is paid to an employee pursuant to a plan to which the employer is a party; and

350.1 (ii) constitutes remuneration or a payment in lieu of remuneration for any period during  
350.2 which the employee is temporarily absent from work on account of sickness or personal  
350.3 injuries.

350.4 ~~(a)~~ (b) For purposes of this section, any periodic payment or nonperiodic distribution to  
350.5 an individual ~~as defined under section 3405(e)(2) or (3) of the Internal Revenue Code~~ shall  
350.6 be treated as if it were a payment of wages by an employer to an employee for a payroll  
350.7 period, and it is subject to withholding at a rate of 6.25 percent or any rate specified by the  
350.8 recipient. Any payment to an individual of sick pay which does not constitute wages,  
350.9 determined without regard to this subdivision, shall be treated as if it were a payment of  
350.10 wages by an employer to an employee for a payroll period, if, at the time the payment is  
350.11 made a request that such sick pay be subject to withholding under this section is in effect.  
350.12 ~~Sick pay means any amount which:~~

350.13 ~~(1) is paid to an employee pursuant to a plan to which the employer is a party, and~~

350.14 ~~(2) constitutes remuneration or a payment in lieu of remuneration for any period during~~  
350.15 ~~which the employee is temporarily absent from work on account of sickness or personal~~  
350.16 ~~injuries.~~

350.17 ~~(b)~~ (c) A request for withholding, the amount withheld, and sick pay paid pursuant to  
350.18 certain collective bargaining agreements shall conform with the provisions of section  
350.19 3402(o)(3), (4), and (5) of the Internal Revenue Code.

350.20 ~~(e)~~ (d) The commissioner is authorized by rules to provide for withholding:

350.21 (1) from remuneration for services performed by an employee for the employer which,  
350.22 without regard to this subdivision, does not constitute wages, and

350.23 (2) from any other type of payment with respect to which the commissioner finds that  
350.24 withholding would be appropriate under the provisions of this section, if the employer and  
350.25 the employee, or in the case of any other type of payment the person making and the person  
350.26 receiving the payment, agree to such withholding. Such agreement shall be made in such  
350.27 form and manner as the commissioner may by rules provide. For purposes of this section  
350.28 remuneration or other payments with respect to which such agreement is made shall be  
350.29 treated as if they were wages paid by an employer to an employee to the extent that such  
350.30 remuneration is paid or other payments are made during the period for which the agreement  
350.31 is in effect.

351.1 ~~(d)~~ (e) An individual receiving a periodic payment or nonperiodic distribution under  
351.2 paragraph ~~(a)~~ (b) may elect to have paragraph ~~(a)~~ (b) not apply to the payment or distribution  
351.3 as follows., and an election remains in effect until revoked by such individual.

351.4 ~~(1) For payments defined under section 3405(e)(2) of the Internal Revenue Code, an~~  
351.5 ~~election remains in effect until revoked by such individual.~~

351.6 ~~(2) For distributions defined under section 3405(e)(3) of the Internal Revenue Code, the~~  
351.7 ~~election is on a distribution-by-distribution basis.~~

351.8 **EFFECTIVE DATE; APPLICATION.** (a) This section is effective for periodic  
351.9 payments and nonperiodic distributions made on or after the day following final enactment.

351.10 (b) For periodic payments and nonperiodic distributions made on or after the day  
351.11 following final enactment but before January 1, 2024, the commissioner of revenue must  
351.12 not assess penalties relating to this amendment against a payor who complies with Minnesota  
351.13 Statutes 2021 Supplement, section 290.92, subdivision 20.

351.14 Sec. 4. Minnesota Statutes 2022, section 290.9705, subdivision 1, is amended to read:

351.15 Subdivision 1. **Withholding of payments to out-of-state contractors.** (a) In this section,  
351.16 "person" means a person, corporation, or cooperative, the state of Minnesota and its political  
351.17 subdivisions, and a city, county, and school district in Minnesota.

351.18 (b) A person who in the regular course of business is hiring, contracting, or having a  
351.19 contract with a nonresident person or ~~foreign corporation~~ a corporation or cooperative  
351.20 created or organized outside Minnesota, to perform construction work in Minnesota, shall  
351.21 deduct and withhold eight percent of payments made to the contractor if the value of the  
351.22 contract exceeds \$50,000.

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

351.24 Sec. 5. Minnesota Statutes 2022, section 290A.03, subdivision 13, is amended to read:

351.25 Subd. 13. **Property taxes payable.** "Property taxes payable" means the property tax  
351.26 exclusive of special assessments, penalties, and interest payable on a claimant's homestead  
351.27 after deductions made under sections 273.135, 273.1384, 273.1391, 273.42, subdivision 2,  
351.28 and any other state paid property tax credits in any calendar year, and after any refund  
351.29 claimed and allowable under section 290A.04, subdivision 2h, that is first payable in the  
351.30 year that the property tax is payable. In the case of a claimant who makes ground lease  
351.31 payments, "property taxes payable" includes the amount of the payments directly attributable  
351.32 to the property taxes assessed against the parcel on which the house is located. Regardless

352.1 of the limitations in section 280A(c)(5) of the Internal Revenue Code, "property taxes  
 352.2 payable" must be apportioned or reduced for the use of a portion of the claimant's homestead  
 352.3 for a business purpose if the claimant deducts any business depreciation expenses for the  
 352.4 use of a portion of the homestead or deducts expenses under section 280A of the Internal  
 352.5 Revenue Code for a business operated in the claimant's homestead. For homesteads which  
 352.6 are manufactured homes as defined in section 273.125, subdivision 8, including manufactured  
 352.7 homes located in a manufactured home community owned by a cooperative organized under  
 352.8 chapter 308A or 308B, and park trailers taxed as manufactured homes under section 168.012,  
 352.9 subdivision 9, "property taxes payable" shall also include 17 percent of the gross rent paid  
 352.10 in the preceding year for the site on which the homestead is located. When a homestead is  
 352.11 owned by two or more persons as joint tenants or tenants in common, such tenants shall  
 352.12 determine between them which tenant may claim the property taxes payable on the  
 352.13 homestead. If they are unable to agree, the matter shall be referred to the commissioner of  
 352.14 revenue whose decision shall be final. Property taxes are considered payable in the year  
 352.15 prescribed by law for payment of the taxes.

352.16 In the case of a claim relating to "property taxes payable," the claimant must have owned  
 352.17 and occupied the homestead on January 2 of the year in which the tax is payable and (i) the  
 352.18 property must have been classified as homestead property pursuant to section 273.124, on  
 352.19 or before December ~~15~~ 31 of the assessment year to which the "property taxes payable"  
 352.20 relate; or (ii) the claimant must provide documentation from the local assessor that application  
 352.21 for homestead classification has been made on or before December ~~15~~ 31 of the year in  
 352.22 which the "property taxes payable" were payable and that the assessor has approved the  
 352.23 application.

352.24 **EFFECTIVE DATE.** This section is effective retroactively for refund claims based on  
 352.25 property taxes payable in 2022 and thereafter.

352.26 **ARTICLE 17**

352.27 **DEPARTMENT OF REVENUE:**  
 352.28 **FIRE AND POLICE STATE AIDS**

352.29 Section 1. Minnesota Statutes 2022, section 6.495, subdivision 3, is amended to read:

352.30 Subd. 3. ~~Report~~ **Reports to commissioner of revenue.** (a) On or before September 15,  
 352.31 November 1, March 1, and June 1, the state auditor ~~shall~~ must file with the commissioner  
 352.32 of revenue a financial compliance report certifying for each relief association:

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

353.1 (2) the receipt of any actuarial valuations required under section 424A.093 or Laws  
353.2 2013, chapter 111, article 5, sections 31 to 42.

353.3 (b) The commissioner of revenue shall prescribe the content, format, and manner of the  
353.4 financial compliance reports required by paragraph (a), pursuant to section 270C.30.

353.5 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
353.6 and thereafter.

353.7 Sec. 2. Minnesota Statutes 2022, section 477B.01, is amended by adding a subdivision to  
353.8 read:

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

353.13 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
353.14 and thereafter.

353.15 Sec. 3. Minnesota Statutes 2022, section 477B.01, subdivision 5, is amended to read:

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

353.17 (1) a municipal fire department ~~and~~;

353.18 (2) an independent nonprofit firefighting corporation;

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

353.20 (4) a fire protection special taxing district established under chapter 144F or special law.

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

353.22 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
353.23 and thereafter.

353.24 Sec. 4. Minnesota Statutes 2022, section 477B.01, is amended by adding a subdivision to  
353.25 read:

353.26 Subd. 7a. **Joint powers entity.** "Joint powers entity" means a joint powers entity created  
353.27 under section 471.59.

353.28 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
353.29 and thereafter.

354.1 Sec. 5. Minnesota Statutes 2022, section 477B.01, subdivision 10, is amended to read:

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

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

354.4 (2) an organized town;

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

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

354.7 (5) an American Indian tribal government entity located within a federally recognized

354.8 American Indian reservation.

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

354.10 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024

354.11 and thereafter.

354.12 Sec. 6. Minnesota Statutes 2022, section 477B.01, subdivision 11, is amended to read:

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

354.14 (1) the secretary of an independent nonprofit firefighting corporation that has a subsidiary  
354.15 incorporated firefighters' relief association or whose firefighters participate in the statewide  
354.16 volunteer firefighter plan; or

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

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

354.21 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024

354.22 and thereafter.

354.23 Sec. 7. Minnesota Statutes 2022, section 477B.02, subdivision 2, is amended to read:

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

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

355.4 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
355.5 and thereafter.

355.6 Sec. 8. Minnesota Statutes 2022, section 477B.02, subdivision 3, is amended to read:

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

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

355.12 ~~(e)~~ (a) The fire department must have a separate subsidiary incorporated firefighters'  
355.13 relief association that provides retirement benefits or must participate in the statewide  
355.14 volunteer firefighter plan; or if the municipality solely employs full-time firefighters as  
355.15 defined in section 299N.03, subdivision 5, retirement coverage must be provided by the  
355.16 public employees police and fire retirement plan. For purposes of retirement benefits, a fire  
355.17 department may be associated with only one volunteer firefighters' relief association or one  
355.18 account in the voluntary statewide volunteer firefighter retirement plan at one time.

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

355.22 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
355.23 and thereafter.

355.24 Sec. 9. Minnesota Statutes 2022, section 477B.02, is amended by adding a subdivision to  
355.25 read:

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

355.28 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
355.29 and thereafter.

356.1 Sec. 10. Minnesota Statutes 2022, section 477B.02, subdivision 5, is amended to read:

356.2 Subd. 5. **Fire service contract or agreement; apportionment agreement filing**

356.3 ~~requirement requirements.~~ (a) Every municipality or independent nonprofit firefighting  
 356.4 corporation must file ~~a copy of any duly executed and valid fire service contract or agreement~~  
 356.5 with the commissioner (1) a copy of any duly executed and valid fire service contracts, (2)  
 356.6 written notification of any fire service contract terminations, and (3) written notification of  
 356.7 any dissolution of a fire department, within 60 days of contract execution or termination,  
 356.8 or department dissolution.

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

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

356.19 (d) When a municipality is a fire protection special taxing district, it must file its  
 356.20 resolution establishing the fire protection special taxing district, and any agreements required  
 356.21 for the establishment of the fire protection special taxing district, with the commissioner.  
 356.22 If the resolution or agreement does not include sufficient information defining the fire  
 356.23 department service area of the fire protection special taxing district, the secretary must file  
 356.24 a written statement with the commissioner defining the fire department service area.

356.25 (e) The commissioner shall prescribe the content, format, and manner of the notifications,  
 356.26 apportionment agreements, and written statements under paragraphs (a) to (d), pursuant to  
 356.27 section 270C.30, except that copies of fire service contracts, joint powers agreements, and  
 356.28 resolutions establishing fire protection special taxing districts shall be filed in their existing  
 356.29 form.

356.30 (f) A document filed with the commissioner under this subdivision must be refiled any  
 356.31 time it is updated within 60 days of the update. An apportionment agreement must be refiled  
 356.32 only when a change in the averaged sum of the percentage of population and percentage of  
 356.33 estimated market value serviced by a fire department subject to the apportionment agreement

357.1 is at least one percent. The percentage amount must be rounded to the nearest whole  
357.2 percentage.

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

357.7 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
357.8 and thereafter.

357.9 Sec. 11. Minnesota Statutes 2022, section 477B.02, subdivision 8, is amended to read:

357.10 Subd. 8. **PERA certification to commissioner.** On or before February 1 each year, if  
357.11 ~~retirement coverage for a fire department is provided by the statewide volunteer firefighter~~  
357.12 ~~plan,~~ the executive director of the Public Employees Retirement Association must certify  
357.13 ~~the existence of retirement coverage.~~ to the commissioner the fire departments that transferred  
357.14 retirement coverage to, or terminated participation in, the voluntary statewide volunteer  
357.15 firefighter retirement plan since the previous certification under this paragraph. This  
357.16 certification must include the number of active volunteer firefighters under section 477B.03,  
357.17 subdivision 5, paragraph (e).

357.18 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
357.19 and thereafter.

357.20 Sec. 12. Minnesota Statutes 2022, section 477B.02, subdivision 9, is amended to read:

357.21 Subd. 9. **Fire department certification to commissioner.** On or before March 15 of  
357.22 each year, the municipal clerk or the secretary, ~~and the fire chief,~~ must jointly certify to the  
357.23 commissioner ~~that the fire department exists and meets the qualification requirements of~~  
357.24 ~~this section~~ the fire department service area as of December 31 of the previous year, and  
357.25 that the fire department meets the qualification requirements of this section. The municipal  
357.26 clerk or the secretary must provide the commissioner with documentation that the  
357.27 commissioner deems necessary for determining eligibility for fire state aid or for calculating  
357.28 and apportioning fire state aid under section 477B.03. The certification must be on a form  
357.29 prescribed by the commissioner and must include all other information that the commissioner  
357.30 requires. The municipal clerk or the secretary must send a copy of the certification filed  
357.31 under this subdivision to the fire chief within five business days of the date the certification  
357.32 was filed with the commissioner.

358.1 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
358.2 and thereafter.

358.3 Sec. 13. Minnesota Statutes 2022, section 477B.02, subdivision 10, is amended to read:

358.4 Subd. 10. **Penalty for failure to file or correct certification.** (a) If the certification  
358.5 under subdivision 9 is not filed with the commissioner on or before March 15<sup>1</sup>, the  
358.6 commissioner must notify the municipal clerk or the secretary that a penalty ~~equal to a~~  
358.7 ~~portion or all of the current year aid will apply if the certification is not received within ten~~  
358.8 days of the postmark date of the notification will be deducted from fire state aid certified  
358.9 for the current year if the certification is not filed on or before March 15.

358.10 (b) If the commissioner rejects the certification by the municipal clerk or secretary under  
358.11 subdivision 9 for inaccurate or incomplete information, the municipal clerk or the secretary  
358.12 must file a corrective certification after taking corrective action as identified by the  
358.13 commissioner in the notice of rejection. The corrective certification must be filed within  
358.14 30 days of the date on the notice of rejection or by March 15, whichever date is later.

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

358.26 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
358.27 and thereafter.

358.28 Sec. 14. Minnesota Statutes 2022, section 477B.03, subdivision 2, is amended to read:

358.29 Subd. 2. **Apportionment of fire state aid.** (a) The amount of fire state aid available for  
358.30 apportionment, before the addition of the minimum fire state aid allocation amount under  
358.31 subdivision 5, is equal to 107 percent of the amount of premium taxes paid to the state upon  
358.32 the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the  
358.33 commissioner by companies or insurance companies on the Minnesota Fire Premium Report,

359.1 except that credits claimed under section 297I.20, subdivisions 3, 4, 5, and 6, do not affect  
359.2 the calculation of the amount of fire state aid available for apportionment. This amount  
359.3 must be reduced by the amount required to pay the state auditor's costs and expenses of the  
359.4 audits or exams of the firefighters' relief associations.

359.5 (b) The total amount available for apportionment must not be less than two percent of  
359.6 the premiums less return premiums reported to the commissioner by companies or insurance  
359.7 companies on the Minnesota Fire Premium Report after subtracting the following amounts:

359.8 (1) the amount required to pay the state auditor's costs and expenses of the audits or  
359.9 exams of the firefighters' relief associations; and

359.10 (2) one percent of the premiums reported by township mutual insurance companies and  
359.11 mutual property and casualty companies with total assets of \$5,000,000 or less.

359.12 (c) The commissioner must apportion the fire state aid to each municipality or independent  
359.13 nonprofit firefighting corporation qualified under section 477B.02 relative to the premiums  
359.14 reported on the Minnesota Fire Premium Reports filed under this chapter.

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

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

359.19 Sec. 15. Minnesota Statutes 2022, section 477B.03, subdivision 3, is amended to read:

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

359.25 (b) The ~~latest available~~ estimated market value property figures for the assessment year  
359.26 immediately preceding the year the aid is distributed must be used in calculations requiring  
359.27 the use of estimated market value property figures under this chapter.

359.28 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
359.29 and thereafter.

360.1 Sec. 16. Minnesota Statutes 2022, section 477B.03, subdivision 4, is amended to read:

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

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

360.17 (c) In the case of municipalities or independent nonprofit firefighting corporations  
360.18 qualifying for aid, the commissioner must calculate the state aid for the municipality or  
360.19 independent nonprofit firefighting corporation on the basis of the population and the estimated  
360.20 market value of the area furnished fire protection service by the fire department as evidenced  
360.21 by valid fire service agreements contracts, joint powers agreements, resolutions, and other  
360.22 supporting documents filed with the commissioner under section 477B.02, subdivision 5.

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

360.27 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
360.28 and thereafter.

360.29 Sec. 17. Minnesota Statutes 2022, section 477B.03, subdivision 5, is amended to read:

360.30 Subd. 5. **Minimum fire state aid allocation amount.** (a) The minimum fire state aid  
360.31 allocation amount is the amount derived from any additional funding amount to support a  
360.32 minimum fire state aid amount under section 423A.02, subdivision 3. The minimum fire  
360.33 state aid allocation amount is allocated to municipalities or independent nonprofit firefighting

361.1 corporations with volunteer firefighters' relief associations or covered by the statewide  
 361.2 volunteer firefighter plan. The amount is based on the number of active volunteer firefighters  
 361.3 who are (1) members of the relief association as reported to the Office of the State Auditor  
 361.4 in a specific annual financial reporting year as specified in paragraphs (b) to (d), or (2)  
 361.5 covered by the statewide volunteer firefighter plan as specified in paragraph (e).

361.6 (b) For relief associations established in calendar year 1993 or a prior year, the number  
 361.7 of active volunteer firefighters equals the number of active volunteer firefighters who were  
 361.8 members of the relief association as reported in the annual financial reporting for calendar  
 361.9 year 1993, but not to exceed 30 active volunteer firefighters.

361.10 (c) For relief associations established in calendar year 1994 through calendar year 1999,  
 361.11 the number of active volunteer firefighters equals the number of active volunteer firefighters  
 361.12 who were members of the relief association as reported in the annual financial reporting for  
 361.13 calendar year 1998 to the Office of the State Auditor, but not to exceed 30 active volunteer  
 361.14 firefighters.

361.15 (d) For relief associations established after calendar year 1999, the number of active  
 361.16 volunteer firefighters equals the number of active volunteer firefighters who are members  
 361.17 of the relief association as reported in the first annual financial reporting submitted to the  
 361.18 Office of the State Auditor, but not to exceed 20 active volunteer firefighters.

361.19 (e) ~~If a relief association is terminated as a result of~~ For a municipality or independent  
 361.20 nonprofit firefighting corporation that is providing retirement coverage for volunteer  
 361.21 firefighters by the statewide volunteer firefighter plan under chapter 353G, the number of  
 361.22 active volunteer firefighters equals the number of active volunteer firefighters of the  
 361.23 municipality or independent nonprofit firefighting corporation covered by the statewide  
 361.24 plan as certified by the executive director of the Public Employees Retirement Association  
 361.25 to the commissioner and the state auditor within 30 days of the date the municipality or  
 361.26 independent nonprofit firefighting corporation begins coverage in the plan, but not to exceed  
 361.27 30 active firefighters.

361.28 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 361.29 and thereafter.

361.30 Sec. 18. Minnesota Statutes 2022, section 477B.03, subdivision 7, is amended to read:

361.31 Subd. 7. **Appeal.** A municipality, an independent nonprofit firefighting corporation, a  
 361.32 fire relief association, or the statewide volunteer firefighter plan may object to the amount  
 361.33 of fire state aid apportioned to it by filing a written request with the commissioner to review

362.1 and adjust the apportionment of funds within the state. The objection of a municipality, an  
 362.2 independent nonprofit firefighting corporation, a fire relief association, or the voluntary  
 362.3 statewide volunteer firefighter retirement plan must be filed with the commissioner within  
 362.4 60 days of the date the amount of apportioned fire state aid is paid. The decision of the  
 362.5 commissioner is subject to appeal, review, and adjustment by the district court in the county  
 362.6 in which the applicable municipality or independent nonprofit firefighting corporation is  
 362.7 located or by the Ramsey County District Court with respect to the statewide volunteer  
 362.8 firefighter plan.

362.9 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
 362.10 and thereafter.

362.11 Sec. 19. Minnesota Statutes 2022, section 477B.04, subdivision 1, is amended to read:

362.12 Subdivision 1. **Payments.** (a) The commissioner must make payments to the Public  
 362.13 Employees Retirement Association for deposit in the statewide volunteer firefighter fund  
 362.14 on behalf of a municipality or independent nonprofit firefighting corporation that is a member  
 362.15 of the statewide volunteer firefighter plan under chapter 353G, ~~or directly to a municipality~~  
 362.16 ~~or county designated by an independent nonprofit firefighting corporation.~~ The commissioner  
 362.17 must directly pay all other municipalities qualifying for fire state aid, except as provided in  
 362.18 paragraph (d). The payment is equal to the amount of fire state aid apportioned to the  
 362.19 applicable fire state aid recipient under section 477B.03.

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

362.23 (c) If the commissioner of revenue does not receive a financial compliance report  
 362.24 described in section 6.495, subdivision 3, for a relief association, the amount of fire state  
 362.25 aid apportioned to a municipality or independent nonprofit firefighting corporation under  
 362.26 section 477B.03 for that relief association must be withheld from payment to the Public  
 362.27 Employees Retirement Association or the municipality. The commissioner of revenue must  
 362.28 issue a withheld payment within ten business days of receipt of a financial compliance report  
 362.29 under section 6.495, subdivision 3. The interest under paragraph (b) does not apply ~~when~~  
 362.30 ~~to a payment has not been made by October 1 due to noncompliance with sections 424A.014~~  
 362.31 ~~and 477B.02, subdivision 7~~ withheld under this paragraph.

362.32 (d) The commissioner must make payments directly to the largest municipality in  
 362.33 population located within any area included in a joint powers entity that does not have a  
 362.34 designated agency under section 471.59, subdivision 3, or within the fire department service

363.1 area of an eligible independent nonprofit firefighting corporation. If there is no city or town  
363.2 within the fire department service area of an eligible independent nonprofit firefighting  
363.3 corporation, fire state aid must be paid to the county where the independent nonprofit  
363.4 firefighting corporation is located.

363.5 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
363.6 and thereafter.

363.7 Sec. 20. Minnesota Statutes 2022, section 477B.04, is amended by adding a subdivision  
363.8 to read:

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

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

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

363.25 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
363.26 and thereafter.

363.27 Sec. 21. Minnesota Statutes 2022, section 477C.02, subdivision 4, is amended to read:

363.28 Subd. 4. **Penalty for failure to file or correct certification.** (a) If a certification under  
363.29 subdivision 1 or 2 is not filed with the commissioner on or before March ~~15~~ 1, the  
363.30 commissioner must notify the municipal clerk, municipal clerk-treasurer, or county auditor  
363.31 that a penalty ~~equal to a portion or all of its current year aid will apply if the certification~~

364.1 ~~is not received within ten days~~ will be deducted from police state aid certified for the current  
364.2 year if the certification is not filed on or before March 15.

364.3 (b) If the commissioner rejects the certification under subdivision 1 or 2 for inaccurate  
364.4 or incomplete information, the municipal clerk, municipal clerk-treasurer, or county auditor  
364.5 must file a corrective certification after taking corrective action as identified by the  
364.6 commissioner in the notice of rejection. The corrective certification must be filed within  
364.7 30 days of the date on the notice of rejection, or by March 15, whichever date is later.

364.8 ~~(b)~~ (c) A penalty applies to (1) a certification under subdivisions 1 and 2 filed after  
364.9 March 15, and (2) a corrective certification under paragraph (b) filed after March 15 that  
364.10 is also filed more than 30 days after the date on the notice of rejection. The penalty for  
364.11 ~~failure to file the certification under subdivision 1 or 2~~ is equal to the amount of police state  
364.12 aid determined for the municipality for the current year, multiplied by five ten percent for  
364.13 each week or fraction of a week that the certification or corrective certification is late filed  
364.14 after March 15 or more than 30 days after the date on the notice of rejection. The penalty  
364.15 ~~must be computed beginning ten days after the postmark date of the commissioner's~~  
364.16 ~~notification as required under this subdivision.~~ All aid amounts forfeited as a result of the  
364.17 penalty revert to the state general fund. Failure to receive the certification form may not be  
364.18 used as a defense for a failure to file.

364.19 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
364.20 and thereafter.

364.21 Sec. 22. Minnesota Statutes 2022, section 477C.03, subdivision 2, is amended to read:

364.22 **Subd. 2. Apportionment of police state aid.** (a) The total amount available for  
364.23 apportionment as police state aid is equal to 104 percent of the amount of premium taxes  
364.24 paid to the state on the premiums reported to the commissioner by companies or insurance  
364.25 companies on the Minnesota Aid to Police Premium Report, except that credits claimed  
364.26 under section 297I.20, subdivisions 3, 4, 5, and 6, do not affect the calculation of the total  
364.27 amount of police state aid available for apportionment. The total amount for apportionment  
364.28 for the police state aid program must not be less than two percent of the amount of premiums  
364.29 reported to the commissioner by companies or insurance companies on the Minnesota Aid  
364.30 to Police Premium Report.

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

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

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

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

365.12 EFFECTIVE DATE. (a) The amendment to paragraph (a) is effective the day following  
365.13 final enactment.

365.14 (b) The amendment striking paragraph (e) is effective for aids payable in calendar year  
365.15 2024 and thereafter.

365.16 Sec. 23. Minnesota Statutes 2022, section 477C.03, subdivision 5, is amended to read:

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

365.24 EFFECTIVE DATE. This section is effective for aids payable in calendar year 2024  
365.25 and thereafter.

365.26 Sec. 24. Minnesota Statutes 2022, section 477C.04, is amended by adding a subdivision  
365.27 to read:

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

366.1 (b) If an overpayment equals more than ten percent of the most recently paid aid amount,  
366.2 the commissioner must reduce the aid a municipality is to receive by the amount overpaid  
366.3 over a period of no more than three years. If an overpayment equals or is less than ten  
366.4 percent of the most recently paid aid amount, the commissioner must reduce the next aid  
366.5 payment occurring in 30 days or more by the amount overpaid.

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

366.10 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
366.11 and thereafter.

366.12 Sec. 25. **REPEALER.**

366.13 Minnesota Statutes 2022, sections 477B.02, subdivision 4; and 477B.03, subdivision 6,  
366.14 are repealed.

366.15 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
366.16 and thereafter.

## 366.17 **ARTICLE 18**

### 366.18 **DEPARTMENT OF REVENUE:** 366.19 **DATA PRACTICES**

366.20 Section 1. Minnesota Statutes 2022, section 13.46, subdivision 2, is amended to read:

366.21 Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated  
366.22 by the welfare system are private data on individuals, and shall not be disclosed except:

366.23 (1) according to section 13.05;

366.24 (2) according to court order;

366.25 (3) according to a statute specifically authorizing access to the private data;

366.26 (4) to an agent of the welfare system and an investigator acting on behalf of a county,  
366.27 the state, or the federal government, including a law enforcement person or attorney in the  
366.28 investigation or prosecution of a criminal, civil, or administrative proceeding relating to the  
366.29 administration of a program;

366.30 (5) to personnel of the welfare system who require the data to verify an individual's  
366.31 identity; determine eligibility, amount of assistance, and the need to provide services to an

367.1 individual or family across programs; coordinate services for an individual or family;  
367.2 evaluate the effectiveness of programs; assess parental contribution amounts; and investigate  
367.3 suspected fraud;

367.4 (6) to administer federal funds or programs;

367.5 (7) between personnel of the welfare system working in the same program;

367.6 (8) to the Department of Revenue to assess parental contribution amounts for purposes  
367.7 of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit programs  
367.8 and to identify individuals who may benefit from these programs, and prepare the databases  
367.9 for reports required under section 270C.13 and Laws 2008, chapter 366, article 17, section

367.10 6. The following information may be disclosed under this paragraph: an individual's and  
367.11 their dependent's names, dates of birth, Social Security numbers, income, addresses, and  
367.12 other data as required, upon request by the Department of Revenue. Disclosures by the  
367.13 commissioner of revenue to the commissioner of human services for the purposes described  
367.14 in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit  
367.15 programs include, but are not limited to, the dependent care credit under section 290.067,  
367.16 the Minnesota working family credit under section 290.0671, the property tax refund and  
367.17 rental credit under section 290A.04, and the Minnesota education credit under section  
367.18 290.0674;

367.19 (9) between the Department of Human Services, the Department of Employment and  
367.20 Economic Development, and when applicable, the Department of Education, for the following  
367.21 purposes:

367.22 (i) to monitor the eligibility of the data subject for unemployment benefits, for any  
367.23 employment or training program administered, supervised, or certified by that agency;

367.24 (ii) to administer any rehabilitation program or child care assistance program, whether  
367.25 alone or in conjunction with the welfare system;

367.26 (iii) to monitor and evaluate the Minnesota family investment program or the child care  
367.27 assistance program by exchanging data on recipients and former recipients of Supplemental  
367.28 Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D,  
367.29 256J, or 256K, child care assistance under chapter 119B, medical programs under chapter  
367.30 256B or 256L, or a medical program formerly codified under chapter 256D; and

367.31 (iv) to analyze public assistance employment services and program utilization, cost,  
367.32 effectiveness, and outcomes as implemented under the authority established in Title II,  
367.33 Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999.

368.1 Health records governed by sections 144.291 to 144.298 and "protected health information"  
368.2 as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code  
368.3 of Federal Regulations, title 45, parts 160-164, including health care claims utilization  
368.4 information, must not be exchanged under this clause;

368.5 (10) to appropriate parties in connection with an emergency if knowledge of the  
368.6 information is necessary to protect the health or safety of the individual or other individuals  
368.7 or persons;

368.8 (11) data maintained by residential programs as defined in section 245A.02 may be  
368.9 disclosed to the protection and advocacy system established in this state according to Part  
368.10 C of Public Law 98-527 to protect the legal and human rights of persons with developmental  
368.11 disabilities or other related conditions who live in residential facilities for these persons if  
368.12 the protection and advocacy system receives a complaint by or on behalf of that person and  
368.13 the person does not have a legal guardian or the state or a designee of the state is the legal  
368.14 guardian of the person;

368.15 (12) to the county medical examiner or the county coroner for identifying or locating  
368.16 relatives or friends of a deceased person;

368.17 (13) data on a child support obligor who makes payments to the public agency may be  
368.18 disclosed to the Minnesota Office of Higher Education to the extent necessary to determine  
368.19 eligibility under section 136A.121, subdivision 2, clause (5);

368.20 (14) participant Social Security numbers and names collected by the telephone assistance  
368.21 program may be disclosed to the Department of Revenue to conduct an electronic data  
368.22 match with the property tax refund database to determine eligibility under section 237.70,  
368.23 subdivision 4a;

368.24 (15) the current address of a Minnesota family investment program participant may be  
368.25 disclosed to law enforcement officers who provide the name of the participant and notify  
368.26 the agency that:

368.27 (i) the participant:

368.28 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after  
368.29 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the  
368.30 jurisdiction from which the individual is fleeing; or

368.31 (B) is violating a condition of probation or parole imposed under state or federal law;

368.32 (ii) the location or apprehension of the felon is within the law enforcement officer's  
368.33 official duties; and

369.1 (iii) the request is made in writing and in the proper exercise of those duties;

369.2 (16) the current address of a recipient of general assistance may be disclosed to probation  
369.3 officers and corrections agents who are supervising the recipient and to law enforcement  
369.4 officers who are investigating the recipient in connection with a felony level offense;

369.5 (17) information obtained from a SNAP applicant or recipient households may be  
369.6 disclosed to local, state, or federal law enforcement officials, upon their written request, for  
369.7 the purpose of investigating an alleged violation of the Food and Nutrition Act, according  
369.8 to Code of Federal Regulations, title 7, section 272.1(c);

369.9 (18) the address, Social Security number, and, if available, photograph of any member  
369.10 of a household receiving SNAP benefits shall be made available, on request, to a local, state,  
369.11 or federal law enforcement officer if the officer furnishes the agency with the name of the  
369.12 member and notifies the agency that:

369.13 (i) the member:

369.14 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a  
369.15 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

369.16 (B) is violating a condition of probation or parole imposed under state or federal law;  
369.17 or

369.18 (C) has information that is necessary for the officer to conduct an official duty related  
369.19 to conduct described in subitem (A) or (B);

369.20 (ii) locating or apprehending the member is within the officer's official duties; and

369.21 (iii) the request is made in writing and in the proper exercise of the officer's official duty;

369.22 (19) the current address of a recipient of Minnesota family investment program, general  
369.23 assistance, or SNAP benefits may be disclosed to law enforcement officers who, in writing,  
369.24 provide the name of the recipient and notify the agency that the recipient is a person required  
369.25 to register under section 243.166, but is not residing at the address at which the recipient is  
369.26 registered under section 243.166;

369.27 (20) certain information regarding child support obligors who are in arrears may be  
369.28 made public according to section 518A.74;

369.29 (21) data on child support payments made by a child support obligor and data on the  
369.30 distribution of those payments excluding identifying information on obligees may be  
369.31 disclosed to all obligees to whom the obligor owes support, and data on the enforcement

370.1 actions undertaken by the public authority, the status of those actions, and data on the income  
370.2 of the obligor or obligee may be disclosed to the other party;

370.3 (22) data in the work reporting system may be disclosed under section 256.998,  
370.4 subdivision 7;

370.5 (23) to the Department of Education for the purpose of matching Department of Education  
370.6 student data with public assistance data to determine students eligible for free and  
370.7 reduced-price meals, meal supplements, and free milk according to United States Code,  
370.8 title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state  
370.9 funds that are distributed based on income of the student's family; and to verify receipt of  
370.10 energy assistance for the telephone assistance plan;

370.11 (24) the current address and telephone number of program recipients and emergency  
370.12 contacts may be released to the commissioner of health or a community health board as  
370.13 defined in section 145A.02, subdivision 5, when the commissioner or community health  
370.14 board has reason to believe that a program recipient is a disease case, carrier, suspect case,  
370.15 or at risk of illness, and the data are necessary to locate the person;

370.16 (25) to other state agencies, statewide systems, and political subdivisions of this state,  
370.17 including the attorney general, and agencies of other states, interstate information networks,  
370.18 federal agencies, and other entities as required by federal regulation or law for the  
370.19 administration of the child support enforcement program;

370.20 (26) to personnel of public assistance programs as defined in section 256.741, for access  
370.21 to the child support system database for the purpose of administration, including monitoring  
370.22 and evaluation of those public assistance programs;

370.23 (27) to monitor and evaluate the Minnesota family investment program by exchanging  
370.24 data between the Departments of Human Services and Education, on recipients and former  
370.25 recipients of SNAP benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child  
370.26 care assistance under chapter 119B, medical programs under chapter 256B or 256L, or a  
370.27 medical program formerly codified under chapter 256D;

370.28 (28) to evaluate child support program performance and to identify and prevent fraud  
370.29 in the child support program by exchanging data between the Department of Human Services,  
370.30 Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b),  
370.31 without regard to the limitation of use in paragraph (c), Department of Health, Department  
370.32 of Employment and Economic Development, and other state agencies as is reasonably  
370.33 necessary to perform these functions;

371.1 (29) counties and the Department of Human Services operating child care assistance  
371.2 programs under chapter 119B may disseminate data on program participants, applicants,  
371.3 and providers to the commissioner of education;

371.4 (30) child support data on the child, the parents, and relatives of the child may be  
371.5 disclosed to agencies administering programs under titles IV-B and IV-E of the Social  
371.6 Security Act, as authorized by federal law;

371.7 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent  
371.8 necessary to coordinate services;

371.9 (32) to the chief administrative officer of a school to coordinate services for a student  
371.10 and family; data that may be disclosed under this clause are limited to name, date of birth,  
371.11 gender, and address;

371.12 (33) to county correctional agencies to the extent necessary to coordinate services and  
371.13 diversion programs; data that may be disclosed under this clause are limited to name, client  
371.14 demographics, program, case status, and county worker information; or

371.15 (34) between the Department of Human Services and the Metropolitan Council for the  
371.16 following purposes:

371.17 (i) to coordinate special transportation service provided under section 473.386 with  
371.18 services for people with disabilities and elderly individuals funded by or through the  
371.19 Department of Human Services; and

371.20 (ii) to provide for reimbursement of special transportation service provided under section  
371.21 473.386.

371.22 The data that may be shared under this clause are limited to the individual's first, last, and  
371.23 middle names; date of birth; residential address; and program eligibility status with expiration  
371.24 date for the purposes of informing the other party of program eligibility.

371.25 (b) Information on persons who have been treated for drug or alcohol abuse may only  
371.26 be disclosed according to the requirements of Code of Federal Regulations, title 42, sections  
371.27 2.1 to 2.67.

371.28 (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),  
371.29 (17), or (18), or paragraph (b), are investigative data and are confidential or protected  
371.30 nonpublic while the investigation is active. The data are private after the investigation  
371.31 becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

372.1 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are  
372.2 not subject to the access provisions of subdivision 10, paragraph (b).

372.3 For the purposes of this subdivision, a request will be deemed to be made in writing if  
372.4 made through a computer interface system.

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

372.6 Sec. 2. Minnesota Statutes 2022, section 270C.13, subdivision 1, is amended to read:

372.7 Subdivision 1. **Biennial report.** (a) The commissioner shall report to the legislature on  
372.8 the overall incidence of the income tax, sales and excise taxes, and property tax.

372.9 (b) The commissioner must submit the report:

372.10 (1) by March 1, 2021; and

372.11 (2) by March 1, 2024, and each even-numbered year thereafter.

372.12 (c) The report shall present information on the distribution of the tax burden as follows:

372.13 (1) for the overall income distribution, using a systemwide incidence measure such as the  
372.14 Suits index or other appropriate measures of equality and inequality; (2) by income classes,  
372.15 including at a minimum deciles of the income distribution; and (3) by other appropriate  
372.16 taxpayer characteristics.

372.17 (d) The commissioner may request information from any state officer or agency to assist  
372.18 in carrying out this section. The state officer or agency shall provide the data requested to  
372.19 the extent permitted by law.

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

372.21 Sec. 3. Minnesota Statutes 2022, section 270C.446, subdivision 2, is amended to read:

372.22 Subd. 2. **Required and excluded tax preparers.** (a) Subject to the limitations of  
372.23 paragraph (b), the commissioner must publish lists of tax preparers as defined in section  
372.24 270C.445, subdivision 2, paragraph (h), who have been:

372.25 (1) convicted under section 289A.63;

372.26 (2) assessed penalties in excess of \$1,000 under section 289A.60, subdivision 13,  
372.27 paragraph (a);

372.28 (3) convicted for identity theft under section 609.527, or a similar statute, for a return  
372.29 filed with the commissioner, the Internal Revenue Service, or another state;

373.1 (4) assessed a penalty under section 270C.445, subdivision 6, paragraph (a), in excess  
373.2 of \$1,000;

373.3 (5) issued a cease and desist order under section 270C.445, subdivision 6, paragraph  
373.4 (b), that has become a final order; ~~or~~

373.5 (6) assessed a penalty under section 270C.445, subdivision 6, paragraph (l), for violating  
373.6 a cease and desist order; or

373.7 (7) assessed a penalty under section 289A.60, subdivision 28, paragraph (c), or (d), in  
373.8 excess of \$1,000.

373.9 (b) For the purposes of this section, tax preparers are not subject to publication if:

373.10 (1) an administrative or court action contesting or appealing a penalty described in  
373.11 paragraph (a), clause (2), (4), or (6), has been filed or served and is unresolved at the time  
373.12 when notice would be given under subdivision 3;

373.13 (2) an appeal period to contest a penalty described in paragraph (a), clause (2), (4), or  
373.14 (6), has not expired;

373.15 (3) the commissioner has been notified that the tax preparer is deceased;

373.16 (4) an appeal period to contest a cease and desist order issued under section 270C.445,  
373.17 subdivision 6, paragraph (b), has not expired;

373.18 (5) an administrative or court action contesting or appealing a cease and desist order  
373.19 issued under section 270C.445, subdivision 6, paragraph (b), has been filed or served and  
373.20 is unresolved at the time when notice would be given under subdivision 3;

373.21 (6) a direct appeal of a conviction described in paragraph (a), clause (1) or (3), has been  
373.22 filed or served and is unresolved at the time when the notice would be given under  
373.23 subdivision 3; or

373.24 (7) an appeal period to contest a conviction described in paragraph (a), clause (1) or (3),  
373.25 has not expired.

373.26 **EFFECTIVE DATE.** This section is effective for returns filed after December 31, 2023.

373.27 Sec. 4. Minnesota Statutes 2022, section 290A.19, is amended to read:

373.28 **290A.19 OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE.**

373.29 (a) The owner or managing agent of any property for which rent is paid for occupancy  
373.30 as a homestead must furnish a certificate of rent paid to a person who is a renter on December  
373.31 31, in the form prescribed by the commissioner. If the renter moves before December 31,

374.1 the owner or managing agent may give the certificate to the renter at the time of moving,  
374.2 or mail the certificate to the forwarding address if an address has been provided by the  
374.3 renter. The certificate must be made available to the renter before February 1 of the year  
374.4 following the year in which the rent was paid. The owner or managing agent must retain a  
374.5 duplicate of each certificate or an equivalent record showing the same information for a  
374.6 period of three years. The duplicate or other record must be made available to the  
374.7 commissioner upon request.

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

374.20 (c) For the purposes of this section, "owner" includes a park owner as defined under  
374.21 section 327C.015, subdivision 9, and "property" includes a lot as defined under section  
374.22 327C.015, subdivision 6.

374.23 **EFFECTIVE DATE.** This section is effective for refund claims based on rent paid in  
374.24 2023 and thereafter.

374.25 Sec. 5. Minnesota Statutes 2022, section 299C.76, subdivision 1, is amended to read:

374.26 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following definitions  
374.27 apply.

374.28 (b) "Federal tax information" means federal tax returns and return information or  
374.29 information derived or created from federal tax returns, in possession of or control by the  
374.30 requesting agency, that is covered by the safeguarding provisions of section 6103(p)(4) of  
374.31 the Internal Revenue Code.

375.1 (c) "IRS Publication 1075" means Internal Revenue Service Publication 1075 that  
375.2 provides guidance and requirements for the protection and confidentiality of federal tax  
375.3 information as required in section 6103(p)(4) of the Internal Revenue Code.

375.4 (d) "National criminal history record information" means the Federal Bureau of  
375.5 Investigation identification records as defined in Code of Federal Regulations, title 28,  
375.6 section 20.3(d).

375.7 (e) "Requesting agency" means the Department of Revenue, Department of Employment  
375.8 and Economic Development, Department of Human Services, board of directors of MNsure,  
375.9 Department of Information Technology Services, attorney general, and counties.

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

375.11 Sec. 6. Minnesota Statutes 2022, section 299C.76, subdivision 2, is amended to read:

375.12 Subd. 2. **National criminal history record information check.** As required by IRS  
375.13 Publication 1075, a requesting agency shall require fingerprints for a national criminal  
375.14 history record information check from the following individuals who have or will have  
375.15 access to federal tax information:

375.16 (1) a current or prospective permanent or temporary employee of the requesting agency;

375.17 (2) an independent contractor or vendor of the requesting agency; or

375.18 (3) an employee ~~or agent~~ of an independent contractor or vendor of the requesting agency;

375.19 ~~or~~.

375.20 ~~(4) any other individual authorized to access federal tax information by the requesting~~  
375.21 ~~agency.~~

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

375.23 Sec. 7. Laws 2008, chapter 366, article 17, section 6, is amended to read:

375.24 Sec. 6. **DATA UPDATE.**

375.25 The commissioner of revenue must continue to maintain, update, and make available  
375.26 the information required under Laws 1987, chapter 268, article 7, section 1, subdivision 6,  
375.27 paragraph (b). The commissioner may request information from any state officer or agency  
375.28 to assist in carrying out paragraph (b). The state officer or agency shall provide the data  
375.29 requested to the extent permitted by law. The commissioner must provide the most complete

376.1 and current data available, when requested, to the chairs of the senate and house of  
376.2 representatives committees on taxes.

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

376.4

## ARTICLE 19

376.5

### DEPARTMENT OF REVENUE: MISCELLANEOUS

376.6

376.7 Section 1. Minnesota Statutes 2022, section 270C.19, subdivision 2, is amended to read:

376.8 Subd. 2. **Sales, use, and excise taxes.** (a) The commissioner is authorized to enter into  
376.9 a tax agreement with the governing body of any federally recognized Indian ~~reservation~~  
376.10 Tribes in Minnesota, that provides for the state and the Tribal government to share sales,  
376.11 use, and excise tax revenues generated from on-reservation activities of ~~non-Indians~~  
376.12 non-Tribal members and off-reservation activities of Tribal members ~~of the reservation.~~

376.13 Every agreement entered into pursuant to this subdivision must require the commissioner  
376.14 to collect all state and Tribal taxes covered by the agreement.

376.15 (b) The commissioner is authorized to collect any Tribal taxes imposed pursuant to any  
376.16 agreement entered into pursuant to this subdivision and to make payments authorized by  
376.17 the agreement to the Tribal government from the funds collected.

376.18 (c) The commissioner shall pay to the Tribal government its share of the taxes collected  
376.19 pursuant to the agreement, as indicated in the agreement, and grant the taxpayer a credit for  
376.20 the taxpayer's share of the amount paid to the Tribal government against the taxpayer's  
376.21 Minnesota tax.

376.22 **EFFECTIVE DATE.** This section is effective retroactively for agreements entered into  
376.23 or amended after December 31, 2022.

376.24 Sec. 2. Minnesota Statutes 2022, section 295.50, subdivision 4, is amended to read:

376.25 Subd. 4. **Health care provider.** (a) "Health care provider" means:

376.26 (1) a person whose health care occupation is regulated or required to be regulated by  
376.27 the state of Minnesota furnishing any or all of the following goods or services directly to a  
376.28 patient or consumer: medical, surgical, optical, visual, dental, hearing, nursing services,  
376.29 drugs, laboratory, diagnostic or therapeutic services;

376.30 (2) a person who provides goods and services not listed in clause (1) that qualify for  
376.31 reimbursement under the medical assistance program provided under chapter 256B;

377.1 (3) a staff model health plan company;

377.2 (4) an ambulance service required to be licensed;

377.3 (5) a person who sells or repairs hearing aids and related equipment or prescription  
377.4 eyewear; or

377.5 (6) a person providing patient services, who does not otherwise meet the definition of  
377.6 health care provider and is not specifically excluded in clause (b), who employs or contracts  
377.7 with a health care provider as defined in clauses (1) to (5) to perform, supervise, otherwise  
377.8 oversee, or consult with regarding patient services.

377.9 (b) Health care provider does not include:

377.10 (1) hospitals; medical supplies distributors, except as specified under paragraph (a),  
377.11 clause (5); nursing homes licensed under chapter 144A or licensed in any other jurisdiction;  
377.12 wholesale drug distributors; pharmacies; surgical centers; bus and taxicab transportation,  
377.13 or any other providers of transportation services other than ambulance services required to  
377.14 be licensed; supervised living facilities for persons with developmental disabilities, licensed  
377.15 under Minnesota Rules, parts 4665.0100 to 4665.9900; housing with services establishments  
377.16 required to be registered under chapter 144D; board and lodging establishments providing  
377.17 only custodial services that are licensed under chapter 157 and registered under section  
377.18 157.17 to provide supportive services or health supervision services; adult foster homes as  
377.19 defined in Minnesota Rules, part 9555.5105; day training and habilitation services for adults  
377.20 with developmental disabilities as defined in section 252.41, subdivision 3; boarding care  
377.21 homes, as defined in Minnesota Rules, part 4655.0100; and adult day care centers as defined  
377.22 in Minnesota Rules, part 9555.9600;

377.23 (2) home health agencies as defined in Minnesota Rules, part 9505.0175, subpart 15; a  
377.24 person providing personal care services and supervision of personal care services as defined  
377.25 in Minnesota Rules, part 9505.0335; a person providing home care nursing services as  
377.26 defined in Minnesota Rules, part 9505.0360; and home care providers required to be licensed  
377.27 under chapter 144A for home care services provided under chapter 144A;

377.28 (3) a person who employs health care providers solely for the purpose of providing  
377.29 patient services to its employees;

377.30 (4) an educational institution that employs health care providers solely for the purpose  
377.31 of providing patient services to its students if the institution does not receive fee for service  
377.32 payments or payments for extended coverage; and

378.1 (5) a person who receives all payments for patient services from health care providers,  
 378.2 surgical centers, or hospitals for goods and services that are taxable to the paying health  
 378.3 care providers, surgical centers, or hospitals, as provided under section 295.53, subdivision  
 378.4 1, paragraph (b), clause (3) or (4), or from a source of funds that is excluded or exempt from  
 378.5 tax under ~~this chapter~~ sections 295.50 to 295.59.

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

378.7 Sec. 3. Minnesota Statutes 2022, section 296A.083, subdivision 3, is amended to read:

378.8 Subd. 3. **Surcharge rate.** (a) ~~By July 16, 2008, and each April 1 thereafter~~ May 1 each  
 378.9 year, the commissioner of revenue shall calculate and publish a surcharge as provided in  
 378.10 ~~paragraphs~~ paragraph (b) and (e). The surcharge is imposed ~~from August 1, 2008, through~~  
 378.11 ~~June 30, 2009, and each new surcharge thereafter is imposed the following~~ beginning July  
 378.12 1 of the year it is published through June 30 of the following year.

378.13 ~~(b) For fiscal years 2009 through 2012, the commissioner shall set the surcharge as~~  
 378.14 ~~specified in the following surcharge rate schedule.~~

378.15 **Surcharge Rate Schedule**

378.16 Fiscal Year	378.16 Rate (in cents per gallon)
378.17 2009	378.17 0.5
378.18 2010	378.18 2.1
378.19 2011	378.19 2.5
378.20 2012	378.20 3.0

378.21 ~~(e) For fiscal year 2013 and thereafter,~~ (b) The commissioner shall set the surcharge at  
 378.22 the lesser of (1) 3.5 cents, or (2) an amount calculated so that the total proceeds from the  
 378.23 surcharge deposited in the trunk highway fund from fiscal year 2009 to the upcoming fiscal  
 378.24 year equals the total amount of debt service from fiscal years 2009 to 2039, and the surcharge  
 378.25 is rounded to the nearest 0.1 cent.

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

378.27 Sec. 4. Minnesota Statutes 2022, section 297A.61, subdivision 29, is amended to read:

378.28 Subd. 29. **State.** Unless specifically provided otherwise, "state" means any state of the  
 378.29 United States, ~~the Commonwealth of Puerto Rico, and the District of Columbia, and any~~  
 378.30 territory of the United States, including American Samoa, Guam, Northern Mariana Islands,  
 378.31 Puerto Rico, and the U.S. Virgin Islands.

379.1 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
 379.2 30, 2023."

379.3 Delete the title and insert:

379.4 "A bill for an act

379.5 relating to financing and operation of state and local government; modifying  
 379.6 provisions governing individual income and corporate franchise taxes, federal  
 379.7 income tax conformity, property taxes, certain state aid and credit programs, sales  
 379.8 and use taxes, minerals taxes, tax increment financing, certain local taxes,  
 379.9 provisions related to public finance, and various other taxes and tax-related  
 379.10 provisions; modifying and establishing various income tax credits; modifying  
 379.11 existing and proposing new additions and subtractions; modifying provisions  
 379.12 related to the taxation of pass-through entities; providing for certain federal tax  
 379.13 conformity; modifying provisions related to reporting of corporate income;  
 379.14 providing a onetime refundable rebate credit; modifying property tax exemptions,  
 379.15 classifications, and refunds; modifying local government aid calculations;  
 379.16 establishing a soil and water conservation district aid, an electric generation  
 379.17 transition aid, a Tribal Nation aid, and a statewide local housing aid; providing  
 379.18 public safety aid; modifying sales tax exemptions and authorizing new sales tax  
 379.19 exemptions; modifying taconite taxes and distributions; converting the renter's  
 379.20 property tax refund into a refundable individual income tax credit; modifying  
 379.21 provisions related to tax increment financing and allowing certain special local  
 379.22 provisions; modifying existing local taxes and authorizing new local taxes;  
 379.23 providing provisions related to public finance; modifying certain retirement plans;  
 379.24 providing for a process to refund the state stadium bonds; modifying electronic  
 379.25 bingo and electronic pull-tab devices; establishing tourism improvement districts;  
 379.26 requiring reports; providing for certain policy and technical modifications;  
 379.27 appropriating money; amending Minnesota Statutes 2022, sections 3.8855,  
 379.28 subdivisions 4, 7; 6.495, subdivision 3; 13.46, subdivision 2; 16A.726; 38.27,  
 379.29 subdivision 4; 41B.0391, subdivisions 1, 2, 4, 6, 7; 103D.905, subdivision 3;  
 379.30 116J.8737, subdivisions 5, 12; 116U.27, subdivisions 1, 4, 7; 118A.04, subdivision  
 379.31 5; 123B.61; 126C.10, subdivision 37; 270A.03, subdivision 2; 270B.12, subdivision  
 379.32 8; 270B.14, subdivision 1; 270C.13, subdivision 1; 270C.19, subdivisions 1, 2;  
 379.33 270C.446, subdivision 2; 270C.52, subdivision 2; 272.02, subdivisions 24, 73, 98,  
 379.34 by adding a subdivision; 273.11, subdivisions 12, 23; 273.111, by adding a  
 379.35 subdivision; 273.124, subdivisions 6, 13, 13a, 13c, 13d, 14; 273.1245, subdivision  
 379.36 1; 273.128, subdivisions 1, 2, by adding a subdivision; 273.13, subdivisions 25,  
 379.37 34, 35; 273.1315, subdivision 2; 273.1341; 273.1392; 275.065, subdivisions 3,  
 379.38 3b, 4; 278.01, subdivision 1; 279.03, subdivision 1a; 282.261, subdivision 2;  
 379.39 289A.02, subdivision 7, as amended; 289A.08, subdivisions 7, as amended, 7a,  
 379.40 as amended, by adding a subdivision; 289A.18, subdivision 5; 289A.38, subdivision  
 379.41 4; 289A.382, subdivision 2; 289A.50, by adding a subdivision; 289A.56,  
 379.42 subdivision 6; 289A.60, subdivisions 12, 13; 290.01, subdivisions 19, as amended,  
 379.43 21a, 31, as amended; 290.0122, subdivision 2; 290.0123, subdivisions 5, 6;  
 379.44 290.0131, subdivision 17; 290.0132, subdivisions 4, 24, 26, 27, by adding  
 379.45 subdivisions; 290.0133, subdivision 6; 290.0134, subdivision 18; 290.06,  
 379.46 subdivisions 2c, as amended, 22, 23, 39, by adding a subdivision; 290.067;  
 379.47 290.0671, as amended; 290.0674; 290.0677, subdivision 1; 290.0681, subdivision  
 379.48 10; 290.091, subdivision 2, as amended; 290.095, subdivision 2; 290.21,  
 379.49 subdivisions 4, 9, by adding a subdivision; 290.92, subdivision 20; 290.9705,  
 379.50 subdivision 1; 290A.02; 290A.03, subdivisions 3, 6, 8, 12, 13, 15, as amended, by  
 379.51 adding a subdivision; 290A.04, subdivisions 1, 2, 2h, 4, 5; 290A.05; 290A.07,  
 379.52 subdivision 2a; 290A.08; 290A.09; 290A.091; 290A.13; 290A.19; 290A.25;  
 379.53 290B.03, subdivision 1; 290B.04, subdivisions 3, 4; 290B.05, subdivision 1;  
 379.54 291.005, subdivision 1, as amended; 295.50, subdivision 4; 296A.083, subdivision  
 379.55 3; 297A.61, subdivisions 4, 29; 297A.67, subdivisions 35, 38, by adding a

380.1 subdivision; 297A.68, subdivisions 4, 25, by adding a subdivision; 297A.70,  
380.2 subdivisions 7, 21; 297A.71, subdivision 51; 297A.99, by adding a subdivision;  
380.3 297A.994, subdivision 4; 297E.02, subdivision 6; 297E.06, subdivision 4; 297H.13,  
380.4 subdivision 2; 297I.20, by adding a subdivision; 298.015; 298.018, subdivisions  
380.5 1, 1a; 298.28, subdivisions 5, 7a, by adding a subdivision; 298.296, subdivision  
380.6 4; 299C.76, subdivisions 1, 2; 327C.02, subdivision 5; 349.11; 349.12, subdivisions  
380.7 12a, 12b, 12c, by adding a subdivision; 349.151, subdivision 4d; 349.163, by  
380.8 adding subdivisions; 354.05, subdivision 38; 354.42, subdivisions 2, 3; 354A.011,  
380.9 subdivision 15a; 354A.12, subdivisions 1, as amended, 2a; 356.215, subdivision  
380.10 11; 366.095, subdivision 1; 373.01, subdivision 3; 383B.117, subdivision 2;  
380.11 383E.21; 410.32; 412.301; 462A.05, subdivision 24; 462A.38; 469.033, subdivision  
380.12 6; 469.053, subdivisions 4, 6; 469.107, subdivision 1; 469.174, subdivisions 14,  
380.13 27, by adding a subdivision; 469.175, subdivision 6; 469.176, subdivisions 3, 4;  
380.14 469.1763, subdivisions 2, 3, 4, 6; 469.1771, subdivisions 2, 2a, 3; 473F.02,  
380.15 subdivisions 2, 8; 473J.13, subdivisions 2, 4; 474A.02, subdivisions 22b, 23a;  
380.16 475.54, subdivision 1; 477A.011, subdivision 34, by adding subdivisions;  
380.17 477A.0124, subdivisions 2, 3; 477A.013, subdivisions 8, 9; 477A.014, subdivision  
380.18 1; 477A.015; 477A.03, subdivisions 2a, 2b; 477A.12, subdivisions 1, 3, by adding  
380.19 a subdivision; 477A.30; 477B.01, subdivisions 5, 10, 11, by adding subdivisions;  
380.20 477B.02, subdivisions 2, 3, 5, 8, 9, 10, by adding a subdivision; 477B.03,  
380.21 subdivisions 2, 3, 4, 5, 7; 477B.04, subdivision 1, by adding a subdivision; 477C.02,  
380.22 subdivision 4; 477C.03, subdivisions 2, 5; 477C.04, by adding a subdivision; Laws  
380.23 1971, chapter 773, section 1, subdivision 2, as amended; Laws 1980, chapter 511,  
380.24 sections 1, subdivision 2, as amended; 2, as amended; Laws 1993, chapter 375,  
380.25 article 9, section 46, as amended; Laws 1998, chapter 389, article 8, section 43,  
380.26 as amended; Laws 2003, chapter 127, article 10, section 31, subdivision 1, as  
380.27 amended; Laws 2006, chapter 259, article 11, section 3, as amended; Laws 2008,  
380.28 chapter 366, article 5, sections 26, as amended; 36, subdivisions 1, 3, as amended;  
380.29 article 7, sections 17; 20, as amended; article 17, section 6; Laws 2011, First Special  
380.30 Session chapter 7, article 4, section 14; Laws 2014, chapter 308, article 6, section  
380.31 12, subdivision 2; Laws 2019, First Special Session chapter 6, article 6, sections  
380.32 13, subdivisions 3, 4, by adding a subdivision; 18; 26; article 7, section 7; Laws  
380.33 2021, First Special Session chapter 14, article 8, sections 5; 6, subdivisions 2, 3;  
380.34 15, subdivisions 2, 3, 4, by adding a subdivision; 20, subdivision 4; article 9,  
380.35 section 10; Laws 2023, chapter 1, section 15; proposing coding for new law in  
380.36 Minnesota Statutes, chapters 16A; 181; 290; 477A; proposing coding for new law  
380.37 as Minnesota Statutes, chapter 428B; repealing Minnesota Statutes 2022, sections  
380.38 16A.965; 270A.04, subdivision 5; 290.01, subdivision 19i; 290.0131, subdivision  
380.39 18; 290.0132, subdivisions 28, 33; 290.0134, subdivision 17; 290A.03, subdivisions  
380.40 9, 11; 290A.04, subdivision 2a; 290A.23, subdivision 1; 297E.021; 477A.011,  
380.41 subdivisions 30a, 38, 42, 45; 477A.013, subdivision 13; 477A.16, subdivisions 1,  
380.42 2, 3; 477B.02, subdivision 4; 477B.03, subdivision 6."

381.1 We request the adoption of this report and repassage of the bill.

381.2 House Conferees:

381.3 ..... ..

381.4 Aisha Gomez Dave Lislegard

381.5 ..... ..

381.6 Liz Lee Esther Agbaje

381.7 .....

381.8 Greg Davids

381.9 Senate Conferees:

381.10 ..... ..

381.11 Ann H. Rest Matt Klein

381.12 ..... ..

381.13 D. Scott Dibble Bill Weber

381.14 .....

381.15 Grant Hauschild